



## County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

FESIA A. DAVENPORT  
Chief Executive Officer

**DATE:** September 22, 2021  
**TIME:** 2:00 p.m. – 4:00 p.m.  
**LOCATION:** **TELECONFERENCE CALL-IN NUMBER: 1(323)776-6996**  
**TELECONFERENCE ID: 605696861#**

To join via phone, dial 1(323)776-6996, then press 605696861#.

**YOU CAN ALSO JOIN THIS MEETING BY CLICKING ON THE FOLLOWING LINK:**

[Click here to join the meeting](#)

**DUE TO THE CLOSURE OF ALL COUNTY BUILDINGS, MEMBERS OF THE PUBLIC  
WILL NEED TO CALL IN TO PARTICIPATE IN THE MEETING.**

### **AGENDA**

Members of the Public may address the Operations Cluster on any agenda item after all Informational Items are presented.  
Two (2) minutes are allowed for each item.

1. **Call to order – Tamela Omoto-Frias/Anthony Baker**

2. **INFORMATIONAL ITEM(S):**  
**(5 minutes)**

A) Board Letter:

FIRST AMENDMENT TO JOINT OCCUPANCY AGREEMENT  
BETWEEN THE JUDICIAL COUNCIL OF CALIFORNIA AND THE  
COUNTY OF LOS ANGELES FOR THE MCCOURTNEY JUVENILE  
JUSTICE CENTER, 1040 WEST AVENUE J, LANCASTER  
CEO/RE – Dean Lehman, Senior Manager and  
Michael Chae, Senior Real Property Agent

B) Board Letter:

INCREASE ANNUAL COST FOR TEMPORARY PERSONNEL  
SERVICES CONTRACTS  
BOS/EO – Hanna Cheru, Acting Assistant Executive Director and  
Susan Huff, Acting Administrative Deputy

**CONTINUED ON PAGE 2**

C) Board Letter:

APPROVAL OF THE FIVE-YEAR LEASE OF ISD FOR CONTINUED  
USE OF DATA CENTER SPACE AND ON-SITE PARKING SPACES  
LOCATED AT 1400 SOUTH GRAND AVE., SANTA ANA

CEO/RE/ISD – Michael Navarro, Chief Program Specialist

3. **PRESENTATION/DISCUSSION ITEMS:**

A) FISCAL YEAR 2021-22 SUPPLEMENTAL CHANGES BUDGET  
BRIEFING

CEO/OPERATIONS – Anthony Baker, CEO Manager

4. **Public Comment**

(2 minutes each speaker)

5. **Adjournment**

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**FUTURE AGENDA TOPICS**

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**CALENDAR LOOKAHEAD:**

None available.

## BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	9/22/2021	
<b>BOARD MEETING</b>	10/19/2021	
<b>DELEGATED AUTHORITY BOARD LETTER</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	Fifth District	
<b>DEPARTMENT</b>	Chief Executive Office (CEO)	
<b>SUBJECT</b>	McCourtney Juvenile Justice (MJJ) Center 1040 W. Avenue J, Lancaster – First Amendment to the Joint Occupancy Agreement (Amendment)	
<b>PROGRAM</b>	N/A	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A	
<b>COST &amp; FUNDING</b>	Total cost: N/A	Funding source: Criminal Justice Facilities Construction Fund (B09)
	TERMS (if applicable): Indefinite or until the JOA is terminated.	
	Explanation: There are no costs associated with the approval and execution of the Amendment to the Joint Occupancy Agreement (JOA)	
<b>PURPOSE OF REQUEST</b>	The proposed Amendment will correct a previous parking share error and reallocate the usable square footage created by a Court tenant improvement project.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	<p>Under the Trial Court Facilities Act of 2002, the Judicial Counsel of California, on behalf of the Court, assumed control of the MJJ Center, located at 1040 West Avenue J, Lancaster. The transfer is reflected in a Transfer Agreement (TA), dated October 21, 2008. The Court and County have space within the facility and the building is subject to a Joint Occupancy Agreement (JOA).</p> <p>The proposed Amendment will achieve two objectives. First, the Amendment will correct a parking share error in the original JOA. Second, the proposed Amendment will add and allocate an additional 600 square feet of usable space created by the Superior Court of California's (Superior Court) recent tenant improvement project.</p>	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email: • Dean Lehman, Senior Manager 213-974-4200 <a href="mailto:dlehman@ceo.lacounty.gov">dlehman@ceo.lacounty.gov</a>	• Michael Chae, Senior Real Property Agent 213-974-4351 <a href="mailto:mchae@ceo.lacounty.gov">mchae@ceo.lacounty.gov</a>



FESIA A. DAVENPORT  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

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

Board of Supervisors  
HILDA L. SOLIS  
First District

HOLLY J. MITCHELL  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

October 19, 2021

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:

**FIRST AMENDMENT TO  
JOINT OCCUPANCY AGREEMENT  
BETWEEN THE JUDICIAL COUNCIL OF CALIFORNIA  
AND THE COUNTY OF LOS ANGELES  
FOR THE MCCOURTNEY JUVENILE JUSTICE CENTER  
1040 WEST AVENUE J, LANCASTER  
(FIFTH DISTRICT) (3 VOTES)**

**SUBJECT**

The recommended actions will approve the proposed First Amendment to the Joint Occupancy Agreement (JOA Amendment) between the Judicial Council of California (JCC) and the County of Los Angeles (County) for the McCourtney Juvenile Justice (MJJ) Center located in Lancaster.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed First Amendment to the Joint Occupancy Agreement (JOA Amendment) is not subject to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 21065 of the Public Resources Code and Section 15378(b)(5) of the State CEQA Guidelines. The proposed action to amend the Joint Occupancy Agreement is an organizational or administrative activity of government, which will not result in direct or indirect physical changes to the environment.
2. Approve and authorize the Chief Executive Officer, or her designee, to sign the proposed JOA Amendment for the MJJ Center.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed JOA Amendment, and to take other actions necessary and appropriate to implement and effectuate the terms of the proposed JOA Amendment.

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

The proposed JOA Amendment for the MJJ Center will achieve two objectives. First, the proposed JOA Amendment will correct a parking share error in the original JOA. Second, the proposed JOA Amendment will add and allocate an additional 600 square feet of usable space created by the Superior Court of California's (Superior Court) recent tenant improvement project. Additional details are shown below:

**Parking Share:** The sum of the parking shares included in the original JOA equaled 101.34 percent. The proposed JOA Amendment revises the County and JCC shares to the correct percentage parking allocations (County 44.16 percent and JCC 55.84 percent). There is no impact to the parking usage from the parking share correction since the County and the JCC will continue using the original JOA parking allocations.

**New Space:** The space added as part of the Superior Court's tenant improvement project increased the building's usable space and resulted in small increases to the County and JCC's share. Based on the JOA's space allocation (County 30.95 percent and JCC 69.05 percent), the County received an additional 186 square feet while the JCC received 414 square feet.

### **BACKGROUND**

Under the Trial Court Facilities Act of 2002, the JCC, on behalf of the Court, assumed control of the MJJ Center located at 1040 West Avenue J, Lancaster (Court Facility). The transfer is reflected in a Transfer Agreement (TA), dated October 21, 2008. The MJJ is a part of a larger campus owned and managed by the County.

On May 7, 2018, the Court commenced a self-funded Tenant Improvement project within the MJJ that included improvements to restrooms, public areas, interview rooms, courtrooms, holding cells, and the Sheriff's office as well as new paint and carpet. The project was completed on August 11, 2020. A project goal was to maintain the existing JOA's space allocations (Court 30.95 percent and JCC 69.05 percent).

The proposed JOA Amendment will correct the previous parking share error and reallocate the usable square footage created by the tenant improvement project. The proposed JOA Amendment has been approved as to form by County Counsel.

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

The County Strategic Plan Goal 3 – "Realize Tomorrow's Government Today" - provides that our dynamic and complex environment challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good. The proposed JOA Amendment supports this goal by pursuing operational effectiveness, fiscal responsibility, and accountability.

The proposed JOA Amendment is consistent with the Strategic Asset Management Plan Goal 3 – Maximize use of County space and achieve cost savings, and Key Objective 4 – Guide Strategic Decision-Making. The proposed JOA Amendment supports this goal and objective through effective and efficient management of County assets and fostering a continued relationship with our partners at the State and the Superior Court.

The proposed JOA Amendment is in conformance with the Asset Management Principles as outlined in Enclosure A.

### **FISCAL IMPACT/FINANCING**

None.

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

None.

### **ENVIRONMENTAL DOCUMENTATION**

Approval of the proposed JOA Amendment is not a project under CEQA because the proposed actions are activities that are excluded from the definition of a project by Section 21065 of the Public Resources Code and Section 15378(b)(5) of the CEQA Guidelines, as the proposed actions to amend the JOA are administrative activities of government that will not result in direct or indirect physical changes in the environment.

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

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

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

There is no impact on current services.

**CONCLUSION**

It is requested that the Executive Office of the Board of Supervisors, return one certified copy of the Minute Order, and the adopted stamped Board letter to the CEO, Real Estate Division at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FAD:JMN:JTC:DL  
DA:JC:MC:ls

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor Controller  
Internal Services  
Judicial Council of California

**FIRST AMENDMENT TO  
JOINT OCCUPANCY AGREEMENT  
BETWEEN THE JUDICIAL COUNCIL OF CALIFORNIA  
AND THE COUNTY OF LOS ANGELES  
(MCCOURTNEY JUVENILE JUSTICE CENTER)**

This FIRST AMENDMENT TO JOINT OCCUPANCY AGREEMENT (“**First Amendment**”) is made and entered into, as of the date this First Amendment is signed by the last Party to sign (“**First Amendment Effective Date**”), by and between the Judicial Council of California (“**Judicial Council**”) and the County of Los Angeles (“**County**”). For purposes of this First Amendment, the Judicial Council and County are each a “**Party**” and may be referred to collectively herein as the “**Parties.**”

**RECITALS**

A. The Judicial Council, on behalf of the Superior Court of California, County of Los Angeles (“**Superior Court**”), and the County entered into that certain Joint Occupancy Agreement for the Alfred J. McCourtney Juvenile Justice Center, dated October 21, 2008 (“**JOA**”), setting forth the Parties’ shared possession, occupancy, and use of the court facility commonly known as the Alfred J. McCourtney Juvenile Justice Center, located at 1040 West Avenue J, Lancaster, California, 93534 (Court Facility No. 19-AE1).

B. On July 29, 2014, the Judicial Council of California amended rule 10.81 of the California Rules of Court to substitute the “Judicial Council” for the “Administrative Office of the Courts” or the “AOC” in all contracts, memoranda of understanding, and other legal agreements, documents, proceedings, and transactions, with no prejudice to the substantive rights of any Party.

C. The Parties now desire to amend the JOA to adjust their respective Exclusive-Use Areas in the Building, and to make corresponding and other changes deemed necessary and helpful by the Parties, as set forth herein this First Amendment.

**NOW, THEREFORE**, the Judicial Council and County do hereby agree to amend the JOA as follows:

1. Incorporation of Recitals; Defined Terms. The Parties agree the foregoing Recitals are true and correct, and are incorporated into this First Amendment by this reference. Unless otherwise defined in this First Amendment, any capitalized term shall have the meaning prescribed to it in the JOA.



2. Amendment of “AOC” to “Judicial Council.” All references to “Administrative Office of the Courts” or “AOC” in the JOA shall be replaced by “Judicial Council” or “Council” with no prejudice to the substantive rights of the Parties, and the Judicial Council will continue to perform all duties, responsibilities, functions, or other obligations, and bear all liabilities, and exercise all rights, powers, authorities, benefits, and other privileges attributed to the “Administrative Office of the Courts” or “AOC” in the JOA.

3. Adjustment of Exclusive-Use Areas; Revised Definitions. The following definitions set forth in section 2 (*Definitions*) of the JOA are hereby deleted in their entirety and replaced with the following:

**“Building Exclusive-Use Area”** means, for the Building, the total number of interior square feet of the Building comprising Court Exclusive-Use Area and County Exclusive-Use Area, together. On the First Amendment Effective Date, the Total Building Exclusive-Use Area is 28,979 square feet.

**“Common Area”** means the areas of the Real Property that are used non-exclusively and in common by, or for the common benefit of, the Council, the County, the Superior Court, and the Occupants, and includes (1) those portions of the Building depicted as Common Area on Attachment “4” to this JOA including hallways, stairwells, elevators, and restrooms that are not located in either Party’s Exclusive-Use Area, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Building, (3) Building Equipment that does not exclusively serve only one Party’s Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and to the Building, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party’s Exclusive-Use Area, including the Parking Areas. The Common Area does not include any part of the Exclusive-Use Area of either Party, except for any Building Equipment that is located in a Party’s Exclusive-Use Area.

**“County Exclusive-Use Area”** means 8,970 square feet in the interior of the Building, as depicted in Attachment “4” to this JOA, and all of the area in the County Buildings, the East Parking Lot, and the West Parking Lot. As of the First Amendment Effective Date, the County Exclusive-Use Area within the Building constitutes 30.95 percent of the Building Exclusive-Use Area.

**“County Parking Share”** means 44.16 percent, which is the percentage of the Shared Parking Areas that comprises the County Parking.

**“Court Exclusive-Use Area”** means the 20,009 square feet of the interior of the Building that are exclusively occupied and used by the Superior Court, as depicted in Attachment “4” to this JOA. As of the First Amendment Effective Date, the Court Exclusive-Use Area within the Building constitutes 69.05 percent of the Building Exclusive-Use Area.

**“Total Exclusive-Use Area”** means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area within the Building and the County Buildings that are located on the Real Property. As of the First Amendment Effective Date, the Total Exclusive-Use Area is 89,190 square feet.

4. New Attachment for Revised Floor Plan. As of the First Amendment Effective Date, the revised floor plan of the Building (**“Revised Floor Plan of Interior of Building”**), attached to this First Amendment as **Exhibit “1,”** is hereby incorporated into the JOA as the newly inserted Attachment “4” to the JOA.

5. Updates to Notices. Section 12 (*Notices*) of the JOA is hereby deleted in its entirety and replaced with the following:

Any notice or communication required to be sent to a Party pursuant to this JOA related, or delivered pursuant, to (i) termination of the Superior Court Area Delegation under section 3.2.1.2 of this JOA, or (ii) sections 5, 6, 7, 8, 9, 10, 11, and 14 of this JOA must be sent in writing by personal delivery (including overnight courier service), certified U.S. mail, postage pre-paid and with return receipt requested, or facsimile transmission, sent during regular business hours of the recipient, to the Parties at their addresses or fax numbers indicated in this section 12 below, and to the Parties’ Designated Representatives pursuant to section 13 of this JOA. Routine exchange of information may be conducted via telephone, facsimile, or electronic means, including e-mail. All other notices or communications, including notices related to estimates, invoices, Emergencies, Defects, Correction Plans, and audits, shall be delivered to the Parties’ Designated Representatives pursuant to section 13 of this JOA.

If to the Judicial Council:

Judicial Council of California  
Facilities Services  
Attention: Associate Facilities Analyst  
2860 Gateway Oaks Drive, Suite 400  
Sacramento, CA 95833  
Voice: 916-643-7074

With a copy to:

Judicial Council of California  
Facilities Services  
Attention: Manager, Real Estate  
2860 Gateway Oaks Drive, Suite 400  
Sacramento, CA 95833  
Voice: 916-263-7999

In addition, all audit requests and notices by the County relating to termination of this JOA or alleged breach or default by the Judicial Council of this JOA must also be sent to:

Judicial Council of California  
Branch Accounting and Procurement  
Attention: Manager, Contracts  
455 Golden Gate Avenue, 6th floor  
San Francisco, CA 94102  
Voice: 415-865-7989  
Fax: 415-865-4326

If to the County:

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

With a copy to:

County of Los Angeles  
Chief Executive Office  
Attention: Senior Manager, CEO  
Real Estate Division  
Hall of Records  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Voice: 213-974-4300  
Fax: 213-830-0926

A Party may change its address for notice under this JOA by giving written notice to the other Party in the manner provided in this section 12. Any notice or communication sent under this section 12 will be deemed to have been duly given as follows: (1) if by personal delivery, on the date actually received by the addressee or its representative at the address provided above; or (2) if sent by certified U.S. mail, return receipt requested, on the first business day that is at least three calendar days after the date deposited in the U.S. mail, or (3) if sent by facsimile transmission, upon electronic confirmation of good receipt by the receiving facsimile machine except that facsimile notice received after normal business hours of the recipient will be deemed received at 9:00 a.m. on the first business day after the date on which the facsimile notice was confirmed electronically.

6. Updates to Designated Representatives. The information for the Parties' respective Designated Representatives set forth in section 13 (*Designated Representatives*) of the JOA is hereby replaced and updated with the following:

Judicial Council Designated Representative:

Andre Navarro  
Manager, Facilities Operations  
Facilities Services  
Judicial Council of California  
14400 Erwin Street  
Van Nuys, CA 91401  
Voice: 818-201-4844  
Email: Andre.Navarro@jud.ca.gov

County Designated Representative:

Tim Braden, General Manager  
Facilities Operation Service  
Internal Services Department  
1100 N. Eastern Avenue  
Los Angeles, CA 90063  
Voice: 323-267-2107  
Fax: 323-881-0290  
Email: tbraden@isd.lacounty.gov

7. No Other Changes. Except as it is expressly amended pursuant to this First Amendment, the JOA remains in full force and effect as originally signed and approved by the Judicial Council and County. In the event of any conflict between the JOA and this First Amendment, the terms of this First Amendment shall prevail.

8. Governing Law. This First Amendment is exclusively governed by the laws of the State of California, without regard to its conflict of law principles. Any action brought by the Parties regarding this First Amendment, the enforcement of its terms, or any dispute relating thereto shall be filed in the Superior Court of California in the County in which the Real Property is located.

9. Authority; Binding Effect. The Judicial Council and County each represents and warrants that the individual signing this First Amendment on behalf of such Party is duly authorized to execute and deliver this First Amendment on behalf of such Party. This First Amendment shall apply to, bind, and inure to the benefit of the Parties, and their respective governing boards, officers, members, legal representatives, successors, and assigns.

10. Counterparts and Electronic Signatures. This First Amendment may be executed in counterparts (including PDF copies), each of which shall be deemed an original as against the Party signing such counterpart and which together shall constitute one and the same instrument. The Parties agree that the signature pages of this First Amendment may be executed, scanned, and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this First Amendment, with such scanned and electronic signatures having the same legal effect as original signatures.

