



Board of Supervisors Operations Cluster Agenda Review Meeting

DATE: May 22, 2024

TIME: 2:00 p.m. – 4:00 p.m.

MEETING CHAIR: John Leonard, 3rd Supervisorial District

CEO MEETING FACILITATOR: Thomas Luscombe

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

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

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

To participate in this meeting virtually, please call teleconference number

1 (323) 776-6996 and enter the following 439827168# or [Click here to join the meeting](#)

Teams Meeting ID: 261 988 418 429

Passcode: PDSfQN

For Spanish Interpretation, the Public should send emails within 48 hours in advance of the meeting to ClusterAccommodationRequest@bos.lacounty.gov

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

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

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

1. CALL TO ORDER

2. GENERAL PUBLIC COMMENT

3. DISCUSSION ITEM(S):

- A) Board Letter:
RECOMMENDATION TO APPROVE AGREEMENT BETWEEN THE CHIEF SUSTAINABILITY OFFICE AND BURO HAPPOLD CONSULTING ENGINEERS, INC. TO PROVIDE SUSTAINABILITY PLANNING CONSULTING SERVICES
BOS/EO - Rita Kampalath, Chief Sustainability Officer and Susan Huff, Administrative Deputy
- B) Board Letter:
COUNTYWIDE CLASSIFICATION/COMPENSATION ACTIONS TO IMPLEMENT THE FISCAL YEAR 2024-2025 RECOMMENDED BUDGET AND OTHER CLASSIFICATION/COMPENSATION ACTIONS
CEO/CLASS - Jennifer Revuelta, Principal Analyst
- C) Board Letter:
VERMONT CORRIDOR SITE 2 RENOVATION PROJECT:
PROJECT ESTABLISHMENT AND RELATED ACTIONS, CERTIFY AN ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT, AUTHORIZE GROUND LEASE AND FACILITIES LEASE AGREEMENTS, INTRODUCE AN ORDINANCE AUTHORIZING A PUBLIC LEASEBACK, ADOPT RESOLUTION AUTHORIZING ISSUANCE OF BONDS, AND AUTHORIZE AN APPROPRIATION ADJUSTMENT FISCAL YEAR 2023-24
CEO/CP - Matthew Diaz, Manager, Katrin Aslanian-Vartan, Principal Analyst and John Patterson, Senior Finance Analyst
- D) Board Letter:
CONTRACT FOR LASERFICHE SOFTWARE SUPPORT PLAN SERVICES
LACDA/CIO - Cesar Delgado, Acting IT Manager, LACDA
- E) Board Letter:
CONTRACT FOR MICROSOFT ENTERPRISE SERVER AND CLOUD AZURE
LACDA/CIO - Cesar Delgado, Acting IT Manager, LACDA
- F) Board Letter:
REQUEST FOR APPROVAL TO AWARD AND EXECUTE ELEVEN EQUIPMENT MAINTENANCE SERVICE CONTRACTS
ISD - Christie Carr, ISD Contract Manager
- G) Board Letter:
AUTHORIZE THE DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS TO EXTEND SUBAWARDS FOR DISPUTE RESOLUTION PROGRAM (DRP) SERVICES
DCBA - Rigoberto Reyes, Deputy Director

4. PRESENTATION ITEM(S):

None available.

5. ADJOURNMENT

UPCOMING ITEM(S) FOR MAY 29, 2024:

- A) BOS/EO - REQUEST TO EFFECTUATE CHANGE IN ORDINANCE
NO. 2007-0083

- B) ME/CIO - APPROVE SOLE SOURCE AMENDMENT NUMBER ONE TO
CONTRACT NUMBER ME2021-01-C WITH VERTIQ SOFTWARE LLC TO
PROVIDE ADDITIONAL DATA STORAGE AND UPGRADES TO THE
ENTERPRISE CASE MANAGEMENT SYSTEM

- C) RR/CC - NOTIFICATION OF INTENT TO NEGOTIATE A SOLE SOURCE
CONTRACT EXTENSION WITH RUNBECK ELECTION SYSTEMS, INC.
(RUNBECK) FOR VOTER REGISTRATION SYSTEM LICENSE AND SUPPORT
SERVICES

- D) CEO/RE - EIGHT-YEAR LEASE AMENDMENT
DEPT OF CHILDREN AND FAMILY SERVICES
176 HOLSTON DRIVE, LANCASTER

- E) CEO/RE - TEN YEAR LEASE USING
COMMERCIAL PAPER NOTES TO FUND TENANT IMPROVEMENTS
DEPARTMENT OF MENTAL HEALTH
10330 PIONEER BLVD, SANTA FE SPRINGS

