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**COUNTY OF LOS ANGELES**

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

**ACTING CHIEF EXECUTIVE OFFICER**

Joseph M. Nicchitta

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

April 07, 2026

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

Dear Supervisors:

**FIVE-YEAR LICENSE AGREEMENT  
INTERNAL SERVICES DEPARTMENT  
444 NORTH NASH STREET, EL SEGUNDO  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed five-year license renewal (License), to renew an existing license agreement providing the Internal Services Department (ISD) continued use of approximately 4,800 square feet of data hall with 870 Kilowatts (kW) of allocated power, approximately 625 square feet of office space, an existing 29 cross connects, and three on-site parking spaces for the Los Angeles County Enterprise Data Center (DC1).

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed License 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 Acting Chief Executive Officer, or his designee, to execute the proposed License with Nash DC, LLC, a Delaware limited liability company (Licensor), for approximately 4,800 square feet of data hall with 870 kW of allocated power, approximately 625 square feet of office space, an existing 29 cross connects, and three on-site parking spaces located at 444 North Nash Street, El Segundo (Premises) to be occupied by ISD. This proposes a License term of five years which will automatically extend for up to three additional five-year periods, extending the term for a total term of 20 years. The estimated total annual fees for the proposed License in the first year is \$3,285,000 which includes the cost for cross-connect charges and estimated electrical usage. The estimated total proposed fee is \$17,150,000 over the five-year term and \$81,852,000 over the 20-year term if not terminated early. The fees will be funded by net County cost (NCC) within ISD's existing budget.

Future fees will be recovered either through billings to County departments or requested in the annual budget cycle. ISD will not be requesting additional NCC for this current action.

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

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

In November 2015, the Board of Supervisors (Board) approved a motion to consolidate Los Angeles County's (County) data centers. ISD has occupied the Premises since 2017 for use as the County's DC1. The existing License expired on February 28, 2026, and there are holdover fees pursuant to the existing License. However, the County is not paying any holdover fees since the Licensor was actively involved in negotiations and has agreed to waive any fees that the County would have incurred from March 1, 2026 through April 30, 2026. The data hall houses County servers, related information technology (IT) equipment, and telecommunication equipment that support the County's IT network. The site functions as a central point for processing data and supporting critical systems for all County departments.

The Premises is in an existing DC1, which was constructed in 2010, and meets the standards of a Tier III concurrently maintainable data center as promulgated by the 2012 TIA 942-A guideline. In addition to the data hall with 870 kW of allocated power, the proposed License includes 625 square feet of office space for ISD staff members. Staff members are on-site daily to monitor systems, perform hardware and software maintenance, and troubleshoot equipment or network issues. The Premises will be supported by the Licensor's existing infrastructure, which includes 870 kW of Reserved Electrical Power, Power Distribution Units, Uninterruptable Power Supply System, back-up generators, redundant air conditioning and cooling system, access control system, plumbing systems, fire protection system, and Building Management System.

The Premises houses approximately five staff members using five workstations. Of these five staff members, one staff member is in the office full-time, while the remaining four staff members have a telework schedule.

The proposed License will enable ISD to remain and serve all County departments and avoid relocation costs and interruption of services. The Premises remains in a geographically appropriate area for the County's needs. Additionally, the Premises is one of just a few data centers in the County with an on-site electrical substation, which provides efficient transfer of power and lowers the cost of electricity for tenants in the DC1.

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

The Countywide Strategic Plan North Star 3 – "Realize Tomorrow's Government Today" – ensures we provide an increasingly dynamic and complex environment, challenges collective abilities to respond to public needs and expectations. LA County is an innovative, flexible, effective, and transparent partner focused on advancing the common good & being fiscally responsible. The proposed License is also consistent with the Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions, and Key Objective No.4 – Guide Strategic Decision-Making.

The proposed License supports the above goals and objective by providing ISD with necessary data center space located in the appropriate location to continue supporting the County's IT infrastructure.

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

### **FISCAL IMPACT/FINANCING**

The estimated total annual proposed License fees in the first year is \$3,285,000, which includes the cost for cross connect charges and electrical usage. The estimated aggregate fees associated with the proposed License over the initial five-year term, including cross connect charges and estimated electrical costs is \$17,150,000 and if the early options to terminate are not exercised, the estimated aggregate fee over the entire twenty-year term is \$81,852,000, all as shown in Enclosure B-1. The proposed License fees will be fully funded by NCC within ISD's existing budget. Future fees will be recovered either through billings to County departments or requested in the annual budget cycle. ISD will not be requesting additional NCC for this current action.

