



Board of Supervisors Operations Cluster Agenda Review Meeting

DATE: December 18, 2024

TIME: 2:00 p.m. – 4:00 p.m.

MEETING CHAIR: Michelle Vega, 5th Supervisorial District

CEO MEETING FACILITATOR: Thomas Luscombe

THIS MEETING IS HELD UNDER THE GUIDELINES OF BOARD POLICY 3.055

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

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:
REQUEST FOR DELEGATED AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO EXECUTE A QUITCLAIM DEED AND FUNDING AGREEMENT WITH HAPPY TRAILS FOR KIDS
APPROVE AN APPROPRIATION ADJUSTMENT, AND
50-YEAR LEASE WITH SIERRA YOUTH SPORTS ASSOCIATION,
30500 ARRASTRE CANYON ROAD, ACTON
CEO-RE – Michael G. Rodriguez, Section Chief, County-Owned properties
- B) Board Letter:
ADOPT RESOLUTION APPROVING ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS FOR MULTIFAMILY HOUSING IN UNINCORPORATED WEST LOS ANGELES
LACDA – Lynn Katano, Director of Housing Investment & Finance
- C) Board Memo:
NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE NEGOTIATIONS WITH TYLER TECHNOLOGY, INC. TO CONTRACT NO. 78227 FOR ELECTRONIC PERMITTING AND INSPECTIONS - COUNTY OF LOS ANGELES (EPIC-LA) SYSTEM
DRP/CIO – Dennis Slavin, DRP, Chief Deputy Director and Art Vander Vis, DPW, Assistant Director
- D) Board Letter:
APPROVAL OF CONTRACT FOR EMPLOYEE HEALTH AND WELFARE BENEFIT CONSULTING AND PROJECT MANAGEMENT SERVICES FOR EMPLOYEE HEALTH AND WELFARE INSURANCE PLANS
DHR – Maggie Martinez, Assistant Director, Employee Benefits Division
- E) Board Letter:
66-MONTH LEASE AMENDMENT
12801 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
AND
68-MONTH LEASE AMENDMENT
12851 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
DEPARTMENT OF PUBLIC SOCIAL SERVICES
CEO-RE – Alexandra Nguyen-Rivera, Section Chief, Leasing
- F) Board Letter:
TWO TWELVE-YEAR LEASES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12820 AND 12860 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
CEO-RE – Alexandra Nguyen-Rivera, Section Chief, Leasing

G) Board Letter:
TWELVE-YEAR LEASE
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12900 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
CEO-RE – Alexandra Nguyen-Rivera, Section Chief, Leasing

4. PRESENTATION ITEM(S):

None available.

5. ADJOURNMENT

UPCOMING ITEM(S):

None available.

IF YOU WOULD LIKE TO EMAIL A COMMENT ON AN ITEM ON THE
OPERATIONS CLUSTER AGENDA, PLEASE USE THE FOLLOWING EMAIL
AND INCLUDE THE AGENDA NUMBER YOU ARE COMMENTING ON:

OPS_CLUSTER_COMMENTS@CEO.LACOUNTY.GOV

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	12/18/2024	
BOARD MEETING DATE	1/14/2025	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input checked="" type="checkbox"/> 5 th	
DEPARTMENT(S)	DPH site	
SUBJECT	Quitclaim deed to transfer DPH property to Happy Trails for Kids, a 501(c)(3) nonprofit organization, Funding Agreement, appropriation adjustment, and a 50-year lease with Sierra Youth Sports Association	
PROGRAM	N/A	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS	Required for Happy Trails to begin site improvements.	
COST & FUNDING	Total cost: \$3,975,000	Funding source: DPH and Various Public Health Centers Refurbishment, Capital Project No. 87426
	TERMS (if applicable): Grantee to use the site to provide overnight camp programs for foster youth. Certain County rights retained for trail use, etc.	
	Explanation: Start-up funds required to replace wastewater treatment plant, repairs, and capital improvements to make the site ready for camp purposes.	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize CEO to quitclaim the DPH property to Happy Trails for Kids, execute a Funding Agreement and appropriation adjustment to provide funds for repairs and capital improvements to the site, and enter into a lease with Sierra Sports Youth Association.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The DPH site was formerly used as an adult residential drug treatment center that has not been in service since 2021 and is no longer being used by the department but is still incurring maintenance costs. Happy Trails for Kids will be able to use the site to provide overnight camp programming for foster youth. Pali Institute, Inc will also use the site under a proposed lease with Happy Trails for Kids for outdoor education, science and leadership camps during the school year.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
DEPARTMENTAL CONTACTS	Michael G. Rodriguez Section Chief, County-Owned properties CEO Real Estate Division 213-974-4246 MGRodriguez@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"

January 14, 2025

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

Dear Supervisors:

**REQUEST FOR DELEGATED AUTHORITY TO THE CHIEF EXECUTIVE OFFICER
TO EXECUTE A QUITCLAIM DEED AND FUNDING AGREEMENT WITH
HAPPY TRAILS FOR KIDS
APPROVE AN APPROPRIATION ADJUSTMENT, AND
50-YEAR LEASE WITH SIERRA YOUTH SPORTS ASSOCIATION,
30500 ARRASTRE CANYON ROAD, ACTON
(FISCAL YEAR 2024-25)
(FIFTH DISTRICT) (4 VOTES)**

SUBJECT

This is a request for delegated authority to the Chief Executive Officer, or her designee, to approve and execute: 1) a quitclaim deed to transfer the County-owned property located at 30500 Arrastre Canyon Road in Acton (Property), to Happy Trails for Kids; 2) a funding agreement to support improvements for the site; 3) an appropriation adjustment; and 4) a 50-year lease (Little League Lease) to the Sierra Youth Sports Association for a portion of the northern most part of the Property for baseball and softball activities.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the delegation of authority to approve and execute a proposed quit claim deed and Little League Lease is not a project under the California Environmental Quality Act (CEQA); alternatively, find that the delegation of authority to approve and execute a proposed quitclaim deed and Little League Lease is exempt from the CEQA for the reasons stated in this letter and in the record of the proposed activities; further

find that delegation of authority to approve and execute a funding agreement are exempt from CEQA for the reasons stated in this Board letter and in the record of the proposed actions.

2. Find that pursuant to Government Code Section 26227, the recommended actions to authorize execution of the proposed quitclaim deed, funding agreement, and Little League Lease will serve public purposes and will make available County real property, not needed for County purposes, to be used to carry out programs in the best interests of the County and the public.
3. Authorize the Chief Executive Officer, or her designee, to execute the proposed quitclaim deed for approximately 133 acres located at 30500 Arrastre Canyon Road in Acton, Los Angeles County from the County (Grantor) to Happy Trails for Kids, a California nonprofit corporation (Grantee).
4. Approve an appropriation adjustment to transfer \$2,400,000 from Various Public Health Centers Refurbishment, Capital Project No. 87426, and \$1,500,000 from the Department of Public Health (DPH) Services and Supplies budget, offset with 2011 Realignment-Nondrug Medi-Cal Substance Abuse Treatment Services revenue, to the Project and Facility Development budget for the "Happy Trails for Kids Campus Renovation Project" funding agreement with Happy Trails for Kids for improvements and repairs. Also, to transfer \$75,000 from Various Public Health Centers Refurbishment, Capital Project No. 87426 to Board of Supervisors Services and Supplies budget for Social Program Agreement with Happy Trails for Kids for capital improvement of the campus.
5. Authorize the Chief Executive Officer, or her designee, to execute, and if necessary, to amend or terminate the proposed funding agreement between the County and Happy Trails for Kids for the total amount not to exceed \$3,900,000 for repairs, renovations, and capital improvements on the Property (Funding Agreement).
6. Authorize the Chief Executive Officer, or her designee, to execute the proposed 50-year lease with Sierra Youth Sports Association, Inc. for the use of the property for baseball and softball activities for their Little League.
7. Authorize and delegate authority to the Chief Executive Officer, or her designee, to negotiate, approve, execute, and grant any other consents or ancillary documentation approved as to form by County Counsel, which are necessary to effectuate the proposed quitclaim deed, Funding Agreement, and Little League Lease, and to take any actions necessary and appropriate to implement the proposed quitclaim deed, Funding Agreement, and Little League Lease.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions would find that the delegation of authority to approve and execute a proposed quitclaim deed is not a project under the California Environmental Quality Act (CEQA); alternatively, approval would find that the delegation to approve and execute a proposed quitclaim deed is exempt from the CEQA; approval of the actions herein would further find that delegation of authority to approve and execute the Little League Lease and Funding Agreement are exempt from CEQA and authorize and delegate authority for the proposed actions.

The County of Los Angeles prioritizes efforts that support the ability of young people to develop to their full potential. This is especially important for those that are involved in our dependency system. Providing access to summer camp presents a unique opportunity to help support the development of youth who are currently in the foster care system. Summer camp has been shown to improve academic outcomes including the ability to meet grade-level expectations in reading and math, thus reducing the likelihood that they will be held back a grade or drop out of school. Summer camp also enhances the development of social skills, conflict resolution, cooperation with others, and helps to build self-esteem and resilience. Such skills lead to a reduced likelihood that these young people will engage in risky behaviors, such as substance use and delinquency. Outdoor activities help to improve their physical health, develop healthy habits, and reduce stress and anxiety. In addition to these benefits, summer camp can also provide foster youth with a sense of belonging and community within an environment conducive to positive youth development and the promotion of healthy behaviors.

The 133-acre campus, built in the 1930's, was previously used by DPH as an adult residential substance use disorder treatment center. While the facility has been closed since July 2021, and since then has been unoccupied, historically it accommodated up to 309 patients with 149 staff. It is an ideal location to repurpose for foster youth camp services given its existing residential cabins and dorms (that have accommodated up to 458 staff and campers), its industrial kitchen space, indoor group rooms, administrative offices, and baseball fields. In addition, the Property contains undeveloped land with potential to expand recreational and educational opportunities in the future.

Section 26227 of the California Government Code authorizes the Board to expend money to establish programs, or fund programs deemed by the Board to be necessary to meet the social needs of the population of the County. Section 26227, moreover, authorizes the Board to make available real property to nonprofit corporations to carry out these programs without complying with any other provisions of the California Government Code, including the Surplus Land Act

Happy Trails for Kids, a 501(c)(3) non-profit organization, emerged as the most appropriate non-profit entity to occupy the site. Their mission to serve foster youth through camp access accords with the County's priority to effectively serve youth involved

in the dependency and delinquency systems, and to support their preparation for, and successful transition to adulthood.

The Property would be granted to Grantee by a quitclaim deed, on an “as-is where-is” basis with all future costs for maintenance, renovations, and development efforts covered at the expense of the Grantee. The proposed quitclaim deed would be on a gratis basis as authorized by section 26227. The quitclaim deed would reserve to the County certain existing rights over the Property, including pre-existing access rights and the ability to continue accessing existing Department of Parks and Recreation trails, by reserving for itself a 20-foot-wide easement for public use, as well as for vehicular traffic. It would also contain a reversionary clause should Grantee fail to provide or allow others to provide seasonal camp use for foster youth or if they should sell the Property. As part of the proposed Property transfer, the Grantee would assume the proposed Little League Lease and would be responsible for allowing the community to continue use of the ballfields. Sierra Youth Sports Association currently uses the ballfields for their Little League.

Grantee anticipates making certain improvements after the quitclaim has been completed, including replacement of the defunct wastewater treatment system destroyed by a lightning strike and fire; minor interior renovation and repair of existing structures to accommodate the camp's immediate needs; and revitalization of existing playing fields. Grantee intends to make other improvements subsequent to the proposed transfer including: 1) landscaping, with any tree removal limited to the preservation of health and safety; 2) building a children's playground in previously used recreational areas; 3) refurbishing outdoor sports areas; 4) creating new seating and gathering areas with related shade structures; 5) paving a small parking area; 6) placing signage on existing trails; 7) installing new lighting and signage on designated pedestrian pathways; 8) repairing existing RV pads; 9) repaving of the existing drop-off area; 10) updating the main entrance sign; and 11) building spaces for outdoor recreation in previously disturbed areas of the site, including a new rock-climbing wall, archery field, and ropes course.

The County will provide funds to Grantee, not to exceed \$1,500,000, for due diligence environmental reports, consisting of a Phase I Environmental Site Assessment conducted in advance of the proposed transfer, and for the replacement work on the wastewater treatment system. In addition, the County would provide funds, not to exceed \$2,400,000 for repairs and capital improvements as described above, to make the site camp-ready, for a total of \$3,900,000. The transfer of \$3,900,000 will be formalized through the Funding Agreement. Additionally, \$75,000 was granted to Happy Trails for Kids through a Social Program Agreement for predevelopment activities at the site.

Happy Trails plans to lease the property to Pali Institute, Inc., an outdoor education benefit corporation, and contract with Pali Ranch, LLC to manage, maintain, and operate the Property year-round. Pali Institute, Inc. provides outdoor and overnight education programs for grades 3 through 12 focusing on outdoor education, science, and leadership. Happy Trails and Pali Institute, Inc. plan to share the Property, with Happy Trails operating

their camp during the summer months of June, July, and August, and Pali Institute, Inc. operating their outdoor education camp during the traditional school year of September 1 through May 30.

The northernmost portion of the site has been used by the Little League, pursuant to a license approved by the Board on January 7, 2003. Under this license, the Little League has provided programs for baseball and softball leagues along with tournaments to the local Acton community. The proposed Little League Lease with the Little League would allow the community to continue its youth programming according to and at the level of usage included in the previous license, encouraging team building and health through an active lifestyle.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 2 – *“Foster Vibrant and Resilient Communities”* – supports that the investments in the lives of County residents are sustainable only when grounded in strong communities. LA County, with the support of a network of public/private partners and community-based organizations, will foster vibrant and resilient communities. It also addresses community-wide issues, social determinants of health, risks and conditions that contribute to health disparities and threaten healthy lifestyles, and environmental and community health. Lastly, it invests in our communities and creates public spaces and programs that are welcoming, accessible, where all residents can easily build relationships, create social networks, feel connected, and can access opportunities.

The proposed actions are also consistent with the Strategic Asset Management Goals Strengthening the connection between service priorities and asset decisions and Prioritizing needs to optimize highest and best use of assets and Key Objective No. 5. – Fund Highest Priority Needs.

The proposed quitclaim deed, Funding Agreement, and Little League Lease support the above goals and objective by investing County’s resources into programs that foster both the mental and physical wellbeing of the youth in Los Angeles County.

FISCAL IMPACT/FINANCING

Currently, DPH spends approximately \$3,000,000 each year maintaining the property. Transferring this site to Grantee will enable DPH to avoid spending additional funds to maintain, repair and operate this unused property.

The maximum total cost incurred by the County under the Funding Agreement will not exceed \$3,900,000, of which \$1,500,000 is allocated to the replacement of the current inoperable wastewater treatment plant, and \$2,400,000 is allocated for repairs and capital improvements to the site.

Approval of the enclosed appropriation adjustment (Enclosure C) will transfer \$2,400,000 from Various Public Health Centers Refurbishment, Capital Project No. 87426, and \$1,500,000 from the Department of Public Health Services and Supplies budget, offset with 2011 Realignment-Non-Drug Medi-Cal Substance Abuse Treatment Services revenue, to the Project and Facility Development budget for a Capital Improvement and Acton Wastewater Solution Funding Agreement with Happy Trails for Kids. The appropriation adjustment will also transfer \$75,000 from Various Public Health Centers Refurbishment, Capital Project No. 87426 to Board of Supervisors Services and Supplies budget for Social Program Agreement with Happy Trails for Kids for capital improvement of the campus.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel has reviewed the proposed quitclaim deed, Funding Agreement, and Little League Lease and has approved them as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed delegation of authority to approve and execute a quit claim deed and the proposed Little League lease are activities that are not a project under the California Environmental Quality Act (CEQA) because they are excluded from the definition of a project set forth in California Public Resources Code Section 21065 and State CEQA Guidelines Section 15378(b) since the activities are administrative activity of government that will not result in direct or indirect physical changes in the environment. These are individual and unrelated actions, as there had been an existing agreement with the Little League since 2003 that would have continued regardless of the proposed transfer. Alternatively, delegation of authority for execution of a quit claim deed and Little League Lease are categorically exempt from the CEQA because they are within certain classes of projects that have been determined not to have a significant effect on the environment according to sections 15301(a), (b), (c) and (d), 15302(c), 15303 (c), (d), and (e), 15304 (b), and 15311(a) and (b), and 15331 of the State CEQA Guidelines and Classes, and 1(c),(d), (n), and (u), 2(a), (b), and (e), 3(b), (d), and (k), 4(c) and 11, of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. Execution of the proposed funding agreement is categorically exempt from CEQA, pursuant to the same exemption sections, or the same reasons. The proposed improvements to be funded provide for operation, leasing, minor alteration of existing public facilities, including interior modification of existing facilities and structures, and a change in the method of conveyance of an existing facility with negligible or no expansion of an existing or former use; replacement of existing facilities at the same site with new

facilities of substantially the same purpose and capacity; revitalization of existing playing fields and multi-purpose courts; installation of new small equipment in existing facilities; accessory structures; minor alteration of land including landscaping and signage with no removal of trees, unless otherwise recommended by arborist reports; and maintenance, repair and restoration of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties. Additionally, the proposed project will comply with all applicable regulations, is not located in a sensitive environment, and has no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste sites compiled pursuant to Government Code Section 65962.5, or indications that the project may cause a substantial adverse change in the significance of a historical resource that would make the exemptions inapplicable based on the records of the proposed project.

Upon the Board's approval of the recommended actions, the Chief Executive Officer, or her designee, will file a Notice of Exemption with the Registrar-Recorder/County Clerk and with the State Clearinghouse at the Governor's Office of Land Use and Climate Innovation in accordance with section 21152 of the Public Resources Code and will post the notice to the County's website pursuant to section 21092.2.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services as the site is no longer in use and of use to DPH.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:JTC
JLC:HD:MGR:kg

Enclosures

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

RECORDING REQUESTED BY:

County of Los Angeles

AND MAIL TO:

Happy Trails for Kids
 Attn: Lindsay Elliott, Executive Director
 2525 Ocean Park Blvd., Suite 104
 Santa Monica, CA 90408

_____ Space above this line for Recorder's use _____

DOCUMENTARY TRANSFER TAX IS \$_____ County

TAX PARCEL: APN: 3209-020-900

QUITCLAIM DEED

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the **COUNTY OF LOS ANGELES**, a body corporate and politic ("Grantor"), hereby releases, remises and quitclaims to:

HAPPY TRAILS FOR KIDS, a California nonprofit corporation ("Grantee")

all of the Grantor's right, title and interest in and to the real property ("Property"), "as-is", "where-is", with all faults and no representations or warranties of any kind whatsoever, express or implied, as to the condition, use, or suitability of Grantee's intended use of the Property, reserving and excepting to the County the following:

- a. all oil, gas, hydrocarbons, and other minerals in and under the Property without the right to the use of the surface or subsurface to a depth of 500 feet, measured vertically from the surface of the Property.
- b. a twenty (20) foot wide easement for public use as "multi-use trails" accommodating pedestrians, equestrians, mountain bikers, and County vehicles beginning at the southwest corner of the parcel adjacent to the existing road, extending due north to the northwest corner of the property, extending along the existing unpaved access road, and then southeast to the intersections of parcels 3209-020-057 and 3209-020-65 as depicted in Exhibit D attached hereto.
- c. an easement for a trailhead and a public parking area of approximately 3.00 acres of the partially graded area located northeast portion of the property at Lat:34.27'7.94" N and Lon:118.11'38.47" W for use as a trailhead and public parking area including an easement for public vehicular ingress and egress extending along the existing unpaved access road to and from the trailhead easement and Crown Valley Road.
- d. the accustomed right of access and use of the Property by several of its departments, including but not limited to the Department of Public Works and Fire Department, upon sufficient written notice.
- e. the right to request reasonable use of the Property, subject to Section 8 below.

The Property is located at 30500 Arrastre Canyon Road, in the County of Los Angeles, State of California and is more particularly described in the attached Exhibit A and depicted in Exhibit B, both incorporated herein by reference as though set forth in full.

SUBJECT TO AND GRANTEE TO ASSUME THE FOLLOWING COVENANTS (Covenants):

1. All taxes, interest, penalties and assessments of record, if any.
2. Covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, as recorded, if any
3. Any other encumbrance or interest in the Property, recorded or unrecorded, if any.
4. The express condition that the Property shall be equally open and available to residents of incorporated and unincorporated territory, and there shall be no discrimination against, or preference, gratuity, bonus, or other benefits given to residents of incorporated area not equally accorded residents of unincorporated territory.
5. The express condition that the Property so conveyed shall focus on serving children in the foster care system through seasonal camp services for such children, and shall also be used to provide outdoor education services and recreational activities for the community as more specifically set forth in Sections 6 and 7 below. If Grantee should fail, refuse, or neglect to use said Property for such seasonal camp, recreational activities and/or outdoor educational purposes, title to the said Property shall immediately revert to the County free of all monetary liens and encumbrances, without further notice and without the necessity of any affirmative action on the part the County to assert any rights in the said Property.
6. Notwithstanding the above, the County understands and agrees that Grantee's lessees, licensees, and operators, may provide camp, outdoor education and recreational services to others not in the foster care system during the time periods when the Property is not being used by Grantee.
7. The express condition that the Grantee assume and perform all duties under that certain lease ("Lease") between the County and the Sierra Youth Sports Association, Inc. ("Little League") dated ____, 2025, under which the Little League has full use of the northernmost three acres of the Property (the "ballfields" more particularly described in Exhibit C) for the Little League's continued and accustomed use, and if the Grantee should fail, refuse, or neglect to honor its duties under the Lease in any material respect, after notice and ten (10) day cure period, Property ownership shall automatically revert back to County should the ballfields be used by Grantee or with Grantee's permission for any other purposes. For the purpose of clarity, if the Little League or comparable successor ceases to use the ballfields at its own discretion, or if the Little League or comparable successor breaches or terminates the Lease, the reversion provisions shall not be applicable.
8. Upon the County's request, which request shall be made not less than thirty (30) business days prior to the desired date and time, to the extent not conflicting with a previously scheduled use for the desired facility or facilities or impeding or interfering with Grantee's use of the Property, Grantee shall make the Property available for County's reasonable use. County recognizes that Grantee's scheduling may occur far in advance and as a result, availability may be limited. County's request shall state with specificity the date(s), time(s) and purpose(s) for which use of such facilities is being requested. County shall not exercise its rights under this Section 8 more than twelve (12) times in any calendar year or for a total of more than twenty (20) days. Further, such use shall be no more than (4) times or for a total of more than six (6) days during the Los Angeles Unified School District school year. County shall not be responsible for any fees, rent or

costs for the use of the space; provided, that Grantee may charge County for any reasonable, actual, out-of-pocket, third-party expenses incurred due to County's use (including a pro rata portion of the salary of any on-site staffing necessary for the County's use), and County shall be responsible for and shall promptly repair any damage to the Property, and remove all trash and debris, caused by County's use or entry onto the Property. All County invitees on the site shall have appropriate background checks completed in light of the presence of children on the Property. The scope of such background checks shall be consistent with those required of visitors to Grantee's programming onsite as provided in writing to County prior to the date hereof.

9. The express condition that Grantee is aware and accepts that the Property has been identified as having potential eligibility for listing subject to County's Historic Preservation Ordinance and subject to any applicable development restrictions per County Ordinance 22.124.
10. The express condition that the Property is held and hereafter shall be held, hypothecated, encumbered, leased, rented, used and occupied subject to the Covenants. All of the herein-stated Covenants are intended to constitute both equitable servitudes and covenants running with the land.
11. Grantee shall indemnify, defend, save and hold harmless the County and its Special Districts, elected and appointed officers, employees and agents, and each of them against any and all claims, demands, actions, rights, causes of action, obligations, liabilities, penalties, costs and expenses, including without limitation reasonable attorneys' fees and court costs of any nature whatsoever in any way related to or out of or in connection with the Property following the date hereof.
12. Grantee shall not assign, sell, or otherwise transfer all or a portion of the Property (excluding, for the purpose of clarity, any permissible lease or license), and any such assignment, sale or transfer shall be null and void. Should Grantee no longer desire to own the Property, Grantee shall work with the County to return the Property to the County's sole ownership.
13. The County is providing Three Million Nine-Hundred Seventy-Five Thousand Dollars (Funds) to Grantee along with the Property. Any reversion or return of the Property to County shall also include return of any portion of the Funds unspent on repairs, renovations, or capital improvements on the Property.
14. Any and all use of the Property shall be in compliance at all times with all local, state and federal laws, rules, and regulations including but not limited to those that govern the use of camps for minors, including but not limited to the Elena Matyas Children's Camp Safety Ordinance, ADA, rules and regulations governing the Property applicable to any construction or use of the Property, all applicable governmental regulatory agencies, and all requirements pursuant to zoning and or County Department of Regional Planning regional planning requirements.
15. The express condition that the Covenants contained in Sections 1 through 14 of this Quitclaim Deed, without regard to technical or legal classification or designation specified in this Quitclaim Deed or otherwise, shall to the fullest extent permitted by law and equity, be binding upon Grantee and any successor in interest to the Property or any part thereof, for the benefit of Grantor, and its successors and assigns, and such covenants shall run in favor of and be enforceable by the Grantor, and its successors and assigns for the entire period during which such covenants shall be in full force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate.

Signatures to follow

Dated: _____

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

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

Deputy County Counsel

GRANTEE:
HAPPY TRAILS FOR KIDS,
A nonprofit corporation

By: _____
Lindsay Elliott
Executive Director

**EXHIBIT A
LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED UNINCORPORATED, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 12, IN TOWNSHIP 4 NORTH, RANGE 13 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICE PLAT THEREOF.

EXCEPT THEREFROM THE MOST SOUTHERLY 25 ACRES THEREOF.

ALSO EXCEPT THE WESTERLY FEET THEREOF, CONVEYED TO THE COUNTY OF LOS ANGELES FOR ROAD PURPOSE, BY DEED IN [BOOK 812, PAGE 231](#) OF DEEDS.

PARCEL 2:

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 12, IN TOWNSHIP 4 NORTH, RANGE 13 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICE PLAT OF SAID LAND FILED IN THE BUREAU OF LAND MANAGEMENT.

EXCEPT THEREFROM THE WEST 20 FEET THEREOF CONVEYED TO THE COUNTY OF LOS ANGELES, FOR ROAD PURPOSES BY DEED RECORDED IN [BOOK 812, PAGE 231](#) OF DEEDS.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF LYING NORTHWESTERLY OF THE SOUTHEASTERLY LINE OF THE RIGHT OF WAY, 200 FEET WIDE, OF THE SOUTHERN PACIFIC RAILROAD COMPANY.

[APN: 3209-020-900](#)

**EXHIBIT B
LEGAL DESCRIPTION**



EXHIBIT C (2 of 2) BALLFIELDS

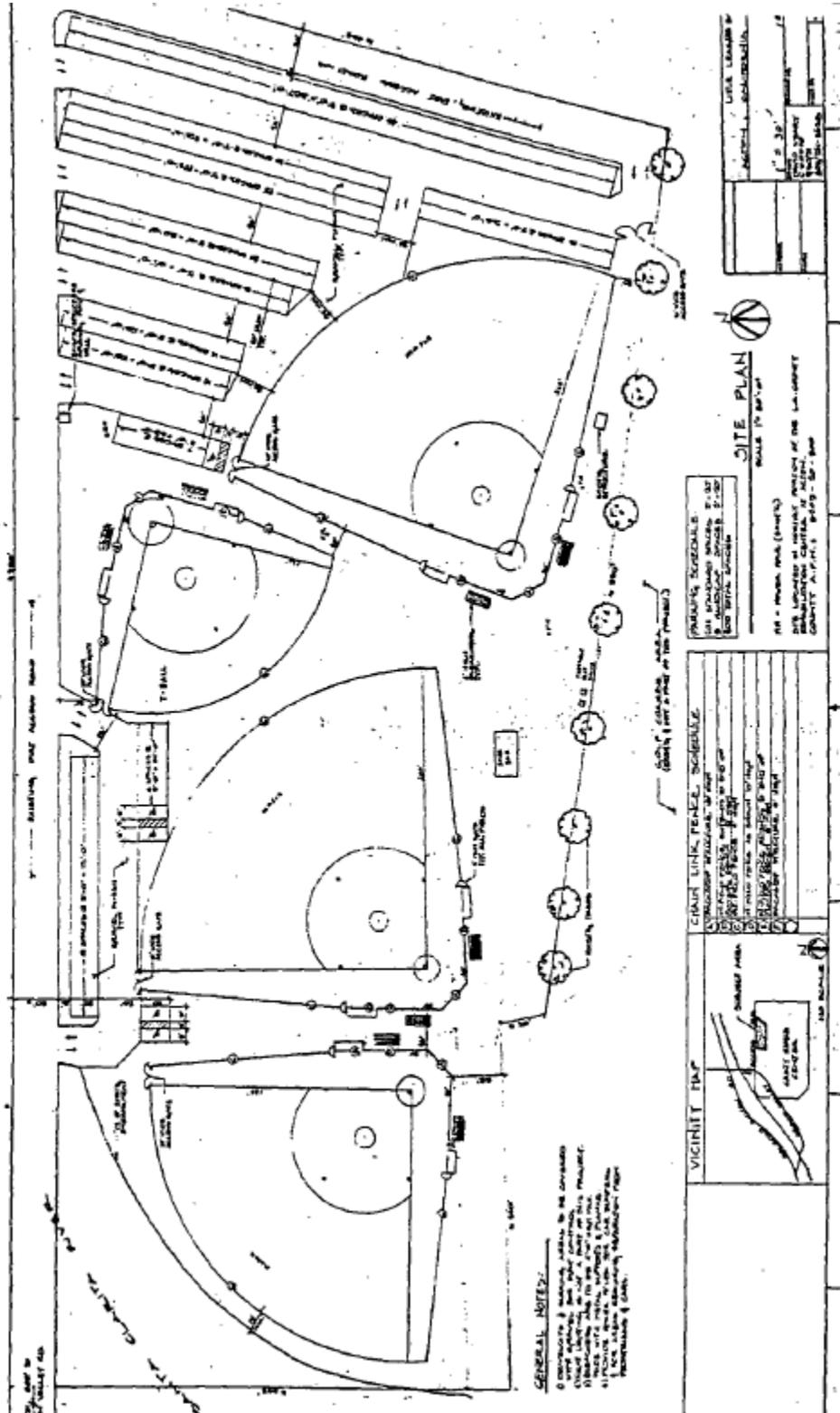


EXHIBIT "B"

EXHIBIT D TRAIL AND TRAILHEAD



LEASE AGREEMENT

By and Between

THE COUNTY OF LOS ANGELES,
a body corporate and politic, as Lessor

and

SIERRA YOUTH SPORTS ASSOCIATION, INC.
a California nonprofit corporation, as Lessee

Effective: December __, 2024

LEASE AGREEMENT

This lease Agreement (“**Lease**”), dated as of _____, 2024 (the “**Effective Date**”), is entered into by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**Lessor**”) and SIERRA YOUTH SPORTS ASSOCIATION, INC., a California nonprofit corporation (“**Lessee**”) and, together with Lessor, collectively referred herein as the “**Parties**” or individually as a “**Party**”).

RECITALS

WHEREAS, Lessor is the fee owner of that certain real property containing approximately 132.7 acres of land identified as Assessor’s Parcel Number 3209-020-900 (commonly known as 30500 Arrastre Canyon, Acton, California), and legally described in Exhibit A attached hereto (the “**Property**”).

WHEREAS, Lessee entered into that license agreement 73831-A for use of a portion of the northernmost three acres of the Property for the purpose of conducting baseball and softball activities, and for such related and incidental purposes or activities related thereto, commencing January 7, 2003, that has been in holdover status since 2013.

WHEREAS, Lessor desires to lease a portion of the Property to Lessee, and Lessee desires to lease a portion of the Property from Lessor for continued use of the ballfields on the Property, in accordance with the terms and conditions of this Lease.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Leased Premises. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the premises (“**Premises**”) shown on Exhibit B and Exhibit C attached to and made a part of this Lease, comprising of a portion of the northernmost three acres of the Property, and consisting of four baseball fields and immediately adjacent areas.

2. Term.

(a) The term of this Lease (“**Term**”) will commence on the Effective Date (“**Lease Commencement Date**”), and shall expire at midnight on the date that is fifty (50) years thereafter (“**Lease Expiration Date**”), unless sooner terminated or cancelled in accordance with the terms and conditions of this Lease.

(b) Lessee may not exercise any options to extend or renew the term of the Lease. Any extension or renewal is subject to mutual agreement.

3. Permitted Use. The Premises shall be used only by Lessee, its officers, employees, contractors, agents, and guests for the purpose of conducting baseball and softball activities. In addition, Lessee may use and occupy the Premises solely in accordance with, and as permitted under, the terms of the Lease and for no other purpose. Subject to the foregoing, Lessee shall have exclusive use of the Premises during Lessee’s baseball and softball seasons to use the Premises for baseball and softball

activities, substantially consistent with past use and described on Exhibit D. Lessee may also use the Premises at other times for baseball and softball events, subject to mutual agreement.

4. Rent.

(a) Throughout the Term of this Lease, Lessee shall pay to Lessor fixed base rent (“**Base Rent**”) at the initial rate of One Hundred and 00/100 Dollars (\$100.00) per month from the Lease Commencement Date, increasing by Ten and 00/100 Dollars (\$10.00) per month every five (5) years during the Term.

(b) In the event that average utility costs incurred by the Property as a result of Lessee’s use of the Property, as determined reasonably by Lessor consistent with industry-standard allocation methodologies, exceed Five Hundred and 00/100 Dollars (\$500.00) per month, Lessor shall have the right to charge an additional amount to Lessee equivalent to such costs so as to shift the cost burden of Lessee’s usage from Lessor to Lessee (“**Additional Rent**”). Further, Lessee shall pay for personal property taxes that are actually assessed on Lessee’s sports-related improvements.

(c) All Base Rent and Additional Rent shall be due and payable on the first day of each and every month, without demand therefor unless otherwise designated by Lessor and without any deduction, offset, abatement, counterclaim, or defense. The monthly installments of Base Rent and Additional Rent payable on account of any partial calendar month during the Term of this Lease, if any, will be prorated.

5. AS-IS Condition. Lessee acknowledges personal inspection of the Premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect the Lease. Lessee accepts the Premises in its current, “as-is” condition. Lessor has no obligation to furnish or supply any improvements, alterations, work, services, furniture, fixtures, equipment, or decorations.

6. Additional Covenants.

(a) Compliance with Laws. Lessee shall conform to and abide by all Municipal and County ordinances and all State and Federal laws and regulations insofar as the same or any of them are applicable; and where permits and/or licenses are required, the same must be first obtained from the regulatory agency having jurisdiction thereover.

(b) Signs. Lessee shall not post signs or advertising matter upon the Premises or improvements thereon unless prior approval therefor is obtained from the Lessor, whose approval shall not be unreasonably withheld.

(c) Maintenance. Lessee will at its sole cost and expense maintain, repair, or replace as necessary the Leased Premises and all fixtures, improvements and equipment thereon in good condition. Lessee agrees that the Leased Premises will be maintained in good condition. The above-stated responsibilities and obligations of Lessee must at a minimum comply with the maintenance standards set forth in the Lease. Failure of Lessee to fulfill these maintenance, repair, or replacement obligations within thirty (30) days from receipt of written notice by Lessor constitutes a breach of this Lease and Lessor, at its option, has the right to terminate this Lease or undertake necessary repairs, maintenance, or replacement and charge Lessee the costs of making

the repairs, maintenance, or replacement. Any costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Lessor in accordance with this paragraph will be deemed Additional Rent.

(d) Alterations. Lessee will not make alterations or improvements to the Leased Premises without prior written approval of Lessor (except as set forth in approved plans). All alterations and improvements are to be made at Lessee's expense.

(e) Restoration. On or before the Lease Expiration Date or earlier termination or expiration of this Lease, Lessee must restore the Leased Premises to the condition existing as of the Lease Commencement Date, ordinary wear and tear excepted. Lessee shall remove all personal property prior to the termination of this Lease and in the event of the failure to do so, title thereto shall vest in Lessor. All alterations, additions or betterments to the Leased Premises furnished shall become the property of Lessor upon the termination of this Lease. The obligations of Lessee hereunder survive the expiration or earlier termination of this Lease.

(f) Sanitation. No offensive matter or refuse or substance constituting an unnecessary, unreasonable, or unlawful fire hazard, or material detrimental to the public health, shall be permitted to be brought onto, stored, or remain on the Leased Premises, and Lessee shall prevent any accumulation thereof from occurring. Lessee shall pay all charges which may be made for the removal thereof.

(g) Security Devices. Lessee shall be solely responsible for providing security for all of its activities on the Premises authorized by this Lease. Lessor shall have no responsibility for providing any security whatsoever to the Premises, and shall not be liable for any damages resulting from lack of security.

(h) No Breach of Lease. Lessee shall not do or permit to be done any act or thing, or omit to do anything, that may constitute a breach or violation of any term, covenant, or condition of the Lease even if such act, thing, or omission is permitted under the terms of this Lease.

(i) Limited Lessor Access. Participants of Lessor's program shall be permitted to take part in activities authorized by this Lease, in accordance with annual arrangements approved by Lessee and not conflicting with Lessee's scheduled activities. Lessor may periodically use the Leased Premises: (a) when not in use by Lessee and in a manner that does not disrupt Lessee; and (b) during the summer (other than when in use by Lessee for softball summer season games and practices, which Lessee shall be permitted to continue). Notwithstanding the foregoing, in the event Lessor uses the Premises, Lessor shall leave the condition following such use in substantially the same condition as prior to such use.

(j) No Discrimination. Lessee certifies and agrees that all persons invited on the Leased Premises by Lessee shall be treated equally without regard to or because of race, religion, ancestry, national origin, or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including but not limited to the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the California Fair Employment and Housing Act.

(k) Lobbying Compliance. Lessee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as defined in such Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Lease.

7. Utilities. Lessee shall be permitted to use the existing water well and electric power located on and about the Leased Premises. The utilities shall be used only by Lessee for baseball and softball activities. Should the cost of utilities increase, Lessee shall be charged its applicable share. Lessee waives any and all claims against Lessor for compensation for loss or damages caused by a defect, deficiency or impairment of any utility system or electrical/telephone apparatus or wires serving the premises.

8. Performance by Lessor. Notwithstanding any other provision of this Lease, Lessor has no obligation: (a) to furnish or provide, or cause to be furnished or provided, any repairs, restoration, alterations, or other work, or electricity, water, cleaning, or other utilities or services; or (b) to comply with or perform or, except as expressly provided in this Lease, to cause the compliance with or performance of, any of the terms and conditions required to be performed by County under the terms of the Lease.

9. Lessee Defaults. If Lessee fails to cure a default under this Lease within any applicable grace or cure period contained in the Lease, Lessor, after thirty (30) days' written notice to Lessee, has the right, but not the obligation, to seek to remedy any such default on the behalf of, and at the expense of, Lessee, provided, however, that in the case of (i) a life safety or property-related emergency, or (ii) a default that must be cured within a time frame set out in the Lease that does not allow sufficient time for prior notice to be given to Lessee, Lessor may remedy any such default without being required first to give notice to Lessee. Any reasonable cost and expense (including, without limitation, reasonable attorneys' fees and expenses) so incurred by Lessor will be deemed Additional Rent and shall be due and payable by Lessee to Lessor within Thirty (30) days after notice from Lessor.

10. Assignment or Subletting. Lessee may not sublet all or any portion of the Leased Premises or assign, encumber, mortgage, pledge, or otherwise transfer this Lease (by operation of law or otherwise) or any interest therein, without the prior written consent of Lessor, which consent may not be unreasonably withheld or may be withheld in its sole and absolute discretion.

11. Indemnity. Lessee agrees to indemnify, defend and save harmless Lessor, County and County's Special Districts, and their respective elected and appointed officers, employees, agents and affiliates from and against any and all liability, expense, including defense costs and legal fees and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with Lessee's, its members, agents and invitees, operations and use of the Premises and the attraction caused by their operations on the Leased Premises which attracts third parties and members of the general public to the Premises, including any Worker's Compensation suits, liability or expense, arising from or connected with services performed on behalf of Lessee by any person pursuant to or in connection with this Lease.

12. Insurance. Without limiting Lessee's indemnification obligations above, Lessee shall provide and maintain at its own expense during the term of this Lease the following program(s) of insurance covering Lessee's operation hereunder. Such insurance shall be provided by insurer(s)

satisfactory to Lessor and evidence of such programs satisfactory to Lessor shall be delivered to the Lessor on or before the Effective Date. Such evidence shall specifically identify this Lease and shall contain express conditions that both Lessor is to be given written notice at least 30 days in advance of any material modification or termination of any program of insurance. Failure on the part of Lessee to procure or maintain required insurance shall constitute a material breach of contract upon which Lessor may immediately terminate this Lease. Conduct of the licensed activities shall not commence until Lessee has complied with the aforementioned insurance requirements, and shall be suspended during any period that Lessee fails to maintain said policies in full force and effect.

(a) General Liability. A program including, but not limited to: comprehensive general liability, endorsed for contractual liability, independent contractor, products-completed operations, premises, broad form property damage with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence. Such insurance shall be primary to and not contributing with any other insurance maintained by Lessor and shall name the Lessor as an additional insured.

(b) Workers' Compensation. A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California and which specifically covers all persons providing services by or on-behalf of Lessee and all risks to such persons under this Lease.

(c) Comprehensive Auto Liability. A program of insurance endorsed for all owned and non-owned vehicles with a combined single limit of at least Three Hundred Thousand Dollars (\$300,000) per occurrence.

13. Lessor Review and Approval of Insurance Requirements. The Lessor reserves the right to review and adjust the Required Insurance provisions, conditioned upon Lessor's determination of changes in risk exposures.

14. Release. Lessee hereby releases Lessor or anyone claiming through or under Lessor by way of subrogation or otherwise. Lessee hereby releases County or anyone claiming through or under County by way of subrogation or otherwise to the extent that Lessor releases County under the terms of the Lease. Lessee must cause its insurance carriers to include any clauses or endorsements in favor of Lessor, County, and any additional parties, that Lessor is required to provide under the provisions of the Lease.

15. Notices. Notices shall be addressed to the addresses set out below:

To Lessee:

Sierra Youth Sports
Nick Coonis, Softball President
Softball@sierrayouthsports.com

Nate Goodman, League/Baseball President
President@sierrayouthsports.com

To Lessor:

County of Los Angeles
c/o Chief Executive Office Real Estate Division

320 W. Temple St., 7th Floor
Los Angeles, CA 90012
Attn: Senior Manager

16. Brokers. Lessor and Lessee each represent to the other that it has not dealt with any broker in connection with this Lease and the transactions contemplated hereby. Lessor and Lessee each indemnify and hold harmless the other from and against all claims, liabilities, damages, costs, and expenses (including without limitation reasonable attorneys' fees and other charges) arising out of any claim, demand, or proceeding for commissions, fees, reimbursement for expenses, or other compensation by any person or entity who claims to have dealt with the indemnifying party in connection with the Lease. This Section survives the expiration or earlier termination of this Lease.

17. Entire Agreement. This Lease contains the entire agreement between the parties regarding the subject matter contained herein, and all prior negotiations and agreements are merged herein. If any provisions of this Lease are held to be invalid or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions of this Lease will remain unaffected.

18. Amendments and Modifications. This Lease may not be modified or amended in any manner other than by a written agreement signed by the party to be charged.

19. Successors and Assigns. The covenants and agreements contained in this Lease bind and inure to the benefit of Lessor and Lessee and their respective permitted successors and assigns.

20. Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed and delivered is deemed an original for all purposes, and all such counterparts will together constitute but one and the same instrument. A signed copy of this Lease delivered by either facsimile or email is deemed to have the same legal effect as delivery of an original signed copy of this Lease.

21. Defined Terms. All capitalized terms not otherwise defined in this Lease have the definitions contained in the Lease.

22. Choice of Law. This Lease is governed by, and construed in accordance with, the laws of the State of California, without regard to conflict of law rules.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the Effective Date.

LESSOR:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistance Chief Executive Officer

LESSEE:

SIERRA YOUTH SPORTS
ASSOCIATION, INC., a California nonprofit
corporation

By: _____
Name:
Title:

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By:  _____
Deputy

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED UNINCORPORATED, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 12, IN TOWNSHIP 4 NORTH, RANGE 13 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICE PLAT THEREOF.

EXCEPT THEREFROM THE MOST SOUTHERLY 25 ACRES THEREOF.

ALSO EXCEPT THE WESTERLY FEET THEREOF, CONVEYED TO THE COUNTY OF LOS ANGELES FOR ROAD PURPOSE, BY DEED IN [BOOK 812, PAGE 231](#) OF DEEDS.

PARCEL 2:

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 12, IN TOWNSHIP 4 NORTH, RANGE 13 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICE PLAT OF SAID LAND FILED IN THE BUREAU OF LAND MANAGEMENT.

EXCEPT THEREFROM THE WEST 20 FEET THEREOF CONVEYED TO THE COUNTY OF LOS ANGELES, FOR ROAD PURPOSES BY DEED RECORDED IN [BOOK 812, PAGE 231](#) OF DEEDS.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF LYING NORTHWESTERLY OF THE SOUTHEASTERLY LINE OF THE RIGHT OF WAY, 200 FEET WIDE, OF THE SOUTHERN PACIFIC RAILROAD COMPANY.

[APN: 3209-020-900](#)

EXHIBIT B

PREMISES (1 OF 2)

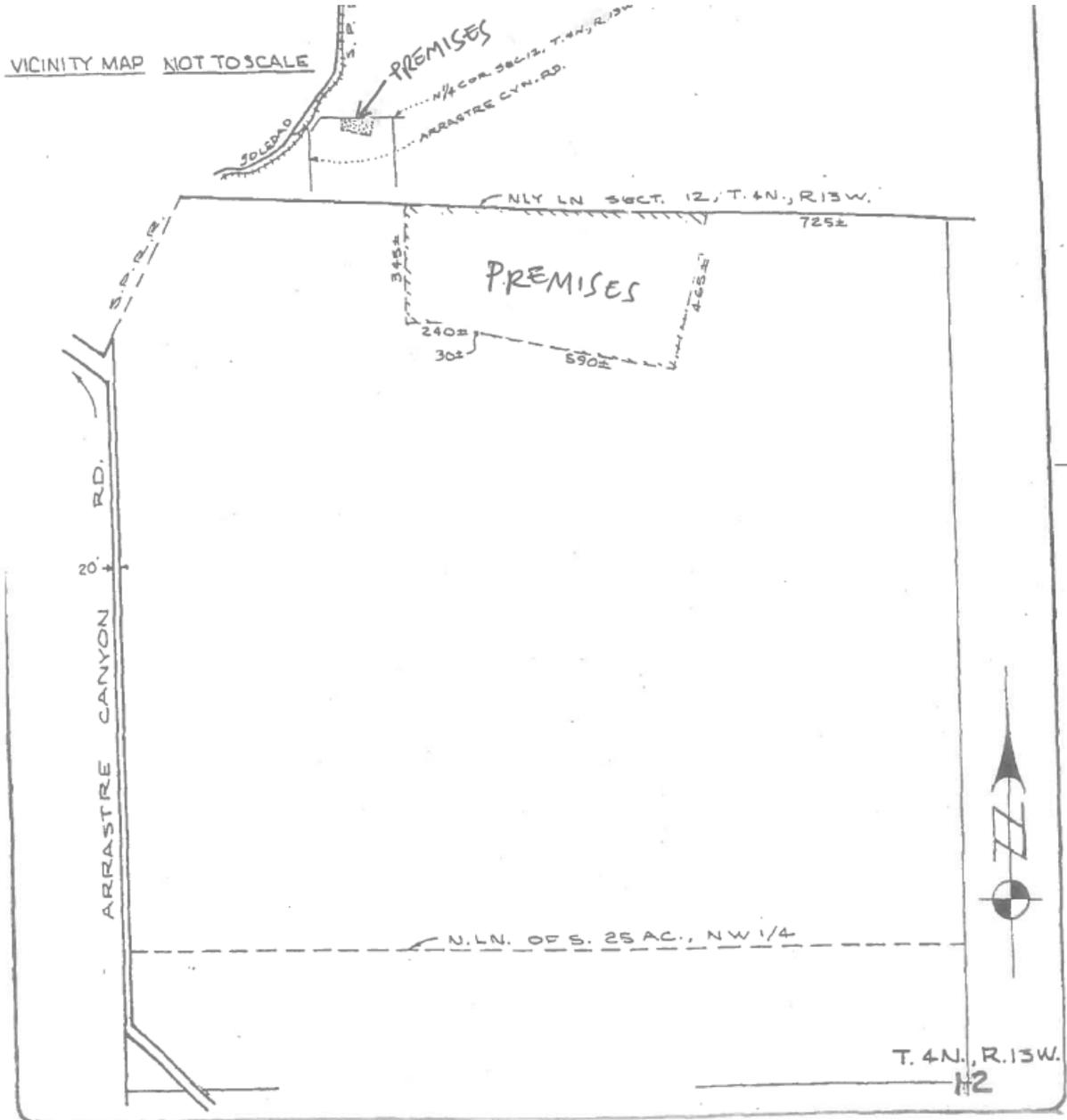
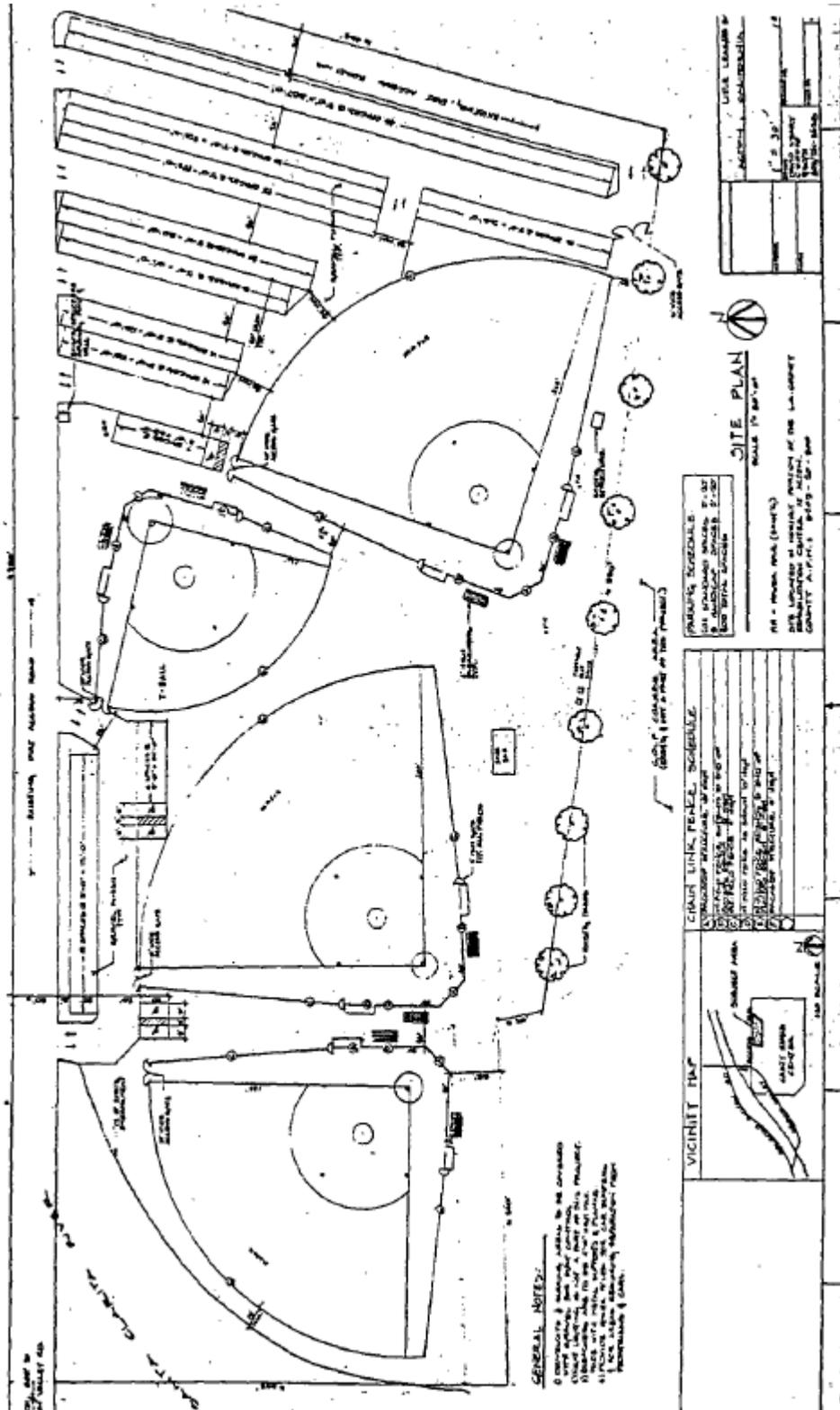


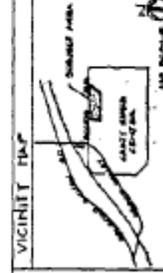
EXHIBIT C
PREMISES (2 OF 2)



GENERAL NOTES:
 1. CONTRACTOR TO VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES AND STRUCTURES TO BE CONSTRUCTED.
 2. CONTRACTOR TO VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES AND STRUCTURES TO BE CONSTRUCTED.
 3. CONTRACTOR TO VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES AND STRUCTURES TO BE CONSTRUCTED.
 4. CONTRACTOR TO VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES AND STRUCTURES TO BE CONSTRUCTED.
 5. CONTRACTOR TO VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES AND STRUCTURES TO BE CONSTRUCTED.