- F) CEO/RE - NINE YEAR LEASE
DEPARTMENT OF HEALTH SERVICES
1000 SOUTH FREMONT AVENUE, ALHAMBRA

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

| | | |
|---|--|---|
| CLUSTER AGENDA REVIEW DATE | 5/22/2024 | |
| BOARD MEETING DATE | 6/4/2024 | |
| SUPERVISORIAL DISTRICT AFFECTED | <input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th | |
| DEPARTMENT(S) | Executive Office of the Board of Supervisors (Executive Office) | |
| SUBJECT | Authorize the Executive Officer of the Board of Supervisors (Executive Officer) to execute an agreement to provide sustainability planning consulting services. | |
| PROGRAM | OurCounty Sustainability Plan (OurCounty Plan) | |
| AUTHORIZES DELEGATED AUTHORITY TO DEPT | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| SOLE SOURCE CONTRACT | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: | |
| SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable | |
| DEADLINES/ TIME CONSTRAINTS | N/A | |
| COST & FUNDING | Total cost: \$981,770 with an additional 10% for potential increases (\$98,177), for a total maximum obligation of \$1,079,947 | Funding source: Funding for this agreement is included in the Executive Office's FY 2023-24 Final Adopted budget allocated for the Chief Sustainability Office (CSO). |
| | TERMS (if applicable): The Agreement term shall consist of 1 year and 6 months, with 2 optional 6-month extensions, for a maximum term of 2 years and 6 months. | |
| | Explanation: | |
| PURPOSE OF REQUEST | Approval and authority to execute an agreement with Buro Happold Consulting Engineers, Inc. (Buro Happold) to provide support to CSO as it undertakes a revision to the 2019 OurCounty Plan. | |
| BACKGROUND (include internal/external issues that may exist including any related motions) | <ul style="list-style-type: none"> Total number of contractors – 1 Buro Happold shall assist in delivering an updated sustainability plan by researching and analyzing the 2019 OurCounty Plan, developing stakeholder engagement processes that are both inclusive of diverse interest areas and representative of regional/geographic variation, and collecting and analyzing data to identify areas of progress as well as areas of losses/decline. Buro Happold's services will include 5 subconsultants: (1) Climate Resolve, (2) Estolano Advisors, (3) MIG, (4) Tamika L. Butler Consulting, and (5) Economic & Planning Systems, Inc. The updated OurCounty Plan will then be presented to the Board of Supervisors for approval and adoption. | |
| EQUITY INDEX OR LENS WAS UTILIZED | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: | |
| SUPPORTS ONE OF THE NINE BOARD PRIORITIES | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: The OurCounty Plan supports Board Priority: 1. Sustainability: The plan defines an actionable pathway to sustainability that supports the health and well-being of all residents, responsible stewardship of the natural and built environment, and long-term economic growth. Focus areas of the Plan include Water, Energy, Climate, Land Use and Transportation, Open Space, Recreation, Habitat, and Biodiversity, Resource Recovery and Waste Management, Public Health and Well-Being, Air Quality, Economy and Workforce Development, and Housing. | |
| DEPARTMENTAL CONTACTS | Name, Title, Phone # & Email: Rita Kampalath, Chief Sustainability Officer, (323) 459-3939, rkampalath@csolacounty.gov Susan Huff, Administrative Deputy, (213) 893-2509, shuff@bos.lacounty.gov | |

EXECUTIVE OFFICE



BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

JEFF LEVINSON
INTERIM 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

MEMBERS OF THE BOARD

HILDA L. SOLIS
HOLLY J. MITCHELL
LINDSEY P. HORVATH
JANICE HAHN
KATHRYN BARGER

June 4, 2024

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

Dear Supervisors:

**RECOMMENDATION TO APPROVE AGREEMENT
BETWEEN THE CHIEF SUSTAINABILITY OFFICE AND
BURO HAPPOLD CONSULTING ENGINEERS, INC.
TO PROVIDE SUSTAINABILITY PLANNING CONSULTING SERVICES
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

Request Board approval for authority to execute an agreement between the Chief Sustainability Office (CSO) and Buro Happold Consulting Engineers, Inc. (Buro Happold) to provide support to CSO as it undertakes a revision to the 2019 County's OurCounty Sustainability Plan (OurCounty Plan).

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Executive Officer of the Board of Supervisors (Executive Officer), or their designee, to execute an agreement with Buro Happold, in the amount of \$981,770, in a format substantially similar to the attached agreement, for sustainability planning consulting services, which has been approved as to form by County Counsel, effective upon execution, for a term of one (1) year and six (6) months, with two six-month renewal options, for a maximum term of two (2) years and six (6) months.
2. Delegate authority to the Executive Officer, or their designee, to terminate for convenience, when such action is deemed by the Executive Office of the

Board of Supervisors, in its sole discretion, to be in the County's best interest, and to prepare and execute amendments to the agreement as needed, when such amendments are necessary to modify the type of work to be completed, update the Statement of Work, exercise term extension options, and update the terms and conditions of the agreement, so long as the amendments do not cause the maximum Board-approved term of the agreement to be exceeded, are consistent with the original intent of the agreement, conform to any Board-ordered or otherwise mandatory contract provisions, and have been approved as to form by County Counsel.

3. Delegate authority to the Executive Officer, or their designee, to execute amendments to the agreement that increase or decrease the maximum contract amount by up to 10% of the Board-approved amount above.
4. Delegate authority to the Executive Officer of the Board of Supervisors, or their designee, to authorize non-material changes to the agreement, pursuant to a change notice.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the above recommendations will enable the CSO to undertake a revision to the 2019 OurCounty Plan, as directed by the Board of Supervisors in its 2019 motion adopting the plan.