Sufficient funding to cover the proposed fees for the first year of the proposed License term is included in the Fiscal Year 2025-26 Rent Expense budget and will be billed back to ISD. ISD has sufficient funding in its Fiscal Year 2025-26 Operating Budget to cover the proposed License fees for the first year. Future funding for the fees associated with the proposed License will be from billings to County departments or requested through the annual budget cycle for ISD.

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

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

- Upon commencement of the proposed License, the annual rental rate for office space will decrease from \$53.20 per square feet, per year, to \$42 per square feet, per year.
- The annual rental rate for the data hall will be \$2,520 per kW for 870 kW of allocated power.
- The County shall be billed separately for its electrical power consumption. The current estimated electrical cost is approximately 14 cents per kW, per hour.
- Base fees for the data hall and office space are subject to fixed annual increases of 3 percent, beginning July 1, 2027.
- The County shall continue to use 29 cross connects during the term of the proposed License at a fee of \$150 per month for each cross connect, which are also subject to 3 percent annual increases.
- The Landlord is responsible for all operating and maintenance cost of the building and janitorial costs. The County is responsible for electrical costs.
- There are three on-site parking spaces included in the base fees at no additional cost.
- The County shall have the right to use approximately 561 square feet of storage space in the building at no additional cost during the term of the proposed License.
- A comparison of the existing license and the proposed License is shown in Enclosure B-2.

- The proposed License includes an initial five-year term and will automatically extend for up to three additional five-year periods under the same economic terms and fee escalation rates. If all options are exercised, the total term of the proposed License would be 20 years. The County may elect to terminate any of the automatic renewal terms by delivering six months' prior written notice of its decision not to renew.
- Holdover at the proposed License expiration is permitted on the same terms and conditions for six months following the proposed License expiration. The monthly recurring fees during the six-month holdover period will remain the same. After six months of holdover period, the recurring fees shall increase by 25 percent of the base fees at the time of the proposed License expiration.
- The proposed License was unanimously approved by your Board appointed Real Estate Management Commission on February 26, 2026.
- The proposed License will be effective upon approval by your Board and full execution of the proposed License, extending the term for an additional five-year period, commencing on May 1, 2026, and expiring on April 30, 2031.

The Chief Executive Office conducted a market search of available data centers for lease, but was unable to identify any sites that could accommodate this requirement more economically. Unlike office leases, data centers are evaluated on a rate per kW basis, where electricity rates drive total occupancy costs. Based upon a review of available industry data, it has been established that the annual rental range for data hall space in the area is between \$1,764 and \$2,100 per kW of allocated power per year, excluding electrical usage costs. The annual rate of \$2,520 per kW of allocated power per year for the proposed License represents a rate that is above the market range per kW for the area. However, the Premises is one of just a few data centers in the County with an on-site electrical substation, which provides efficient transfer of power and lowers the cost of electricity for tenants in the DC1. The proposed facility offers a significantly lower electricity rate of approximately \$0.14 per kW, per hour, compared to competitors' rates of \$0.21 to \$0.22 per kW, per hour, thereby reducing total occupancy costs. Moreover, it has been established that the average rental rate for comparable office space in the area is \$43.20 per square feet, per year. The base annual rental rate of \$42 per square feet, per year of office space for the proposed License represents a rate that is below the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt vital County services provided by the existing data hall. The Premises is the most suitable to continue meeting the County's space requirements.

This is a data center facility and co-working space is not possible and does not exist for this purpose.

Enclosure C shows County-owned or leased facilities within the surveyed area, and there are no suitable County-owned or leased facilities available to be used as a data center.

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

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

**ENVIRONMENTAL DOCUMENTATION**

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

Upon your Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Office of Land Use and Climate Innovation in accordance with section 21152 (a) of the California Public Resources Code and will be posted to the County's website, pursuant to section 21092.2.

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

The proposed License will adequately provide the necessary data hall services, office space and parking for this County requirement. ISD concurs with the proposed License and recommendations.