PROPOSED SCHEDULE:
 1. PRELIMINARY DESIGN: 2-10-80
 2. CONTRACT DOCUMENTS: 2-20-80
 3. CONSTRUCTION: 3-1-80 TO 5-31-80

CHAIR LINK FENCE SCHEDULE:
 1. CHAIR LINK FENCE: 3-1-80
 2. CHAIR LINK FENCE: 3-1-80
 3. CHAIR LINK FENCE: 3-1-80
 4. CHAIR LINK FENCE: 3-1-80
 5. CHAIR LINK FENCE: 3-1-80



CONTRACTOR TO VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES AND STRUCTURES TO BE CONSTRUCTED.

EXHIBIT "B"

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	12/18/2024	
BOARD MEETING DATE	1/7/2025	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input checked="" type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Los Angeles County Development Authority (LACDA)	
SUBJECT	ADOPT RESOLUTION APPROVING ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS FOR MULTIFAMILY HOUSING IN UNINCORPORATED WEST LOS ANGELES	
PROGRAM	Housing Investment and Finance	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS	Project requires Board approval by January 12, 2025 to avoid a large fee to the developer.	
COST & FUNDING	Total cost: No County cost	Funding source:
	TERMS (if applicable):	
	Explanation: There is no impact on the County General Fund. The Bonds will be repaid solely through rent revenues collected by Building 205 Preservation LP and Building 208 Preservation LP (Borrowers). The Borrowers will pay all fees and related costs.	
PURPOSE OF REQUEST	The actions will authorize the issuance of tax-exempt Multifamily Housing Mortgage Revenue Bonds by the City, which will finance the acquisition and rehabilitation of two sites located in unincorporated West Los Angeles.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The Projects will include 120 fully furnished studio and one-bedroom units ranging from 316 to 737 square feet. The Projects will be reserved for homeless veterans earning between 50% to 60% of the Area Median Income (AMI) and veterans receiving project-based Veterans Affairs Supportive Housing (VASH) vouchers.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Lynn Katano, Director of Housing Investment & Finance, (626) 586-1806, Lynn.Katano@lacda.org	

January 7, 2025

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

Dear Supervisors:

**ADOPT RESOLUTION APPROVING ISSUANCE OF TAX-EXEMPT MULTIFAMILY
HOUSING MORTGAGE REVENUE BONDS FOR MULTIFAMILY HOUSING IN THE
UNINCORPORATED WEST LOS ANGELES
(DISTRICT 3) (3 VOTE)**

SUBJECT

This letter requests that the Board of Supervisors adopt a Resolution approving the reissuance of Multifamily Housing Mortgage Revenue Bonds (Bonds) by the City of Los Angeles (City) to finance the acquisition, construction and rehabilitation of Building 205 Apartments and Building 208 Apartments located on the Veteran Affairs campus in unincorporated West Los Angeles. The Projects will provide a total of 120 units reserved from homeless veterans.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that adoption of the Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential of causing a significant effect on the environment.
2. Adopt and instruct the Chair to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, approving the City's issuance of Multifamily Housing Mortgage Revenue Bonds and related actions in an amount not to exceed an aggregate amount of \$22,800,000 to assist Building 205 Preservation LP to finance the acquisition and rehabilitation of a 68-unit multifamily rental housing development to be located at 11301 Wilshire Boulevard in Building 205 in unincorporated West Los Angeles; and in an amount not to exceed an aggregate amount of \$20,575,000 to assist Building 208 Preservation LP to finance the acquisition and

rehabilitation of a 54-unit multifamily rental housing development to be located at 11301 Wilshire Boulevard in Building 208 in unincorporated West Los Angeles.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The actions will authorize the issuance of tax-exempt Multifamily Housing Mortgage Revenue Bonds by the City, which will finance the acquisition and rehabilitation of two sites located in unincorporated West Los Angeles in an aggregate amount not to exceed \$22,800,000 in order to finance the acquisition and rehabilitation of Building 205 Apartments, and in an aggregate amount not to exceed \$20,575,000 in order to finance the acquisition and rehabilitation of Building 208 Apartments. This approval authorizes the City to reissue Bonds for the Projects located in the unincorporated West Los Angeles but does not commit the County to approving, financing, or authorizing the rehabilitation.

The Projects will include 120 fully furnished studio and one-bedroom units ranging from 316 to 737 square feet. Building 205 Apartments is an existing three-story building, to be comprised of 32 studio units and 36 one-bedroom units, for a total of 68 units. Building 208 Apartments is an existing three-story building, to be comprised of 26 studio units and 28 one-bedroom units, for a total of 54 units. The Projects will include units for individuals with mobility, aural, and/or visual disabilities. The Projects will feature onsite amenities that the residents will be able to take advantage of. The Projects will include amenities such as indoor and outdoor community areas, bocce ball courts, laundry facilities, smart TVs, and paid Wi-Fi and utilities. The Projects will be reserved for homeless veterans earning between 50% to 60% of the Area Median Income (AMI) and veterans receiving project-based Veterans Affairs Supportive Housing (VASH) vouchers.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The Bonds will be repaid solely through rent revenues collected by the Borrower. The Borrower will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (Code), the City is permitted to issue Bonds for the purpose of financing the acquisition, construction and rehabilitation of the multifamily rental housing located in unincorporated West Los Angeles, and the County may issue such bonds for multifamily rental housing throughout the County. The Code allows a county and one or more cities within a county to enter into agreements for the purpose of financing multifamily rental housing developments. The County has executed an Interlocal Cooperation Agreement with the City of Los Angeles to facilitate the City's issuance of bonds within the County for the Projects.

Honorable Board of Supervisors

January 7, 2025

Page 3

The attached Resolution authorizes the City to issue the Bonds for the Projects. Adoption of the Resolution by your Board is required by the California Debt Limit Allocation Committee for a private activity bond allocation.

On April 14, 2020, the Board of Supervisors adopted a resolution approving the issuance of Multifamily Housing Mortgage Revenue Bonds and related actions in accordance with Section 147(f) of the Internal Revenue Code of 1986 (the "Code"). This action provided approval by the applicable elected representative of the governmental unit on whose behalf the Bonds were issued after a public hearing was held following a reasonable public notice.

On June 7, 2024, the Los Angeles Housing Department conducted a public hearing regarding the issuance of multifamily bonds to finance the Projects, pursuant to Section 147(f) of the Internal Revenue Code. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

The Resolution was prepared by Kutak Rock, Los Angeles County Development Authority Bond Counsel, and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed action not a project pursuant to CEQA because the activities are excluded from the definition of a project by Section 15378 (b) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment.

IMPACT ON CURRENT PROJECT

The proposed action is a necessary step to provide bond financing for the Projects, which will increase the supply of long term affordable multifamily housing in the County.

Respectfully submitted,

EMILIO SALAS
Executive Director

Enclosures

RESOLUTION

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CITY OF LOS ANGELES AND RELATED ACTIONS IN THE COUNTY OF LOS ANGELES

WHEREAS, both the County of Los Angeles (the “County”) and the City of Los Angeles (the “City”) are authorized, pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”), to issue their revenue bonds for the purpose of providing permanent financing for the acquisition, construction and rehabilitation of multifamily rental housing for persons and families of low or moderate income; and

WHEREAS, the City previously issued, pursuant to its resolutions adopted by its City Council on April 7, 2020, its Multifamily Housing Revenue Bond (Building 205 Apartments) Series 2020G in a maximum principal amount of \$20,500,000 (the “2020 Building 205 Bond”) and its Multifamily Housing Revenue Bond (Building 208 Apartments) Series 2020H in a maximum principal amount of \$18,500,000 (the “2020 Building 208 Bond” and together with the 2020 Building 205 Bond, the “2020 Bonds”), and pursuant to its resolution adopted by its City Council on March 24, 2023, its Subordinate Multifamily Housing Revenue Bond (Building 205 Apartments) Series 2023J in a maximum principal amount of \$2,300,000 (the “2023 Building 205 Bond” and together with the 2020 Building 205 Bond, the “Building 205 Bonds”) and its Subordinate Multifamily Housing Revenue Bond (Building 208 Apartments) Series 2023K in a maximum principal amount of \$2,075,000 (the “2023 Building 208 Bond” and together with the 2020 Building 208 Bond, the “Building 208 Bonds” and collectively with the Building 205 Bonds, the “Bonds”), each pursuant to a plan of financing, to finance the acquisition and construction of the multifamily rental housing projects described in Exhibit A attached hereto (each a “Project” and collectively the “Projects”); and

WHEREAS, Building 205 Preservation, LP and Building 208 Preservation, LP, the California limited partnerships formed to own the Projects have requested the City to approve certain modifications to the Indenture and certain other loan documents to increase the permanent loan amounts of the respective Bonds (the “Amendments”); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Amendments will cause the Bonds to be “reissued” under the Code; and

WHEREAS, the interest on the “reissued” Bonds may qualify for exclusion from gross income under Section 103 of the Code, only if such “reissued” Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code the Bonds are required to be approved by the applicable elected representative of the governmental unit on whose behalf the Bonds are expected to be issued and by each governmental unit having jurisdiction over the area in which any facility

financed by such Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the Projects are located within the County but not within the City; and

WHEREAS, this Board of Supervisors (the “Board”) is the elected legislative body of the County and is the applicable elected representative of the governmental unit required to approve the issuance of the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City and the County, on January 7, 2020, to the effect that a public hearing would be held with respect to the Projects on January 21, 2020, regarding the issuance of the Bonds; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear on the Los Angeles Housing Department website <https://housing2.lacity.org> on and after May 31, 2024, through June 7, 2024, to the effect that a public hearing would be held with respect to the Projects on June 7, 2024, regarding the issuance and/or reissuance of the Bonds; and

WHEREAS, the Los Angeles Housing Department has held said public hearings regarding the plan of financing on such dates, at which time an opportunity was provided to present arguments both for and against the issuance and/or reissuance of the Bonds; and

WHEREAS, the minutes of said hearings, together with any written comments received in connection therewith, have been presented to the County; and

WHEREAS, the City and Borrowers have requested the County to approve reissuance of the Bonds for purposes of Section 147(f) of the Code;

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by law.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. Pursuant to and solely for purposes of Section 147(f) of the Code, this Board hereby approves the plan of financing and the reissuance of the Bonds by the City in one or more series to finance the costs of the Projects. It is the purpose and intent of this Board that this Resolution constitute approval of the plan of financing and the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Projects are located, in accordance with Section 147(f) of the Code.
3. The Executive Officer of the Board or a deputy thereof is directed to certify and deliver a copy of this Resolution to the City.
4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles, State of California this ____ day of January, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Chair of the Board of Supervisors

ATTEST:

EDWARD YEN,
Executive Officer
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
County Counsel

By: _____
Deputy

EXHIBIT A
PROJECTS

Project Name:	Address	#Units:	Project Sponsor	Maximum Amount:
Building 205	11301 Wilshire Boulevard, Building 205, Los Angeles, CA 90073	68 (including 1 manager unit)	Building 205 Preservation, LP	\$23,000,000
Building 208	11301 Wilshire Boulevard, Building 208, Los Angeles, CA 90073	54 (including 1 manager unit)	Building 208 Preservation, LP	\$20,700,000

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	12/18/2024	
BOARD MEETING DATE	N/A (This is a required Board notification)	
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Regional Planning	
SUBJECT	Notification of Intent to Enter Into Sole Source Negotiations with Tyler Technology, Inc. to Contract No. 78227 for Electronic Permitting And Inspections – County Of Los Angeles (EPIC-LA) system	
PROGRAM	Electronic Permitting and Inspections – County Of Los Angeles (EPIC-LA)	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: Required Board advanced notification of intent of negotiate sole source amendment to an existing contract.	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable (This is a Board notification. The sole source amendment will be subject to Levine Act when it is ready for Board approval) If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS	Current contract expires on June 23, 2025	
COST & FUNDING	Total cost: Pending Negotiation	Funding source: General fund & permit revenue
	TERMS (if applicable): Extend the contract for 5 years to June 23, 2030 with an optional one-year extension through June 23, 2031	
	Explanation:	
PURPOSE OF REQUEST	Regional Planning is requesting Board approval to negotiate a sole source contract amendment with Tyler for maintenance and support and hosting of the EPIC-LA system.	
BACKGROUND (include internal/external issues that may exist including any related motions)	Negotiation of sole source amendment to the Tyler is directed in a June 5, 2023 Board motion (Agenda Item 24) before the contact expires on June 23, 2025. The EPIC-LA system is the County's core business system and critical platform that has been implemented across six County departments and automates land use planning, permitting, inspections, and business licensing.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Dennis Slavin, Chief Deputy Director (213) 974-6405, dslavin@planning.lacounty.gov	

December 19, 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:

NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE NEGOTIATIONS WITH TYLER TECHNOLOGY, INC. TO CONTRACT NO. 78227 FOR ELECTRONIC PERMITTING AND INSPECTIONS - COUNTY OF LOS ANGELES (EPIC-LA) SYSTEM

This is to notify the Board that the Department of Regional Planning (DRP) intends to enter into negotiations with Tyler Technologies, Inc. (Tyler) to amend Contract No. 78227 for maintenance and support and hosting of the Electronic Permitting and Inspections - County of Los Angeles (EPIC-LA) system. EPIC-LA system has been implemented across six County departments and automates land use planning, permitting, inspections, and business licensing.

Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for existing sole source contracts at least six months prior to the agreement's expiration date. DRP's current contract with Tyler will expire on June 23, 2025.

BACKGROUND

The County has been working for several years to identify opportunities to improve and expedite its permitting and development process. This work includes the adoption of the EPIC-LA system by DRP which went live in November 2015. The intention was for the EPIC-LA system to expand to include other County departments involved in the permitting and development. Concurrently, the County contracted with Gartner consulting to assess the EPIC-LA system for the feasibility and ability for it to meet the County's need for a uniform platform for the purposes of land development and permitting.

Gartner's initial assessment culminated in a report (2015 Gartner Study) which confirmed that EPIC-LA should be expanded to incorporate additional County Departments. Since then and

under five Board approved amendments to the Contract with Tyler, to implement the EPIC-LA system in six County Departments for the following purposes: The Department of Public Works (DPW), Department of Public Health – Environmental Health (DPH), and the Los Angeles County Fire Department (Fire) for land development, entitlement, and permitting; the Department of Parks and Recreation (DPR) for Quimby Act fees; the Los Angeles County Development Authority (LACDA) for the coordination of affordable housing requirements; and the Treasurer-Tax Collector (TTC) for business licensing.

Many of the 2015 Gartner Study recommendations have been implemented, however, feedback from constituents and industry noted that widespread adoption of the EPIC-LA program had not occurred. The Board acknowledged the need to further study the County's permitting and development process to address quality assurance, risk assessments, and procedural issues. On June 22, 2021, the Board approved a motion (Agenda Item 61E) to streamline and expedite the County's permitting and development process to support small businesses and the development of new housing, which ultimately resulted in an update to the 2015 Gartner Study (2023 Gartner Study).

JUSTIFICATION

The 2023 Gartner Study was issued in February 2023, noting major opportunities for the County to broaden the EPIC-LA structure by developing an enhanced customer-centric service model to support land development and permitting as a single line of business that improves cross departmental coordination and transparency with customers. On June 5, 2023, the Board approved a motion (Agenda Item 24) instructing DRP, in collaboration with the Chief Executive Office, DPW, Fire, DPR, DPH, TTC, and Department of Economic Opportunity, to begin negotiations with Tyler to extend the existing EPIC-LA system contract for five years plus one optional one-year extension before the contract expires on June 23, 2025. This amendment will ensure continued system application software maintenance and support, including fixing bugs, improving performance, adding new features, and providing technical assistance. Further, it will explore migration of the on-premises EPIC-LA system hosted at County's central data center to Tyler's fully cloud-hosted SaaS solution.

CONCLUSION

Unless otherwise instructed by your Board, DRP will proceed with the negotiations with Tyler to amend the contract with the Contractor four weeks from the date of this notice. The Board letter requesting approval of the contract amendment is projected to be presented to your Board in May 2025.

If you have any questions or require additional information, please contact me or my Chief Deputy Dennis Slavin at (213) 974-6405 or dslavin@planning.lacounty.gov .

The Honorable Board of Supervisors
December 19, 2024
Page 3

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Amy Bodek", with a horizontal line extending to the right.

Amy J. Bodek, AICP
Director of Regional Planning

AJB:DS:JH:HC:ap

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Public Works
Public Health
Parks and Recreation
Fire
Treasurer and Tax Collector
Economic Opportunities

12192024_IFS_EPIC_LA_ADVANCE_NOTICE

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	12/18/2024	
BOARD MEETING DATE	1/7/2025	
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Department of Human Resources (DHR)	
SUBJECT	Approval of Employee Health and Welfare Benefit Consulting and Project Management Services Contract for Employee Health and Welfare Insurance Plans	
PROGRAM	Health & Wellness – Employee Benefits	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS	The current employee benefit consultant contract will expire on February 7, 2025. The initial term for the new contract is February 1, 2025, through January 31, 2030, with three optional one-year extensions through January 31, 2033.	
COST & FUNDING	Total cost: \$ 4,322,000 for the total term of the contract.	Funding source: Expenses incurred are fully offset by Intrafund Transfers and Revenue. Funding is included in the DHR FY 2024-25 budget and funding for subsequent years will be included in each fiscal year budget.
	TERMS (if applicable): Services under this contract will be paid on a fee-for-service basis, at an estimated Contract Sum of \$4,322,000 for the base five-year term plus three (3) option years.	
	Explanation:	
PURPOSE OF REQUEST	The purpose is to enable the County of Los Angeles (County) to continue to obtain health and welfare cafeteria plan benefit insurance consulting services and optional project management services related to legislative analysis.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The as-needed services will include the development and administration of RFP solicitations for four (4) different County cafeteria health and welfare insurance benefit plans (Options, Choices, Flex, and MegaFlex) and annual rate RFRs Services for each of these four (4) cafeterias insurance plans. The contracted services are critical to the capability of DHR to advise the CEO and the Board on a wide range of employee benefit issues.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: The recommended actions support County's Strategic Plan North Star 3 – Realize Tomorrow's Government Today, Focus Area Goal G – Internal Controls and Processes, Strategy 3 Measure Impact and Effectiveness of our Collective Efforts.	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> • Maggie Martinez, Assistant Director, DHR Employee Benefits Division • (213) 351-2921 • mmartinez@hr.lacounty.gov 	



LISA M. GARRETT
DIRECTOR OF PERSONNEL

COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS
KENNETH HAHN HALL OF ADMINISTRATION
500 W. TEMPLE STREET, ROOM 579 • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 • FAX (213) 621-0387

BRANCH OFFICE
510 S. VERMONT AVENUE, 12TH FLOOR • LOS ANGELES, CALIFORNIA 90020
(213) 866-5846 • FAX (213) 637-0821

January 7, 2025

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:

**APPROVAL OF CONTRACT FOR EMPLOYEE HEALTH AND WELFARE BENEFIT
CONSULTING AND PROJECT MANAGEMENT SERVICES FOR EMPLOYEE
HEALTH AND WELFARE INSURANCE PLANS
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

The Department of Human Resources (DHR) requests approval from the County of Los Angeles (County) Board of Supervisors (Board) to execute a contract with Aon Consulting, Inc. who will provide health and welfare cafeteria plan benefit insurance, consulting services, and related project management services. This includes as-needed services, for the development and administration of Request for Proposal (RFP) solicitations for four (4) different County cafeteria health and welfare insurance benefit plans (Options, Choices, Flex, and MegaFlex) and annual rate Request for Renewals (RFRs) services for each of these four (4) cafeterias insurance plans.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate the authority to the Director of Personnel, or designee, to execute a contract, similar to Attachment A, for health and welfare cafeteria plan benefit insurance, consulting services, and related project management services. This includes as-needed services, for the development and administration of RFP solicitations for four (4) different County cafeteria health and welfare insurance benefit plans (Options, Choices, Flex, and MegaFlex) and annual rate RFRs services for each of these four (4) cafeteria insurance plans. The initial term of the contract will be effective February 1, 2025, through January 31, 2030, with the option to extend for up to three (3) one-year periods, for a maximum total Contract term of eight (8) years.

To Enrich Lives Through Effective and Caring Service

2. Delegate authority to the Director, or designee, to: i) exercise options to extend the term of the Contract for up to three (3) years; and ii) execute amendments to the Contract to add, delete, and/or change certain non-substantive terms and conditions, as well as terms and conditions required by the Board or the Chief Executive Office (CEO), and to maintain compliance with applicable law, subject to review and approval by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County currently contracts with Aon Consulting, Inc. for employee benefit policy development and program administration, and actuarial consulting services. The new contract would provide health and welfare cafeteria plan benefit insurance, consulting services, and related project management services. This includes as-needed services, for the development and administration of RFP solicitations for four (4) different County cafeteria health and welfare insurance benefit plans (Options, Choices, Flex, and MegaFlex) and annual rate RFRs services for each of these four (4) cafeterias insurance plans.

The health and welfare cafeteria plan benefit insurance, consulting services, and related project management services to be provided are critical to the capability of DHR to advise the CEO and the Board on a wide range of employee benefit issues. The Statement of Work established two (2) as-needed service categories:

- I. The development and administration of RFP solicitations for four (4) County cafeteria health and welfare employee insurance benefit plans (i.e., Options, Choices, Flex, and MegaFlex); and
- II. The development and administration of annual rate RFRs for the same four (4) benefit plans listed immediately above.

Your Board's approval of the requested contract will allow the County to continue to obtain health and welfare cafeteria plan benefit insurance, consulting services, and optional project management services related to legislative analysis.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support County's Strategic Plan North Star 3 – Realize Tomorrow's Government Today, Focus Area Goal G – Internal Controls and Processes, Strategy 3 Measure Impact and Effectiveness of our Collective Efforts, by effectively managing County resources to provide efficient and responsive health and welfare cafeteria plan benefit insurance, consulting services, and optional project management services; thereby, allowing DHR to maximize the effectiveness of the County's ongoing health and welfare cafeteria plan benefit insurance programs and/or related County initiatives.

FISCAL IMPACT/FINANCING

Services under this contract will be paid on a fee-for-service basis (Attachment B), at an estimated Contract Sum of \$4,322,000 for the base five-year term plus three (3) option years, with the following pricing components:

- I. The development and administration of RFP solicitations for four (4) County cafeteria health and welfare employee insurance benefit plans (i.e., Options, Choices, Flex, and MegaFlex): Estimated cost of \$195,000 per RFP at an estimated completion of up to six (6) RFPs, for a total of \$1,170,000; and
- II. The development and administration of annual rate RFRs for the same four (4) benefit plans listed immediately above: Estimated cost of \$394,000 per year for a total of \$3,152,000 for the base five-year term plus three (3) option years.

Expenses incurred are fully offset by Intrafund Transfers and Revenue. Funding is included in the DHR FY 2024-25 budget and funding for subsequent years will be included in each fiscal year budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County has continuously contracted for as-needed compensation, employee benefits, and actuarial consulting services since 2005. On August 9, 2016, the Board approved a Master Agreement and qualified three (3) vendors for an as-needed basis for a five-year term that terminated on August 14, 2021, with two (2) one-year option periods and six (6) one-month extensions for the provision of as-needed compensation, employee benefits, and actuarial consulting services for the CEO and DHR. On October 25, 2016, the County executed a Delegated Authority Agreement contract with Aon Consulting, Inc. to provide Employee Benefit Consulting Services. The County executed the two (2) one-year option periods in Amendment One and the six (6) one-month extensions in Amendment Two. DHR notified the Board on January 24, 2024, of its intent to issue a work order exceeding \$200,000 under the existing master agreement for the period of February 8, 2024, through February 7, 2025.

County Counsel reviewed and approved the Invitation for Bid (IFB) prior to release and provided legal counsel throughout the solicitation process. County Counsel has approved the Contract as to form.

The Contract includes all County required provisions. The Contract revises the County's unlimited liability in the indemnification clause to a liability that will not exceed up to ten (10) times the contract sum, arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees. CEO Risk Management Branch ("RM") has reviewed and approved the insurance and indemnification provisions in the recommended Contract as to form. DHR has consulted with County Counsel and RM on any risks of including these changes to

the Contract, and based on their input, DHR has concluded that it is in the best interest of the County to proceed with the Contract.

These services are exempt from Proposition A requirements as the contracted services are needed on a part-time and intermittent basis, and the work performed by this consultant is highly technical in nature.

CONTRACTING PROCESS

An IFB was released on July 16, 2024, for Employee Health and Welfare Benefit Consulting and Project Management Services for Employee Health and Welfare Insurance Plans. The IFB announcement was posted on the Internal Services Department contracting website. DHR also emailed notices to seven (7) vendors that it identified to provide this type of service. This type of service is a specialized field in which the number of qualified vendors is extremely limited.

Proposals were due on August 27, 2024, and only one (1) bid was received. The bid was from Aon Consulting, Inc. who is also the current contractor.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will enable the County to continue to obtain health and welfare cafeteria plan benefit insurance, consulting services, and related project management services on an as-needed basis.

CONCLUSION

Upon approval by the Board, please return three (3) adopted copies of this Board letter to DHR. It is requested that the Executive Officer notify DHR Administrative Services at (213) 974-2407 when the documents are available.

Respectfully submitted,

LISA M. GARRETT
Director of Personnel

LMG:RC:MGM
JAB:WM:gc

Attachments (2)

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



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

AON CONSULTING, INC.

FOR

**EMPLOYEE HEALTH AND WELFARE BENEFIT CONSULTING AND
PROJECT MANAGEMENT SERVICES
FOR EMPLOYEE HEALTH AND WELFARE INSURANCE PLANS**

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- B** Pricing Schedule (Not Attached to Contract)
- C** Contractor’s Proposed Schedule (Not Attached to Contract)
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**CONTRACT BETWEEN
COUNTY OF LOS ANGELES**

AND

AON CONSULTING, INC.

FOR

**EMPLOYEE HEALTH AND WELFARE BENEFIT CONSULTING AND
PROJECT MANAGEMENT SERVICES
FOR EMPLOYEE MEDICAL INSURANCE PLANS**

This Contract (“Contract”) and Exhibits made and entered into this 1st day of February, 2025 by and between the County of Los Angeles, hereinafter referred to as “County” and Aon Consulting, Inc. hereinafter referred to as “Contractor”.

RECITALS

WHEREAS, the County may contract with private businesses for Employee Health and Welfare Benefit Consulting and Project Management Services for Employee Medical Insurance Plans when certain requirements are met; and

WHEREAS, this Contract 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 Director of Personnel (“Director”) of the Department of Human Resources (“DHR”), or designee, to execute and administer this Contract; 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 through K are attached to and form a part of this Contract. 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 Contract and the Exhibits, or between Exhibits, such conflict or inconsistency will be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

Exhibit A	Statement of Work and Attachments
Exhibit B	Pricing Schedule (Not attached to Contract)
Exhibit C	Contractor's Proposed Schedule (Not attached to Contract)
Exhibit D	County's Administration
Exhibit E	Contractor's Administration
Exhibit F	Forms Required at the Time of Contract Execution
Exhibit G	Safely Surrendered Baby Law

Unique Exhibits:

Exhibit H	Intentionally Omitted
Exhibit I	Intentionally Omitted
Exhibit J	Intentionally Omitted
Exhibit K	Intentionally Omitted

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract will be valid unless prepared pursuant to Paragraph 8.1 (Amendments) and signed by both parties.

2.0 DEFINITIONS

2.1 Standard 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.

- 2.1.1 Contract:** This agreement executed between County and Contractor. Included are all supplemental agreements amending or extending the service to be performed. The Contract sets forth the terms and

conditions for the issuance and performance of all tasks, deliverables, services, and other work.

- 2.1.2 **Contractor:** The person or persons, sole proprietor, partnership, joint venture, corporation or other legal entity who has entered into an agreement with the County to perform or execute the work covered by this Contract.
- 2.1.3 **Contractor's Project Manager:** The person designated by the Contractor to administer the Contract operations under this Contract.
- 2.1.4 **County's Project Director:** Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Project Manager.
- 2.1.5 **County's Project Manager:** Person designated by County's Project Director to manage the operations under this Contract.
- 2.1.6 **County's Project Monitor:** Person with responsibility to oversee the day-to-day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.
- 2.1.7 **County Observed Holidays:** Days on which County departments are closed for business in observance of significant events. A list of County observed holidays may be found on the County's website <https://lacounty.gov/government/about-la-county/about/>.
- 2.1.8 **Statement of Work:** A written description of the work to be performed by Contractor to meet the needs of the County, including special provisions pertaining to the method, frequency, manner, and place of performing the contract services.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor must fully perform, complete and deliver on time, all tasks, deliverables, goods, services and other work as set forth herein.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same will be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor will have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1 This Contract is effective upon the date of its execution by the Director of Personnel, or designee, as authorized by the Board of Supervisors. The term of this Contract shall be five (5) years from the date of execution (hereinafter "Initial

Term”), unless sooner terminated or extended, in whole or in part, as provided in this Contract.

- 4.2** The County will have the sole option to extend this Contract term for up to three (3) additional one-year periods for a maximum total Contract term of eight (8) years. Each such option and extension will be exercised at the sole discretion of the Director of Personnel or designee.

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 a bidder is responsible for the purposes of a future County contract or extension option.

- 4.3** The Contractor must notify Department when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor must send written notification to Department at the address herein provided in Exhibit D (County’s Administration).

5.0 CONTRACT SUM

5.1 Total Contract Sum

5.1.1 The Contract Sum under this contract will be the total monetary amount payable by County to contractor for supplying all the tasks, deliverables, goods, services and other work specified under this Contract. Contractor will provide services at the rates identified in Exhibit B (Pricing Schedule).

5.1.2 The Director of Personnel, or their designee, may request approval or delegated authority from the Board to supplement the initial total contract amount by up to 10%. The County does not warranty or represent that all, or any portion, of the not-to-exceed contract amount will be authorized, allocated, or expended by the County; nor does the County warranty or represent that it will authorize the selected contractor(s) to perform any work or services of any monetary amount.

5.2 Written Approval for Reimbursement

The Contractor will not be entitled to 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 takeover of any of the Contractor’s duties, responsibilities, or 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, must not occur except with the County’s express prior written approval.

5.3 Notification of 75% of Total Contract Sum

The Contractor must maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, the Contractor must send written notification to Department at the address herein provided in Exhibit D (County's Administration).

5.4 No Payment for Services Provided Following Expiration-Termination of Contract

The Contractor will have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it must immediately notify County and must immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract will not constitute a waiver of County's right to recover such payment from the Contractor.

5.5 Invoices and Payments

5.5.1 The Contractor must invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work and Attachments) and elsewhere hereunder. The Contractor must prepare invoices, which will include the charges owed to the Contractor by the County under the terms of this Contract.

5.5.2 The Contractor must submit the monthly invoices to the County by the 15th calendar day of the month following the month of service.

5.5.3 All invoices under this Contract must be submitted in two (2) copies to the following address:

Department of Human Resources, Employee Benefits
510 South Vermont Avenue, 12th floor
Los Angeles, CA 90020
Attn: Sandra Santana
and/or email to:
ssantana@hr.lacounty.gov

5.5.4 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the County's Project Manager prior to any payment thereof. In no event will the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.5.5 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](#)).

5.6 Intentionally Omitted

5.7 Default Method of Payment: Direct Deposit or Electronic Funds Transfer

5.7.1 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).

5.7.2 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.

5.7.3 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.

5.7.4 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 CONTRACT – COUNTY

6.1 County's Administration

A listing of all County Administration referenced in the following Paragraphs are designated in Exhibit D (County's Administration). The County will notify the Contractor in writing of any changes as they occur.

6.2 County's Project Director

Responsibilities of the County's Project Director include:

- 6.2.1 Ensuring that the objectives of this Contract are met; and
- 6.2.2 Providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.3 County's Project Manager

The responsibilities of the County's Project Manager include:

- 6.3.1 Meeting with the Contractor's Project Manager on a regular basis; and
- 6.3.2 Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

6.4 County's Project Monitor

The County's Project Monitor is responsible for overseeing the day-to-day administration of this Contract; however, in no event will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby. The County's Project Monitor reports to the County's Project Manager.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Administration

A listing of all of Contractor's Administration referenced in the following paragraphs is designated in Exhibit E (Contractor's Administration). The Contractor will notify the County in writing of any change as they occur.

7.2 Contractor's Project Manager

- 7.2.1 The Contractor's Project Manager is designated in Exhibit E (Contractor's Administration). The Contractor must notify the County in writing of any change to Exhibit E (Contractor's Administration), as changes occur.
- 7.2.2 The Contractor's Project Manager will be responsible for the Contractor's day-to-day activities as related to this Contract and must coordinate with County's Project Manager and County's Project Monitor on a regular basis.
- 7.2.3 The Contractor's Project Manager must have eight (8) years of experience, within the last ten (10) calendar years.
- 7.2.4 The Contractor and its dedicated employees must be prepared to attend in person, at multiple times and locations, designated by the County of Los Angeles, within the County of Los Angeles.

7.3 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Project Manager.

7.4 Contractor's Staff Identification

Contractor must provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge.

7.5 Background and Security Investigations

7.5.1 Each of Contractor's staff performing services under this Contract 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 Contract. 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 Contractor, 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 Contract at any time during the term of the Contract. 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 Contract.

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, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 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 Contract.
- 7.6.4** Contractor must sign and will cause its employees to sign an agreement with Contractor with confidentiality terms substantially similar to the provisions of Exhibit F1 (Contractor Acknowledgement and Confidentiality Agreement).
- 7.6.5** Contractor will cause each non-employee performing services covered by this Contract to sign and adhere to an agreement with Contractor with confidentiality terms substantially similar to the provisions of Exhibit F3 (Contractor Non-Employee Acknowledgment and Confidentiality Agreement).

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

- 8.1.1** For any change which affects the scope of work, contract term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment must be prepared and executed by the Contractor and by the Director of Personnel or their designee.
- 8.1.2** The County's Board or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right

to add and/or change such provisions as required by the County's Board or Chief Executive Officer. To implement such changes, an Amendment to the Contract must be prepared and executed by the Contractor and by the Director of Personnel or their designee.

8.1.3 The Director of Personnel or their designee may at their sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Contract). The Contractor agrees that such extensions of time will not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract must be prepared and executed by the Contractor and by the Director of Personnel or their designee.

8.1.4 The County reserves the right to initiate Change Notices that do not affect the scope, term, Contract sum or payments. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the County's Project Director or designee. The designee is authorized to enter into and execute such Change Notices.

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 Contract, 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 Contract, 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 Contract 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 Contract which may result in the termination of this Contract. 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 Contract 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 Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.4 Budget Reductions

In the event that the County's Board adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract will also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation will be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor must continue to provide all of the services set forth in this Contract.

8.5 Complaints

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

- 8.5.1** Within ten (10) business days after Contract effective date, the Contractor must provide the County with the Contractor's procedures for receiving, investigating and responding to user complaints.
- 8.5.2** The County will review the Contractor's procedures and provide the Contractor with approval of said procedures or with requested changes.
- 8.5.3** If the County requests changes in the Contractor's procedures, the Contractor must make such changes and resubmit the procedures within ten (10) business days for County approval.
- 8.5.4** If, at any time, the Contractor wishes to change the Contractor's procedures, the Contractor must submit proposed changes to the County for approval before implementation.
- 8.5.5** 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.

8.5.6 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.

8.5.7 Copies of all written responses must be sent to the County's Project Manager within five (5) business days of mailing to the complainant.

8.6 Compliance with Applicable Laws

8.6.1 In the performance of this Contract, Contractor must comply with all Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures applicable to Contractor in its capacity under this Agreement, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.6.2 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 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 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.

8.7 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 Contract or under any project, program, or activity supported by this Contract. Additionally, Contractor certifies to the County:

- 8.7.1 That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- 8.7.2 That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- 8.7.3 That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- 8.7.4 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.

8.8 Compliance with County's Jury Service Program

8.8.1 Jury Service Program

This Contract 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](#).

8.8.2 Written Employee Jury Service Policy

- Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program ([Section 2.203.020 of the County Code](#)) or that the Contractor qualifies for an exception to the Jury Service Program ([Section 2.203.070 of the County Code](#)), the 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.
- For purposes of this Paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract 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 contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the 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 the Contractor uses any Subcontractor to perform services for the County under the Contract, 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.

- If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor will have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and the Contractor must immediately notify the County if the Contractor at any time either comes within the Jury Service Program’s definition of “Contractor” or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor must immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the County’s satisfaction that the Contractor either continues to remain outside of the Jury Service Program’s definition of “Contractor” and/or that the Contractor continues to qualify for an exception to the Program.
- 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 and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 Conflict of Interest

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, 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 Contract. 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.

8.9.2 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 Contract. 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 will be a material breach of this Contract.

8.10 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 Contract 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 Contract.

8.11 Consideration of Hiring GAIN/START Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, 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 and BSERVICES@OPPORTUNITY.LACOUNTY.GOV and DPSS will refer qualified GAIN/START job candidates.

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

8.12 Contractor Responsibility and Debarment

8.12.1 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 contract. It is the County's policy to conduct business only with responsible Contractors.

8.12.2 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 contracts which indicates

that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, 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.

8.12.3 Non-responsible Contractor

The County may debar a Contractor if the Board finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract 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 contract 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.

8.12.4 Contractor Hearing Board

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

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

8.12.5 Subcontractors of Contractor

These terms will also apply to Subcontractors of County Contractors.

8.13 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 G, 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/>

8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Contract 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.

8.14.2 As required by the County's Child Support Compliance Program ([County Code Chapter 2.200](#)) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and will during the term of this Contract maintain in 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).

8.15 County's Quality Assurance Plan

The County or its agent(s) will monitor the Contractor's performance under this Contract on not less than an annual basis. Such monitoring will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board 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 Contract or impose other penalties as specified in this Contract.

8.16 Intentionally Omitted

8.17 Employment Eligibility Verification

8.17.1 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 Contract 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.

8.17.2 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 Contract.

8.18 Counterparts and Electronic Signatures and Representations

This Contract 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 Contract. 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 Contract.

8.19 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.

8.20 Force Majeure

8.20.1 Neither party will be liable for such party's failure to perform its obligations under and in accordance with this Contract, 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").

8.20.2 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.

8.20.3 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.

8.21 Governing Law, Jurisdiction, and Venue

This Contract 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 Contract and further and consents that venue of any action brought hereunder will be exclusively in the County.

8.22 Independent Contractor Status

8.22.1 This Contract 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.

8.22.2 The Contractor will be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract 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.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract 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 Contract.

8.22.4 The Contractor must adhere to the provisions stated in Paragraph 7.5 (Confidentiality).

8.23 Indemnification

The Contractor must indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), up to ten (10) times the contract sum, arising from and/or relating to Contractor’s breach of this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

8.24 General Provisions for All Insurance Coverage

8.24.1 Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor must provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 8.24 and 8.25 of this Contract. 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 Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.2 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor’s General Liability policy, must be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- Renewal Certificates must be provided to County not less than 10 days prior to Contractor’s policy expiration dates. In the event of a claim, the County reserves the right to obtain complete, certified copies of any policy where County is listed as the additional insured.
- Certificates must identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate must match

the name of the Contractor identified as the contracting party in this Contract. Certificates must provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.

- Neither the County's failure to obtain, nor the County'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 Contractor, its insurance broker(s) and/or insurer(s), will be construed as a waiver of any of the Required Insurance provisions.
- Certificates and copies of any required endorsements must be sent to:

Department of Human Resources, Employee Benefits
510 South Vermont Avenue, 12th floor
Los Angeles, CA 90020
Attn: John Quach
and/or emailed to:
jquach@hr.lacounty.gov

- Contractor also must promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also must promptly notify County of any third party claim or suit filed against Contractor or any of its Subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.3 Additional Insured Status and Scope of Coverage

The County, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) in connection to this Contract must be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status must apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. Use of additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 Cancellation of or Change in Insurance

Contractor must provide County with, or Contractor's insurance policies must contain a provision that County will 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 must be provided to County 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 material policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.5 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance will constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.6 Insurer Financial Ratings

Coverage must be placed with insurers acceptable to the County with A.M. Best ratings of not less than A: VII unless otherwise approved by County.

8.24.7 Contractor's Insurance Must Be Primary

Contractor's Commercial General Liability and Auto Liability insurance policies, with respect to any claims related to this Contract, must be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage must be in excess of and not contribute to any Contractor coverage.

8.24.8 Waivers of Subrogation

On all policies except Professional Liability, to the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. Use of a blanket waiver of subrogation endorsement form is acceptable providing it satisfies the required insurance provisions herein.

8.24.9 Subcontractor Insurance Coverage Requirements

Contractor must include all subcontractors as insureds under Contractor's own policies, or must provide County with each subcontractor's separate evidence of insurance coverage. Contractor will be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and must require that each subcontractor name the County and Contractor as additional insureds on the Subcontractor's General Liability policy. Contractor must obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

8.24.10 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies will not obligate the County to pay any portion of any Contractor deductible or SIR. If the County directly submits a claim for coverage under the insurance where they are listed as Additional Insured per this Contract, Contractor agrees to reimburse County for any deductibles or SIRs under any applicable insurance policy within thirty (30) days of payment thereof.

8.24.11 Claims Made Coverage

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

8.24.12 Application of Excess Liability Coverage

Contractors 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.

8.24.13 Separation of Insureds

The Commercial General Liability and Auto liability policies must 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.

8.24.14 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents must be designated as an Additional Covered Party under any approved program.

8.24.15 County Review and Approval of Insurance Requirements

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

8.25 Insurance Coverage

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

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

8.25.2 Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance must cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 Workers Compensation and Employers' Liability insurance or qualified self- insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also must include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. The written notice must be provided to County 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. If applicable to Contractor's operations, coverage also must be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 Unique Insurance Coverage

- **Professional Liability/Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it will maintain such coverage for a period of not less than three (3)

years following this Contract's expiration, termination or cancellation.

8.26 Liquidated Damages

- 8.26.1** If, in the judgment of the Director, or their designee, 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.
- 8.26.2** If the Director, or their designee, determines that there are deficiencies in the performance of this Contract 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, or their designee, 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 specified in the Performance Requirements Summary (PRS) Chart, as defined in Appendix C, Technical Exhibit 2, hereunder, 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.
- 8.26.3** The action noted in Paragraph 8.26.2 must 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 Contract.
- 8.26.4** This Paragraph must not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as

specified in the PRS or Paragraph 8.26.2, and must not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract 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 Contract, then such lower prices must be immediately extended to the County.

8.28 Nondiscrimination and Affirmative Action

8.28.1 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.

8.28.2 Contractor certifies to the County each of the following:

- That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- 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.

8.28.3 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.

8.28.4 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.

- 8.28.5** 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 Contract or under any project, program, or activity supported by this Contract.
- 8.28.6** 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 8.28 when so requested by the County.
- 8.28.7** If the County finds that any provisions of this Paragraph 8.28 have been violated, such violation will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract 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 Contract.
- 8.28.8** The parties agree that in the event the Contractor violates any of the anti discrimination provisions of this Contract, 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 Contract.

8.29 Non Exclusivity

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

8.30 Notice of Delays

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

8.31 Notice of Disputes

The Contractor must bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the Contractor

regarding the performance of services as stated in this Contract. If the County's Project Manager or County's Project Director is not able to resolve the dispute, the Director, or designee will resolve it.

8.32 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](#).

8.33 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 G, Safely Surrendered Baby Law of this Contract. Additional information is available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>

8.34 Notices

All notices or demands required or permitted to be given or made under this Contract 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 D (County's Administration) and E (Contractor's Administration). Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Director or designee will have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.35 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract 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.

8.36 Public Records Act

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Paragraph 8.38 (Record Retention and Inspection/Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Invitation for Bids (IFB) used in the solicitation process for this Contract, 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.

8.36.2 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 a bid 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.

8.37 Publicity

8.37.1 The Contractor must not disclose any details in connection with this Contract 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 Contract within the following conditions:

- The Contractor must develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor will 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.

8.37.2 The Contractor may, without the prior written consent of County, indicate in its bids and sales materials that it has been awarded this Contract with the County, provided that the requirements of this Paragraph 8.37 (Publicity) will apply.

8.38 Record Retention and Inspection-Audit Settlement

8.38.1 The Contractor must maintain accurate and complete financial records of its activities and operations relating to this Contract 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 Contract. 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 Contract. 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 Contract 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 of 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.

- 8.38.2** In the event that an audit of the Contractor is conducted specifically regarding this Contract 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 Contract. Subject to applicable law, the County will make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.38.3** Failure on the part of the Contractor to comply with any of the provisions of this Paragraph 8.38 will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.
- 8.38.4** If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, 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 must 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 Contract 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 Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.39 Recycled Bond Paper

Consistent with the Board 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 Contract.

8.40 Subcontracting

8.40.1 The requirements of this Contract 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 Contract.

8.40.2 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.

8.40.3 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 the Contractor employees.

8.40.4 The Contractor will remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.40.5 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 Contract. The Contractor is responsible to notify its Subcontractors of this County right.

8.40.6 The County's Project Director 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.

8.40.7 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.

8.40.8 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. Before any Subcontractor employee may perform any work hereunder, Contractor must ensure delivery of all such documents to:

Department of Human Resources, Employee Benefits
510 South Vermont Avenue, 12th Floor
Los Angeles, CA 90020
Attn: John Quach
And/or email to:
iquach@hr.lacounty.gov

8.41 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 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), will constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice will be grounds upon which the County may terminate this Contract pursuant to Paragraph 8.43 (Termination for Default and pursue debarment of the Contractor), pursuant to [County Code Chapter 2.202](#).

8.42 Termination for Convenience

8.42.1 This Contract may be terminated, in whole or in part, from time to time, 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 the 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.

8.42.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor must:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as would not have been terminated by such notice.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract must be maintained by the Contractor in accordance with Paragraph 8.38 (Record Retention and Inspection/Audit Settlement).

8.43 Termination for Default

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

- Contractor has materially breached this Contract; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract 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.

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Paragraph 8.43.1, 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 Contract to the extent not terminated under the provisions of this Paragraph.

8.43.3 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 8.43.2 if its failure to perform this Contract 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 8.43.3, the terms

"Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.

8.43.4 If, after the County has given notice of termination under the provisions of this Paragraph 8.43, it is determined by the County that the Contractor was not in default under the provisions of this Paragraph 8.43, or that the default was excusable under the provisions of Paragraph 8.43.3, the rights and obligations of the parties will be the same as if the notice of termination had been issued pursuant to Paragraph 8.42 (Termination for Convenience).

8.43.5 The rights and remedies of the County provided in this Paragraph 8.43 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 Termination for Improper Consideration

8.44.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract 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 the Contract or securing favorable treatment with respect to the award, amendment, or extension of the Contract or the making of any determinations with respect to the Contractor's performance pursuant to the Contract. 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.

8.44.2 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/>.

8.44.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.45 Termination for Insolvency

8.45.1 The County may terminate this Contract 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.

8.45.2 The rights and remedies of the County provided in this Paragraph 8.45 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 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 Chapter 2.160](#). 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 Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 Termination for Non-Appropriation of Funds

Notwithstanding any other provision of this Contract, the County will not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract 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.

8.48 Validity

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

8.49 Waiver

No waiver by the County of any breach of any provision of this Contract 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 Contract will not be construed as a waiver thereof. The rights and remedies set forth in this Paragraph 8.49 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

8.50.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract 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.

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

8.51 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 contract will maintain compliance, with [Los Angeles County Code Chapter 2.206](#).

8.52 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 8.51 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) will constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice will be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to [Los Angeles County Code Chapter 2.206](#).

8.53 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.

8.54 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 Contract. 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 Contract.

8.55 Intentionally Omitted

8.56 Compliance with Fair Chance Employment Hiring Practices

Contractor, and its subcontractors, must 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.

8.57 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.

8.58 Prohibition from Participation in Future Solicitation(s)

A Bidder, or a Contractor or its subsidiary or Subcontractor ("Bidder/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Bidder/Contractor has provided advice or consultation for the solicitation. A Bidder/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Bidder/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/Bidder from participation in the County solicitation or the termination or cancellation of any resultant County contract.

8.59 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.

8.60 Campaign Contribution Prohibition Following Final Decision in Contract Proceeding

Pursuant to [Government Code Section 84308](#), Contractor and its Subcontractors, are prohibited from making a contribution of more than \$250 to a County officer for twelve (12) months after the date of the final decision in the proceeding involving this Contract. Failure to comply with the provisions of [Government Code Section 84308](#) and of this paragraph, may be a material breach of this Contract as determined in the sole discretion of the County.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Ownership of Materials, Software and Copyright

9.1.1 County will be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through the Contractor's work pursuant to this Contract. The Contractor, for valuable consideration herein provided, must execute all documents necessary to assign and transfer to, and vest in the County all of the Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.

9.1.2 During the term of this Contract and for five (5) years thereafter, the Contractor must maintain and provide security for all of the Contractor's working papers prepared under this Contract. County will have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

9.1.3 Any and all materials, software and tools which are developed or were originally acquired by the Contractor outside the scope of this Contract, which the Contractor desires to use hereunder, and which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the County's Project Manager as proprietary or confidential, and must be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.

9.1.4 The County will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in confidence. The County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of the Contractor.

9.1.5 Notwithstanding any other provision of this Contract, the County will not be obligated to the Contractor in any way under Paragraph 9.2.4 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Paragraph 9.2.3 or for any disclosure which the County is required to make under any state or federal law or order of court.

9.2 Intentionally Omitted

9.3 Data Destruction

Contractor(s) that have maintained, processed, or stored County data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled Guidelines for Media Sanitization. Available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201>

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten (10) business days, a signed document from Contractor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and/or indecipherable.

Contractor(s) must certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Contractor(s) must provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all County data was destroyed and is unusable, unreadable, and/or indecipherable. Notwithstanding the foregoing, Contractor may maintain an archival copy of County data in accordance with Contractor's record retention requirements provided such information remains subject to the confidentiality terms in this Agreement.

9.4 Intentionally Omitted

9.5 Local Small Business Enterprise (LSBE) Preference Program

9.5.1 This Contract 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](#).

9.5.2 The Contractor will 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.

9.5.3 The Contractor will 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.

9.5.4 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 contract to which it would not otherwise have been entitled, will:

- Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
- 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 contract; and
- 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 contract award.

9.6 Social Enterprise (SE) Preference Program

9.6.1 This Contract 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](#).

9.6.2 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.

9.6.3 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.

9.6.4 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 contract to which it would not otherwise have been entitled, Contractor will:

- Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
- 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 contract; and
- 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 contract award.

9.7 Disabled Veteran Business Enterprise (DVBE) Preference Program

9.7.1 This Contract 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](#).

9.7.2 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 DVBE.

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 DVBE.

9.7.4 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 contract to which it would not otherwise have been entitled, Contractor will:

- Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
- 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 contract; and
- 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 Contract, 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 contract award.

9.8 Intentionally Omitted

9.9 Intentionally Omitted

9.10 Intentionally Omitted

9.11 Intentionally Omitted

9.12 Intentionally Omitted

10.0 SURVIVAL

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

Paragraph 1.0	Applicable Documents
Paragraph 2.0	Definitions
Paragraph 3.0	Work
Paragraph 5.4	No Payment for Services Provided Following Expiration/Termination of Contract
Paragraph 7.6	Confidentiality
Paragraph 8.1	Amendments
Paragraph 8.2	Assignment and Delegation/Mergers or Acquisitions
Paragraph 8.6	Compliance with Applicable Laws
Paragraph 8.19	Fair Labor Standards
Paragraph 8.20	Force Majeure
Paragraph 8.21	Governing Law, Jurisdiction, and Venue
Paragraph 8.23	Indemnification
Paragraph 8.24	General Provisions for all Insurance Coverage
Paragraph 8.25	Insurance Coverage
Paragraph 8.26	Liquidated Damages
Paragraph 8.34	Notices
Paragraph 8.38	Record Retention and Inspection-Audit Settlement
Paragraph 8.42	Termination for Convenience
Paragraph 8.43	Termination for Default
Paragraph 8.48	Validity
Paragraph 8.49	Waiver
Paragraph 8.58	Prohibition from Participation in Future Solicitation(s)
Paragraph 8.60	Campaign Contribution Prohibition Following Final Decision in Contract Proceeding
Paragraph 9.2	Ownership of Materials, Software and Copyright
Paragraph 9.3	Patent, Copyright and Trade Secret Indemnification
Paragraph 10.0	Survival

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract 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, the day and year first above written.