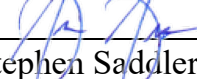
**[SIGNATURES ON FOLLOWING PAGE(S)]**

IN WITNESS WHEREOF, this First Amendment has been executed as of the dates written below.

**JUDICIAL COUNCIL OF CALIFORNIA      COUNTY OF LOS ANGELES**

**FESIA A. DAVENPORT**

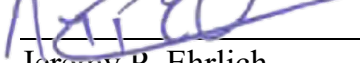
Chief Executive Officer

By:   
Name: Stephen Saddler  
Title: Manager, Contracts  
Date: July 20, 2021

By: \_\_\_\_\_  
Name: John T. Cooke  
Title: Assistant Chief Executive Officer  
Asset Management Branch  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
Judicial Council of California,  
Legal Services

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

By:   
Name: Jeremy P. Ehrlich  
Title: Attorney  
Date: July 14, 2021

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

APPROVED AS TO FORM:  
RODRIGO CASTRO-SILVA  
County Counsel

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

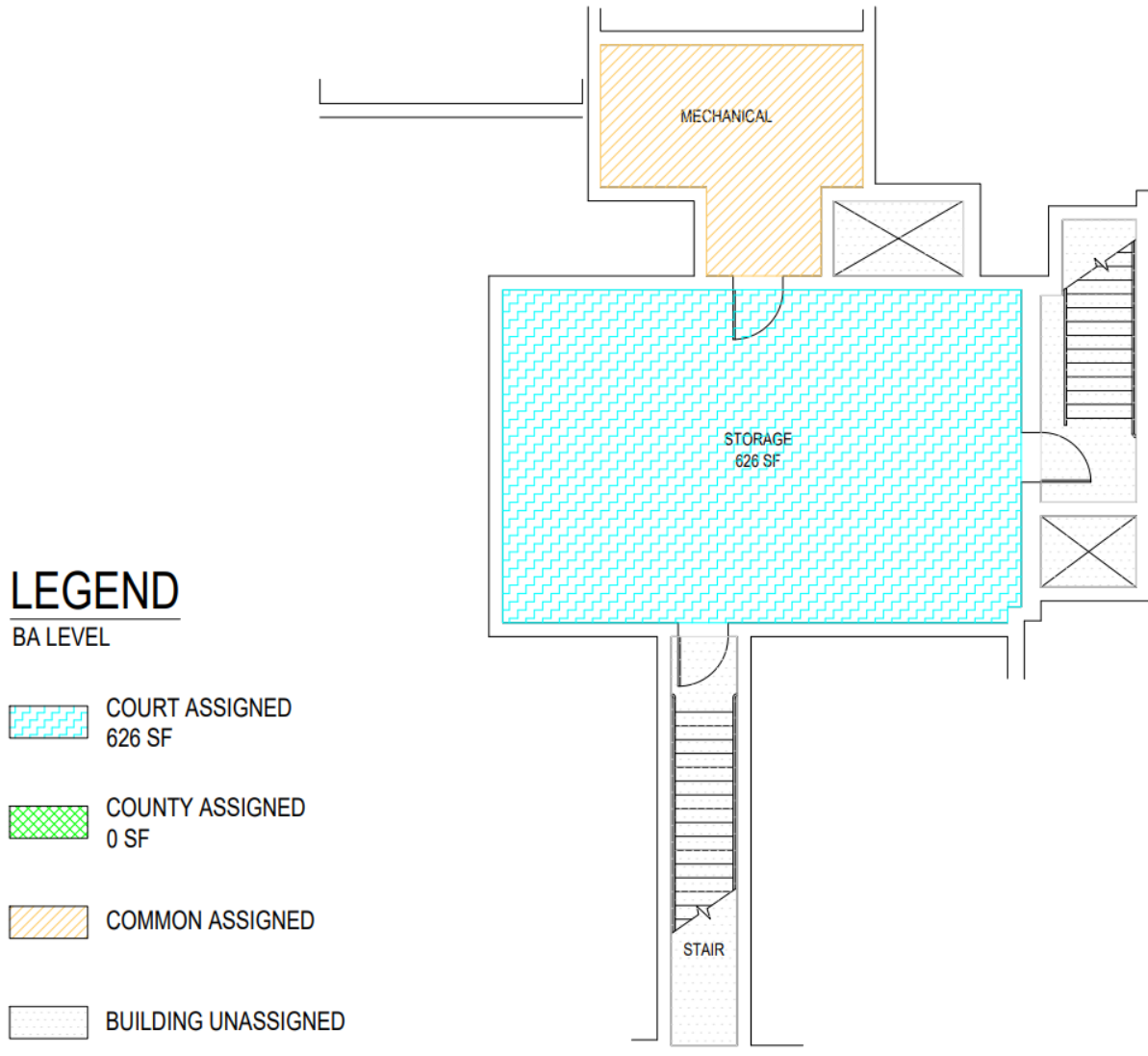
**EXHIBIT “1”**  
**TO FIRST AMENDMENT**

**REVISED FLOOR PLAN OF INTERIOR OF BUILDING**

*Pursuant to section 4 of this First Amendment, the following Revised Floor Plan of Interior of Building is incorporated into the JOA as newly inserted Attachment “4.”*

## ATTACHMENT “4” TO JOA

### REVISED FLOOR PLAN OF INTERIOR OF BUILDING











## LEGEND

2F LEVEL

-  COURT ASSIGNED  
6,421 SF
-  COUNTY ASSIGNED  
1,044 SF
-  COMMON ASSIGNED
-  BUILDING UNASSIGNED



SECOND FLOOR

- <sup>2</sup> The Parties acknowledge and agree that, for all intents and purposes under the JOA notwithstanding the calculation of the Building Shares, Room 1238 (Unisex Staff Restroom) and Room 1261 (Unisex Staff Restroom) on the Second Floor of the Building do not exclusively serve either the County Exclusive-Use Area or Court Exclusive-Use Area and are to be treated as Common Area.

## BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	9/22/2021							
<b>BOARD MEETING</b>	10/12/2021							
<b>DELEGATED AUTHORITY BOARD LETTER</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	All Districts							
<b>DEPARTMENT</b>	Executive Office of the Board of Supervisors							
<b>SUBJECT</b>	Increase Annual Cost for Temporary Personnel Services Contracts (Contracts)							
<b>PROGRAM</b>	Temporary Personnel Services							
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:							
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A							
<b>COST &amp; FUNDING</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total cost: Increase of \$500,000 (\$3.4M to \$3.9M) and optional 10% (\$390,000).</td> <td style="width: 50%;">Funding source: Funding is available in the Executive Office's FY 2021-22 Budget.</td> </tr> <tr> <td colspan="2">TERMS (if applicable): Increase the estimated annual costs for temporary personnel services' contracts, and authorize the Executive Officer to approve an additional 10% increase in future costs, on an annual basis, if it is deemed necessary, for the duration of the contract term.</td> </tr> <tr> <td colspan="2">Explanation: The revised estimated annual cost for the contract would total \$3.9 million, with an additional \$390,000 annually, if deemed necessary by the Executive Officer.</td> </tr> </table>		Total cost: Increase of \$500,000 (\$3.4M to \$3.9M) and optional 10% (\$390,000).	Funding source: Funding is available in the Executive Office's FY 2021-22 Budget.	TERMS (if applicable): Increase the estimated annual costs for temporary personnel services' contracts, and authorize the Executive Officer to approve an additional 10% increase in future costs, on an annual basis, if it is deemed necessary, for the duration of the contract term.		Explanation: The revised estimated annual cost for the contract would total \$3.9 million, with an additional \$390,000 annually, if deemed necessary by the Executive Officer.	
Total cost: Increase of \$500,000 (\$3.4M to \$3.9M) and optional 10% (\$390,000).	Funding source: Funding is available in the Executive Office's FY 2021-22 Budget.							
TERMS (if applicable): Increase the estimated annual costs for temporary personnel services' contracts, and authorize the Executive Officer to approve an additional 10% increase in future costs, on an annual basis, if it is deemed necessary, for the duration of the contract term.								
Explanation: The revised estimated annual cost for the contract would total \$3.9 million, with an additional \$390,000 annually, if deemed necessary by the Executive Officer.								
<b>PURPOSE OF REQUEST</b>	To make temporary personnel available to assist the Supervisorial Offices, the Executive Office, and client County departments that request clerical or support services in situations where the utilization of permanent County employees is not possible or is impractical.							
<b>BACKGROUND (include internal/external issues that may exist)</b>	County departments utilize Contracts to provide support services when the use of permanent County employees is not feasible. Due to the COVID-19 pandemic and hiring freeze, departments experienced staff shortages impacting operations. To address shortages, County departments request to utilize the Contracts. However, due to the increased usage, the Executive office is unable to facilitate all services at the original annual estimated cost of \$3.4 million. The Assessment Appeals Board (AAB) has utilized a large portion due to a current backlog of over 10,000 cases from an eight month halt in hearings during the pandemic, expansion from five to seven AAB boards doubling workloads, and planned expansion to ten AAB boards. Contracts are utilized to staff new and temporary bodies, including the Youth Commission, Redistricting Commission, and Blue-Ribbon Commission on Homelessness, for which permanent staffing resources are not available, or do not possess the skill sets necessary for the completion of work product and objectives sought. We also anticipate utilization of Contracts for future commissions such as Youth Climate Commission and the Human Relations Commission.							
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email: Hanna Cheru, Acting Assistant Executive Officer, 213.974.1419, <a href="mailto:hcheru@bos.lacounty.gov">hcheru@bos.lacounty.gov</a> , Susan Huff, Acting Administrative Deputy, 213.893.2509, <a href="mailto:shuff@bos.lacounty.gov">shuff@bos.lacounty.gov</a>							

**EXECUTIVE OFFICE**



BOARD OF SUPERVISORS

CELIA ZAVALA  
EXECUTIVE OFFICER

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

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

**MEMBERS OF THE BOARD**

HILDAL SOLIS

HOLLY J. MITCHELL

SHEILA KUEHL

JANICE HAHN

KATHRYN BARGER

October 12, 2021

**DRAFT**

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:

**INCREASE ANNUAL COST FOR TEMPORARY PERSONNEL SERVICES  
CONTRACTS  
(All Districts) (3-Vote)**

**SUBJECT**

Request to approve an increase to the estimated annual costs for temporary personnel services' contracts, which are currently appointed to AppleOne Employment Services, Good People, Inc., Helpmates Staffing, and Staffmark, and authorize the Executive Officer to approve an additional 10% increase in future costs, on an annual basis, if it is deemed necessary, for the duration of the contract term.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Executive Officer to increase the estimated annual costs for the temporary personnel services' contracts in the amount of \$500,000, increasing the annual cost from \$3.4 million to \$3.9 million, effective upon Board approval.
2. Approve and authorize the Executive Officer the ability to approve additional cost increases up to 10% above the annual estimated cost, for the duration of the contract term.

3. Delegate authority to the Executive Officer of the Board of Supervisors or her designee to execute amendments to the Agreement for Temporary Personnel Services, as long as the amendments do not exceed the maximum term or the pricing schedule of the Agreement, are consistent with the original Board-approved intent of the Agreement, are in conformance with any mandatory or otherwise Board-ordered contract provisions, and have been approved as to form by County Counsel.
4. Delegate authority to the Executive Officer of the Board of Supervisors or her designee to authorize non-material changes to the Agreement, pursuant to a Change Notice, for general County updates.
5. Delegate authority to the Executive Officer of the Board of Supervisors or her designee to terminate the Agreement for convenience, when such action is deemed by the Executive Office, in its sole discretion, to be in its best interest.

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

On February 5, 2019, the Board delegated authority to the Executive Officer to execute temporary personnel services contracts with AppleOne Employment Services, Good People, Inc., Helpmates Staffing, and Staffmark at the annual estimated cost of \$3.4 million. The current temporary personnel services contracts expire on April 14, 2026, if all option years are exercised. The purpose of the personnel services contracts is to make temporary personnel available to assist the Supervisorial Offices, the Executive Office, and client County departments that request clerical or support services from the Executive Office in situations where the utilization of permanent County employees is not possible or is impractical.

Several County departments currently utilize temporary personnel service contracts to provide necessary support services when the use of permanent County employees is not feasible. Due to the COVID-19 pandemic and hiring freeze, several County departments have experienced a shortage in staff, which has had a significant impact on their current operations. To address the staff shortages, various County departments requested to utilize the temporary personnel services contracts. However, due to the increased usage, the Executive office was unable to facilitate these services at the original annual estimated cost of \$3.4 million.

The Assessment Appeals Board (AAB) has utilized a large portion of the temporary personnel services contract to assist with the increased volume of correspondence related to appeal applications. Specifically, there is a current backlog of approximately 10,000 cases due to the halt in hearings for approximately eight months during the COVID-19 pandemic, and the current expansion from five to seven AAB boards nearly doubling their workload, with planned expansion to ten AAB boards. In order for AAB to continue to reduce the backlog and keep up with the current cases and increased administrative tasks, additional temporary personnel were needed.

Temporary personnel service contracts have also been utilized to staff new and temporary bodies, including the Youth Commission, Redistricting Commission, and Blue-Ribbon Commission on Homelessness, for which permanent staffing resources are not available, or do not possess the skill sets necessary for the completion of work product and objectives sought.

Staffing is also anticipated to be needed for future commissions including a proposed Youth Climate Commission and the Human Relations Commission, which may transfer departments, but support staff may not transfer with the commission.

The current County departments that have been denied temporary personnel are Parks and Recreation (DPR), and Medical Examiner-Coroner (Coroner). In order to facilitate AAB and client departmental needs, the Executive Office is requesting to increase the annual estimated cost by \$500,000.

Due to the ongoing pandemic, the Executive Office also recommends that the Board approve future potential cost increases, with a maximum increase of 10%, if deemed necessary.

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

Approval of the recommendations is consistent with the County's Strategic Goal, Strategy No. III.3 to Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability by providing quality, timely, and cost-efficient temporary personnel services to the Board of Supervisors and client departments during peak work periods and/or in the approved absence of permanent staff.

### **FISCAL IMPACT/FINANCING**

Upon Board approval, the revised estimated annual cost for the temporary personnel services contract would total \$3.9 million, with an additional \$390,000 annually, if deemed necessary by the Executive Officer. Funding for this service is available in the Board of Supervisors, Executive Office adopted budget.

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

The County is authorized under California Government Code Section 31000.4 to obtain temporary help to assist the County during any peak load, temporary absence, or emergency other than a labor dispute. Use of temporary help under this Government Code Section is limited to a period not to exceed ninety (90) days for any single peak load, temporary absence, or emergency situation.

Consistent with Board policy, the Director of Personnel reports that departments are required to identify positions on the reemployment list whose job skills match those required by the County before a contract temporary position is retained. The Agreements

will not be utilized to replace County employees impacted by program curtailments. Each affected Department will continue to work closely with employee unions on these issues.

Additionally, each of the contracts contains a provision (section 8.10) which requires the contractor to give first consideration for any temporary employment openings to qualified permanent employees who are targeted for layoff or qualified former County employees who are on the reemployment list during the life of the Agreements. We will continue to work with the Director of Personnel and each contractor to ensure that any employees who have been laid off are given the opportunity to apply at each agency.

Consistent with current practice, the Executive Office will continue to recommend that potential client departments first seek to meet their temporary personnel needs by utilization of the Department of Human Resources Temporary Services Registry Program.

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

The availability of temporary personnel services is imperative to continue the County's operations and effectiveness. The approval of the additional \$500,000 annual estimated cost and the ability to increase the contracts' future cost will allow the County to continue its operations.

### **CONCLUSION**

During periods of significant shortages in available permanent staff, temporary personnel services allows the Department and other County departments to continue providing the residents of Los Angeles County with quality customer service in a manner that is fiscally responsible and effective. By approving the annual estimated increase, departments will be able to meet the County's demands and operations throughout the ongoing pandemic.

Respectfully Submitted,

CELIA ZAVALA  
Executive Officer, Board of Supervisors

CZ: sp

## BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	9/22/2021							
<b>BOARD MEETING</b>	10/19/2021							
<b>DELEGATED AUTHORITY BOARD LETTER</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	ALL DISTRICTS Provides County-wide services							
<b>DEPARTMENT</b>	INTERNAL SERVICES DEPARTMENT							
<b>SUBJECT</b>	Approve a proposed five-year lease for the continued use of 4,801 square feet of existing data center space and 4 on-site parking spaces at 1400 South Grand Avenue, Santa Ana.							
<b>PROGRAM</b>	Local Recovery Data Center							
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A							
<b>DEADLINES/ TIME CONSTRAINTS</b>	The existing lease has been on month-to-month holdover since the current lease expired on November 30, 2018							
<b>COST &amp; FUNDING</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total cost: \$5,722,000 over 60 months</td> <td style="width: 50%;">Funding source: Rental costs are funded 100 percent by net County cost.</td> </tr> <tr> <td colspan="2">TERMS (if applicable): The proposed lease provides for fixed rental increases of 2 percent per annum. There are no tenant improvements as part of the lease renewal.</td> </tr> <tr> <td colspan="2">Explanation: Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year (FY) 2021-2022 Rent Expense budget and will be billed back to ISD. ISD has sufficient funding in its FY 2021-2022 operating budget to cover the proposed rent for the first year. Beginning in FY 2022-2023, ongoing funds for costs associated with the proposed lease will be part of the budget for ISD.</td> </tr> </table>		Total cost: \$5,722,000 over 60 months	Funding source: Rental costs are funded 100 percent by net County cost.	TERMS (if applicable): The proposed lease provides for fixed rental increases of 2 percent per annum. There are no tenant improvements as part of the lease renewal.		Explanation: Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year (FY) 2021-2022 Rent Expense budget and will be billed back to ISD. ISD has sufficient funding in its FY 2021-2022 operating budget to cover the proposed rent for the first year. Beginning in FY 2022-2023, ongoing funds for costs associated with the proposed lease will be part of the budget for ISD.	
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<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize and adequately provide the necessary data center space for ISD.							
<b>BACKGROUND (include internal/external issues that may exist)</b>	<p>The County has leased the current location since November 2005. The current lease expired November 30, 2018. No holdover fee is associated with the existing lease.</p> <p>The facility adequately meets the space needs of ISD. The landlord is providing the County flexibility with the right to terminate the lease after 12 months as well as the right to reduce the premises by eliminating one suite.</p>							
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Michael Navarro CEO-Real Estate Division 213-974-4364; MNavarro@ceo.lacounty.gov							





# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT  
Chief Executive Officer

October 19, 2021

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:

Board of Supervisors  
HILDA L. SOLIS  
First District

HOLLY J. MITCHELL  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

## **FIVE-YEAR LEASE INTERNAL SERVICES DEPARTMENT 1400 SOUTH GRAND AVENUE, SANTA ANA ALL DISTRICTS (3 VOTES)**

### **SUBJECT**

Approval of a proposed five-year lease to replace an existing lease to provide the Internal Services Department (ISD) continued use of 4,801 square feet of data center space and four on-site parking spaces for ISD's Local Recovery Center (LRC).