Respectfully submitted,



Joseph M. Nicchitta  
Acting Chief Executive Officer

JMN:JG:JTC  
JLC:HD:ANR:EG:ja

Enclosures

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

**INTERNAL SERVICES DEPARTMENT  
444 NORTH NASH ST., EL SEGUNDO**

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

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

## OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

444 NASH STREET, EL SEGUNDO  
INTERNAL SERVICES DEPARTEMENT

## Basic License Assumptions

Office Space Leased Area (sq.ft.)	625	
Data Hall Leased Area (sq.ft.)	4,800	
Parking Spaces	3	
	<b>Monthly</b>	<b>Annual</b>
Recurring Fees (per sq. ft.) Office / RSF	\$3.50	\$42.00
Recurring Fees (per sq. ft.) Data Hall / KW	\$210	\$2,520
KW of Allocated Power	870	
Cross Connects (29 @ \$150 per connect) <sup>(1)</sup>	\$4,350	\$52,200
Term (Months)	60	5
Annual Rent Adjustment	3%	
Electric Rate / KW	\$0.14	

Initial Term	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	Total 5 Year Rental Costs
Recurring Fees - Office	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$145,000
Recurring Fees - Data Hall	\$2,193,000	\$2,259,000	\$2,327,000	\$2,397,000	\$2,469,000	\$11,645,000
Cross Connect Fees	\$105,000	\$108,200	\$111,500	\$114,900	\$118,400	\$558,000
Electrical Cost <sup>(2)</sup>	\$960,000	\$960,000	\$960,000	\$960,000	\$960,000	\$4,800,000
<b>Total Annual Order Costs</b>	<b>\$3,285,000</b>	<b>\$3,356,000</b>	<b>\$3,428,000</b>	<b>\$3,502,000</b>	<b>\$3,579,000</b>	<b>\$17,150,000</b>

First Option Period	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	Total 5 Year Rental Costs
Recurring Fees - Office	\$32,000	\$33,000	\$34,000	\$36,000	\$38,000	\$173,000
Recurring Fees - Data Hall	\$2,544,000	\$2,621,000	\$2,700,000	\$2,781,000	\$2,865,000	\$13,511,000
Cross Connect Fees	\$122,000	\$125,700	\$129,500	\$133,400	\$137,500	\$649,000
Electrical Cost <sup>(2)</sup>	\$960,000	\$960,000	\$960,000	\$960,000	\$960,000	\$4,800,000
<b>Total Annual Order Costs</b>	<b>\$3,658,000</b>	<b>\$3,740,000</b>	<b>\$3,824,000</b>	<b>\$3,911,000</b>	<b>\$4,001,000</b>	<b>\$19,134,000</b>

Second Option Period	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	Total 5 Year Rental Costs
Recurring Fees - Office	\$40,000	\$42,000	\$44,000	\$46,000	\$48,000	\$220,000
Recurring Fees - Data Hall	\$2,951,000	\$3,040,000	\$3,132,000	\$3,226,000	\$3,323,000	\$15,672,000
Cross Connect Fees	\$141,700	\$146,000	\$150,400	\$155,000	\$159,700	\$753,000
Electrical Cost <sup>(2)</sup>	\$960,000	\$960,000	\$960,000	\$960,000	\$960,000	\$4,800,000
<b>Total Annual Order Costs</b>	<b>\$4,093,000</b>	<b>\$4,188,000</b>	<b>\$4,287,000</b>	<b>\$4,387,000</b>	<b>\$4,491,000</b>	<b>\$21,446,000</b>

Third Option Period	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	Total 5 Year Rental Costs
Recurring Fees - Office	\$50,000	\$52,000	\$54,000	\$56,000	\$58,000	\$270,000
Recurring Fees - Data Hall	\$3,423,000	\$3,526,000	\$3,632,000	\$3,741,000	\$3,854,000	\$18,176,000
Cross Connect Fees	\$164,500	\$169,500	\$174,600	\$179,900	\$185,300	\$874,000
Electrical Cost <sup>(2)</sup>	\$960,000	\$960,000	\$960,000	\$960,000	\$960,000	\$4,800,000
<b>Total Annual Order Costs</b>	<b>\$4,598,000</b>	<b>\$4,708,000</b>	<b>\$4,821,000</b>	<b>\$4,937,000</b>	<b>\$5,058,000</b>	<b>\$24,122,000</b>

Aggregate Amount for 20 years: **\$81,852,000.00**

## Footnotes

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

<sup>(1)</sup> Based on existing number of cross connects. Quantity of cross connects subject to change based on County's actual installation needs.

<sup>(2)</sup> Based on a 12-month average for 2025. Rates are subject to change.