CONTRACTOR

(_____)

By

_____ Name

_____ Title

COUNTY OF LOS ANGELES

By

LISA M. GARRETT
Director of Personnel
Department of Human Resources

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By _____

Graeme Sharpe
Senior Deputy County Counsel

EXHIBIT A

STATEMENT OF WORK AND ATTACHMENTS

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STATEMENT OF WORK (SOW)

1.0 SCOPE OF WORK

Exhibit A sets forth the general terms of the Statement of Work (SOW) for Employee Health and Welfare Benefit Consulting and Project Management Services (Services) to be provided by the Contractor pursuant to the Contract.

The Contractor must provide as-needed Services under the following categories:

1. The development and administration of Request for Proposal (RFP) solicitations for four County cafeteria health and welfare employee insurance benefit plans (i.e., Options, Choices, Flex, and MegaFlex); and
2. The development and administration of annual rate Requests for Renewals (RFRs) for the same four benefit plans listed immediately above.

2.0 INTENTIONALLY OMITTED

3.0 QUALITY CONTROL

The Contractor must establish and utilize a comprehensive Quality Control Plan (QCP) to ensure the County receives a consistently high level of service throughout the term of the Contract. The QCP must be submitted to the County's Project Monitor for review within thirty days of Contract execution. The QCP must include, but may not be limited to the following:

- 3.1 Method of monitoring to ensure that Contract requirements are being met; and
- 3.2 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action must be provided to the County upon request.

4.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under this Contract using the quality assurance procedures as defined in the Contract, Paragraph 8.15, County's Quality Assurance Plan.

4.1 Monthly Meetings

Contractor must attend scheduled monthly meetings, either in-person or via video conference, as scheduled by the County in its reasonable discretion. Failure to attend will cause an assessment of Fifty Dollars (\$50) per occurrence.

4.2 Contract Discrepancy Report

Verbal notification of a Contract discrepancy will be made to the County's Project Monitor as soon as possible whenever a Contract discrepancy is identified. The

problem must be resolved within a time period mutually agreed upon by the County and the Contractor.

The County's Project Monitor will determine whether a formal Contract Discrepancy Report (CDR) will be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County's Project Monitor within five (5) business days, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the CDR must be submitted to the County's Project Monitor within ten (10) business days.

4.3 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

5.0 DEFINITIONS

5.1 "Experience": At least one (1) full-time calendar year experience as a subject matter expert in the last ten (10) calendar years, providing Services to a public or private sector employer with at least 35,000 full-time employees.

5.2 "Request for Proposal (RFP)": A solicitation document used when the County identifies a need and a desired result and requires Proposers to provide a solution to that need.

5.3 "Request for Renewals (RFR)": The development and administration of annual renewal rates for County cafeteria health and welfare employee insurance benefit plans (i.e., Options, Choices, Flex, and MegaFlex).

6.0 RESPONSIBILITIES

The County's and the Contractor's responsibilities are as follows:

COUNTY

6.1 Personnel

The County will administer the Contract according to the Contract, Paragraph 6.0, Administration of Contract - County. Specific duties will include:

6.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.

6.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.

6.1.3 Preparing Amendments in accordance with the Contract, Paragraph 8.1, Amendments.

6.2 Intentionally Omitted

CONTRACTOR

6.3 Contractor's Project Manager

6.3.1 Contractor must provide a full-time Contractor's Project Manager or designated alternate. Contractor must provide a telephone number where the Project Manager may be reached between the hours of 8:00 a.m. and 5:00 p.m. (Pacific Time) on all business days.

The Contractor and its designated employees must be prepared to attend meetings and negotiation meetings in person, at multiple times and locations, designated by the County of Los Angeles, within the County of Los Angeles.

6.3.2 Contractor's Project Manager must act as a central point of contact with the County.

6.3.3 Contractor's Project Manager must have at least eight (8) years of Experience, within the last ten (10) calendar years.

6.3.4 Contractor's Project Manager/alternate must have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Contractor's Project Manager/alternate must be able to effectively communicate in English, both orally and in writing.

6.4 Personnel

6.4.1 Contractor must assign a sufficient number of staff to perform the required work. At least one staff person on site must be authorized to act for the Contractor in every detail and must speak and understand English.

6.4.2 Contractor must have a dedicated Senior Actuary with at least eight (8) years of Experience within the last ten (10) calendar years.

6.4.3 Contractor must have a dedicated Junior Actuary with at least three (3) years of Experience within the last ten (10) calendar years.

6.4.4 Contractor must have a Project Manager/Senior Consultant with at least three (3) years of Experience within the last ten (10) calendar years.

6.4.5 Contractor must have a Consultant/Analyst with at least two (2) years of Experience within the last ten (10) calendar years.

6.4.6 Contractor must have a Compliance – Senior Consultant with at least three (3) years of Experience within the last ten (10) calendar years.

6.4.7 Contractor will be required to background check their staff as set forth in Paragraph 7.5, Background and Security Investigations, of the Contract.

6.5 Identification Badges

6.5.1 Contractor must ensure their staff are appropriately identified as set forth in Paragraph 7.4, Contractor's Staff Identification, of the Contract.

6.6 Materials and Equipment

6.6.1 The purchase of all materials/equipment to provide the needed services is the responsibility of the Contractor. Contractor must use materials and equipment that are safe for the environment and safe for use by the employee.

6.7 Training

6.7.1 Contractor must provide training programs for all new employees and continuing in-service training for all staff.

6.8 Contractor's Office

Contractor must maintain an office with a telephone in the company's name where Contractor conducts business. The office must be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Contract. When the office is closed, an answering service must be provided to receive calls. **The Contractor must answer calls received by the answering service by the start of the next business day of receipt of the call.**

7.0 HOURS/DAY OF WORK

The Contractor is not required to provide services on [County recognized holidays](#).

8.0 WORK SCHEDULES

8.1 The Contractor shall provide the Services set forth in this SOW, as needed by the County, on any business day during the hours between 8:00 a.m. and 5:00 p.m. (Pacific Time).

8.2 Contractor must submit revised schedules when actual performance differs substantially from planned performance. Said revisions must be submitted to the County's Project Manager for review and approval within five (5) working days prior to scheduled time for work.

9.0 INTENTIONALLY OMITTED

10.0 SPECIFIC WORK REQUIREMENTS

The Contractor must provide as-needed Employee Welfare and Benefit Consulting and Project Management Services (Services) as detailed in this Section 10.0.

10.1 The Contractor must provide Services for the development and administration of the RFPs for four (4) County cafeteria health and welfare benefit plans (i.e., Options, Choices, Flex, and MegaFlex).

10.1.1 The Contractor must provide the following RFP deliverables:

1. Analysis of two years of medical plan experience from current medical carriers including large medical claims information. Analysis of comprehensive census of eligible employees including current medical plan enrollment and tier coverage.
2. A GeoAccess report.
3. Provider disruption analysis.
4. Desired benefit plans and alternatives including alternative networks.
5. Funding alternatives (insured, participating/minimum premium, and self-funded) and underwriting exhibits for the various alternatives.
6. Retention guarantees.
7. Rate caps/guarantees.
8. Network discount guarantees.
9. Implementation and ongoing performance guarantees.
10. Questionnaire of relevant topics.

10.1.2 The Contractor must provide the following RFP deliverables:

1. Work with the County Project Manager to obtain DHR, CEO, County Counsel, and union representative input to solicitations.
2. Develop performance guarantees for inclusion in the solicitations.
3. Work with up to three (3) committees to develop and execute to completion the RFPs, one for each of the two represented groups (i.e., Options and Choices) and one for the non-represented employee groups (i.e., Flex/MegaFlex), per County guidelines.
4. Assist with the proposers' conferences.
5. Analyze financial information in the insurance carrier's proposal (e.g., claims, reserves, capitation, cost trends, administrative expenses, utilization information, HEDIS, and other relevant quality information).
6. Assist with the finalist presentation(s) (if any), as directed by the evaluation committee.

7. Develop questions for the proposers in the event there are finalist presentations.
8. Work with the County Project Manager to develop evaluation instruments to score the proposals.
9. Assist the evaluation committees in the scoring of each medical carrier's proposal and/or participate as part of the evaluation committee.
10. Assist in preparing a response to proposer appeals/protests.
11. Participate in and assist the County in the RFP negotiation processes with proposers, and in developing the contracts that will be recommended to the County Board of Supervisors (Board) as a result of the RFP.
12. Obtain responses and interface with health insurers regarding questions.
13. Assist County staff in developing the evaluation committee's recommendation into a Board Letter to the Board.
14. The Contractor must conduct weekly or as needed status calls regarding the development of the RFPs.
15. The Contractor must develop a detailed project timeline and provide updates to the timeline.
16. The Contractor must request additional, missing, or corrected information from medical carriers.
17. The Contractor must finalize rates and benefits and communicate them to the carriers and County once the Board has approved the plans and policies.
18. The Contractor must assist with the resolution of post-implementation issues.

10.2 The Contractor must provide Services for the development and administration of annual RFRs for four County cafeteria health and welfare employee insurance benefit plans (i.e., Options, Choices, Flex, and MegaFlex).

10.2.1 The Contractor must provide:

1. Provide written analysis of two years of medical plan experience from current medical carriers including large medical claims information.
2. Provide written analysis of the census of eligible employees including current medical plan enrollment and tier coverage.
3. Provide a written GeoAccess report.
4. Provide a written carrier disruption analysis.

5. Provide written analysis of alternative benefit plan designs, structures, and alternative networks.
6. Provide funding alternatives (insured, participating/minimum premium, and self-funded) and underwriting exhibits for the various alternatives.
7. Review and negotiate retention guarantees.
8. Review and negotiate annual rate caps/guarantees.
9. Review and negotiate network discount guarantees.
10. Review and negotiate ongoing performance guarantees.
10. Request, obtain, and analyze RFR responses and interface with health insurers regarding relevant questions.
11. Assist County staff in developing the evaluation committee's recommendation into a Board Letter to the Board.
12. Conduct weekly or as needed status calls regarding the RFRs.
13. Must develop and regularly update a detailed project timeline.
14. Request additional, missing, or corrected information from medical carriers.
15. Finalize rates and benefits and communicate them via benefit confirmation letters to the carriers and County once the Board has approved the plans, designs, and rates.
16. Assist with the resolution of post-implementation issues.
17. The Contractor must provide formal, detailed, and written health and welfare benefit plan fairness opinions, including formal opinions regarding benefit structures and premium rates. The Contractor must provide written analysis of national, State, and local trends in health and welfare costs, and client claims experience in order to determine the fairness and validity of proposed benefit costs.
18. Obtain DHR, CEO, and Union representative input for each RFR.
19. Modify the RFRs and distribute them to DHR, CEO, and Union representatives as instructed by the County for further questions and comments and final review. Several rounds of RFR questions, changes, and responses are expected for each carrier.
20. Finalize and e-mail the RFRs respectively, to each of the County's health and welfare employee insurance carriers.
21. Obtain a timely written response to RFRs from each carrier, analyze the responses, and then provide additional questions and comments to each carrier's representatives.

- 22. Provide the County a brief written overview of the major issues expected to be the focus of negotiations based on Contractor's initial review of the RFR responses within one week of the receipt of the RFR responses.
 - 23. Provide, as needed, unforeseen benefit consulting services related to the RFRs.
 - 24. Provide, as needed, unforeseen actuarial services related to the RFRs.
- 10.3** County's Project Manager may direct Contractor to provide Optional Work relating to Legislative Analysis using Pool Dollars.

10.3.1 The Contractor must:

- 1. Provide analysis of existing and/or proposed federal and State legislation and regulations and as to their impact on the County's cafeteria health and welfare employee insurance benefit plans.
- 2. Make recommendations on proposed legislation to the Department.
- 3. Make recommendations on proposed regulations dealing with existing or newly enacted laws to the Department.

Upon request by County and during the term of the Contract, Contractor shall submit to County for approval a proposed Work Order for Optional Work, including a not to exceed Maximum Fixed Price calculated, if applicable using the Fixed Hourly Rate. County and Contractor shall agree on the Work Order for the tasks and deliverables to be performed, the schedule of completion, and the Maximum Fixed Price, if applicable, for such Optional Work.

Contractor shall provide Optional Work upon execution of a Change Notice for an agreed upon Work Order for such Optional Work. Following County's Acceptance of Optional Work provided pursuant to an agreed upon Work Order, Contractor, at no cost to County, shall support the System with Optional Work in Production Use with no Deficiencies, as determined in the sole judgment of County's Project Manager, for a period agreed to in the Work Order following such Production Use (with respect to Optional Work, "Warranty Period"). County will pay Contractor for the completed Optional Work upon Final Acceptance, to the extent applicable, and County's acceptance and approval of such Optional Work.

11.0 OVERVIEW OF COUNTY MEDICAL PLANS AND RFRs

11.1 Four Medical Insurance Plans

Benefits are currently provided under the four existing employee benefit cafeteria programs for the County's full-time, permanent employees and part-time, temporary employees and their families, as follows:

- *Choices Benefits Program (Choices)* for approximately 29,000 employees represented by the Coalition of County Unions (CCU). The Choices program currently provides a choice of County-sponsored and union-sponsored medical plans. The County-sponsored plans under Choices are currently Kaiser, Cigna HMO, and Cigna POS. Union-sponsored plans are: ALADS/Anthem Blue Cross HMO, POS, and PPO; CAPE/Blue Shield POS; and Fire Fighters medical; the union-sponsored plans offered by the CCU are not part of this solicitation.
- *Options Benefits Program (Options)* for approximately 58,000 employees represented by SEIU Local 721(Local 721). The medical plans available under Options are currently Kaiser, UnitedHealthcare HMO, and UnitedHealthcare PPO.
- *Flex and MegaFlex Benefits Programs (Flex/MegaFlex)* for 16,000 non-represented employees. The medical plans available to non-represented employees under Flex/MegaFlex are Kaiser, Anthem/Blue Cross Catastrophic, Anthem/Blue Cross HMO, Anthem/Blue Cross POS, and Anthem/Blue Cross PPO.

Benefit plan designs are negotiated separately under each fringe benefit Memorandum of Understanding (MOU) with SEIU Local 721 and the Coalition of County Unions. Copayments and benefits may differ between the plans offered under each program.

11.2 Four Annual RFRs

Since at least 2004, the County has hired an outside professional consultant to manage the annual health and welfare RFR process and perform as-needed annual RFR, RFR consulting, and project management Services for the County. The consultant will be responsible for providing the negotiated rates and fairness opinions for the new calendar year, which are presented in writing to the Board annually for approval.

12.0 WORK TIMELINE

- The first RFR cycle is expected to begin in January 2025 for the 2026 renewals.
- The first RFP solicitation development is expected to begin by the 3rd quarter of calendar year 2025.
- The deadline for the submission of proposals will be no later than five (5) weeks after the solicitation issue date.
- The evaluation committee will score proposals within three (3) to six (6) weeks of receipt of the proposals.

- The draft recommendation will be due within one week of the finalist presentations or the close of the appeal window, whichever is later. The final draft will be due two (2) weeks later.

Note: Work Timelines are subject to change as the solicitation project methodology and processes are defined and established.

13.0 INTENTIONALLY OMITTED

14.0 PERFORMANCE REQUIREMENTS SUMMARY

A Performance Requirements Summary (PRS) Chart, Attachment 2 of this Exhibit A, listing required services and deliverables that will be monitored by the County during the term of this Contract is an important monitoring tool for the County. The chart:

- references applicable sections of the contract
- lists required Services
- Indicates the method(s) of monitoring
- indicates the deductions/fees that may be assessed for each service that is not satisfactory

All listings of services and deliverables referenced in the PRS Chart 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 or deliverables 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 or deliverable 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.

STATEMENT OF WORK

ATTACHMENTS

TABLE OF CONTENTS

Attachments

- 1 CONTRACT DISCREPANCY REPORT
- 2 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

CONTRACT DISCREPANCY REPORT

TO: _____

FROM: _____

DATES: _____

Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

EMPLOYEE HEALTH AND WELFARE BENEFIT CONSULTING AND PROJECT MANAGEMENT SERVICES

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES MAY BE ASSESSED
Contract: Paragraph 7.0 - Administration of Contract - Contractor	Contractor must notify the County in writing of any changes to information on Exhibit E, Contractor's Administration	Inspection & Observation	\$50 per occurrence
Contract: Sub-paragraph 8.38 - Record Retention & Inspection-Audit Settlement	Contractor to maintain all required documents as specified in Sub-paragraph 8.38	Inspection of files	\$50 per occurrence
Contract: Sub-paragraph 8.40 - Subcontracting	Contractor must obtain County's written approval prior to subcontracting any work.	Inspection & Observation	\$100 per occurrence; possible termination for default of contract
SOW: Paragraph 3 – Quality Control	Contractor must establish and maintain a Quality Control Plan to assure requirements of Contract are met	Inspection and Observation	\$100 per occurrence
SOW: Sub-paragraph 4.1 - Monthly Meetings	Contractor's representative to attend monthly meetings as scheduled.	Attendance	\$50 per occurrence

SOW: Sub-paragraph 4.2 – Contract Discrepancy Report (CDR)	Upon receipt of a CDR, Contractor must respond in writing within five business days and submit correction plan within 10 business days.	Inspection and Observation	\$100 per occurrence
SOW: Sub-paragraph 6.3 – Project Manager	Contractor's Project Manager must be reachable by telephone and email Monday – Friday 8 a.m. to 5 p.m..	Inspection and Observation	\$100 per occurrence
SOW: Sub-paragraph 6.8 – Contractor's Office	Contractor's office must be staffed from 8 a.m. to 5 p.m. Monday through Friday by at least one employee who can respond to inquiries and complaints regarding Contract performance. Key personnel must also be available during these hours.	Inspection and Observation	\$100 per occurrence
SOW: Paragraph 10.0 – Specific Work Requirements	Contractor shall provide the Specific Work Requirements, as specified in Section 10.0.	Inspection and Observation	\$50 per occurrence

Exhibit B**Table A _ Annual RFR Hours and Fees**

Consulting Staff Title/Level	Estimated Hours	Bill Rate/Hour	Total
Bob Burnell Senior VP	90	\$605	\$54,450
Chloe Watson Assistant VP	215	\$533	\$114,595
William Vose Senior Consultant	185	\$435	\$80,475
Dylan Tollett Consultant	115	\$350	\$40,250
Eddy Boutcheko Consultant	100	\$350	\$35,000
Gary Arquines Actuarial Consultant	125	\$391	\$48,875
Adam Fazal Analyst	95	\$150	\$14,250
Mike Clarke Senior VP	5	\$605	\$3,025
Ed Doherty Vice President	5	\$543	\$2,715
GRAND TOTAL			\$393,635

Table A _ RFP (per RFP)

Consulting Staff Title/Level	Estimated Hours	Bill Rate/Hour	Total
Bob Burnell Senior VP	45	\$605	\$27,225
Chloe Watson Assistant VP	90	\$533	\$47,970
William Vose Senior Consultant	105	\$435	\$45,675
Dylan Tollett Consultant	75	\$350	\$26,250
Eddy Boutcheko Consultant	50	\$350	\$17,500
Gary Arquines Actuarial Consultant	40	\$391	\$15,640
Adam Fazal Analyst	95	\$150	\$14,250
GRAND TOTAL			\$194,510

The Contractor's hourly rates will remain firm and fixed for the term of the Contract.

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY PROJECT DIRECTOR:

Name: _____
Title: _____
Address: _____
Telephone: _____
E-mail Address: _____

COUNTY'S CONTRACT MANAGER:

Name: _____
Address: _____
Telephone: _____
E-mail Address: _____

COUNTY'S PROJECT ANALYST:

Name: _____
Title: _____
Address: _____
Telephone: _____
E-mail Address: _____

COUNTY'S PROJECT MONITOR:

Name: _____
Title: _____
Address: _____
Telephone: _____
E-mail Address: _____

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: _____

CONTRACT NO. _____

CONTRACTOR'S PROJECT MANAGER:

Name: _____

Title: _____

Address: _____

Telephone: _____

E-mail Address: _____

CONTRACTOR'S AUTHORIZED OFFICIAL(S):

Name: _____

Title: _____

Address: _____

Telephone: _____

E-mail Address: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

E-mail Address: _____

NOTICES TO CONTRACTOR:

Name: _____

Title: _____

Address: _____

Telephone: _____

E-mail Address: _____

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

NON-IT CONTRACTS

- F1 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- F3 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND
CONFIDENTIALITY AGREEMENT

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

Contractor Name: _____ Contract No _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract 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 contract.

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 contract. 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 contract 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 contract. 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: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

Contractor Name: _____ Contract No _____

Non-Employee Name: _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I 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 contract. I understand and agree that I do not have and 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.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation will result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I 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. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I 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 or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I must keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

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 to learn more.

No shame | No blame | No names

ANY FIRE STATION.
ANY HOSPITAL.
ANY TIME.

1.877.222.9723
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.

**EXHIBIT H
INTENTIONALLY OMITTED**

**EXHIBIT I
INTENTIONALLY OMITTED**

**EXHIBIT J
INTENTIONALLY OMITTED**

**EXHIBIT K
INTENTIONALLY OMITTED**

**BOARD LETTER/MEMO
CLUSTER FACT SHEET**

Board Letter

Board Memo

Other

CLUSTER AGENDA REVIEW DATE	12/18/2024	
BOARD MEETING DATE	1/14/2025	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Public Social Services	
SUBJECT	66-month Lease amendment for 58,799 square feet of office space and 294 on-site parking spaces at 12801 Crossroads Parkway S. (Premises A) and 68-month Lease amendment for 77,250 square feet of office space and 386 on-site parking spaces at 12851 Crossroads Parkway S. (Premises B), City of Industry, 91746	
PROGRAM	DPSS Headquarters	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS		
COST & FUNDING	<p>Total cost: \$13,750,000 for Premises A. If first option is exercised, total lease cost is \$28,635,000. If second option is exercised, total lease cost is \$46,011,000.</p> <p>\$23,114,000 for Premises B. If option is exercised, total lease cost is \$46,952,000. If second option is exercised, total lease cost is \$78,373,000.</p>	<p>Funding source: The rental costs associated to the proposed lease amendment terms, sometime in 2033, will be funded by State and Federal funds and net County cost (NCC) based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action.</p>
	<p>TERMS (if applicable): The proposed lease amendment for Premises A will have an annual cost of \$2,174,000 for the first year, where the landlord will be responsible for janitorial, repair and maintenance to the building and the County will be responsible for operating expenses and real estate taxes.</p> <p>The proposed lease amendment for Premises B will have an annual cost of \$3,219,000 for the first year, where the landlord will be responsible for janitorial, repair and maintenance to the building and the County will be responsible for operating expenses, real estate taxes and electric utility within the Premises.</p>	
	<p>Explanation: DPSS will continue paying the current rent per the terms of the existing leases and upon expiration of the existing term in 2033, the new rent will commence at each premises. Future funding for the costs associated with the proposed lease amendments, including the anticipated costs during the proposed extended term, will be addressed through the annual budget process for DPSS.</p>	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and provide continued use of office space for DPSS.	
BACKGROUND (include internal/external issues that may exist including any related motions)	DPSS' Headquarters (HQ) occupies five buildings within an office campus each with its own lease and expiration date. DPSS intends to have all leases be coterminous to expire at the same time so DPSS can retain flexibility for any future plans for consolidation and/or relocation of its HQ. All proposed leases have been negotiated and are being presented to the Board on the same day. DPSS has occupied Premises A and Premises B since 2018. The facility adequately meets the office space and parking needs of DPSS.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	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"

January 14, 2025

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:

**66-MONTH LEASE AMENDMENT AT
12801 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
AND
68-MONTH LEASE AMENDMENT AT
12851 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
DEPARTMENT OF PUBLIC SOCIAL SERVICES
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed 66-month lease amendment at 12801 Crossroads Parkway South to renew an existing lease to provide the Department of Public Social Services (DPSS) continued use of 58,799 square feet of office space and 294 on-site parking spaces as part of DPSS' headquarters; and approval of a proposed 68-month lease amendment at 12851 Crossroads Parkway South to renew an existing lease to provide DPSS continued use of 77,250 square feet of office space and 386 on-site parking spaces as part of DPSS' headquarters.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendments are exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with RR&C Crossroads No. 2 LLC, a Delaware limited liability company (Landlord A), for approximately 58,799 square feet of office space and 294 on-site parking spaces located at 12801 Crossroads Parkway South, City of Industry (Premises

A) to be occupied by DPSS. The estimated maximum first year base rental cost including operating expenses is \$2,174,000. The estimated total proposed lease amendment cost, including operating expenses and taxes is \$13,750,000 over the 66-month term. The rental costs will be funded by State and Federal funds and net County cost (NCC) based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action.

3. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with RR&C Crossroads No. 3 LLC, a Delaware limited liability company (Landlord B), for approximately 77,250 square feet of office space and 386 on-site parking spaces located at 12851 Crossroads Parkway South, City of Industry (Premises B) to be occupied by DPSS. The estimated maximum first year base rental cost including operating expense is \$3,219,000. The estimated total proposed lease amendment costs, including operating expenses, electrical costs, and taxes is \$23,114,000 over the 68-month term. The rental costs will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action.
4. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendments, and to take actions necessary and appropriate to implement the proposed lease amendments, including, without limitation, exercising any early termination rights and the options to extend at pre-negotiated rates as set forth in the proposed lease amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPSS headquarters occupies five buildings within an office campus at 12820, 12860, 12900, 12801 and 12851 Crossroads Parkway South, City of Industry (Headquarters). Each of the buildings have their own lease and each lease has a different expiration date. To ensure operational efficiencies, DPSS intends to have all leases expire around the same time so that DPSS can retain flexibility for any future plans for consolidation and/or relocation of the DPSS Headquarters.

DPSS intends to modernize and refresh the buildings located at 12820, 12860, and 12900 Crossroads Parkway South. The tenant improvement (TI) work will be completed in several phases to minimize any impact to DPSS' operations. As TI work is performed in the other buildings on the Headquarters campus, DPSS will use any available workstations in one of the other buildings at Headquarters, including Premises A and B, to temporarily house the displaced staff as well as implement telework where possible. All proposed leases and lease amendments have been negotiated and are being presented to the Board for approval at the same Board meeting.

DPSS has occupied both Premises A and B since 2018 and the current leases will expire in 2033. By extending the term with the proposed lease amendments to be coterminous with the

other Headquarters leases, DPSS will continue to streamline business functions and maintain operational efficiencies. In addition, the proposed lease amendments also provide DPSS with a TI allowance for refurbishment of the Premises or at one of the other buildings at Headquarters when DPSS deems necessary, at no cost to the County.

Programs at Premises A include the Fiscal Operations Division (FOD), In-Home Supportive Services (IHSS) Customer Service Center (IHSS CSC), and the Centralized Automated Timesheet Team (IHSS CATT). FOD is comprised of Accounts Payable, Accounts Receivable, Cost Accounting, and Revenue and Fund Management. FOD's main function is to maximize revenues from administrative costs and assistance expenditures. This includes tracking welfare related expenditures, payments to service contractors and suppliers, administering recovery of collections due to over-issuance and refunds, and performing other fiscal responsibilities for DPSS. The IHSS program provides supportive services to aged, blind, or disabled individuals who are unable to perform personal household services independently, and require in-home assistance. IHSS CSC acts as a centralized service call-center handling customer and provider calls, and ensuring consumers are matched with providers. The IHSS CATT operation accepts all IHSS applications and requests duplicate provider timesheets that are rejected by the Timesheet Processing Facility.

Programs at Premises B include the Human Resources Division (HRD) and the Financial Management Division (FMD). HRD provides support to all DPSS staff in the areas of recruitment, examination, classification, position management, health and safety, payroll, policy, performance evaluation, employee relations, employment litigation, civil service representation, and internal investigations. This support is provided by Human Resources Operations Section, Discipline, Policy and Litigation Section, Risk Management and Safety Section, Internal Affairs and Employee Relations Section, and Recruitment and Position Management Section. FMD provides financial and administrative support to DPSS. FMD administers DPSS aid programs such as Medi Cal, CalFresh, CalWORKS, IHSS, and General Relief. FMD also manages and oversees workforce costs.

There are 281 staff assigned to Premises A who use 336 workstations. There are 283 staff assigned to Premises B who use 313 workstations. DPSS anticipates expanding programs and staff over the course of the proposed lease amendment terms and have budgeted for growth positions. However, in the interim, DPSS will use any excess workstations to backfill staff that must vacate 12820 Crossroads Parkway South, 12860 Crossroads Parkway South, or 12900 Crossroads Parkway South due to the anticipated phased TIs that will occur at each of those buildings.

DPSS has implemented telework where possible, including both full-time and hybrid telework models depending on the requirements of the position however, a majority of staff are required to be onsite daily to access sensitive and confidential data that cannot be accessed remotely. DPSS management is onsite each day to supervise tasks and ensure the timely delivery of services to staff and constituents. Some staff are onsite daily to provide in-person services for DPSS, such as the Human Resources section at Premises B who conduct in-person examinations, interviews, and fingerprinting for County employees and candidates.

Both Premises A and B continue to meet DPSS' space and parking needs and are located in a geographically appropriate area. The Premises are located within half a mile of the 60 and 605 freeways and is adequately served by public transportation.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 1 – *“Make Investments That Transform Lives”* – provides that LA County is a highly responsive organization investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

The proposed lease amendments are also consistent with the Strategic Asset Management Goal – Maximize use of County space and achieve cost savings, and Key Objective No.4 – Guide Strategic Decision Making

The proposed lease amendments support the above goals and objective by providing DPSS with adequate office space and sufficient parking in a centrally located facility within the DPSS Headquarters campus.

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

FISCAL IMPACT/FINANCING

At Premises A, the estimated maximum first year base rental cost, anticipated to be in 2033, is \$2,174,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the proposed extended term, including operating expenses and taxes, is \$13,750,000. If the first five-year option to extend the term is exercised, the aggregate cost of the option term is \$14,885,000, for an estimated total lease cost of \$28,635,000 over the ten-year and six-month term. If the second five-year option to extend the term is exercised, the aggregate cost of the option term is \$17,376,000, for an estimated total lease cost of \$46,011,000 over the 15-year and six-month term as shown in Enclosure B-1.

At Premises B, the estimated maximum first year base rental cost, anticipated to be in 2033, is \$3,219,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the proposed extended term, including electrical costs and taxes, is \$23,114,000. If the first five-year option to extend the term is exercised, the aggregated cost of the option term is \$23,838,000, for an estimated total lease cost of \$46,952,000 over the ten-year and eight-month term. If the second five-year option to extend the term is exercised, the aggregate cost of the option term is \$31,421,000, for an estimated total lease cost of \$78,373,000 over the 15- year and eight-month term as shown in Enclosure B-2.

DPSS will continue paying the current rent per the terms of the existing leases and upon expiration of the existing term in 2033, the new rent will commence at each premises. The rental costs associated with the proposed lease amendment will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action. Future funding for the costs associated with the proposed lease amendments, including the anticipated costs during the proposed extended term, 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 amendments also contain the following provisions:

- The projected annual rental rate for Premises A at the time of the proposed lease amendment rent commencement in 2033, will be a total of \$36.97 per square foot, per year.
- The projected annual rental rate for Premises B at the time of the proposed lease amendment rent commencement will be a total of \$41.67 per square, foot per year.
- The Landlords will provide a total base TI allowance of \$18 per square foot for both Premises A and B which is approximately \$1,059,000, for Premises A and \$1,391,000 for Premises B. Any unused portion of the base TI allowance shall be credited back toward base rent next due, not to exceed an amount equal to \$5 per square foot.
- The County will remain responsible for electric costs at Premises B.
- The County will remain responsible for real estate taxes at each of the buildings.
- Parking cost is included in the base rent at no additional cost at each of the buildings.
- A comparison of the existing leases and the proposed lease amendment terms is shown in Enclosure B-3.
- A 66-month initial term at Premises A, with two options to extend the lease for an additional five years each with 180 days' notice, at Consumer Price Index (CPI) capped at 3 percent. If all options are exercised, the total term of the proposed lease amendment would be 15 years and six months.
- The initial term is 68-months at Premises B, with two options to extend the lease for an additional five years each with 180 days' prior written notice, at CPI capped at 3 percent. If all options are exercised, the total term of the proposed lease amendment would be 15 years and eight months.

- The County has the right to terminate the proposed lease amendments early at Premises A and B any time after October 31, 2035, with 180 days' prior written notice.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions. The monthly base rent during the holdover period will remain the same and will be subject to the regular CPI increases.
- The proposed lease amendments will be effective upon approval by the Board and full execution of the proposed lease amendments, but the term and rent will commence upon expiration of the current leases.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for a new Headquarters space, through the Executive Office posting website and Real Estate's County website. None of the responses received were suitable for DPSS' needs due to being located outside of DPSS' search 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 current annual rental range for a comparable lease in the area is between \$31.80 and \$42 per square foot, per year. Further, relocation to new buildings would disrupt services and would place the DPSS administrative staff currently operating at these two locations too far from the DPSS Headquarters. We recommend the proposed Premises A and Premises B as the most suitable to meet the County's space requirements.

The CEO has communicated with co-working office space companies about office space for the applicable programs, and they have informed us that their co-working office space does not have available space for long term occupancy to accommodate the required space needs.

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

The Department of Public Works has inspected these facilities and found them suitable for the County's occupancy. The required notification letters to the City of Industry have been sent in accordance with Government Code Section 25351.

County Counsel has reviewed the proposed lease amendments and approved them as to form. The proposed lease amendments are 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 amendments will continue to provide a suitable location for DPSS' programs, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This 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 amendments, which involve the leasing of existing office space with minor TIs within an existing building, with no expansion of the existing building, are 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 Exemptions 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 amendments will adequately provide the necessary office space and parking for this County requirement. DPSS concurs with the proposed lease amendments and recommendations.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

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

Enclosures

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

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
12801 & 12851 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY**

Asset Management Principles Compliance Form¹

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions?	X		
B	Does lease co-locate with other functions to better serve clients?	X		
C	Does this lease centralize business support functions?	X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? Based on 281 employees at Premises A, it is 209 sq. ft. per person. Based on 283 employees at Premises B it is 272 sq. ft per person. This is due to interview rooms and exam rooms at both Premises.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? Based upon 294 parking spaces at Premises A and 386 parking spaces at Premises B, parking ratio is 5/1000 at both Premises.		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2. <u>Capital</u>				
A.	Is it a substantial net County cost (NCC) program?		X	
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Enclosure C?			
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 with other County departments?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. ____ No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease? The County is responsible for operating expenses and taxes at both buildings. The County is also responsible for electricity costs at Premises B.		X	
F	Has growth projection been considered in space request?	X		
G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As adopted by the Board of Supervisors 11/17/98				

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

12801 Crossroads Parkway South, City of Industry
DPSS

Basic Lease Assumptions

Leased Area (sq.ft.)	58,799	
	Per RSF	Per RSF
	Per Month (\$)	Per Year (\$)
Base Rent (per sq. ft.)	\$2.05	\$24.61
Operating Expense Rent (per sq. ft.)	\$1.03	\$12.36
Term (Months)	66 months	
Rent Adjustment (Initial Term & Extended Term)	3.00%	
Operating Expense Rent Adjustment (Initial Term & Extended Term)	3.75%	
Real Estate Taxes	\$0.22	\$2.65
Parking	# of Spaces	
	294	

Initial Term	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year (6 months)	Total 66 Months Rental Costs
Annual Base Rent Costs	\$1,447,000	\$1,491,000	\$1,536,000	\$1,583,000	\$1,631,000	\$840,000	\$8,528,000
Operating Expense Rent	\$727,000	\$755,000	\$784,000	\$814,000	\$845,000	\$438,500	\$4,364,000
Rent Paid to Landlord	\$2,174,000	\$2,246,000	\$2,320,000	\$2,397,000	\$2,476,000	\$1,278,500	\$12,892,000
Real Estate Taxes ⁽¹⁾	\$156,000	\$156,000	\$156,000	\$156,000	\$156,000	\$78,000	\$858,000
Total Annual Lease Costs	\$2,330,000	\$2,402,000	\$2,476,000	\$2,553,000	\$2,632,000	\$1,357,000	\$13,750,000

Option Rent	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 60 Months Rental Costs
Annual Base Rent Costs	\$1,731,000	\$1,783,000	\$1,837,000	\$1,893,000	\$1,950,000	\$9,194,000
Operating Expense Rent	\$910,000	\$945,000	\$981,000	\$1,018,000	\$1,057,000	\$4,911,000
Total Paid to Landlord with Option Rent	\$2,641,000	\$2,728,000	\$2,818,000	\$2,911,000	\$3,007,000	\$14,105,000
Real Estate Taxes ⁽¹⁾	\$156,000	\$156,000	\$156,000	\$156,000	\$156,000	\$780,000
Total Annual Lease Costs	\$2,797,000	\$2,884,000	\$2,974,000	\$3,067,000	\$3,163,000	\$14,885,000

Est. Aggregate costs of 10 years and 6 months term: **\$28,635,000**

Option Rent	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 60 Months Rental Costs
Annual Base Rent Costs	\$2,009,000	\$2,070,000	\$2,133,000	\$2,197,000	\$2,263,000	\$10,672,000
Operating Expense Rent	\$1,097,000	\$1,139,000	\$1,182,000	\$1,227,000	\$1,274,000	\$5,919,000
Total Paid to Landlord with Option Rent	\$3,106,000	\$3,209,000	\$3,315,000	\$3,424,000	\$3,537,000	\$16,591,000
Real Estate Taxes ⁽¹⁾	\$161,000	\$156,000	\$156,000	\$156,000	\$156,000	\$785,000
Total Annual Lease Costs	\$3,267,000	\$3,365,000	\$3,471,000	\$3,580,000	\$3,693,000	\$17,376,000

Est. Aggregate costs of 15 years and 6 months term: **\$46,011,000**

Footnotes

⁽¹⁾ County is responsible for real estate taxes. Assumption is based upon 2% increase from current tax amount. Cost is subject to change.

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

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

ENCLOSURE B

**12851 Crossroads Parkway South, City of Industry
DPSS**

Basic Lease Assumptions

Leased Area (sq.ft.)	77,250	
	Per RSF	Per RSF
	Per Month (\$)	Per Year (\$)
Base Rent (per sq. ft.)	\$2.42	\$29.04
Operating Expense Rent (per sq. ft.)	\$1.05	\$12.63
Term (Months)	68 months	
Rent Adjustment (Initial Term & Extended Term)	3.00%	
Operating Expense Adjustment (Initial Term & Extended Term)	3.75%	
Electrical Costs	\$0.20	\$2.44
Real Estate Taxes	\$0.45	\$5.36
Parking	# of Spaces	
	386	

Initial Term	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year (8 months)	Total 68 Months Rental Costs
Annual Base Rent Costs	\$2,243,000	\$2,311,000	\$2,381,000	\$2,453,000	\$2,527,000	\$1,735,333	\$13,651,000
Operating Expense Rent	\$976,000	\$1,013,000	\$1,051,000	\$1,091,000	\$1,132,000	\$783,333	\$6,047,000
Rent Paid to Landlord	\$3,219,000	\$3,324,000	\$3,432,000	\$3,544,000	\$3,659,000	\$2,518,667	\$19,697,000
Electric Costs ⁽¹⁾	\$189,000	\$189,000	\$189,000	\$189,000	\$189,000	\$126,000	\$1,071,000
Real Estate Taxes ⁽²⁾	\$414,000	\$414,000	\$414,000	\$414,000	\$414,000	\$276,000	\$2,346,000
Total Annual Lease Costs	\$3,822,000	\$3,927,000	\$4,035,000	\$4,147,000	\$4,262,000	\$2,921,000	\$23,114,000

Option Rent	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 60 Months Rental Costs
Annual Base Rent Costs	\$2,682,000	\$2,763,000	\$2,846,000	\$2,932,000	\$3,020,000	\$14,243,000
Operating Expense Rent	\$1,220,000	\$1,266,000	\$1,314,000	\$1,364,000	\$1,416,000	\$6,580,000
Total Paid to Landlord with Option Rent	\$3,902,000	\$4,029,000	\$4,160,000	\$4,296,000	\$4,436,000	\$20,823,000
Electric Costs ⁽¹⁾	\$189,000	\$189,000	\$189,000	\$189,000	\$189,000	\$945,000
Real Estate Taxes ⁽²⁾	\$414,000	\$414,000	\$414,000	\$414,000	\$414,000	\$2,070,000
Total Annual Lease Costs	\$4,505,000	\$4,632,000	\$4,763,000	\$4,899,000	\$5,039,000	\$23,838,000

Est. Aggregate costs of 10 years and 8 Months Term: **\$46,952,000**

Option Rent	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 60 Months Rental Costs
Annual Base Rent Costs	\$3,111,000	\$3,205,000	\$3,302,000	\$3,402,000	\$3,505,000	\$16,525,000
Operating Expense Rent	\$2,204,000	\$2,287,000	\$2,373,000	\$2,462,000	\$2,555,000	\$11,881,000
Total Paid to Landlord with Option Rent	\$5,315,000	\$5,492,000	\$5,675,000	\$5,864,000	\$6,060,000	\$28,406,000
Electric Costs ⁽¹⁾	\$189,000	\$189,000	\$189,000	\$189,000	\$189,000	\$945,000
Real Estate Taxes ⁽²⁾	\$414,000	\$414,000	\$414,000	\$414,000	\$414,000	\$2,070,000
Total Annual Lease Costs	\$5,918,000	\$6,095,000	\$6,278,000	\$6,467,000	\$6,663,000	\$31,421,000

Est. Aggregate costs of 15 years and 8 Months Term: **\$78,373,000**

Footnotes

⁽¹⁾ County pays direct to the utility provider for its electrical use. Amount is based upon the past 12-month average. Costs are subject to change.

⁽²⁾ County is responsible for real estate taxes. Assumption is based upon 2% increase from current tax amount. Cost is subject to change.

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

**COMPARISON OF THE PROPOSED LEASE AMENDMENT TO EXISTING LEASE
12801 CROSSROADS PARKWAY S, CITY OF INDUSTRY**

	Existing Lease⁽¹⁾: 12801 Crossroads Pkwy S., City of Industry	Proposed Lease Amendment⁽²⁾ 12801 Crossroads Pkwy S., City of Industry	Change
Area (Square Feet)	58,799 sq.ft.	58,799 sq.ft.	No change
Term (years)	15 years	66 months plus two 5-year options to renew	66 months plus two 5-year options to renew
Annual Base Rent	\$1,447,000	\$1,447,000	No change
Annual Parking Cost	\$0	\$0	No change
Operating Expense Rent	\$727,000	\$727,000	No change
Total Annual Lease Costs payable to Landlord	\$2,174,000	\$2,174,000	No change
Rental rate adjustment	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI adjustments capped at 3 percent with no minimum.	No change

(1) Costs are projections based on existing lease terms that expire in 2033.

(2) Costs are projections based on the commencement of the proposed lease amendment in 2033.

*Note: All numbers are rounded up.

**COMPARISON OF THE PROPOSED LEASE AMENDMENT TO EXISTING LEASE
12851 CROSSROADS PARKWAY S, CITY OF INDUSTRY**

	Existing Lease⁽¹⁾: 12851 Crossroads Pkwy S., City of Industry	Proposed Lease Amendment⁽²⁾ 12851 Crossroads Pkwy S., City of Industry	Change
Area (Square Feet)	77,250 sq.ft.	77,250 sq.ft.	No change
Term (years)	15 years	68 months plus two 5-year options to renew	68 months plus two 5-year options to renew
Annual Base Rent	\$2,243,000	\$2,243,000	No change
Annual Parking Cost	\$0	\$0	No change
Operating Expense Rent	\$976,000	\$976,000	No change
Total Annual Lease Costs payable to Landlord	\$3,219,000	\$3,219,000	No change
Rental rate adjustment	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI adjustments capped at 3 percent with no minimum.	No change

⁽¹⁾ Costs are projections based on existing lease terms that expire in 2033.

⁽²⁾ Costs are projections based on the commencement of the proposed lease amendment in 2033.

*Note: All numbers are rounded up.

DEPARTMENT OF PUBLIC SOCIAL SERVICES

SPACE SEARCH – 3 MILE RADIUS FROM 12801 & 12851 CROSSROADS PARKWAY
SOUTH, CITY OF INDUSTRY

PROP ID	PROPERTY NAME	ADDRESS	OWNER-SHIP	GROSS SQFT	NET SQFT	VACANT SQFT
10324	ASSESSOR - EAST DISTRICT	1198 DURFEE AVE, South El Monte, CA 91733	Owned	10548	10021	None
B002	DPSS - Administrative Headquarters E Annex	12900 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	34245	31420	None
4533	East Services Agency - Office Building	265 Cloverleaf Dr, Baldwin Park, CA 91706	Owned	1440	1055	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	55000	41943	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	55000	41943	None
B119	Assessor - East District Office	1190 Durfee Ave, South El Monte, CA 91733	Owned	36861	35018	None
10430	RR/CC - Crossroads Parkway Office	13401 Crossroads Pkwy, City of Industry 91746	Leased	57905	55010	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	1230	1230	None
A507	DPSS - Administrative Headquarters W Annex	12820 Crossroads Pkwy, City Of Industry, CA 91745	Leased	33331	28331	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	8124	5547	None
A507	DPSS - Administrative Headquarters W Annex	12820 Crossroads Pkwy, City Of Industry, CA 91745	Leased	33331	28331	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	1250	840	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	5544	3785	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	2516	1718	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Department of Public Social Services – 12801 & 12851 Crossroads Parkway South, City of Industry – First District.

A. Establish Service Function Category – Headquarters

B. Determination of the Service Area – The proposed lease amendments will provide DPSS with adequate office space for its Headquarters.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continued need for operation within Service Planning Area 3.

Need for proximity to existing County facilities: All within the same business campus so DPSS can use as its Headquarters

- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available that meet DPSS' space needs.
- Compatibility with local land use plans: The City of Industry has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease amendments over the enter term is \$13,750,000 for Premises A and \$23,114,000 for Premises B.

D. Analyze results and identify location alternatives

Based upon a review of available industry data, it has been established that the current annual rental range for a comparable lease in the area is between \$31.80 and \$42 per square foot, per year. The projected base annual rental rates of \$36.97 for Premises A and \$41.67 per square foot, per year for Premises B represent a rate that is expected to remain within the market range for the area in 2033. Further, relocation to a new building would disrupt services and would place the DPSS administrative staff currently operating at these two locations too far from the Headquarters. We recommend the proposed Premises A and Premises B 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 amendments will provide adequate and efficient office space for a total of 564 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**AMENDMENT NO. 1 TO LEASE NO. 78525
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12801 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY**

This **AMENDMENT NO. 1 TO LEASE NO. 78525** ("Amendment No. 1") is made, entered and dated as of this _____ of _____, 2024, by and between **RR&C CROSSROADS NO. 2 LLC**, a Delaware limited liability company ("**Landlord**"), and the **COUNTY OF LOS ANGELES**, a body corporate and politic ("**Tenant**"), for those certain premises located at 12801 Crossroads Parkway South, City of Industry, County of Los Angeles, State of California (the "**Property**").

RECITALS:

A. WHEREAS, Landlord and Tenant have entered into that certain Lease No. 78525 ("**Lease**") dated September 13, 2016 for those certain Premises located at 12801 Crossroads Parkway South, City of Industry, California ("**Premises**").

B. WHEREAS, Landlord and Tenant desire to, among other matters, extend the term of the Lease as set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Section 1.1 (e). **TERM**, of the Lease is hereby amended by adding the following paragraph to the end of Section 1.1.e. of the Lease:

"The Term of this Lease is hereby extended commencing May 16, 2033 and terminating at 11:59 p.m. October 31, 2038 (the "**Extended Term**"), with the Termination Date being amended to be the last day of the Extended Term, subject to earlier termination by Tenant as provided in the Lease. The phrase "Term of this Lease" or "the Term hereof" as used in the Lease, or words of similar import, shall refer to the initial Term of this Lease and the Extended Term, together with any additional Extension Term for which an option to renew has been validly exercised."

2. Section 5. **BASE RENT**, of the Lease during the Extended Term, defined in Section 1 of this Amendment No. 1, shall continue pursuant to the terms of Section 5 of the Lease and, in accordance therewith, Base Rent adjustments will continue to occur annually in accordance with Section 5.1 of the Lease.

3. Section 6. **OPERATING EXPENSES RENT**, of the Lease during the Extended Term, as defined in Section 1 of this Amendment No. 1 shall continue pursuant to the terms of Section 6 of the Lease.

4. Section 4.5, **EARLY TERMINATION**, of the Lease is hereby amended by deleting the paragraph found in Section 4.5 in its entirety and adding the following new paragraph as a new

"4.5. **EARLY TERMINATION:**

Tenant shall have the right to terminate this Lease effective at any time after October 31, 2035 by giving Landlord not less than one hundred eighty (180) days' prior written notice executed by the Chief Executive Officer of Tenant (the "**Tenant's Termination Notice**"), and such Tenant's Termination Notice shall set forth the effective date of termination selected by Tenant."

5. Section 22, **PARKING**, of the Lease is hereby amended by adding the following new paragraph to the end of Section 22:

" 22.3. **AFTER-HOURS PARKING:** From and after the date the Park Facilities (as defined below) is open to the public, Tenant shall have the right to use all of the parking at the Building parking area and/or the 12851 Parking Area for the use of Tenant, its visitors, and temporary parking for the public who would be visiting nearby Los Angeles County Parks & Recreation facilities ("Park Facilities"), only during the hours of 6pm – 7am Monday through Friday and 24 hours per day on Saturday and Sunday, subject to availability, at no additional cost to Tenant (the "**After-Hours Parking**"), pursuant to that temporary license agreement dated February 20, 2018. Additionally, Tenant at its sole cost and expense, shall have an active shuttle service between the Building's parking areas and the Park Facilities. Tenant's right to the After-Hours Parking shall be conditioned upon (i) Tenant not being in default under this Lease; (ii) Tenant needing to use the After-Hours Parking as over-flow parking due to the parking area for the Park Facilities being fully parked; and (iii) no tenant from the adjacent property advising Landlord or its affiliates that the After-Hours Parking violates such tenant's lease with Landlord or its affiliate. At any time Tenant is using the After-Hours Parking, Tenant shall maintain in full force and effect the commercial general liability insurance in the amounts and with the additional insured as set forth in Section 21.5 (b). Tenant's indemnification obligations set forth in Section 20.1 shall apply to Tenant's use of the After-Hours Parking for the Park Facilities. In the event (1) Tenant breaches the terms of this Section 22, and/or (2) any tenant with rights to use the Supplemental under the terms of their lease with Landlord alleges that Landlord or its affiliate is in breach of such tenant's lease as a result of the After-Hours Parking, Tenant's right to the After-Hours Parking shall terminate upon written notice from Landlord and Tenant shall have no further right to the After-Hours Parking."

6. Section 25, **TENANT IMPROVEMENTS**, of the Lease is hereby amended by deleting the paragraph found in Section 25 in its entirety and adding the following new paragraph as a new Section 25:

"Landlord, after receipt of a duly executed copy of Amendment No. 1 to Lease, shall begin work on Tenant Improvements within a commercially reasonable period of time per the forthcoming County plans and specifications and subject to the Landlord's Work Letter."

7. The original, LANDLORD'S WORK LETTER, attached to the original Lease is hereby amended by deleting in its entirety and replacing it with a new "Landlord's Work Letter" attached to this Amendment No. 1 as Exhibit "A" and incorporated herein by this reference.

8. The Lease shall be amended by inserting a new Section 35, SMOKING IN COUNTY FACILITIES, to the Lease which shall read as follows:

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

9. Section 4.6, **OPTION EXTENSION TERMS**, notwithstanding the extension of the Term for the Extended Term, Landlord and Tenant agree that Tenant shall retain its options to renew the Lease, as set forth in Section 4.6 of the Lease.

10. **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 Amendment No. 1 other than Cushman & Wakefield U.S., Inc ("**Tenant's Broker**") and Majestic Realty Co. ("**Landlord's Broker**") and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the

basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any commissions due shall be pursuant to a separate commission agreement by and among Landlord, Landlord's Broker and Tenant's Broker.

11. **AUTHORITY**. Only the County's Board of Supervisors ("**Board of Supervisors**") has the authority, by formally approving and/or executing this Amendment No. 1, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Amendment No. 1 may be altered or deleted, nor may any new material terms be added to this Amendment No. 1, without the express written approval of the Board of Supervisors, either through an amendment to the Amendment No. 1 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 Amendment No. 1, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Amendment No. 1 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 Basic Rent or other financial obligations of Tenant under this Amendment No. 1, including without limitation, granting any approvals, terminating the Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Memorandum of Extended Term Termination Date or subordinating the Lease. Each individual executing this Amendment No. 1 on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 1 on behalf of Landlord, and that this Amendment No. 1 is binding upon Landlord in accordance with its terms.