### **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 the County of Orange, a political subdivision of the State of California (Landlord), for approximately 4,801 square feet of office space and four on-site parking spaces located at 1400 South Grand Avenue, Suites 122 and 124, Santa Ana, California, (Premises) to be occupied by ISD. The proposed lease is for a term of five years. The estimated maximum first year base rental cost is \$833,465. The estimated total lease cost for the five-year term is \$5,722,000, which includes the base rent plus the estimated electricity reimbursement costs over the five-year term. The rental costs will be 100 percent funded by net County cost (NCC).

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

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

Since November 1, 2005, the County of Los Angeles (County) has leased this space at the Orange County Santa Ana Data Center for use by ISD. The existing lease term expired on November 30, 2018 and has been on a month-to-month holdover basis with no holdover fee.

ISD has utilized the facility located at 1400 South Grand Avenue, Suites 121 and 124, in the City of Santa Ana, County of Orange (Orange County), to operate the LRC, as a data center contingency site for the County primary data center. It is important this site be outside of Los Angeles County and be operationally viable using skilled resources, should an event affect Los Angeles County.

The LRC provides the County the ability to restore critical computer systems operating in the primary data center facility in the event of a disaster. The Premises provide space for ISD-owned equipment, including computer servers and storage, network routers and switches, internet and external connections, redundancy for voice over internet protocol, and centralized emergency contact centers.

The LRC does not have staff permanently housed at the Premises, however, there is sufficient workspace for up to eight employees. ISD staff operate the Premises in the event of a disaster, while Orange County technical staff perform routine maintenance, pursuant to a separate service agreement. Teleworking is not an option because there are no employees at this location.

The Premises originally contained 1,791 square feet and were later expanded to 2,422 square feet in February 1, 2008, via an expansion provision in the lease. The lease was further amended in August 18, 2009, to expand the Premises to the current 4,801 square feet. The proposed lease will provide ISD uninterrupted use of this facility, as well as the flexibility to reduce the Premises and the corresponding rent by 1,790 square feet (Suite 122) should ISD's operational data center needs decrease during the lease term.

ISD is continuing their efforts to identify a Disaster Recovery Data Center (DRDC) site that resides on-premises in the Southern California region. ISD is also evaluating a hybrid DRDC solution where some services will reside on-premises while other services will be cloud-based. Once a site is identified, the CEO will exercise the option to terminate the lease and coordinate a timeline with ISD for the transition of their operations.

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

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

The Countywide Strategic Plan Goal 3 - *“Realize Tomorrow’s Government Today”* - provides that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good.

The proposed lease is also consistent with Strategic Asset Management Goal 2 - Strengthen Connection Between Service Priorities and Asset Decisions, and Key Objective No. 5 - Fund Highest Priority Needs.

The proposed lease supports the above goals and objective by allowing ISD to continue to operate the emergency contingency site for the County of Los Angeles, from this data center location with a landlord that provides flexibility in the lease to allow ISD to adapt to operational changes.

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

### **FISCAL IMPACT/FINANCING**

Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year (FY) 2021-22 Rent Expense budget and will be billed back to ISD. ISD has sufficient funding in its FY 2021-22 Operating Budget to cover the proposed rent for the first year. Beginning in FY 2022-23, ongoing funding for costs associated with the proposed lease will be part of the budget for the Department. The rental costs will be 100 percent funded by net NCC. There are no Low Voltage Cost Items in the proposed lease costs.

### **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 including parking will increase from the current rent of \$162.72 per square foot per year to \$173.64 per square foot per year for the first year of the lease term. Thereafter, the base rent is subject to fixed annual increases of 2 percent.

- There are no tenant improvements associated with the proposed lease.
- The Landlord is responsible for the operating and maintenance cost of the building, and the County is responsible for electricity charges, maintenance and repair of interior systems, and janitorial expenses for the Premises. The County is not subject to the building's operating expense increases.
- The proposed lease will include four on-site parking spaces for County staff.
- The estimated maximum first year base rental cost is \$833,465, including parking.
- The estimated maximum first year utility (electricity) reimbursement costs are \$271,200, based upon the County's electricity costs for the previous twelve months ending February 2021.
- The total annual lease costs associated with the proposed lease over the entire term is \$5,722,000 as shown on Enclosure B-1.
- A five-year initial term with an option to extend the lease for an additional four years with 120 days' notice, at fair market rent. If all options are exercised, the total term of the proposed lease would be nine years.
- The County has the right to terminate the proposed lease early any time after 12 months, with 180 days' notice, with no termination fee.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will be at the base rent at the time of the lease expiration.
- The proposed lease will be signed by the County first, and the Landlord will sign last. The lease will be effective upon approval by the Orange County Board of Supervisors and full execution of the proposed lease, but the term and rent will commence the first day of the first full calendar month following the effective date.
- The County has the right to reduce the Premises by eliminating Suite 122 (1,790 square feet), any time after 12 months, with 90 days' notice. The County would be required to remove any HVAC, electrical, or other modifications installed within or under Suite 122.
- A late fee of \$100 will be assessed for any payment due to the Landlord if not received within five days of the due date.

The Chief Executive Office (CEO) surveyed data centers in the Orange County area and conducted a market search of available data centers but was unable to identify any sites that could reasonably accommodate the size requirement, as data centers have limited space availability. 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 quoted in terms cabinet/rack space as this is a data center facility and does not use the more common real estate measurement of square feet. All facilities charge separately for utility (electrical power) costs which are passed through to the tenant. The market price range per cabinet space range is between \$667 and \$1,380 per cabinet space/month. Converting the proposed lease base annual rental rate into a cabinet/month amount equals \$731 per cabinet/month, which represents a rate that is within the lower end of the market range for data center space. Using more common real estate terms, market rent represents a range between \$158.38 and \$327.60 per square foot per year. ISD has 95 cabinets in the data center, with a proposed base rate of \$173.64/square foot per year. Furthermore, relocation to a new building would disrupt operations and require costly new tenant improvements. We recommend the proposed facility as the most suitable to meet the County's space requirements.

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.

Co-workspace is not a viable option for this data center use as all co-workspace is focused on office space. Data center storage is a unique use with specialized requirements, which are not readily available in co-workspace.

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 Santa Ana 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 will continue to provide an appropriate location for the program, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

## **ENVIRONMENTAL DOCUMENTATION**

This proposed lease is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease, which involves the leasing of existing data center space with minor tenant improvements within an existing data center building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in Section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project

records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

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

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

The proposed lease will adequately provide the necessary data center space and parking for this County requirement. ISD concurs with the proposed lease and recommendations.

### **CONCLUSION**

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted stamped copy of this Board letter to the CEO, Real Estate Division at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT  
Chief Executive Officer

FAD:JMN:JTC:DL  
JLC:MN:FC:gw

Enclosures

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

**INTERNAL SERVICES DEPARTMENT  
1400 SOUTH GRAND AVENUE, SANTA ANA**

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

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions? <sup>2</sup>			<b>X</b>
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>			<b>X</b>
	C	Does this lease centralize business support functions? <sup>2</sup>			<b>X</b>
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> Staff are not permanently housed at this location, however up to 8 staff may be needed to work at the site at the same time.		<b>X</b>	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> The lease provides 4 parking spaces for a ratio of 1.98/1000.		<b>X</b>	
	F	Does public parking and mass-transit exist to facilitate employee, client, and visitor access to the proposed lease location? <sup>2</sup> The program has no visitors			<b>X</b>
<b>2.</b>	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program?	<b>X</b>		
	B	Is this a long-term County program?	<b>X</b>		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		<b>X</b>	
	D	If no, are there any suitable County-owned facilities available?		<b>X</b>	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			<b>X</b>
	F	Is Building Description Report attached as Enclosure C?	<b>X</b>		
	G	Was build-to-suit or capital project considered? <sup>2</sup>		<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	<b>X</b>		
	B	Was the space need justified?	<b>X</b>		
	C	If a renewal lease, was co-location with other County departments considered?		<b>X</b>	
	D	Why was this program not co-located with other County departments?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <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>The County pays electricity, interior repairs, and janitorial expenses.</b>		<b>X</b>	
	F	Has growth projection been considered in space request?	<b>X</b>		
	G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	<b>X</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

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

	<b>Existing Lease:</b>  <b>1400 South Grand Ave., suites 122 and 124, Santa Ana</b>	<b>Proposed Lease:</b>  <b>1400 South Grand Ave., suites 122 and 124, Santa Ana</b>	<b>Change</b>
Area (Square Feet)	4,801 sq. ft.	4,801 sq. ft.	None
Term (years)	5 years	5 years plus one 4-year option to renew	A 4- year option to renew.
Annual Base Rent <sup>(1)</sup> (Base rent includes 4 parking spaces)	Base Rent \$781,224 (\$162.72 per sq. ft. annually)	Base Rent \$833,465 (\$173.64 per sq. ft. annually)	+\$52,241 annually
Tenant Improvements	None	None	None
Annual Utility costs <sup>(2)</sup> (Electric Power usage) Metered Separately and reimbursed to the Landlord*	\$267,720	\$271,200	\$3,500
Total First Year Annual Lease Costs payable to Landlord (estimate)	\$1,048,924	\$1,104,665	+\$55,741 annually
Rental rate adjustment	Annual fixed step rent increases (varied) <sup>2</sup> .	Annual fixed step rent increases of 2 percent.	Fixed at 2 percent
Cancellation Provision	After 12 months, with 180 days prior notice	After 12 months with 180 days prior notice.	None
Option to reduce the Premises	None	May reduce by eliminating suite 122 (1,790 sq. ft) after 12 months, with 90 days' notice.	May reduce Premises

<sup>(1)</sup> The proposed base rental rate is \$14.47/square foot/month (or \$173.64/square foot/year).

<sup>(2)</sup> The County reimburses electricity charges to the Landlord based upon a current average cost of \$0.148 per Kilowatt hour (KWH). The electricity is separately metered and Electric Power Charges= (Monthly KWH used X current average Monthly KWH price). The price is determined by the California Public Utilities Commission. Should the rate change, the Landlord will provide a 30-day advance notice to the Tenant. ISD Estimated 1% increase per year over the 5-year term, starting at \$271,200.

The Landlord will also charge a \$100 fee for Late payment of rent or any other payment due (if not received within 5 days of the due date).



## OVERVIEW OF THE PROPOSED BUDGETED LEASE AMENDMENT AND RELATED COSTS

Internal Services Department (Data Center)  
1400 S Grand Avenue, Santa Ana

### Basic Lease Assumptions

Leased Area (sq.ft.)	4,801	
Term (months)	60	
Annual Rent Adjustment	2.00%	
Base Rent	Cost Per RSF Per Month	Cost Per RSF Per Year
	\$14.47	\$173.64

	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
Annual Base Rent Costs <sup>1</sup>	833,465	850,134	867,137	884,480	902,169	4,338,000
Utilities Paid to the Landlord <sup>2</sup>	271,200	273,912	276,651	279,418	282,212	1,384,000
Total Paid to Landlord	1,104,665	1,124,046	1,143,788	1,163,897	1,184,381	5,722,000
Total Annual Lease Costs	1,104,665	1,124,046	1,143,788	1,163,897	1,184,381	5,722,000

### Footnotes

<sup>1</sup> Base rent includes 2 percent (2%) increases per annum.

<sup>2</sup> ISD Reimburses landlord for electricity. The Current average is \$0.148 per kWh. Charge Amount = (Monthly kW hours used X current average monthly k WH price).

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

**INTERNAL SERVICES DEPARTMENT  
1400 SOUTH GRAND AVENUE, SANTA ANA  
SPACE SEARCH – 20 MILE RADIUS FROM CERRITOS**

<b>LACO</b>	<b>Name</b>	<b>Address</b>	<b>Proprietor</b>	<b>Ownership Type</b>	<b>Gross SqFt</b>	<b>Vacant</b>
A469	The Alhambra Complex - West Tower	1000 S Fremont Ave Alhambra 91803	Public Health	Leased	15,206	0
D221	DPSS - Norwalk WS District Office	12727 Norwalk Blvd Norwalk 90650	Public Social Services	Leased	40,500	0
A570	Health Services / Administrative	5701 S Eastern Ave City of Commerce 90040	Health Services	Leased	40,539	0
A463	Human Resources - Commerce Office	1436 S Goodrich Blvd Commerce 90022	Human Resources	Leased	26,200	0
X239	Rancho - Health Services Bureau Security Office	7601 E Imperial Hwy Downey 90242	Rancho Los Amigos Hospital	Financed	2,507	0
B460	DPSS - Gain Program Region VI Office	5460 Bandini Blvd Bell 90201	Public Social Services	Leased	31,400	0
Y013	DPSS - Civic Center District/Grow Center Office	813 E 4th Pl Los Angeles 90013	Public Social Services	Owned	39,956	0
X169	DPSS - Compton AP District Office	211 E Alondra Blvd Compton 90220	Public Social Services	Owned	48,135	0
X155	ISD - Eastern Ave Complex Telecom Butler Building	1112 N Eastern Ave Los Angeles 90063	Internal Services	Owned	4,960	0
A146	Fire - Hazardous Materials Division Headquarters	5825 Rickenbacker Rd City of Commerce 90040	Fire Department	Leased	16,670	0
A126	DA - Criminal Justice Information System/ISAB	12750 Center Court Dr Cerritos 90703	Board of Supervisors	Leased	20,187	0
4465	DF Kirby Center - Administration Building	1500 S McDonnell Ave Commerce 90022	Probation	Owned	18,170	0
A324	Fire - Employee Relations Office /LPSB, EMS & Homeland Security	1255 Corporate Ct. Dr Monterey Park 91754	Fire Department	Leased	37,132	0
A332	Child Support Services - Training/IT Division	5500 S Eastern Ave City of Commerce 90040	Child Supp. Services	Leased	39,991	0
A566	Sheriff - So Cal High Tech Task Force	9900 Norwalk Blvd Santa Fe Springs 90670	Sheriff	Leased	22,880	0
A358	DPSS - Information Technology Division (ITD)	14714 Carmenita Rd Norwalk 90650	Public Social Services	Leased	44,250	0
B002	DPSS - Administrative Headquarters East Annex	12900 Crossroads Pkwy S City of Industry 91745	Public Social Services	Leased	34,245	0
A497	DPSS - San Gabriel Valley Gain Program Reg III	3216 Rosemead Blvd El Monte 91731	Public Social Services	Leased	41,836	0
A507	DPSS - Administrative Headquarters West Annex	12820 Crossroads Pkwy S City of Industry 91745	Public Social Services	Leased	33,331	0
Y460	DPSS - Cudahy A/P District Office	8130 S Atlantic Ave Cudahy 90201	Public Social Services	Owned	30,873	0
A327	Office of Managed Care	1100 Corporate Ctr. Dr. Monterey Park 91754	Health Services	Leased	15,280	0

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Lease for ISD– 1400 South Grand Avenue, Santa Ana – All Districts.

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

**B. Determination of the Service Area –** The proposed lease renewal will allow ISD to continue to provide Local Recovery Data Center services to County of Los Angeles Departments countywide from a location outside of Los Angeles County.

**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 within the City of Santa Ana and is located within 1/4 mile of the Interstate 5 freeway and Interstate 55 (Costa Mesa) freeway.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: The 1400 South Grand Avenue, Santa Ana facility has been determined compatible given that the Premises are located within the County of Orange Data Center building, along with other tenants.
- Compatibility with local land use plans: The City of Santa Ana 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 total cost associated with the proposed lease over the entire term is \$5,722,000.

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

The CEO surveyed data centers in the Orange County area and conducted a market search of available data centers but was unable to identify any sites that could reasonably accommodate the size requirement, as data centers have limited space availability. 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 quoted in terms cabinet/rack space as this is a data center facility and does not use the more common real estate measurement of square feet. All facilities charge separately for utility (electrical power) costs which are passed through to the tenant. The market price range per cabinet space range is between \$667 and \$1,380 per cabinet space/month. Converting the proposed lease base annual rental rate into a cabinet/month amount equals \$731 per cabinet/month, which represents a rate that is within the lower end of the market range for data center space. Using more common real estate terms, market rent represents a range between \$158.38 and \$327.60 per square foot per year. ISD has 95 cabinets in the data center, with a proposed base rate of \$173.64/square foot per year. Furthermore, relocation to a new building would disrupt operations and require costly new tenant improvements. We recommend the proposed facility 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 space for ISD's operations consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are no available buildings in the area that meet the Department's requirements.



## LEASE

THIS IS A LEASE AGREEMENT (hereinafter referred to as "**Lease**") made \_\_\_\_\_, 2021, ("**Effective Date**") by and between COUNTY OF ORANGE, a political subdivision of the State of California (hereinafter referred to as "**County**" or "**Lessor**") and COUNTY OF LOS ANGELES, hereinafter referred to as "**Tenant**," without regard to number and gender. The County and Tenant may individually be referred to herein as a "**Party**" or collectively as the "**Parties**."

## RECITALS

- I. County is the owner of the Orange County Data Center located at 1400 South Grand Avenue in the City of Santa Ana, State of California ("**Data Center**").
- II. The Parties entered into a lease dated July 26, 2005, (the "**Lease**"), whereby the County leases to Tenant approximately 1,791 rentable square feet ("**RSF**") in the Data Center. The Lease commenced on November 1, 2005, with a three year term.
- III. On February 5, 2008, the Parties entered into a First Amendment to the Lease ("**First Amendment**") expanding the Premises square footage to a total of 2,379 RSF and modifying the rent schedule.
- IV. When the initial term expired on October 31, 2008, the Parties agreed to extend the Lease term on a month-to-month basis while negotiating a second amendment to the Lease. On November 24, 2009, the Parties entered into a Second Amendment, which extended the term of the Lease to November 30, 2011, provided Tenant with one two-year option to extend the Lease until November 30, 2013, expanded the Premises by adding an additional 2,422 RSF for a total of 4,801 RSF, and adjusted the rent schedule.
- V. On March 15, 2011, the Parties entered into a Third Amendment documenting Tenant's exercise of its option to extend the term of the Lease for two additional years, through November 30, 2013.
- VI. On October 8, 2013, the Parties entered into a Fourth Amendment to Lease extending the term for an additional five years through November 30, 2018, and providing Tenant the option to extend the Lease for two additional one-year periods through November 30, 2019, and November 30, 2020 respectively.

