County of Los Angeles
CHIEF EXECUTIVE OFFICE
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LOS ANGELES, CALIFORNIA 90012
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WILLIAM T FUJIOKA
Chief Executive Officer

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ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

08 OCT 30 2007

SACHI A. HAMAI
EXECUTIVE OFFICER

October 30, 2007

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:

AMENDMENT NO. 3 TO LEASE NO. 75318
DEPARTMENT OF MENTAL HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)

IT IS RECOMMENDATED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign Amendment No. 3 to Lease No. 75318 with Wilmont Inc. (Lessor) for an additional 28,221 rentable square feet of office space and 113 parking spaces for the remaining balance of the original ten-year term at 695 South Vermont Avenue, Los Angeles for the Department of Mental Health (DMH) at a maximum initial annual rental cost increase of $1,100,360. The rental costs will be funded through State and Federal funding.

2. Authorize the Director of the Internal Services Department (ISD) and DMH at the direction of the Chief Executive Office (CEO) to acquire telephone, data, and low voltage systems for the facility at a cost not to exceed $800,000, which will paid by DMH via a lump sum payment.

3. Find that the lease amendment is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

4. Approve the project and authorize the CEO, DMH and ISD to implement the project. The lease amendment will be effective upon approval by your Board, but the rent for the additional expansion space will commence upon completion of the Tenant Improvements (TI) by the Lessor and acceptance thereof by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to amend the existing lease and expand the existing premises thereby allowing DMH to house additional staff at the subject facility. In accordance with the Mental Health Services Act (MHSA), DMH intends to hire 98 full time employees to meet MHSA requirements. DMH's current headquarters at 550 South Vermont Avenue, Los Angeles, does not have the capacity to accommodate the new employees. DMH will house 55 of the 98 new employees in the proposed space and will relocate 43 existing employees from 550 South Vermont Avenue to the proposed space and backfill space at its headquarters with 43 new employees. Moreover, the proposed space is intended to house 48 new, full time employees, one existing full time employee and five contractors as part of the MHSA Information Technology component adopted by your Board on September 11, 2007.

On June 21, 2005, a ten-year lease was adopted by your Board for 44,298 rentable square feet of office space at the subject facility. This original space is currently occupied by DMH's Chief Information Office Bureau, Office of Consumer Affairs, Office of Family Advocate, Homeless and Housing Division, Psychiatric Mobile Response Team, and Service Area VI Administration programs.

On November 15, 2005, Amendment No. 1 was adopted by your Board to house DMH's Planning Division in 7,400 rentable square feet at the subject facility. Occupancy of this expansion space commenced June 6, 2006.

Amendment No. 2 was adopted by your Board on September 5, 2006 for an additional 7,366 rentable square feet of space for DMH's Training Division. The Training Division commenced occupancy on February 1, 2007.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we enhance the quality and productivity of the County workforce (Goal 2). The proposed lease amendment supports this goal by providing a quality and efficient work environment for DMH's employees that is conducive to maximizing employee productivity. Compliance with the County's Strategic Asset Management Principles is outlined in Attachment A.

FISCAL IMPACT/FINANCING

The maximum initial annual rental cost increase is estimated to be $1,100,360, if all of the reimbursable TI allowances are used.

695 Vermont Ave, Los Angeles	Existing Lease	Proposed Amendment	Change
Term	Ten Years 2/1/06 to 1/31/16	5/1/08 (projected) to 1/31/16	None
Total Area	59,064 sq. ft.	87,285 sq. ft.	+28,221
Annual Base Rent	$815,083 ($13.80 per sq. ft.)	$1,351,172 ($15.48 per sq. ft.)	+$536,089 ($1.68 per sq. ft.)
Annual Parking Rent ($720 per space)	$169,200 235 parking spaces	$250,560 348 parking spaces	+$81,360 +113 parking spaces
Annual TI Reimbursement	$469,183* ($7.94/sq.ft.)	$952,094** ($10.90/sq.ft.)	+$482,911 ($2.96/sq.ft.)
Maximum Annual Cost* **	**$1,453,466 ($24.61/sq.ft.)**	**$2,553,826 ($29.26/sq.ft.)**	**$1,100,360 ($4.65/sq.ft.)**
Base TI Allowance	$885,960 ($15.00/sq.ft.)	$1,309,275 ($15.00/sq.ft.)	+$423,315
Additional TI Allowance (Reimbursable)	$3,248,520 ($55.00/sq.ft.)	$4,800,675 ($55.00/sq.ft.)	+$1,552,155
Change Order Allowance (Reimbursable)	$295,320 ($5.00/sq.ft.)	$436,425 ($5.00/sq.ft.)	+$141,105
Cancellation	County may cancel at or anytime after February 1, 2009, with nine months notice	County may cancel at or anytime after February 1, 2009, with nine months notice	None
Option to Renew	One five-year option at 95% of fair rental value	One five-year option at 95% of fair rental value	None
Rental Adjustment	Annual CPI, 2% floor, 4% cap, adjusted each February 1	Annual fixed increases of three percent	Annual fixed increases of three percent