12. **LEASE IN FULL FORCE AND EFFECT**. Except as expressly amended as set forth in this Amendment No. 1, the terms and conditions of the Lease remain unmodified and in full force and effect. Except as expressly modified by this Amendment No. 1, all other terms and conditions of the Lease are hereby ratified and affirmed. In the event of any express conflict or inconsistency between the terms of this Amendment No. 1 and the terms of the Lease, the terms of this Amendment No. 1 shall control and govern. Any defined terms that are not defined in this Amendment No. 1 shall have the meanings ascribed thereto in the Lease unless the context clearly indicates otherwise.

13. **COUNTERPARTS; ELECTRONIC SIGNATURES**. This Amendment No. 1 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 1 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment No. 1 and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment No. 1 had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment No. 1 is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or

electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment No. 1 based on the foregoing forms of signature. If this Amendment No. 1 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.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the date first above set forth.

LANDLORD:

RR&C CROSSROADS NO. 2 LLC,
a Delaware limited liability company

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



BY: [Signature]
Edward P. Roski, Jr., Trustee of the
Edward P. Roski, Jr. Living Trust
UID 11/1/1987, as amended

BY: [Signature]
Edward P. Roski, Jr., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

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

BY: [Signature]
Thomas H. Purcell
Chairman & CEO

BY: [Signature]
ITS: Edward J. DiOrio
Chief Financial Officer, Secretary

DATE: 8/12/24

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
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
LANDLORD'S WORK LETTER

LANDLORD'S WORK LETTER

For

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

COUNTY OF LOS ANGELES, as Tenant

RR&C CROSSROADS NO. 2 LLC, as Landlord

12801 CROSSROADS PARKWAY SOUTH

CITY OF INDUSTRY, CALIFORNIA

LANDLORD’S WORK LETTER

This Work Letter supplements Amendment No. 1 to Lease No. 78525 (the "Amendment") dated _____, 20____, executed concurrently herewith, by and between RR&C CROSSROADS NO. 2 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) Total TI Costs \$1,058,382.00 (i.e., \$18.00 per rentable square foot of the Premises)

- (i) Landlord's TI Allowance \$1,058,382.00 (i.e., \$18.00 per rentable square foot of the Premises)

- (ii) Tenant's TI Contribution Not applicable

- (b) TI Amortization Rate and Change Authorization Amortization Rate: Not applicable

- (c) Tenant's Work Letter Representative An assigned staff person of the Chief Executive Office-Real Estate Division

- (d) Landlord's Work Letter Representative An assigned staff person of the Landlord

- (e) Landlord's Address for Work Letter Notices RR&C Crossroads No. 2 LLC
c/o Majestic Realty Co.
13191 Crossroads Parkway North
6th Floor
City of Industry, California 91746
Attention: Property Manager

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

2.3 **Base Building Plans.** Landlord has delivered to Tenant all "as-built" plans and specifications available to Landlord.

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

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12801 Crossroads Pkwy v7/MH02597-005 12801 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

accepts an architect (the "Architect") and 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. Within five (5) business days following Landlord's receipt of the three (3) bids, Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and who commits to Landlord's schedule for the construction of the Tenant Improvements, and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

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

5.1 **Preparation of Space Plan.** Prior to Landlord's execution of this Lease, Tenant has submitted to Landlord and Landlord has approved that certain preliminary space plan and specifications, and low voltage and furniture plans showing on a preliminary basis all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room, as applicable (collectively, the "Preliminary Space Plan"). Concurrently with Tenant's execution and delivery of this Lease, Tenant shall submit to Landlord a final space plan and specifications for the Premises (the "Space Plan"), which Space Plan shall be a logical extension of and consistent with the Preliminary Space Plan. The Space Plan shall be subject to Landlord's reasonable approval within ten (10) business days following Tenant's submittal thereof, provided that it shall only be reasonable for Landlord to disapprove the Space Plan to the extent that it is not a logical extension of or is inconsistent with the Preliminary Space Plan. If Landlord reasonably disapproves the Space Plan for the foregoing reasons, then Tenant shall resubmit a revised Space Plan to Landlord for approval within ten (10) business days following Tenant's receipt of Landlord's disapproval. The foregoing process shall be repeated until such time as Landlord approves the Space Plan submitted by Tenant, and any delay caused by the necessity for Tenant to revise the Space Plan because of Landlord's initial disapproval thereof shall be a Tenant Delay.

5.2 **Preparation and Review of Working Drawings.** Within ten (10) days after the selection of the Architect (the "Selection of Architect Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully

comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Tenant shall in no event disapprove of the Working Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Working Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Working Drawings, or (iii) cause such Working Drawings to not be a logical extension of and/or consistent with the Space Plan, or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Working Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. Landlord shall use Building standard methods, materials and finishes in the construction of the Tenant Improvements unless expressly set forth to the contrary in the Space Plan and Tenant's Outline Specifications. In the event that Tenant timely and properly disapproves the Working Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Working Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Working Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Working Drawings, or the applicable portion thereof, are approved by Tenant.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance, provided that Tenant shall in no event disapprove of the Engineering Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Engineering Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Engineering Drawings, or (iii) cause such Engineering Drawings to not be a logical extension of and/or consistent with the Space Plan, and Low Voltage Plans or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Engineering Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. In the event that Tenant timely and properly disapproves the Engineering Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Engineering Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Engineering Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Engineering Drawings, or the applicable portion thereof, are approved by Tenant.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate

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the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Within twenty-one (21) calendar days of the Selection of Architect Date, Landlord shall submit to Tenant a detailed construction schedule for Tenant's information setting forth the projected dates for completion of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, and the date of Substantial Completion. As the construction continues, Landlord shall amend the construction schedule from time to time to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. Except as expressly set forth in the Lease or this Work Letter, Landlord shall have no liability or responsibility to Tenant for any failure to complete project benchmarks by the projected dates set forth in any construction schedule provided by Landlord.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

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

6.1 **Cost Summary.** Within seven (7) calendar days after the Space Plan has been approved by Landlord, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the Landlord's TI Allowance. The Preliminary TI Cost Summary shall be revised into final form following Contractor's review including the Modular Furniture Costs within thirty (30) calendar days from the date that all permits for the construction of the Tenant Improvements have been issued by the applicable governmental authorities, and will be referred to herein as the "Final TI Cost Summary". The Preliminary Budget and the Final TI Costs Summary shall include the Modular Furniture Costs, and notwithstanding any contrary provision of this Work Letter, Tenant shall have five (5) business days from the date of receipt of the Final TI Cost Summary (the "Budget Approval Deadline") to approve or disapprove the Final TI Cost Summary in writing. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval of the Final TI Cost Summary. In the event that Tenant rejects the Final TI Cost Summary in writing due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Tenant's sole expense and any delay in excess of ten (10) business days caused by the necessity to rebid or redesign the Tenant Improvements shall be a Tenant Delay.

6.2 **Landlord's TI Allowance.**

(a) Tenant shall be entitled to a one-time Landlord's TI Allowance in the amount set forth in Section 1(a)(i) above for the costs relating to the design and construction of the Tenant Improvements, which such costs shall include Landlord's cost of security for the Premises during construction of the Tenant Improvements. Subject to the Landlord/Tenant Additional Responsibility Provision, as defined and set forth in Section 6.2(b) below, in no event shall Landlord be obligated to pay a total amount for the design, construction, purchase and installation of the Tenant Improvements which exceeds the Landlord's TI Allowance. Any unused portion of the Landlord TI Allowance following completion of the Tenant Improvements shall be credited toward the Base Rent up to a maximum of Five and 00/100 Dollars (\$5.00) per square foot of the Premises.

(b) All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant and Landlord's reasonable approval (collectively "Total TI Costs"), all of which must not exceed, in the aggregate, the sum of Landlord's TI Allowance, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Notwithstanding any contrary provision of this Work Letter (but subject to the Landlord/Tenant Additional Responsibility Provision), in no event shall Tenant Improvements be permitted to the extent they will cause the Tenant Improvement Costs to exceed the sum of the Landlord's TI Allowance, unless a Change Order has been approved therefor by Tenant in accordance with Section 8 below. Landlord shall be solely responsible for any Tenant Improvement Costs in excess of the total amount of the Final Construction Budget approved by Tenant, except for costs

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arising from Change Orders requested by Tenant (which shall be a Tenant cost and payable to Landlord, as additional rent, within thirty (30) days of billing) (the "Landlord/Tenant Additional Responsibility Provision").

7. **Construction of Tenant Improvements.**

7.1 **Tenant Improvements.** Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto, provided that in the event of any conflict between the Working Drawings and Addendum B, the Working Drawings shall control. Notwithstanding any contrary provision of this Work Letter, any Tenant Improvements described in Addendum B which are not reflected on the Working Drawings shall not be constructed by Landlord hereunder. Landlord agrees that, in the event of an unforeseen condition is discovered during construction of the Tenant Improvements which are not reflected on Working Drawings, any cost to correct such unforeseen condition shall be at Landlord's cost unless waived by the PM in writing.

7.2 **Bids.** Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall, subject to the last sentence of this Section 7.2, be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. Landlord shall, subject to the last sentence of this Section 7.2, submit at least three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed by Landlord and Tenant within five (5) business days following Landlord's receipt of a sufficient number of bids. The bids shall include an itemized list of all materials and labor and shall include all additional costs, as applicable, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

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

7.4 **Commencement of Construction.** Landlord shall commence construction of the Tenant Improvements within five (5) business days following the later to occur of (i) Tenant's approval of the Final Construction Budget, (ii) Landlord's receipt of all required permits for the Tenant Improvements, and (iii) construction contract awarded to Contractor. Once commenced, Landlord shall thereafter diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays and Tenant Delays (as defined below).

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

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

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

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease), as may be extended for any warranty for a period in excess of two (2) years. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects.

(d) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises or in other areas utilized by Landlord or its contractors. In the event that Tenant claims that there has been substandard Tenant Improvement work or clean-up (as reasonably determined according to the usual standards of work in the Building), then Tenant shall notify Landlord in writing thereof (with reasonable detail specifying the substandard work or clean-up claimed by Tenant) and to the extent that Landlord agrees that the work or clean-up was substandard, then Landlord shall perform additional work or clean-up as is required hereunder within ten (10) business days of Landlord's receipt of Tenant's notice (provided that if such work or clean-up cannot reasonably be completed within such ten (10) business day period, then Landlord shall commence such work or clean-up within such ten (10) business day period and shall diligently perform and complete such work or clean-up thereafter). If Landlord fails to timely perform such additional work or clean-up (or to respond that the work or clean-up requested by Tenant is not required to be performed by Landlord), then Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the substandard work or clean-up performed by Landlord's contractor or contractors, within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

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

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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 4.4 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) calendar days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work; provided, however, in the event of a conflict in completing any work, Landlord's right to complete the Tenant Improvements shall have priority over Tenant's early access rights.

7.6 Construction During Tenant's Occupancy. As Tenant will be occupying the Premises pursuant to the Lease while Landlord is completing the Tenant Improvements, Tenant agrees that it shall not interfere with Landlord's completion of the Tenant Improvements. Tenant hereby acknowledges that, notwithstanding Tenant's occupancy of the Premises during the construction of the Tenant Improvements, Landlord shall be permitted to complete the Tenant Improvements during normal business hours, and Tenant shall provide a clear working area for Landlord's construction of the Tenant Improvements (including, but not limited to, the moving of furniture, fixtures and Tenant's property away from the area Landlord is completing the Tenant Improvements). Tenant hereby agrees that the construction of the Tenant Improvements shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to, if any, abatement of rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from construction of the Tenant Improvements, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of whole or any part of the Premises, for loss of or damage to Tenant's personal property, merchandise, fixtures or improvements, or for any inconvenience or annoyance resulting from the Tenant Improvements or for Landlord's actions in connection with the Tenant Improvements.

7.7 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection (provided that if such work or clean-up cannot reasonably be completed within such thirty (30) day period, then Landlord shall commence such punch-list

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items within such thirty (30) day period and shall diligently perform and complete such punch-list items thereafter). If Landlord fails to complete any of the punch-list items within such 30-day period (as may be extended), then Tenant, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the completion of such punch-list items within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

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

8. **Requests for Change.** Tenant and Landlord may make changes, additions, deletions or substitutions, alterations in the Final Plans (each a "Request for Change Order") provided that the requesting party must submit a written request to the other party and that Requests for Change (Change Order) will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"), which, if approved, shall be approved within thirty (30) days of notice from the requesting party. Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Tenant shall pay for Change Orders by payment in a lump sum to Landlord, as additional rent, within thirty (30) days of billing. Landlord shall submit to the Chief Executive Officer or his/her designee with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Tenant requested Change Authorizations previously approved; and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, either Tenant, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors which approval shall be granted or denied within thirty (30) days of notice from the requesting party. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and HOA.103721907.1

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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. Within thirty (30) days following Landlord's delivery thereof to Tenant, provided that any disapproval by Tenant shall be limited to items included in the bid package which are inconsistent with the Modular Specifications. Landlord shall select the furniture vendor that (i) commits to Landlord's schedule for the construction of the Tenant Improvements, (ii) is able to provide all of the Modular Furniture included in the bid package, and (iii) offers the lowest price (after adjustment of the bids for inconsistent assumptions). Notwithstanding any contrary provision of this Section 9.1, if the Modular Furniture Costs will exceed the remaining available Landlord's TI Allowance, as reasonably determined by Landlord and Tenant, then upon written notice from Landlord (the "Excess Furniture Notice") Tenant shall revise the Modular Specifications as necessary to reduce the Modular Furniture Costs to the extent specified by Landlord, in which event the foregoing bidding process shall be repeated and the period of time following Landlord's delivery of the Excess Furniture Notice to Tenant through the date that the Modular Furniture is ordered shall be a Tenant Delay.

The Modular Furniture shall not become part of the realty or real property but shall remain personal property. Upon Tenant's payment in full of the amounts owing to Landlord, the Modular Furniture shall constitute Tenant's personal property and shall be removable from the Premises by Tenant's creditors and their assigns during the Term of this Lease, provided that any damage occasioned by such removal shall be repaired by such creditors, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises. The foregoing provisions relating to Tenant's creditors' rights shall be binding upon the representatives, successors and assigns of the parties hereto, and shall inure to the benefit of the successors and assigns of the parties hereto.

Landlord shall provide the Modular Furniture set forth in the Modular Specifications as part of the Tenant Improvements and the design related, and purchase and installation costs therefor (the Modular Furniture Costs") shall be part of the Total TI Costs.

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.

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10. **Total TI Costs Adjustment and Right to Audit.** Within ninety (90) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Payments by Tenant for Change Orders shall be calculated and adjusted as appropriate, based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time during the Term. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary for Landlord's review and reasonable approval which shall not be unreasonably conditioned or delayed. Until such time as Tenant's audit is approved by Landlord, Tenant shall continue to pay Landlord based upon the amounts originally billed to Tenant for Change Orders. If it is determined that Tenant has overpaid any amounts to Landlord, then Landlord shall, within thirty (30) calendar days following approval of the audit, refund to Tenant the amount of any overpayment made by Tenant and all future payments owing by Tenant to Landlord under this Work Letter shall be adjusted as appropriate based upon the agreed upon audit results.

11. **Intentionally Deleted.**

12. **Intentionally Deleted.**

13. **Tenant Remedies.** Any default by Landlord under the terms of this Work Letter shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

14. **Representatives.**

14.1 **Tenant Representative.** Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1(f) above.

14.2 **Landlord Representative.** Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1(e) above.

15. **Intentionally Deleted.**

16. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week or biweekly, unless Landlord or Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) business days after the date the Contractor is selected. Landlord, Architect or Contractor shall provide minutes of each construction meeting to Tenant

within a reasonable time thereafter, but not later than three (3) business days after the date of the construction meeting.

17. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant. Any electronic deliveries shall be delivered to Landlord at the following email addresses: dbui@majesticrealty.com and lgoldstein@majesticrealty.com (or to such other person as Landlord may designate from time to time), and to Tenant at the following email addresses: vhasanovic@ceo.lacounty.gov and daardema@ceo.lacounty.gov, provided that the delivering party shall also concurrently advise the receiving party by telephone of the forthcoming email at the applicable telephone number, as follows: For Landlord: David Bui at (562) 948-4388 and Louis Goldstein at (562) 576-1611. For Tenant: Vedad Hasanovic at (213) 246-9997 and Dean Aardema at (213) 893-2471.

18. **Miscellaneous.** This Landlord's Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord's Work Letter. This Landlord's Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord's Work Letter must be delivered in writing per the terms as set forth in Section 31.6 of the Lease. This Landlord's Work Letter will not be effective unless and until signed and delivered by both Parties. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12801 Crossroads Pkwy v7\MH02597-005 12801 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[Signatures on following page]

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

LANDLORD:

RR&C CROSSROADS NO. 2 LLC,
a Delaware limited liability company



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

By: [Signature]
Edward P. Roski, Jr., Trustee of the
Edward P. Roski, Jr. Living Trust
UID 11/1/1987, as amended

By: [Signature]
Edward P. Roski, Jr., Trustee of the
Roski Marital Trust UID 11/1/1987,
as amended

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

By: [Signature]
Its: [Signature] Thomas H. Purcell
Chairman & CEO

By: [Signature]
Its: Edward J. DiOrto
Chief Financial Officer, Secretary

Date Signed: 8/12/24

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 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) toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, 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 floors one (1) and two (2), 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);

LANDLORD'S WORK LETTER

- (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) floors 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;
- (r) standard window coverings with the exception of any doors;
- (s) primary HVAC duct for cooling and primary HVAC duct for heating to loop from the mechanical equipment room around the building core;
- (t) hot and cold air loops located within the Premises;
- (u) primary fire sprinkler distribution, including secondary piping, and sprinkler heads as required for the unoccupied Premises;
- (v) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;
- (w) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and
- (x) Drywall on the service core walls, columns and sills in the Premises.

LANDLORD'S WORK LETTER

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors, and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture (including fixtures and equipment for the Modular Furniture per the Modular Specifications);
- (g) Distribution of electrical services, plumbing services, and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms, and extinguishers;
- (j) Additional and/or above standard electrical capacity;
- (k) Fiber optic access;
- (l) Rekeying of the Premises;
- (m) Any modifications or additions to the project scope that necessitate modifications or additions to the Landlord Base Building Improvements, resulting in additional costs to Landlord's Base Building Work, shall be considered a Tenant Improvement;
- (n) Supplemental air units required for tenant's equipment; and
- (o) 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.

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	\$

**AMENDMENT NO. 1 TO LEASE NO. 78526
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12851 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY**

This **AMENDMENT NO. 1 TO LEASE NO. 78526** ("Amendment No. 1") is made, entered and dated as of this _____ of _____, 2024, by and between **RR&C CROSSROADS NO. 3 LLC**, a Delaware limited liability company ("**Landlord**"), and the **COUNTY OF LOS ANGELES**, a body corporate and politic ("**Tenant**"), for those certain premises located at 12851 Crossroads Parkway South, City of Industry, County of Los Angeles, State of California (the "**Property**").

RECITALS:

- A. WHEREAS**, RR&C Crossroads No. 2, LLC, a Delaware limited liability company ("**No. 2**") and Tenant have entered into that certain Lease No. 78526 ("**Lease**") dated September 13, 2016 for those certain Premises located at 12851 Crossroads Parkway South, City of Industry, California ("**Premises**").
- B. WHEREAS**, No. 2 assigned all rights and obligation in the Lease to Landlord and Landlord assumed all rights and obligations in the Lease from No. 2 on October 14, 2016.
- C. WHEREAS**, Landlord and Tenant desire to, among other matters, extend the term of the Lease as set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Section 1.1 (e). **TERM**, of the Lease is hereby amended by adding the following paragraph to the end of Section 1.1.e. of the Lease:

"The Term of this Lease is hereby extended commencing March 1, 2033 and terminating at 11:59 p.m. October 31, 2038 (the "**Extended Term**"), with the Termination Date being amended to be the last day of the Extended Term, subject to earlier termination by Tenant as provided in the Lease. The phrase "Term of this Lease" or "the Term hereof" as used in the Lease, or words of similar import, shall refer to the initial Term of this Lease and the Extended Term, together with any additional Extension Term for which an option to renew has been validly exercised."

2. Section 5. **BASE RENT**, of the Lease during the Extended Term, as defined in Section 1 of this Amendment No. 1, shall continue pursuant to the terms of Section 5 of the Lease and, in accordance therewith, Base Rent adjustments will continue to occur annually in accordance with Section 5.1 of the Lease.

3. Section 6. **OPERATING EXPENSES RENT**, of the Lease during the Extended Term, as defined in Section 1 of this Amendment No. 1, shall continue pursuant to the terms of Section 6 of the Lease.

4. Section 4.5, **EARLY TERMINATION**, of the Lease is hereby amended by deleting the paragraph found in Section 4.5 in its entirety and adding the following new paragraph as a new

Section 4.5:

"4.5. **EARLY TERMINATION**:

Tenant shall have the right to terminate this Lease effective at any time after October 31, 2035 giving Landlord not less than one hundred eighty (180) days' prior written notice executed by the Chief Executive Officer of Tenant (the "**Tenant's Termination Notice**"), and such Tenant's Termination Notice shall set forth the effective date of termination selected by Tenant."

5. Section 22, **PARKING**, of the Lease is hereby amended by adding the following new paragraph to the end of Section 22:

" 22.3. **AFTER-HOURS PARKING**: From and after the date the Park Facilities (as defined below) is open to the public, Tenant shall have the right to use all of the parking at the Building parking area and/or the 12801 Parking Area for the use of Tenant, its visitors, and temporary parking for the public who would be visiting nearby Los Angeles County Parks & Recreation facilities ("Park Facilities"), only during the hours of 6pm – 7am Monday through Friday and 24 hours per day on Saturday and Sunday, subject to availability, at no additional cost to Tenant (the "**After-Hours Parking**"), pursuant to that temporary license agreement dated February 20, 2018. Additionally, Tenant at its sole cost and expense, shall have an active shuttle service between the Building's parking areas and the Park Facilities. Tenant's right to the After-Hours Parking shall be conditioned upon (i) Tenant not being in default under this Lease; (ii) Tenant needing to use the After-Hours Parking as over-flow parking due to the parking area for the Park Facilities being fully parked; and (iii) no tenant from the adjacent property advising Landlord or its affiliates that the After-Hours Parking violates such tenant's lease with Landlord or its affiliate. At any time Tenant is using the After-Hours Parking, Tenant shall maintain in full force and effect the commercial general liability insurance in the amounts and with the additional insured as set forth in Section 21.5 (b). Tenant's indemnification obligations set forth in Section 20.1 shall apply to Tenant's use of the After-Hours Parking for the Park Facilities. In the event (1) Tenant breaches the terms of this Section 22, and/or (2) any tenant with rights to use the Supplemental under the terms of their lease with Landlord alleges that Landlord or its affiliate is in breach of such tenant's lease as a result of the After-Hours Parking, Tenant's right to the After-Hours Parking shall terminate upon written notice from Landlord and Tenant shall have no further right to the After-Hours Parking."

6. Section 25, **TENANT IMPROVEMENTS**, of the Lease is hereby amended by deleting the paragraph found in Section 25 in its entirety and adding the following new paragraph as a new Section 25:

"Landlord, after receipt of a duly executed copy of Amendment No. 1 to Lease, shall begin work on Tenant Improvements within a commercially reasonable period of time per the forthcoming County plans and specifications and subject to the Landlord's Work Letter."

7. The original LANDLORD'S WORK LETTER, attached to the original Lease is hereby amended by deleting in its entirety and replacing it with a new "Landlord's Work Letter" attached to this Amendment No. 1 as Exhibit "A" and incorporated herein by this reference.

8. The Lease shall be amended by inserting a new Section 35, SMOKING IN COUNTY FACILITIES, to the Lease which shall read as follows:

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

9. Section 4.6, **OPTION EXTENSION TERMS**, notwithstanding the extension of the Term for the Extended Term, Landlord and Tenant agree that Tenant shall retain its options to renew the Lease, as set forth in Section 4.6 of the Lease.

10. **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 Amendment No. 1 other than Cushman & Wakefield U.S., Inc ("**Tenant's Broker**") and Majestic Realty Co. ("**Landlord's Broker**") and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by

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

11. **AUTHORITY**. Only the County's Board of Supervisors ("**Board of Supervisors**") has the authority, by formally approving and/or executing this Amendment No. 1, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Amendment No. 1 may be altered or deleted, nor may any new material terms be added to this Amendment No. 1, without the express written approval of the Board of Supervisors, either through an amendment to the Amendment No. 1 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 Amendment No. 1, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Amendment No. 1 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 Basic Rent or other financial obligations of Tenant under this Amendment No. 1, including without limitation, granting any approvals, terminating the Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Memorandum of Extended Term Termination Date or subordinating the Lease. Each individual executing this Amendment No. 1 on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 1 on behalf of Landlord, and that this Amendment No. 1 is binding upon Landlord in accordance with its terms.

12. **LEASE IN FULL FORCE AND EFFECT**. Except as expressly amended as set forth in this Amendment No. 1, the terms and conditions of the Lease remain unmodified and in full force and effect. Except as expressly modified by this Amendment No. 1, all other terms and conditions of the Lease are hereby ratified and affirmed. In the event of any express conflict or inconsistency between the terms of this Amendment No. 1 and the terms of the Lease, the terms of this Amendment No. 1 shall control and govern. Any defined terms that are not defined in this Amendment No. 1 shall have the meanings ascribed thereto in the Lease unless the context clearly indicates otherwise.

13. **COUNTERPARTS; ELECTRONIC SIGNATURES**. This Amendment No. 1 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 1 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment No. 1 and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment No. 1 had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment No. 1 is intended to authenticate this writing and to have the same force and effect

as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment No. 1 based on the foregoing forms of signature. If this Amendment No. 1 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.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the date first above set forth.

LANDLORD:

RR&C CROSSROADS NO. 3 LLC,
a Delaware limited liability company

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

BY: [Signature]
Edward P. Roski, Jr., Trustee of the
Edward P. Roski, Jr. Living Trust
UID 11/1/1987, as amended

BY: [Signature]
Edward P. Roski, Jr., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

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

BY: [Signature]

ITS: [Signature]
Thomas H. Purcell
Chairman & CEO

BY: [Signature]

ITS: [Signature]
Edward J. DiOrio
Chief Financial Officer, Secretary

DATE: 8-12-24



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
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
LANDLORD'S WORK LETTER

LANDLORD'S WORK LETTER

For

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

COUNTY OF LOS ANGELES, as Tenant

RR&C CROSSROADS NO. 3 LLC, as Landlord

12851 CROSSROADS PARKWAY SOUTH

CITY OF INDUSTRY, CALIFORNIA

LANDLORD'S WORK LETTER

This Work Letter supplements Amendment No. 1 to Lease No. 78526 (the "Amendment") dated _____, 20____, executed concurrently herewith, by and between RR&C CROSSROADS NO. 3 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> | \$1,390,500.00 (i.e., \$18.00 per rentable square foot of the Premises) |
| (i) <u>Landlord's TI Allowance</u> | \$1,390,500.00 (i.e., \$18.00 per rentable square foot of the Premises) |
| (ii) <u>Tenant's TI Contribution</u> | Not applicable |
| (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> | An assigned staff person of the Landlord |
| (e) <u>Landlord's Address for Work Letter Notices</u> | RR&C Crossroads No. 3 LLC
c/o Majestic Realty Co.
13191 Crossroads Parkway North
6th Floor
City of Industry, California 91746
Attention: Property Manager |
| (f) <u>Tenant's Address for Work Letter Notices</u> | County of Los Angeles
Chief Executive Office - Real Estate Division
320 West Temple Street, 7th Floor
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) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Total TI Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

2.3 **Base Building Plans.** Landlord has delivered to Tenant all "as-built" plans and specifications available to Landlord.

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

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LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12851 Crossroads Pkwy v4\MH02605-002 12851 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

accepts an architect (the "Architect") and 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. Within five (5) business days following Landlord's receipt of the three (3) bids, Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and who commits to Landlord's schedule for the construction of the Tenant Improvements, and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

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

5.1 **Preparation of Space Plan.** Prior to Landlord's execution of this Lease, Tenant has submitted to Landlord and Landlord has approved that certain preliminary space plan and specifications, and low voltage and furniture plans showing on a preliminary basis all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room, as applicable (collectively, the "Preliminary Space Plan"). Concurrently with Tenant's execution and delivery of this Lease, Tenant shall submit to Landlord a final space plan and specifications for the Premises (the "Space Plan"), which Space Plan shall be a logical extension of and consistent with the Preliminary Space Plan. The Space Plan shall be subject to Landlord's reasonable approval within ten (10) business days following Tenant's submittal thereof, provided that it shall only be reasonable for Landlord to disapprove the Space Plan to the extent that it is not a logical extension of or is inconsistent with the Preliminary Space Plan. If Landlord reasonably disapproves the Space Plan for the foregoing reasons, then Tenant shall resubmit a revised Space Plan to Landlord for approval within ten (10) business days following Tenant's receipt of Landlord's disapproval. The foregoing process shall be repeated until such time as Landlord approves the Space Plan submitted by Tenant, and any delay caused by the necessity for Tenant to revise the Space Plan because of Landlord's initial disapproval thereof shall be a Tenant Delay.

5.2 **Preparation and Review of Working Drawings.** Within ten (10) days after the selection of the Architect (the "Selection of Architect Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully

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comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Tenant shall in no event disapprove of the Working Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Working Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Working Drawings, or (iii) cause such Working Drawings to not be a logical extension of and/or consistent with the Space Plan, or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Working Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. Landlord shall use Building standard methods, materials and finishes in the construction of the Tenant Improvements unless expressly set forth to the contrary in the Space Plan and Tenant's Outline Specifications. In the event that Tenant timely and properly disapproves the Working Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Working Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Working Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Working Drawings, or the applicable portion thereof, are approved by Tenant.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance, provided that Tenant shall in no event disapprove of the Engineering Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Engineering Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Engineering Drawings, or (iii) cause such Engineering Drawings to not be a logical extension of and/or consistent with the Space Plan, and Low Voltage Plans or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Engineering Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. In the event that Tenant timely and properly disapproves the Engineering Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Engineering Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Engineering Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Engineering Drawings, or the applicable portion thereof, are approved by Tenant.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate

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the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Within twenty-one (21) calendar days of the Selection of Architect Date, Landlord shall submit to Tenant a detailed construction schedule for Tenant's information setting forth the projected dates for completion of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, and the date of Substantial Completion. As the construction continues, Landlord shall amend the construction schedule from time to time to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. Except as expressly set forth in the Lease or this Work Letter, Landlord shall have no liability or responsibility to Tenant for any failure to complete project benchmarks by the projected dates set forth in any construction schedule provided by Landlord.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

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

6.1 **Cost Summary.** Within seven (7) calendar days after the Space Plan has been approved by Landlord, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the Landlord's TI Allowance. The Preliminary TI Cost Summary shall be revised into final form following Contractor's review including the Modular Furniture Costs within thirty (30) calendar days from the date that all permits for the construction of the Tenant Improvements have been issued by the applicable governmental authorities, and will be referred to herein as the "Final TI Cost Summary". The Preliminary Budget and the Final TI Costs Summary shall include the Modular Furniture Costs, and notwithstanding any contrary provision of this Work Letter, Tenant shall have five (5) business days from the date of receipt of the Final TI Cost Summary (the "Budget Approval Deadline") to approve or disapprove the Final TI Cost Summary in writing. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval of the Final TI Cost Summary. In the event that Tenant rejects the Final TI Cost Summary in writing due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Tenant's sole expense and any delay in excess of ten (10) business days caused by the necessity to rebid or redesign the Tenant Improvements shall be a Tenant Delay.

6.2 **Landlord's TI Allowance.**

(a) Tenant shall be entitled to a one-time Landlord's TI Allowance in the amount set forth in Section 1(a)(i) above for the costs relating to the design and construction of the Tenant Improvements, which such costs shall include Landlord's cost of security for the Premises during construction of the Tenant Improvements. Subject to the Landlord/Tenant Additional Responsibility Provision, as defined and set forth in Section 6.2(b) below, in no event shall Landlord be obligated to pay a total amount for the design, construction, purchase and installation of the Tenant Improvements which exceeds the Landlord's TI Allowance. Any unused portion of the Landlord TI Allowance following completion of the Tenant Improvements shall be credited toward the Base Rent up to a maximum of Five and 00/100 Dollars (\$5.00) per square foot of the Premises.

(b) All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant and Landlord's reasonable approval (collectively "Total TI Costs"), all of which must not exceed, in the aggregate, the sum of Landlord's TI Allowance, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Notwithstanding any contrary provision of this Work Letter (but subject to the Landlord/Tenant Additional Responsibility Provision), in no event shall Tenant Improvements be permitted to the extent they will cause the Tenant Improvement Costs to exceed the sum of the Landlord's TI Allowance, unless a Change Order has been approved therefor by Tenant in accordance with Section 8 below. Landlord shall be solely responsible for any Tenant Improvement Costs in excess of the total amount of the Final Construction Budget approved by Tenant, except for costs

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arising from Change Orders requested by Tenant (which shall be a Tenant cost and payable to Landlord, as additional rent, within thirty (30) days of billing) (the "Landlord/Tenant Additional Responsibility Provision").

7. **Construction of Tenant Improvements.**

7.1 **Tenant Improvements.** Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto, provided that in the event of any conflict between the Working Drawings and Addendum B, the Working Drawings shall control. Notwithstanding any contrary provision of this Work Letter, any Tenant Improvements described in Addendum B which are not reflected on the Working Drawings shall not be constructed by Landlord hereunder. Landlord agrees that, in the event of an unforeseen condition is discovered during construction of the Tenant Improvements which are not reflected on Working Drawings, any cost to correct such unforeseen condition shall be at Landlord's cost unless waived by the PM in writing.

7.2 **Bids.** Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall, subject to the last sentence of this Section 7.2, be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. Landlord shall, subject to the last sentence of this Section 7.2, submit at least three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed by Landlord and Tenant within five (5) business days following Landlord's receipt of a sufficient number of bids. The bids shall include an itemized list of all materials and labor and shall include all additional costs, as applicable, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

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

7.4 **Commencement of Construction.** Landlord shall commence construction of the Tenant Improvements within five (5) business days following the later to occur of (i) Tenant's approval of the Final Construction Budget, (ii) Landlord's receipt of all required permits for the Tenant Improvements, and (iii) construction contract awarded to Contractor. Once commenced, Landlord shall thereafter diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays and Tenant Delays (as defined below).

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

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

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

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease), as may be extended for any warranty for a period in excess of two (2) years. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects.

(d) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises or in other areas utilized by Landlord or its contractors. In the event that Tenant claims that there has been substandard Tenant Improvement work or clean-up (as reasonably determined according to the usual standards of work in the Building), then Tenant shall notify Landlord in writing thereof (with reasonable detail specifying the substandard work or clean-up claimed by Tenant) and to the extent that Landlord agrees that the work or clean-up was substandard, then Landlord shall perform additional work or clean-up as is required hereunder within ten (10) business days of Landlord's receipt of Tenant's notice (provided that if such work or clean-up cannot reasonably be completed within such ten (10) business day period, then Landlord shall commence such work or clean-up within such ten (10) business day period and shall diligently perform and complete such work or clean-up thereafter). If Landlord fails to timely perform such additional work or clean-up (or to respond that the work or clean-up requested by Tenant is not required to be performed by Landlord), then Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the substandard work or clean-up performed by Landlord's contractor or contractors, within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

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

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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 4.4 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) calendar days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work; provided, however, in the event of a conflict in completing any work, Landlord's right to complete the Tenant Improvements shall have priority over Tenant's early access rights.

7.6 Construction During Tenant's Occupancy. As Tenant will be occupying the Premises pursuant to the Lease while Landlord is completing the Tenant Improvements, Tenant agrees that it shall not interfere with Landlord's completion of the Tenant Improvements. Tenant hereby acknowledges that, notwithstanding Tenant's occupancy of the Premises during the construction of the Tenant Improvements, Landlord shall be permitted to complete the Tenant Improvements during normal business hours, and Tenant shall provide a clear working area for Landlord's construction of the Tenant Improvements (including, but not limited to, the moving of furniture, fixtures and Tenant's property away from the area Landlord is completing the Tenant Improvements). Tenant hereby agrees that the construction of the Tenant Improvements shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to, if any, abatement of rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from construction of the Tenant Improvements, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of whole or any part of the Premises, for loss of or damage to Tenant's personal property, merchandise, fixtures or improvements, or for any inconvenience or annoyance resulting from the Tenant Improvements or for Landlord's actions in connection with the Tenant Improvements.

7.7 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection (provided that if such work or clean-up cannot reasonably be completed within such thirty (30) day period, then Landlord shall commence such punch-list

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items within such thirty (30) day period and shall diligently perform and complete such punch-list items thereafter). If Landlord fails to complete any of the punch-list items within such 30-day period (as may be extended), then Tenant, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the completion of such punch-list items within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

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

8. **Requests for Change.** Tenant and Landlord may make changes, additions, deletions or substitutions, alterations in the Final Plans (each a "Request for Change Order") provided that the requesting party must submit a written request to the other party and that Requests for Change (Change Order) will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"), which, if approved, shall be approved within thirty (30) days of notice from the requesting party. Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Tenant shall pay for Change Orders by payment in a lump sum to Landlord, as additional rent, within thirty (30) days of billing. Landlord shall submit to the Chief Executive Officer or his/her designee with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Tenant requested Change Authorizations previously approved; and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, either Tenant, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors which approval shall be granted or denied within thirty (30) days of notice from the requesting party. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and HOA.103721907.1

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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. Within thirty (30) days following Landlord's delivery thereof to Tenant, provided that any disapproval by Tenant shall be limited to items included in the bid package which are inconsistent with the Modular Specifications. Landlord shall select the furniture vendor that (i) commits to Landlord's schedule for the construction of the Tenant Improvements, (ii) is able to provide all of the Modular Furniture included in the bid package, and (iii) offers the lowest price (after adjustment of the bids for inconsistent assumptions). Notwithstanding any contrary provision of this Section 9.1, if the Modular Furniture Costs will exceed the remaining available Landlord's TI Allowance, as reasonably determined by Landlord and Tenant, then upon written notice from Landlord (the "Excess Furniture Notice") Tenant shall revise the Modular Specifications as necessary to reduce the Modular Furniture Costs to the extent specified by Landlord, in which event the foregoing bidding process shall be repeated and the period of time following Landlord's delivery of the Excess Furniture Notice to Tenant through the date that the Modular Furniture is ordered shall be a Tenant Delay.

The Modular Furniture shall not become part of the realty or real property but shall remain personal property. Upon Tenant's payment in full of the amounts owing to Landlord, the Modular Furniture shall constitute Tenant's personal property and shall be removable from the Premises by Tenant's creditors and their assigns during the Term of this Lease, provided that any damage occasioned by such removal shall be repaired by such creditors, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises. The foregoing provisions relating to Tenant's creditors' rights shall be binding upon the representatives, successors and assigns of the parties hereto, and shall inure to the benefit of the successors and assigns of the parties hereto.

Landlord shall provide the Modular Furniture set forth in the Modular Specifications as part of the Tenant Improvements and the design related, and purchase and installation costs therefor (the Modular Furniture Costs") shall be part of the Total TI Costs.

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.

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10. **Total TI Costs Adjustment and Right to Audit.** Within ninety (90) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Payments by Tenant for Change Orders shall be calculated and adjusted as appropriate, based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time during the Term. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary for Landlord's review and reasonable approval which shall not be unreasonably conditioned or delayed. Until such time as Tenant's audit is approved by Landlord, Tenant shall continue to pay Landlord based upon the amounts originally billed to Tenant for Change Orders. If it is determined that Tenant has overpaid any amounts to Landlord, then Landlord shall, within thirty (30) calendar days following approval of the audit, refund to Tenant the amount of any overpayment made by Tenant and all future payments owing by Tenant to Landlord under this Work Letter shall be adjusted as appropriate based upon the agreed upon audit results.

11. **Intentionally Deleted.**

12. **Intentionally Deleted.**

13. **Tenant Remedies.** Any default by Landlord under the terms of this Work Letter shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

14. **Representatives.**

14.1 **Tenant Representative.** Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1(f) above.

14.2 **Landlord Representative.** Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1(e) above.

15. **Intentionally Deleted.**

16. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week or biweekly, unless Landlord or Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) business days after the date the Contractor is selected. Landlord, Architect or Contractor shall provide minutes of each construction meeting to Tenant

within a reasonable time thereafter, but not later than three (3) business days after the date of the construction meeting.

17. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant. Any electronic deliveries shall be delivered to Landlord at the following email addresses: dbui@majesticrealty.com and lgoldstein@majesticrealty.com (or to such other person as Landlord may designate from time to time), and to Tenant at the following email addresses: vhasanovic@ceo.lacounty.gov and daardema@ceo.lacounty.gov, provided that the delivering party shall also concurrently advise the receiving party by telephone of the forthcoming email at the applicable telephone number, as follows: For Landlord: David Bui at (562) 948-4388 and Louis Goldstein at (562) 576-1611. For Tenant: Vedad Hasanovic at (213) 246-9997 and Dean Aardema at (213) 893-2471.

18. **Miscellaneous.** This Landlord's Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord's Work Letter. This Landlord's Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord's Work Letter must be delivered in writing per the terms as set forth in Section 31.6 of the Lease. This Landlord's Work Letter will not be effective unless and until signed and delivered by both Parties. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12851 Crossroads Pkwy v4\MH102605-002 12851 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[Signatures on following page]

LANDLORD'S WORK LETTER

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

LANDLORD:

RR&C CROSSROADS NO. 3 LLC,
a Delaware limited liability company

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



By: [Signature]
Edward P. Roski, Jr., Trustee of the
Edward P. Roski, Jr. Living Trust
UID 11/1/1987, as amended

By: [Signature]
Edward P. Roski, Jr., Trustee of the
Roski Marital Trust UID 11/1/1987,
as amended

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

By: [Signature]
Its: [Signature]
Thomas H. Purcell
Chairman & CEO

By: [Signature]
Its: [Signature]
Edward J. DiOrio
Chief Financial Officer, Secretary

Date Signed: 8-12-24

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 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) toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, 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 floors one (1) and two (2), 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);

LANDLORD'S WORK LETTER

- (o) two (2) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;
- (p) intentionally deleted;
- (q) floors 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;
- (r) standard window coverings with the exception of any doors;
- (s) primary HVAC duct for cooling and hot water loop for heating from the boiler on roof to the building core;
- (t) cold air and hot water loop located within the Premises;
- (u) primary fire sprinkler distribution, including secondary piping, and sprinkler heads as required for the unoccupied Premises;
- (v) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;
- (w) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and
- (x) Drywall on the service core walls, columns and sills in the Premises.

LANDLORD'S WORK LETTER

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors, and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture (including fixtures and equipment for the Modular Furniture per the Modular Specifications);
- (g) Distribution of electrical services, plumbing services, and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms, and extinguishers;
- (j) Additional and/or above standard electrical capacity;
- (k) Fiber optic access;
- (l) Rekeying of the Premises;
- (m) Any modifications or additions to the project scope that necessitate modifications or additions to the Landlord Base Building Improvements, resulting in additional costs to Landlord's Base Building Work, shall be considered a Tenant Improvement;
- (n) Supplemental air units required for tenant's equipment; and
- (o) 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.

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

CLUSTER AGENDA REVIEW DATE	12/18/2024	
BOARD MEETING DATE	1/14/2025	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Public Social Services	
SUBJECT	12-year Lease renewal for 33,331 square feet of office space and 133 on-site parking spaces at 12820 Crossroads Parkway S. (Premises A) and 55,000 SF at 12860 Crossroads (Premises B), City of Industry, 91746	
PROGRAM	DPSS Headquarters	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS	Lease has been on month-to-month holdover since May 16, 2023 with no holdover fee for Premises A and since February 15, 2023 for Premises B.	
COST & FUNDING	Total cost: Over 12 yr term: \$26,677,000 for Premises A \$41,166,000 for Premises B	Funding source: The rental costs associated to with the proposed lease terms will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action.
	TERMS (if applicable): The proposed lease will have an annual rent of \$916,000 for Premises A and \$1,512,000 for Premises B for the first year, where the landlord will be responsible for all operating expenses, janitorial, repair and maintenance to the building including real estate taxes up to \$70,000 per year for Premises A and \$110,000 per year for Premises B. The County will be responsible for its electric utility and any real estate taxes above \$70,000 for Premises A and above \$110,000 for Premises B.	
	Explanation: The rental costs associated to with the proposed lease terms will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action. Future funding for the costs associated with the proposed leases will be addressed through the annual budget process for DPSS.	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and provide continued use of office space for DPSS' Headquarters (HQ).	
BACKGROUND (include internal/external issues that may exist including any related motions)	DPSS' HQ occupies five buildings within an office campus each with its own lease and expiration date. DPSS intends to have all leases expire at the same time so DPSS can retain flexibility for any future plans for consolidation and/or relocation of its HQ. All proposed leases have been negotiated and are being presented to the Board at the same Board meeting. DPSS has occupied Premises A since 2001 and Premises B since 1992. The facility adequately meets the office space and parking needs of DPSS.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	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"

January 14, 2025

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:

**TWO TWELVE-YEAR LEASES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12820 AND 12860 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

Approval of two proposed 12-year leases to renew existing leases to provide the Department of Public Social Services (DPSS) continued use of 33,331 square feet of office space and 133 on-site parking spaces at 12820 Crossroads Parkway South and 55,000 square feet of office space and 219 on-site parking spaces at 12860 Crossroads Parkway South as part of DPSS' headquarters.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed leases are 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 leases with RR&C Development Company, a California general partnership (Landlord), for approximately 88,331 square feet of office space comprised of 33,331 square feet at 12820 Crossroads Parkway South (Premises A), and 55,000 square feet of at 12860 Crossroads Parkway South, City of Industry (Premises B) and a total of 352 on-site parking spaces to be occupied by DPSS. Each lease proposes a lease for a term of more than ten years, to wit, for a term of 12 years. The estimated maximum first year base rental cost for Premises A is \$1,100,000,

but with a two-month rent abatement of approximately \$184,000, will equal \$916,000. The estimated total proposed lease cost, including the rent abatement, tenant improvement (TI), low voltage and electrical is \$26,677,000 over the 12-year term for Premises A. The estimated maximum first year base rental cost for Premises B is \$1,815,000, but with a two-month rent abatement of approximately \$303,000, will equal \$1,512,000. The estimated total proposed lease cost, including the rent abatement, TI, low voltage, and electrical is \$41,166,000 over the 12-year term for Premises B. The rental costs for both proposed leases will be funded by 80.11 percent State and Federal funds and 19.89 percent by net County cost (NCC) that is already included in DPSS' existing budget. DPSS will not be requesting additional NCC for this action.

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord an aggregate amount up to \$11,484,000, for the County's total TI contribution, paid in lump sum for both proposed leases; which consists of up to \$4,334,000, for the County's TI contribution for Premises A and up to \$7,150,000, for the County's TI contribution for Premises B.
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 \$9,468,000, paid in a lump sum for both proposed leases; which should not exceed \$4,644,000 for Premises A, and \$4,824,000 for Premises B. 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 proposed leases, and to take actions necessary and appropriate to implement the terms of the proposed leases, including, without limitation, exercising any early termination rights and the options to extend at fair market value as set forth in the proposed leases.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPSS' headquarters occupies five buildings within an office campus at 12820, 12860, 12900, 12801 and 12851 Crossroads Parkway South, City of Industry (Headquarters). Each of the buildings have their own lease and each lease has a different expiration date. To ensure operational efficiencies, DPSS intends to have all leases expire around the same time so that DPSS can retain flexibility for any future plans for consolidation and/or relocation of its Headquarters.

DPSS intends to modernize and refresh the buildings located at Premises A and B and at 12900 Crossroads Parkway South. The TI work will be completed in several phases to minimize any impact to DPSS' operations. As TI work is performed in the Premises,

DPSS will use any available workstations in one of the other buildings at Headquarters to temporarily house the displaced staff, as well as implement telework where possible. All proposed leases and lease amendments have been negotiated and are being presented to the Board for approval at the same Board meeting.

DPSS has occupied Premises A since 2001 and the lease expired on May 16, 2023. DPSS has occupied Premises B since 1992 and the lease expired on February 13, 2023. Both leases have been in holdover with no holdover fee charged by the Landlord. All the programs at Premises A and B are administrative in nature and provide support for all of DPSS staff and systems.

Programs at Premises A include General Relief, CalFresh Program Division, CalWORKS Program Division, and the Greater Avenues for Independence (GAIN) Program Division. General Relief provides cash aid to indigent adults, and children in certain special circumstances who are ineligible for Federal or State programs. CalWORKS 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. GAIN provides welfare-to-work case management, job preparation, job training, and employment related services to participants.

Programs at Premises B include Charitable Giving, Civil Rights, Workforce Services Division I through VI, DPSSTATS, Government Inquiry and Response, Intergovernmental Relations, Communications, Marketing, Office Management, Program Compliance, Project Management, Research Evaluation and Quality Assurance Division, the California Statewide Automated Welfare System Support and Business Intelligence Division, and the Management and Research Services Divisions.

There are 227 staff assigned to Premises A who use 258 workstations. There are 279 staff assigned to Premises B who use 268 workstations. DPSS anticipates expanding programs and staff over the course of the proposed lease term and has budgeted for growth positions. However, in the interim, DPSS will use any excess workstations to backfill staff that must vacate Premises A and B, or 12900 Crossroads Parkway South due to the anticipated phased TIs that will occur at each building.

DPSS has implemented telework where possible, including both full-time and hybrid telework models depending on the requirements of the position; however, other staff are required to be onsite daily to access sensitive and confidential data that cannot be accessed remotely. Additionally, some staff are onsite daily to serve the public facing needs of DPSS.

Both Premises A and B continue to meet DPSS' space and parking needs and are located in a geographically appropriate area. The Premises are located within a half mile of the 60 and 605 freeways and are adequately served by public transportation.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 1 – “*Make Investments That Transform Lives*” – provides that LA County is a highly responsive organization investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

The proposed leases are also consistent with the Strategic Asset Management Goal – Maximize use of County space and achieve cost savings, and Key Objective No.4 – Guide Strategic Decision Making

The proposed leases support the above goals and objective by providing DPSS with adequate office spaces and sufficient parking in a centrally located facility within the DPSS Headquarters campus.

The proposed leases conform with the Asset Management Principles outlined in Enclosure A.

FISCAL IMPACT/FINANCING

The estimated maximum first year base rental cost for Premises A is \$1,100,000, but with a two-month rent abatement of approximately \$184,000, will equal \$916,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease for Premises A over the entire term, including rent abatement, electrical, low voltage, and TIs is \$26,677,000, as shown in Enclosure B-1.

The estimated maximum first year base rental cost for Premises B is \$1,815,000, but with a two-month rent abatement of \$303,000, will be approximately \$1,512,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease over the entire term, including rent abatement, electrical, low voltage, and TIs, is \$41,166,000 as shown in Enclosure B-2.

DPSS will continue paying the current rent while under the existing holdover provisions until it surrenders Premises A or B, as applicable; will pay no rent while the respective Premises are under construction for the proposed TIs; and upon completion of TIs and County’s acceptance of the respective Premises, the new rent will commence at each Premises.

The rental costs associated with the proposed leases will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS’ budget. DPSS will not be requesting additional NCC for this action. 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 contains the following provisions:

- The current annual rental rate for Premises A is \$28.18 per square, foot per year. The current annual rental rate for Premises B is \$27.88 per square, foot per year. Upon commencement of the proposed leases, the annual rental rates will be \$33 per square foot, per year. Base rent is subject to annual increases based on the Consumer Price Index with a minimum of 2 percent per annum and capped at 4 percent per annum.
- The Landlord has agreed to two months of rent abatement each at both Premises A and B. DPSS has the option to convert all or any portion of its rental abatement towards an increase in base TI allowance.
- For Premises A, the Landlord will provide a base TI allowance of approximately \$1,500,000 (\$45 per square foot). The County will reimburse the Landlord up to \$4,334,000 as the County's lump sum TI contribution.
- For Premises B, the Landlord will provide a base TI allowance of approximately \$2,475,000 (\$45 per square foot). The County will reimburse the Landlord up to \$7,150,000, as the County's lump sum TI contribution.
- The Landlord is responsible for the operating and maintenance costs of the buildings, and janitorial services. The County is responsible for electric costs within Premises A and B. The County is not subject to the building's operating expense increases.
- There are a total of 352 on-site parking spaces included in the base rent at no additional cost.
- Upon commencement of the proposed leases, the County will no longer be charged an operating expense rent by the Landlord.
- The County is currently responsible for reimbursing the Landlord for all real estate taxes at each of the Premises. Upon commencement of the proposed leases, the County will only be responsible for its share of real estate taxes over \$70,000 per year for Premises A, and over \$110,000 per year for Premises B.
- A comparison of the existing leases and the proposed lease terms are shown in Enclosure B-3.
- Both proposed leases have 12-year initial terms with one option each to extend

the proposed leases for an additional five years with nine months' prior written notice, at fair market rent. If all options are exercised, the total terms for both the proposed leases would be 17 years.