NOW THEREFORE, in consideration of the Recitals above, which are incorporated herein by this reference, the Parties do hereby agree to enter into the Lease as of the Effective Date first written above as follows:

### 1. DEFINITIONS (1.0 SR)

The following words in this Lease shall have the significance attached to them in this Clause (DEFINITIONS), unless otherwise apparent from context:

**“Auditor Controller”** means the Auditor Controller, County of Orange, or designee, or upon written notice to Tenant, such other person or entity acting in a similar capacity as shall be designated by the Board of Supervisors.

**“Board of Supervisors”** means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.

**“CEO/Office of Risk Management”** means the Risk Manager, County Executive Office, Risk Management, County of Orange, or designee, or upon written notice to Tenant, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

**“Chief Real Estate Officer”** means the Chief Real Estate Officer, County Executive Office, County of Orange, or upon written notice to Tenant, such other entity as shall be designated by the County Executive Officer.

**“County Executive Officer”** means the County Executive Officer, County Executive Office, County of Orange, or designee, or upon written notice to Tenant, such other person or entity as shall be designated by the Board of Supervisors.

**“Chief Information Officer”** means the manager of Orange County Information Technology, County of Orange, or designee, or upon written notice to Tenant, such other person or entity acting in a similar capacity as shall be designated by the Board of Supervisors.

**“Treasurer-Tax Collector”** means the Treasurer-Tax Collector, County of Orange, or designee, or upon written notice to Tenant, such other person or entity as shall be designated by the Board of Supervisors.

## **2. PREMISES (1.1 SR)**

County leases to Tenant 4,801 rentable square feet (**“RSF”**) of that certain property known as Room 122 and Room 124 in the Data Center located at 1400 South Grand Avenue, Santa Ana, CA 92705 (**“Premises”**) and described in Exhibit A and shown on Exhibit B, which exhibits are attached hereto and by reference made a part hereof. The Premises are accepted “as is” and “where is” by Tenant subject to any and all existing easements and encumbrances.

## **3. USE (1.2 SR)**

Tenant's use of the Premises shall be limited to installation, operation and maintenance of data and network services equipment for the County of Los Angeles within the Premises. Tenant agrees not to use the Premises for any other purpose, nor to engage in or authorize any other activity within or from the Premises, without County approval. County approval is subject to negotiation by the Parties and may result in additional charges for Rent and/or Additional Rent as those terms are defined and used in Clause 9 (RENT) and/or Clause 10 (RENT ADJUSTMENT), below. Tenant shall not use the Premises or any portion thereof for any illegal or unlawful purpose and will not cause or permit a nuisance or waste to be created or maintained therein.

NO ALCOHOL, TOBACCO, OR MARIJUANA PRODUCTS SHALL BE SOLD FROM THE PREMISES. DRINKING ALCOHOLIC BEVERAGES AND SMOKING OF ANY KIND IS PROHIBITED INSIDE ANY BUILDING WITHIN THE PREMISES.

## **4. COUNTY’S USE RESERVATIONS AND RIGHT OF ENTRY (1.3 SR)**

County reserves the right from time to time, without unreasonable interference, to access and use the Premises for County use as well as to confirm that Tenant is using the Premises consistent with those uses articulated in Clause 3 (USE). Tenant shall cooperate with County during County's access and use of the Premises. County shall make best efforts to notify Tenant prior to accessing and using the Premises.

## **5. PARKING (1.4 SR)**

Throughout the Term of the Lease and including any Extension Term pursuant to Clause 8 (OPTION TO EXTEND TERM), Tenant shall have the non-exclusive right, without additional charge, to use four (4) in-common parking spaces, twenty-four (24) hours per day, in the parking lot located adjacent to the Premises. Tenant's use of said parking spaces shall be subject to all reasonable rules and regulations which are prescribed by County from time to time for the efficient operation of the Premises' parking areas and provided to Tenant in writing.

In addition to said parking spaces, County shall also provide parking for disabled persons ("ADA Spaces") in accordance with the Americans with Disabilities Act, Section 7102 of the California Uniform Building Code and the applicable codes and/or ordinances relating to parking for disabled persons as established by the local jurisdiction in which the Premises is located where the provisions of such local codes and/or ordinances exceed or supersede the State requirements.

## **6. TERMINATION OF PRIOR AGREEMENTS (1.5 SR)**

It is mutually agreed that this Lease shall terminate and supersede any prior agreements between the Parties hereto covering all or any portion of the Premises including that certain Lease dated July 26, 2005, and subsequently amended on February 5, 2008, November 24, 2009, March 15, 2011, and October 8, 2013. Notwithstanding the foregoing, this provision shall not release Tenant from any obligations under any prior agreements to be performed through the Commencement Date of this Lease or from any obligations of indemnification based upon events occurring prior to the Effective Date of this Lease.

## **7. TERM (1.6 SR)**

The term of this Lease shall be five (5) years ("Term"), commencing the first day of the first full calendar month following the Effective Date ("Commencement Date"), unless otherwise terminated consistent with Clause 8 (OPTION TO EXTEND TERM, TERMINATE LEASE AND REDUCE PREMISES) below. Parties agree that the Commencement Date of this Lease will be confirmed in writing by either Party upon demand by the other.

## **8. OPTION TO EXTEND TERM, TERMINATE LEASE AND REDUCE PREMISES (1.7 N)**

A. Option to Extend Term. Provided Tenant is not in and has not been in Tenant Default under this Lease as defined in Clause 30 (DEFAULTS AND REMEDIES), Tenant may request an extension of the Lease for one (1) additional four (4) year term ("Extension Term"). A request from the Tenant for an extension shall be in writing and must be made no earlier than one hundred and eighty (180) days prior to the expiration of this Lease and no later than one hundred and twenty (120) days prior to the expiration of this Lease. County shall have the sole discretion to extend the Term of this Lease under such terms and conditions as the Parties mutually agree upon.



B. Option to Terminate Lease. Provided Tenant is not in and has not been in Tenant Default under this Lease as defined in Clause 30 (DEFAULTS AND REMEDIES), Tenant has the option to terminate the Lease after the first year (year one) of this Lease Term, so long as Tenant provides County with at least one hundred and eighty (180) days' prior written notice. County has the option to terminate this Lease at anytime with at least one hundred and eighty (180) days' prior written notice to the Tenant.

C. Option to Reduce Premises. Provided Tenant is not in and has not been in Tenant Default under this Lease as defined in Clause 30 (DEFAULTS AND REMEDIES), Tenant has the option to reduce the Premises after the first year (year one) of this Lease Term, with at least Ninety (90) days' prior written notice to County. The Parties agree that Tenant's reduction right extends only to Tenant's ability to reduce the Premises by eliminating Suite 122, which is approximately Seventeen Hundred and Ninety (1,790) RSF ("**Tenant's Reduction Right**"). It does not extend to reducing the Premises by any more than or less than the Seventeen Hundred and Ninety (1,790) RSF comprising Suite 122 and may be exercised by Tenant only once during the Lease Term. Tenant's Reduction Right is the sole and exclusive right of Tenant. Additionally, Tenant shall be responsible for any and all costs associated with Tenant's Reduction Right, including, but not limited to any electrical or HVAC modifications and removal of any associated underground cabling. Should Tenant exercise the Tenant's Reduction Right, the Rent owed (as defined in Clause 9 (RENT)) will be reduced, consistent with the reduction in RSF and the adjusted rent will be modified consistent with the reduced Premises and Clause 10 (RENT ADJUSTMENT).

## 9. RENT (1.8 SR)

Tenant agrees to pay County as rent for the Premises the sum of Sixty-Nine Thousand Four Hundred Fifty-Five and 40/100 Dollars (\$69,455.40) per month ("**Rent**"), which is approximately \$14.47 per RSF, with payment due on the Commencement Date and adjusted by two percent (2%) increases annually pursuant to the Rent Adjustment schedule in Clause 10 (RENT ADJUSTMENT) below. Rent is due monthly in advance on the first day of each month. All other Rent payments owed throughout the Term shall be owed in advance.

Tenant shall reimburse County, as "**Additional Rent**," all charges for electrical services supplied to the Premises. County shall pay for all electrical services to the Data Center, calculate Tenant's electrical charges used within the Premises, and Tenant shall reimburse County for said electrical usage. Tenant agrees that Tenant's electrical usage will be calculated according to the following formula:

(Monthly kWh Used by Tenant ) x (Current average monthly kWh Price).

The current average kWh price ("**kWh Price**") is \$0.148 per kWh. Said kWh Price will increase if the California Public Utilities Commission authorizes a rate increase that increases the overall cost paid by County as determined by County. County will make best efforts to provide Tenant thirty (30) days advance notice of said kWh Cost increase.

County shall provide written monthly readings to Tenant for each reimbursement requested. Tenant shall have the right to verify said readings (by audit or other reasonable method) or be present for said readings. Said reimbursement for electrical services shall be paid as Additional Rent in addition to the rent specified in Clause 9 (RENT), and shall be payable in the same manner as with the rent payment for the subsequent month for which the meter readings are provided, consistent with Clause 11 ( RENT PAYMENT PROCEDURE). Records regarding Additional Rent shall be maintained and disclosed consistent with the obligations in Clause 15 (RECORDS AND ACCOUNTS).



The total power draw for Tenant's use shall not exceed 250 kW of uninterrupted power supply ("UPS") supported power without County's prior written approval. County may permit Tenant to draw additional power upon request subject to County's prior review and written approval.

The Parties agree that Rent shall be absolutely net to County and that, except as otherwise provided herein, Tenant will pay all costs, charges, insurance premiums, taxes, utilities, expenses and assessments of every kind and nature incurred for, against or in connection with the Premises which arise or become due during the Term or Extension Term as a result of Tenant's use and occupancy of the Premises.. Under no circumstances is County obligated or required to make any payment of any kind whatsoever or be under any other obligation or liability under this Lease except as expressly provided herein.

#### **10. RENT ADJUSTMENT (1.9 SR)**

The Rent payable by Tenant to County for the Premises shall be automatically increased by two percent (2%) per year as follows:

<u>Period</u>	<u>Rent Per Month</u>	<u>Per Square Foot</u>
Year 1	\$69,455.40	\$14.47
Year 2	\$70,844.51	\$14.76
Year 3	\$72,261.40	\$15.05
Year 4	\$73,706.63	\$15.35
Year 5	\$75,180.76	\$15.66

The Rent above is the amount to be paid by Tenant to County per month. The "per square foot" rate, above, is an estimate for statistical purposes only and for no other purpose.

#### **11. RENT PAYMENT PROCEDURE (2.0 SR)**

Rent payments shall be delivered to and filed with:

Orange County Treasurer-Tax Collector  
Revenue Recovery/Accounts Receivable Unit  
P.O. Box 4005  
Santa Ana, California 92702-4005

County may change the designated place of payment and filing at any time upon ten (10) calendar days' written notice to Tenant. Rent payments may be made by check payable to the County of Orange. Tenant assumes all risk of loss if payments are made by mail.

No payment by Tenant or receipt by County of a lesser amount than the payment due shall be deemed to be other than on account of the payment due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and County shall accept such check or payment without prejudice to County's right to recover the balance of the amount due or pursue any other remedy in this Lease. Nor shall County's acceptance of a lesser amount due or delay in pursuing full payment act as a legal bar against County's recovery of any amount due under this Lease.

All sums due under this Lease shall be paid in lawful money of the United States of America, without offset or deduction or prior notice or demand.

## **12. CHARGE FOR LATE PAYMENT (2.1 SR)**

Tenant hereby acknowledges that the late payment of Rent or any other sums due hereunder will cause County to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include but are not limited to costs such as administrative processing of delinquent notices, increased accounting costs, etc.

Accordingly, if any payment of Rent as specified in Clause 9 (RENT) or of any other sum due County under this Lease is not received by County within five (5) days after the due date, a late charge of one hundred dollars (\$100.00) shall be added to the payment, and the total sum shall become immediately due and payable to County. An additional charge of one hundred dollars (\$100.00) shall be added for each additional month that said payment remains unpaid.

Tenant and County hereby agree that such late charges represent a fair and reasonable estimate of the costs that County will incur by reason of Tenant's late payment. Acceptance of such late charges (and/or any portion of the overdue payment) by County shall in no event constitute a waiver of Tenant's Default (as defined in Clause 30 (DEFAULTS AND REMEDIES)) with respect to such overdue payment, or prevent County from exercising any of the other rights and remedies granted hereunder.

## **13. LEASE ADMINISTRATIVE COST (2.2 SR) – *Intentionally Omitted***

## **14. SECURITY DEPOSIT (2.3 SR) – *Intentionally Omitted***

## **15. RECORDS AND ACCOUNTS (2.4 SR) – *Intentionally Omitted***

## **16. MAINTENANCE OBLIGATIONS OF TENANT AND COUNTY– CONDITIONS AND CARE OF PREMISES (2.5 N)**

A. Tenant shall, to the satisfaction of County, keep and maintain, or cause to be kept and maintained, the Premises and all Tenant Improvements (as defined in this Clause 16) of any kind in place and used, occupied, or otherwise operated or maintained by the Tenant on the Premises prior to the Commencement Date, or which may be erected, installed, or made thereon by Tenant), during the Term or Extension Term of this Lease, in good condition and in substantial repair, provided that in the event (i) of substantial damage to any such Tenant Improvements it shall be at Tenant's option whether to repair or replace such improvements (provided that if the improvements are not to be repaired or replaced, then they shall be placed into a safe condition or removed), as provided in Clause 20 (OPERATIONAL REQUIREMENTS OF TENANT) below or (ii) Tenant ceases to use any improvements, it shall be at Tenant's option to not repair or replace any such improvement so long as the improvement is maintained in a safe condition or removed. Subject to the foregoing, it shall be Tenant's responsibility to take all steps necessary or appropriate to maintain such a standard of condition and repair.

B. Tenant shall keep the Premises clean and in good repair during any time which Tenant, its agents, or employees use the Premises at its sole cost and expense. Except as otherwise expressly set forth in this Lease, Tenant shall be responsible for all costs relating to the operation and maintenance of the Premises.

C. Tenant shall be solely responsible for all costs and expenses for any maintenance and repairs necessitated by the actions of Tenant, resulting in an extraordinary load imposed on underground utilities outside the Premises or contamination of Common Areas.

D. If Tenant fails to maintain or make repairs or replacements as required herein, County shall notify Tenant in writing of said failure. Should Tenant fail to correct the situation within five (5) days after receipt of written notice specifying the condition to be corrected (provided that such 5-day period may be extended accordingly if a longer time is necessary to correct the condition and Tenant promptly commences such cure and diligently prosecutes it to completion), County may make the necessary correction or cause it to be made and the cost thereof, including but not limited to the cost of labor, materials, equipment, and an administrative fee equal to fifteen percent (15%) of the sum of such items, shall be paid by Tenant within ten (10) days of receipt of a statement, including reasonable supporting documentation, of said cost from County. County may, at its sole option, choose other remedies available herein, or by law.

E. County shall repair and maintain the interior/exterior walls; floor; ceilings; plumbing systems; HVAC systems; fluorescent ceiling-mounted electric light fixtures; bulbs for fluorescent lights and related switches; windows; County-owned doors and locks; gas lines; and electric lines within the Premises. County shall provide janitorial services and supplies to the extent that such services are typically provided to County offices surrounding the Premises.

## **17. CONSTRUCTION AND/OR ALTERATIONS BY TENANT (2.6 SR)**

County's Consent. No structures, improvements, or facilities shall be constructed, erected, altered, or made within the Premises without prior written consent of County. Any conditions relating to the manner, method, design, and construction of said structures, improvements, or facilities fixed by the County as a condition to granting such consent, shall be conditions hereof as though originally stated herein. Tenant may, at any time and at its sole expense, install and replace business fixtures and equipment constructed by Tenant, within the Premises.

Strict Compliance with Plans and Specifications. All improvements constructed by Tenant within the Premises shall be constructed in strict compliance with detailed plans and specifications approved by County and to the extent applicable, in compliance with the requirements of California Public Contract Code Section 22000 *et seq.*, and Labor Code Sections 1720-1824, which require those improvements to be constructed as if such improvements had been constructed under the direction and supervision, or under the authority, of County.

Permits. All County approved improvements to the Premises shall be constructed in accordance with valid permits and all applicable laws and in a good and workmanlike manner, including, but limited to, (a) Tenant shall be required to secure the faithful performance of construction and completion of construction of the improvement by appropriate contractor's bonds as required by the California Public Contracts Code and shall require its contractor or contractors to pay the prevailing rate of per diem wages for work of a similar character in the locality of the County and not less than the general prevailing rate of per diem wages for holiday and overtime work, as provided in Clause 31 (LABOR CODE COMPLIANCE) of this Lease; and (b) Tenant shall publicly advertise for bids for such improvements, as provided in Orange County Codified Ordinances 1-8-1 *et seq.*, and shall provide County a list of all bids received for the contract; and (c) thereafter, with the prior written approval of County as to the winning bid, Tenant shall award the contract or contracts for such improvements.

All preparation and processing for environmental clearance shall be at Tenant's sole cost and expense. In the event that the environmental process results in any required mitigation measures,

performance of such mitigation measures, including all associated costs and expenses shall be the sole responsibility of Tenant.

County has no obligation to notify Tenant regarding requirements for permits, licenses, approvals or other consents from governmental agencies, including the County of Orange in its regulatory capacity, nor shall County have any obligation to obtain permits, licenses, approvals or other consents from governmental agencies on behalf of Tenant. County agrees to give its consent as property owner to any application made with regard to any such permits, licenses, approvals or other consents which may be required by any governmental agency or by the County of Orange in its regulatory capacity related to activities or design and construction of improvements approved by County in accordance with this Lease. Any such consent given by County as the property owner is not to be interpreted to obligate County to pay any fees related to the application or issuance of any such permit, license, approvals or other consents, nor shall such consent be deemed a waiver of any fee which may be charged by County's Property Permit department. Any conditions placed on Tenant's design and construction or operation of the Premises as a result of the issuance of permits, licenses, approvals or other consents shall be the sole obligation of Tenant with regard to performance responsibilities, cost and expense.