*The current TI reimbursement payment of $469,183 reflects $2,798,542 of the $3,248,520 in Additional TI Allowance funds actually spent, no change order funds spent and the expenditure of all available Base TI Allowance funds.

**The maximum amount of reimbursable TI funds is $5,237,100 or $60 per sq. ft. There will be two reimbursement schedules, furniture and construction costs. Furniture expenses funded via the reimbursable allowances shall be reimbursed over 84 months at an amortization rate of ten percent. A maximum amount of $2,356,695 or $27 per sq. ft. is projected to be reimbursed for furniture. Construction expenses funded via the reimbursable allowances are projected to be reimbursed over 93 months at an amortization rate of seven percent. A maximum amount of $2,880,405 or $33 per sq. ft. may be reimbursed for construction costs. The annual reimbursement payment for furniture is projected to be $469,487. The annual reimbursement payment for construction costs may be $482,607. The two reimbursement payments combined amount to $952,094 annually.

***The maximum annual cost is the aggregate of annual base rent, annual parking rent and annual TI reimbursement.

Sufficient funding for the proposed lease amendment is included in the 2007-08 Rent Expense Budget and will be billed back to DMH. DMH has allocated sufficient funds in its 2007-08 operating budget to cover the projected lease costs. The rental costs associated with the proposed lease amendment will be funded through State (MHSA) and Federal funding, and is included in DMH's 2007-08 adopted budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will increase DMH's occupancy in the subject building from 59,064 to 87,285 rentable square feet of office space and from 235 to 348 parking spaces while increasing the amount of TI funds allocated to the project. The existing terms and conditions of the lease shall remain unchanged for the proposed amendment, and they are as follows:

- The term for the proposed expansion space will commence upon completion of the TI by the landlord, and acceptance thereof by the County, which is expected to occur in May 2008.

- The term for the original and expansion space shall terminate on January 31, 2016.

- Full service whereby the Landlord is responsible for all operating costs associated with the County's tenancy.

- A cancellation provision allowing the County to cancel anytime after February 1, 2009 upon nine months prior written notice to the Landlord. Upon cancellation, the County shall reimburse the Lessor for any and all remaining additional TI allowance funds that have not been amortized or paid in a lump sum.

- An option to renew this lease for an additional five-year period, subject to Board approval, by giving Landlord nine months prior written notice. In the event the County exercises the renewal option, the rental rate will be adjusted to 95 percent of the average rent being charged for similar space, but the other existing terms of the lease will prevail.

- Included in the base rent is a TI allowance of $15 per square foot.

- Reimbursable TI allowances of $60 per square foot, payable via lump sum or monthly amortization payments over the term of the lease. TI reimbursement payments for furniture expenditures shall be amortized at ten percent. All other TI reimbursement payments shall be amortized at seven percent.

- The monthly base rent is subject to fixed annual increases of 3 percent.

- In addition to the base rent and TI reimbursement payments, the County is responsible for parking costs at the rate of $720 per space per annum. Based on the subject property's parking ratio of 4 spaces per 1,000 square feet of office space, the maximum number of spaces available is 113. This space requirement was allocated 122 parking spaces, which means there is a parking deficit of 9 spaces. The landlord is prepared to amend an existing supplemental, short term parking agreement for 9 on-site, spaces that are not being utilized by other tenants. These 9 spaces may become unavailable in the near future once they are required by other tenants.

CEO Real Estate staff surveyed the Wilshire/Vermont area to determine the availability of comparable and more economical sites, as specified by DMH in order to maintain close proximity to DMH headquarters. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the surrounding Wilshire/Vermont area and there are none available.