- The County has the right to terminate either of the proposed leases early any time after the tenth year, with 180 days' prior written notice.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions. The monthly base rent during the holdover periods will remain the same and subject to the regular increases.
- The proposed leases will be effective upon approval by the Board and full execution of the proposed leases, but the term and rent will commence on the first day of the month following 30- days after substantial completion of the TIs by the Landlord and acceptance of the Premises by the County for each proposed lease.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for a new Headquarters space, through the Executive Office posting website and Real Estate's County website. None of the responses received were suitable for DPSS' needs due to being located outside of the DPSS' search 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 \$31.80 and \$42 per square foot, per year. The base annual rental rate of \$33 per square foot, per year for the proposed leases represents a rate that is within the market range for the area. Further, relocation to new buildings would disrupt services and would place the DPSS administrative staff currently operating at these two locations too far from the Headquarters. We recommend the proposed Premises A and B as the most suitable to meet the County's space requirements.

The CEO has communicated with co-working office space companies about office space for the applicable programs, and they have informed us that their co-working office space does not have available space for long term occupancy to accommodate the required space needs.

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

The Department of Public Works has inspected the facilities and found them suitable for the County's occupancy. The required notification letter to the City of Industry has been sent in accordance with Government Code Section 25351.

County Counsel has reviewed the proposed leases and approved them as to form. The proposed leases are 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 leases will continue to provide a suitable location for DPSS' programs, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

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

The Honorable Board of Supervisors
January 14, 2025
Page 8

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

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

Enclosures

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

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
12820 & 12860 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions?	X		
B	Does lease co-locate with other functions to better serve clients?			X
C	Does this lease centralize business support functions?	X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? The ratio is 147 sq. ft per person at Premises A and 197 sq. ft. per person at Premises B. This is due to new and more efficient space reconfiguration plans at each of the premises.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X		
2.	<u>Capital</u>			
A.	Is it a substantial net County cost (NCC) program?		X	
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Enclosure C?			
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 with other County departments?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. ____ No suitable County occupied properties in project area.			
	3. X No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease? The County is responsible for electric costs.		X	
F	Has growth projection been considered in space request?	X		
G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As adopted by the Board of Supervisors 11/17/98				
² If not, why not?				

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

12820 Crossroads Parkway South, City of Industry
Department of Public Social Services

Basic Lease Assumptions

Leased Area (sq.ft.)	33,331				
	<table border="1"> <tr> <th>Per RSF</th> <th>Per RSF</th> </tr> <tr> <th>Per Month (\$)</th> <th>Per Year (\$)</th> </tr> </table>	Per RSF	Per RSF	Per Month (\$)	Per Year (\$)
Per RSF	Per RSF				
Per Month (\$)	Per Year (\$)				
Base Rent	\$2.75				
Term	12 years				
Annual Rent Adjustments	4.00%				
Electrical Costs	\$0.28				
	\$3.32				
	<table border="1"> <tr> <th># of Spaces</th> </tr> </table>	# of Spaces			
# of Spaces					
Parking	133				
	<table border="1"> <tr> <th>Lump Sum</th> </tr> </table>	Lump Sum			
Lump Sum					
Tenant Improvement Costs (Reimbursable to Landlord)	\$4,333,030				
	<table border="1"> <tr> <th>Lump Sum</th> </tr> </table>	Lump Sum			
Lump Sum					
Low Voltage Costs (TESMA Labor & Materials)	\$4,644,000				

	1 st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year	11th Year	12th Year	Total 12 Years Rental Costs
Annual Base Rent Costs	\$1,100,000	\$1,144,000	\$1,190,000	\$1,238,000	\$1,288,000	\$1,340,000	\$1,394,000	\$1,450,000	\$1,508,000	\$1,569,000	\$1,632,000	\$1,698,000	\$16,551,000
Rent Abatement ⁽¹⁾	(\$184,000)												(\$184,000)
Rent Paid to Landlord	\$916,000	\$1,144,000	\$1,190,000	\$1,238,000	\$1,288,000	\$1,340,000	\$1,394,000	\$1,450,000	\$1,508,000	\$1,569,000	\$1,632,000	\$1,698,000	\$16,367,000
TI Allowance (Reimbursable)	\$4,334,000												\$4,334,000
Total Costs Paid to Landlord	\$5,250,000	\$1,144,000	\$1,190,000	\$1,238,000	\$1,288,000	\$1,340,000	\$1,394,000	\$1,450,000	\$1,508,000	\$1,569,000	\$1,632,000	\$1,698,000	\$20,701,000
Low Voltage Costs	\$4,644,000												\$4,644,000
Electrical Costs ⁽²⁾	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$111,000	\$1,332,000
Total Annual Lease Costs⁽³⁾	\$10,005,000	\$1,255,000	\$1,301,000	\$1,349,000	\$1,399,000	\$1,451,000	\$1,505,000	\$1,561,000	\$1,619,000	\$1,680,000	\$1,743,000	\$1,809,000	\$26,677,000

⁽¹⁾ Rent Abatement is months 1 & 2 of the lease term.

⁽²⁾ County pays direct to the utility provider for its electrical use. Amount is based upon the past 12-month average. Costs are subject to change.

⁽³⁾ County is also responsible for any real estate taxes above \$70K, if any.

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

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

12860 Crossroads Parkway South, City of Industry
Department of Public Social Services

Basic Lease Assumptions

Leased Area (sq.ft.)	55,000
	Per RSF
	Per Month (\$)
Base Rent	\$2.75
Term	12 years
Annual Rent Adjustments	4.00%
	Per RSF
	Per Year (\$)
Electrical Costs	\$0.28
	\$3.33
Parking	# of Spaces
	219
Tenant Improvement Costs (Reimbursable to Landlord)	Lump Sum
	\$7,150,000
Low Voltage Costs (TESMA Labor & Materials)	Lump Sum
	\$4,824,000

	1 st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year	11th Year	12th Year	Total 12 Years Rental Costs
Annual Base Rent Costs	\$1,815,000	\$1,888,000	\$1,964,000	\$2,043,000	\$2,125,000	\$2,210,000	\$2,299,000	\$2,391,000	\$2,487,000	\$2,587,000	\$2,691,000	\$2,799,000	\$27,299,000
Rent Abatement ⁽¹⁾	(\$303,000)												(\$303,000)
Rent Paid to Landlord	\$1,512,000	\$1,888,000	\$1,964,000	\$2,043,000	\$2,125,000	\$2,210,000	\$2,299,000	\$2,391,000	\$2,487,000	\$2,587,000	\$2,691,000	\$2,799,000	\$26,996,000
TI Allowance (Reimbursable)	\$7,150,000												\$7,150,000
Total Costs Paid to Landlord	\$8,662,000	\$1,888,000	\$1,964,000	\$2,043,000	\$2,125,000	\$2,210,000	\$2,299,000	\$2,391,000	\$2,487,000	\$2,587,000	\$2,691,000	\$2,799,000	\$34,146,000
Low Voltage Costs	\$4,824,000												\$4,824,000
Electrical Costs ⁽²⁾	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$2,196,000
Total Annual Lease Costs⁽³⁾	\$13,669,000	\$2,071,000	\$2,147,000	\$2,226,000	\$2,308,000	\$2,393,000	\$2,482,000	\$2,574,000	\$2,670,000	\$2,770,000	\$2,874,000	\$2,982,000	\$41,166,000

⁽¹⁾Rent Abatement is months 1 & 2 of the lease term.

⁽²⁾ County pays direct to the utility provider for its electrical use. Amount is based upon the past 12-month average. Costs are subject to change.

⁽³⁾ County is also responsible for any real estate taxes above \$110K, if any.

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

**COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE
12820 CROSSROADS PARKWAY S, CITY OF INDUSTRY**

	Existing Lease: 12820 Crossroads Pkwy S., City of Industry	Proposed Lease 12820 Crossroads Pkwy S., City of Industry	Change
Area (Square Feet)	33,331 sq.ft.	33,331 sq.ft.	No change.
Term (years)	7 years	12 years plus one 5-year options to renew	12 years plus one 5-year options to renew
Annual Base Rent	\$595,000	\$917,000 ⁽¹⁾	+\$322,000
Annual Operating Expense Rent	\$281,000	\$0	-\$281,000
Real Estate Taxes	\$64,000	\$0	-\$64,000
Annual Parking Cost	No cost	No cost	No change
Total Annual Lease Costs payable to Landlord	\$940,000	\$917,000	-\$23,000
Operating Expense adjustment	Fixed annual increases of 3.75%	None. No longer applicable.	None. No longer applicable.
Rental rate adjustment	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI adjustments with a minimum of 2 percent and capped at 4 percent.	Annual CPI adjustments with a minimum of 2 percent and capped at 4 percent.

⁽¹⁾ Includes 2 months of rent abatement.

*Note: All numbers are rounded up.

**COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE
12860 CROSSROADS PARKWAY S, CITY OF INDUSTRY**

	Existing Lease: 12860 Crossroads Pkwy S., City of Industry	Proposed Lease 12860 Crossroads Pkwy S., City of Industry	Change
Area (Square Feet)	55,000 sq.ft.	55,000 sq.ft.	No change.
Term (years)	7 years	12 years plus one 5-year options to renew	12 years plus one 5-year options to renew
Annual Base Rent	\$990,000	\$1,513,000 ⁽¹⁾	+\$523,000
Annual Operating Expense Rent	\$442,000	\$0	-\$442,000
Real Estate Taxes	\$102,000	\$	-\$101,000
Annual Parking Cost	No cost	No cost	No change
Total Annual Lease Costs payable to Landlord	\$1,533,000	\$1,513,000	-\$20,000
Operating Expense adjustment	Fixed annual increases of 3.75%	None. No longer applicable.	None. No longer applicable.
Rental rate adjustment	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI adjustments with a minimum of 2 percent and capped at 4 percent.	Annual CPI adjustments with a minimum of 2 percent and capped at 4 percent.

⁽¹⁾ Includes 2 months of rent abatement.

*Note: All numbers are rounded up.

DEPARTMENT OF PUBLIC SOCIAL SERVICES

SPACE SEARCH – 3 MILE RADIUS FROM 12820 & 12860 CROSSROADS PARKWAY
SOUTH, CITY OF INDUSTRY

PROPERTY ID	PROPERTY NAME	ADDRESS	OWNER-SHIP	GROSS SQFT	NET SQFT	VACANT SQFT
10324	ASSESSOR - EAST DISTRICT	1198 DURFEE AVE, South El Monte, CA 91733	Owned	10548	10021	None
B002	DPSS - Administrative Headquarters E Annex	12900 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	34245	31420	None
4533	East Services Agency - Office Building	265 Cloverleaf Dr, Baldwin Park, CA 91706	Owned	1440	1055	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	55000	41943	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	55000	41943	None
B119	Assessor - East District Office	1190 Durfee Ave, South El Monte, CA 91733	Owned	36861	35018	None
10430	RR/CC - Crossroads Parkway Office	13401 Crossroads Parkway, City of Industry 91746	Leased	57905	55010	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	1230	1230	None
A507	DPSS - Administrative Headquarters W Annex	12820 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	33331	28331	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	8124	5547	None
A507	DPSS - Administrative Headquarters W Annex	12820 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	33331	28331	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	1250	840	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	5544	3785	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	2516	1718	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Leases for the Department of Public Social Services – 12820 & 12860 Crossroads Parkway South, City of Industry – First District.

A. Establish Service Function Category – Headquarters

B. Determination of the Service Area – The proposed leases will provide DPSS with adequate office space for its Headquarters.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continued need for operation within Service Area 3.
- Need for proximity to existing County facilities: All within the same business campus so DPSS can use as its Headquarters
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., Metro bus route 270 and Foothill Transit route 274.
- 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.
- Compatibility with local land use plans: The City of Industry has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed leases over the entire term is \$26,677,000 for Premises A and \$41,166,000 for Premises B.

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 \$31.80 and \$42 per square foot, per year. The base annual rental rate of \$33 per square foot, per year for the proposed leases represents a rate that is within the market range for the area. Further, relocation to a new building would disrupt services and would place the DPSS administrative staff currently operating at these two locations too far from the Headquarters. 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 leases will provide adequate and efficient office space for a total of 506 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

**COUNTY OF LOS ANGELES - Tenant
RR&C DEVELOPMENT COMPANY - Landlord**

**12820 CROSSROADS PARKWAY SOUTH,
CITY OF INDUSTRY, CALIFORNIA**

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EXHIBITS

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit C – Heating, Ventilation, and Air Conditioning Standards
- Exhibit D – Cleaning and Maintenance Schedule
- Exhibit E – Subordination, Non-disturbance and Attornment Agreement
- Exhibit F – Tenant Estoppel Certificate
- Exhibit G – Community Business Enterprise Form
- Exhibit H – Memorandum of Lease 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 RR&C DEVELOPMENT COMPANY, a California general partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

(a) Landlord's Address for Notices:	RR&C DEVELOPMENT COMPANY c/o Majestic Realty Co. 13191 Crossroads Parkway North 6th Floor City of Industry, California 91746 Attention: Property Manager
(b) Tenant's Address for Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate With a copy to: County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division
(c) Premises:	Approximately 33,331 rentable square feet ("RSF") at 12820 Crossroads Parkway South ("Premises"). The floor plan for the Premises is identified in the attached Exhibit A in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

(d) Building:	The Building located at 12820 Crossroads Parkway South, City of Industry, California, 91746 which is currently assessed by the County Assessor as APN 8125-059-012 with respect to the Premises (the "Property");
(e) Effective Date:	The date which the Lease has been approved by the Board of Supervisors and full execution and delivery of such Lease has occurred by both parties (Effective Date).
(f) Surrender of Premises:	When (i) the Permits (as defined in <u>Section 7.4</u> of the Work Letter) are available for pick-up by Landlord, and (ii) the second (2 nd) floor of the building leased by Tenant from an affiliate of Landlord at 12801 Crossroads Parkway South, City of Industry, California is available for Tenant to legally occupy the second (2 nd) floor, Landlord shall provide written notice to Tenant and Tenant, within thirty (30) days of receipt of such notice, shall surrender the Premises to Landlord in order to allow Landlord to commence construction of the Tenant Improvements and the Landlord Work and, upon the date of such surrender, the existing Lease No. 78491 for the Premises shall terminate and any portion of the Base Rent paid by Tenant to Landlord under the existing Lease No. 78491 that is applicable to the period following the date of termination of Lease No. 78491 shall be reimbursed to Tenant via a check within thirty (30) days of Tenant's surrender of the Premises to Landlord. Landlord shall be responsible for disposing of Tenant's existing furniture, fixtures and equipment (the "FF&E") not including any electronics. If Tenant chooses to relocate its FF&E, then any relocation costs shall be deducted from the Tenant Improvement Allowance. Landlord agrees to keep Tenant advised as to the status of and anticipated timing for issuance of the Permits in coordination with Tenant's assigned Chief Executive Office (CEO) Project Manager.

(g) Term:	Twelve (12) years following the first (1 st) day of the month following thirty (30) days after Substantial Completion of the Tenant Improvements and the Landlord's Work, delivery of Premises to Tenant, and Tenant Acceptance of Premises, as defined in <u>Section 4</u> (the "Commencement Date") and terminating at midnight on the day before the twelfth (12 th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
(h) Estimated Commencement Date:	Ten (10) months from the date following Tenant's written approval of the Final TI Cost Summary for the Premises.
(i) Irrevocable Offer Expiration Date: (see <u>Section 33</u>)	February 28, 2025
(j) Base Rent:	\$2.75 per rentable square foot per month (i.e., \$91,660.25 per month or \$1,099,923 per year and adjusted annually as referenced in <u>Section 5.2</u> below).
(k) Early Termination (see <u>Section 4.4</u>)	Tenant will have a right to terminate the Lease for any reason any time following the 10 th anniversary of the Commencement Date. Such right may be exercised by Tenant subject to one hundred eighty (180) days' written notice to Landlord.
(l) Rentable Square Feet in the Premises:	33,331 rentable square feet
(m) Initial Departmental Use:	Department of Public Social Services administrative office, warehouse, public facing uses and for any other lawful use, subject to <u>Section 6</u> .

(n) Parking Spaces:	133 parking spaces (3.99 parking spaces per 1,000 RSF) at no charge to Tenant, subject to adjustment based on ADA, as part of the construction permit process and/or any other Tenant design requirements.
(o) Tenant's Hours of Operation:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays.
(p) Asbestos Report:	A report dated October 15, 2015 prepared by SCS Engineers, a licensed California Asbestos contractor.
(q) Seismic Report	A report dated March 2, 2011 prepared by NOVA Consulting.
(r) Disabled Access Survey	A report dated April 7, 2023 prepared by Commerce Construction Co., L.P.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$1,499,895.00 (\$45.00 per RSF of the Premises)
(b) Tenant's TI Contribution: (See <u>Section 6.3</u>)	\$4,333,030.00 (\$130.00 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) Kitchen Appliance Allowance:	Up to a maximum of \$8,000.00
(f) Tenant's Work Letter Representative:	An assigned staff person of the Chief Executive Office-Real Estate Division
(g) Landlord's Work Letter Representative:	An assigned staff person of the Landlord
(h) Landlord's Address for Work Letter Notices:	RR&C Development Company c/o Majestic Realty Co. 13191 Crossroads Parkway North

	6th Floor City of Industry, California 91746 Attention: Property Manager
(i) Tenant's Address for Work Letter Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate
1.3 <u>Exhibits to Lease</u>	Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - HVAC Standards Exhibit D - Cleaning and Maintenance Schedule Exhibit E - Subordination, Non-Disturbance and Attornment Agreement Exhibit F - Tenant Estoppel Certificate Exhibit G - Community Business Enterprise Form Exhibit H - Memorandum of Lease Terms Exhibit I - Landlord's Work Letter

2. LEASE OF PREMISES

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

3. COMMON AREAS

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

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

The Term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are Substantially Complete in accordance with the Landlord's Work Letter executed concurrently

herewith and attached hereto as Exhibit I and incorporated herein by reference, Tenant has inspected the Premises and Tenant has accepted the Tenant Improvements and the Premises in writing. The terms "Substantial Completion" or "Substantially Complete" as used in this Lease shall mean compliance with all of the following:

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

4.2 Termination Right

If the Commencement Date has not occurred within six (6) months after the Estimated Commencement Date (the "Outside Date"), subject to Tenant Delays or Force Majeure Delays (as defined in Section 13.1 of the Landlord's Work Letter), then Tenant may, within ten (10) business days of the Outside Date, terminate this Lease effective upon the giving of written notice (the "Termination Notice"), as extended for Tenant Delays and Force Majeure Delays. In the event that Tenant properly and timely elects to terminate this Lease in accordance with this Section 4.2, then this Lease shall automatically terminate and be of no further force or effect as of the Outside Date, and the parties shall thereafter be released from their respective obligations under this Lease, except with respect to any obligations which expressly survive the expiration or earlier termination of this Lease. Tenant's termination right as set forth in this Section 4.2 shall be Tenant's sole and exclusive remedy for Landlord's failure to cause the Commencement Date to occur by the Outside Date. Tenant's rights under this Section 4.2 shall be personal to the Tenant named herein and may only be exercised by the Tenant named herein (and not any other assignee, or any sublessee or other transferee of Tenant's interest in this Lease). In addition, Tenant's rights under this Section 4.2 may only be exercised by the Tenant named herein if it is not then in default under this Lease.

4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures,

and equipment in the Premises. Such early entry shall be subject to all provisions hereof, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period.

4.4 Early Termination

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

4.5 Lease Expiration Notice

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

5. RENT

5.1 Base Rent

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

5.2. Base Rent Adjustments

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

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim area, all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent for the first full month after the Commencement Date multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month in which the adjustment is to be effective (the "New Index"), and the denominator being the Base Index. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall

be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

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

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

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an increase no less than two percent (2%) and no greater than four percent (4%) 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 (1st) and second (2nd) months of the Term shall be abated. Upon written notice to Landlord prior to the Commencement Date, Tenant shall have the option to convert all or any portion of its rental abatement toward an increase in the Landlord's TI Allowance.

5.4 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 Los Angeles County Auditor-Controller (the "A-C").

Subject to Section 5.1, 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.

6. USES

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

7. HOLDOVER

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

8. COMPLIANCE WITH LAW

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

9. DAMAGE OR DESTRUCTION

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than two hundred forty (240) days after the date of such damage (the "Repair Period"), then Landlord shall, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the

provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

9.2 Tenant and Landlord Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, then Landlord or its agents shall, within thirty (30) days of the date of such damage, provide written notice to Tenant of Landlord's good faith estimate of the time period required to complete the work (the "Repair Notice") of the Premises to restore the Premises to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty. In the event the Repair Notice indicates the repair work will exceed two hundred forty (240) days from the date of damage occurred (the "Repair Period"), then Tenant may terminate this Lease by giving written notice of such termination to Landlord within ten (10) days after the date of the Repair Notice; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages. In the event the insurance proceeds are not available to repair the damages, Landlord will provide written notice of such to Tenant (the "Overage Notification") together with reasonable documentation evidencing the amount (the "Overage") by which the insurance proceeds required of Landlord pursuant to Section 20 of this Lease will not fully cover such repairs and Tenant shall have the right by written notice to Landlord sent within thirty (30) days of the date of the Overage Notification (the "Overage Payment Notification") to advise Landlord whether or not Tenant will fund the Overage. In the event Tenant either (i) elects not to fund the Overage or (ii) does not timely provide the Overage Payment Notification then, in either event, Landlord shall have the right, by written notice to Tenant sent within ten (10) days of receipt of the Overage Notification, to terminate this Lease. In the event it is determined that insurance proceeds are available to repair the damages, but Landlord will not receive the proceeds within thirty (30) days of such determination, Landlord will provide written notice of such to Tenant (the "Proceeds Notification") together with anticipated time it will take for Landlord to receive the insurance proceeds and the anticipated construction cost to complete the repairs (the "Repair Cost"). Tenant shall have the right by written notice to Landlord sent within ten (10) days of the date of the Proceeds Notification (the "Funding Notification") to advance the funds for Landlord to commence construction of the repairs. In the event Tenant timely sends the Funding Notification, Tenant shall advance sufficient funds for Landlord to commence construction by payment of such funds to Landlord (the "Funding Amount") and, upon receipt of the insurance proceeds, Landlord agrees to reimburse Tenant the Funding Amount advanced to Landlord. In the event Landlord fails to complete repair of the damage within six (6) months of the Repair Period, as extended for Tenant Delays and Force Majeure Delays, then Tenant shall have the right to terminate this Lease upon thirty (30) days' prior written notice to Landlord (the "Notice Period"), provided, however, in the event Landlord substantially completes such repairs prior to expiration of the Notice Period, Tenant's termination shall be null and void this Lease shall remain in full force and effect. If this Lease is timely terminated, then (i) this Lease shall automatically terminate and be of no further force or effect as of the expiration of such thirty (30) day period, as extended for Tenant Delays and Force Majeure

Delays, and the parties shall thereafter be released from their respective obligations under this Lease, except with respect to any obligations which expressly survive the expiration or earlier termination of this Lease; and (ii) in the event any portion of Tenant's TI Contribution remains unpaid by Tenant in accordance with Section 6.4 of Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference after the application of any insurance proceeds received by Landlord for reimbursement of the cost of any Tenant Improvements paid with Tenant's TI Contribution, Tenant shall be obligated to pay Landlord such unamortized portion of the remaining Tenant's TI Contribution due within thirty (30) days of the termination date of this Lease.

9.3 Damage In Last Year

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

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

9.4 Default By Landlord

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

- (a) Declare a default hereunder, or
- (b) Exercise the Tenant's Right to Repair as set forth in Section 10.4 below.

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- (a) To its best knowledge without duty to investigation or research, and except as set forth in the Asbestos Report, Seismic Report and/or Disabled Access Survey, Landlord represents to Tenant that, as of the Commencement Date:
 - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the

Americans With Disabilities Act, and are in good working order and condition;

- ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
- iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
- iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.

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

(c) CASp Inspection:

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

[Check the appropriate box]

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

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

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

- (d) The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease or Landlord's Work Letter. Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 10.1.

10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair and promptly make repairs to and perform maintenance upon and replace as needed:
- i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
 - iii. the Common Areas;
 - iv. exterior windows of the Building; and
 - v. elevators serving the Building.
- (b) Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to, or replacements of:
- i. the floor covering (if such floor covering is carpeting it shall be replaced as needed, but not less often than after five (5) years of use);

- ii. interior partitions;
 - iii. doors, door frames and hardware;
 - iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years);
 - v. signage;
 - vi. emergency exit signage and battery replacement; and
 - vii. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.
- (d) Notwithstanding the above, Landlord shall have no responsibility or obligation to maintain, repair and/or replace any of Tenant's appliances used at the Premises.

10.3 Tenant Obligations

Notwithstanding Landlord's repair and maintenance obligations, and subject to Section 20.4 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, 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 Landlord fails to undertake and complete the work within the Premises that this Lease requires of Landlord under Section 10 above, following 10 days' prior written notice from Tenant, or such longer period if Landlord promptly begins and is diligently prosecuting such work completes the work requiring more than 10 days to complete, or following shorter, reasonable advance oral or written notice if emergency repairs are needed within the Premises to avoid imminent loss of life, property or injury to person(s) or the complete disruption of Tenant's business, then Tenant, may perform such work within the Premises; provided, however, if Landlord notifies Tenant in writing that such work is not Landlord's responsibility under this Lease, then Tenant shall have no right to perform such work under this Section 10.4(a).

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

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

11. SERVICES AND UTILITIES

11.1 Services

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

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other buildings of similar size, age and class and not less than the standard set forth in Exhibit C attached hereto. In addition, Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical rooms housing Tenant's computer servers and related equipment.

- (b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Tenant shall be solely responsible for electricity costs and pay the utility company directly, effective upon the Commencement Date. Landlord shall be responsible for paying electrical costs directly to the utility company at their sole cost and

expense during construction of the Tenant Improvements and the Landlord Work.

(c) Elevators

Subject to Landlord's maintenance and repair obligations set forth in Section 10.2(a) and except as set forth in the Work Letter, elevators for the Premises shall be delivered in their as-is condition. Tenant shall have the right to use the elevators seven (7) days a week, twenty-four (24) hours per day.

(d) Water

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

(e) Janitorial

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

(f) Access

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

(g) Pest Control

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

11.2 Utilities

Landlord agrees to pay when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, gas, heating and common area lighting (other than electricity for such common area lighting, which is at Tenant's sole cost and expense in accordance with Section 11.1(b)), trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10)

calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord. Tenant agrees to pay, at its sole cost, when due, all charges for the use of electricity at the Premises, the Building and the Common Areas from and after the Commencement Date. Any additional lighting that Landlord elects to install in the Common Areas during the Term which would cause an increase of electricity cost to Tenant shall be subject to Tenant's prior reasonable consent, which consent shall not be unreasonably withheld, conditioned or delayed.

12. TAXES

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

Tenant shall reimburse Landlord as additional rent, all Property Taxes exceeding \$70,000.00 per annum (Expense Stop). All Property Taxes due hereunder from Tenant to Landlord shall be paid within 60 days following Tenant's receipt of Landlord's claim therefor, provided that Landlord presents to Tenant proof of payment together with the claim for reimbursement.

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

13. LANDLORD ACCESS

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

14. TENANT DEFAULT

14.1 Default

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

- (a) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent

an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;

- (b) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure, within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

14.2 Remedies Upon Default by Tenant

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

- (a) Terminate this Lease, in which event Tenant shall within 90 days following the issuance of a judgment against Tenant for unlawful detainer, surrender the Premises to Landlord (provided that if the Lease has previously been assigned by the County of Los Angeles to a third party, then Tenant shall instead be required to immediately surrender the Premises to Landlord), and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:
 - (i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus
 - (ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
 - (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
 - (iv) The term "rent" as used in this Section 14.2(a) shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 14.2(a)(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the current interest rate. As used in Section 14.2(a)(iii), above, the "worth at the time of award" shall be computed by discounting such

amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(v) In the event that the Lease has previously been assigned by the County of Los Angeles to a third party, then in addition to the foregoing, Landlord may also recover the following from such assignee (but not from the Tenant originally named in this Lease): Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

(b) Landlord shall have the remedy described in California Civil Code Section 1951.4 (landlord may continue lease in effect after tenant's breach and abandonment and recover rent as it becomes due, if tenant has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

14.3 No Effect on Indemnity

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

15. LANDLORD DEFAULT

15.1 Remedies

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

of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

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

15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work (except to the extent expressly set forth in this Lease as Tenant's obligation).

15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any Landlord Default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. In such cases, Tenant may perform the necessary work through its Internal Services Department and thereafter Tenant shall then be entitled to prompt reimbursement by Landlord of Tenant's reasonable out-of-pocket costs incurred in performing such work required of Landlord. Tenant shall provide Landlord with an invoice, including a reasonably particularized breakdown and explanation, of such costs. If Landlord does not object to Tenant in writing within ten (10) business days after receiving Tenant's invoice and explanation, Landlord shall pay such invoiced costs promptly. If, however, Landlord does timely object to such invoice, setting forth with reasonable particularity the reasons Landlord

contends that the Lease does not require such work of Landlord, then Tenant may continue to claim a Landlord default under the Lease per Section 15.1.

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

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

16.2 Sale

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

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

- (a) A letter from the Landlord confirming that the Property was transferred to the new owner, along with written evidence of the transfer of the Property (e.g., a recorded deed).
- (b) A signed letter from the new owner including the following information:
 - i. Name and address of new owner or other party to whom Base Rent should be paid
 - ii. Federal tax ID number for new owner
 - iii. Name of contact person and contact information (including phone number) for new owner
 - iv. Proof of insurance
 - v. an acknowledgement from the new owner that it will take Tenant thirty (30) days to complete paperwork to transfer its accounts payable records from paying Rent to the Landlord to paying Rent to the new owner

- (c) A W-9 form for new owner.

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

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

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

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

17.2 End of Term

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

18. CONDEMNATION

18.1 Controlling Terms

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

18.2 Total Taking

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

18.3 Partial Taking

If more than ten percent (10%), but not all, of the rentable/ gross square feet of the Premises is taken by Condemnation, or if access to the Premises is substantially impaired by Condemnation, in each case for a period in excess of 180 days, Tenant shall have the option to terminate this Lease effective as of the Date of Taking. Notwithstanding anything to the contrary contained in this Section 18, in the event of a temporary taking of all or any portion of the Premises for a period of 180 days or less, then Tenant may not terminate this Lease but the Base Rent shall be equitably abated for the period of such taking. Landlord shall be entitled to receive the entire "Award," as that term is defined in Section 18.5 below, made in connection with any such temporary taking. If Tenant elects to exercise its right to terminate the Lease hereunder then it shall give notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination that Tenant has designated. If neither party elects to terminate this Lease pursuant to its rights under this Section 18 then all provisions of this Lease shall remain in effect, except that Base Rent shall be equitably abated.

18.4 Restoration

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

18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant in accordance with this Section 18.5. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises. Landlord shall be entitled to receive the entire award or payment in connection with any Condemnation, except that Tenant shall have the right to make a separate claim in the Condemnation proceeding for the following provided the same do not reduce the amount of the Award payable to Landlord and such claim is payable separately to Tenant: (1) the taking of the unamortized or undepreciated value of any leasehold improvements of any tenant improvements paid for by the Tenant that were not reimbursed by the Landlord; (2) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if Condemnor approves of the removal); (3) loss of goodwill; (4) relocation costs under California Government Code §7262, the

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

18.6 Waiver of Statute

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

19. **INDEMNIFICATION**

19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from the active negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Landlord's breach or default under this Lease. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from the use and occupancy of the Premises, Building or Common Areas by Tenant, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Tenant's breach or default under this Lease. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

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

20.1 Intentionally Deleted

20.2 General Insurance Provisions – Landlord Requirements

Without limiting either party's indemnification of the other and during the Term of this Lease, and until all of its obligations pursuant to this Lease have been met,

Landlord and Tenant shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Landlord and Tenant pursuant to this Lease. Neither Landlord nor Tenant in any way warrants that the Required Insurance is sufficient to protect the other party for liabilities which may arise from or relate to this Lease.

(a) Evidence of Coverage and Notice to Tenant

- i. Certificate(s) of insurance coverage ("Certificate") reasonably satisfactory to Tenant and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) have been given additional insured status under the Landlord's General Liability policy to the extent required pursuant to Section 20.2(b), shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than ten (10) days prior to Landlord's policy expiration dates.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, the amounts of any policy deductibles or self-insured retentions exceeding Twenty-Five Thousand Dollars (\$25,000.00) and list any Tenant required endorsement forms.
- iv. Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- v. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

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

Landlord and Tenant also shall each use good faith efforts to notify the other of any third party claim or suit filed against Landlord or Tenant, as applicable, which arises from or relates to this Lease, and could result in the filing of a claim or lawsuit against Landlord and/or Tenant.

(b) Additional Insured Status and Scope of Coverage

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

(c) Cancellation of or Material Changes in Insurance

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

(d) Failure to Maintain Insurance

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

(e) Insurer Financial Ratings

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

(f) Primary Insurance

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

(g) Waiver of Subrogation

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

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

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

(i) Claims Made Coverage

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

(j) Application of Excess Liability Coverage

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

(k) Separation of Insureds

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

20.3 Insurance Coverage Types And Limits

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

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

General Aggregate:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 5 million

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

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

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

- (a) Commercial General Liability Insurance covering the Common Areas, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and Tenant's Agents as an additional insured to the extent required in Section 20.2(b), with limits of not less than:

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

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

- i. cover damage to Landlord's property, including improvements and betterments installed and owned by Landlord to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), from perils covered by a special form all risk or a special causes of loss form (Accord 24 or its equivalent), and include ordinance or law coverage, and.
- ii. be written for full replacement cost of the Property, with a deductible of no greater than \$250,000 or five percent (5%), whichever is less, of the Property value. Insurance proceeds shall be payable to Landlord, and
- iii. include the Modular Furniture installed in the Property to the extent owned by Landlord.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times.

Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, at its sole expense, shall provide Tenant with at least one (1) parking access card or key fob for each reserved or unreserved parking space set forth in Section 1.1, if applicable.

21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason other than Tenant's and/or Tenant's employees, agents or contractors gross negligence or willful misconduct, subject to adjustment based on site plan and permit requirements from Building Department (which shall not be a breach by Landlord of this Section 21), more than 10% of the parking spaces required above are not available to Tenant (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation), then Tenant shall have one of these remedies, available in the following priority, upon thirty (30) days' written notice to Landlord:

- (a) Landlord shall provide Tenant an alternative parking space in the parking lot of Landlord's property adjacent to the Building; or
- (b) Landlord shall provide Tenant with a valet service to accommodate additional parking within the parking lot (i.e., tandem parking); or
- (c) If such alternative parking spaces are not available in accordance with subsection 21.2(i), Landlord shall provide Tenant other reasonably comparable parking spaces with shuttle bus service from parking spaces that are located more than one-quarter (1/4) mile away from the Premises.

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity,

phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

22.2 Landlord Indemnity

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

23. ESTOPPEL CERTIFICATES

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

24. TENANT IMPROVEMENTS

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

25. LIENS

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder. Each party hereby indemnifies, defends and holds the other party harmless from any liability or loss (including reasonable attorneys' fees and costs) from any such lien it causes or allows to attach to its interest in this Lease or the Premises.

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto signed by Tenant and delivered to Landlord concurrently herewith, within 30 days after the execution of this Lease.

26.3 Notice of Default

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

27. SURRENDER OF POSSESSION

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

28. SIGNAGE

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

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 market based commission or fees in respect of the negotiation, execution or delivery of this Lease other than Cushman & Wakefield U.S., Inc. ("Cushman") representing Tenant and Majestic Realty Co. ("MRC") representing Landlord and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any market based commissions (the "Commission") due shall be pursuant to a separate commission agreement between MRC and Cushman. Tenant acknowledges that the payment of such Commission shall not be deemed to be a violation of Section 32.2.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

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

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Exhibit H attached hereto, which

Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30.13 Counterparts; Electronic Signatures

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

30.14 Landlord Exculpation

Tenant agrees to look solely to Landlord's, its partners, subpartners, and their respective officers, agents, servants, employees, and independent contractors (the "Landlord Parties") interest in the Property and the rents, profits and insurance, condemnation and other proceeds from the Premises for the satisfaction of any judgment (or any other obligation of Landlord to Tenant) and no other property or assets of the Landlord Parties shall be subject to levy, execution, or other judicial procedures for satisfaction of such judgment or other obligations. Tenant shall not seek recourse against the Landlord Parties or any of their personal assets for satisfaction of any liability with respect to this Lease. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 30.14 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Notwithstanding any contrary provision herein,

neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. Notwithstanding anything contained in this Lease to the contrary, in no event shall Landlord or the Landlord Parties ever be liable pursuant to this Lease for incidental damages, lost profits or consequential, speculative or punitive damages.

30.15 Force Majeure

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to rent and other charges to be paid by Tenant pursuant to this Lease (collectively, a "Force Majeure"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Notwithstanding the foregoing, for any Force Majeure delay(s), other than a Force Majeure Delay(s) causing a delay to the Outside Date (as defined in Section 4.2) that shall not be subject to the following time limitation, the Force Majeure delay shall not continue for a period of more than six (6) months in any twelve (12) month period.

30.16 Independent Covenants

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

31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant

hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

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

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

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

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

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

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

33. **IRREVOCABLE OFFER**

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

34. **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 "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, and
 - (ii) after Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the option to renew, by giving written notice of its election to exercise such option. It is understood that Tenant will not exercise its option until after the Board of Supervisors has approved doing so, which will not be prior to the determination of the Market Rental Value, as provided below. If the Board of Supervisors has not approved the exercise of such option prior to ninety (90) days after the expiration of the Term of this Lease as then in effect (i.e. by the 90th day of the holdover period) then the applicable option and any succeeding option shall automatically be null and void, and of no further force or effect. On the other hand, if the Board of Supervisors approves Tenant's exercise of any option granted pursuant to this Section 36, such option will then be deemed effectively exercised. Tenant's options to renew this Lease are personal to (and may only be exercised by) the Tenant originally named in this Lease (and not any assignee, subtenant, or other transferee), and may only be exercised if Tenant is not then subleasing any part of the Premises.
- (c) Terms and Conditions of the Extension Terms. The Extension Terms shall be on all the terms and conditions of this Lease, except that the Base Rent during Extension Terms shall be equal to the Market Rental Value for the Premises as of the commencement of the applicable Extension Term ("Adjusted Market Rental Value") to be determined as set forth below, including, but not limited to, the comparable rental rate, escalation, abatement, tenant improvements and any other tenant inducements then being offered to a ready and willing tenant in comparable buildings within a 10-mile radius to the Building, with no floor or base.
- (d) Agreement on Base Rent. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent during the applicable Extension Term. Base Rent during the Extension Term(s) shall be the Adjusted Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its first and second options to extend, respectively. There shall be no minimum or maximum rental rate.
- (e) Market Rental Value. The term "Market Rental Value" shall be the rental rate including escalations, that a ready and willing tenant would pay, as of the applicable Option Rental Adjustment Date, and a ready and willing landlord of property comparable Premises would accept, as monthly rent if such property were exposed for lease on the open market for a reasonable period of time and taking into account all of the purposes for which such property may be used at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "comparable Premises" shall mean premises in a Building similar in size and location to the Building, excluding any improvements installed by Tenant in the Building.

- (f) Opinions. Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) days after Landlord's receipt of the Notice of Intent, and Tenant shall respond thereto within ten (10) days thereafter by either (a) accepting Landlord's opinion of Market Rental Value (in which case, such Market Rental Value shall be used to determine Base Rent during the Extension Term) or (b) submitting Tenant's opinion of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) days thereafter, then Landlord and Tenant within five (5) days shall each submit to each other their final written statement of Market Rental Value ("Final Statement"). Within ten (10) days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Landlord and Tenant agree, a certified property manager with ten (10) years' experience) who will determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant or Landlord may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Market Rental Value used in determining Base Rent during the Extension Term. The fees and expenses of the appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or selected pursuant to this Section shall have at least ten (10) years' experience appraising commercial properties in Los Angeles County.
- (g) Amendment of Lease. Immediately after the Board of Supervisors approves the exercise of any option granted pursuant to this Section 34, and such option is exercised, Landlord and Tenant shall execute an amendment to this Lease setting forth the new Base Rent in effect.

[Signatures on following page]

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

LANDLORD:

RR&C DEVELOPMENT COMPANY,
a California general partnership

BY: ROSKI FAMILY PARTNERSHIP, L.P.,
a California limited partnership

BY: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner



BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended, Manager

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: [Signature]

ITS: Thomas H. Purcell
Chairman & CEO

BY: [Signature]

ITS: Edward J. DiOrio
Chief Financial Officer, Secretary

[Signatures continue on following page]

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

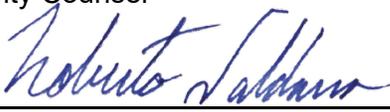
By:  _____
Senior Deputy

EXHIBIT A
FLOOR PLAN
FIRST FLOOR



FLOOR PLAN
SECOND FLOOR



HOA.102799113.5

Exhibit A
FLOOR PLAN OF PREMISES

Lease 12820 Crossroads v8\MH\02492-084
August 12, 2024

12820 Crossroads Parkway South, City of Industry, CA
[COUNTY OF LOS ANGELES]

EXHIBIT B

**COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS**

Reference is made to that certain Lease Agreement ("Lease") dated _____, 20__, between County of Los Angeles, a body corporate and politic ("Tenant"), and RR&C Development Company, a California general partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 12820 Crossroads Parkway South, City of Industry, California, 91746,

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____;
- 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:

**COUNTY OF LOS ANGELES,
a body corporate and politic**

By: _____
Name _____
Its _____

[Signatures continue on following page]

Landlord:

**RR&C DEVELOPMENT COMPANY,
a California general partnership**

BY: ROSKI FAMILY PARTNERSHIP, L.P.,
a California limited partnership

BY: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended, Manager

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: _____
EDWARD P. ROSKI, JR., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: _____

ITS: _____

BY: _____

ITS: _____

EXHIBIT C

HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Tenant's Hours of Operation established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. 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.

HOA.102799113.5

Exhibit C HEATING, VENTILATION AND AIR CONDITIONING

Lease 12820 Crossroads v8\MH\02492-084
August 12, 2024

12820 Crossroads Parkway South, City of Industry, CA
[COUNTY OF LOS ANGELES]

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. Day porter service from 8:30 a.m. to 4:30 p.m., which day porter service shall be shared between the Premises and Tenant's leased property at 12860 and 12900 Crossroads Parkway South, City of Industry, California.

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

D. QUARTERLY

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

E. SEMI-ANNUALLY

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

F. ANNUALLY

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

G. AS NEEDED

33. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
34. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
35. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.

36. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
- 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 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 F.32. of this Exhibit D. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

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

H. GENERAL

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

EXHIBIT E

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

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

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

Space above for Recorder's Use

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

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), [*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 entered into without Lender's prior written consent when such consent is required under the Deed of Trust or other documents executed by Borrower in connection with the Loan.

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.: _____		III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION
3. Provide the percentage of ownership in each	All Employee	Women
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		

Section D. OPTION TO PROVIDE REQUESTED INFORMATION

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

Firm Name: _____

Signature/Title: _____

Date: _____

EXHIBIT H

MEMORANDUM OF LEASE TERMS

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

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

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

MEMORANDUM OF LEASE

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

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

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

[Signatures on following pages]

Dated: _____, 20__.

LANDLORD: RR&C DEVELOPMENT COMPANY,
a California general partnership

BY: ROSKI FAMILY PARTNERSHIP, L.P.,
a California limited partnership

BY: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended, Manager

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: _____
EDWARD P. ROSKI, JR., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: _____

ITS: _____

BY: _____

ITS: _____

[Signatures continued on following page]

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

[Signatures continued on following page]

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.102799113.5

Exhibit I

LANDLORD'S WORK LETTER

Lease 12820 Crossroads v8\MH\02492-084
August 12, 2024

12820 Crossroads Parkway South, City of Industry, CA
[COUNTY OF LOS ANGELES]

LANDLORD'S WORK LETTER

For

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

**COUNTY OF LOS ANGELES, as Tenant
RR&C DEVELOPMENT COMPANY, as Landlord**

**12820 CROSSROADS PARKWAY SOUTH
CITY OF INDUSTRY, CALIFORNIA**

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated _____, 202__ (the "Effective Date"), executed concurrently herewith, by and between RR&C DEVELOPMENT COMPANY, a California general 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> | \$5,832,925.00 (i.e., \$175.00 per rentable square foot of the Premises) |
| (i) <u>Landlord's TI Allowance</u> | \$1,499,895.00 (i.e., \$45.00 per rentable square foot of the Premises) |
| (ii) <u>Tenant's TI Contribution</u> | \$4,333,030.00 (i.e., \$130.00 per rentable square foot of the Premises) |
| (b) <u>Amortization Rate and Change Authorization Amortization Rate:</u> | Not applicable. |
| (c) <u>Kitchen Appliance Allowance:</u> | Up to a maximum of \$8,000.00 |
| (d) <u>Tenant's Work Letter Representative</u> | An assigned staff person of the Chief Executive Office-Real Estate Division |
| (e) <u>Landlord's Work Letter Representative</u> | An assigned staff person of the Landlord |
| (f) <u>Landlord's Address for Work Letter Notices</u> | RR&C Development Company
c/o Majestic Realty Co.
13191 Crossroads Parkway North
6th Floor
City of Industry, California 91746
Attention: Property Manager |
| (g) <u>Tenant's Address for Work Letter Notices</u> | County of Los Angeles
Chief Executive Office - Real Estate
Division
320 West Temple Street, 7th Floor
Los Angeles, CA 90012
Attention: Director of Real Estate |

HOA.102799113.5

Work Letter 12820 v8\MH\02491-003
August 12, 2024

LANDLORD'S WORK LETTER

12820 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

(h) Addenda

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

2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

2.2 **Additional Costs Not Total TI Costs.**

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

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

2.3 **Base Building Plans.** Landlord has delivered to Tenant all "as built" plans and specifications for the Building available to Landlord.

3. **Selection of Architect and Engineer.** Landlord shall not proceed with any bid solicitation for architectural or engineering services until final Space Plan (as defined below) is furnished to the Landlord. Once Landlord receives the final Space Plan, Landlord shall, subject to the last sentence of this Section 3, promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall, subject to the last sentence of this Section 3, select an architect and engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect and engineer to Tenant, together with detailed proposals

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LANDLORD'S WORK LETTER

Work Letter 12820 v8\MH\02491-003
August 12, 2024

12820 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord.

4. **Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract accepted by Tenant shall be submitted to a sufficient number of qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on an American Institute of Architects (AIA) form) to construct the Tenant Improvements depicted on the Final Plans. Within five (5) business days following Landlord's receipt of the three (3) bids, Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and who commits to Landlord's schedule for the construction of the Tenant Improvements, and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

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

5.1 **Preparation of Space Plan.** Prior to Landlord's execution of this Lease, Tenant has submitted to Landlord and Landlord has approved that certain preliminary space plan and specifications, and low voltage and furniture plans showing on a preliminary basis all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively, the "Preliminary Space Plan"). Concurrently with Tenant's execution and delivery of this Lease, Tenant shall submit to Landlord a final space plan and specifications for the Premises (the "Space Plan"), which Space Plan shall be a logical extension of and consistent with the Preliminary Space Plan. The Space Plan shall be subject to Landlord's reasonable approval within ten (10) business days following Tenant's submittal thereof, provided that it shall only be reasonable for Landlord to disapprove the Space Plan to the extent that it is not a logical extension of or is inconsistent with the Preliminary Space Plan. If Landlord reasonably disapproves the Space Plan for the foregoing reasons, then Tenant shall resubmit a revised Space Plan to Landlord for approval within ten (10) business days following Tenant's receipt of Landlord's disapproval. The foregoing process shall be repeated until such time as Landlord approves the Space Plan submitted by Tenant, and any delay caused by the necessity for Tenant to revise the Space Plan because of Landlord's initial disapproval thereof shall be a Tenant Delay.

5.2 **Preparation and Review of Working Drawings.** Within ten (10) days after the selection of the Architect (the "Selection of Architect Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully

HOA.102799113.5

LANDLORD'S WORK LETTER

comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Tenant shall in no event disapprove of the Working Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Working Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Working Drawings, or (iii) cause such Working Drawings to not be a logical extension of and/or consistent with the Space Plan, or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Working Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. Landlord shall use Building standard methods, materials and finishes in the construction of the Tenant Improvements unless expressly set forth to the contrary in the Space Plan and Tenant's Outline Specifications. In the event that Tenant timely and properly disapproves the Working Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Working Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Working Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Working Drawings, or the applicable portion thereof, are approved by Tenant.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance, provided that Tenant shall in no event disapprove of the Engineering Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Engineering Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Engineering Drawings, or (iii) cause such Engineering Drawings to not be a logical extension of and/or consistent with the Space Plan, and Low Voltage Plans or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Engineering Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. In the event that Tenant timely and properly disapproves the Engineering Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Engineering Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Engineering Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Engineering Drawings, or the applicable portion thereof, are approved by Tenant.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate

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LANDLORD'S WORK LETTER

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August 12, 2024

12820 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Within twenty-one (21) calendar days of the Selection of Architect Date, Landlord shall submit to Tenant a detailed construction schedule for Tenant's information setting forth the projected dates for completion of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, and the date of Substantial Completion. As the construction continues, Landlord shall amend the construction schedule from time to time to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. Except as expressly set forth in the Lease or this Work Letter, Landlord shall have no liability or responsibility to Tenant for any failure to complete project benchmarks by the projected dates set forth in any construction schedule provided by Landlord.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

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

6.1 **Cost Summary.** Within seven (7) calendar days after the Space Plan has been approved by Landlord, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"). The Preliminary TI Cost Summary shall be revised into final form following Contractor's review including the Modular Furniture Costs within thirty (30) calendar days from the date that all permits for the construction of the Tenant Improvements have been issued by the applicable governmental authorities, and will be referred to herein as the "Final TI Cost Summary". The Preliminary Budget and the Final TI Costs Summary shall include the Modular Furniture Costs, and notwithstanding any contrary provision of this Work Letter, Tenant shall have five (5) business days from the date of receipt of the Final TI Cost Summary (the "Budget Approval Deadline") to approve or disapprove the Final TI Cost Summary in writing. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval of the Final TI Cost Summary. In the event that Tenant rejects the Final TI Cost Summary in writing due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Tenant's sole expense and any delay in excess of ten (10) business days caused by the necessity to rebid or redesign the Tenant Improvements shall be a Tenant Delay.

6.2 **Landlord's TI Allowance and Tenant's TI Contribution.**

(a) Tenant shall be entitled to a one-time Landlord's TI Allowance in the amount set forth in Section 1(a)(i) above for the costs relating to the design and construction of the Tenant Improvements (including the Modular Furniture Costs (as defined in Section 9.1 below). Subject to the Landlord/Tenant Additional Responsibility Provision, as defined and set forth in Section 6.2(b) below, in no event shall Landlord be obligated to pay a total amount for the design, construction, purchase and installation of the Tenant Improvements which exceeds the Landlord's TI Allowance and the Tenant's TI Contribution. Any unused portion of the Landlord TI Allowance following completion of the Tenant Improvements shall be credited toward the Base Rent.

(b) All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant and Landlord's reasonable approval (collectively "Total TI Costs"), all of which must not exceed, in the aggregate, the sum of Landlord's TI Allowance, Tenant's TI Contribution, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Subject to Section 8 below, the parties agree that the "Tenant's TI Contribution" set forth in Section 1(a)(ii) above shall be used to pay for the Total TI Costs in excess of Landlord's TI Allowance. Notwithstanding any contrary provision of this Work Letter (but subject to the Landlord/Tenant Additional Responsibility Provision), in no event shall Tenant Improvements be permitted to the extent they will cause the Total TI Costs to exceed the sum of the Landlord's TI Allowance and the Tenant's TI Contribution, unless a Change Order has been approved therefor by Tenant in accordance with Section 8 below. Landlord shall be solely responsible for any Total TI Costs in excess of the total amount of the Final Construction Budget approved by Tenant, except for costs arising from Change Orders requested by Tenant (which HOA.102799113.5

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shall be a Tenant cost and shall be payable from any remaining available portion of the Tenant's TI Contribution, provided that notwithstanding any contrary provision of this Work Letter, any amount owing by Tenant to Landlord therefor in excess of the remaining available portion of the Tenant's TI Contribution shall be payable to Landlord, as additional rent, within thirty (30) days of billing) (the "Landlord/Tenant Additional Responsibility Provision"). It is anticipated that the Total TI Costs will exceed the Landlord TI Allowance, and Landlord shall pay the overage, but only to the extent of the Tenant's TI Contribution paid by Landlord for the Total TI Costs, and such amount of the Tenant's TI Contribution shall be repaid to Landlord by Tenant 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 thirty (30) calendar days after the later of (A) 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 reasonable documentation substantiating all Tenant Improvements' expenses, including proof of payment, unconditional lien releases and approved change 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 or (B) July 1, 2025. Tenant shall make such payment to Landlord in a lump sum payment. The foregoing obligation of Tenant to repay the amount of the Tenant's TI Contribution which is used to pay for the Total TI Costs shall constitute additional rent under the Lease.