The OurCounty Plan is a comprehensive vision for sustainability that addresses traditional environmental issues, workforce and economic development, transportation, housing, and health and social priorities. To support its update, CSO requires a consultant with a thorough understanding of the complex governance structures within the region, the diversity of the County, and best practices in equitable stakeholder engagement, as well as subject matter expertise in:

- Best practices and innovations in sustainability and resilience planning
- Metrics and indicators development
- Data collection, analysis, and visualization
- Environmental and social message development
- Equity
- Racial justice
- Climate action planning
- Resilience
- Community health
- Geographic Information Systems mapping
- Energy, water, waste, and mobility policy
- Municipal finance structures
- Economic sustainability

- Collaborations and partnerships

The CSO selected Buro Happold through a competitive solicitation process as the appropriate party for this assignment given its experienced and dynamic team, which includes subconsultants with deep expertise on the above-listed topics. The subcontractors include Climate Resolve, Estolano Advisors, MIG, Tamika L. Butler Consulting, and Economic & Planning Systems, Inc. Through its proposal, this team demonstrated a combination of local knowledge as well as an international track record of thought leadership on sustainability and resilience, and the capability to produce a best-in-class updated plan informed by new data and stakeholder input.

Buro Happold shall assist the CSO in delivering an updated sustainability plan by researching and analyzing the 2019 OurCounty Plan, developing stakeholder engagement processes that are both inclusive of diverse interest areas and representative of regional/geographic variation, and collecting and analyzing data to identify areas of progress as well as areas of losses/decline. The updated OurCounty Plan will then be presented to the Board of Supervisors for your Board's approval and adoption.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support the County's Strategic Plan 2024 – 2030, North Star 2: Foster vibrant and resilient communities, D. Sustainability: Focus on environmental justice, particularly in communities that have long endured industrial contamination, and "Our County" Sustainability Plan's 12 board, aspirational, and cross-cutting goals, that embrace positive change and address sustainability issues regionally by updating the 2019 Countywide Sustainability Plan to include new initiatives and update current initiatives.

FISCAL IMPACT/FINANCING

Funding for this agreement is included in the Executive Office's FY 2023-24 Final Adopted budget allocated for CSO. The maximum contract amount of this agreement, including option periods, is \$981,770, with an additional \$98,177 in potential increases under delegated authority, for a total maximum obligation of \$1,079,947. Further, to the extent that additional funding is available through philanthropic and other external sources, such monies may be utilized, where appropriate, to supplement County cost expenditures.

FACTS AND PROVISIONS/LEGAL REQUIREMENT

On March 1, 2016, the Board approved a motion establishing the position of Chief Sustainability Officer to be housed within the Chief Executive Office. The motion directed the Chief Sustainability Officer to create and implement a Countywide Sustainability Plan that incorporated a set of new, aggressive sustainability goals.

In response to the motion, the Chief Sustainability Officer developed the 2019 OurCounty Plan. On August 6, 2019, the Board motion adopted the OurCounty Plan. In 2022, CSO was transferred from the Chief Executive Office to the Executive Office.

The Board's 2019 motion adopting the OurCounty Plan included a directive for CSO to revise the OurCounty Plan on a five-year cycle. Recently, the Board approved the first cycle to run through the end of 2025. CSO will fulfill that directive with Buro Happold's support.

CONTRACTING PROCESS

The Countywide Sustainability Plan Request for Proposals (RFP) was released on September 29, 2023. An optional Virtual Proposers Conference was conducted on October 19, 2023, with eight (8) prospective proposers in attendance. An addendum was posted on October 26, 2023, to answer various questions received from prospective proposers. Four (4) proposals were received by the proposal deadline of November 13, 2023.

All four (4) proposals met the minimum requirements stated in the RFP. An evaluation committee individually reviewed each proposer's background and experience, approach to providing the required services, and each proposer's quality control plan. The Executive Office Fiscal Services Division reviewed each proposer's financial statements and cost proposal. All four (4) proposers were interviewed to provide clarification on their business proposals. The evaluation consisted of a point-based system, in which points were awarded as identified in the RFP and scores for each proposal were calculated using Informed Averaging Methodology. Based on the results of the evaluation process, Buro Happold was the highest scoring proposal and is now being recommended for award.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will continue to position the County as a national leader in sustainability by providing a unifying vision for, and coordinated approach to, current and future County policies, programs and services while supporting regional solutions.

Respectfully submitted,

Jeff Levinson
Interim Executive Officer, Board of Supervisors

JL:mv

Attachments

c: Chief Executive Officer
County Counsel

DRAFT

ATTACHMENT I



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

BURO HAPPOLD

FOR

CHIEF SUSTAINABILITY OFFICE

OURCOUNTY SUSTAINABILITY PLAN CONSULTING SERVICES

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STANDARD EXHIBITS

- A** Statement of Work and Attachments
- B** Pricing Schedule
- C** Intentionally Omitted
- D** County's Administration
- E** Contractor's Administration
- F** Form(s) Required at the Time of Contract Execution
 - F1** Contractor Acknowledgement and Confidentiality Agreement
 - F2** Contractor Employee Acknowledgement and Confidentiality Agreement
 - F3** Contractor Non-Employee Acknowledgement and Confidentiality Agreement
- G** Safely Surrendered Baby Law

UNIQUE EXHIBITS

- H** Forms Required at the Completion of The Contract Involving Intellectual Property Developed-Designed By Contractor
 - H1** Individual's Assignment and Transfer of Copyright

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SB 1262 – NONPROFIT INTEGRITY ACT OF 2004

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

| | | |
|---|---|--|
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|---|---|--|

DRAFT

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
BURO HAPPOLD
FOR
CHIEF SUSTAINABILITY OFFICE
CONSULTANT SERVICES**

This Contract (“Contract”) made and entered into on Buro Happold by and between the County of Los Angeles, hereinafter referred to as “County” and Buro Happold , hereinafter referred to as “Contractor”. Contractor is located at 800 Wilshire Blvd., 16th Floor, Los Angeles, CA 90017.