Any approvals or consents given by County under this Lease, as a party to this Lease, shall not be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules and/or regulations or approval from the standpoint of structural safety, suitability for purpose or conformance with building or other codes or other governmental requirements nor shall County, as a party to this Lease be responsible for permitting of any construction and/or maintenance, design, assumptions or accuracy of Tenant's construction and/or maintenance plans.

All planning and architectural/design costs required to accomplish the construction shall be Tenant's responsibility and shall be approved by the Chief Information Officer. Such approvals will not be unreasonably withheld or delayed and shall not relieve Tenant of the responsibility for complying with all applicable codes and construction requirements, nor of obtaining necessary permits or approvals from the authorities of proper jurisdiction.

## **18. OWNERSHIP OF IMPROVEMENTS (2.7 SR)**

Tenant shall provide all equipment necessary for use of the Premises consistent with this Lease. All buildings, improvements, and facilities, exclusive of trade fixtures, constructed or placed within the Premises by Tenant ("**Tenant Improvements**") must, upon completion, be free and clear all liens, claims, or liability for labor or material and at County's option shall be the property of County at the expiration of this Lease or upon earlier termination hereof. County retains the right to require Tenant, at Tenant's cost, to remove all Tenant Improvements located on the Premises at the expiration or termination hereof. In the event that Tenant fails to remove said Tenant Improvements within fifteen (15) days following receipt of written notice from County to do so, such Tenant Improvements will be deemed abandoned and Tenant shall lose all right, title and interest in and thereto, and County may elect (i) at Tenant's cost, to remove, demolish, or otherwise dispose of some or all of such items or (ii) sell or make use of any or all such items.

## **19. MECHANICS LIENS OR STOP-NOTICES (2.8 SR)**

Tenant shall at all times indemnify, defend with counsel approved in writing by County and hold County harmless from all claims, losses, demands, damages, cost, expenses, or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Premises, and from the cost of defending against such claims, including attorney fees and costs.



In the event a lien or stop-notice is imposed upon the Premises as a result of such construction, repair, alteration, or installation, Tenant shall either:

- A. Record a valid Release of Lien, or
- B. Procure and record a bond in accordance with Section 8424 or 9000 et seq. of the Civil Code, which frees the Premises from the claim of the lien or stop-notice and from any action brought to foreclose the lien.

Should Tenant fail to accomplish either of the two optional actions above within fifteen (15) days after the filing of such a lien or stop-notice, the Tenant shall be in Tenant Default and shall be subject to immediate termination.

## **20. OPERATIONAL REQUIREMENTS OF TENANT (2.9 NR)**

A. Quality and Service Standards. Tenant shall at all times operate the Premises in a manner consistent with Clause 3 (USE).

B. Standards of Operation. Tenant shall operate the Premises in a manner similar to other comparable facilities in Southern California which offer similar services and amenities. Tenant shall, at its sole expense, take reasonable steps to provide security measures for the protection of persons and property within the Premises.

C. Protection of Environment. Tenant shall not permit:

- 1. Littering within the Premises.
- 2. Excessive noise emanating from the Premises.
- 3. Tenant shall immediately report any spillage, leakage, or discharge of any toxic, hazardous or polluting materials to the proper authorities.

Failure by Tenant to comply with A, B and C of this Clause shall result in Tenant Default (as further defined in Clause 30 (DEFAULTS AND REMEDIES)) and County shall have the right to exercise any remedy available to it by virtue of such Tenant Default in addition to any County Remedies defined in Clause 30 (DEFAULTS AND REMEDIES).

D. On-Site Management

- 1. Tenant shall employ and designate to County a competent manager ("**Tenant Manager**") who shall be responsible for the day-to-day operation and maintenance, cleanliness, and general order of the Premises. Tenant Manager shall be vested with the authority of Tenant with respect to the supervision over the operation and maintenance of the Premises, including the authority to enforce compliance by Tenant's agents, employees, subtenants, concessionaires, or licensees with the terms and conditions of this Lease and any and all rules and regulations adopted hereunder. Tenant shall notify County in writing of the name of the manager currently so employed, as well as successor managers, in the manner as provided in the Clause 62 (NOTICES) below.
- 2. Tenant agrees to obey, abide by, and be in conformance with all applicable governmental codes, laws, rules and/or regulations, now or hereafter promulgated, concerning operations on the Premises.

E. Access. The Data Center is a secure facility and access to the Premises is possible via security badge only. County shall provide on-site security guards during the Data Center business hours which are Monday through Friday from 7 a.m. to 5 p.m. All other times the Data Center is in

secure lock-down operating mode and only those staff with prior authorization will be allowed entrance. The County shall issue Tenant all necessary security badges and retains the right to limit the number of security badges issued and approve/disapprove issuances of badges to individuals. Tenant shall notify County immediately of any lost or stolen badge and shall be required to pay twenty-five dollars (\$25.00) to County for any replacement security badge. Tenant shall notify County, by contacting OCIT's Service Desk at (844) 834-2449, within two (2) hours if employee of Tenant has been terminated, laid off or has otherwise discontinued employment with Tenant, so that County may immediately deactivate the employee's security badge and access to the Data Center.

## **21. INSURANCE (3.0 SR)**

Tenant agrees to purchase all required insurance at Tenant's expense and to deposit with the County certificates of insurance, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Lease have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with the County during the entire term of this Lease.

Tenant agrees that Tenant shall not operate on the Lease Area at any time the required insurance is not in full force and effect as evidenced by a certificate of insurance and necessary endorsements or, in the interim, an official binder being in the possession of the Chief Information Officer. In no cases shall assurances by Tenant, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. The Chief Information Officer will only accept valid certificates of insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. Tenant also agrees that upon cancellation, termination, or expiration of Tenant's insurance, County may take whatever steps are necessary to interrupt any operation from or on the Lease Area until such time as the County reinstates the Lease.

If Tenant fails to provide the Chief Information Officer with a valid certificate of insurance and endorsements, or binder at any time during the term of the Lease, County and Tenant agree that this shall constitute a material breach of the Lease. Whether or not a notice of default has or has not been sent to Tenant, said material breach shall permit County to take whatever steps necessary to interrupt any operation from or on the Lease Area, and to prevent any persons, including, but not limited to, members of the general public, and Tenant's employees and agents, from entering the Lease Area until such time as the Chief Information Officer is provided with adequate evidence of insurance required herein. Tenant further agrees to hold County harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from the County's action.

Tenant may occupy the Premises only upon providing to County the required insurance stated herein and maintain such insurance for the entire term of this Lease. County reserves the right to terminate this Lease at any time Tenant's insurance is canceled or terminated and not reinstated within ten (10) days of said cancellation or termination. Tenant shall pay County a fee of \$750.00 for processing the reinstatement of the Lease. Tenant shall provide to County immediate notice of said insurance cancellation or termination.

All contractors performing work on behalf of Tenant pursuant to this Lease shall obtain insurance subject to the same terms and conditions as set forth herein for Tenant. Tenant shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by the County from the Tenant under this Lease. It is the obligation of the Tenant to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Lease Area. Such proof of insurance

must be maintained by Tenant through the entirety of this Lease and be available for inspection by a County representative at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Tenant's current audited financial report. If Tenant's SIR is approved, Tenant, in addition to, and without limitation of, any other indemnity provision(s) in this Lease, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Tenant's, its agents, employee's or subcontractor's performance of this Agreement, Tenant shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Tenant's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Tenant's SIR provision shall be interpreted as though the Tenant was an insurer and the County was the insured.

#### Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Tenant shall provide the minimum limits and coverage as set forth below:

<u>Coverages</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence

Commercial Property Insurance on an "All Risk" or "Special Causes of Loss" basis covering all, contents and any tenant improvements including Business

## Coverages

## Minimum Limits

Interruption/Loss of Rents with a 12 month limit.

## Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage at least as broad.

## Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the ***County of Orange, its elected and appointed officials, officers, employees, agents*** as Additional Insureds. Blanket coverage may also be provided which will state- ***As Required By Written Agreement***.
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad, evidencing that the LESSEE's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the ***County of Orange, its elected and appointed officials, officers, agents and employees***. Blanket coverage may also be provided which will state- ***As Required By Written Agreement***.

All insurance policies required by this lease shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

The Commercial Property policy shall contain a Loss Payee endorsement naming the County of Orange as respects the County's financial interest when applicable.

The Commercial General Liability policy shall contain a severability of interests clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

Insurance certificates should be forwarded to the County address provided in the Clause 62 (NOTICES) below or to an address provided by Chief Information Officer. Tenant has ten (10) business days to provide adequate evidence of insurance or this Lease may be cancelled.

County expressly retains the right to require Tenant to increase or decrease insurance of any of the above insurance types throughout the term of this Lease. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.



County shall notify Tenant in writing of changes in the insurance requirements. If Tenant does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Lease may be in breach without further notice to Tenant, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Tenant's liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease, nor in any way to reduce the policy coverage and limits available from the insurer.

## **22. INDEMNIFICATION (3.1 SR)**

Tenant's Indemnity. Tenant hereby agrees to indemnify, hold harmless, and defend County, its elected and appointed officials, officers, agents, employees, and those special districts and agencies which the Board of Supervisors acts as the governing board, with counsel approved by County, against any and all claims, loss, demands, damages, costs, expenses or liability arising out of the ownership, maintenance, or use of the Premises, except for liability arising out of the negligence of County, its elected and appointed officials, officers, agents, or employees, including the cost of defense of any lawsuit arising therefrom.

In the event County is named as co-defendant, Tenant shall notify County of such fact and shall represent County, with counsel approved by County, in such legal action unless County undertakes to represent itself as co-defendant in such legal action, in which event Tenant shall pay to County its litigation costs, expenses and attorneys' fees. In the event judgment is entered against County and Tenant because of the concurrent negligence of County and Tenant, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither Party shall request a jury apportionment.

County's Non-liability. County shall not be liable to Tenant and Tenant hereby waives all claims against County, its employees and agents for loss of or damage to any property, or any injury to any person, resulting from any condition including, but not limited to, acts or omissions (criminal or otherwise) of third parties, or their agents, employees or invitees, fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak or flow from or into any part of the Premises or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, electrical works or other fixtures in the Premises, regardless of the negligence of County, its agents or any and all affiliates of County in connection with the foregoing. It is understood that any such condition may require the temporary evacuation or closure of all or a portion of the Premises. Should Tenant elect to receive any service from a concessionaire, licensee or third party tenant of County, Tenant shall not seek recourse against County for any breach or liability of that service provider. Notwithstanding anything to the contrary contained in this Lease, in no event shall County be liable for Tenant's loss or interruption of business or income (including without limitation, Tenant's consequential damages, lost profits or opportunity costs), or for interference with light or other similar intangible interests. Tenant shall immediately notify County in case of fire or accident in the Premises and of defects in any improvements or equipment within the Premises.

Waiver of Subrogation. County and Tenant each hereby waives all rights of recovery against the other on account of loss and damage occasioned to the Premises of such waiving Party to the extent that the waiving Party is entitled to proceeds for such loss and damage under any property insurance policies carried or otherwise required to be carried by this Lease; provided however, that the foregoing waiver shall not apply to the extent of Tenant's obligation to pay deductibles under any such policies and this Lease. By this waiver it is the intent of the Parties that neither County

nor Tenant shall be liable to any insurance company (by way of subrogation or otherwise) insuring the other Party for any loss or damage insured against under any property insurance policies, even though such loss or damage might be occasioned by the negligence of such Party, its agents, employees, contractors or invitees.

Tenant acknowledges that it is familiar with the language and provisions of California Civil Code Section 1542, which provides as follows:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Tenant, being aware of and understanding the terms of Section 1542, hereby waives all benefit of its provisions to the extent described in this paragraph.

### **23. HAZARDOUS MATERIALS (3.2 SR)**

A. Definition of Hazardous Materials. For purposes of this Lease, the term "**Hazardous Materials**" shall mean any hazardous or toxic substance, material, product, byproduct, or waste which is or shall become regulated by any governmental entity, including, without limitation, County, acting in its governmental capacity, the State of California or the United States government.

B. Use of Hazardous Materials. Tenant or Tenant's employees, agents, independent contractors or invitees (collectively "**Tenant Parties**") shall not cause or authorize any Hazardous Materials to be brought upon, stored, kept, used, generated, released into the environment or disposed of on, under, from or about the Premises (which for purposes of this clause shall include the subsurface soil and ground water). Notwithstanding the foregoing, Tenant and Tenant Parties may keep on or about the Premises small quantities of Hazardous Materials that are used in the ordinary, customary, and lawful cleaning of and business operations on the Premises. Said permitted Hazardous Materials shall be stored in a safe location and shall be disposed of in a manner provided by law.

C. Tenant Obligations. If the presence of any Hazardous Materials on, under or about the Premises caused or authorized by Tenant or Tenant Parties results in (i) injury to any person, (ii) injury to or contamination of the Premises (or a portion thereof), or (iii) injury to or contamination of any real or personal property wherever situated, Tenant, at its sole cost and expense, shall promptly take all actions necessary or appropriate to return the Premises to the condition existing prior to the introduction of such Hazardous Materials to the Premises and to remedy or repair any such injury or contamination. Without limiting any other rights or remedies of County under this Lease, Tenant shall pay the cost of any such cleanup or remedial work performed on, under, or about the Premises as required by this Lease or by applicable laws in connection with the removal, disposal, neutralization or other treatment of such Hazardous Materials caused or authorized by Tenant or Tenant Parties to be introduced on, under or about the Premises. Notwithstanding the foregoing, Tenant shall not take any remedial action in response to the presence, discharge or release, of any Hazardous Materials on, under or about the Premises caused or authorized by Tenant or Tenant Parties, or enter into any settlement agreement, consent decree or other compromise with any governmental or quasi-governmental entity without first obtaining the prior written consent of the Director, which consent shall not be unreasonably withheld, conditioned or delayed. All work performed or caused to be performed by Tenant as provided for above shall be done in good and workmanlike manner and in compliance with plans, specifications, permits and other requirements

for such work approved by the Chief Information Officer, which approval shall not be unreasonably withheld, conditioned or delayed.

#### **24. BEST MANAGEMENT PRACTICES (3.3 SR)**

A. Tenant shall conduct operations under this Lease so as to assure that pollutants do not enter municipal storm drain systems which systems are comprised of, but are not limited to curbs and gutters that are part of the street systems ("**Stormwater Drainage System**"), and to ensure that pollutants do not directly impact Receiving Waters (as used herein, "**Receiving Waters**" include, but are not limited to, rivers, creeks, streams, estuaries, lakes, harbors, bays and oceans).

B. The Santa Ana and San Diego Regional Water Quality Control Boards have issued National Pollutant Discharge Elimination System ("**NPDES**") permits ("**Stormwater Permits**") to the County, and to the Orange County Flood Control District and cities within Orange County, as co-permittees (hereinafter collectively referred to as "**County Parties**") which regulate the discharge of urban runoff from areas within the County, including the Premises leased under this Lease. The County Parties have enacted water quality ordinances that prohibit conditions and activities that may result in polluted runoff being discharged into the Stormwater Drainage System.

C. To assure compliance with the Stormwater Permits and water quality ordinances, the County have developed a Drainage Area Management Plan ("**DAMP**") which includes a Local Implementation Plan ("**LIP**") for each jurisdiction that contains Best Management Practices ("**BMP(s)**") as provided in Exhibit C, and which may change from time to time, that tenants using properties within Orange County must adhere to. As used herein, a BMP is defined as a technique, measure, or structural control that is used for a given set of conditions to manage the quantity and improve the quality of stormwater runoff in a cost effective manner. These BMPs are found within County's LIP in the form of Model Maintenance Procedures and BMP Fact Sheets (the Model Maintenance Procedures and BMP Fact Sheets contained in the DAMP/LIP shall be referred to hereinafter collectively as "**BMP Fact Sheets**") and contain pollution prevention and source control techniques to eliminate non-stormwater discharges and minimize the impact of pollutants on stormwater runoff.

D. BMP Fact Sheets that apply to uses authorized under this Lease include the BMP Fact Sheets that are attached hereto as Exhibit C. These BMP Fact Sheets may be modified during the term of the Lease; and County shall provide Tenant with any such modified BMP Fact Sheets. Tenant, its subtenants, agents, contractors, representatives and employees and all persons authorized by Tenant to conduct activities on the Premises shall, throughout the term of this Lease, comply with the BMP Fact Sheets as they exist now or are modified, and shall comply with all other requirements of the Stormwater Permits, as they exist at the time this Lease commences or as the Stormwater Permits may be modified. Tenant agrees to maintain current copies of the BMP Fact Sheets on the Premises throughout the term of this Lease. The BMPs applicable to uses authorized under this Lease must be performed as described within all applicable BMP Fact Sheets.

E. Tenant may propose alternative BMPs that meet or exceed the pollution prevention performance of the BMP Fact Sheets. Any such alternative BMPs shall be submitted to County for review and approval prior to implementation.

F. County may enter the Premises and/or review Tenant's records at any time to assure that activities conducted on the Premises comply with the requirements of this clause. Tenant may be required to implement a self-evaluation program to demonstrate compliance with the requirements of this clause.

G. Among other requirements, the industrial NPDES permit requires periodic stormwater inspections by the State and/or County OC Watersheds staff to ensure facility compliance, which may include annual inspections of the Premises, with follow up inspections as a result of observed violations requiring corrective actions.

H. Dependent upon the reuse of the Premises, the Premises shall have a clarifier drain that captures low flow runoff from throughout the site, which ensures all flows are properly drained without any unacceptable runoff. Tenant shall conduct their work throughout the site and any resultant low flow discharges shall work their way to the clarifier. In regards to Tenant Improvements, Tenant shall designate operational zones minimally affected by storm flows that allow drainage to the clarifier, and the non-operational portions of the site are to have normal storm discharges going through the storm drain system. As the site undergoes a new NPDES Industrial Permit application process, these conditions may get re-examined.

I. The BMP's shall stipulate the process for the Tenant to take corrective actions, and state the consequences of non-compliance or County options under the Lease to self-remedy the matter. The Santa Ana and San Diego Regional Water Quality Control Boards have established penalties/consequences for non-compliance and those are to be included in this Lease. County to have the option to terminate the Lease if the Tenant does not correct a non-compliance situation in a timely manner and that the security deposit reflects this circumstance.