7. Construction of Tenant Improvements.

7.1 Surrender of Premises. When (i) the Permits (as defined in Section 7.4 of this Work Letter) are available for pick -up by Landlord, and (ii) the second (2nd) floor of the building leased by Tenant from an affiliate of Landlord at 12801 Crossroads Parkway South, City of Industry, California is available for Tenant to legally occupy the second (2nd) floor, Landlord shall provide written notice to Tenant and Tenant, within thirty (30) days of receipt of such notice, shall surrender the Premises to Landlord in order to allow Landlord to commence construction of the Tenant Improvements and the Landlord Work. Landlord shall be responsible for disposing of Tenant's existing FF&E not including any electronics. If Tenant chooses to relocate its FF&E, then any relocation costs shall be deducted from the Tenant Improvement Allowance. Landlord agrees to keep Tenant advised as to the status of and anticipated timing for issuance of the Permits in coordination with Tenant's assigned Chief Executive Office (CEO) Project Manager.

7.2 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto, provided that in the event of any conflict between the Working Drawings and Addendum B, the Working Drawings shall control. Notwithstanding any contrary provision of this Work Letter, any Tenant Improvements described in Addendum B which are not reflected on the Working Drawings shall not be constructed by Landlord hereunder. Landlord agrees that, in the event of an unforeseen condition is discovered during construction of the Tenant Improvements which are not reflected on Working Drawings, any cost to correct such unforeseen condition shall be at Landlord's cost unless waived by the PM in writing.

7.3 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall, subject to the last sentence of this Section 7.2, be selected only after a minimum of three (3) bids have

been solicited from responsible and qualified persons. Landlord shall, subject to the last sentence of this Section 7.2, submit at least three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed by Landlord and Tenant within five (5) business days following Landlord's receipt of a sufficient number of bids. The bids shall include an itemized list of all materials and labor and shall include all additional costs, as applicable, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

7.4 Permits. Landlord shall obtain the approval of all applicable governmental authorities and all permits (collectively, the "Permits") required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans. Landlord shall obtain plan check approval prior to soliciting bids from contractors pursuant to Section 4 hereof.

7.5 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within five (5) business days following the later to occur of (i) Tenant's approval of the Final Construction Budget, (ii) Landlord's receipt of all required permits for the Tenant Improvements, and (iii) construction contract awarded to Contractor. Once commenced, Landlord shall thereafter diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays and Tenant Delays (as defined below).

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

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

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

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease), as may be extended for any warranty for a period in excess of two (2) years. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects.

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(d) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises or in other areas utilized by Landlord or its contractors. In the event that Tenant claims that there has been substandard Tenant Improvement work or clean-up (as reasonably determined according to the usual standards of work in the Building), then Tenant shall notify Landlord in writing thereof (with reasonable detail specifying the substandard work or clean-up claimed by Tenant) and to the extent that Landlord agrees that the work or clean-up was substandard, then Landlord shall perform additional work or clean-up as is required hereunder within ten (10) business days of Landlord's receipt of Tenant's notice (provided that if such work or clean-up cannot reasonably be completed within such ten (10) business day period, then Landlord shall commence such work or clean-up within such ten (10) business day period and shall diligently perform and complete such work or clean-up thereafter). If Landlord fails to timely perform such additional work or clean-up (or to respond that the work or clean-up requested by Tenant is not required to be performed by Landlord), then Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the substandard work or clean-up performed by Landlord's contractor or contractors, within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.**

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

7.7 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans

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and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection (provided that if such work or clean-up cannot reasonably be completed within such thirty (30) day period, then Landlord shall commence such punch-list items within such thirty (30) day period and shall diligently perform and complete such punch-list items thereafter). If Landlord fails to complete any of the punch-list items within such 30-day period (as may be extended), then Tenant, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the completion of such punch-list items within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

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

7.9 Security During Construction. Tenant, at its sole cost, shall continue to provide its onsite security patrol on Monday through Thursday from 7:00 AM through 9:00 PM and on Friday from 7:00 AM through 6:30 PM. Landlord, at their sole cost and expense, shall provide onsite security on Monday through Thursday from 12:00 AM – 7:00 AM and 9:00 PM – 12:00 AM, Friday from 12:00 AM – 7:00 AM and from 6:30 PM through 12:00 AM, and at all times on Saturday and Sunday.

8. Requests for Change. Tenant and Landlord may make changes, additions, deletions or substitutions, alterations in the Final Plans (each a "Request for Change Order") provided that the requesting party must submit a written request to the other party and that Requests for Change (Change Order) will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"), which, if approved, shall be approved within thirty (30) days of notice from the requesting party. Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant as part of the lump sum payment per Section 6.3, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Landlord shall submit to the Chief Executive Officer or his/her designee with each requested Change Order (i) the specific cost of the requested change,

(ii) the cumulative net total cost of all Tenant requested Change Authorizations previously approved; and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, either Tenant, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors which approval shall be granted or denied within thirty (30) days of notice from the requesting party. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Within thirty (30) days following Landlord's delivery thereof to Tenant, provided that any disapproval by Tenant shall be limited to items included in the bid package which are inconsistent with the Modular Specifications. Landlord shall select the furniture vendor that (i) commits to Landlord's schedule for the construction of the Tenant Improvements, (ii) is able to provide all of the Modular Furniture included in the bid package, and (iii) offers the lowest price (after adjustment of the bids for inconsistent assumptions). Notwithstanding any contrary provision of this Section 9.1, if the Modular Furniture Costs will exceed the remaining available Landlord's TI Allowance and Tenant's TI Contribution, as reasonably determined by Landlord and Tenant, then upon written notice from Landlord (the "Excess Furniture Notice") Tenant shall revise the Modular Specifications as necessary to reduce the Modular Furniture Costs to the extent specified by Landlord, in which event the foregoing bidding process shall be repeated and the period of time following Landlord's delivery of the Excess Furniture Notice to Tenant through the date that the Modular Furniture is ordered shall be a Tenant Delay.

The Modular Furniture shall not become part of the realty or real property but shall remain personal property. Upon Tenant's payment in full of the amounts owing to Landlord under Section 6.3 above, the Modular Furniture shall constitute Tenant's personal property and shall be removable from the Premises by Tenant's creditors and their assigns during the Term of this Lease, provided that any damage occasioned by such removal shall be repaired by such creditors, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises. The foregoing provisions relating to Tenant's creditors' rights shall be binding upon the representatives, successors and assigns of the parties hereto, and shall inure to the benefit of the successors and assigns of the parties hereto.

Landlord shall provide the Modular Furniture set forth in the Modular Specifications as part of the Tenant Improvements and the design related, and purchase and installation costs therefor (the Modular Furniture Costs") shall be part of the Total TI Costs. Tenant shall repay to Landlord the Modular Furniture Costs in accordance with Section 6.3 above.

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

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

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises.

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

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

10. **Total TI Costs Adjustment and Right to Audit.** Within ninety (90) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Payments by Tenant for the Tenant's TI Contribution and/or Change Orders shall be calculated and adjusted as appropriate, based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time during the Term. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary for Landlord's review and reasonable approval. Until such time as Tenant's audit is approved by Landlord, Tenant shall continue pay Landlord based upon the amounts originally billed to Tenant for the Tenant's TI Contribution and/or Change Orders. If it is determined that Tenant has overpaid any amounts to Landlord, then Landlord shall, within thirty (30) calendar days following approval of the audit, refund to Tenant the amount of any overpayment made by Tenant and all future payments owing by Tenant to Landlord under this Work Letter shall be adjusted as appropriate based upon the agreed upon audit results.

11. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan, Low-Voltage Plans and specifications provided by Tenant at least thirty (30) calendar days prior to the Estimated Commencement Date pursuant to Section 4.3 of the Lease. Landlord agrees that the telephone equipment room(s) will be lockable.

12. **Kitchen Appliances.** In addition to the Tenant Improvements, Landlord agrees to order and install certain kitchen appliances requested by Tenant (the "**Appliance Work**") at a cost not to exceed the Kitchen Appliance Allowance set forth in Section 1.(c) above; provided, however, in no event shall the Appliance Work be deemed to be part of the Tenant Improvements or required to be completed to achieve Substantial Completion of the Tenant Improvements.

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13. **Delay.**

13.1 **Tenant Delays and Force Majeure Delays.** Except as set forth in this Section 13, no delay in the design or completion of construction of the Tenant Improvements shall be considered in the determination of the Estimated Commencement Date, the date upon which the Premises are deemed to be Substantially Complete, or the Commencement Date of the Lease and, except as set forth in this Work Letter or in the Lease, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Estimated Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals or performs acts as required herein or within the time periods required herein, or that the commencement or completion of construction of the Tenant Improvements is delayed as the result of Change Orders requested by Tenant or Department of Building and Safety changes (DBS Changes) which are related to Change Orders requested by Tenant, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed as the result of DBS Changes which are unrelated to Change Orders requested by Tenant, or by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, acts of God, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)"). In addition, the date upon which the Premises are deemed to be Substantially Complete, and the Commencement Date, shall be accelerated one (1) day for each day of Tenant Delay.

13.2 **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty-eight (48) hours Landlord has provided written notice of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction, or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord. For purposes of notices of Tenant Delays and/or Force Majeure Delays, the email addresses set forth in Section 17 below shall be used for any electronic confirmations of such notices delivered by facsimile, provided Landlord also concurrently advises the Tenant by telephone in accordance with Section 17 below.

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

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

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

14. Tenant Remedies. Any default by Landlord under the terms of this Work Letter shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

15. Representatives.

15.1 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(f) above.

15.2 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(e) above.

16. Intentionally Deleted.

17. Construction Meetings. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week or biweekly, unless Landlord or Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) business days after the date the Contractor is selected. Landlord, Architect or Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) business days after the date of the construction meeting.

18. Delivery. Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant. Any electronic deliveries shall be delivered to Landlord at the following email addresses: dbui@majesticrealty.com and lgoldstein@majesticrealty.com (or to such other person as Landlord may designate from time to

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LANDLORD'S WORK LETTER

time), and to Tenant at the following email addresses: vhasanovic@ceo.lacounty.gov and daardema@ceo.lacounty.gov, provided that the delivering party shall also concurrently advise the receiving party by telephone of the forthcoming email at the applicable telephone number, as follows: For Landlord: David Bui at (562) 948-4388 and Louis Goldstein at (562) 576-1611. For Tenant: Vedad Hasanovic at (213) 246-9997 and Dean Aardema at (213) 893-2471.

19. **Miscellaneous**. This Landlord's Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord's Work Letter. This Landlord's Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord's Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord's Work Letter will not be effective unless and until signed and delivered by both Parties. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

[Signatures on following page]

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

LANDLORD:

RR&C DEVELOPMENT COMPANY,
a California general partnership

By: ROSKI FAMILY PARTNERSHIP, L.P.,
a California limited partnership



BY: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended, Manager

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

By: CURCI INVESTMENTS, LLC,
a California limited liability company

By: [Signature]
Its: Thomas H. Purcell
Chairman & CEO

By: [Signature]
Its: Edward J. DiOrto
Chief Financial Officer, Secretary

Date Signed: 8/2/24

[Signatures continue on following page]

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 Building and Safety having jurisdiction and Certificate of Occupancy has been received;

(b) include mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) refurbish the toilet rooms (restrooms) using building standard materials including, but not limited to, new toilet partitions, lavatories, floor tile, counter tops, sinks, and "touchless" faucets, soap dispensers, and hand dryers, provided, however, for any other change to the toilet rooms, including, without limitation, an increase in size or additional restrooms, shall be deemed to be a Tenant Improvement and subject to the Total TI Costs, unless required to bring the toilet rooms in compliance with code. The toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, 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 (1st) 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) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;

(p) supply air or mechanical exhaust fan (12820 has 1st floor supply air and 2nd floor exhaust fan);

(q) floors 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;

(r) standard window coverings with the exception of any doors;

(s) roof top units and primary HVAC duct for heating (heating is for perimeter zone only) and cooling stubbed to the building core;

(t) cold air loops and hot water piping loop for heating 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) drywall 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) A third party HVAC subcontractor to certify that the HVAC system is in good operating order and meets the County's performance specifications per the Lease, airbalanced and provide an airbalance report;

(aa) Ensure that the roof and windows are watertight; and

(bb) Ensure that the elevators are in "good-working" order and Landlord shall refresh elevator interiors, i.e., new flooring, lighting and walls.

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) Ducting distribution terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture (including fixtures and equipment for the Modular Furniture per the Modular Specifications);
- (g) Distribution of electrical services, plumbing services, and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms, and extinguishers;
- (j) Additional and/or above standard electrical capacity;
- (k) Fiber optic access;
- (l) Rekeying of the Premises;
- (m) Any modifications or additions to the project scope that necessitate modifications or additions to the Landlord Base Building Improvements, resulting in additional costs to Landlord's Base Building Work, shall be considered a Tenant Improvement; and
- (n) Supplemental air units required for tenant's equipment.

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	\$

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

**COUNTY OF LOS ANGELES - Tenant
RR&C DEVELOPMENT COMPANY - Landlord**

**12860 CROSSROADS PARKWAY SOUTH,
CITY OF INDUSTRY, CALIFORNIA**

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EXHIBITS

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit C – Heating, Ventilation, and Air Conditioning Standards
- Exhibit D – Cleaning and Maintenance Schedule
- Exhibit E – Subordination, Non-disturbance and Attornment Agreement
- Exhibit F – Tenant Estoppel Certificate
- Exhibit G – Community Business Enterprise Form
- Exhibit H – Memorandum of Lease 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 RR&C DEVELOPMENT COMPANY, a California general partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

(a) Landlord's Address for Notices:	RR&C DEVELOPMENT COMPANY c/o Majestic Realty Co. 13191 Crossroads Parkway North 6th Floor City of Industry, California 91746 Attention: Property Manager
(b) Tenant's Address for Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate With a copy to: County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division
(c) Premises:	Approximately 55,000 rentable square feet ("RSF") at 12860 Crossroads Parkway South ("Premises"). The floor plan for the Premises is identified in the attached Exhibit A in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

(d) Building:	The Building located at 12860 Crossroads Parkway South, City of Industry, California, 91746 which is currently assessed by the County Assessor as APN 8125-059-013 with respect to the Premises (the "Property");
(e) Effective Date:	The date which the Lease has been approved by the Board of Supervisors and full execution and delivery of such Lease has occurred by both parties (Effective Date).
(f) Surrender of Premises:	When (i) the Permits (as defined in <u>Section 7.4</u> of the Work Letter) are available for pick-up by Landlord, and (ii) the second (2 nd) floor of the building leased by Tenant from an affiliate of Landlord at 12801 Crossroads Parkway South, City of Industry, California is available for Tenant to legally occupy the second (2 nd) floor, Landlord shall provide written notice to Tenant and Tenant, within thirty (30) days of receipt of such notice, shall surrender the Premises to Landlord in order to allow Landlord to commence construction of the Tenant Improvements and the Landlord Work and, upon the date of such surrender, the existing Lease No. 63808 for the Premises shall terminate and any portion of the Base Rent paid by Tenant to Landlord under the existing Lease No. 63808 that is applicable to the period following the date of termination of Lease No. 63808 shall be reimbursed to Tenant via a check within thirty (30) days of Tenant's surrender of the Premises to Landlord. Landlord shall be responsible for disposing of Tenant's existing furniture, fixtures and equipment (the "FF&E") not including any electronics. If Tenant chooses to relocate its FF&E, then any relocation costs shall be deducted from the Tenant Improvement Allowance. Landlord agrees to keep Tenant advised as to the status of and anticipated timing for issuance of the Permits in coordination with Tenant's assigned Chief Executive Office (CEO) Project Manager.

(g) Term:	Twelve (12) years following the first (1 st) day of the month following thirty (30) days after Substantial Completion of the Tenant Improvements and the Landlord's Work, delivery of Premises to Tenant, and Tenant Acceptance of Premises, as defined in <u>Section 4</u> (the "Commencement Date") and terminating at midnight on the day before the twelfth (12 th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
(h) Estimated Commencement Date:	Ten (10) months from the date following Tenant's written approval of the Final TI Cost Summary for the Premises.
(i) Irrevocable Offer Expiration Date: (see <u>Section 33</u>)	February 28, 2025
(j) Base Rent:	\$2.75 per rentable square foot per month (i.e., \$151,250.00 per month or \$1,815,000.00 per year and adjusted annually as referenced in <u>Section 5.2</u> below).
(k) Early Termination (see <u>Section 4.4</u>)	Tenant will have a right to terminate the Lease for any reason any time following the 10 th anniversary of the Commencement Date. Such right may be exercised by Tenant subject to one hundred eighty (180) days' written notice to Landlord.
(l) Rentable Square Feet in the Premises:	55,000 rentable square feet
(m) Initial Departmental Use:	Department of Public Social Services administrative office, warehouse, public facing uses and for any other lawful use, subject to <u>Section 6</u> .

(n) Parking Spaces:	219 parking spaces (3.99 parking spaces per 1,000 RSF) at no charge to Tenant, subject to adjustment based on ADA, as part of the construction permit process and/or any other Tenant design requirements.
(o) Tenant's Hours of Operation:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays.
(p) Asbestos Report:	A report dated October 15, 2015 prepared by SCS Engineers, a licensed California Asbestos contractor.
(q) Seismic Report	A report dated March 2, 2011 prepared by NOVA Consulting.
(r) Disabled Access Survey	A report dated April 13, 2023 prepared by Commerce Construction Co., L.P.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$2,475,000.00 (\$45.00 per RSF of the Premises)
(b) Tenant's TI Contribution: (See <u>Section 6.3</u>)	\$7,150,000.00 (\$130.00 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) Kitchen Appliance Allowance:	Up to a maximum of \$8,000.00
(f) Tenant's Work Letter Representative:	An assigned staff person of the Chief Executive Office-Real Estate Division
(g) Landlord's Work Letter Representative:	An assigned staff person of the Landlord
(h) Landlord's Address for Work Letter Notices:	RR&C Development Company c/o Majestic Realty Co. 13191 Crossroads Parkway North

	6th Floor City of Industry, California 91746 Attention: Property Manager
(i) Tenant's Address for Work Letter Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate
1.3 <u>Exhibits to Lease</u>	Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - HVAC Standards Exhibit D - Cleaning and Maintenance Schedule Exhibit E - Subordination, Non-Disturbance and Attornment Agreement Exhibit F - Tenant Estoppel Certificate Exhibit G - Community Business Enterprise Form Exhibit H - Memorandum of Lease Terms Exhibit I - Landlord's Work Letter

2. LEASE OF PREMISES

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

3. COMMON AREAS

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

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

The Term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are Substantially Complete in accordance with the Landlord's Work Letter executed concurrently

herewith and attached hereto as Exhibit I and incorporated herein by reference, Tenant has inspected the Premises and Tenant has accepted the Tenant Improvements and the Premises in writing. The terms "Substantial Completion" or "Substantially Complete" as used in this Lease shall mean compliance with all of the following:

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

4.2 Termination Right

If the Commencement Date has not occurred within six (6) months after the Estimated Commencement Date (the "Outside Date"), subject to Tenant Delays or Force Majeure Delays (as defined in Section 13.1 of the Landlord's Work Letter), then Tenant may, within ten (10) business days of the Outside Date, terminate this Lease effective upon the giving of written notice (the "Termination Notice"), as extended for Tenant Delays and Force Majeure Delays. In the event that Tenant properly and timely elects to terminate this Lease in accordance with this Section 4.2, then this Lease shall automatically terminate and be of no further force or effect as of the Outside Date, and the parties shall thereafter be released from their respective obligations under this Lease, except with respect to any obligations which expressly survive the expiration or earlier termination of this Lease. Tenant's termination right as set forth in this Section 4.2 shall be Tenant's sole and exclusive remedy for Landlord's failure to cause the Commencement Date to occur by the Outside Date. Tenant's rights under this Section 4.2 shall be personal to the Tenant named herein and may only be exercised by the Tenant named herein (and not any other assignee, or any sublessee or other transferee of Tenant's interest in this Lease). In addition, Tenant's rights under this Section 4.2 may only be exercised by the Tenant named herein if it is not then in default under this Lease.

4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures,

and equipment in the Premises. Such early entry shall be subject to all provisions hereof, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period.

4.4 Early Termination

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

4.5 Lease Expiration Notice

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

5. RENT

5.1 Base Rent

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

5.2. Base Rent Adjustments

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

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim area, all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent for the first full month after the Commencement Date multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month in which the adjustment is to be effective (the "New Index"), and the denominator being the Base Index. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall

be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

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

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

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an increase no less than two percent (2%) and no greater than four percent (4%) 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 (1st) and second (2nd) months of the Term shall be abated. Upon written notice to Landlord prior to the Commencement Date, Tenant shall have the option to convert all or any portion of its rental abatement toward an increase in the Landlord's TI Allowance.

5.4 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 Los Angeles County Auditor-Controller (the "A-C").

Subject to Section 5.1, 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.

6. USES

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

7. HOLDOVER

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

8. COMPLIANCE WITH LAW

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

9. DAMAGE OR DESTRUCTION

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than two hundred forty (240) days after the date of such damage (the "Repair Period"), then Landlord shall, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the

provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

9.2 Tenant and Landlord Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, then Landlord or its agents shall, within thirty (30) days of the date of such damage, provide written notice to Tenant of Landlord's good faith estimate of the time period required to complete the work (the "Repair Notice") of the Premises to restore the Premises to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty. In the event the Repair Notice indicates the repair work will exceed two hundred forty (240) days from the date of damage occurred (the "Repair Period"), then Tenant may terminate this Lease by giving written notice of such termination to Landlord within ten (10) days after the date of the Repair Notice; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages. In the event the insurance proceeds are not available to repair the damages, Landlord will provide written notice of such to Tenant (the "Overage Notification") together with reasonable documentation evidencing the amount (the "Overage") by which the insurance proceeds required of Landlord pursuant to Section 20 of this Lease will not fully cover such repairs and Tenant shall have the right by written notice to Landlord sent within thirty (30) days of the date of the Overage Notification (the "Overage Payment Notification") to advise Landlord whether or not Tenant will fund the Overage. In the event Tenant either (i) elects not to fund the Overage or (ii) does not timely provide the Overage Payment Notification then, in either event, Landlord shall have the right, by written notice to Tenant sent within ten (10) days of receipt of the Overage Notification, to terminate this Lease. In the event it is determined that insurance proceeds are available to repair the damages, but Landlord will not receive the proceeds within thirty (30) days of such determination, Landlord will provide written notice of such to Tenant (the "Proceeds Notification") together with anticipated time it will take for Landlord to receive the insurance proceeds and the anticipated construction cost to complete the repairs (the "Repair Cost"). Tenant shall have the right by written notice to Landlord sent within ten (10) days of the date of the Proceeds Notification (the "Funding Notification") to advance the funds for Landlord to commence construction of the repairs. In the event Tenant timely sends the Funding Notification, Tenant shall advance sufficient funds for Landlord to commence construction by payment of such funds to Landlord (the "Funding Amount") and, upon receipt of the insurance proceeds, Landlord agrees to reimburse Tenant the Funding Amount advanced to Landlord. In the event Landlord fails to complete repair of the damage within six (6) months of the Repair Period, as extended for Tenant Delays and Force Majeure Delays, then Tenant shall have the right to terminate this Lease upon thirty (30) days' prior written notice to Landlord (the "Notice Period"), provided, however, in the event Landlord substantially completes such repairs prior to expiration of the Notice Period, Tenant's termination shall be null and void this Lease shall remain in full force and effect. If this Lease is timely terminated, then (i) this Lease shall automatically terminate and be of no further force or effect as of the expiration of such thirty (30) day period, as extended for Tenant Delays and Force Majeure

Delays, and the parties shall thereafter be released from their respective obligations under this Lease, except with respect to any obligations which expressly survive the expiration or earlier termination of this Lease; and (ii) in the event any portion of Tenant's TI Contribution remains unpaid by Tenant in accordance with Section 6.4 of Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference after the application of any insurance proceeds received by Landlord for reimbursement of the cost of any Tenant Improvements paid with Tenant's TI Contribution, Tenant shall be obligated to pay Landlord such unamortized portion of the remaining Tenant's TI Contribution due within thirty (30) days of the termination date of this Lease.

9.3 Damage In Last Year

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

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

9.4 Default By Landlord

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

- (a) Declare a default hereunder, or
- (b) Exercise the Tenant's Right to Repair as set forth in Section 10.4 below.

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- (a) To its best knowledge without duty to investigation or research, and except as set forth in the Asbestos Report, Seismic Report and/or Disabled Access Survey, Landlord represents to Tenant that, as of the Commencement Date:
 - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the

Americans With Disabilities Act, and are in good working order and condition;

- ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
- iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
- iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.

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

(c) CASp Inspection:

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

[Check the appropriate box]

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

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

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

- (d) The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease or Landlord's Work Letter. Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 10.1.

10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair and promptly make repairs to and perform maintenance upon and replace as needed:
- i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
 - iii. the Common Areas;
 - iv. exterior windows of the Building; and
 - v. elevators serving the Building.
- (b) Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to, or replacements of:
- i. the floor covering (if such floor covering is carpeting it shall be replaced as needed, but not less often than after five (5) years of use);

- ii. interior partitions;
 - iii. doors, door frames and hardware;
 - iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years);
 - v. signage;
 - vi. emergency exit signage and battery replacement; and
 - vii. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.
- (d) Notwithstanding the above, Landlord shall have no responsibility or obligation to maintain, repair and/or replace any of Tenant's appliances used at the Premises.

10.3 Tenant Obligations

Notwithstanding Landlord's repair and maintenance obligations, and subject to Section 20.4 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, 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 Landlord fails to undertake and complete the work within the Premises that this Lease requires of Landlord under Section 10 above, following 10 days' prior written notice from Tenant, or such longer period if Landlord promptly begins and is diligently prosecuting such work completes the work requiring more than 10 days to complete, or following shorter, reasonable advance oral or written notice if emergency repairs are needed within the Premises to avoid imminent loss of life, property or injury to person(s) or the complete disruption of Tenant's business, then Tenant, may perform such work within the Premises; provided, however, if Landlord notifies Tenant in writing that such work is not Landlord's responsibility under this Lease, then Tenant shall have no right to perform such work under this Section 10.4(a).

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

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

11. SERVICES AND UTILITIES

11.1 Services

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

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other buildings of similar size, age and class and not less than the standard set forth in Exhibit C attached hereto. In addition, Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical rooms housing Tenant's computer servers and related equipment.

- (b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Tenant shall be solely responsible for electricity costs and pay the utility company directly, effective upon the Commencement Date. Landlord shall be responsible for paying electrical costs directly to the utility company at their sole cost and

expense during construction of the Tenant Improvements and the Landlord Work.

(c) Elevators

Subject to Landlord's maintenance and repair obligations set forth in Section 10.2(a) and except as set forth in the Work Letter, elevators for the Premises shall be delivered in their as-is condition. Tenant shall have the right to use the elevators seven (7) days a week, twenty-four (24) hours per day.

(d) Water

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

(e) Janitorial

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

(f) Access

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

(g) Pest Control

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

11.2 Utilities

Landlord agrees to pay when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, gas, heating and common area lighting (other than electricity for such common area lighting, which is at Tenant's sole cost and expense in accordance with Section 11.1(b)), trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10)

calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord. Tenant agrees to pay, at its sole cost, when due, all charges for the use of electricity at the Premises, the Building and the Common Areas from and after the Commencement Date. Any additional lighting that Landlord elects to install in the Common Areas during the Term which would cause an increase of electricity cost to Tenant shall be subject to Tenant's prior reasonable consent, which consent shall not be unreasonably withheld, conditioned or delayed.

12. TAXES

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

Tenant shall reimburse Landlord as additional rent, all Property Taxes exceeding \$110,000.00 per annum (Expense Stop). All Property Taxes due hereunder from Tenant to Landlord shall be paid within 60 days following Tenant's receipt of Landlord's claim therefor, provided that Landlord presents to Tenant proof of payment together with the claim for reimbursement.

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

13. LANDLORD ACCESS

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

14. TENANT DEFAULT

14.1 Default

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

- (a) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent

an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;

- (b) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure, within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

14.2 Remedies Upon Default by Tenant

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

- (a) Terminate this Lease, in which event Tenant shall within 90 days following the issuance of a judgment against Tenant for unlawful detainer, surrender the Premises to Landlord (provided that if the Lease has previously been assigned by the County of Los Angeles to a third party, then Tenant shall instead be required to immediately surrender the Premises to Landlord), and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:
 - (i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus
 - (ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
 - (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
 - (iv) The term "rent" as used in this Section 14.2(a) shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 14.2(a)(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the current interest rate. As used in Section 14.2(a)(iii), above, the "worth at the time of award" shall be computed by discounting such

amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(v) In the event that the Lease has previously been assigned by the County of Los Angeles to a third party, then in addition to the foregoing, Landlord may also recover the following from such assignee (but not from the Tenant originally named in this Lease): Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

(b) Landlord shall have the remedy described in California Civil Code Section 1951.4 (landlord may continue lease in effect after tenant's breach and abandonment and recover rent as it becomes due, if tenant has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

14.3 No Effect on Indemnity

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

15. LANDLORD DEFAULT

15.1 Remedies

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

of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

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

15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work (except to the extent expressly set forth in this Lease as Tenant's obligation).

15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any Landlord Default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. In such cases, Tenant may perform the necessary work through its Internal Services Department and thereafter Tenant shall then be entitled to prompt reimbursement by Landlord of Tenant's reasonable out-of-pocket costs incurred in performing such work required of Landlord. Tenant shall provide Landlord with an invoice, including a reasonably particularized breakdown and explanation, of such costs. If Landlord does not object to Tenant in writing within ten (10) business days after receiving Tenant's invoice and explanation, Landlord shall pay such invoiced costs promptly. If, however, Landlord does timely object to such invoice, setting forth with reasonable particularity the reasons Landlord

contends that the Lease does not require such work of Landlord, then Tenant may continue to claim a Landlord default under the Lease per Section 15.1.

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

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

16.2 Sale

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

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

- (a) A letter from the Landlord confirming that the Property was transferred to the new owner, along with written evidence of the transfer of the Property (e.g., a recorded deed).
- (b) A signed letter from the new owner including the following information:
 - i. Name and address of new owner or other party to whom Base Rent should be paid
 - ii. Federal tax ID number for new owner
 - iii. Name of contact person and contact information (including phone number) for new owner
 - iv. Proof of insurance
 - v. an acknowledgement from the new owner that it will take Tenant thirty (30) days to complete paperwork to transfer its accounts payable records from paying Rent to the Landlord to paying Rent to the new owner

- (c) A W-9 form for new owner.

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

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

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

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

17.2 End of Term

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

18. CONDEMNATION

18.1 Controlling Terms

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

18.2 Total Taking

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

18.3 Partial Taking

If more than ten percent (10%), but not all, of the rentable/ gross square feet of the Premises is taken by Condemnation, or if access to the Premises is substantially impaired by Condemnation, in each case for a period in excess of 180 days, Tenant shall have the option to terminate this Lease effective as of the Date of Taking. Notwithstanding anything to the contrary contained in this Section 18, in the event of a temporary taking of all or any portion of the Premises for a period of 180 days or less, then Tenant may not terminate this Lease but the Base Rent shall be equitably abated for the period of such taking. Landlord shall be entitled to receive the entire "Award," as that term is defined in Section 18.5 below, made in connection with any such temporary taking. If Tenant elects to exercise its right to terminate the Lease hereunder then it shall give notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination that Tenant has designated. If neither party elects to terminate this Lease pursuant to its rights under this Section 18 then all provisions of this Lease shall remain in effect, except that Base Rent shall be equitably abated.

18.4 Restoration

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

18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant in accordance with this Section 18.5. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises. Landlord shall be entitled to receive the entire award or payment in connection with any Condemnation, except that Tenant shall have the right to make a separate claim in the Condemnation proceeding for the following provided the same do not reduce the amount of the Award payable to Landlord and such claim is payable separately to Tenant: (1) the taking of the unamortized or undepreciated value of any leasehold improvements of any tenant improvements paid for by the Tenant that were not reimbursed by the Landlord; (2) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if Condemnor approves of the removal); (3) loss of goodwill; (4) relocation costs under California Government Code §7262, the

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

18.6 Waiver of Statute

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

19. **INDEMNIFICATION**

19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from the active negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Landlord's breach or default under this Lease. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from the use and occupancy of the Premises, Building or Common Areas by Tenant, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Tenant's breach or default under this Lease. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

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

20.1 Intentionally Deleted

20.2 General Insurance Provisions – Landlord Requirements

Without limiting either party's indemnification of the other and during the Term of this Lease, and until all of its obligations pursuant to this Lease have been met,

Landlord and Tenant shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Landlord and Tenant pursuant to this Lease. Neither Landlord nor Tenant in any way warrants that the Required Insurance is sufficient to protect the other party for liabilities which may arise from or relate to this Lease.

(a) Evidence of Coverage and Notice to Tenant

- i. Certificate(s) of insurance coverage ("Certificate") reasonably satisfactory to Tenant and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) have been given additional insured status under the Landlord's General Liability policy to the extent required pursuant to Section 20.2(b), shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than ten (10) days prior to Landlord's policy expiration dates.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, the amounts of any policy deductibles or self-insured retentions exceeding Twenty-Five Thousand Dollars (\$25,000.00) and list any Tenant required endorsement forms.
- iv. Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- v. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

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

Landlord and Tenant also shall each use good faith efforts to notify the other of any third party claim or suit filed against Landlord or Tenant, as applicable, which arises from or relates to this Lease, and could result in the filing of a claim or lawsuit against Landlord and/or Tenant.

(b) Additional Insured Status and Scope of Coverage

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

(c) Cancellation of or Material Changes in Insurance

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

(d) Failure to Maintain Insurance

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

(e) Insurer Financial Ratings

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

(f) Primary Insurance

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

(g) Waiver of Subrogation

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

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

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

(i) Claims Made Coverage

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

(j) Application of Excess Liability Coverage

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

(k) Separation of Insureds

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

20.3 Insurance Coverage Types And Limits

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

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

General Aggregate:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 5 million

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

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

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

- (a) Commercial General Liability Insurance covering the Common Areas, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and Tenant's Agents as an additional insured to the extent required in Section 20.2(b), with limits of not less than:

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

- (b) Commercial Property Insurance. Such insurance shall:
 - i. cover damage to Landlord's property, including improvements and betterments installed and owned by Landlord to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), from perils covered by a special form all risk or a special causes of loss form (Accord 24 or its equivalent), and include ordinance or law coverage, and.
 - ii. be written for full replacement cost of the Property, with a deductible of no greater than \$250,000 or five percent (5%), whichever is less, of the Property value. Insurance proceeds shall be payable to Landlord, and
 - iii. include the Modular Furniture installed in the Property to the extent owned by Landlord.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times.

Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, at its sole expense, shall provide Tenant with at least one (1) parking access card or key fob for each reserved or unreserved parking space set forth in Section 1.1, if applicable.

21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason other than Tenant's and/or Tenant's employees, agents or contractors gross negligence or willful misconduct, subject to adjustment based on site plan and permit requirements from Building Department (which shall not be a breach by Landlord of this Section 21), more than 10% of the parking spaces required above are not available to Tenant (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation), then Tenant shall have one of these remedies, available in the following priority, upon thirty (30) days' written notice to Landlord:

- (a) Landlord shall provide Tenant an alternative parking space in the parking lot of Landlord's property adjacent to the Building; or
- (b) Landlord shall provide Tenant with a valet service to accommodate additional parking within the parking lot (i.e., tandem parking); or
- (c) If such alternative parking spaces are not available in accordance with subsection 21.2(i), Landlord shall provide Tenant other reasonably comparable parking spaces with shuttle bus service from parking spaces that are located more than one-quarter (1/4) mile away from the Premises.

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity,

phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

22.2 Landlord Indemnity

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

23. ESTOPPEL CERTIFICATES

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

24. TENANT IMPROVEMENTS

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

25. LIENS

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder. Each party hereby indemnifies, defends and holds the other party harmless from any liability or loss (including reasonable attorneys' fees and costs) from any such lien it causes or allows to attach to its interest in this Lease or the Premises.

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto signed by Tenant and delivered to Landlord concurrently herewith, within 30 days after the execution of this Lease.

26.3 Notice of Default

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

27. SURRENDER OF POSSESSION

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

28. SIGNAGE

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

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 market based commission or fees in respect of the negotiation, execution or delivery of this Lease other than Cushman & Wakefield U.S., Inc. ("Cushman") representing Tenant and Majestic Realty Co. ("MRC") representing Landlord and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any market based commissions (the "Commission") due shall be pursuant to a separate commission agreement between MRC and Cushman. Tenant acknowledges that the payment of such Commission shall not be deemed to be a violation of Section 32.2.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

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

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Exhibit H attached hereto, which

Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30.13 Counterparts; Electronic Signatures

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

30.14 Landlord Exculpation

Tenant agrees to look solely to Landlord's, its partners, subpartners, and their respective officers, agents, servants, employees, and independent contractors (the "Landlord Parties") interest in the Property and the rents, profits and insurance, condemnation and other proceeds from the Premises for the satisfaction of any judgment (or any other obligation of Landlord to Tenant) and no other property or assets of the Landlord Parties shall be subject to levy, execution, or other judicial procedures for satisfaction of such judgment or other obligations. Tenant shall not seek recourse against the Landlord Parties or any of their personal assets for satisfaction of any liability with respect to this Lease. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 30.14 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Notwithstanding any contrary provision herein,

neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. Notwithstanding anything contained in this Lease to the contrary, in no event shall Landlord or the Landlord Parties ever be liable pursuant to this Lease for incidental damages, lost profits or consequential, speculative or punitive damages.

30.15 Force Majeure

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to rent and other charges to be paid by Tenant pursuant to this Lease (collectively, a "Force Majeure"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Notwithstanding the foregoing, for any Force Majeure delay(s), other than a Force Majeure Delay(s) causing a delay to the Outside Date (as defined in Section 4.2) that shall not be subject to the following time limitation, the Force Majeure delay shall not continue for a period of more than six (6) months in any twelve (12) month period.

30.16 Independent Covenants

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

31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant

hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

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

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

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

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

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

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

33. IRREVOCABLE OFFER

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

34. 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 "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, and
 - (ii) after Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the option to renew, by giving written notice of its election to exercise such option. It is understood that Tenant will not exercise its option until after the Board of Supervisors has approved doing so, which will not be prior to the determination of the Market Rental Value, as provided below. If the Board of Supervisors has not approved the exercise of such option prior to ninety (90) days after the expiration of the Term of this Lease as then in effect (i.e. by the 90th day of the holdover period) then the applicable option and any succeeding option shall automatically be null and void, and of no further force or effect. On the other hand, if the Board of Supervisors approves Tenant's exercise of any option granted pursuant to this Section 36, such option will then be deemed effectively exercised. Tenant's options to renew this Lease are personal to (and may only be exercised by) the Tenant originally named in this Lease (and not any assignee, subtenant, or other transferee), and may only be exercised if Tenant is not then subleasing any part of the Premises.
- (c) Terms and Conditions of the Extension Terms. The Extension Terms shall be on all the terms and conditions of this Lease, except that the Base Rent during Extension Terms shall be equal to the Market Rental Value for the Premises as of the commencement of the applicable Extension Term ("Adjusted Market Rental Value") to be determined as set forth below, including, but not limited to, the comparable rental rate, escalation, abatement, tenant improvements and any other tenant inducements then being offered to a ready and willing tenant in comparable buildings within a 10-mile radius to the Building, with no floor or base.
- (d) Agreement on Base Rent. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent during the applicable Extension Term. Base Rent during the Extension Term(s) shall be the Adjusted Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its first and second options to extend, respectively. There shall be no minimum or maximum rental rate.
- (e) Market Rental Value. The term "Market Rental Value" shall be the rental rate including escalations, that a ready and willing tenant would pay, as of the applicable Option Rental Adjustment Date, and a ready and willing landlord of property comparable Premises would accept, as monthly rent if such property were exposed for lease on the open market for a reasonable period of time and taking into account all of the purposes for which such property may be used at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "comparable Premises" shall mean premises in a Building similar in size and location to the Building, excluding any improvements installed by Tenant in the Building.

- (f) Opinions. Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) days after Landlord's receipt of the Notice of Intent, and Tenant shall respond thereto within ten (10) days thereafter by either (a) accepting Landlord's opinion of Market Rental Value (in which case, such Market Rental Value shall be used to determine Base Rent during the Extension Term) or (b) submitting Tenant's opinion of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) days thereafter, then Landlord and Tenant within five (5) days shall each submit to each other their final written statement of Market Rental Value ("Final Statement"). Within ten (10) days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Landlord and Tenant agree, a certified property manager with ten (10) years' experience) who will determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant or Landlord may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Market Rental Value used in determining Base Rent during the Extension Term. The fees and expenses of the appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or selected pursuant to this Section shall have at least ten (10) years' experience appraising commercial properties in Los Angeles County.
- (g) Amendment of Lease. Immediately after the Board of Supervisors approves the exercise of any option granted pursuant to this Section 34, and such option is exercised, Landlord and Tenant shall execute an amendment to this Lease setting forth the new Base Rent in effect.

[Signatures on following page]

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

LANDLORD:

RR&C DEVELOPMENT COMPANY,
a California general partnership

BY: ROSKI FAMILY PARTNERSHIP, L.P.,
a California limited partnership

BY: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner



BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended, Manager

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: [Signature]

ITS: [Signature] Thomas H. Purcell
Chairman & CEO

BY: [Signature]

ITS: [Signature] Edward J. DiOrto
Chief Financial Officer, Secretary

[Signatures continue on following page]

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

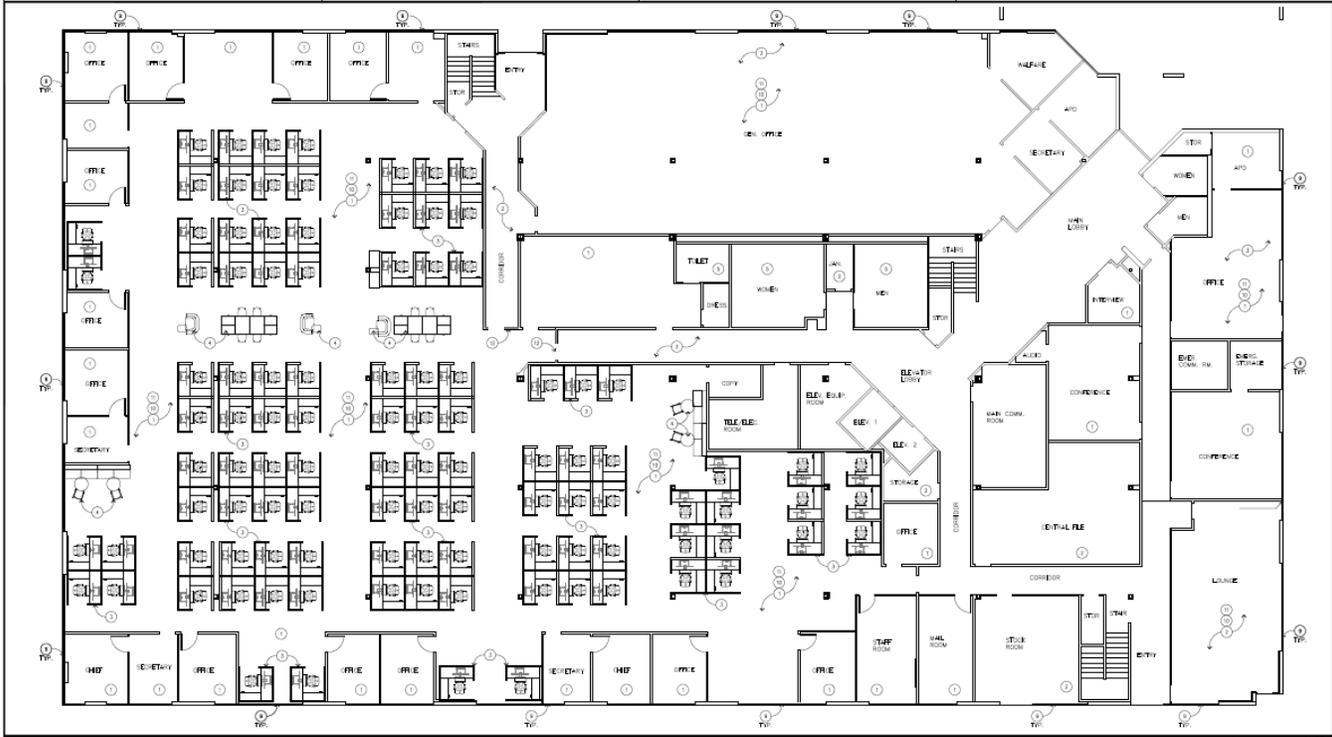
By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By:  _____
Senior Deputy

EXHIBIT A
FLOOR PLAN
FIRST FLOOR



CONSULTANT:	
ARCHITECT OF RECORD:	
PROFESSIONAL STAMP:	
DISCLOSURE: All information shown or described herein is the property of DPSS. Plans prepared for the public domain, or incorporated in any law, contract, or written or verbal authorization of DPSS, shall be the sole property of DPSS. All rights reserved.	
CONTRACTOR SHALL BUILD ONLY FROM SETS STAMPED 'CONSTRUCTION SET' HEREIN	
ISSUE DATE:	
ISSUED BY:	
DATE:	
REVISION DATED:	
DATE:	

FIRST FLOOR PROPOSED FLOOR PLAN		SCALE: 1/8"=1'-0" 1
<p>GENERAL NOTES:</p> <p>A. ARCHITECT MUST COORDINATE WITH ELECTRICAL ENGINEER TO INCORPORATE ALL DPSS LOW VOLTAGE ELECTRICAL REQUIREMENTS INTO ELECTRICAL DRAWINGS.</p> <p>B. DO NOT SCALE DRAWINGS.</p> <p>C.</p>	<p>REFERENCE NOTES:</p> <ol style="list-style-type: none"> 1. NEW CARPET THROUGH ENTIRE WORK AREA AND WHERE NOTED. 2. NEW VINYL TILE AT ALL STOCK ROOMS, STORAGE ROOMS, AND BREAK AREAS. 3. NEW FURNITURE SYSTEM. G.C. TO PROVIDE RIGID CONDUITS, FLOOR BOX FOR POWER AND DATA PER DPSS REQUIREMENTS, WHERE REQUIRED. 4. FREE STANDING FURNITURE. G.C. TO PROVIDE POWER & DATA THROUGH FLOOR BOXES PER DPSS REQUIREMENTS AND WHERE REQUIRED. 5. NEW CERAMIC TILE FLOORING, NEW CERAMIC WALL TILE, NEW HPL PARTITIONS WITH NEW HARDWARE, NEW PLUMBING FIXTURES ALONG WITH ALL ASSOCIATED RESTROOM ACCESSORIES. 6. NEW BREAK AREA CABINETRY WITH SINK ALONG WITH ALL ASSOCIATED PLUMBING REQUIREMENTS. 7. NEW 48" TALL WALL PARTITION. 8. NEW FULL HT. POWER/DATA WALL. 9. NEW 0% TO 3% ROLLER SHADES AT ALL PERIMETER WINDOWS & EXISTING DOOR SIDELIGHTS. COORDINATE TYPE W/ DPSS. 10. NEW CEILING GRID WITH A.C. TILE THROUGHOUT TYP. & WHERE NOTED. 11. NEW LED CEILING LIGHTS THROUGHOUT. REFER TO ENGINEER DRAWINGS. 12. NEW GLASS DOOR W/ NEW GLASS WALL. 	<p>LEGEND:</p> <p>— EXISTING WALL TO REMAIN - G.C. TO PATCH AND PAINT ALL EXISTING WALLS - LEVEL 4 FINISH</p> <p>— NEW WALL CONSTRUCT - G.C. TO BRING ALL NEW WALLS TO LEVEL 5 FINISH</p> <p>⊙ REFERENCE NOTE. REFER TO REFERENCE NOTES FOR FURTHER INFORMATION.</p>

PROJECT NUMBER:	230201
Drawn by:	She Name
Checked by:	She Floor
Project No.:	230201
Scale:	1/8"=1'-0"
The MAIN BUILDING - FIRST FLOOR PROPOSED FLOOR PLAN	
Sheet No.:	MAIN -1B

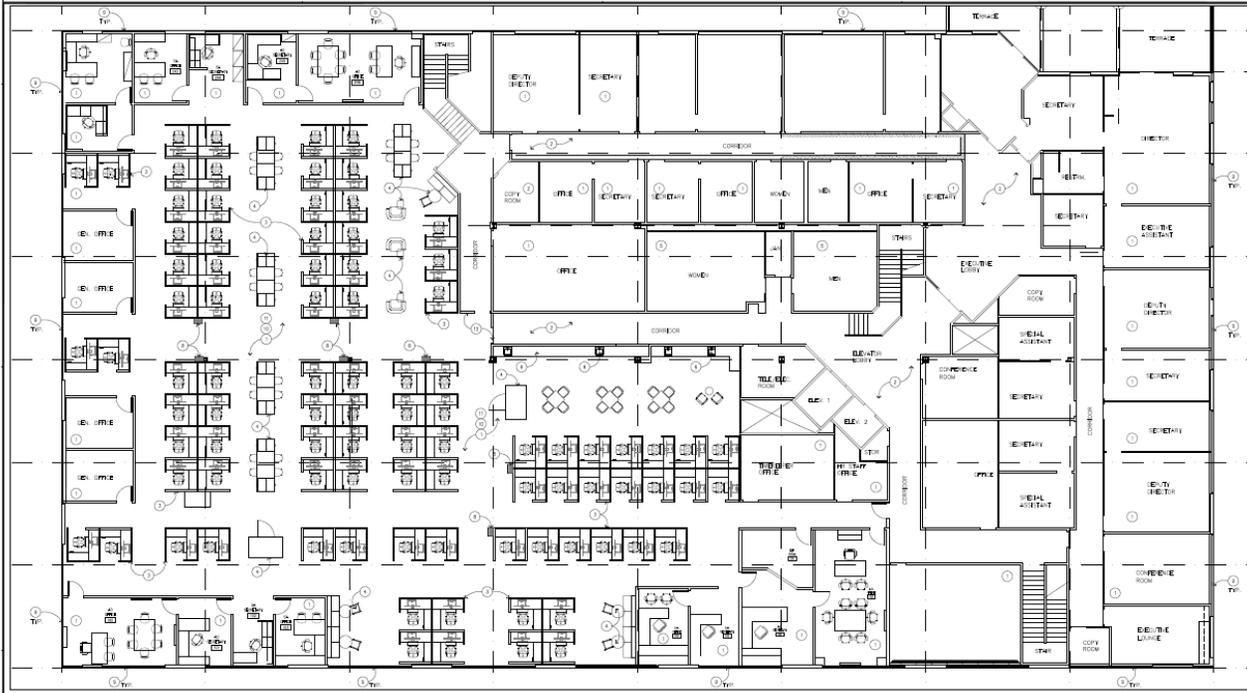
HOA.102799113.5

Exhibit A
FLOOR PLAN OF PREMISES

Lease 12860 Crossroads v4\MH\02492-018
 August 12, 2024

12860 Crossroads Parkway South, City of Industry, CA
 [COUNTY OF LOS ANGELES]

FLOOR PLAN SECOND FLOOR



CONSULTANT: _____

ARCHITECT OF RECORD: _____

PROFESSIONAL STAMP: _____

DISCLOSURE:
All drawings, specifications, and related documents are the property of SPAC - P&A, and shall not be used, copied, reproduced or any other use without the prior written consent of SPAC - P&A, P.O. Box 1000, Torrance, CA 90501.

CONTRACTOR SHALL BUILD ONLY FROM SETS (STAMPED) CORRECTIONS SET-02201

ISSUE NO: _____ ISSUE DATE: _____

NO. REVISIONS: _____ DATE: _____

SECOND FLOOR PROPOSED FLOOR PLAN SCALE: 1/8"=1'-0" **1**

GENERAL NOTES:

A. ARCHITECT MUST COORDINATE WITH ELECTRICAL ENGINEER TO INCORPORATE ALL CPSS LOW VOLTAGE ELECTRICAL REQUIREMENTS INTO ELECTRICAL DRAWINGS.