RECITALS

WHEREAS, the County may contract with private businesses for Consultant Services when certain requirements are met; and

WHEREAS, the Contractor is a corporation specializing in providing Consultant Services; and

WHEREAS, the County is authorized by California Government Code Sections 23005 and 31000 and by Los Angeles County Code Chapter 2.121.250(B)(5) to contract for special services, including the services described herein; and

WHEREAS, the Contractor possesses the necessary skills, competence, and expertise, and therefore, is qualified to perform the desired services; and

WHEREAS, based upon an open competitive selection process the County has recommended to the Board of Supervisors the Contractor, who is prepared and desires to provide services to the County; and

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

1.0 APPLICABLE DOCUMENTS

Exhibits A through K are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency will be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

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

Unique Exhibits:

- Exhibit H Forms Required at Completion of the Contracts Involving Intellectual Property Developed-Designed by the Contractor
- Exhibit I Intentionally Omitted
- Exhibit J Intentionally Omitted
- Exhibit K Information Security and Privacy Requirements

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

2.0 DEFINITIONS

2.1 Standard Definitions

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

2.1.1 Board of Supervisors (Board): The Board of Supervisors of the County acting as governing body.

2.1.2 Contract: This agreement executed between County and Contractor. Included are all supplemental agreements amending or extending the

service to be performed. The Contract sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services, and other work.

- 2.1.3 Contractor:** The person or persons, sole proprietor, partnership, joint venture, corporation or other legal entity who has entered into an agreement with the County to perform or execute the work covered by this Contract.
- 2.1.4 Contractor's Project Manager:** The person designated by the Contractor to administer the Contract operations under this Contract.
- 2.1.5 County's Project Manager:** Person designated by County's Project Director to manage the operations under this Contract.
- 2.1.6 County's Project Monitor:** Person with responsibility to oversee the day-to-day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.
- 2.1.7 County's Project Director:** Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Project Manager.
- 2.1.8 County Observed Holidays:** Days on which County departments are closed for business in observance of significant events. A list of County observed holidays may be found on the County's website <https://lacounty.gov/government/about-la-county/about/>.
- 2.1.9 Day(s):** Calendar day(s) unless otherwise specified.
- 2.1.10 Department:** The County of Los Angeles Board of Supervisors, Executive Office, which is entering into this Contract on behalf of the County of Los Angeles.
- 2.1.11 Director:** Director of Department.
- 2.1.12 Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.1.13 Statement of Work:** A written description of the work to be performed by Contractor to meet the needs of the County, including special provisions pertaining to the method, frequency, manner, and place of performing the contract services.
- 2.1.14 Subcontract:** An agreement by the Contractor to employ a subcontractor to provide services to fulfill this Contract.
- 2.1.15 Subcontractor:** Any individual, person or persons, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity furnishing supplies, services of any nature, equipment, and/or materials to

Contractor in furtherance of Contractor's performance of this Contract, at any tier, under oral or written agreement.

3.0 WORK

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

4.0 TERM OF CONTRACT

- 4.1** The term of this Contract will be one (1) year and six (6) months commencing after execution by the Executive Officer, or designee, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2** The County will have the sole option to extend this Contract term for up to two additional six (6) month extension periods, for a maximum total Contract term of two (2) years and six (6) months. Each such extension option may be exercised at the sole discretion of the Executive Officer of the Board of Supervisors or his/her designee as authorized by the Board of Supervisors.

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

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

5.0 CONTRACT SUM

5.1 Total Contract Sum

5.1.1 The "Contract Sum" under this Contract shall be the total monetary amount payable by County to Contractor for supplying all Tasks, Subtasks, Deliverables, goods, services, and other Work specified under this Contract. The Contract Sum for this Contract, including all applicable taxes, authorized by County hereunder is \$981,770.00, as specified in Exhibit B (Pricing Schedule).

The Pricing Schedule may be adjusted at the discretion of the Executive Officer, and shall not exceed more than a 10%, increase or decrease, to the maximum contract amount, for the term of the contract. Such adjustments shall be executed through a contract amendment.

5.2 Written Approval for Reimbursement

The Contractor will not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, must not occur except with the County's express prior written approval.

5.3 Notification of 75% of Total Contract Sum

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

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

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

5.5 Invoices and Payments

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

5.5.2 The Contractor's invoices must be priced in accordance with Exhibit B (Pricing Schedule). Contractor will be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment will be due to the Contractor for that work.