Based upon a market survey of similar properties in the Wilshire/Vermont area, staff has determined that the base rental range for similar space on a full service gross basis is between $15 and $24 per square foot per year. The proposed annual base rental rate of $15.48 is at the low-end of the rental range for the area.

The proposed premises are in a high rise building and do not provide the necessary space and amenities needed to operate a child care center on the premises.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
CEM:KW:hd

Attachments (3)

c: County Counsel
Department of Mental Health

695Vermont,Oct30.b

ATTACHMENT A

DEPARTMENT OF MENTAL HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES
Asset Management Principles Compliance Form[1]

			Yes	No	N/A
1.		**Occupancy**			
	A	Does lease consolidate administrative functions?[2] **This building is considered DMH's Headquarters Annex and most administrative functions are remaining at the Headquarters.**		X	
	B	Does lease co-locate with other functions to better serve clients?[2]	X		
	C	Does this lease centralize business support functions?[2]			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person?[2] **152 employees within 28,221 sq. ft. amounts to 186 sq. ft. per person**		X	
2.		**Capital**			
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? **DMH is working on long term plans for a new Headquarters building.**		X	
3.		**Portfolio Management**			
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. ___ No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. _X_ The Program is being co-located.			
	E	Is lease a full service lease?[2]	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		[1]As approved by the Board of Supervisors 11/17/98			

[2]If not, why not?

ATTACHMENT B

BOUNDARIES FOR SEARCH
3 MILE RADIUS OF 550 SOUTH VERMONT AVENUE, LOS ANGELES

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
B393	HOLLYWOOD COURTHOUSE	5925 HOLLYWOOD BLVD, HOLLYWOOD 90028	61571	22544	FINANCED	NONE
5461	DHS-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27578	14811	OWNED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65872	62578	LEASED	NONE
A532	HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	113027	101920	LEASED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	21500	20425	LEASED	NONE
A336	SHERIFF-WILSHIRE CENTRE BUILDING	3055 WILSHIRE BLVD, LOS ANGELES 90010	7755	7115	LEASED	NONE
A369	DCFS-PROCUREMENT AND SPECIAL SERVICES OFFICE	501 SHATTO PL, LOS ANGELES 90020	17751	15976	LEASED	NONE
A408	DCFS-THE U S BORAX BUILDING	3075 WILSHIRE BLVD, LOS ANGELES 90010	132488	105568	LEASED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	76304	65438	LEASED	NONE
A425	DCFS-DEPARTMENTAL HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	80756	76065	LEASED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	42341	OWNED	NONE
X510	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	24835	OWNED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BLDG(RED-TAGGED)	532 S VERMONT AVE, LOS ANGELES 90020	27179	10314	OWNED	RED TAGGED
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171651	149668	OWNED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	21777	OWNED	NONE
B695	HEALTH-IMMUNIZATION PRGM/ENVIRONMENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	73794	69368	LEASED	NONE
C660	DPSS-GAIN PROGRAM REG IV/ MEDI-CAL OUTSTATION	2910 W BEVERLY BLVD, LOS ANGELES 90057	120327	33635	LEASED	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	208799	156237	LEASED	NONE
8500	DHS-WORKFORCE DEVELOPMENT PROGRAM	500 S VIRGIL AVE, LOS ANGELES 90020	8000	7200	PERMIT	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	60140	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	42065	LEASED	NONE
D015	DPSS-CATHOLIC CHARITIES COMPUTER CENTER	1530 JAMES M WOOD BLVD, LOS ANGELES 90017	400	400	PERMIT	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115242	89650	OWNED	NONE
6518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215439	183874	OWNED	NONE
A388	ALT PUBLIC DEF-WILSHIRE-BIXEL BUILDING	1055 WILSHIRE BLVD, LOS ANGELES 90017	6500	6175	LEASED	NONE
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303434	125469	FINANCED	NONE
0155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794459	441761	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958090	592835	FINANCED	3868
3155	PERFORMING ARTS CTR-DE LISA BLDG/THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	27582	17978	OWNED	NONE
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221359	134851	OWNED	NONE
5546	DHS-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LOS ANGELES 90012	60924	34748	OWNED	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	87810	83420	LEASED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST, LOS ANGELES 90012	29013	26082	LEASED	NONE
A442	MENTAL HEALTH-LAPD - SMART TEAM OFFICE	419 S SPRING ST, LOS ANGELES 90013	1000	1000	GRATIS USE	NONE
A627	COUNTY COUNSEL - WORKER'S COMP/PROBATE	350 S FIGUEROA AVE, LOS ANGELES 90071	14832	14090	LEASED	NONE
A632	PUBLIC DEFENDER-PIAS ET. AL.	312 S HILL ST, LOS ANGELES 90012-3503	9782	9293	LEASED	NONE
0101	HALL OF JUSTICE (NOT HABITABLE)	211 W TEMPLE ST, LOS ANGELES 90012	570811	306487	OWNED	NONE
0142	EL PUEBLO REDEVELOPMENT PROPERTY-PLAZA HOUSE	507 N MAIN ST, LOS ANGELES 90012	15618	11154	OWNED	11154
0143	EL PUEBLO REDEVELOPMENT PROPERTY-VICKREY BLDG	501 N MAIN ST, LOS ANGELES 90012	34350	29710	OWNED	29710
0144	EL PUEBLO REDEVELOPMENT PROPERTY-OLD BRUNSWIG	510 NEW HIGH ST, LOS ANGELES 90012	71366	45506	OWNED	45506
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438094	251348	OWNED	NONE