B. DO NOT SCALE DRAWINGS.

C. _____

- REFERENCE NOTES:**
1. NEW CARPET THROUGH ENTIRE WORK AREA AND WHERE NOTED.
 2. NEW VINYL TILE AT ALL STOCK ROOMS, STORAGE ROOMS, AND BREAK AREAS.
 3. NEW FURNITURE SYSTEM. (G.C. TO PROVIDE RIGID CONDUITS FOR POWER, AND DATA PER CPSS REQUIREMENTS, WHERE REQUIRED).
 4. FREE STANDING FURNITURE. (G.C. TO PROVIDE POWER & DATA THROUGH FLOOR BOSES PER CPSS REQUIREMENTS, AND WHERE REQUIRED).
 5. NEW CERAMIC TILE FLOORING, NEW CERAMIC WALL TILE, NEW HPL PARTITIONS WITH NEW HARDWARE, NEW PLUMBING FIXTURES ALONG WITH ALL ASSOCIATED RESTROOM ACCESSORIES).
 6. NEW BREAK AREA CABINETRY WITH SINK ALONG WITH ALL ASSOCIATED PLUMBING REQUIREMENTS.
 7. NEW 48" TALL WALL PARTITION.
 8. NEW FULL HT. POWER DATA WALL.
 9. NEW 0% TO 3% ROLLER SHADES AT ALL PERIMETER WINDOWS & EXISTING DOOR SIDELIGHTS. COORDINATE TYP. & WHERE NOTED.
 10. NEW CEILING GRID WITH A.C. TILE THROUGHOUT TYP. & WHERE NOTED.
 11. NEW LED CEILING LIGHTS THROUGHOUT. REFER TO ENGINEER DRAWINGS.
 12. NEW GLASS DOOR W/ NEW GLASS WALL.

LEGEND:

— EXISTING WALL TO REMAIN - (G.C. TO PATCH AND PAINT ALL EXISTING WALLS - LEVEL 4 FINISH)

— NEW WALL CONSTRUCT - (G.C. TO BRING ALL NEW WALLS TO LEVEL 5 FINISH)

⊙ REFERENCE NOTE, REFER TO REFERENCE NOTES FOR FURTHER INFORMATION.

PROJECT NUMBER: 230201

Drawn By: _____ Title: _____

Checked By: _____ Title: _____

Printed: _____ Title: _____

MAIN BUILDING - SECOND FLOOR PROPOSED FLOOR PLAN

Drawn: _____

MAIN -2B

HOA.102799113.5

Exhibit A FLOOR PLAN OF PREMISES

Lease 12860 Crossroads v4\MH\02492-018
August 12, 2024

12860 Crossroads Parkway South, City of Industry, CA
[COUNTY OF LOS ANGELES]

EXHIBIT B

**COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS**

Reference is made to that certain Lease Agreement ("Lease") dated _____, 20__, between County of Los Angeles, a body corporate and politic ("Tenant"), and RR&C Development Company, a California general partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 12860 Crossroads Parkway South, City of Industry, California, 91746,

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____;
- 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:

**COUNTY OF LOS ANGELES,
a body corporate and politic**

By: _____
Name _____
Its _____

[Signatures continue on following page]

Landlord:

**RR&C DEVELOPMENT COMPANY,
a California general partnership**

BY: ROSKI FAMILY PARTNERSHIP, L.P.,
a California limited partnership

BY: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended, Manager

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: _____
EDWARD P. ROSKI, JR., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: _____

ITS: _____

BY: _____

ITS: _____

EXHIBIT C

HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Tenant's Hours of Operation established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. 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. Day porter service from 8:30 a.m. to 4:30 p.m., which day porter service shall be shared between the Premises and Tenant's leased property at 12820 and 12900 Crossroads Parkway South, City of Industry, California.

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

D. QUARTERLY

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

E. SEMI-ANNUALLY

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

F. ANNUALLY

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

G. AS NEEDED

33. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
34. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
35. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.

36. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
- 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 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 F.32. of this Exhibit D. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

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

H. GENERAL

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

EXHIBIT E

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

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

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

Space above for Recorder's Use

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

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), [*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 entered into without Lender's prior written consent when such consent is required under the Deed of Trust or other documents executed by Borrower in connection with the Loan.

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

To Lender: _____

To Borrower: _____

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

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

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

By: _____
Name: _____
Title: _____

BORROWER: *[Insert name of Landlord]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

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

personally appeared _____,
Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT F

TENANT ESTOPPEL CERTIFICATE

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

Attn: _____

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

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

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

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

(b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

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

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

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

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

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

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

Signature/Title: _____

Date: _____

EXHIBIT H

MEMORANDUM OF LEASE TERMS

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

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

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

MEMORANDUM OF LEASE

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

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

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

[Signatures on following pages]

Dated: _____, 20__.

LANDLORD: RR&C DEVELOPMENT COMPANY,
a California general partnership

BY: ROSKI FAMILY PARTNERSHIP, L.P.,
a California limited partnership

BY: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended, Manager

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: _____
EDWARD P. ROSKI, JR., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: _____

ITS: _____

BY: _____

ITS: _____

[Signatures continued on following page]

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

[Signatures continued on following page]

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.102799113.5

Exhibit I

LANDLORD'S WORK LETTER

Lease 12860 Crossroads v4\MH\02492-018
August 12, 2024

12860 Crossroads Parkway South, City of Industry, CA
[COUNTY OF LOS ANGELES]

LANDLORD'S WORK LETTER

For

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

**COUNTY OF LOS ANGELES, as Tenant
RR&C DEVELOPMENT COMPANY, as Landlord**

**12860 CROSSROADS PARKWAY SOUTH
CITY OF INDUSTRY, CALIFORNIA**

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated _____, 202__ (the "Effective Date"), executed concurrently herewith, by and between RR&C DEVELOPMENT COMPANY, a California general 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> | \$9,625,000.00 (i.e., \$175.00 per rentable square foot of the Premises) |
| (i) <u>Landlord's TI Allowance</u> | \$2,475,000.00 (i.e., \$45.00 per rentable square foot of the Premises) |
| (ii) <u>Tenant's TI Contribution</u> | \$7,150,000.00 (i.e., \$130.00 per rentable square foot of the Premises) |
| (b) <u>Amortization Rate and Change Authorization Amortization Rate:</u> | Not applicable. |
| (c) <u>Kitchen Appliance Allowance:</u> | Up to a maximum of \$8,000.00 |
| (d) <u>Tenant's Work Letter Representative</u> | An assigned staff person of the Chief Executive Office-Real Estate Division |
| (e) <u>Landlord's Work Letter Representative</u> | An assigned staff person of the Landlord |
| (f) <u>Landlord's Address for Work Letter Notices</u> | RR&C Development Company
c/o Majestic Realty Co.
13191 Crossroads Parkway North
6th Floor
City of Industry, California 91746
Attention: Property Manager |
| (g) <u>Tenant's Address for Work Letter Notices</u> | County of Los Angeles
Chief Executive Office - Real Estate
Division
320 West Temple Street, 7th Floor
Los Angeles, CA 90012
Attention: Director of Real Estate |

HOA.102799113.5

LANDLORD'S WORK LETTER

Work Letter 12860 Crossroads Pkwy v4\MH\02492-018
August 12, 2024

12860 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

(h) Addenda

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

2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

2.2 **Additional Costs Not Total TI Costs.**

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

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

2.3 **Base Building Plans.** Landlord has delivered to Tenant all "as built" plans and specifications for the Building available to Landlord.

3. **Selection of Architect and Engineer.** Landlord shall not proceed with any bid solicitation for architectural or engineering services until final Space Plan (as defined below) is furnished to the Landlord. Once Landlord receives the final Space Plan, Landlord shall, subject to the last sentence of this Section 3, promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall, subject to the last sentence of this Section 3, select an architect and engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect and engineer to Tenant, together with detailed proposals

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LANDLORD'S WORK LETTER

Work Letter 12860 Crossroads Pkwy v4\MH\02492-018
August 12, 2024

12860 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord.

4. **Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract accepted by Tenant shall be submitted to a sufficient number of qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on an American Institute of Architects (AIA) form) to construct the Tenant Improvements depicted on the Final Plans. Within five (5) business days following Landlord's receipt of the three (3) bids, Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and who commits to Landlord's schedule for the construction of the Tenant Improvements, and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

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

5.1 **Preparation of Space Plan.** Prior to Landlord's execution of this Lease, Tenant has submitted to Landlord and Landlord has approved that certain preliminary space plan and specifications, and low voltage and furniture plans showing on a preliminary basis all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively, the "Preliminary Space Plan"). Concurrently with Tenant's execution and delivery of this Lease, Tenant shall submit to Landlord a final space plan and specifications for the Premises (the "Space Plan"), which Space Plan shall be a logical extension of and consistent with the Preliminary Space Plan. The Space Plan shall be subject to Landlord's reasonable approval within ten (10) business days following Tenant's submittal thereof, provided that it shall only be reasonable for Landlord to disapprove the Space Plan to the extent that it is not a logical extension of or is inconsistent with the Preliminary Space Plan. If Landlord reasonably disapproves the Space Plan for the foregoing reasons, then Tenant shall resubmit a revised Space Plan to Landlord for approval within ten (10) business days following Tenant's receipt of Landlord's disapproval. The foregoing process shall be repeated until such time as Landlord approves the Space Plan submitted by Tenant, and any delay caused by the necessity for Tenant to revise the Space Plan because of Landlord's initial disapproval thereof shall be a Tenant Delay.

5.2 **Preparation and Review of Working Drawings.** Within ten (10) days after the selection of the Architect (the "Selection of Architect Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully

HOA.102799113.5

LANDLORD'S WORK LETTER

Work Letter 12860 Crossroads Pkwy v4\MH\02492-018
August 12, 2024

12860 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Tenant shall in no event disapprove of the Working Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Working Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Working Drawings, or (iii) cause such Working Drawings to not be a logical extension of and/or consistent with the Space Plan, or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Working Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. Landlord shall use Building standard methods, materials and finishes in the construction of the Tenant Improvements unless expressly set forth to the contrary in the Space Plan and Tenant's Outline Specifications. In the event that Tenant timely and properly disapproves the Working Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Working Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Working Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Working Drawings, or the applicable portion thereof, are approved by Tenant.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance, provided that Tenant shall in no event disapprove of the Engineering Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Engineering Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Engineering Drawings, or (iii) cause such Engineering Drawings to not be a logical extension of and/or consistent with the Space Plan, and Low Voltage Plans or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Engineering Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. In the event that Tenant timely and properly disapproves the Engineering Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Engineering Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Engineering Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Engineering Drawings, or the applicable portion thereof, are approved by Tenant.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate

HOA.102799113.5

LANDLORD'S WORK LETTER

Work Letter 12860 Crossroads Pkwy v4\MH\02492-018
August 12, 2024

12860 Crossroads Parkway S., City of Industry, CA
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the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Within twenty-one (21) calendar days of the Selection of Architect Date, Landlord shall submit to Tenant a detailed construction schedule for Tenant's information setting forth the projected dates for completion of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, and the date of Substantial Completion. As the construction continues, Landlord shall amend the construction schedule from time to time to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. Except as expressly set forth in the Lease or this Work Letter, Landlord shall have no liability or responsibility to Tenant for any failure to complete project benchmarks by the projected dates set forth in any construction schedule provided by Landlord.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

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

6.1 **Cost Summary.** Within seven (7) calendar days after the Space Plan has been approved by Landlord, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"). The Preliminary TI Cost Summary shall be revised into final form following Contractor's review including the Modular Furniture Costs within thirty (30) calendar days from the date that all permits for the construction of the Tenant Improvements have been issued by the applicable governmental authorities, and will be referred to herein as the "Final TI Cost Summary". The Preliminary Budget and the Final TI Costs Summary shall include the Modular Furniture Costs, and notwithstanding any contrary provision of this Work Letter, Tenant shall have five (5) business days from the date of receipt of the Final TI Cost Summary (the "Budget Approval Deadline") to approve or disapprove the Final TI Cost Summary in writing. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval of the Final TI Cost Summary. In the event that Tenant rejects the Final TI Cost Summary in writing due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Tenant's sole expense and any delay in excess of ten (10) business days caused by the necessity to rebid or redesign the Tenant Improvements shall be a Tenant Delay.

6.2 **Landlord's TI Allowance and Tenant's TI Contribution.**

(a) Tenant shall be entitled to a one-time Landlord's TI Allowance in the amount set forth in Section 1(a)(i) above for the costs relating to the design and construction of the Tenant Improvements (including the Modular Furniture Costs (as defined in Section 9.1 below). Subject to the Landlord/Tenant Additional Responsibility Provision, as defined and set forth in Section 6.2(b) below, in no event shall Landlord be obligated to pay a total amount for the design, construction, purchase and installation of the Tenant Improvements which exceeds the Landlord's TI Allowance and the Tenant's TI Contribution. Any unused portion of the Landlord TI Allowance following completion of the Tenant Improvements shall be credited toward the Base Rent.

(b) All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant and Landlord's reasonable approval (collectively "Total TI Costs"), all of which must not exceed, in the aggregate, the sum of Landlord's TI Allowance, Tenant's TI Contribution, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Subject to Section 8 below, the parties agree that the "Tenant's TI Contribution" set forth in Section 1(a)(ii) above shall be used to pay for the Total TI Costs in excess of Landlord's TI Allowance. Notwithstanding any contrary provision of this Work Letter (but subject to the Landlord/Tenant Additional Responsibility Provision), in no event shall Tenant Improvements be permitted to the extent they will cause the Total TI Costs to exceed the sum of the Landlord's TI Allowance and the Tenant's TI Contribution, unless a Change Order has been approved therefor by Tenant in accordance with Section 8 below. Landlord shall be solely responsible for any Total TI Costs in excess of the total amount of the Final Construction Budget approved by Tenant, except for costs arising from Change Orders requested by Tenant (which HOA.102799113.5

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shall be a Tenant cost and shall be payable from any remaining available portion of the Tenant's TI Contribution, provided that notwithstanding any contrary provision of this Work Letter, any amount owing by Tenant to Landlord therefor in excess of the remaining available portion of the Tenant's TI Contribution shall be payable to Landlord, as additional rent, within thirty (30) days of billing) (the "Landlord/Tenant Additional Responsibility Provision"). It is anticipated that the Total TI Costs will exceed the Landlord TI Allowance, and Landlord shall pay the overage, but only to the extent of the Tenant's TI Contribution paid by Landlord for the Total TI Costs, and such amount of the Tenant's TI Contribution shall be repaid to Landlord by Tenant 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 thirty (30) calendar days after the later of (A) 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 reasonable documentation substantiating all Tenant Improvements' expenses, including proof of payment, unconditional lien releases and approved change 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 or (B) July 1, 2025. Tenant shall make such payment to Landlord in a lump sum payment. The foregoing obligation of Tenant to repay the amount of the Tenant's TI Contribution which is used to pay for the Total TI Costs shall constitute additional rent under the Lease.

7. Construction of Tenant Improvements.

7.1 Surrender of Premises. When (i) the Permits (as defined in Section 7.4 of this Work Letter) are available for pick -up by Landlord, and (ii) the second (2nd) floor of the building leased by Tenant from an affiliate of Landlord at 12801 Crossroads Parkway South, City of Industry, California is available for Tenant to legally occupy the second (2nd) floor, Landlord shall provide written notice to Tenant and Tenant, within thirty (30) days of receipt of such notice, shall surrender the Premises to Landlord in order to allow Landlord to commence construction of the Tenant Improvements and the Landlord Work. Landlord shall be responsible for disposing of Tenant's existing FF&E not including any electronics. If Tenant chooses to relocate its FF&E, then any relocation costs shall be deducted from the Tenant Improvement Allowance. Landlord agrees to keep Tenant advised as to the status of and anticipated timing for issuance of the Permits in coordination with Tenant's assigned Chief Executive Office (CEO) Project Manager.

7.2 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto, provided that in the event of any conflict between the Working Drawings and Addendum B, the Working Drawings shall control. Notwithstanding any contrary provision of this Work Letter, any Tenant Improvements described in Addendum B which are not reflected on the Working Drawings shall not be constructed by Landlord hereunder. Landlord agrees that, in the event of an unforeseen condition is discovered during construction of the Tenant Improvements which are not reflected on Working Drawings, any cost to correct such unforeseen condition shall be at Landlord's cost unless waived by the PM in writing.

7.3 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall, subject to the last sentence of this Section 7.2, be selected only after a minimum of three (3) bids have
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been solicited from responsible and qualified persons. Landlord shall, subject to the last sentence of this Section 7.2, submit at least three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed by Landlord and Tenant within five (5) business days following Landlord's receipt of a sufficient number of bids. The bids shall include an itemized list of all materials and labor and shall include all additional costs, as applicable, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

7.4 Permits. Landlord shall obtain the approval of all applicable governmental authorities and all permits (collectively, the "Permits") required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans. Landlord shall obtain plan check approval prior to soliciting bids from contractors pursuant to Section 4 hereof.

7.5 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within five (5) business days following the later to occur of (i) Tenant's approval of the Final Construction Budget, (ii) Landlord's receipt of all required permits for the Tenant Improvements, and (iii) construction contract awarded to Contractor. Once commenced, Landlord shall thereafter diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays and Tenant Delays (as defined below).

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

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

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

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease), as may be extended for any warranty for a period in excess of two (2) years. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects.

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(d) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises or in other areas utilized by Landlord or its contractors. In the event that Tenant claims that there has been substandard Tenant Improvement work or clean-up (as reasonably determined according to the usual standards of work in the Building), then Tenant shall notify Landlord in writing thereof (with reasonable detail specifying the substandard work or clean-up claimed by Tenant) and to the extent that Landlord agrees that the work or clean-up was substandard, then Landlord shall perform additional work or clean-up as is required hereunder within ten (10) business days of Landlord's receipt of Tenant's notice (provided that if such work or clean-up cannot reasonably be completed within such ten (10) business day period, then Landlord shall commence such work or clean-up within such ten (10) business day period and shall diligently perform and complete such work or clean-up thereafter). If Landlord fails to timely perform such additional work or clean-up (or to respond that the work or clean-up requested by Tenant is not required to be performed by Landlord), then Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the substandard work or clean-up performed by Landlord's contractor or contractors, within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.**

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

7.7 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans

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and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection (provided that if such work or clean-up cannot reasonably be completed within such thirty (30) day period, then Landlord shall commence such punch-list items within such thirty (30) day period and shall diligently perform and complete such punch-list items thereafter). If Landlord fails to complete any of the punch-list items within such 30-day period (as may be extended), then Tenant, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the completion of such punch-list items within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

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

7.9 Security During Construction. Tenant, at its sole cost, shall continue to provide its onsite security patrol on Monday through Thursday from 7:00 AM through 9:00 PM and on Friday from 7:00 AM through 6:30 PM. Landlord, at their sole cost and expense, shall provide onsite security on Monday through Thursday from 12:00 AM – 7:00 AM and 9:00 PM – 12:00 AM, Friday from 12:00 AM – 7:00 AM and from 6:30 PM through 12:00 AM, and at all times on Saturday and Sunday.

8. Requests for Change. Tenant and Landlord may make changes, additions, deletions or substitutions, alterations in the Final Plans (each a "Request for Change Order") provided that the requesting party must submit a written request to the other party and that Requests for Change (Change Order) will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"), which, if approved, shall be approved within thirty (30) days of notice from the requesting party. Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant as part of the lump sum payment per Section 6.3, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Landlord shall submit to the Chief Executive Officer or his/her designee with each requested Change Order (i) the specific cost of the requested change,

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(ii) the cumulative net total cost of all Tenant requested Change Authorizations previously approved; and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, either Tenant, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors which approval shall be granted or denied within thirty (30) days of notice from the requesting party. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Within thirty (30) days following Landlord's delivery thereof to Tenant, provided that any disapproval by Tenant shall be limited to items included in the bid package which are inconsistent with the Modular Specifications. Landlord shall select the furniture vendor that (i) commits to Landlord's schedule for the construction of the Tenant Improvements, (ii) is able to provide all of the Modular Furniture included in the bid package, and (iii) offers the lowest price (after adjustment of the bids for inconsistent assumptions). Notwithstanding any contrary provision of this Section 9.1, if the Modular Furniture Costs will exceed the remaining available Landlord's TI Allowance and Tenant's TI Contribution, as reasonably determined by Landlord and Tenant, then upon written notice from Landlord (the "Excess Furniture Notice") Tenant shall revise the Modular Specifications as necessary to reduce the Modular Furniture Costs to the extent specified by Landlord, in which event the foregoing bidding process shall be repeated and the period of time following Landlord's delivery of the Excess Furniture Notice to Tenant through the date that the Modular Furniture is ordered shall be a Tenant Delay.

The Modular Furniture shall not become part of the realty or real property but shall remain personal property. Upon Tenant's payment in full of the amounts owing to Landlord under Section 6.3 above, the Modular Furniture shall constitute Tenant's personal property and shall be removable from the Premises by Tenant's creditors and their assigns during the Term of this Lease, provided that any damage occasioned by such removal shall be repaired by such creditors, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises. The foregoing provisions relating to Tenant's creditors' rights shall be binding upon the representatives, successors and assigns of the parties hereto, and shall inure to the benefit of the successors and assigns of the parties hereto.

Landlord shall provide the Modular Furniture set forth in the Modular Specifications as part of the Tenant Improvements and the design related, and purchase and installation costs therefor (the Modular Furniture Costs") shall be part of the Total TI Costs. Tenant shall repay to Landlord the Modular Furniture Costs in accordance with Section 6.3 above.

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

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

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises.

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

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

10. **Total TI Costs Adjustment and Right to Audit.** Within ninety (90) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Payments by Tenant for the Tenant's TI Contribution and/or Change Orders shall be calculated and adjusted as appropriate, based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time during the Term. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary for Landlord's review and reasonable approval. Until such time as Tenant's audit is approved by Landlord, Tenant shall continue pay Landlord based upon the amounts originally billed to Tenant for the Tenant's TI Contribution and/or Change Orders. If it is determined that Tenant has overpaid any amounts to Landlord, then Landlord shall, within thirty (30) calendar days following approval of the audit, refund to Tenant the amount of any overpayment made by Tenant and all future payments owing by Tenant to Landlord under this Work Letter shall be adjusted as appropriate based upon the agreed upon audit results.

11. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan, Low-Voltage Plans and specifications provided by Tenant at least thirty (30) calendar days prior to the Estimated Commencement Date pursuant to Section 4.3 of the Lease. Landlord agrees that the telephone equipment room(s) will be lockable.

12. **Kitchen Appliances.** In addition to the Tenant Improvements, Landlord agrees to order and install certain kitchen appliances requested by Tenant (the "**Appliance Work**") at a cost not to exceed the Kitchen Appliance Allowance set forth in Section 1.(c) above; provided, however, in no event shall the Appliance Work be deemed to be part of the Tenant Improvements or required to be completed to achieve Substantial Completion of the Tenant Improvements.

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13. **Delay.**

13.1 **Tenant Delays and Force Majeure Delays.** Except as set forth in this Section 13, no delay in the design or completion of construction of the Tenant Improvements shall be considered in the determination of the Estimated Commencement Date, the date upon which the Premises are deemed to be Substantially Complete, or the Commencement Date of the Lease and, except as set forth in this Work Letter or in the Lease, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Estimated Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals or performs acts as required herein or within the time periods required herein, or that the commencement or completion of construction of the Tenant Improvements is delayed as the result of Change Orders requested by Tenant or Department of Building and Safety changes (DBS Changes) which are related to Change Orders requested by Tenant, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed as the result of DBS Changes which are unrelated to Change Orders requested by Tenant, or by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, acts of God, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)"). In addition, the date upon which the Premises are deemed to be Substantially Complete, and the Commencement Date, shall be accelerated one (1) day for each day of Tenant Delay.

13.2 **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty-eight (48) hours Landlord has provided written notice of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction, or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord. For purposes of notices of Tenant Delays and/or Force Majeure Delays, the email addresses set forth in Section 17 below shall be used for any electronic confirmations of such notices delivered by facsimile , provided Landlord also concurrently advises the Tenant by telephone in accordance with Section 17 below.

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

(c) **Concurrent Delays.** Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

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

14. **Tenant Remedies.** Any default by Landlord under the terms of this Work Letter shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

15. **Representatives.**

15.1 **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(f) above.

15.2 **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(e) above.

16. **Intentionally Deleted.**

17. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week or biweekly, unless Landlord or Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) business days after the date the Contractor is selected. Landlord, Architect or Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) business days after the date of the construction meeting.

18. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant. Any electronic deliveries shall be delivered to Landlord at the following email addresses: dbui@majesticrealty.com and lgoldstein@majesticrealty.com (or to such other person as Landlord may designate from time to

HOA.102799113.5

LANDLORD'S WORK LETTER

Work Letter 12860 Crossroads Pkwy v4\MH\02492-018
August 12, 2024

12860 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

time), and to Tenant at the following email addresses: vhasanovic@ceo.lacounty.gov and daardema@ceo.lacounty.gov, provided that the delivering party shall also concurrently advise the receiving party by telephone of the forthcoming email at the applicable telephone number, as follows: For Landlord: David Bui at (562) 948-4388 and Louis Goldstein at (562) 576-1611. For Tenant: Vedad Hasanovic at (213) 246-9997 and Dean Aardema at (213) 893-2471.

19. **Miscellaneous**. This Landlord's Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord's Work Letter. This Landlord's Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord's Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord's Work Letter will not be effective unless and until signed and delivered by both Parties. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

[Signatures on following page]

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

LANDLORD:

RR&C DEVELOPMENT COMPANY,
a California general partnership



By: ROSKI FAMILY PARTNERSHIP, L.P.,
a California limited partnership

BY: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended, Manager

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

By: CURCI INVESTMENTS, LLC,
a California limited liability company

By: [Signature]
Thomas H. Purcell
Chairman & CEO

By: [Signature]
Its: Edward J. DiOrio
Chief Financial Officer, Secretary

Date Signed: 8-12-24

[Signatures continue on following page]

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 Building and Safety having jurisdiction and Certificate of Occupancy has been received;

(b) include mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) refurbish the toilet rooms (restrooms) using building standard materials including, but not limited to, new toilet partitions, lavatories, floor tile, counter tops, sinks, and "touchless" faucets, soap dispensers, and hand dryers, provided, however, for any other change to the toilet rooms, including, without limitation, an increase in size or additional restrooms, shall be deemed to be a Tenant Improvement and subject to the Total TI Costs, unless required to bring the toilet rooms in compliance with code. The toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, 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 (1st) 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) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;

(p) supply air or mechanical exhaust fan;

(q) floors 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;

(r) standard window coverings with the exception of any doors;

(s) roof top units and primary HVAC duct for heating (heating is for perimeter zone only) and cooling stubbed to the building core;

(t) cold air loops and hot water piping loop for heating 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) drywall 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) A third party HVAC subcontractor to certify that the HVAC system is in good operating order and meets the County's performance specifications per the Lease, airbalanced and provide an airbalance report;

(aa) Ensure that the roof and windows are watertight; and

(bb) Ensure that the elevators are in "good-working" order and Landlord shall refresh elevator interiors, i.e., new flooring, lighting and walls.

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) Ducting distribution terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture (including fixtures and equipment for the Modular Furniture per the Modular Specifications);
- (g) Distribution of electrical services, plumbing services, and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms, and extinguishers;
- (j) Additional and/or above standard electrical capacity;
- (k) Fiber optic access;
- (l) Rekeying of the Premises;
- (m) Any modifications or additions to the project scope that necessitate modifications or additions to the Landlord Base Building Improvements, resulting in additional costs to Landlord's Base Building Work, shall be considered a Tenant Improvement; and
- (n) Supplemental air units required for tenant's equipment.

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

CLUSTER AGENDA REVIEW DATE	12/18/2024	
BOARD MEETING DATE	1/14/2025	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Public Social Services	
SUBJECT	12-year Lease renewal for 34,245 square feet of office space and 137 on-site parking spaces at 12900 Crossroads Parkway S., City of Industry, 91746	
PROGRAM	DPSS Headquarters Campus	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS	Lease has been on month-to-month holdover since May 16, 2023 with no holdover fee.	
COST & FUNDING	Total cost: \$25,968,000	Funding source: The rental costs associated with the proposed lease will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action.
	TERMS (if applicable): The proposed lease will have an annual cost of \$1,131,00 but with 2 mo rent abatement will be \$942,000 for the first year, where the landlord will be responsible for all operating expenses, janitorial, repair and maintenance to the building including real estate taxes up to \$70,000 and the County will be responsible for its electric utility and any real estate taxes above \$70,000.	
	Explanation: The rental costs associated with the proposed lease will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action. Future funding for the costs associated with the proposed lease will be addressed through the annual budget process for DPSS.	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and provide continued use of office space for DPSS and maintain the DPSS' Headquarters campus (HQ) .	
BACKGROUND (include internal/external issues that may exist including any related motions)	HQ occupies five buildings within an office campus each with its own lease and expiration date. DPSS intends to have all leases expire at the same time so DPSS can retain flexibility for any future plans for consolidation and/or relocation of its HQ. All proposed leases have been negotiated and are being presented to the Board on the same meeting. DPSS has leased this subject location since 1999 as part of its HQ. The facility adequately meets the office space and parking needs of DPSS.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	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"

January 14, 2025

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:

**TWELVE-YEAR LEASE
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12900 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed 12-year lease to renew an existing lease to provide the Department of Public Social Services (DPSS) continued use of 34,245 square feet of office space and 137 on-site parking spaces as part of DPSS' headquarters.

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 RR&C/WD General Partnership, a California general partnership (Landlord), for approximately 34,245 square feet of office space and 137 on-site parking spaces located at 12900 Crossroads Parkway South, City of Industry (Premises) to be occupied by DPSS. This proposes a lease for a term of more than ten years, to wit, for a term of twelve years. The estimated maximum first year base rental cost is \$1,131,000, but with a two-month rent abatement of approximately \$189,000, will be \$942,000. The estimated total proposed lease costs, including the rent abatement, tenant improvements, low voltage, and electrical is \$25,968,000 over the twelve-year term. The rental costs will be funded

by 80.11 percent State and Federal funds and by 19.89 percent net County cost (NCC) that is already included in DPSS' existing budget. DPSS will not be requesting additional NCC for this action.

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$4,452,000 for the County's Tenant Improvement (TI) contribution, paid in lump sum.
4. Authorize the Director of DPSS, 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 \$3,330,000 if 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 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 and the option to extend at fair market value as set forth in the proposed lease.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPSS' headquarters occupies five buildings within an office campus at 12820, 12860, 12900, 12801 and 12851 Crossroads Parkway South, City of Industry (Headquarters). Each of the buildings have their own lease and each lease has a different expiration date. To ensure operational efficiencies, DPSS intends to have all leases expire around the same time so that DPSS can retain flexibility for any future plans for consolidation and/or relocation of the DPSS Headquarters.

DPSS intends to modernize and refresh the buildings located at 12820 and 12860 Crossroads Parkway South and the Premises. The TI work will be completed in several phases to minimize any impact to DPSS' operations. As TI work is performed in the Premises, DPSS will use any available workstations in one of the other buildings at Headquarters to temporarily house the displaced staff as well as implement telework where possible. All proposed leases and lease amendments have been negotiated and are being presented to the Board for approval at the same Board meeting.

DPSS has occupied the Premises since 1999. The current lease expired on May 16, 2023, and has been in holdover with no holdover fee charged by the Landlord. Programs at the Premises include the Contract Administration and Management Division, Contract Development Division, and In-Home Support Services (IHSS) Operations Administration. The Contract Administration and Management Division are tasked with overseeing DPSS' service agreements with partner agencies. IHSS provides in-home assistance to aged

and disabled individuals as an alternative to out-of-home care and enables recipients to remain in their own homes. The programs are all administrative in nature and provide support to all DPSS staff and systems. The Premises also houses a child-care center.

There are 172 staff assigned to the Premises who use 185 workstations. DPSS anticipates expanding programs and staff over the course of the proposed lease term. In the interim, DPSS will use the Premises to backfill staff that must vacate 12820 or 12860 Crossroads Parkway South due to the anticipated phased TIs that will occur at each building.

DPSS has implemented telework where possible, including both full-time and hybrid telework models depending on the requirements of the position however, some staff are required to be onsite daily to access sensitive and confidential data that cannot be accessed remotely. Additionally, the child-care center requires staff onsite to provide services to employees and the local community.

The Premises continues to meet DPSS' space and parking needs and is located in a geographically appropriate area. The site is located within a half mile of the 60 and 605 freeways and is adequately served by public transportation.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 1 – *“Make Investments That Transform Lives”* – provides that LA County is a highly responsive organization investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

The proposed lease is also consistent with the Strategic Asset Management Goal – Maximize use of County space and achieve cost savings, and Key Objective No.4 – Guide Strategic Decision Making.

The proposed lease supports the above goals and objective by providing DPSS with adequate office space and sufficient parking in centrally located facility within the DPSS Headquarters campus.

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 \$1,131,000, but with a two-month rent abatement of approximately \$189,000, will equal \$942,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease over the entire term, including rent abatement, electrical, low voltage, and TIs, is \$25,968,000, as shown in Enclosure B-1. The proposed lease costs will be funded by 80.11 percent State and Federal funds and 19.89 percent by NCC that is already included in DPSS' existing budget. DPSS will not be requesting additional NCC for this action.

DPSS will continue paying the current rent while under the existing holdover provisions until it surrenders the Premises; will pay no rent while the Premises are under construction for the proposed TIs; and upon completion of TIs and County's acceptance of the Premises, the new rent will commence at the Premises. The rental costs associated with the proposed lease will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action. 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 contains the following provisions:

- Upon commencement of the proposed lease, the annual rental rate will increase from \$28.73 per square foot, per year to \$33 per square foot, per year. Base rent is subject to annual increases based on the Consumer Price Index with a minimum of 2 percent per annum and capped at 4 percent per annum.
- The Landlord has agreed to two months of rent abatement. DPSS 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 \$5,993,000. The Landlord will provide a base TI allowance of approximately \$1,542,000 (\$45 per square foot).
- The County will reimburse the Landlord up to \$4,452,000 (\$130 per square foot) as the County's lump sum TI contribution.
- The Landlord is responsible for the operating and maintenance costs of the building, and janitorial services. The County is responsible for electric costs within the Premises. The County is not subject to the building's operating expense increases.

- There are 137 on-site parking spaces included in the base rent at no additional cost.
- Upon commencement of the proposed lease, the County will no longer be charged an operating expense rent by the Landlord.
- The County is currently responsible for reimbursing the Landlord for all real estate taxes at the Premises. Upon commencement of the proposed lease, the County will only be responsible for real estate taxes over \$70,000 per year. Historically, the building real estate taxes have not exceeded \$63,400 per year.
- A comparison of the existing lease and the proposed lease terms is shown in Enclosure B-2.
- The proposed lease is for an initial 12-year term with one 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 17 years.
- The County has the right to terminate the proposed lease early any time after the tenth year, with 180 days' prior written notice.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions. The monthly base rent during the holdover period will remain the same and subject to the regular 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 following 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 a new Headquarter space, through the Executive Office posting website and Real Estate's County website. None of the responses received were suitable for the Departments needs due to being located outside of the Department's search 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 \$31.80 and \$42 per square foot, per year. The base annual rental rate of \$33 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. Further, relocation to a new building would disrupt services and would place the DPSS administrative staff currently operating at this location too far

from the Headquarters. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

The CEO has communicated with co-working office space companies about office space for the applicable programs, and they have informed us that their co-working office space does not have available space for long term occupancy to accommodate the required space needs.

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

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

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

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

ENVIRONMENTAL DOCUMENTATION

This 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.

The Honorable Board of Supervisors
January 14, 2025
Page 7

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

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

Enclosures

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

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
12900 CROSSROADS PARKWAY S, CITY OF INDUSTRY**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions?	X		
B	Does lease co-locate with other functions to better serve clients?			X
C	Does this lease centralize business support functions?	X		
D	Does this lease meet the guideline of 200 sq. ft. of space per person? Based on 172 employees, it is 188 sq. ft. per person due to new and more efficient space reconfiguration plans.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X		
2.	<u>Capital</u>			
A.	Is it a substantial net County cost (NCC) program?		X	
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Enclosure C?	X		
G	Was build-to-suit or capital project considered? ²			X
3.	<u>Portfolio Management</u>			
A	Did department 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 with other County departments?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. ____ No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease? The County is responsible for electric costs.		X	
F	Has growth projection been considered in space request?	X		
G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As adopted by the Board of Supervisors 11/17/98				
² If not, why not?				

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

12900 Crossroads Parkway South, City of Industry
Department of Public Social Services

Basic Lease Assumptions

Leased Area (sq.ft.)	34,245				
	<table border="1"> <tr> <th>Per RSF</th> <th>Per RSF</th> </tr> <tr> <th>Per Month (\$)</th> <th>Per Year (\$)</th> </tr> </table>	Per RSF	Per RSF	Per Month (\$)	Per Year (\$)
Per RSF	Per RSF				
Per Month (\$)	Per Year (\$)				
Base Rent	\$2.75				
Term	12 years				
Annual Rent Adjustments	4.00%				
Electrical Costs	\$0.27				
	\$3.27				
	<table border="1"> <tr> <th># of Spaces</th> </tr> </table>	# of Spaces			
# of Spaces					
Parking	137				
	<table border="1"> <tr> <th>Lump Sum</th> </tr> </table>	Lump Sum			
Lump Sum					
Tenant Improvement Costs (Reimbursable to Landlord)	\$4,451,850				
	<table border="1"> <tr> <th>Lump Sum</th> </tr> </table>	Lump Sum			
Lump Sum					
Low Voltage Costs (TESMA Labor & Materials)	\$3,330,000				

	1 st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year	11th Year	12th Year	Total 12 Years Rental Costs
Annual Base Rent Costs	\$1,131,000	\$1,177,000	\$1,225,000	\$1,274,000	\$1,325,000	\$1,378,000	\$1,434,000	\$1,492,000	\$1,552,000	\$1,615,000	\$1,680,000	\$1,748,000	\$17,031,000
Rent Abatement ⁽¹⁾	(\$189,000)												(\$189,000)
Rent Paid to Landlord	\$942,000	\$1,177,000	\$1,225,000	\$1,274,000	\$1,325,000	\$1,378,000	\$1,434,000	\$1,492,000	\$1,552,000	\$1,615,000	\$1,680,000	\$1,748,000	\$16,842,000
TI Allowance (Reimbursable)	\$4,452,000												\$4,452,000
Total Costs Paid to Landlord	\$5,394,000	\$1,177,000	\$1,225,000	\$1,274,000	\$1,325,000	\$1,378,000	\$1,434,000	\$1,492,000	\$1,552,000	\$1,615,000	\$1,680,000	\$1,748,000	\$21,294,000
Low Voltage Costs	\$3,330,000												\$3,330,000
Electrical Costs ⁽²⁾	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$1,344,000
Total Annual Lease Costs⁽³⁾	\$8,836,000	\$1,289,000	\$1,337,000	\$1,386,000	\$1,437,000	\$1,490,000	\$1,546,000	\$1,604,000	\$1,664,000	\$1,727,000	\$1,792,000	\$1,860,000	\$25,968,000

⁽¹⁾Rent Abatement is months 1 & 2 of the lease term.

⁽²⁾ Tenant pays direct to the utility provider for its electrical use. Amount is based upon the past 12-month average. Costs are subject to change.

⁽³⁾ County is also responsible for any real estate taxes above \$70K, if any.

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

COMPARISON OF THE PROPOSED LEASE AMENDMENT TO EXISTING LEASE

	Existing Lease: 12900 Crossroads Pkwy S., City of Industry	Proposed Lease: 12900 Crossroads Pkwy S., City of Industry	Change
Area (Square Feet)	34,245 sq.ft.	34,245 sq.ft.	No change.
Term (years)	7 years	12 years plus one 5-year options to renew	+5 years with one 5-year option to renew.
Annual Base Rent	\$613,000	\$942,000 ⁽¹⁾	+\$329,000
Annual Operating Expense Rent	\$308,000	\$0	-\$308,000
Real Estate Taxes	\$64,000	\$0	-\$64,000
Annual Parking Cost	No cost	No cost	No change
Total Annual Lease Costs payable to Landlord	\$985,000	\$942,000	-43,000
Operating Expense adjustment	Fixed annual increases of 3.75%	None. No longer applicable.	None. No longer applicable.
Rental rate adjustment	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI adjustments with a minimum of 2 percent and capped at 4 percent.	Annual CPI adjustments with a minimum of 2 percent and capped at 4 percent.

⁽¹⁾ Includes 2 months of rent abatement.

*Note: All numbers are rounded up.

DEPARTMENT OF PUBLIC SOCIAL SERVICES

SPACE SEARCH – 3 MILE RADIUS FROM 12900 CROSSROADS PARKWAY S.,
CITY OF INDUSTRY

PROP. ID	PROPERTY NAME	ADDRESS	OWNER-SHIP	GROSS SQFT	NET SQFT	VACANT SQFT
10324	ASSESSOR - EAST DISTRICT	1198 DURFEE AVE, South El Monte, CA 91733	Owned	10548	10021	None
B002	DPSS - Administrative Headquarters E Annex	12900 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	34245	31420	None
4533	East Services Agency - Office Building	265 Cloverleaf Dr, Baldwin Park, CA 91706	Owned	1440	1055	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	55000	41943	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	55000	41943	None
B119	Assessor - East District Office	1190 Durfee Ave, South El Monte, CA 91733	Owned	36861	35018	None
10430	RR/CC - Crossroads Parkway Office	13401 Crossroads Parkway, City of Industry 91746	Leased	57905	55010	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	1230	1230	None
A507	DPSS - Administrative Headquarters W Annex	12820 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	33331	28331	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	8124	5547	None
A507	DPSS - Administrative Headquarters W Annex	12820 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	33331	28331	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	1250	840	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	5544	3785	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	2516	1718	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Department of Public Social Services – 12900 Crossroads Parkway South, City of Industry – First District.

A. Establish Service Function Category – Headquarters

B. Determination of the Service Area – The proposed lease will provide DPSS with adequate office space for its Headquarters.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continued need for operation within Service Area 3.
- Need for proximity to existing County facilities: All within the same business campus so DPSS can use as its Headquarters
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., Metro bus route 270 and Foothill Transit route 274.
- 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.
- Compatibility with local land use plans: The City of Industry has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the entire term is \$25,968,000.

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 \$31.80 and \$42 per square foot, per year. The base annual rental rate of \$33 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. Further, relocation to a new building would disrupt services and would place the DPSS administrative staff currently operating at these two locations too far from the Headquarters. 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 172 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

**COUNTY OF LOS ANGELES - Tenant
RR&C/WD GENERAL PARTNERSHIP - Landlord**

**12900 CROSSROADS PARKWAY SOUTH,
CITY OF INDUSTRY, CALIFORNIA**

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EXHIBITS

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit C – Heating, Ventilation, and Air Conditioning Standards
- Exhibit D – Cleaning and Maintenance Schedule
- Exhibit E – Subordination, Non-disturbance and Attornment Agreement
- Exhibit F – Tenant Estoppel Certificate
- Exhibit G – Community Business Enterprise Form
- Exhibit H – Memorandum of Lease 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 RR&C/WD GENERAL PARTNERSHIP, a California general partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

(a) Landlord's Address for Notices:	RR&C/WD GENERAL PARTNERSHIP c/o Majestic Realty Co. 13191 Crossroads Parkway North 6th Floor City of Industry, California 91746 Attention: Property Manager
(b) Tenant's Address for Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate With a copy to: County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division
(c) Premises:	Approximately 34,245 rentable square feet ("RSF") at 12900 Crossroads Parkway South ("Premises"). The floor plan for the Premises is identified in the attached Exhibit A in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

(d) Building:	The Building located at 12900 Crossroads Parkway South, City of Industry, California, 91746 which is currently assessed by the County Assessor as APN 8125-059-014 with respect to the Premises (the "Property");
(e) Effective Date:	The date which the Lease has been approved by the Board of Supervisors and full execution and delivery of such Lease has occurred by both parties (Effective Date).
(f) Surrender of Premises:	When (i) the Permits (as defined in <u>Section 7.4</u> of the Work Letter) are available for pick-up by Landlord, and (ii) the second (2 nd) floor of the building leased by Tenant from an affiliate of Landlord at 12801 Crossroads Parkway South, City of Industry, California is available for Tenant to legally occupy the second (2 nd) floor, Landlord shall provide written notice to Tenant and Tenant, within thirty (30) days of receipt of such notice, shall surrender the Premises to Landlord in order to allow Landlord to commence construction of the Tenant Improvements and the Landlord Work and, upon the date of such surrender, the existing Lease No. 78493 for the Premises shall terminate and any portion of the Base Rent paid by Tenant to Landlord under the existing Lease No. 78493 that is applicable to the period following the date of termination of Lease No. 78493 shall be reimbursed to Tenant via a check within thirty (30) days of Tenant's surrender of the Premises to Landlord. Landlord shall be responsible for disposing of Tenant's existing furniture, fixtures and equipment (the "FF&E") not including any electronics. If Tenant chooses to relocate its FF&E, then any relocation costs shall be deducted from the Tenant Improvement Allowance. Landlord agrees to keep Tenant advised as to the status of and anticipated timing for issuance of the Permits in coordination with Tenant's assigned Chief Executive Office (CEO) Project Manager.

(g) Term:	Twelve (12) years following the first (1 st) day of the month following thirty (30) days after Substantial Completion of the Tenant Improvements and the Landlord's Work, delivery of Premises to Tenant, and Tenant Acceptance of Premises, as defined in <u>Section 4</u> (the "Commencement Date") and terminating at midnight on the day before the twelfth (12 th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
(h) Estimated Commencement Date:	Ten (10) months from the date following Tenant's written approval of the Final TI Cost Summary for the Premises.
(i) Irrevocable Offer Expiration Date: (see <u>Section 33</u>)	February 28, 2025
(j) Base Rent:	\$2.75 per rentable square foot per month (i.e., \$94,173.75 per month or \$1,130,085.00 per year and adjusted annually as referenced in <u>Section 5.2</u> below).
(k) Early Termination (see <u>Section 4.4</u>)	Tenant will have a right to terminate the Lease for any reason any time following the 10 th anniversary of the Commencement Date. Such right may be exercised by Tenant subject to one hundred eighty (180) days' written notice to Landlord.
(l) Rentable Square Feet in the Premises:	34,245 rentable square feet
(m) Initial Departmental Use:	Department of Public Social Services administrative office, warehouse, public facing uses and for any other lawful use, subject to <u>Section 6</u> .

(n) Parking Spaces:	137 parking spaces (3.99 parking spaces per 1,000 RSF) at no charge to Tenant, subject to adjustment based on ADA, as part of the construction permit process and/or any other Tenant design requirements.
(o) Tenant's Hours of Operation:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays.
(p) Asbestos Report:	A report dated December 20, 2007 prepared by SCS Engineers, a licensed California Asbestos contractor.
(q) Seismic Report	A report dated March 2, 2011 prepared by NOVA Consulting.
(r) Disabled Access Survey	A report dated April 13, 2023 prepared by Commerce Construction Co., L.P.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$1,541,025.00 (\$45.00 per RSF of the Premises)
(b) Tenant's TI Contribution: (See <u>Section 6.3</u>)	\$4,451,850.00 (\$130.00 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) Kitchen Appliance Allowance:	Up to a maximum of \$8,000.00
(f) Tenant's Work Letter Representative:	An assigned staff person of the Chief Executive Office-Real Estate Division
(g) Landlord's Work Letter Representative:	An assigned staff person of the Landlord
(h) Landlord's Address for Work Letter Notices:	RR&C/WD General Partnership c/o Majestic Realty Co. 13191 Crossroads Parkway North

	6th Floor City of Industry, California 91746 Attention: Property Manager
(i) Tenant's Address for Work Letter Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate
1.3 <u>Exhibits to Lease</u>	Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - HVAC Standards Exhibit D - Cleaning and Maintenance Schedule Exhibit E - Subordination, Non-Disturbance and Attornment Agreement Exhibit F - Tenant Estoppel Certificate Exhibit G - Community Business Enterprise Form Exhibit H - Memorandum of Lease Terms Exhibit I - Landlord's Work Letter

2. LEASE OF PREMISES

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

3. COMMON AREAS

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

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

The Term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are Substantially Complete in accordance with the Landlord's Work Letter executed concurrently

herewith and attached hereto as Exhibit I and incorporated herein by reference, Tenant has inspected the Premises and Tenant has accepted the Tenant Improvements and the Premises in writing. The terms "Substantial Completion" or "Substantially Complete" as used in this Lease shall mean compliance with all of the following:

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

4.2 Termination Right

If the Commencement Date has not occurred within six (6) months after the Estimated Commencement Date (the "Outside Date"), subject to Tenant Delays or Force Majeure Delays (as defined in Section 13.1 of the Landlord's Work Letter), then Tenant may, within ten (10) business days of the Outside Date, terminate this Lease effective upon the giving of written notice (the "Termination Notice"), as extended for Tenant Delays and Force Majeure Delays. In the event that Tenant properly and timely elects to terminate this Lease in accordance with this Section 4.2, then this Lease shall automatically terminate and be of no further force or effect as of the Outside Date, and the parties shall thereafter be released from their respective obligations under this Lease, except with respect to any obligations which expressly survive the expiration or earlier termination of this Lease. Tenant's termination right as set forth in this Section 4.2 shall be Tenant's sole and exclusive remedy for Landlord's failure to cause the Commencement Date to occur by the Outside Date. Tenant's rights under this Section 4.2 shall be personal to the Tenant named herein and may only be exercised by the Tenant named herein (and not any other assignee, or any sublessee or other transferee of Tenant's interest in this Lease). In addition, Tenant's rights under this Section 4.2 may only be exercised by the Tenant named herein if it is not then in default under this Lease.

4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures,

and equipment in the Premises. Such early entry shall be subject to all provisions hereof, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period.

4.4 Early Termination

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

4.5 Lease Expiration Notice

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

5. RENT

5.1 Base Rent

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

5.2. Base Rent Adjustments

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

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim area, all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent for the first full month after the Commencement Date multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month in which the adjustment is to be effective (the "New Index"), and the denominator being the Base Index. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall

be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

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

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

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an increase no less than two percent (2%) and no greater than four percent (4%) 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 (1st) and second (2nd) months of the Term shall be abated. Upon written notice to Landlord prior to the Commencement Date, Tenant shall have the option to convert all or any portion of its rental abatement toward an increase in the Landlord's TI Allowance.

5.4 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 Los Angeles County Auditor-Controller (the "A-C").

Subject to Section 5.1, 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.

6. USES

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

7. HOLDOVER

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

8. COMPLIANCE WITH LAW

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

9. DAMAGE OR DESTRUCTION

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than two hundred forty (240) days after the date of such damage (the "Repair Period"), then Landlord shall, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the

provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

9.2 Tenant and Landlord Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, then Landlord or its agents shall, within thirty (30) days of the date of such damage, provide written notice to Tenant of Landlord's good faith estimate of the time period required to complete the work (the "Repair Notice") of the Premises to restore the Premises to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty. In the event the Repair Notice indicates the repair work will exceed two hundred forty (240) days from the date of damage occurred (the "Repair Period"), then Tenant may terminate this Lease by giving written notice of such termination to Landlord within ten (10) days after the date of the Repair Notice; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages. In the event the insurance proceeds are not available to repair the damages, Landlord will provide written notice of such to Tenant (the "Overage Notification") together with reasonable documentation evidencing the amount (the "Overage") by which the insurance proceeds required of Landlord pursuant to Section 20 of this Lease will not fully cover such repairs and Tenant shall have the right by written notice to Landlord sent within thirty (30) days of the date of the Overage Notification (the "Overage Payment Notification") to advise Landlord whether or not Tenant will fund the Overage. In the event Tenant either (i) elects not to fund the Overage or (ii) does not timely provide the Overage Payment Notification then, in either event, Landlord shall have the right, by written notice to Tenant sent within ten (10) days of receipt of the Overage Notification, to terminate this Lease. In the event it is determined that insurance proceeds are available to repair the damages, but Landlord will not receive the proceeds within thirty (30) days of such determination, Landlord will provide written notice of such to Tenant (the "Proceeds Notification") together with anticipated time it will take for Landlord to receive the insurance proceeds and the anticipated construction cost to complete the repairs (the "Repair Cost"). Tenant shall have the right by written notice to Landlord sent within ten (10) days of the date of the Proceeds Notification (the "Funding Notification") to advance the funds for Landlord to commence construction of the repairs. In the event Tenant timely sends the Funding Notification, Tenant shall advance sufficient funds for Landlord to commence construction by payment of such funds to Landlord (the "Funding Amount") and, upon receipt of the insurance proceeds, Landlord agrees to reimburse Tenant the Funding Amount advanced to Landlord. In the event Landlord fails to complete repair of the damage within six (6) months of the Repair Period, as extended for Tenant Delays and Force Majeure Delays, then Tenant shall have the right to terminate this Lease upon thirty (30) days' prior written notice to Landlord (the "Notice Period"), provided, however, in the event Landlord substantially completes such repairs prior to expiration of the Notice Period, Tenant's termination shall be null and void this Lease shall remain in full force and effect. If this Lease is timely terminated, then (i) this Lease shall automatically terminate and be of no further force or effect as of the expiration of such thirty (30) day period, as extended for Tenant Delays and Force Majeure

Delays, and the parties shall thereafter be released from their respective obligations under this Lease, except with respect to any obligations which expressly survive the expiration or earlier termination of this Lease; and (ii) in the event any portion of Tenant's TI Contribution remains unpaid by Tenant in accordance with Section 6.4 of Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference after the application of any insurance proceeds received by Landlord for reimbursement of the cost of any Tenant Improvements paid with Tenant's TI Contribution, Tenant shall be obligated to pay Landlord such unamortized portion of the remaining Tenant's TI Contribution due within thirty (30) days of the termination date of this Lease.