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

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

sustainability@cso.lacounty.gov.
Attention: Ali Frazzini

5.5.5 County Approval of Invoices

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

5.5.6 Preference Program Enterprises - Prompt Payment Program

Certified Prompt Payment Enterprises (PPEs) will receive prompt payment for services they provide to County departments. Prompt payment is defined as fifteen (15) calendar days after receipt of an approved, undisputed invoice which has been properly matched against documents such as a receiving, shipping, or services delivered report, or any other validation of receipt document consistent with Board Policy 3.035 ([Preference Program Payment Liaison and Prompt Payment Program](#)).

5.6 Cost of Living Adjustments (COLA’s)

If requested by the Contractor, the Contract (hourly, daily, monthly, etc.) amount may at the sole discretion of the County, be increased annually based on the most recent published percentage change in the U.S. Department of Labor, Bureau of Labor Statistics’ Consumer Price Index for Urban Consumers (CPI-U) for the Los Angeles-Long Beach-Anaheim Area for the twelve (12) month period preceding the Contract anniversary date, which will be the effective date for any Cost of Living Adjustment (COLA). However, any increase must not exceed the general salary movement granted to County employees as determined by the Chief Executive Officer as of each July 1 for the prior twelve (12) month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no COLA will be granted. Where the County decides to grant a COLA pursuant to this paragraph for living wage contracts, it may, in its sole discretion exclude the cost of labor (including the cost of wages and benefits paid to employees providing services under this Contract) from the base upon which a COLA is calculated, unless the Contractor can show that their labor cost will actually increase. Further, before any COLA increase will take effect and become part of this Contract, it will require a written amendment to this Contract first, that has been formally approved and executed by the parties.

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

5.7.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with the County will be Electronic Funds

Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

- 5.7.2** The Contractor must submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.
- 5.7.3** Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit will supersede this requirement with respect to those payments.
- 5.7.4** At any time during the duration of the Contract, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), will decide whether to approve exemption requests.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

6.1 County's Administration

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

6.2 County's Project Director

The role of the County's Project Director may include:

- 6.2.1** Coordinating with Contractor and ensuring Contractor's performance of the Contract; however, in no event will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby; and
- 6.2.2** Upon request of the Contractor, providing direction to the Contractor, as appropriate in areas relating to County policy, information requirements, and procedural requirements; however, in no event, will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

6.3 County's Project Manager

The role of the County's Project Manager is authorized to include:

- 6.3.1** Meeting with the Contractor's Project Manager on a regular basis; and
- 6.3.2** Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor; however, in no event will

Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

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

6.4 Intentionally Omitted

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Administration

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

7.2 Contractor's Project Manager

7.2.1 The Contractor's Project Manager is designated in Exhibit E (Contractor's Administration). The Contractor must notify the County in writing of any change to Exhibit E (Contractor's Administration), as changes occur.

7.2.2 The Contractor's Project Manager will be responsible for the Contractor's day-to-day activities as related to this Contract and will meet and coordinate with County's Project Manager and County's Project Monitor on a regular basis.

7.3 Approval of Contractor's Staff

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

7.4 Intentionally Omitted

7.5 Background and Security Investigations

7.5.1 Each of Contractor's staff performing services under this Contract, who is in a designated sensitive position, as determined by County in County's sole discretion, must undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but will not be limited to, criminal conviction information. The fees associated with the background investigation will be at the expense of the Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.

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

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

7.5.3 These terms will also apply to subcontractors of County contractors.

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

7.6 Confidentiality

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

7.6.2 Contractor must indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

- 7.6.3 Contractor must inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.
- 7.6.4 Contractor must sign and adhere to the provisions of Exhibit F1 (Contractor Acknowledgment and Confidentiality Agreement).

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

- 8.1.1 For any change which affects the scope of work, contract term, contract sum, payments, or any term or condition included under this Contract, an amendment to the Contract must be prepared and executed by the Contractor and by the Executive Officer, or designee.
- 8.1.2 The County's Board or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board or Chief Executive Officer. To implement such changes, an Amendment to the Contract must be prepared and executed by the Contractor and by Executive Officer of the Board of Supervisors (Executive Officer) or his/her designee.
- 8.1.3 The Executive Officer, or his/her designee, may at their sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Contract). The Contractor agrees that such extensions of time will not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract must be prepared and executed by the Contractor and by the Executive Officer, or designee.

8.2 Assignment and Delegation/Mergers or Acquisitions

- 8.2.1 The Contractor must notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.
- 8.2.2 The Contractor must not assign, exchange, transfer, or delegate its rights or duties under this Contract, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent will be null and void. For purposes of this paragraph, County consent will require a written Amendment to the Contract, which is formally approved and executed by the parties. Any

payments by the County to any approved delegate or assignee on any claim under this Contract will be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

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

8.3 Authorization Warranty

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

8.4 Budget Reductions

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

8.5 Complaints

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

8.5.1 Complaint Procedures

- Within fifteen (15) business days after the Contract effective date, the Contractor must provide the County with the Contractor's procedures for receiving, investigating and responding to user complaints.
- The County will review the Contractor's procedures and provide the Contractor with approval of said procedures or with requested changes.