75318 Supplement No. 3

AMENDMENT NO. 3 TO COUNTY LEASE NO. 75318
DEPARTMENT OF MENTAL HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES

This Amendment No. 3 to Lease No. 75318 ("Amendment No. 3") is made and entered into this 30TH day of OCT., 2007, by and between WILMONT INC., a California corporation ("Lessor") and the COUNTY OF LOS ANGELES, a body politic and corporate, ("Lessee")

WHEREAS, Lessor and Lessee entered into that certain County Lease No. 75318 dated June 21, 2005 (the "Lease") whereby Lessor leased to Lessee approximately 44,298 rentable square feet of office space commonly known as the entire sixth (6th) floor; the entire seventh (7th) floor; and the entire eighth (8th) floor within the building located at 695 South Vermont Avenue, Los Angeles, California (the "Premises"), for a term of Ten (10) years (the "Initial Term") from February 1, 2006 to January 31, 2016; and

WHEREAS, Lessor and Lessee entered into that certain Amendment No. 1 to County Lease No. 75318 dated November 15, 2005, (collectively called the "Lease"), whereby Lessor leased to Lessee an additional 7,400 rentable square feet of office space on a portion of the 15th Floor in the building located at 695 South Vermont Avenue, Los Angeles, in the County of Los Angeles, State of California, for the remaining balance of the Initial Term; and

WHEREAS, Lessor and Lessee entered into that certain Amendment No. 2 to County Lease No. 75318 dated September 5, 2006, (collectively called the "Lease"), whereby Lessor leased to Lessee an additional 7,366 rentable square feet of office space on a portion of the 15th Floor in the building located at 695 South Vermont Avenue, Los Angeles, California, for the remaining balance of the Initial Term; and

WHEREAS, Lessor and Lessee desire to amend the Lease for the purpose of expanding the Premises again on the Ninth (9th),Tenth (10th) and Eleventh (11th) floors and making the term for the Original Premises and both expansion Premises coterminous, pursuant to the terms and conditions of the Lease and this Amendment No. 3; and

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, Lessor and Lessee hereby covenant and agree to amend Lease No. 75318 as follows:

1. Section 1. DESCRIPTION OF PREMISES, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

> The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 695 South Vermont Avenue (the "Building") Los Angeles in the County of Los Angeles, State of California, more particularly described as follows:

Premises A:	Consisting of the entire sixth (6th) floor at 14,766 rentable square feet;
Premises B:	Consisting of the entire seventh (7th) floor at 14,766 rentable square feet;
Premises C:	Consisting of the entire eighth (8th) floor at 14,766 rentable square feet;
Premises D:	Consisting of a 7,400 rentable square foot portion of the fifteenth (15th) floor;
Premises E:	Consisting of a 7,366 rentable square foot portion of the fifteenth (15th) floor;
Premises F:	Consisting of the entire ninth (9th) floor at 14,766 rentable square feet;
Premises G:	Consisting of a 7,636 rentable square foot portion of the tenth (10th) floor;
Premises H:	Consisting of a 5,819 rentable square foot portion of the eleventh (11th) floor;
Premises I:	Consisting of up to Three hundred forty eight (348) parking spaces within the on-site parking garage.