9.3 Damage In Last Year

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

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

9.4 Default By Landlord

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

- (a) Declare a default hereunder, or
- (b) Exercise the Tenant's Right to Repair as set forth in Section 10.4 below.

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- (a) To its best knowledge without duty to investigation or research, and except as set forth in the Asbestos Report, Seismic Report and/or Disabled Access Survey, Landlord represents to Tenant that, as of the Commencement Date:
 - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the

Americans With Disabilities Act, and are in good working order and condition;

- ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
- iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
- iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.

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

(c) CASp Inspection:

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

[Check the appropriate box]

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

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

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

- (d) The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease or Landlord's Work Letter. Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 10.1.

10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair and promptly make repairs to and perform maintenance upon and replace as needed:
- i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
 - iii. the Common Areas;
 - iv. exterior windows of the Building; and
 - v. elevators serving the Building.
- (b) Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to, or replacements of:
- i. the floor covering (if such floor covering is carpeting it shall be replaced as needed, but not less often than after five (5) years of use);

- ii. interior partitions;
 - iii. doors, door frames and hardware;
 - iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years);
 - v. signage;
 - vi. emergency exit signage and battery replacement; and
 - vii. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.
- (d) Notwithstanding the above, Landlord shall have no responsibility or obligation to maintain, repair and/or replace any of Tenant's appliances used at the Premises.

10.3 Tenant Obligations

Notwithstanding Landlord's repair and maintenance obligations, and subject to Section 20.4 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, 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 Landlord fails to undertake and complete the work within the Premises that this Lease requires of Landlord under Section 10 above, following 10 days' prior written notice from Tenant, or such longer period if Landlord promptly begins and is diligently prosecuting such work completes the work requiring more than 10 days to complete, or following shorter, reasonable advance oral or written notice if emergency repairs are needed within the Premises to avoid imminent loss of life, property or injury to person(s) or the complete disruption of Tenant's business, then Tenant, may perform such work within the Premises; provided, however, if Landlord notifies Tenant in writing that such work is not Landlord's responsibility under this Lease, then Tenant shall have no right to perform such work under this Section 10.4(a).

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

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

11. SERVICES AND UTILITIES

11.1 Services

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

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other buildings of similar size, age and class and not less than the standard set forth in Exhibit C attached hereto. In addition, Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical rooms housing Tenant's computer servers and related equipment.

- (b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Tenant shall be solely responsible for electricity costs and pay the utility company directly, effective upon the Commencement Date. Landlord shall be responsible for paying electrical costs directly to the utility company at their sole cost and

expense during construction of the Tenant Improvements and the Landlord Work.

(c) Elevators

Subject to Landlord's maintenance and repair obligations set forth in Section 10.2(a) and except as set forth in the Work Letter, elevators for the Premises shall be delivered in their as-is condition. Tenant shall have the right to use the elevators seven (7) days a week, twenty-four (24) hours per day.

(d) Water

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

(e) Janitorial

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

(f) Access

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

(g) Pest Control

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

11.2 Utilities

Landlord agrees to pay when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, gas, heating and common area lighting (other than electricity for such common area lighting, which is at Tenant's sole cost and expense in accordance with Section 11.1(b)), trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10)

calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord. Tenant agrees to pay, at its sole cost, when due, all charges for the use of electricity at the Premises, the Building and the Common Areas from and after the Commencement Date. Any additional lighting that Landlord elects to install in the Common Areas during the Term which would cause an increase of electricity cost to Tenant shall be subject to Tenant's prior reasonable consent, which consent shall not be unreasonably withheld, conditioned or delayed.

12. TAXES

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

Tenant shall reimburse Landlord as additional rent, all Property Taxes exceeding \$70,000.00 per annum (Expense Stop). All Property Taxes due hereunder from Tenant to Landlord shall be paid within 60 days following Tenant's receipt of Landlord's claim therefor, provided that Landlord presents to Tenant proof of payment together with the claim for reimbursement.

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

13. LANDLORD ACCESS

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

14. TENANT DEFAULT

14.1 Default

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

- (a) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent

an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;

- (b) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure, within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

14.2 Remedies Upon Default by Tenant

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

- (a) Terminate this Lease, in which event Tenant shall within 90 days following the issuance of a judgment against Tenant for unlawful detainer, surrender the Premises to Landlord (provided that if the Lease has previously been assigned by the County of Los Angeles to a third party, then Tenant shall instead be required to immediately surrender the Premises to Landlord), and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:
 - (i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus
 - (ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
 - (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
 - (iv) The term "rent" as used in this Section 14.2(a) shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 14.2(a)(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the current interest rate. As used in Section 14.2(a)(iii), above, the "worth at the time of award" shall be computed by discounting such

amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(v) In the event that the Lease has previously been assigned by the County of Los Angeles to a third party, then in addition to the foregoing, Landlord may also recover the following from such assignee (but not from the Tenant originally named in this Lease): Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

(b) Landlord shall have the remedy described in California Civil Code Section 1951.4 (landlord may continue lease in effect after tenant's breach and abandonment and recover rent as it becomes due, if tenant has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

14.3 No Effect on Indemnity

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

15. LANDLORD DEFAULT

15.1 Remedies

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

of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

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

15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work (except to the extent expressly set forth in this Lease as Tenant's obligation).

15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any Landlord Default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. In such cases, Tenant may perform the necessary work through its Internal Services Department and thereafter Tenant shall then be entitled to prompt reimbursement by Landlord of Tenant's reasonable out-of-pocket costs incurred in performing such work required of Landlord. Tenant shall provide Landlord with an invoice, including a reasonably particularized breakdown and explanation, of such costs. If Landlord does not object to Tenant in writing within ten (10) business days after receiving Tenant's invoice and explanation, Landlord shall pay such invoiced costs promptly. If, however, Landlord does timely object to such invoice, setting forth with reasonable particularity the reasons Landlord

contends that the Lease does not require such work of Landlord, then Tenant may continue to claim a Landlord default under the Lease per Section 15.1.

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

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

16.2 Sale

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

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

- (a) A letter from the Landlord confirming that the Property was transferred to the new owner, along with written evidence of the transfer of the Property (e.g., a recorded deed).
- (b) A signed letter from the new owner including the following information:
 - i. Name and address of new owner or other party to whom Base Rent should be paid
 - ii. Federal tax ID number for new owner
 - iii. Name of contact person and contact information (including phone number) for new owner
 - iv. Proof of insurance
 - v. an acknowledgement from the new owner that it will take Tenant thirty (30) days to complete paperwork to transfer its accounts payable records from paying Rent to the Landlord to paying Rent to the new owner

- (c) A W-9 form for new owner.

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

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

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

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

17.2 End of Term

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

18. CONDEMNATION

18.1 Controlling Terms

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

18.2 Total Taking

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

18.3 Partial Taking

If more than ten percent (10%), but not all, of the rentable/ gross square feet of the Premises is taken by Condemnation, or if access to the Premises is substantially impaired by Condemnation, in each case for a period in excess of 180 days, Tenant shall have the option to terminate this Lease effective as of the Date of Taking. Notwithstanding anything to the contrary contained in this Section 18, in the event of a temporary taking of all or any portion of the Premises for a period of 180 days or less, then Tenant may not terminate this Lease but the Base Rent shall be equitably abated for the period of such taking. Landlord shall be entitled to receive the entire "Award," as that term is defined in Section 18.5 below, made in connection with any such temporary taking. If Tenant elects to exercise its right to terminate the Lease hereunder then it shall give notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination that Tenant has designated. If neither party elects to terminate this Lease pursuant to its rights under this Section 18 then all provisions of this Lease shall remain in effect, except that Base Rent shall be equitably abated.

18.4 Restoration

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

18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant in accordance with this Section 18.5. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises. Landlord shall be entitled to receive the entire award or payment in connection with any Condemnation, except that Tenant shall have the right to make a separate claim in the Condemnation proceeding for the following provided the same do not reduce the amount of the Award payable to Landlord and such claim is payable separately to Tenant: (1) the taking of the unamortized or undepreciated value of any leasehold improvements of any tenant improvements paid for by the Tenant that were not reimbursed by the Landlord; (2) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if Condemnor approves of the removal); (3) loss of goodwill; (4) relocation costs under California Government Code §7262, the

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

18.6 Waiver of Statute

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

19. INDEMNIFICATION

19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from the active negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Landlord's breach or default under this Lease. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from the use and occupancy of the Premises, Building or Common Areas by Tenant, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Tenant's breach or default under this Lease. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

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

20.1 Intentionally Deleted

20.2 General Insurance Provisions – Landlord Requirements

Without limiting either party's indemnification of the other and during the Term of this Lease, and until all of its obligations pursuant to this Lease have been met,

Landlord and Tenant shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Landlord and Tenant pursuant to this Lease. Neither Landlord nor Tenant in any way warrants that the Required Insurance is sufficient to protect the other party for liabilities which may arise from or relate to this Lease.

(a) Evidence of Coverage and Notice to Tenant

- i. Certificate(s) of insurance coverage ("Certificate") reasonably satisfactory to Tenant and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) have been given additional insured status under the Landlord's General Liability policy to the extent required pursuant to Section 20.2(b), shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than ten (10) days prior to Landlord's policy expiration dates.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, the amounts of any policy deductibles or self-insured retentions exceeding Twenty-Five Thousand Dollars (\$25,000.00) and list any Tenant required endorsement forms.
- iv. Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- v. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

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

Landlord and Tenant also shall each use good faith efforts to notify the other of any third party claim or suit filed against Landlord or Tenant, as applicable, which arises from or relates to this Lease, and could result in the filing of a claim or lawsuit against Landlord and/or Tenant.

(b) Additional Insured Status and Scope of Coverage

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

(c) Cancellation of or Material Changes in Insurance

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

(d) Failure to Maintain Insurance

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

(e) Insurer Financial Ratings

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

(f) Primary Insurance

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

(g) Waiver of Subrogation

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

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

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

(i) Claims Made Coverage

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

(j) Application of Excess Liability Coverage

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

(k) Separation of Insureds

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

20.3 Insurance Coverage Types And Limits

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

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

General Aggregate:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 5 million

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

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

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

- (a) Commercial General Liability Insurance covering the Common Areas, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and Tenant's Agents as an additional insured to the extent required in Section 20.2(b), with limits of not less than:

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

- (b) Commercial Property Insurance. Such insurance shall:
 - i. cover damage to Landlord's property, including improvements and betterments installed and owned by Landlord to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), from perils covered by a special form all risk or a special causes of loss form (Accord 24 or its equivalent), and include ordinance or law coverage, and.
 - ii. be written for full replacement cost of the Property, with a deductible of no greater than \$250,000 or five percent (5%), whichever is less, of the Property value. Insurance proceeds shall be payable to Landlord, and
 - iii. include the Modular Furniture installed in the Property to the extent owned by Landlord.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times.

Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, at its sole expense, shall provide Tenant with at least one (1) parking access card or key fob for each reserved or unreserved parking space set forth in Section 1.1, if applicable.

21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason other than Tenant's and/or Tenant's employees, agents or contractors gross negligence or willful misconduct, subject to adjustment based on site plan and permit requirements from Building Department (which shall not be a breach by Landlord of this Section 21), more than 10% of the parking spaces required above are not available to Tenant (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation), then Tenant shall have one of these remedies, available in the following priority, upon thirty (30) days' written notice to Landlord:

- (a) Landlord shall provide Tenant an alternative parking space in the parking lot of Landlord's property adjacent to the Building; or
- (b) Landlord shall provide Tenant with a valet service to accommodate additional parking within the parking lot (i.e., tandem parking); or
- (c) If such alternative parking spaces are not available in accordance with subsection 21.2(i), Landlord shall provide Tenant other reasonably comparable parking spaces with shuttle bus service from parking spaces that are located more than one-quarter (1/4) mile away from the Premises.

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity,

phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

22.2 Landlord Indemnity

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

23. ESTOPPEL CERTIFICATES

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

24. TENANT IMPROVEMENTS

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

25. LIENS

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder. Each party hereby indemnifies, defends and holds the other party harmless from any liability or loss (including reasonable attorneys' fees and costs) from any such lien it causes or allows to attach to its interest in this Lease or the Premises.

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto signed by Tenant and delivered to Landlord concurrently herewith, within 30 days after the execution of this Lease.

26.3 Notice of Default

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

27. SURRENDER OF POSSESSION

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

28. SIGNAGE

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

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 market based commission or fees in respect of the negotiation, execution or delivery of this Lease other than Cushman & Wakefield U.S., Inc. ("Cushman") representing Tenant and Majestic Realty Co. ("MRC") representing Landlord and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any market based commissions (the "Commission") due shall be pursuant to a separate commission agreement between MRC and Cushman. Tenant acknowledges that the payment of such Commission shall not be deemed to be a violation of Section 32.2.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

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

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Exhibit H attached hereto, which

Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30.13 Counterparts; Electronic Signatures

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

30.14 Landlord Exculpation

Tenant agrees to look solely to Landlord's, its partners, subpartners, and their respective officers, agents, servants, employees, and independent contractors (the "Landlord Parties") interest in the Property and the rents, profits and insurance, condemnation and other proceeds from the Premises for the satisfaction of any judgment (or any other obligation of Landlord to Tenant) and no other property or assets of the Landlord Parties shall be subject to levy, execution, or other judicial procedures for satisfaction of such judgment or other obligations. Tenant shall not seek recourse against the Landlord Parties or any of their personal assets for satisfaction of any liability with respect to this Lease. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 30.14 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Notwithstanding any contrary provision herein,

neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. Notwithstanding anything contained in this Lease to the contrary, in no event shall Landlord or the Landlord Parties ever be liable pursuant to this Lease for incidental damages, lost profits or consequential, speculative or punitive damages.

30.15 Force Majeure

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to rent and other charges to be paid by Tenant pursuant to this Lease (collectively, a "Force Majeure"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Notwithstanding the foregoing, for any Force Majeure delay(s), other than a Force Majeure Delay(s) causing a delay to the Outside Date (as defined in Section 4.2) that shall not be subject to the following time limitation, the Force Majeure delay shall not continue for a period of more than six (6) months in any twelve (12) month period.

30.16 Independent Covenants

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

31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant

hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

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

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

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

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

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

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

33. IRREVOCABLE OFFER

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

34. 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 "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, and
 - (ii) after Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the option to renew, by giving written notice of its election to exercise such option. It is understood that Tenant will not exercise its option until after the Board of Supervisors has approved doing so, which will not be prior to the determination of the Market Rental Value, as provided below. If the Board of Supervisors has not approved the exercise of such option prior to ninety (90) days after the expiration of the Term of this Lease as then in effect (i.e. by the 90th day of the holdover period) then the applicable option and any succeeding option shall automatically be null and void, and of no further force or effect. On the other hand, if the Board of Supervisors approves Tenant's exercise of any option granted pursuant to this Section 36, such option will then be deemed effectively exercised. Tenant's options to renew this Lease are personal to (and may only be exercised by) the Tenant originally named in this Lease (and not any assignee, subtenant, or other transferee), and may only be exercised if Tenant is not then subleasing any part of the Premises.
- (c) Terms and Conditions of the Extension Terms. The Extension Terms shall be on all the terms and conditions of this Lease, except that the Base Rent during Extension Terms shall be equal to the Market Rental Value for the Premises as of the commencement of the applicable Extension Term ("Adjusted Market Rental Value") to be determined as set forth below, including, but not limited to, the comparable rental rate, escalation, abatement, tenant improvements and any other tenant inducements then being offered to a ready and willing tenant in comparable buildings within a 10-mile radius to the Building, with no floor or base.
- (d) Agreement on Base Rent. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent during the applicable Extension Term. Base Rent during the Extension Term(s) shall be the Adjusted Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its first and second options to extend, respectively. There shall be no minimum or maximum rental rate.
- (e) Market Rental Value. The term "Market Rental Value" shall be the rental rate including escalations, that a ready and willing tenant would pay, as of the applicable Option Rental Adjustment Date, and a ready and willing landlord of property comparable Premises would accept, as monthly rent if such property were exposed for lease on the open market for a reasonable period of time and taking into account all of the purposes for which such property may be used at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "comparable Premises" shall mean premises in a Building similar in size and location to the Building, excluding any improvements installed by Tenant in the Building.

- (f) Opinions. Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) days after Landlord's receipt of the Notice of Intent, and Tenant shall respond thereto within ten (10) days thereafter by either (a) accepting Landlord's opinion of Market Rental Value (in which case, such Market Rental Value shall be used to determine Base Rent during the Extension Term) or (b) submitting Tenant's opinion of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) days thereafter, then Landlord and Tenant within five (5) days shall each submit to each other their final written statement of Market Rental Value ("Final Statement"). Within ten (10) days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Landlord and Tenant agree, a certified property manager with ten (10) years' experience) who will determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant or Landlord may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Market Rental Value used in determining Base Rent during the Extension Term. The fees and expenses of the appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or selected pursuant to this Section shall have at least ten (10) years' experience appraising commercial properties in Los Angeles County.
- (g) Amendment of Lease. Immediately after the Board of Supervisors approves the exercise of any option granted pursuant to this Section 34, and such option is exercised, Landlord and Tenant shall execute an amendment to this Lease setting forth the new Base Rent in effect.

[Signatures on following page]

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

LANDLORD:

RR&C/WD GENERAL PARTNERSHIP,
a California general partnership

BY: RR&C DEVELOPMENT COMPANY,
a California general partnership
its: General Partner



BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Roski Marital Trust UID 11/1/1987,
as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: [Signature]
Thomas H. Purcell
Chairman & CEO

ITS: [Signature]
BY: [Signature]
Edward J. DiOrio
ITS: Chief Financial Officer, Secretary

BY: WD ASSOCIATES,
a California general partnership
Its: General Partner

By: [Signature]
Linda Lee Heil, Trustee of the 1994
Dan W. Heil and Linda Lee Heil
Revocable Trust dated September 13, 1994
Its: Managing General Partner

[Signatures continue on following page]

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: 
Senior Deputy

EXHIBIT A
FLOOR PLAN
FIRST FLOOR



CONSULTANT:
 ARCHITECT OF RECORD:
 PROFESSIONAL STAMP:
 DISCUSSION: (When so directed, furnish to the architect a copy of all drawings, specifications, and all other data required for the construction of the work. The architect will not be held responsible for any errors or omissions in any drawings, specifications, or other data furnished by the contractor.)
 CONTRACTOR SHALL BUILD ONLY FROM SETS CHANGED TO CONSTRUCTION SET-UP SHEETS.
 ISSUED FOR: _____ ISSUE DATE: _____
 REVISION ISSUES: _____ DATE: _____

FIRST FLOOR PROPOSED FLOOR PLAN SCALE 1/32"=1'-0"

<p>GENERAL NOTES:</p> <ol style="list-style-type: none"> 1. NEW CARPET THROUGH ENTIRE WORK AREA AND WHERE NOTED. 2. NEW VINYL TILE AT ALL STOOK ROOM, STORAGE ROOM, AND BREAK AREAS 3. NEW FURNITURE SYSTEM. G.C. TO PROVIDE RIGID CONDUITS FOR POWER AND DATA PER OPGS REQUIREMENTS, WHERE REQUIRED. 4. FREE STANDING FURNITURE. G.C. TO PROVIDE POWER & DATA THROUGH FLOOR BOXES PER OPGS REQUIREMENTS AND WHERE REQUIRED. 5. NEW CERAMIC TILE FLOORING, NEW CERAMIC WALL TILE, NEW HPV PARTITIONS WITH NEW HARDWARE, NEW PLUMBING FIXTURES ALONG WITH ALL ASSOCIATED RESTROOM ACCESSORIES. 6. NEW BREAK AREA CABINETRY WITH SINK ALONG WITH ALL ASSOCIATED PLUMBING REQUIREMENTS. 7. NEW 48" TALL WALL PARTITION. 	<p>REFERENCE NOTES:</p> <ol style="list-style-type: none"> 8. NEW FULL HT. POWER/DATA WALL 9. NEW ON TO IN ROLLER SHADES AT ALL PERIMETER WINDOWS & EXISTING DOOR Sidelights. COORDINATE TYPE W OPGS. 10. NEW CEILING GRID WITH A.C. TILE THROUGHOUT TYP & WHERE NOTED. 11. NEW LED CEILING LIGHTS THROUGHOUT. REFER TO ENGINEER DRAWINGS. 12. NEW GLASS DOOR W/ NEW GLASS WALL. 	<p>LEGEND:</p> <p>————— EXISTING WALL TO REMAIN - G.C. TO PATCH AND PAINT ALL EXISTING WALLS - LEVEL 4 FINISH</p> <p>————— NEW WALL CONSTRUCT. (G.C. TO BRING ALL NEW WALLS TO LEVEL 5 FINISH)</p> <p>⊙ REFERENCE NOTE. REFER TO REFERENCE NOTES FOR FURTHER INFORMATION.</p>
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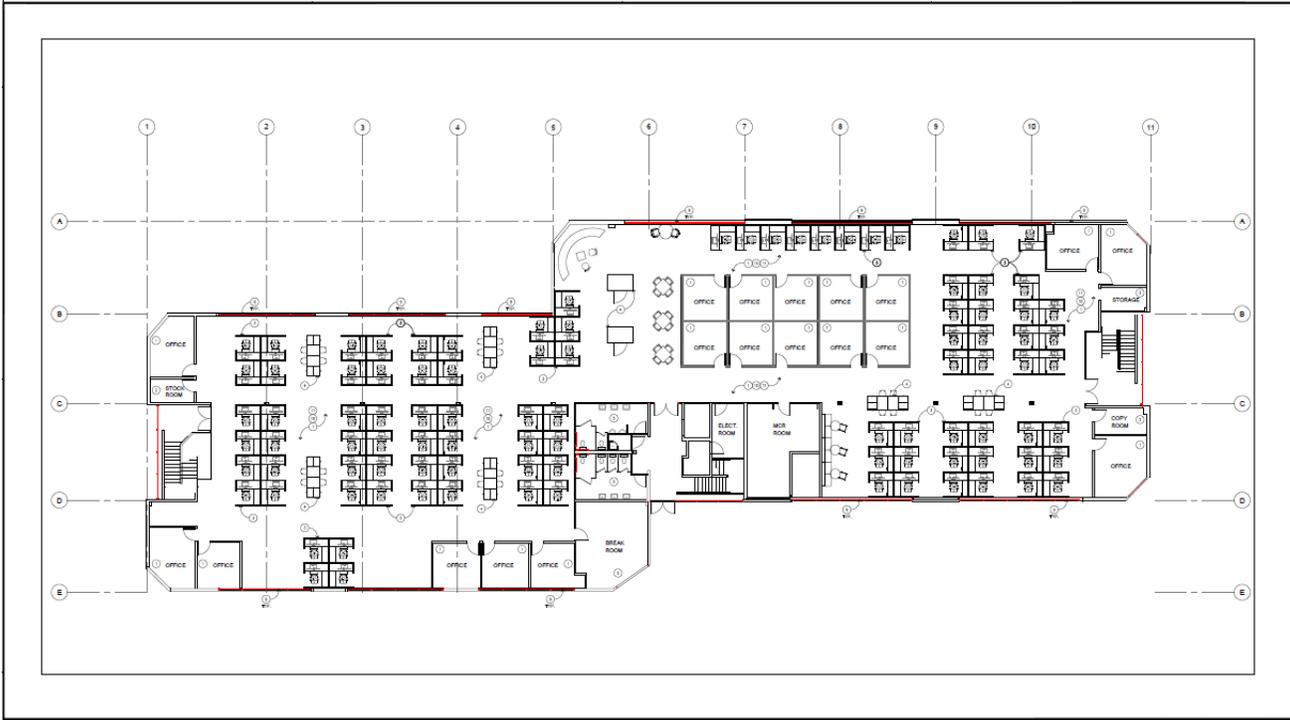
PROJECT NUMBER: **230201**

Drawn By:	Rev. Name:
Checked By:	1/1/2024
Project No.:	Scale:
	1/32"=1'-0"

The: **EAST BUILDING - FIRST FLOOR PROPOSED FLOOR PLAN**

Sheet No: **EAST -1B**

FLOOR PLAN SECOND FLOOR



CONSULTANT:

ARCHITECT OF RECORD:

PROFESSIONAL STAMP:

DISCLOSURE:
All information shown is described herein is the property of the County of Los Angeles and shall not be used, copied, or reproduced in any form without the express written consent of the County of Los Angeles.

CONTRACTOR SHALL SUBMIT ALL FROM ITEMS STAMPED "CONSTRUCTION SET-LEGEND"

ISSUE FOR: _____ DATE: _____

REVISION ISSUES: _____ DATE: _____

SECOND FLOOR PROPOSED FLOOR PLAN

SCALE 3/32"=1'-0" 1

<p>GENERAL NOTES:</p>	<p>REFERENCE NOTES:</p> <ol style="list-style-type: none"> 1. NEW CARPET THROUGH ENTIRE WORK AREA AND WHERE NOTED. 2. NEW VINYL TILE AT ALL STOCK ROOMS, STORAGE ROOMS, AND BREAK AREAS. 3. NEW FURNITURE SYSTEM. G.C. TO PROVIDE RIGID CONDUITS FOR POWER AND DATA PER DPSS REQUIREMENTS, WHERE REQUIRED. 4. FREE STANDING FURNITURE. G.C. TO PROVIDE POWER & DATA THROUGH FLOOR BOXES PER DPSS REQUIREMENTS AND WHERE REQUIRED. 5. NEW CERAMIC TILE FLOORING, NEW CERAMIC WALL TILE, NEW HPL PARTITIONS WITH NEW HARDWARE, NEW PLUMBING FITURES ALONG WITH ALL ASSOCIATED RESTROOM ACCESSORIES. 6. NEW BREAK AREA CABINETRY WITH SINK ALONG WITH ALL ASSOCIATED PLUMBING REQUIREMENTS. 7. NEW 48" TALL WALL PARTITION. 8. NEW FULL HT. POWER/DATA WALL. 9. NEW ON TO IN ROLLER SHADES AT ALL PERIMETER WINDOWS & EXISTING DOOR SIDELIGHTS. COORDINATE TYPE W/ DPSS. 10. NEW CEILING GRID WITH A.C. TILE THROUGHOUT TYP. & WHERE NOTED. 11. NEW LED CEILING LIGHTS THROUGHOUT. REFER TO ENGINEER DRAWINGS. 12. NEW GLASS DOOR W/ NEW GLASS WALL. 	<p>LEGEND:</p> <p>— EXISTING WALL TO REMAIN - (G.C. TO PATCH AND PAINT ALL EXISTING WALLS - LEVEL 4 FINISH)</p> <p>— NEW WALL CONSTRUCT - G.C. TO BRING ALL NEW WALLS TO LEVEL 5 FINISH.</p> <p>⊙ REFERENCE NOTE. REFER TO REFERENCE NOTES FOR FURTHER INFORMATION.</p>
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PROJECT NUMBER: 230201	
Drawn By:	File Name:
Checked By:	LT Scale:
Project Map:	Scale:
	3/32"=1'-0"
Title:	
EAST BUILDING - SECOND FLOOR PROPOSED FLOOR PLAN	
Sheet No.:	
EAST -2B	

EXHIBIT B

**COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS**

Reference is made to that certain Lease Agreement ("Lease") dated _____, 20__, between County of Los Angeles, a body corporate and politic ("Tenant"), and RR&C/WD General partnership, a California general partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 12900 Crossroads Parkway South, City of Industry, California, 91746,

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____;
- 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:

**COUNTY OF LOS ANGELES,
a body corporate and politic**

By: _____
Name _____
Its _____

[Signatures continue on following page]

Landlord:

**RR&C/WD GENERAL PARTNERSHIP,
a California general partnership**

BY: RR&C DEVELOPMENT COMPANY,
a California general partnership
its: General Partner

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Roski Marital Trust UID 11/1/1987,
as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: _____

ITS: _____

BY: _____

ITS: _____

EXHIBIT C

HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Tenant's Hours of Operation established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. 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. Day porter service from 8:30 a.m. to 4:30 p.m., which day porter service shall be shared between the Premises and Tenant's leased property at 12820 and 12860 Crossroads Parkway South, City of Industry, California.

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

D. QUARTERLY

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

E. SEMI-ANNUALLY

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

F. ANNUALLY

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

G. AS NEEDED

33. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
34. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
35. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.

36. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
- 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 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 F.32. of this Exhibit D. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

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

H. GENERAL

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

EXHIBIT E

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

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

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

Space above for Recorder's Use

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

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), [*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 entered into without Lender's prior written consent when such consent is required under the Deed of Trust or other documents executed by Borrower in connection with the Loan.

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

Signature/Title: _____

Date: _____

EXHIBIT H

MEMORANDUM OF LEASE TERMS

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

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

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

MEMORANDUM OF LEASE

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

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

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

[Signatures on following pages]

Dated: _____, 20__.

LANDLORD:

RR&C/WD GENERAL PARTNERSHIP,
a California general partnership

BY: RR&C DEVELOPMENT COMPANY,
a California general partnership
its: General Partner

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: _____
EDWARD P. ROSKI, JR., Trustee of the
Roski Marital Trust UID 11/1/1987,
as amended

BY: CURCI INVESTMENTS, LLC,
a California limited liability company

BY: _____

ITS: _____

BY: _____

ITS: _____

[Signatures continued on following page]

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

[Signatures continued on following page]

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.102799113.5

Exhibit I

LANDLORD'S WORK LETTER

Lease 12900 Crossroads v4\MH\02504-004
August 12, 2024

12900 Crossroads Parkway South, City of Industry, CA
[COUNTY OF LOS ANGELES]

LANDLORD'S WORK LETTER

For

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

**COUNTY OF LOS ANGELES, as Tenant
RR&C DEVELOPMENT COMPANY, as Landlord**

**12900 CROSSROADS PARKWAY SOUTH
CITY OF INDUSTRY, CALIFORNIA**

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated _____, 202__ (the "Effective Date"), executed concurrently herewith, by and between RR&C/WD GENERAL PARTNERSHIP, a California general 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> | \$5,992,875.00 (i.e., \$175.00 per rentable square foot of the Premises) |
| (i) <u>Landlord's TI Allowance</u> | \$1,541,025.00 (i.e., \$45.00 per rentable square foot of the Premises) |
| (ii) <u>Tenant's TI Contribution</u> | \$4,451,850.00 (i.e., \$130.00 per rentable square foot of the Premises) |
| (b) <u>Amortization Rate and Change Authorization Amortization Rate:</u> | Not applicable. |
| (c) <u>Kitchen Appliance Allowance:</u> | Up to a maximum of \$8,000.00 |
| (d) <u>Tenant's Work Letter Representative</u> | An assigned staff person of the Chief Executive Office-Real Estate Division |
| (e) <u>Landlord's Work Letter Representative</u> | An assigned staff person of the Landlord |
| (f) <u>Landlord's Address for Work Letter Notices</u> | RR&C/WD Development Company
c/o Majestic Realty Co.
13191 Crossroads Parkway North
6th Floor
City of Industry, California 91746
Attention: Property Manager |
| (g) <u>Tenant's Address for Work Letter Notices</u> | County of Los Angeles
Chief Executive Office - Real Estate
Division
320 West Temple Street, 7th Floor
Los Angeles, CA 90012
Attention: Director of Real Estate |

HOA.102799113.5

LANDLORD'S WORK LETTER

Work Letter 12900 Crossroads v4\MH\02491-003
August 12, 2024

12900 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

(h) Addenda

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

2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

2.2 **Additional Costs Not Total TI Costs.**

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

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

2.3 **Base Building Plans.** Landlord has delivered to Tenant all "as built" plans and specifications for the Building available to Landlord.

3. **Selection of Architect and Engineer.** Landlord shall not proceed with any bid solicitation for architectural or engineering services until final Space Plan (as defined below) is furnished to the Landlord. Once Landlord receives the final Space Plan, Landlord shall, subject to the last sentence of this Section 3, promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall, subject to the last sentence of this Section 3, select an architect and engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect and engineer to Tenant, together with detailed proposals

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LANDLORD'S WORK LETTER

Work Letter 12900 Crossroads v4\MH\02491-003
August 12, 2024

12900 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord.

4. **Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract accepted by Tenant shall be submitted to a sufficient number of qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on an American Institute of Architects (AIA) form) to construct the Tenant Improvements depicted on the Final Plans. Within five (5) business days following Landlord's receipt of the three (3) bids, Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and who commits to Landlord's schedule for the construction of the Tenant Improvements, and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

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

5.1 **Preparation of Space Plan.** Prior to Landlord's execution of this Lease, Tenant has submitted to Landlord and Landlord has approved that certain preliminary space plan and specifications, and low voltage and furniture plans showing on a preliminary basis all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively, the "Preliminary Space Plan"). Concurrently with Tenant's execution and delivery of this Lease, Tenant shall submit to Landlord a final space plan and specifications for the Premises (the "Space Plan"), which Space Plan shall be a logical extension of and consistent with the Preliminary Space Plan. The Space Plan shall be subject to Landlord's reasonable approval within ten (10) business days following Tenant's submittal thereof, provided that it shall only be reasonable for Landlord to disapprove the Space Plan to the extent that it is not a logical extension of or is inconsistent with the Preliminary Space Plan. If Landlord reasonably disapproves the Space Plan for the foregoing reasons, then Tenant shall resubmit a revised Space Plan to Landlord for approval within ten (10) business days following Tenant's receipt of Landlord's disapproval. The foregoing process shall be repeated until such time as Landlord approves the Space Plan submitted by Tenant, and any delay caused by the necessity for Tenant to revise the Space Plan because of Landlord's initial disapproval thereof shall be a Tenant Delay.

5.2 **Preparation and Review of Working Drawings.** Within ten (10) days after the selection of the Architect (the "Selection of Architect Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully

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LANDLORD'S WORK LETTER

comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Tenant shall in no event disapprove of the Working Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Working Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Working Drawings, or (iii) cause such Working Drawings to not be a logical extension of and/or consistent with the Space Plan, or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Working Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. Landlord shall use Building standard methods, materials and finishes in the construction of the Tenant Improvements unless expressly set forth to the contrary in the Space Plan and Tenant's Outline Specifications. In the event that Tenant timely and properly disapproves the Working Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Working Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Working Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Working Drawings, or the applicable portion thereof, are approved by Tenant.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance, provided that Tenant shall in no event disapprove of the Engineering Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Engineering Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Engineering Drawings, or (iii) cause such Engineering Drawings to not be a logical extension of and/or consistent with the Space Plan, and Low Voltage Plans or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Engineering Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. In the event that Tenant timely and properly disapproves the Engineering Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Engineering Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Engineering Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Engineering Drawings, or the applicable portion thereof, are approved by Tenant.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate

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LANDLORD'S WORK LETTER

Work Letter 12900 Crossroads v4\MH\02491-003
August 12, 2024

12900 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Within twenty-one (21) calendar days of the Selection of Architect Date, Landlord shall submit to Tenant a detailed construction schedule for Tenant's information setting forth the projected dates for completion of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, and the date of Substantial Completion. As the construction continues, Landlord shall amend the construction schedule from time to time to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. Except as expressly set forth in the Lease or this Work Letter, Landlord shall have no liability or responsibility to Tenant for any failure to complete project benchmarks by the projected dates set forth in any construction schedule provided by Landlord.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

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

6.1 **Cost Summary.** Within seven (7) calendar days after the Space Plan has been approved by Landlord, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"). The Preliminary TI Cost Summary shall be revised into final form following Contractor's review including the Modular Furniture Costs within thirty (30) calendar days from the date that all permits for the construction of the Tenant Improvements have been issued by the applicable governmental authorities, and will be referred to herein as the "Final TI Cost Summary". The Preliminary Budget and the Final TI Costs Summary shall include the Modular Furniture Costs, and notwithstanding any contrary provision of this Work Letter, Tenant shall have five (5) business days from the date of receipt of the Final TI Cost Summary (the "Budget Approval Deadline") to approve or disapprove the Final TI Cost Summary in writing. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval of the Final TI Cost Summary. In the event that Tenant rejects the Final TI Cost Summary in writing due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Tenant's sole expense and any delay in excess of ten (10) business days caused by the necessity to rebid or redesign the Tenant Improvements shall be a Tenant Delay.

6.2 **Landlord's TI Allowance and Tenant's TI Contribution.**

(a) Tenant shall be entitled to a one-time Landlord's TI Allowance in the amount set forth in Section 1(a)(i) above for the costs relating to the design and construction of the Tenant Improvements (including the Modular Furniture Costs (as defined in Section 9.1 below). Subject to the Landlord/Tenant Additional Responsibility Provision, as defined and set forth in Section 6.2(b) below, in no event shall Landlord be obligated to pay a total amount for the design, construction, purchase and installation of the Tenant Improvements which exceeds the Landlord's TI Allowance and the Tenant's TI Contribution. Any unused portion of the Landlord TI Allowance following completion of the Tenant Improvements shall be credited toward the Base Rent.

(b) All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant and Landlord's reasonable approval (collectively "Total TI Costs"), all of which must not exceed, in the aggregate, the sum of Landlord's TI Allowance, Tenant's TI Contribution, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Subject to Section 8 below, the parties agree that the "Tenant's TI Contribution" set forth in Section 1(a)(ii) above shall be used to pay for the Total TI Costs in excess of Landlord's TI Allowance. Notwithstanding any contrary provision of this Work Letter (but subject to the Landlord/Tenant Additional Responsibility Provision), in no event shall Tenant Improvements be permitted to the extent they will cause the Total TI Costs to exceed the sum of the Landlord's TI Allowance and the Tenant's TI Contribution, unless a Change Order has been approved therefor by Tenant in accordance with Section 8 below. Landlord shall be solely responsible for any Total TI Costs in excess of the total amount of the Final Construction Budget approved by Tenant, except for costs arising from Change Orders requested by Tenant (which HOA.102799113.5

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shall be a Tenant cost and shall be payable from any remaining available portion of the Tenant's TI Contribution, provided that notwithstanding any contrary provision of this Work Letter, any amount owing by Tenant to Landlord therefor in excess of the remaining available portion of the Tenant's TI Contribution shall be payable to Landlord, as additional rent, within thirty (30) days of billing) (the "Landlord/Tenant Additional Responsibility Provision"). It is anticipated that the Total TI Costs will exceed the Landlord TI Allowance, and Landlord shall pay the overage, but only to the extent of the Tenant's TI Contribution paid by Landlord for the Total TI Costs, and such amount of the Tenant's TI Contribution shall be repaid to Landlord by Tenant 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 thirty (30) calendar days after the later of (A) 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 reasonable documentation substantiating all Tenant Improvements' expenses, including proof of payment, unconditional lien releases and approved change 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 or (B) July 1, 2025. Tenant shall make such payment to Landlord in a lump sum payment. The foregoing obligation of Tenant to repay the amount of the Tenant's TI Contribution which is used to pay for the Total TI Costs shall constitute additional rent under the Lease.

7. Construction of Tenant Improvements.

7.1 Surrender of Premises. When (i) the Permits (as defined in Section 7.4 of this Work Letter) are available for pick -up by Landlord, and (ii) the second (2nd) floor of the building leased by Tenant from an affiliate of Landlord at 12801 Crossroads Parkway South, City of Industry, California is available for Tenant to legally occupy the second (2nd) floor, Landlord shall provide written notice to Tenant and Tenant, within thirty (30) days of receipt of such notice, shall surrender the Premises to Landlord in order to allow Landlord to commence construction of the Tenant Improvements and the Landlord Work. Landlord shall be responsible for disposing of Tenant's existing FF&E not including any electronics. If Tenant chooses to relocate its FF&E, then any relocation costs shall be deducted from the Tenant Improvement Allowance. Landlord agrees to keep Tenant advised as to the status of and anticipated timing for issuance of the Permits in coordination with Tenant's assigned Chief Executive Office (CEO) Project Manager.

7.2 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto, provided that in the event of any conflict between the Working Drawings and Addendum B, the Working Drawings shall control. Notwithstanding any contrary provision of this Work Letter, any Tenant Improvements described in Addendum B which are not reflected on the Working Drawings shall not be constructed by Landlord hereunder. Landlord agrees that, in the event of an unforeseen condition is discovered during construction of the Tenant Improvements which are not reflected on Working Drawings, any cost to correct such unforeseen condition shall be at Landlord's cost unless waived by the PM in writing.

7.3 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall, subject to the last sentence of this Section 7.2, be selected only after a minimum of three (3) bids have

been solicited from responsible and qualified persons. Landlord shall, subject to the last sentence of this Section 7.2, submit at least three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed by Landlord and Tenant within five (5) business days following Landlord's receipt of a sufficient number of bids. The bids shall include an itemized list of all materials and labor and shall include all additional costs, as applicable, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

7.4 Permits. Landlord shall obtain the approval of all applicable governmental authorities and all permits (collectively, the "Permits") required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans. Landlord shall obtain plan check approval prior to soliciting bids from contractors pursuant to Section 4 hereof.

7.5 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within five (5) business days following the later to occur of (i) Tenant's approval of the Final Construction Budget, (ii) Landlord's receipt of all required permits for the Tenant Improvements, and (iii) construction contract awarded to Contractor. Once commenced, Landlord shall thereafter diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays and Tenant Delays (as defined below).

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

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

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

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease), as may be extended for any warranty for a period in excess of two (2) years. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects.

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(d) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises or in other areas utilized by Landlord or its contractors. In the event that Tenant claims that there has been substandard Tenant Improvement work or clean-up (as reasonably determined according to the usual standards of work in the Building), then Tenant shall notify Landlord in writing thereof (with reasonable detail specifying the substandard work or clean-up claimed by Tenant) and to the extent that Landlord agrees that the work or clean-up was substandard, then Landlord shall perform additional work or clean-up as is required hereunder within ten (10) business days of Landlord's receipt of Tenant's notice (provided that if such work or clean-up cannot reasonably be completed within such ten (10) business day period, then Landlord shall commence such work or clean-up within such ten (10) business day period and shall diligently perform and complete such work or clean-up thereafter). If Landlord fails to timely perform such additional work or clean-up (or to respond that the work or clean-up requested by Tenant is not required to be performed by Landlord), then Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the substandard work or clean-up performed by Landlord's contractor or contractors, within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.**

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

7.7 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans

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and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection (provided that if such work or clean-up cannot reasonably be completed within such thirty (30) day period, then Landlord shall commence such punch-list items within such thirty (30) day period and shall diligently perform and complete such punch-list items thereafter). If Landlord fails to complete any of the punch-list items within such 30-day period (as may be extended), then Tenant, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the completion of such punch-list items within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

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

7.9 Security During Construction. Tenant, at its sole cost, shall continue to provide its onsite security patrol on Monday through Thursday from 7:00 AM through 9:00 PM and on Friday from 7:00 AM through 6:30 PM. Landlord, at their sole cost and expense, shall provide onsite security on Monday through Thursday from 12:00 AM – 7:00 AM and 9:00 PM – 12:00 AM, Friday from 12:00 AM – 7:00 AM and from 6:30 PM through 12:00 AM, and at all times on Saturday and Sunday.

8. Requests for Change. Tenant and Landlord may make changes, additions, deletions or substitutions, alterations in the Final Plans (each a "Request for Change Order") provided that the requesting party must submit a written request to the other party and that Requests for Change (Change Order) will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"), which, if approved, shall be approved within thirty (30) days of notice from the requesting party. Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant as part of the lump sum payment per Section 6.3, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Landlord shall submit to the Chief Executive Officer or his/her designee with each requested Change Order (i) the specific cost of the requested change,

(ii) the cumulative net total cost of all Tenant requested Change Authorizations previously approved; and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, either Tenant, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors which approval shall be granted or denied within thirty (30) days of notice from the requesting party. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Within thirty (30) days following Landlord's delivery thereof to Tenant, provided that any disapproval by Tenant shall be limited to items included in the bid package which are inconsistent with the Modular Specifications. Landlord shall select the furniture vendor that (i) commits to Landlord's schedule for the construction of the Tenant Improvements, (ii) is able to provide all of the Modular Furniture included in the bid package, and (iii) offers the lowest price (after adjustment of the bids for inconsistent assumptions). Notwithstanding any contrary provision of this Section 9.1, if the Modular Furniture Costs will exceed the remaining available Landlord's TI Allowance and Tenant's TI Contribution, as reasonably determined by Landlord and Tenant, then upon written notice from Landlord (the "Excess Furniture Notice") Tenant shall revise the Modular Specifications as necessary to reduce the Modular Furniture Costs to the extent specified by Landlord, in which event the foregoing bidding process shall be repeated and the period of time following Landlord's delivery of the Excess Furniture Notice to Tenant through the date that the Modular Furniture is ordered shall be a Tenant Delay.

The Modular Furniture shall not become part of the realty or real property but shall remain personal property. Upon Tenant's payment in full of the amounts owing to Landlord under Section 6.3 above, the Modular Furniture shall constitute Tenant's personal property and shall be removable from the Premises by Tenant's creditors and their assigns during the Term of this Lease, provided that any damage occasioned by such removal shall be repaired by such creditors, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises. The foregoing provisions relating to Tenant's creditors' rights shall be binding upon the representatives, successors and assigns of the parties hereto, and shall inure to the benefit of the successors and assigns of the parties hereto.

Landlord shall provide the Modular Furniture set forth in the Modular Specifications as part of the Tenant Improvements and the design related, and purchase and installation costs therefor (the Modular Furniture Costs") shall be part of the Total TI Costs. Tenant shall repay to Landlord the Modular Furniture Costs in accordance with Section 6.3 above.

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

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

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises.

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

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

10. **Total TI Costs Adjustment and Right to Audit.** Within ninety (90) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Payments by Tenant for the Tenant's TI Contribution and/or Change Orders shall be calculated and adjusted as appropriate, based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time during the Term. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary for Landlord's review and reasonable approval. Until such time as Tenant's audit is approved by Landlord, Tenant shall continue pay Landlord based upon the amounts originally billed to Tenant for the Tenant's TI Contribution and/or Change Orders. If it is determined that Tenant has overpaid any amounts to Landlord, then Landlord shall, within thirty (30) calendar days following approval of the audit, refund to Tenant the amount of any overpayment made by Tenant and all future payments owing by Tenant to Landlord under this Work Letter shall be adjusted as appropriate based upon the agreed upon audit results.

11. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan, Low-Voltage Plans and specifications provided by Tenant at least thirty (30) calendar days prior to the Estimated Commencement Date pursuant to Section 4.3 of the Lease. Landlord agrees that the telephone equipment room(s) will be lockable.

12. **Kitchen Appliances.** In addition to the Tenant Improvements, Landlord agrees to order and install certain kitchen appliances requested by Tenant (the "**Appliance Work**") at a cost not to exceed the Kitchen Appliance Allowance set forth in Section 1.(c) above; provided, however, in no event shall the Appliance Work be deemed to be part of the Tenant Improvements or required to be completed to achieve Substantial Completion of the Tenant Improvements.

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13. **Delay.**

13.1 **Tenant Delays and Force Majeure Delays.** Except as set forth in this Section 13, no delay in the design or completion of construction of the Tenant Improvements shall be considered in the determination of the Estimated Commencement Date, the date upon which the Premises are deemed to be Substantially Complete, or the Commencement Date of the Lease and, except as set forth in this Work Letter or in the Lease, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Estimated Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals or performs acts as required herein or within the time periods required herein, or that the commencement or completion of construction of the Tenant Improvements is delayed as the result of Change Orders requested by Tenant or Department of Building and Safety changes (DBS Changes) which are related to Change Orders requested by Tenant, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed as the result of DBS Changes which are unrelated to Change Orders requested by Tenant, or by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, acts of God, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)"). In addition, the date upon which the Premises are deemed to be Substantially Complete, and the Commencement Date, shall be accelerated one (1) day for each day of Tenant Delay.

13.2 **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty-eight (48) hours Landlord has provided written notice of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction, or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord. For purposes of notices of Tenant Delays and/or Force Majeure Delays, the email addresses set forth in Section 17 below shall be used for any electronic confirmations of such notices delivered by facsimile , provided Landlord also concurrently advises the Tenant by telephone in accordance with Section 17 below.

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

(c) **Concurrent Delays.** Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

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

14. **Tenant Remedies.** Any default by Landlord under the terms of this Work Letter shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

15. **Representatives.**

15.1 **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(f) above.

15.2 **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(e) above.

16. **Intentionally Deleted.**

17. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week or biweekly, unless Landlord or Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) business days after the date the Contractor is selected. Landlord, Architect or Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) business days after the date of the construction meeting.

18. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant. Any electronic deliveries shall be delivered to Landlord at the following email addresses: dbui@majesticrealty.com and lgoldstein@majesticrealty.com (or to such other person as Landlord may designate from time to

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[COUNTY OF LOS ANGELES]

time), and to Tenant at the following email addresses: vhasanovic@ceo.lacounty.gov and daardema@ceo.lacounty.gov, provided that the delivering party shall also concurrently advise the receiving party by telephone of the forthcoming email at the applicable telephone number, as follows: For Landlord: David Bui at (562) 948-4388 and Louis Goldstein at (562) 576-1611. For Tenant: Vedad Hasanovic at (213) 246-9997 and Dean Aardema at (213) 893-2471.

19. **Miscellaneous**. This Landlord's Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord's Work Letter. This Landlord's Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord's Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord's Work Letter will not be effective unless and until signed and delivered by both Parties. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

[Signatures on following page]

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

LANDLORD:

RR&C/WD GENERAL PARTNERSHIP,
a California general partnership

BY: RR&C DEVELOPMENT COMPANY,
a California general partnership
Its: General Partner



BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Edward P. Roski, Jr. Living Trust UID
11/1/1987, as amended

BY: [Signature]
EDWARD P. ROSKI, JR., Trustee of the
Roski Marital Trust UID 11/1/1987, as
amended

By: CURCI INVESTMENTS, LLC,
a California limited liability company

By: [Signature]
Thomas H. Purcell
Its: [Signature]
Chairman & CEO
By: [Signature]
Its: [Signature]
Edward J. DiOrto
Chief Financial Officer, Secretary

BY: WD ASSOCIATES,
a California general partnership
Its: General Partner

By: [Signature]
Linda Lee Heil, Trustee of the 1994
Dan W. Heil and Linda Lee Heil
Revocable Trust dated September 13, 1994
Its: Managing General Partner

Date Signed: 8-12-24

[Signatures continue on following page]

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 Building and Safety having jurisdiction and Certificate of Occupancy has been received;

(b) include mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) refurbish the toilet rooms (restrooms) using building standard materials including, but not limited to, new toilet partitions, lavatories, floor tile, counter tops, sinks, and "touchless" faucets, soap dispensers, and hand dryers, provided, however, for any other change to the toilet rooms, including, without limitation, an increase in size or additional restrooms, shall be deemed to be a Tenant Improvement and subject to the Total TI Costs, unless required to bring the toilet rooms in compliance with code. The toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, 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 (1st) 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) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;

(p) supply air or mechanical exhaust fan (12820 has 1st floor supply air and 2nd floor exhaust fan);

(q) floors 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;

(r) standard window coverings with the exception of any doors;

(s) eight (8) roof top package units that provide hot and cold air with main supply and return duct for each unit;

(t) intentionally deleted;

(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) drywall 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) A third party HVAC subcontractor to certify that the HVAC system is in good operating order and meets the County's performance specifications per the Lease, airbalanced and provide an airbalance report;

(aa) Ensure that the roof and windows are watertight; and

(bb) Ensure that the elevators are in "good-working" order and Landlord shall refresh elevator interiors, i.e., new flooring, lighting and walls.

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) Ducting distribution terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture (including fixtures and equipment for the Modular Furniture per the Modular Specifications);
- (g) Distribution of electrical services, plumbing services, and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms, and extinguishers;
- (j) Additional and/or above standard electrical capacity;
- (k) Fiber optic access;
- (l) Rekeying of the Premises;
- (m) Any modifications or additions to the project scope that necessitate modifications or additions to the Landlord Base Building Improvements, resulting in additional costs to Landlord's Base Building Work, shall be considered a Tenant Improvement; and
- (n) Supplemental air units required for tenant's equipment.

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	\$