- If the County requests changes in the Contractor's procedures, the Contractor must make such changes and resubmit the procedures within five (5) business days for County approval.
- If, at any time, the Contractor wishes to change the Contractor's procedures, the Contractor must submit proposed changes to the County for approval before implementation.
- The Contractor must preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within five (5) business days of receiving the complaint.
- When complaints cannot be resolved informally, a system of follow-through will be instituted which adheres to formal plans for specific actions and strict time deadlines.
- Copies of all written responses must be sent to the County's Project Manager within three (3) business days of mailing to the complainant.

8.6 Compliance with Applicable Laws

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

8.6.2 Contractor must indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.7 Compliance with Civil Rights Laws

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

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

8.8 Compliance with the County's Jury Service Program

8.8.1 Jury Service Program

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in [Sections 2.203.010 through 2.203.090 of the Los Angeles County Code](#).

8.8.2 Written Employee Jury Service Policy

- Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program ([Section 2.203.020 of the County Code](#)) or that the Contractor qualifies for an exception to the Jury Service Program ([Section 2.203.070 of the County Code](#)), the Contractor must have and adhere to a written policy that provides that its Employees will receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
- For purposes of this paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of fifty thousand dollars (\$50,000) or more in any twelve (12) month period under one or

more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor will also be subject to the provisions of this paragraph. The provisions of this paragraph will be inserted into any such subcontract agreement and a copy of the Jury Service Program must be attached to the Contract.

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

8.9 Conflict of Interest

- 8.9.1** No County employee whose position with the County enables such employee to influence the award of this Contract or any competing contract, and no spouse or economic dependent of such employee, will be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder will in any way participate in the County's approval, or

ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 The Contractor must comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it must immediately make full written disclosure of such facts to the County. Full written disclosure must include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph will be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoffs or are on a County Re-Employment List

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

8.11 Consideration of Hiring GAIN/START Participants

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

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

8.12 Contractor Responsibility and Debarment

8.12.1 Responsible Contractor

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

8.12.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

8.12.3 Non-responsible Contractor

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

8.12.4 Contractor Hearing Board

- If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative will be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which will contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department will be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board will be presented to the Board. The Board will have the right to modify,

deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

- If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: 1) elimination of the grounds for which the debarment was imposed; 2) a bona fide change in ownership or management; 3) material evidence discovered after debarment was imposed; or 4) any other reason that is in the best interests of the County.
- The Contractor Hearing Board will consider a request for review of a debarment determination only where 1) the Contractor has been debarred for a period longer than five (5) years; 2) the debarment has been in effect for at least five (5) years; and 3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board will conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing will be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
- The Contractor Hearing Board's proposed decision will contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board will present its proposed decision and recommendation to the Board. The Board will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 Subcontractors of Contractor

These terms will also apply to subcontractors of County contractors.

8.13 Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's poster, Exhibit G (Safely Surrendered Baby Law) in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the

subcontractor's place of business. Information and posters for printing are available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>.

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

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

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

8.15 County's Quality Assurance Plan

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

8.16 Damage to County Facilities, Buildings or Grounds

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

8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by

County, for such repairs must be repaid by the Contractor by cash payment upon demand.

8.17 Employment Eligibility Verification

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

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

8.18 Counterparts and Electronic Signatures and Representations

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

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

8.19 Fair Labor Standards

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

8.20 Force Majeure

- 8.20.1** Neither party will be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this paragraph as "force majeure events").
- 8.20.2** Notwithstanding the foregoing, a default by a subcontractor of Contractor will not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor will not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.
- 8.20.3** In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 Governing Law, Jurisdiction, and Venue

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

8.22 Independent Contractor Status

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

compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor will be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor must adhere to the provisions stated in Paragraph 7.6 (Confidentiality).

8.23 Indemnification

The CONTRACTOR must indemnify, defend and hold harmless the COUNTY, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

8.24 General Provisions for all Insurance Coverage

8.24.1 Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor must provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.2 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, must be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- Renewal Certificates must be provided to County not less than ten (10) days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any

required contractor and/or sub-contractor insurance policies at any time.

- Certificates must identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate must match the name of the contractor identified as the contracting party in this Contract. Certificates must provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), will be construed as a waiver of any of the Required Insurance provisions.
- Certificates and copies of any required endorsements must be sent to:

County of Los Angeles
Executive Office of the Board of Supervisors
solicitations@bos.lacounty.gov

Attention: Susanna Ponciano

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

8.24.3 Additional Insured Status and Scope of Coverage

The County, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively County and its Agents) must be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status will apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions,

whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also must apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 Cancellation of or Changes in Insurance

Contractor must provide County with, or Contractor's insurance policies must contain a provision that County will receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice must be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.5 Failure to Maintain Insurance

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

8.24.6 Insurer Financial Ratings

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

8.24.7 Contractor's Insurance Must Be Primary

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

8.24.8 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor must require its insurers to execute any waiver of

subrogation endorsements which may be necessary to effect such waiver.

8.24.9 Subcontractor Insurance Coverage Requirements

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

8.24.10 Deductibles and Self-Insured Retentions (SIRs)

Contractor’s policies will not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor’s payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond must be executed by a corporate surety licensed to transact business in the State of California.