**COMPARISON OF THE PROPOSED LICENSE TO EXISTING LICENSE**

	<b>Existing License:</b> <b>444 North Nash St., El Segundo</b>	<b>Proposed License:</b> <b>444 North Nash St., El Segundo</b>	<b>Change</b>
Allocated kilowatts	870 kW	870 kW	No change
Data Hall Space (Square Feet)	4,800	4,800	No change
Office Space (Square Feet)	625	625	No change
Term (years)	5 years plus four 5-year options to renew	5 years plus three 5-year options to renew	-one 5-year option to renew.
Annual fees for use of data hall with 870 kW	\$2,098,440 (\$2,412 per kW annually)	\$2,192,400 (\$2,520 per kW annually)	+\$93,960 (+\$108 per Kw annually)
Annual fee for Office Space (Base fee includes 3 parking spaces)	\$34,000	\$27,000	-\$7,000
Annual Electricity Cost <sup>(1)</sup>	\$892,000	\$960,000	+\$68,000
Annual Cost for Cross-Connects <sup>(2)</sup>	\$11,000	\$105,000	+\$94,000
Total Annual Fees payable to Landlord	\$3,035,000	\$3,285,000	+\$250,000
Annual Fee Adjustment	Fixed annual adjustments of 3 percent.	Fixed annual adjustments of 3 percent.	No change

\*Note: All numbers are rounded up to the nearest thousandth to ensure sufficient funds available to pay the specified expense.

- (1) This electrical cost estimate is based on a 12-month average for 2025 of \$0.14 per kW and based upon the County using all 870 kW of allocated power. Rates are subject to change. The County will not pay for any unused electricity.
- (2) The County is currently paying for the use of 6 cross connects at an annual rate of \$900 per year. ISD had increased the number of cross connects to 29 over the prior term but County was not being charged for the use. The proposed License will now reflect the charges for the use of 29 cross connects at an annual rate of \$105,000 per year under the proposed License.

## INTERNAL SERVICES DEPARTMENT

## SPACE SEARCH – 3 MILE RADIUS FROM 444 NORTH NASH STREET, EL SEGUNDO

LACO	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Available SF
0316	Public Library - Lennox Library	4359 Lennox Blvd, Lennox, CA 90304	Owned	10827	10286	NONE
0346	Lennox Constituent Service Center	4343 Lennox Blvd, Lennox, CA 90304	Owned	8261	5917	NONE
10243	ISD - Enterprise Data Center	444 N Nash St., El Segundo, CA 90245	Leased	10850	10380	NONE
10605	FS 161 Garage	4475 W El Segundo Blvd, Hawthorne, CA 90250	Owned	1430	1359	NONE
11480	Locker Shade Structure	4331 Lennox Blvd, Lennox, CA 90304	Owned	235	223	NONE
11481	Service Shade Structure	4353 Lennox Blvd, Lennox, CA 90304	Owned	495	470	NONE
2527	Lennox Park	10828 S Condon Ave, Lennox, CA 90304	Owned	623	249	NONE
4570	Del Aire Park - Recreation Building	12601 S Isis Ave, Hawthorne, CA 90250	Owned	2636	1682	NONE
4704	Public Library - Hawthorne Library	12700 S Grevillea Ave, Hawthorne, CA 90250	Owned	16949	15934	NONE
5605	Public Library - Lawndale Library	14615 Burin Ave, Lawndale, CA 90260	Leased	17360	16492	NONE
A242	DPSS - Medical Inglewood Office/Public Health	9800 S La Cienega Blvd, Inglewood, CA 90301	Leased	9374	8905	NONE
A378	DPSS - Airport/Westside Gain Region I Office	5200 W Century Blvd, Westchester, CA 90045	Leased	52054	49451	NONE
A415	Ag Comm/Wts & Meas - LAX Inspection Office	5600 W Century Blvd, Westchester, CA 90045	Leased	1079	1079	NONE
B320	Public Library - Wiseburn Library	5335 W 135th St., Hawthorne, CA 90250	Gratis Use	5088	4331	NONE
F387	PW Flood - El Segundo Yard Office	2155 El Segundo Blvd, El Segundo, CA 90245	Owned	1600	1440	NONE
P0000080	Pkg - 4328 W 106th	4328 W 106th Street, Inglewood, CA 90304	Leased	11658	11075	NONE
X301	Los Angeles Airport Courthouse	11701 S La Cienega Blvd, Los Angeles, CA 90045	CA State & LA County	292000	157380	NONE
Y034	Manhattan Beach - Maintenance Yard/LG Headquarters	3611 The Strand, Manhattan Beach, CA 90266	Owned	3777	2237	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed license:** License for the Internal Services Department – 444 North Nash Street, El Segundo – Second District.

**A. Establish Service Function Category –** Countywide service function.

**B. Determination of the Service Area –** The proposed License will provide ISD with data hall space to support the County's IT network.