J. Environmental Indemnification language may be added or amended from time to time.

K. Work activities are to be conducted in a controlled area where pollutants shall be contained and any heavy metals detected at significantly higher levels than the benchmarks set by the Regional Board shall be addressed. All applicable BMPs are to be properly implemented, including any and all future modifications, updates, or replacement BMPs that may be issued from time to time, shall be used by Tenant.

L. Site modifications, such as distinctly designated work areas with controls to prevent pollutants from escaping and wastewater drain, will be required to be segregated from stormwater drain.

M. In the event Tenant fails to comply with all applicable BMPs, County, in addition to any and all remedies available in Clause 30 (DEFAULTS AND REMEDIES), shall have the right to self-help remedies or terminate the Lease as follows:

1. Terminate the Lease due to non-compliance with the BMPs incorporated in the Lease and as BMPs may change from time to time, or;
2. Remedy a non-compliance situation with a chargeback to the Tenant for the cost. The details regarding notification, timeline, and procedure are to be drafted and mutually agreed upon by both Parties to ensure all water quality issues are addressed within the Lease. In the event the Tenant's BMP implementation is lacking or if the Tenant allows a prohibitive discharge to occur, then the Regional Board will only take enforcement action against County. Therefore, this Lease must establish a BMP compliance partnership with the Tenant and the Lease must ensure the protection of water quality is inherent in the Tenant's day-to-day operations.

## **25. BUILDING AND SAFETY REQUIREMENTS (3.4 SR)**

During the Term and any Extension Term(s) of this Lease, Tenant, at Tenant's sole cost, agrees to maintain the Premises in compliance with all applicable laws, rules, regulations, building codes,



statutes, and orders as they are applicable on the date of this Lease, and as they may be subsequently amended, including but not limited to the California Building Code, Title 24, Seismic Code, Fire and Life Safety requirements and, if applicable, California Green Building Standard Code.

Included in this provision is compliance with the Americans with Disabilities Act (“ADA”) and all other federal, state, and local codes, statutes, and orders relating to disabled access as they are applicable on the dates of this Lease, and as they may be subsequently amended and all regulations issued by the U. S. Attorney General or other agencies under the authorization of the ADA. However, Tenant shall not be responsible for any ADA violations resulting from alterations made by County or the placement of fixtures or equipment by County.

Tenant shall use commercially reasonable efforts to repair and maintain the Premises as a “safe place of employment,” as defined in the California Occupational Safety and Health Act (California Labor Code, Division 5, Part 1, Chapter 3, beginning with Section 6400) and the Federal Occupational Safety and Health Act, where the provisions of such Act exceed, or supersede, the California Act, as the provisions of such Act are applicable on the date of this Lease, and as they may be subsequently amended. County agrees to notify Tenant of any repair or maintenance necessary within the Premises or Building to comply with such Act and Tenant agrees to diligently act to repair or maintain appropriately.

In the event Tenant neglects, fails, or refuses to maintain said Premises as aforesaid, following thirty (30) days after written notice from County to Tenant providing notice of such neglect, failure or refusal, County may, notwithstanding any other termination provisions contained herein:

- A. Thirty (30) days following a second written notice of such neglect or failure or refusal, County may terminate this Lease with written notice to the Tenant; or
- B. At County’s sole option, cure any such Tenant Default by performance of any act, including payment of money, and add the cost thereof plus reasonable administrative costs (ten percent (10%)) to the Rent.

Tenant agrees to reimburse and indemnify, and defend County for any expenses incurred because of the failure of the Premises to conform with any and all applicable laws, rules, regulations, building codes, statutes, and orders, including the costs of making any alterations, renovations, or accommodations required by the ADA, or any governmental enforcement agency, or any court, any and all fines, civil penalties, and damages awarded against County resulting from a violation or violations of the above-cited laws, rules, regulations, building codes, statutes, and orders and regulations, and all reasonable legal expenses incurred in defending claims made under the above-referenced laws, rules, regulations, building codes, statutes, and orders, including reasonable attorneys’ fees. Should Tenant fail to comply with the provisions of this Clause 25 Tenant may be found in Tenant Default and the County may exercise those remedies set forth in Clause 30 (DEFAULTS AND REMEDIES).

## **26. DAMAGE TO OR DESTRUCTION OF PREMISES AND/OR TENANT IMPROVEMENTS (3.5 SR)**

Premises. In the event of any damage to our destruction of the Premises or in the event the Premises or improvements located within the Premises are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, County shall have the immediate right to terminate this Lease effective upon providing written notice to Tenant. In the event of said termination, County shall be entitled to receive and retain any and all insurance

proceeds resulting from or attributable to such casualty, except for those proceeds payable under any separate policy maintained by Tenant which specifically insures Tenant's personal property and trade fixtures. In the event that County does not elect to terminate this Lease following said casualty, County, at County's expense, may rebuild, reconstruct and restore the Premises, excluding Tenant's personal property and trade fixtures, which shall be the responsibility of Tenant. Tenant understands and acknowledges that County shall be free to make such changes and modifications to the Premises as County deems appropriate in the exercise of its good faith discretion. During any period when County determines that there is substantial interference with Tenant's use of the Premises by reason of such casualty, the monthly Rent payable hereunder shall be temporarily abated in proportion to the degree of such substantial interference. With respect to damage or destruction which County elects to repair, Tenant waives and releases its rights under California Civil Code Sections 1932 (2) and 1933 (4).

**Tenant Improvements.** In the event of damage to or destruction of Tenant Improvements located within the Premises or in the event Tenant Improvements located within the Premises are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, Tenant shall, within thirty (30) days, commence and diligently pursue to completion the repair, replacement, or reconstruction of Tenant Improvements to the same size and floor area as they existed immediately prior to the event causing the damage or destruction, as necessary to permit full use and occupancy of the Premises for the purposes required by the Lease. Repair, replacement, or reconstruction of Tenant Improvements within the Premises shall be accomplished in a manner and according to plans approved by the Chief Information Officer. Except as otherwise provided herein, termination of this Lease shall not reduce or nullify Tenant's obligation under this paragraph.

County shall not be liable for any damage to Tenant Improvements or Tenant personal property or of others located on the Premises, nor for the loss of or damage to any property of Tenant or others by theft or otherwise. All property of Tenant kept or stored on the Premises shall be so kept or stored at the risk of Tenant, unless such damage is caused by County willful misconduct or gross negligence.

## **27. ASSIGNMENT AND SUBLETTING (3.6 SR)**

Subject to prior review and approval by County, Tenant may allow for the rental, licensing, permitting, or subletting, etc. of the Premises when doing so results in providing for the uses permitted in Clause 3 (USE) above. Any mortgage, pledge, hypothecation, encumbrance, transfer, sublease, license, permit, or assignment (hereinafter in this clause referred to collectively as "**Encumbrance**") of Tenant's interest in the Premises, or any part or portion thereof without the prior written approval of County is prohibited. All Encumbrances are subject to County's review and approval, including those Encumbrances that result in providing for the uses permitted in Clause 3 (USE) above. County approval is subject to negotiation by the Parties and may result in additional charges for Rent and/or Additional Rent as those terms are defined and used in Clause 9 (RENT) and/or Clause 10 (RENT ADJUSTMENT), above. County may reasonably withhold such approval.

Should County consent to any Encumbrance, such consent shall not constitute a waiver of any of the terms, covenants, or conditions of this Lease or be construed as County's consent to any further Encumbrance. Such terms, covenants or conditions shall apply to each and every Encumbrance hereunder and shall be severally binding upon each and every party thereto. Any document to mortgage, pledge, hypothecate, encumber, transfer, sublet, or assign the Premises or any part thereof shall not be inconsistent with the provisions of this Lease and in the event of any such inconsistency, the provisions of this Lease shall control.

Tenant may, with prior notice, engage the services of a professional management company and such employment shall not be construed to be an assignment or transfer of the Lease. Any license, sublease, permit, etc. issued by Tenant shall be consistent with and subject to the terms and conditions of this Lease and shall be subject to review and approval by the County, whose approval shall not be unreasonably withheld. Each license, sublease, permit, etc. issued by Tenant shall require adequate insurance, as determined by the County, with the County of Orange named as additional insured, and shall indemnify the County of Orange, its elected officials, agents, officers, and employees.

## **28. TAXABLE POSSESSORY INTEREST ASSESSMENTS (3.7 SR) – *Intentionally Omitted***

## **29. ESTOPPEL CERTIFICATE (3.8 SR)**

Tenant shall furnish upon receipt of a written request from County an estoppel certificate on County's standard form *Estoppel Certificate* (attached hereto in Exhibit D containing information as to the current status of the Lease. Said standard form *Estoppel Certificate* shall be completed by Tenant in a timely manner. The *Estoppel Certificate* shall be approved by Chief Real Estate Officer and County Counsel.

## **30. DEFAULTS AND REMEDIES (3.9 SR)**

**Tenant Default:** Tenant shall be deemed in default of this Lease if: a) in the event of any monetary breach of this Lease by Tenant, County shall notify Tenant in writing of such breach, and Tenant shall have three (3) days from such notice in which to cure said breach or b) in the event of any non-monetary breach of this Lease, Tenant fails within fifteen (15) days after receipt by Tenant of written notice specifying wherein such obligation of Tenant has not been performed; provided however, that if the nature of Tenant's obligation is such that more than fifteen (15) days after such notice are reasonably required for its performance, then Tenant shall not be in breach of this Lease if performance is commenced as soon as reasonably possible within such fifteen (15) day period and thereafter diligently pursued to completion (each, a "**Tenant Default**").

**County Default:** County shall be deemed in breach of this Lease if: a) in the event of any monetary breach of this Lease by County, Tenant shall notify County in writing of such breach, and County shall have ten (10) days from such notice in which to cure said breach or b) in the event of any non-monetary breach of this Lease, County fails within fifteen (15) days after receipt by County of written notice specifying wherein such obligation of County has not been performed; provided however, that if the nature of County's obligation is such that more than fifteen (15) days after such notice are reasonably required for its performance, then County shall not be in breach of this Lease if performance is commenced as soon as reasonably possible within such fifteen (15) day period and thereafter diligently pursued to completion (each, a "**County Default**").

**Tenant Remedies:** Tenant's sole remedy for a County Default shall be against the County's interest in the Premises (including, without limitation, proceeds from the sale of the Premises, condemnation awards to which County is entitled under the terms of the Lease and proceeds from insurance policies that County maintains under the Lease) and includes only the right to damages and/or injunctive relief (collectively, "**Tenant Remedies**"), and in no event shall Tenant have the right to terminate this Lease or to rent abatement hereunder.

**County Remedies:** If the Tenant Default is a result of a monetary breach by Tenant in the payment of the Rent or Additional Rent, pursuant to Clause 9 (RENT), County may, at the County's sole discretion, a) declare all Rent payments to the end of Tenant's current fiscal year to be due,

including any delinquent rent from prior budget years or b) terminate the Lease. County's remedies as the result of Tenant Default for monetary or non-monetary breach shall be the right to damages, injunctive relief, and/or any other rights at law or in equity. No delay or omission of County to exercise any right or remedy shall be construed as a waiver of such right or remedy or of any Tenant Default hereunder.

### **31. LABOR CODE COMPLIANCE (4.0 SR)**

Tenant acknowledges and agrees that any and all improvements or modifications required to be performed by Lessor at the request of County shall be governed by, and performed in accordance with, the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (Sections 1770, et seq.), as applicable. These provisions may be applicable to improvements or modifications costing more than \$1,000, unless an exception applies, including but not limited to the exception to the definition of public works under § 1720.2.

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the Orange County Board of Supervisors has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality applicable to this Lease for each craft, classification, or type of workman needed to execute the aforesaid improvements or modifications from the Director of the State Department of Industrial Relations. Copies of said prevailing wage rates may be obtained from the State of California, Department of Industrial Relations or Chief Real Estate Officer.

Tenant hereby agrees to pay or cause its contractors and/or subcontractors to pay said prevailing wage rates at all times for all improvements or modifications to be completed for Tenant within the Premises, and Tenant herein agrees that Tenant shall post, or cause to be posted, a copy of the most current, applicable prevailing wage rates at the site where the improvements or modifications are performed.

Prior to commencement of any improvements or modifications, Tenant shall provide Chief Information Officer with the applicable certified payroll records for all workers that will be assigned to the improvements or modifications. Said payroll records shall contain, but not be limited to, the complete name, address, telephone number, social security number, job classification, and prevailing wage rate for each worker. Tenant shall provide Chief Information Officer, bi-weekly updated, certified payroll records for all workers that include, but not be limited to, the weekly hours worked, prevailing hourly wage rates, and total wages paid.

If Tenant fails to comply with this clause, such occurrence may constitute an event of default of this Lease and County may, notwithstanding any other termination provisions contained herein:

A. Terminate this Lease upon written notice to Tenant; or

B. At County's sole option, County may deduct from Tenant's Security Deposit, as a penalty for such non-compliance of paying prevailing wage, which Security Deposit deduction would be County's estimate, in its sole discretion, of such prevailing wage rates not paid by Tenant.

Except as expressly set forth in this Lease, nothing herein is intended to grant authority for Tenant to perform improvements or modifications on space currently leased by County or for which County has entered into a lease or lease amendment.

### **32. RIGHT TO WORK AND MINIMUM WAGE LAWS (4.1 SR)**



In accordance with the United States Immigration Reform and Control Act of 1986, Tenant shall require its employees that directly or indirectly service the Premises or terms and conditions of this Lease, in any manner whatsoever, to verify their identity and eligibility for employment in the United States. Tenant shall also require and verify that its contractors or any other persons servicing the Premises or terms and conditions of this Lease, in any manner whatsoever, verify the identity of their employees and their eligibility for employment in the United States.

Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California Labor Code, Section 1178.5, Tenant shall pay no less than the greater of the Federal or California Minimum Wage to all its employees that directly or indirectly service the Premises, in any manner whatsoever. Tenant shall require and verify that all its contractors or other persons servicing the Premises on behalf of the Tenant also pay their employees no less than the greater of the Federal or California Minimum Wage.

Tenant shall comply and verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the Premises or terms and conditions of this Lease.

Notwithstanding the minimum wage requirements provided for in this clause, Tenant, where applicable, shall comply with the prevailing wage and related requirements, as provided for in Clause 31 (LABOR CODE COMPLIANCE) of this Lease.

### **33. SIGNAGE (4.2 SR)**

Subject to prior review and approval by County, Tenant may install and maintain signs or displays on the Premises. Such signage must comply with all applicable laws and zoning and site plan requirements. Unapproved signs, awnings, banners, flags, etc., may be removed by County without prior notice to Tenant.

### **34. AUTHORITY (4.3 SR)**

The persons executing this Lease on behalf of County or Tenant warrant that they have the power and authority to bind County or Tenant to this Lease.

### **35. LEASE ORGANIZATION (4.4 SR)**

The various headings in this Lease, the numbers thereof, and the organization of the Lease into separate sections and paragraphs are for purposes of convenience only and shall not be considered otherwise.

### **36. SUCCESSORS IN INTEREST (4.5 SR)**

Unless otherwise provided in this Lease, the terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of all the Parties hereto, all of whom shall be jointly and severally liable hereunder.

### **37. AMENDMENTS (4.6 SR)**

This Lease sets forth the entire agreement between Lessor and County and any modification must be in the form of a written amendment.

### **38. PARTIAL INVALIDITY (4.7 SR)**

If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

### **39. WAIVER OF RIGHTS (4.8 SR)**

The failure of Tenant or County to insist upon strict performance of any of the terms, conditions, and covenants in this Lease shall not be deemed a waiver of any right or remedy that Tenant or County may have, and shall not be deemed a waiver of any right or remedy for a subsequent breach or default of the terms, conditions, and covenants herein contained. Any waiver, in order to be effective, must be signed by the Party whose right or remedy is being waived.

### **40. HOLDING OVER (4.9 N)**

In the event Tenant shall continue in possession of the Premises after the term of this Lease, such possession shall not be considered a renewal of this Lease but a tenancy from month to month and shall be governed by the conditions and covenants contained in this Lease.

### **41. EARTHQUAKE SAFETY (5.0 SR)**

Tenant accepts the Premises "as is" and "where is" and County offers no warranties or representations whatsoever that the Premises is or has been in compliance with applicable seismic safety regulations and building codes at the time of construction. All such seismic, safety and building regulation compliance is the responsibility of the Tenant.

### **42. QUIET ENJOYMENT (5.1 SR)**

County agrees that, subject to the terms, covenants and conditions of this Lease, Tenant may, upon observing and complying with all terms, covenants and conditions of this Lease, peaceably and quietly occupy the Premises.

### **43. GOVERNING LAW AND VENUE (5.2 SR)**

This agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure section 394.

### **44. ATTORNEYS' FEES (5.3 SA)**

In the event of a dispute between Tenant and County concerning claims arising out of this Lease, or in any action or proceeding brought to enforce or interpret any provision of this Lease or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorneys' fees and costs.

### **45. TIME OF ESSENCE (5.4 SR)**

Time is of the essence of this Lease. Failure to comply with any time requirements of this Lease shall constitute a material breach of this Lease.

#### **46. INSPECTION OF PREMISES BY A CERTIFIED ACCESS SPECIALIST (5.5 N)**

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.

Pursuant to California Civil Code 1938, County hereby represents that the Premises has not undergone an inspection by a certified access specialist and no representations are made with respect to compliance with accessibility standards.

#### **47. FORCE MAJEURE (5.6 SR)**

For purposes of this Lease, the term "**Force Majeure**" means any of the following events which are beyond the control of either Party: act of God, unavailability of equipment or materials (but only if such equipment and materials were ordered in a timely fashion), enemy or terrorist act, act of war, riot or civil commotion, strike, lockout or other labor disturbance, fire, earthquake, explosion, governmental delays (including nonstandard delays in issuance of any permit or other necessary governmental approval or the scheduling of any inspections or tests), nonstandard delays by third party utility providers, or any other matter of any kind or character beyond the reasonable control of the Party delayed or failing to perform under this Lease despite such Party's best efforts to fulfill the obligation. "**Best Efforts**" includes anticipating any potential force majeure event and addressing the effects of any such event (a) as it is occurring and (b) after it has occurred, to prevent or minimize any resulting delay to the greatest extent possible. Force Majeure shall not include inability to obtain financing or other lack of funds. Lessor and County shall be excused for the period of any delay in the performance of any obligation hereunder when such delay is occasioned by causes beyond its control.