8.24.11 Claims Made Coverage

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

8.24.12 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as (“follow form” over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.13 Separation of Insureds

All liability policies must provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.14 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required

Insurance provisions. The County and its Agents must be designated as an Additional Covered Party under any approved program.

8.24.15 County Review and Approval of Insurance Requirements

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

8.25 Insurance Coverage

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

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

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

8.25.3 Workers Compensation and Employers' Liability insurance or qualified self- insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also must include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. The written notice must be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. If applicable to Contractor's operations, coverage also must be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 Unique Insurance Coverage

- **Professional Liability-Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it

must maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

8.26 Liquidated Damages

- 8.26.1** If, in the judgment of the Director, or their designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Director, or their designee, at their option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Director, or their designee, in a written notice describing the reasons for said action.
- 8.26.2** If the Director, or their designee, determines that there are deficiencies in the performance of this Contract that the Director, or their designee, deems are correctable by the Contractor over a certain time span, the Director, or their designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Director, or their designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is one hundred dollars (\$100) per day per infraction, or as specified in Attachment 2 (Performance Requirements Summary (PRS)) Chart of Exhibit A (Statement of Work and Attachments) hereunder, and that the Contractor will be liable to the County for liquidated damages in said amount. Said amount will be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.
- 8.26.3** The action noted in Paragraph 8.26.2 must not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.
- 8.26.4** This Paragraph must not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or Paragraph 8.26.2, and must not, in any manner,

restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

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

8.28 Nondiscrimination and Affirmative Action

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

8.28.2 Contractor certifies to the County each of the following:

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

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

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

8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies will comply with all applicable Federal and State laws and regulations to the end that no person will, on the grounds of race,

color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.28.6 The Contractor will allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.

8.28.7 If the County finds that any provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) have been violated, such violation will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations will constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County will, at its sole option, be entitled to the sum of five hundred dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 Non Exclusivity

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

8.30 Notice of Delays

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

8.31 Notice of Disputes

The Contractor must bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County's Project Manager or County's Project Director is not able to resolve the dispute, the Director or designee will resolve it.

8.32 Notice to Employees Regarding the Federal Earned Income Credit

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

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor must notify and provide to its employees, and will require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit G (Safely Surrendered Baby Law) of this Contract. Additional information is available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>.

8.34 Notices

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

8.35 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party will in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 Public Records Act

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Paragraph 8.38 (Record Retention and Inspection-Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and will be regarded as public records. Exceptions will be those elements in the [California Government Code Section 7921 et seq.](#) (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County will not in any way be liable or responsible for the disclosure of

any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

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

8.37 Publicity

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

- The Contractor must develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor will not, and will not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County’s Project Director.

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

8.38 Record Retention and Inspection-Audit Settlement

8.38.1 The Contractor must maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor must also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, will have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, will be kept and maintained by the Contractor and will be made available to the County during the term of this Contract and for

a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material must be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside of Los Angeles County, then, at the County's option, the Contractor will pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

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

8.38.3 Failure on the part of the Contractor to comply with any of the provisions of this subparagraph will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

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

8.39 Recycled Bond Paper

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

8.40 Subcontracting

8.40.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

- 8.40.2** If the Contractor desires to subcontract, the Contractor must provide the following information promptly at the County’s request:
- A description of the work to be performed by the subcontractor.
 - A draft copy of the proposed subcontract; and
 - Other pertinent information and/or certifications requested by the County.
- 8.40.3** The Contractor must indemnify, defend, and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were the Contractor employees.
- 8.40.4** The Contractor will remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County’s approval of the Contractor’s proposed subcontract.
- 8.40.5** The County’s consent to subcontract will not waive the County’s right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.
- 8.40.6** The County’s Project Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor must forward a fully executed subcontract to the County for their files.
- 8.40.7** The Contractor will be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County’s consent to subcontract.
- 8.40.8** The Contractor must obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. Before any subcontractor employee may perform any work hereunder, Contractor must ensure delivery of all such documents to:

County of Los Angeles
 Executive Office of the Board of Supervisors
 solicitations@bos.lacounty.gov
 Attention: Susanna Ponciano

8.41 Termination for Breach of Warranty to Maintain Compliance with County’s Child Support Compliance Program

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.14 (Contractor’s Warranty of Adherence to County’s Child Support Compliance Program) will constitute default under this Contract. Without limiting

the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice will be grounds upon which the County may terminate this Contract pursuant to Paragraph 8.43 (Termination for Default) and pursue debarment of the Contractor, pursuant to [County Code Chapter 2.202](#).

8.42 Termination for Convenience

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

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

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

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

8.43 Termination for Default

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

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

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Paragraph 8.43.1, the County may procure, upon such

terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor will be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor will continue the performance of this Contract to the extent not terminated under the provisions of this paragraph.