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

- Need for proximity to service area and population: N/A
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., Torrance Transit Line 8 bus route, Metro Local Line 232 bus route, and the Metro C Line light rail.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings to meet ISD's needs.
- Compatibility with local land use plans: The City of El Segundo 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 fees associated with the proposed License over the initial five-year term is \$17,150,000. If all options are exercised, the total fees will be \$81,852,000 for the 20-year term.

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

The Chief Executive Office conducted a market search of available data centers for lease, but was unable to identify any sites that could accommodate this requirement more economically. Unlike office leases, data centers are evaluated on a rate per kW basis, where electricity rates drive total occupancy costs. Based upon a review of available industry data, it has been established that the annual rental range for data hall space in the area is between \$1,764 and \$2,100 per kW of allocated power per year, excluding electrical usage costs. The annual rate of \$2,520 per kW of allocated power per year for the proposed License represents a rate that is above the market range per kW for the area. However, the facility is one of just a few data centers in the County with an on-site electrical substation, which provides efficient transfer of power and lowers the cost of electricity for tenants in the data center. The proposed facility offers a significantly lower electricity rate of approximately \$0.14 per kW, per hour, compared to competitors' rates of \$0.21 to \$0.22 per kW hour, thereby reducing total occupancy costs. Moreover, it has been established that the average rental rate for comparable office space in the area is \$43.20 per square feet, per year. The base annual rental rate of \$42 per square feet, per year of office space for the proposed License represents a rate that is below the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt vital services provided by the existing data hall. We recommend the Premises as the most suitable to continue meeting 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 License will provide adequate and efficient data hall space and office space consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

LICENSE ORDER # 4

This ORDER #4 ("Order"), with an effective date of \_\_\_\_\_, 2026 (the "Order Effective Date"), by and between COUNTY OF LOS ANGELES, a body corporate and politic ("Licensee"), and NASH DC, LLC, a Delaware limited liability company and successor to T5@LOS ANGELES, LLC ("Licensor"). This Order is governed by the Data Center Colocation License Agreement dated October 11, 2016, as previously amended and extended (collectively the "License"). Capitalized terms used herein shall have the same meaning as that stated in the License. Each of Licensor and Licensee may be referred to herein as a "Party" or together as the "Parties."

RECITALS

- A. The License expired February 28, 2026 and Licensee has remained in possession on a holdover basis with the express consent of Licensor conditioned on the agreement herein and on the terms herein.
- B. Licensor and Licensee now desire to further extend the Term of the License, and to modify certain other provisions of the License as described herein.

AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF the foregoing facts and the mutual covenants and agreements herein, the Parties agree as follows:

1. Amendments.

1.1. Section 1.2.a., Licensor's Address for Notice, of the License is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

a. Licensor's Address for Notice:

Nash DC, LLC  
444 North Nash St.  
El Segundo, CA 90245  
Attn: Bob Glavan  
Its: Primary Point of Contact:  
Email: bob@sfrdc.com  
Email: Notices@sfrdc.com  
Email: Legalnotices@sfrdc.com

1.2. Section 1.2.b., Licensee's Address for Notice, of the License is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

b. Licensee's Address for Notice:

Chief Executive Office  
Real Estate Division  
555 W. Fifth St., 36<sup>th</sup> Floor  
Los Angeles, CA 90013  
Attn: Director of Real Estate  
Its: Primary Point of Contact

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

1.3. Section 1.2.f., Term, of the License is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

f. Term: Commencing on March 1, 2017 and subject to Licensee's and Licensor's execution of the Initial Order and Order Form and written acceptance (or deemed acceptance) of the Licensed Space in accordance with the Acceptance Procedure (the "Original Commencement Date"); and terminating at 11:59 p.m. on April 30, 2031 (the "Termination Date"), subject to earlier termination by Licensee as provided herein. The phrase "Term of this License" or "the Term hereof" as used in this License, or words of similar import, shall refer to the initial Term of this License together with any additional Extension Term for which an option has been validly exercised as defined in each Order subject to earlier termination by Licensee as provided herein.

1.4. Section 1.2.i., Parking Spaces, of the License is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

i. Parking Spaces: Three (3)

1.5. Section 2.4, Right to Expand Licensed Area, of the License is hereby amended by deleting it in its entirety.

1.6. Section 2.5, Right of First Refusal, of the License is hereby amended by deleting it in its entirety.

1.7. Section 4.3, Options to Extend, of the License is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

4.3 Options to Extend

Upon expiration of the Original License Term, this License and all Orders shall automatically extend for three successive periods of five (5) years each (each, an

"Extension Term"; collectively, "Extension Terms"), at the same economic terms and escalation rate (as the term "Fees" is defined hereinafter) specified in the Price Sheet for the Original License Term. However, notwithstanding the foregoing, prior to the expiration of the Original License Term and each subsequent Extension Term, Licensee may void the automatic Extension Term by providing the Licensor with at least six (6) months written notice stating the election to not extend. If Licensee provides a notice not to extend for a subsequent Extension Term, this License shall automatically extend month to-month for a period not to exceed six (6) consecutive months to allow Licensee sufficient time to vacate the Licensed Space.