#### **48. CONDEMNATION (5.7 SR)**

If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively, "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If all or a material portion of the rentable area of the Premises are taken by Condemnation, Tenant may, at Tenant's option, to be exercised in writing within ten (10) days after County shall have given Tenant written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. County shall also have the right to terminate this Lease if there is a taking by Condemnation of any portion of the building or property which would have a material adverse effect on County's ability to profitably operate the remainder of the building. If neither Party terminates this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of County, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken or for severance damages. Tenant hereby waives any

and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure, or any similar or successor Laws.

#### **49. CONSENT OR APPROVAL (5.8 SR)**

Unless expressly stated otherwise, where the consent or approval of a Party is required, such consent or approval will not be unreasonably withheld, conditioned or delayed.

#### **50. UNENFORCEABLE PROVISIONS (5.9 SR)**

If any paragraph or clause hereof shall be determined illegal, invalid or unenforceable, it is the express intention of the Parties hereto that the remainder of the Lease shall not be affected thereby, and it is also the express intentions of the Parties hereto that in lieu of each paragraph or clause of this Lease which may be determined to be illegal, invalid or unenforceable, there may be added as a part of this Lease a paragraph or clause as similar in terms to such illegal or invalid or unenforceable paragraph or clause as may be possible and may be legal, valid and enforceable.

#### **51. CONTROL OF HOURS, PROCEDURES, AND PRICES (6.0 SR) – *Intentionally Omitted***

#### **52. LIMITATION OF THE LEASEHOLD (6.1 SR)**

This Lease and the rights and privileges granted Tenant in and to the Premises are subject to all covenants, conditions, restrictions, and exceptions of record or apparent. Nothing contained in this Lease or in any document related hereto shall be construed to imply the conveyance to Tenant of rights in the Premises which exceed those owned by County, or any representation or warranty, either express or implied, relating to the nature or condition of the Premises or County's interest therein. Tenant has accepted the Premises in its "as is" / "where is" condition.

#### **53. PERMITS AND LICENSES (6.2 SR)**

Tenant shall be required to obtain any and all approvals, permits and/or licenses which may be required in connection with the operation of the Premises as set out herein. No permit, approval, or consent given hereunder by County, in its governmental capacity, shall affect or limit Tenant's obligations hereunder, nor shall any approvals or consents given by County, as a party to this Lease, be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules, or regulations.

#### **54. PAYMENT CARD COMPLIANCE (6.3 SR) – *Intentionally Omitted***

#### **55. NONDISCRIMINATION (6.4 SR)**

Tenant agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this Lease. Tenant shall make its accommodations and services available to the public on fair and reasonable terms.

#### **56. CONDITION OF PREMISES UPON TERMINATION (6.5 SR)**

Except as otherwise agreed to herein or in subsequent approval in writing by County, upon termination of this Lease, Tenant shall re-deliver possession of said Premises to County in substantially the same condition that existed immediately prior to Tenant's entry thereon,



reasonable wear and tear, flood, earthquakes, war, and any act of war, excepted. It is agreed that any Tenant Improvement on the Premises may be considered the personal property of County at County's sole discretion. Upon termination, County will notify Tenant if any such Tenant Improvements need to be removed at Tenant's sole cost and expense. References to the "termination of the Lease" in this Lease shall include termination by reason of the expiration of the lease term.

#### **57. DISPOSITION OF ABANDONED PERSONAL PROPERTY (6.6 SR)**

If Tenant abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to and left on the Premises fifteen (15) days after such event shall, at County's option, be deemed to have been transferred to County. County shall have the right to remove and to dispose of such property without liability therefor to Tenant or to any person claiming under Tenant, and shall have no need to account therefor.

#### **58. QUITCLAIM OF TENANT'S INTEREST UPON TERMINATION (6.7 SR)**

Upon termination of this Lease for any reason, including but not limited to termination because of Tenant Default, Tenant shall execute, acknowledge, and deliver to County, within thirty (30) days after receipt of written demand therefor, a good and sufficient deed whereby all right, title, and interest of Tenant in the Premises is quitclaimed to County. Should Tenant fail or refuse to deliver the required deed to County, County may prepare and record a notice reciting the failure of Tenant to execute, acknowledge, and deliver such deed and said notice shall be conclusive evidence of the termination of this Lease and of all rights of Tenant or those claiming under Tenant in and to the Premises.

#### **59. PUBLIC RECORDS (6.8 SR)**

Any and all written information submitted to and/or obtained by County from Tenant or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise, at the option of County, may be treated as a public record open to inspection by the public pursuant to the California Records Act (Government Code Section 6250, et seq.) as now in force or hereafter amended, or any Act in substitution thereof, or otherwise made available to the public and Tenant hereby waives, for itself, its agents, employees, subtenants, and any person claiming by, through or under Tenant, any right or claim that any such information is not a public record or that the same is a trade secret or confidential information and hereby agrees to indemnify and hold County harmless from any and all claims, demands, liabilities, and/or obligations arising out of or resulting from a claim by Tenant or any third party that such information is a trade secret, or confidential, or not subject to inspection by the public, including without limitation reasonable attorneys' fees and costs.

#### **60. RELATIONSHIP OF PARTIES (6.9 SR)**

The relationship of the Parties hereto is that of Lessor and Tenant, and it is expressly understood and agreed that County does not in any way or for any purpose become a partner of or a joint venturer with Tenant in the conduct of Tenant's business or otherwise, and the provisions of this Lease and the agreements relating to rent payable hereunder are included solely for the purpose of providing a method by which rental payments are to be measured and ascertained.

#### **61. NO BROKERS USED (7.0 SR)**

Neither Party has employed any broker or finder or incurred any liability for any brokerage fee, commission, finder's fee, or reimbursement expenses in connection with the transactions contemplated by this Lease.

## **62. NOTICES (7.1 SR)**

All written notices pursuant to this Lease shall be addressed as set forth below or as either Party may hereafter designate by written notice and shall be deemed received upon personal delivery, delivery by facsimile machine, electronic mail, or seventy-two (72) hours after deposit in the United States Mail.

To: County

County of Orange  
Orange County Information Technology  
1055 North Main Street, 6<sup>th</sup> Floor  
Santa Ana, CA 92701  
Attn: IT Manager

With a copy to:

County Executive Office  
333 W. Santa Ana Boulevard, 3rd Floor  
Santa Ana, CA 92701  
Attention: Thomas A. Miller, Chief Real  
Estate Officer

## **63. ATTACHMENTS TO LEASE (7.2 SR)**

This Lease includes the following, which are attached hereto and made a part hereof:

### **I. EXHIBITS**

Exhibit A – Description of Premises  
Exhibit B – Depiction of Premises  
Exhibit C – Best Management Practices  
Exhibit D – Estoppel Certificate

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

APPROVED AS TO FORM:

OFFICE OF COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

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

RECOMMENDED FOR APPROVAL:

Orange County Information Technology

By: \_\_\_\_\_  
Chief Information Officer

County Executive Office

By: \_\_\_\_\_  
Steven K. Miller, Real Estate Manager

**TENANT**

COUNTY OF LOS ANGELES,  
a body corporate and politic

Fesia A. Davenport  
Chief Executive Officer

By: \_\_\_\_\_  
Dean Lehman  
Senior Manager

APPROVED AS TO FORM:

Rodrigo A. Castro-Silva  
County Counsel, County of Los Angeles

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

ATTEST:

\_\_\_\_\_,  
Dean C. Logan  
Registrar-Recorder/County Clerk

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

SIGNED AND CERTIFIED THAT A  
COPY OF THIS DOCUMENT HAS BEEN  
DELIVERED TO THE CHAIR OF THE BOARD  
PER GC § 25103, RESO. 79-1535

Attest:

**COUNTY**

COUNTY OF ORANGE

---

ROBIN STIELER  
Clerk of the Board of Supervisors  
of Orange County, California

---

Chairwoman of the Board of Supervisors  
Orange County, California



**EXHIBIT A**

**DESCRIPTION OF PREMISES**

PROJECT NO: CEO/RLS/CEO-07-007

DATE: April 30, 2020

PROJECT: OCIT / County of Los Angeles

VERIFIED BY:  
Casey Czapski

All the approximate 4,801 square-foot Premises shown crosshatched on a plot plan marked Exhibit B, attached hereto and made a part hereof, being.

**NOT TO BE RECORDED**

## DEPICTION OF PREMISES



## **EXHIBIT C**

### **Best Management Practices ("BMPs" Fact Sheets)**

Tenant shall be responsible for implementing and complying with all BMP Fact Sheet requirements that apply to this Tenant's operations. Tenant is to be aware that the BMP clause within this Lease, along with all related BMP Exhibits, may be revised, and may incorporate more than what is initially being presented in this Lease.

Suggested BMPs Fact Sheets may include, but may not be limited to, the following list shown below and can be found at: <http://ocwatersheds.com/documents/bmp> (website may change from time to time):

- IC3 Building Maintenance IC4 Carpet Cleaning
- IC5 Concrete & Asphalt Production, Application, & Cutting IC6 Contaminated or Erodible Surface Areas
- IC7 Landscape Maintenance
- IC9 Outdoor Drainage from Indoor Areas IC10 Outdoor Loading/Unloading of Materials
- IC11 Outdoor Process Equipment Operations & Maintenance IC12 Outdoor Storage of Raw Materials, Products, & Containers IC13 Over Water Activities
- IC14 Painting, Finishing, & Coatings of Vehicles, Boats, Buildings, & Equipment IC15 Parking & Storage Area Maintenance
- IC17 Spill Prevention & Cleanup IC21 Waste Handling & Disposal
- IC22 Eating & Drinking Establishments IC23 Fire Sprinkler Testing/Maintenance IC24 Wastewater Disposal Guidelines

**EXHIBIT D**  
**ESTOPPEL CERTIFICATE**

TO:

As of the date of this Estoppel Certificate the undersigned, as a "tenant" under that lease dated \_\_\_\_\_, between \_\_\_\_\_ ("Lessor") and the County of Orange, a political subdivision of the State of California ("County"), does hereby acknowledge the following:

1. The aforesaid lease, subject to article 2 below, constitutes the entire agreement between Lessor and County and is in full force and effect.
2. (Check One)  
☐ The aforesaid lease has not been modified, altered, or amended.  
☐ The aforesaid lease has been modified pursuant to that document(s) attached hereto.
3. The term of the lease is \_\_\_\_\_ years. The lease commenced on \_\_\_\_\_ and will expire on \_\_\_\_\_.
4. The term of the lease is subject to County's option to terminate/extend as follows:  
\_\_\_\_\_  
\_\_\_\_\_
5. The lease rental rate is \$ \_\_\_\_\_ per month, no rent has been paid in advance except as set forth in the lease, and County (in its capacity as "tenant," and not as a governmental agency) has received no notice of a prior assignment, hypothecation, or pledge of the lease from Lessor.
6. County has accepted and is now in possession of the leased premises.
7. The addresses for notices to be sent to County are set forth in Clause \_\_\_\_ (\_\_\_\_\_) of the lease.
8. County has no charge, lien, or claim of offset under this lease against rents or other charges due or to become due and, to the actual knowledge of County, Lessor is not now in default under the lease.

APPROVED AS TO FORM  
OFFICE OF COUNTY COUNSEL

COUNTY  
COUNTY OF ORANGE

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

By: \_\_\_\_\_  
Thomas A. Miller, Chief Real Estate Officer  
County Executive Office/Real Estate

Date: \_\_\_\_\_

Certificate Date: \_\_\_\_\_

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>ARTS AND CULTURE</b>					
<b>2021-22 Adopted Budget</b>	<b>22,364,000</b>	<b>91,000</b>	<b>7,135,000</b>	<b>15,138,000</b>	<b>39.0</b>
<b>1. Cultural Policy (Policy)/Cross Sector Program:</b> Reflects the addition of 1.0 Program Associate, Arts and Culture position and S&S to support the implementation of the Policy. (4-VOTES)	217,000	--	--	217,000	1.0
<b>2. Arts Education/Youth Development (Arts Ed):</b> Reflects the addition of 1.0 Sr. Program Associate, Arts and Culture position and S&S to support operational and programmatic needs of the Arts Ed program. (4-VOTES)	236,000	--	--	236,000	1.0
<b>3. Arts and Culture Administration:</b> Reflects the addition of 1.0 Administrative Services Manager III position to stabilize departmental operations and existing programming commitments, and to provide budget oversight, human resources, finance, contracts, and information technology support. (4-VOTES)	263,000	--	--	263,000	1.0
<b>4. Communications:</b> Reflects one-time funding for consultant services to assist in the management of the Department's digital communications and social media campaigns. (4-VOTES)	150,000	--	--	150,000	--
<b>5. Carryover:</b> Reflects one-time carryover of Second Supervisorial District Arts and Culture Recovery Grant. (4-VOTES)	1,000,000	--	--	1,000,000	--
<b>6. Perenchio Foundation:</b> Reflects one-time grant funding for Arts Ed programs. (4-VOTES)	700,000	--	700,000	--	--
<b>Total Changes</b>	<b>2,566,000</b>	<b>0</b>	<b>700,000</b>	<b>1,866,000</b>	<b>3.0</b>
<b>2021-22 Supplemental Changes</b>	<b>24,930,000</b>	<b>91,000</b>	<b>7,835,000</b>	<b>17,004,000</b>	<b>42.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>ASSESSOR</b>					
<b>2021-22 Adopted Budget</b>	<b>216,855,000</b>	<b>18,000</b>	<b>78,630,000</b>	<b>138,207,000</b>	<b>1,382.0</b>
<b>1. Assessor Modernization Project (AMP):</b> Reflects one-time funding for the continuation of AMP – Phase IV and V (\$9.5 million Departmental Additional Fund Balance and \$14.5 million carryover). (4-VOTES)	24,019,000	--	--	24,019,000	--
<b>2. AMP Changes for Prop 19:</b> Reflects a one-time funding to modify AMP to comply with the existing Prop 19 and new constitutional amendments. (4-VOTES)	1,000,000	--	--	1,000,000	--
<b>3. Overtime:</b> Reflects one-time funding for overtime costs to reduce deed backlogs, complete the processing of more complex corporate transfers, propositions, investigations, quality control, and data entry backlogs. (4-VOTES)	4,000,000	--	--	4,000,000	--
<b>4. Legal Services:</b> Reflects one-time funding for outside legal services due to the technical nature and specialized assessment techniques needed to represent the County before the Assessment Appeals Board. (4-VOTES)	3,000,000	--	--	3,000,000	--
<b>5. Ownership Deed Processing Project:</b> Reflects one-time funding to procure workflow software that will streamline the change of ownership process and reduce the need for data entry. (4-VOTES)	1,200,000	--	--	1,200,000	--
<b>6. Map Health &amp; Safety Disaster Recovery Services:</b> Reflects one-time funding for historical map book mold remediation damaged by the flooding in Hall of Records. (4-VOTES)	3,000,000	--	--	3,000,000	--
<b>7. Assets Development Investment Fund (ADIF) Loan:</b> Reflects a one-time funding to repay the annual ADIF loan for the purchase of the Assessor's East District buildings. (4-VOTES)	600,000	--	--	600,000	--
<b>8. Ministerial Adjustments:</b> Reflects the realignment of appropriation, the addition of 1.0 Chief Appraiser position, fully offset by the deletion of 3.0 vacant positions and an increase revenue. (4-VOTES)	110,000	--	110,000	--	(2.0)
<b>Total Changes</b>	<b>36,929,000</b>	<b>0</b>	<b>110,000</b>	<b>36,819,000</b>	<b>(2.0)</b>
<b>2021-22 Supplement Changes</b>	<b>253,784,000</b>	<b>18,000</b>	<b>78,740,000</b>	<b>175,026,000</b>	<b>1,380.0</b>

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>13. Temporary Services:</b> Reflects an increase in temporary services rendered to the Department of Workforce Development, Aging and Community Services to assist the Economic and Business Development Division. (4-VOTES)	75,000	75,000	--	--	--
<b>14. Youth Commission:</b> Reflects 6.0 additional Youth Commissioners, fully offset by an increase in IFT from the Department of Children and Family Services and Probation Department; and the realignment of IFT and revenue. (4-VOTES)	30,000	(219,000)	249,000	--	--
<b>15. AB109 Carryover (CCJCC):</b> Reflects one-time carryover funding for consultants to evaluate and provide performance measures for AB109 projects, fully offset by AB109 Realignment revenue. (4-VOTES)	1,443,000	--	1,443,000	--	--
<b>16. HOA Security Services (Proprietorship Program):</b> Reflects an increase (\$0.672 million) in Sheriff weapons screening costs at the HOA, fully offset by expenditure distribution from tenant departments. (3-VOTES)	--	--	--	--	--
<b>17. Reclassification:</b> Reflects the reclassification from 1.0 Secretary, Commission Services position to 1.0 Head Board Specialist position as approved by the Board on June 8, 2021. (3-VOTES)	--	--	--	--	--
<b>Total Changes</b>	<b>31,759,000</b>	<b>(144,000)</b>	<b>1,692,000</b>	<b>30,211,000</b>	<b>2.0</b>
<b>2020-21 Supplemental Changes</b>	<b>297,871,000</b>	<b>19,514,000</b>	<b>13,960,000</b>	<b>264,397,000</b>	<b>437.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>CONSUMER AND BUSINESS AFFAIRS</b>					
<b>2021-22 Adopted Budget</b>	<b>33,137,000</b>	<b>13,842,000</b>	<b>4,865,000</b>	<b>14,430,000</b>	<b>163.0</b>
<b>1. Office of Small Business:</b> Reflects the transition of OSB to the Department of Economic and Workforce Development pursuant to the April 20, 2021 Board motion. (4-VOTES)	(1,633,000)	--	(665,000)	(968,000)	(10.0)
<b>2. Measure H:</b> Reflects a decrease in one-time Measure H funding associated with strategies A1 and A5. (4-VOTES)	(50,000)	--	(50,000)	--	--
<b>3. Carryover Funding:</b> Reflects one-time carryover funding due to delays in implementing supportive services at Centro Maravilla (\$0.270 million) and delays in contracting services for Eviction Defense (\$2.102 million). (4-VOTES)	2,372,000	--	--	2,372,000	--
<b>4. Administration:</b> Reflects one-time departmental available fund balance needed for various one-time costs associated with the Hall of Records transition (\$0.375 million), Information Technology Enhancements (\$0.150 million), subscription services (\$0.260 million), and Community Outreach Mobile Offices to provide critical outreach services. (4-VOTES)	1,535,000	--	--	1,535,000	--
<b>5. Consumer Protection Settlement Programs (CPS):</b> Reflects a net adjustment for the continuation of approved CPS programs and carryover of prior-year funding for implementation of programs that were delayed due to COVID-19, fully offset with a corresponding adjustment to IFT. (3-VOTES)	(724,000)	(724,000)	--	--	--
<b>Total Changes</b>	<b>1,500,000</b>	<b>(724,000)</b>	<b>(715,000)</b>	<b>2,939,000</b>	<b>(10.0)</b>
<b>2021-22 Supplemental Changes</b>	<b>34,637,000</b>	<b>13,118,000</b>	<b>4,150,000</b>	<b>17,369,000</b>	<b>153.0</b>



Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>REGISTRAR-RECORDER/COUNTY CLERK</b>					
<b>2021-22 Adopted Budget</b>	<b>184,356,000</b>	<b>14,000</b>	<b>83,041,000</b>	<b>101,301,000</b>	<b>1161.0</b>
<b>1. Voting Solutions for All People (VSAP):</b> Reflects ongoing funding (\$25.0M) and one-time funding (\$31.8M) necessary for the VSAP election system model which modernized the County's outdated legacy voting system and meets new election law requirements. (4-VOTES)	56,834,000	--	--	56,834,000	--
<b>2. Vote-By-Mail (VBM):</b> Reflects ongoing funding to expand the VBM program due to the Voters Choice Act requirement to send VBM ballots to all Los Angeles County registered voters, partially offset by election revenues. (4-VOTES)	3,208,000	--	1,217,000	1,991,000	--
<b>3. Sample Ballots:</b> Reflects ongoing funding for sample ballots costs to provide all Los Angeles County registered voters a VBM ballot, partially offset by election revenues. (4-VOTES)	1,521,000	--	752,000	769,000	--
<b>4. Pomona Fairplex:</b> Reflects one-time funding for VBM operations facility rental costs at the Pomona Fairplex through December 31, 2021. (4-VOTES)	750,000	--	--	750,000	--
<b>5. Information Technology:</b> Reflects one-time funding for election tracking software and Countywide data migration projects. (4-VOTES)	2,718,000	--	--	2,718,000	--
<b>6. Financial Accounting System (FAS):</b> Reflects one-time funding to complete the FAS project which will bridge the gap between the eCAPS and JEDI systems. (4-VOTES)	1,000,000	--	--	1,000,000	--
<b>7. Carryover:</b> Reflects carryover funding for elections services telecommunication costs. (4-VOTES)	1,364,000	--	--	1,364,000	--
<b>8. Vehicle Replacement Program:</b> Reflects one-time funding for the County's Vehicle Replacement Program to transition the County's motor vehicle fleet to viable clean fuels to support the County's Clean Fuel – Sustainable Fleet policy. (3-VOTES)	395,000	--	--	395,000	--
<b>9. State Gubernatorial Recall Election:</b> Reflects one-time State funding for the September 14, 2021 Gubernatorial Recall election (4-VOTES)	59,793,000	--	59,793,000	--	--
<b>10. Reclassification:</b> Reflects the June 8, 2021 Board-approved position reclassification. (3-VOTES)	--	--	--	--	--
<b>Total Changes</b>	<b>127,583,000</b>	<b>0</b>	<b>61,762,000</b>	<b>65,821,000</b>	<b>0.0</b>
<b>2020-21 Supplemental Changes</b>	<b>311,939,000</b>	<b>14,000</b>	<b>144,803,000</b>	<b>167,122,000</b>	<b>1,161.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>TREASURER AND TAX COLLECTOR</b>					
<b>2021-22 Adopted Budget</b>	<b>89,292,000</b>	<b>11,125,000</b>	<b>48,428,000</b>	<b>29,739,000</b>	<b>498.0</b>
1. <b>Property Tax Database (PDB):</b> Reflects one-time funding for ISD hosting costs for the PDB legacy mainframe. (4-VOTES)	170,000	--	--	170,000	--
2. <b>Public Administrator (PA) Warehouse - Parking Lot Repair:</b> Reflects one-time funding to resurface and repair the parking lot at the PA warehouse. (4-VOTES)	250,000	--	--	250,000	--
3. <b>Hall of Records (HOR) Move:</b> Reflects one-time funding for the PA to move remaining staff and operations from the 8 <sup>th</sup> and 9 <sup>th</sup> floor of HOR to the PA warehouse, freeing the space for another County department to use. (4-VOTES)	100,000	--	--	100,000	--
4. <b>Carryovers:</b> Reflects carryover funding for the purchase of laptops (\$100k) needed for employee to telework and to complete unfinished projects (\$200k) at the Public Administrator warehouse which were delayed due to the COVID-19 pandemic. (4-VOTES)	300,000	--	--	300,000	--
5. <b>Appstream Solution:</b> Reflects one-time funding for the Appstream solution which maximizes productivity by providing telework staff with secure access to critical applications. (4-VOTES)	250,000	--	--	250,000	0.0
6. <b>Consumer Protection Settlement Programs (CPS):</b> Reflects a net decrease for approved CPS programs, fully offset with a decrease in intrafund transfers. (3-VOTES)	(217,000)	(217,000)	--	--	0.0
<b>Total Changes</b>	<b>853,000</b>	<b>(217,000)</b>	<b>--</b>	<b>1,070,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>90,145,000</b>	<b>10,908,000</b>	<b>48,428,000</b>	<b>30,809,000</b>	<b>498.00</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>AUDITOR-CONTROLLER</b>					
<b>2021-22 Adopted Budget</b>	<b>117,321,000</b>	<b>64,419,000</b>	<b>25,426,000</b>	<b>27,476,000</b>	<b>627.0</b>
<b>1. Property Tax Database (PDB):</b> Reflects one-time funding for ISD hosting costs for the PDB legacy mainframe. (4-VOTES)	170,000	--	--	170,000	--
<b>2. Information Technology (IT) Refresh:</b> Reflects one-time funding for laptops which are essential equipment used by staff to carry out their duties in the office and teleworking. (4-VOTES)	626,000	--	--	626,000	--
<b>3. Time Management System (TMS):</b> Reflects one-time funding for the development the development of the TMS for the Audit and Contract Monitoring Divisions. (4-VOTES)	300,000	--	--	300,000	--
<b>4. Ministerial Adjustments:</b> Reflects an alignment of expenditures and billings for services based on anticipated trends. (3-VOTES)	(477,000)	(900,000)	423,000	--	--
<b>Total Changes</b>	<b>619,000</b>	<b>(900,000)</b>	<b>423,000</b>	<b>1,096,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>117,940,000</b>	<b>63,519,000</b>	<b>25,849,000</b>	<b>28,572,000</b>	<b>627.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>AUDITOR-CONTROLLER – INTEGRATED APPLICATIONS</b>					
2021-22 Adopted Budget	52,117,000	31,203,000	6,603,000	14,311,000	--
1. <b>Information Technology Project:</b> Reflects carryover funding for the Data and Analytics project to deliver enterprise administration data to County Departments in a more expeditious and self-service delivery method. (4-VOTES)	860,000	--	--	860,000	--
Total Changes	860,000	--	--	860,000	--
2021-22 Supplemental Changes	52,977,000	31,203,000	6,603,000	15,171,000	--

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>INTERNAL SERVICES DEPARTMENT</b>					
<b>2021-22 Adopted Budget</b>	<b>754,542,000</b>	<b>572,340,000</b>	<b>126,612,000</b>	<b>55,590,000</b>	<b>2,151.0</b>
1. <b>e-Procurement:</b> Reflects one-time funding to develop and implement a comprehensive web-based strategic sourcing and e-Procurement system. (4-VOTES)	3,100,000	--	--	3,100,000	--
2. <b>Electric Vehicle (EV) Infrastructure:</b> Reflects one-time funding to continue the multi-year EV Infrastructure project to support the installation of EV charging stations at County facilities for the use of County fleets, County employees, and visiting public. (4-VOTES)	5,250,000	--	--	5,250,000	--
3. <b>Software Defined Wide Area Network (SD-WAN):</b> Reflects one-time funding to continue the migration of the County's network to the SD-WAN. (4-VOTES)	1,572,000	--	--	1,572,000	--
4. <b>Los Angeles Regional Interoperable Communications System (LA-RICS) Migration:</b> Reflects one-time funding for the telecommunication radio antennas migration and tower removals to accommodate land Mobile Radio (LMR) tower constructions for the LA-RICS. (4-VOTES)	400,000	(1,160,000)	--	1,560,000	--
5. <b>Vehicle Replacement Plan (VRP):</b> Reflects one-time funding for the County's Vehicle Replacement Program to transition the County's motor vehicle fleet to viable clean fuels to support the County's Clean Fuel – Sustainability Fleet policy. (3-VOTES)	9,226,000	5,004,000	1,099,000	3,123,000	--
6. <b>Reclassification:</b> Reflects alignment with FY 2020-21 Board-approved position reclassifications. (3-VOTES)	1,000	1,000	--	--	--
7. <b>Ordinance-Only Position:</b> Reflects the addition of 1.0 ordinance-only position to accommodate a temporary reassignment. (3-VOTES)	--	--	--	--	--
<b>Total Changes</b>	<b>19,549,000</b>	<b>3,845,000</b>	<b>1,099,000</b>	<b>14,605,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>774,091,000</b>	<b>576,185,000</b>	<b>127,711,000</b>	<b>70,195,000</b>	<b>2,151.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Expenditure Distribution/ IFT (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>COUNTYWIDE UTILITIES</b>					
<b>2021-22 Adopted Budget</b>	<b>211,984,000</b>	<b>172,197,000</b>	<b>39,620,000</b>	<b>167,000</b>	<b>0.0</b>
1. <b>Energy Efficiency Revolving Loan Fund:</b> Reflects an increase in one-time funding to augment the existing Energy Efficiency Revolving Loan Fund on an annual basis for the next five years to continuously support energy saving deferred maintenance projects and to accelerate energy efficiency and renewable projects within County facilities. (4-VOTES)	4,500,000	--	--	4,500,000	--
2. <b>Electricity:</b> Reflects an increase in funding to mitigate the anticipated electricity rate increases from the utility company and the delay in receiving the bills from Southern California Edison (SCE). (4-VOTES)	12,287,000	12,070,000	205,000	12,000	--
3. <b>Projects Funded by SoCalREN:</b> Reflects an increase in grant funding. (4-VOTES)	2,565,000	--	2,565,000	--	--
4. <b>Public Agency Revolving Loan Fund:</b> Reflects an increase in funding for the Los Angeles County Public Agency Revolving Loan Fund program. (4-VOTES)	1,200,000	--	1,200,000	--	--
5. <b>Energy Investment Program (EIP):</b> Reflects a decrease in funding for EIP projects identified throughout the County. (4-VOTES)	(1,124,000)	--	(1,124,000)	--	--
6. <b>Natural Gas:</b> Reflects a decrease in funding based on the reduction of natural gas transportation fee. (4-VOTES)	(248,000)	(247,000)	(1,000)	--	--
7. <b>Water and Other Utilities:</b> Reflects an increase in funding based on the current year expenditure and consumption trends. (4-VOTES)	226,000	215,000	11,000	--	--
8. <b>EECBG – Better Buildings Program (BBP):</b> Reflects an increase in funding for the remaining balance of the BBP fund. (4-VOTES)	70,000	--	70,000	--	--
9. <b>Civic Center Co-Gen:</b> Reflects an increase in funding for to complete the design phase and construction to be provided by the Department of Public Works at the Civic Center Co-generation plant, offset by Expenditure Distribution.	1,400,000	1,400,000	--	--	--
<b>Total Changes</b>	<b>20,876,000</b>	<b>13,438,000</b>	<b>2,926,000</b>	<b>4,512,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>232,860,000</b>	<b>185,635,000</b>	<b>42,546,000</b>	<b>4,679,000</b>	<b>0.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Expenditure Distribution/ IFT (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>TELEPHONE UTILITIES</b>					
<b>2021-22 Adopted Budget</b>	<b>100,152,000</b>	<b>100,134,000</b>	<b>18,000</b>	<b>0</b>	<b>0.0</b>
1. <b>Carrier Costs:</b> Reflects an increase due to the Voting Solutions for All People Project per Registrar-Recorder/ County Clerk's request, which requires additional AT&T consulting services. (4-VOTES)	20,870,000	20,870,000	--	--	--
<b>Total Changes</b>	<b>20,870,000</b>	<b>20,870,000</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>121,022,000</b>	<b>121,004,000</b>	<b>18,000</b>	<b>0</b>	<b>0.0</b>



Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>Grand Park</b>					
2021-22 Adopted Budget	9,327,000	0	726,000	8,601,000	0.0
1. <b>Park Programming:</b> Reflects one-time funding in park programming for Jardin de LArtes. (4-VOTES)	35,000	--	--	35,000	--
<b>Total Changes</b>	<b>35,000</b>	<b>0</b>	<b>0</b>	<b>35,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>9,362,000</b>	<b>0</b>	<b>726,000</b>	<b>8,636,000</b>	<b>0.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>Music Center</b>					
<b>2021-22 Adopted Budget</b>	<b>31,092,000</b>	<b>0</b>	<b>667,000</b>	<b>30,425,000</b>	<b>0.0</b>
<b>1. Enhanced COVID Cleaning:</b> Reflects one-time funding for enhanced COVID-19 cleaning to safely operate and comply with increased sanitation requirements when the Music Center reopens. (4-VOTES)	1,277,000	--	--	1,277,000	--
<b>Total Changes</b>	<b>1,277,000</b>	<b>0</b>	<b>0</b>	<b>1,277,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>32,369,000</b>	<b>0</b>	<b>667,000</b>	<b>31,702,000</b>	<b>0.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>COUNTY COUNSEL</b>					
<b>2021-22 Adopted Budget</b>	<b>179,995,000</b>	<b>125,398,000</b>	<b>39,453,000</b>	<b>15,144,000</b>	<b>683.0</b>
1. <b>Carryover:</b> Reflects one-time funding for legal fees (\$0.608 million), information technology equipment (\$0.170 million), software upgrades (\$65,000), Los Angeles Homeless Services Authority attorney hours (\$0.665 million) , and department-wide upgrades (\$95,000). (4-VOTES)	1,603,000	--	--	1,603,000	--
2. <b>Consumer Protection Settlement (CPS):</b> Reflects a net increase for approved CPS programs, fully offset by an increase in operating transfers in from the CPS fund. (4-VOTES)	1,347,000	--	1,347,000	--	--
3. <b>Utility User Tax:</b> Reflects an increase in appropriation due to unspent Measure U – Utility User Tax funding for programs within the unincorporated areas. (3-VOTES)	5,000	--	--	5,000	--
<b>Total Changes</b>	<b>2,955,000</b>	<b>0</b>	<b>1,347,000</b>	<b>1,608,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>182,950,000</b>	<b>125,398,000</b>	<b>40,800,000</b>	<b>16,752,000</b>	<b>683.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>HUMAN RESOURCES</b>					
<b>2021-22 Adopted Budget</b>	<b>110,109,000</b>	<b>68,024,000</b>	<b>22,672,000</b>	<b>19,413,000</b>	<b>582.0</b>
1. <b>Carryover:</b> Reflects one-time carryover funding to replace the current Advocacy Case Management System. (4-VOTES)	300,000	--	--	300,000	--
2. <b>Professional Development:</b> Reflects ongoing funding to support the professional development of the County's HR professionals and to establish the Departmental Human Resource Manager (DHRM) and Administrative Deputy Academy. (4-VOTES)	100,000	87,000	13,000	--	--
3. <b>Testing and Training Facility:</b> Reflects one-time funding for facility rental costs to conduct examinations at the Los Angeles Convention Center. (4-VOTES)	100,000	--	--	100,000	--
4. <b>Workplace Programs:</b> Reflects funding for 1.0 Human Resources Analyst IV fully offset by the deletion of 2.0 vacant positions for the Employee Benefits division to support the countywide enhancement of Telework and Wellness programs. (3-VOTES)	(76,000)	(59,000)	(17,000)	--	(1.0)
5. <b>Mobility and Reconstitution:</b> Reflects one-time funding for information technology upgrades and installation for the relocation to the Vermont Corridor. (4-VOTES)	78,000	--	--	78,000	--
<b>Total Changes</b>	<b>502,000</b>	<b>28,000</b>	<b>(4,000)</b>	<b>478,000</b>	<b>(1.0)</b>
<b>2021-22 Supplemental Changes</b>	<b>110,611,000</b>	<b>68,052,000</b>	<b>22,668,000</b>	<b>19,891,000</b>	<b>581.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>MUSEUM OF ART</b>					
<b>2021-22 Adopted Budget</b>	<b>34,939,000</b>	<b>0</b>	<b>0</b>	<b>34,939,000</b>	<b>19.0</b>
1. <b>Carryover:</b> Reflects one-time funding of FY 2020-21 savings pursuant to the 1994 Funding Agreement amended in 2008 between the County and Museum Associates. (4-VOTES)	938,000	--	--	938,000	--
<b>Total Changes</b>	<b>938,000</b>	<b>0</b>	<b>0</b>	<b>938,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>35,877,000</b>	<b>0</b>	<b>0</b>	<b>35,877,000</b>	<b>19.0</b>

Changes from the 2021-22 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>MUSEUM OF NATURAL HISTORY</b>					
<b>2021-22 Adopted Budget</b>	<b>22,952,000</b>	<b>0</b>	<b>0</b>	<b>22,952,000</b>	<b>8.0</b>
1. <b>Carryover:</b> Reflects one-time funding of FY 2020-21 savings pursuant to the 1994 Funding Agreement amended in 2008 between the County and Museum Associates. (4-VOTES)	395,000	--	--	395,000	--
2. <b>PIF Grant:</b> Reflects an increase in funding for a PIF grant for the customer relationship management solution phase II -PIF 21.13. (4-VOTES)	375,000	--	375,000	--	--
<b>Total Changes</b>	<b>770,000</b>	<b>0</b>	<b>375,000</b>	<b>395,000</b>	<b>0.0</b>
<b>2021-22 Supplemental Changes</b>	<b>23,722,000</b>	<b>0</b>	<b>375,000</b>	<b>23,347,000</b>	<b>8.0</b>