Premises A, B, C, D, E, F, G and H shall be collectively known as the "Premises" and are located within the south tower of the Building, which is legally described as follows:

Lots 1-11, Book D, Wilshire Boulevard Heights in Map Book 6, Page 47 of Maps recorded with the Registrar Recorder of the County of Los Angeles.

The Premises shall consist of approximately 87,285 rentable square feet, as further delineated in the amended Exhibit "A" (Plans and Specifications) attached hereto and incorporated herein; and Three hundred forty eight (348) parking spaces within the on-site parking garage as described in Paragraph 20 herein. Lessor represents that the Premises total 87,285 rentable square feet and is the maximum amount of square footage available, and that at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above.

Lessee shall have the exclusive right within ninety (90) days of approval by the Board of Supervisors to field-measure and verify the exact square footage of the Premises. All measurements to be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (BOMA) International. Should this measurement be less than the square footage stated above, Lessee shall have the exclusive right to adjust said square footage and reduce the rent in Paragraph 3 hereof upon written notice to Lessor. Lessor acknowledges that he has marketed the space at the above indicated amount and in the event of subsequent physical measurements, Lessor agrees there will be no adjustment made to either the square footage or the rent in the event the measured square footage exceeds the amount represented by the Lessor.

2. Section 2A. TERM, is hereby amended, and the following language shall be inserted in substitution thereof:

The term for Premises A, B and C shall commence on February 1, 2006 and terminate on January 31, 2016. The term for Premises D shall commence on June 6, 2006 and terminate on January 31, 2016. The term for Premises E shall commence on February 1, 2007 and terminate on January 31, 2016. The term for Premises F, G and H shall commence upon substantial completion of the tenant improvements pursuant to Section 25 herein and acceptance thereof by the County and shall terminate on January 31, 2016. The term for Premises I shall commence when the tenants begin using the parking spaces and terminate on January 31, 2016.

Within 30 days of determining the Commencement Date, Lessor and Lessee shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum attached as Exhibit B. The Chief Executive Officer, is hereby authorized to sign on behalf of Lessee. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) 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; (2) Lessor has sufficiently completed all the work required to be performed by Lessor in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Lessor shall thereafter promptly complete), such that Lessee can conduct normal business operations from the Premises; (3) Lessor 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 (i.e., an approval by the Los Angeles Fire Department), or its equivalent (with final sign-off by City and/or County Fire and Building Inspectors as applicable; and (4) Lessee has been provided with the number of parking privileges and spaces to which it is entitled under this Lease.

Notwithstanding the prior commencement of the Lease term, the rent shall not be due and owing until Lessee accepts the improvements to be performed by Lessor. In the event Lessee conducts a walkthrough and it is determined by Lessee, at Lessee's sole discretion, that the tenant improvements have not been completed, or the space is not ready for Lessee's occupancy, then, Lessee shall not be obligated to commence the rent per Paragraph 3 herein until actual beneficial occupancy. Lessee shall not unreasonably withhold its approval. Lessee hereby agrees to make timely inspections and to make timely notices of its approval or disapproval of said work.

3. Section 20. PARKING SPACES, is hereby amended as follows:

Every reference to "two hundred six (206)" that appears in Paragraph 20 shall be deleted and replaced with the following number inserted in substitution thereof: Three hundred forty eight (348)

4. Section 25. TENANT IMPROVEMENTS, is hereby amended as follows:

Every reference to "Eight Hundred Eighty-Five Thousand, Nine Hundred Sixty Dollars ($885,960.00)" that appears in Paragraphs 25A and 25B shall be deleted and replaced with the following number inserted in substitution thereof: One Million, Three Hundred Nine Thousand, Two Hundred Seventy Five Dollars ($1,309,275.00)

Every reference to "Four Million, One Hundred Thirty Four Thousand, Four Hundred Eighty Dollars ($4,134,480.00)" that appears in Paragraph 25B shall be deleted and replaced with the following number inserted in substitution thereof: Six Million, One Hundred Nine Thousand, Nine Hundred Fifty Dollars ($6,109,950.00).