1.8. Section 8, Holdover, of the License is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

#### 8. HOLDOVER

Following the Termination Date, Licensee may remain in possession of the Licensed Space on a holdover basis subject to the terms of this License, including MRF escalations. Such holdover license shall be terminable only upon ninety (90) days written notice by Licensor or thirty (30) days written notice by Licensee. Licensee shall not be subject to any holdover premium for an initial period of one hundred eight (180) days, thereafter MRFs shall be escalated to equal 125% of the MRF accruing during the foregoing initial holdover period.

1.9. Exhibit D, of the License is hereby amended by deleting it in its entirety and replacing it with the new Exhibit D, attached to this Order and incorporated herein by this reference.

2. Acceptance. Licensee acknowledges that Licensor has delivered and Licensee has accepted the Licensed Space and the Dedicated Office Space as such spaces are occupied by Licensee at the date hereof.
3. Storage Space. Licensee shall have the continued use of Room #123 that includes approximately 561 square feet as storage space during the Term hereof at no additional cost to Licensee.
4. Confidentiality. Licensor and Licensee agree to keep confidential all of the business terms and conditions of the transaction contemplated in this proposal, regardless of whether or not such transaction is ultimately consummated, except (a) if and to the extent the information is already a matter of public knowledge; (b) if and to the extent a Party acquired the information totally apart from the other Party or the other Party's employees, agents or representatives; (c) such disclosures as may be necessary to a Party's brokers, lenders, attorneys, accountants, architects and others advisors, including investment bankers and advisors and other investment professionals and investors involved in any lending, financial or securities transactions involving Licensor or its affiliates (collectively, "Permitted Confidants"); or (d) such disclosures as are required by law or by any litigation between the Parties to this proposal with respect to the Building. Notwithstanding any other provision of the License or this Order, Licensor acknowledges that the Licensee is a public entity subject to the California Public Records Act (Government Code §6250 et

seq.), and may be legally required to disclose the License or this Order or portions thereof in response to a request under the CPRA. Notwithstanding any other provision of this the License or this Order, the Licensee shall not be deemed to be in breach of any confidentiality obligation by disclosing information as required by law, regulation, or court order. The Licensee agrees to notify the Licensor promptly upon receipt of any CPRA request that may involve disclosure of this License, and to reasonably cooperate with the Licensor in asserting any applicable exemptions from disclosure, including but not limited to exemptions for trade secrets or proprietary business information. The Licensor acknowledges and agrees that the Licensee shall have sole discretion to determine whether any portion of the License is exempt from disclosure under the CPRA, and that the Licensee shall not be liable for any damages resulting from such disclosure made in good faith compliance with applicable law.

5. Authority. Only the Los Angeles County Board of Supervisors has the authority, by formally approving and/or executing this Order, to bind the County to the terms included herein. Each individual executing this Order on behalf of Licensee represents and warrants that he or she is duly authorized to execute and deliver this Order on behalf of Licensee, and that this Order is binding upon Licensee in accordance with its terms. Each individual executing this Order on behalf of Licensor represents and warrants that he or she is duly authorized to execute and deliver this Order on behalf of Licensor, and that this Order is binding upon Licensor in accordance with its terms.
6. Continuing Effect. All references to the "License" shall hereinafter refer to the License as amended by this Order. Except as specifically amended by this Order, the License shall remain in full force and effect in accordance with its terms. Sections or other headings contained in this Order are for reference purposes only and shall not affect in any way the meaning or interpretation of this Order; and no provision of this Order shall be interpreted for or against any Party because that Party or its legal representative drafted the provision.
7. Counterparts. This Order may be executed in counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument. Any signature page on a counterpart may be detached therefrom and attached to another counterpart identical in form hereto but including additional signature pages without impairing the legal effect of the signatures thereon.
8. Severability. If any provision of this Order is or becomes invalid or is ruled invalid by any court of competent jurisdiction or is deemed unenforceable, it is the intention of the Parties that the remainder of this Order shall not be affected.
9. Governing Law; Venue. This Order shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Order shall be conducted in the County of Los Angeles, State of California.
10. Amendment; Waiver. This Order may be amended, modified, superseded or canceled, and any of the terms may be waived, only by a written instrument executed by each Party or, in the case of waiver, by the Party waiving compliance. The delay or failure of either Party at any time or times to require performance of any provisions hereof shall in no manner affect the rights at a later time to enforce the same. No waiver by either Party of any condition or of the breach of any term contained in this Order, whether by conduct, or

otherwise, in any one or more instances, shall be deemed to be, or considered as, a further or continuing waiver of any such condition or of the breach of such term or any other term of this Order.


11. Electronic Signature. It will be valid for the Parties to execute and deliver this Order by means of an "electronic signature" and "electronic record" made in accordance with the Uniform Electronic Transactions Act (Cal. Civ. Code section 1633.1, et seq.), or similar applicable law (including, without limitation, by means of DocuSign).

*[Signature Page(s) Immediately Follow(s)]*

IN WITNESS WHEREOF, the Parties have executed this Order as of the Order Effective Date.

Licensor:

NASH DC, LLC,  
A Delaware limited liability company

By:   
Avner Papouchado, Chief Executive Officer

Licensee:

COUNTY OF LOS ANGELES,  
a body corporate and politic

JOSEPH M. NICCHITTA  
Acting 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


 Roberto Saldana  
2026.01.29  
10:53:13 -08'00'  
By: \_\_\_\_\_  
Roberto Saldaña  
Senior Deputy County Counsel

EXHIBIT D  
PRICE SHEET

This Price Sheet is hereby incorporated as part of the County of Los Angeles Data Center Colocation License Agreement dated as of October 11, 2016, as amended and extended. Services provided to Licensee under the License shall be entitled to the economic benefits listed in this Price Sheet.

**1. Facility to which this price sheet applies:**

Nash DC, LLC,  
444 North Nash Street,  
El Segundo, CA.

**2. Monthly Recurring Fees:** Licensee shall remain in possession during the period commencing March 1, 2026 and continuing through April 30, 2026 with Licensor's express written consent hereby given and shall continue to pay "**Monthly Recurring Fees**" (also referred to as "**MRFs**" or "**MRCs**") during such period at the rate for MRF's shall be as determined and in effect for the month of February 2026 under the provisions of License. Thereafter, commencing on May 1, 2026, Monthly Recurring Fees shall be the unit costs identified in **Tables 1, 2 and 3** below, and shall be subject to the Annual Escalation Rate as set forth below. Thereafter, the MRFs shall be determined based on the pricing set for in Tables 1, 2 and 3 below and giving effect as appropriate to AER defined below. There shall be no Volume Discount Factor or VDF applicable under the License.

**Table 1:** Licensed Data Hall Services:

Year	MRFs / MRCs (monthly)	MRFs / MRCs (annual)
1*	\$182,700 (\$210 per kW for 870 kW of allocated power per month)	\$2,192,400 (\$2,520 per kW for 870 kW of allocated power per year)

\* Year 1 begins on May 1, 2026 and ends April 30, 2027.

**Table 2:** Licensed Office Space:

Year	MRFs / MRCs (monthly)	MRFs / MRCs (annual)
1*	\$2,187.50 (\$3.50 per RSF)	\$26,250.00 (\$42.00 per RSF)

\* Year 1 begins on May 1, 2026 and ends April 30, 2027.

A. "**Annual Escalation Rate**" ("**AER**"): An Annual Escalation Rate of 3% shall be applied to the Monthly Per Unit Recurring Fees effective on the first day of July, 2027 and thereafter applied on the first day of July of each subsequent year to the Monthly Per Unit Recurring Fees of the previous year.

B. There shall be no annual operating expense (opex) charges or reconciliations, and no percentage asset management fee.

3. **Utility Charges:** Licensee shall only be responsible for the power utility charges. Energy use for the Licensed Space shall be invoiced to Licensee based on actual energy consumed by Licensee Equipment and the associated Support Infrastructure multiplied by the per kilowatt-hour utility rate as passed through to Licensee from the Power Company without any markup or processing fee, Licensor will provide evidence of any changes to the power utility rate when requested by Licensee. The current 12 month average power utility rate (inclusive of taxes) at June 2025 is \$0.13991 /kWh. The method of calculation for monthly energy consumption and utility charges will be as follows:

- A. Energy usage for Licensee Equipment will be measured at the output of the PDUs, RPPs, or Busways supplying Licensee Equipment cabinets and shall be presented as the total kilowatt-hours of energy consumed during the billing period, regardless of whether the facility was on utility power or generator power.
- B. The total energy consumed by the Licensed Space will be calculated by multiplying the energy consumed by Licensee Equipment (paragraph 3A above) by the PUE. Where PUE is the annualized Power Usage Effectiveness of the Facility and is calculated as:

$$PUE = \frac{\text{Total Energy Consumed By Facility}}{\text{Total Energy Consumed by IT Equipment}}$$

- C. Licensor will use a fixed PUE of 1.5 for the Facility during the Original License Term and any Extension Terms as long as Licensee utility usage is at least 50% of the applicable Reserved Power and best practices, including containment are utilized by Licensee.
  - D. Any applicable power consumption taxes will be shown as separate line items on the invoice and will be passed through to Licensee without markup or processing fees.
  - E. Licensor shall not add any additional charges for operating the Facility on generators.
4. **Other Monthly Recurring Fees:** Other per unit monthly recurring fees associated with the Licensed Space for Licensee's use of specific services shall be as listed in **Table 3** below. Monthly Recurring Fees shall be calculated by applying the unit costs identified in **Table 3** by the total quantity or volume identified in each Order for such specific services, which shall be subject to the Annual Escalation Rate (as defined above)
- A. Currently, Licensee is currently utilizing 29 cross-connects. Use of such cross-connects may continue and the charges per cross-connect as provided in **Table 3** which charge shall escalate annually in accordance with the AER. Initial install fee for the two cross-connects has previously been paid.

**Table 3:** Other Per Unit Monthly Recurring Fees for Requested Services

Item	Description	Unit of measurement	MRF and One-Time Fees.
1	<i>Intentionally omitted</i>		
2	<i>Intentionally omitted</i>		
3	<i>Intentionally omitted</i>		
4	<i>Intentionally omitted</i>		
5	Monthly cost per redundant pair of network cross-connect fibers between Licensed Space and carrier Meet-Me-Room	Per fiber pair	\$1,000 initial install fee and thereafter \$150 per month
6	Monthly cost per redundant pair of network cross-connect copper wires between Licensed Space and carrier Meet-Me-Room	Per cooper pair	\$1,000 initial install fee and thereafter \$150 per month
7	Branch circuit monitoring for in cabinet power strips	Per power strip	n/a

5. **One-time Fixed Fees:** One-time Fixed fees associated with the Licensed Space or Licensee's use of specific services shall be as listed in **Table 4**. Fixed Fees for applicable Order shall be calculated by applying the unit costs identified in the Table A4 by the total quantity or volume identified in each Order and subject to Annual Escalation Rate (as defined above).

**Table 4:** Fixed Fees for Requested Services

Item	Description	Unit of Measurement	Fixed Fee
1	Installation cost of cabinet or rack including cost of installing redundant power whips to cabinet (excluding the cost of cabinet)	Cabinet or rack	Cost plus 8%
2	Installation cost of power whips	each	Cost plus 8%
3	L5-20 (120V 20A) metered power strip (installed)	each	Cost plus 8%
4	L5-30 (120V 30A) metered power strip (installed)	each	Cost plus 8%
5	L6-20 (120V 20A) metered power strip (installed)	each	Cost plus 8%
6	L6-20 (120V 30A) metered power strip (installed)	each	Cost plus 8%
7	208V 50A metered power strip (installed)	each	Cost plus 8%
8	208V 60A metered power strip (installed)	each	Cost plus 8%

9	L15-20 (208V 20A) metered power strip (installed)	each	Cost plus 8%
10	L15-30 (208V 30A) metered power strip (installed)	each	Cost plus 8%
11	L21-30 (120V/ 208V 30A 3P) metered power strip (installed)	each	Cost plus 8%
12	208V 50A 3P metered power strip (installed)	each	Cost plus 8%
13	208V 60A 3P metered power strip (installed)	each	Cost plus 8%
14	Network equipment, aggregation devices, and portal for data collection, monitoring, and reporting of branch circuit power consumption	Total equipment and setup cost	n/a
15	Remote Hands (1 hour blocks)	Hourly	Cost plus 8%
16	Remote Hands (10 hour blocks)	Block	Cost plus 8%
17	Remote Hands (100 hour blocks)	Block	Cost plus 8%
18	Single model fiber structured cabling within the Licensed Space	each	Cost plus 8%
19	Multi-mode fiber structured cabling within the Licensed Space	each	Cost plus 8%
20	Cat X structured cabling within the Licensed Space	each	Cost plus 8%