Every reference to "Four Million, Four Hundred Twenty-Nine Thousand, Eight Hundred Dollars ($4,429,800.00)" that appears in Paragraph 25C shall be deleted and replaced with the following number inserted in substitution thereof: Six Million, Five Hundred Forty Six Thousand, Three Hundred Seventy Five Dollars ($6,546,375.00).

Every reference to "Two Hundred Fifty-Eight Thousand, Four Hundred Ninety Dollars ($258,490)" that appears in Paragraph 25D shall be deleted and replaced with the following number inserted in substitution thereof: Four Hundred Thirty Six Thousand, Four Hundred Twenty Five Dollars ($436,425.00).

5. Section 27. RENTAL ADJUSTMENT, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Effective February 1, 2007, the rental rate shall be increased as follows:

February 1, 2007 to January 31, 2008:	$1.25 per rentable square foot per month
February 1, 2008 to January 31, 2009:	$1.29 per rentable square foot per month
February 1, 2009 to January 31, 2010:	$1.33 per rentable square foot per month
February 1, 2010 to January 31, 2011:	$1.37 per rentable square foot per month
February 1, 2011 to January 31, 2012:	$1.41 per rentable square foot per month
February 1, 2012 to January 31, 2013:	$1.45 per rentable square foot per month
February 1, 2013 to January 31, 2014:	$1.49 per rentable square foot per month
February 1, 2014 to January 31, 2015:	$1.53 per rentable square foot per month
February 1, 2015 to January 31, 2016:	$1.57 per rentable square foot per month

6. All undefined terms when used herein shall have the same respective meanings as are given under the Lease as amended unless expressly provided otherwise in this Amendment No. 3.

7. Each of the signatories for the Lessor personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 3 upon the terms and conditions stated herein and each agrees to indemnify and hold harmless the Lessee from all damages, costs, and expenses, which result from a breach of this representation.

8. In the event of a conflict between the terms and conditions of this Amendment No. 3 and the terms and conditions of Lease No. 75318 and/or any prior amendment thereto, the terms and conditions of this Amendment No. 3 shall prevail. All other terms and conditions of the Lease as amended by Amendment No. 1 and Amendment No. 2 shall remain in full force and effect.

75318 Supplement No. 3

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 3 or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment No. 3 to be executed on its behalf by the Chair of said Board and attested to by the Clerk thereof the day, month, and year first above written.

LESSOR:

WILMONT, INC., a California Corporation

By _____

Name Paul Kim

Title _____

By _____

Name _____

Title _____

LESSEE:

COUNTY OF LOS ANGELES

By _____
ZEV YAROSLAVSKY
Chairman, Board of Supervisors

ATTEST:
Sachi A Hamai
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By Stephanie Brody

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS A

08 DEC 30 2007

Sachi A Hamai
SACHI A HAMAI
EXECUTIVE OFFICER

EXHIBIT B - MEMORANDUM OF COMMENCEMENT DATE

This Agreement is dated this ___ day of _____, 2007, for reference purposes only, by and between WILMONT, INC., a California Corporation as Lessor and County of Los Angeles as Lessee.

THE PARTIES HERETO HAVE ENTERED INTO A LEASE dated as of June 21, 2005, Amendment No. 1 dated as of November 15, 2005, and Amendment No. 2 dated as of September 5, 2006, and Amendment No. 3 dated as of _____ (the "Lease") for the leasing of the entire 6th, 7th, 8th, 9th and 15th Floors as well as a portion of the 10th and 11th floors located at 695 South Vermont Avenue, Los Angeles ("the Premises"). Lessor and Lessee hereby confirm the following:

That all construction required to be done by Lessor pursuant to the terms of the Lease have been completed subject to any remaining punchlist items;

That Lessee has accepted possession of the entire 9th floor and now occupies the same; and

That the term of the Lease for the entire 9th floor commenced _____.

That Lessee has accepted possession of a portion of the 10th floor comprising _____ square feet and now occupies the same; and

That the term of the Lease for this portion of the 10th floor commenced _____.

That Lessee has accepted possession of a portion of the 11th floor comprising _____ square feet and now occupies the same; and

That the term of the Lease for this portion of the 11th floor commenced _____.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

WILMONT, INC., a California Corporation

By _____

By _____

Lessee:

COUNTY OF LOS ANGELES

By _____