- 8.43.3** Except with respect to defaults of any subcontractor, the Contractor will not be liable for any such excess costs of the type identified in Paragraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor will not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this paragraph, the term "subcontractor(s)" means subcontractor(s) at any tier.
- 8.43.4** If, after the County has given notice of termination under the provisions of Paragraph 8.43 (Termination for Default) it is determined by the County that the Contractor was not in default under the provisions of Paragraph 8.43 (Termination for Default) or that the default was excusable under the provisions of subparagraph 8.43.3, the rights and obligations of the parties will be the same as if the notice of termination had been issued pursuant to Paragraph 8.42 (Termination for Convenience).
- 8.43.5** The rights and remedies of the County provided in this Paragraph 8.43 (Termination for Default) will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- 8.44 Termination for Improper Consideration**
- 8.44.1** The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment, or extension of the Contract or the making of any determinations with

respect to the Contractor's performance pursuant to the Contract. In the event of such termination, the County will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

8.45 Termination for Insolvency

8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor will be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

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

8.46 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#) retained by the Contractor, must fully comply with the County's Lobbyist Ordinance, [County Code Chapter 2.160](#). Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance will constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 Termination for Non-Appropriation of Funds

Notwithstanding any other provision of this Contract, the County will not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's

Board appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract will terminate as of June 30 of the last fiscal year for which funds were appropriated. The County will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 Validity

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

8.49 Waiver

No waiver by the County of any breach of any provision of this Contract will constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract will not be construed as a waiver thereof. The rights and remedies set forth in this paragraph 8.49 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

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

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

8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

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

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

8.52 Termination for Breach of Warranty to Maintain Compliance with County’s Defaulted Property Tax Reduction Program

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

8.53 Time Off for Voting

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

8.54 Compliance with County’s Zero Tolerance Policy on Human Trafficking

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

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

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

8.55 Intentionally Omitted

8.56 Compliance with Fair Chance Employment Hiring Practices

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

8.57 Compliance with the County Policy of Equity

The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The Contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a

protected characteristic, and which may violate the CPOE. The Contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the Contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of contractual agreements as well as civil liability.

8.58 Prohibition from Participation in Future Solicitation(s)

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

8.59 Injury and Illness Prevention Program

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

8.60 Intentionally Omitted

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Intentionally Omitted

9.2 Ownership of Materials, Software and Copyright

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

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

of this Contract, any and all such working papers and all information contained therein.

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

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

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

9.3 Patent, Copyright and Trade Secret Indemnification

9.3.1 The Contractor must indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. County will inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and will support the Contractor's defense and settlement thereof.

9.3.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that County's continued use of the system is not materially impeded, must either:

- Procure for County all rights to continued use of the questioned equipment, part, or software product; or
- Replace the questioned equipment, part, or software product with a non-questioned item; or

- Modify the questioned equipment, part, or software so that it is free of claims.

9.3.3 The Contractor will have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

9.3.4 In the event that County re-uses, changes, alters, amends, revises or otherwise modifies the Materials or Contractor's work produced under this contract without the prior written consent, or continued professional involvement of Contractor ("Re-Use"), such Re-Use shall be at the sole risk of County and without any liability to Contractor; and County shall defend, indemnify, and hold Contractor harmless from and against any third party actions arising from such Re-Use.

9.4 Intentionally Omitted

9.5 Intentionally Omitted

9.6 Local Small Business Enterprise (LSBE) Preference Program

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

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

9.6.3 The Contractor will not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a LSBE.

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

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

- In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten (10) percent of the amount of the contract; and
- Be subject to the provisions of [Chapter 2.202 of the Los Angeles County Code](#) (Determinations of Contractor Non-responsibility and Contractor Debarment).

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

9.7 Social Enterprise (SE) Preference Program

- 9.7.1** This Contract is subject to the provisions of the County’s ordinance entitled SE Preference Program, as codified in [Chapter 2.205 of the Los Angeles County Code](#).
- 9.7.2** Contractor must not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a SE.
- 9.7.3** Contractor must not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a SE.
- 9.7.4** If Contractor has obtained County certification as a SE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, Contractor will:
- Pay to the County any difference between the contract amount and what the County’s costs would have been if the contract had been properly awarded;
 - In addition to the amount described in subdivision (1) above, the Contractor will be assessed a penalty in an amount of not more than ten percent (10%) of the amount of the contract; and
 - Be subject to the provisions of [Chapter 2.202 of the Los Angeles County Code](#) (Determinations of Contractor Non-responsibility and Contractor Debarment).

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

9.8 Disabled Veteran Business Enterprise (DVBE) Preference Program

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

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

9.8.3 Contractor must not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a DVBE.

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

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

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

9.9 Intentionally Omitted

9.10 Intentionally Omitted

9.11 Intentionally Omitted

9.12 Intentionally Omitted

10.0 Survival

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

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

Paragraph 9.3 Patent, Copyright and Trade Secret Indemnification
Paragraph 10.0 Survival

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

CONTRACTOR

(Buro Happold)

By

Name

Title

COUNTY OF LOS ANGELES

By

Interim Executive Officer

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By _____
Principal Deputy County Counsel

**CONTRACT FOR
CHIEF SUSTAINABILITY OFFICE
CONSULTANT SERVICES**

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- D COUNTY'S ADMINISTRATION
- E CONTRACTOR'S ADMINISTRATION

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- G SAFELY SURRENDERED BABY LAW

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INTENTIONALLY OMITTED

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY PROJECT DIRECTOR:

Name: Rita Kampalath

Title: Chief Sustainability Officer

Address: _____

Telephone: 323-459-3939

Facsimile: _____

E-Mail Address: rkampalath@cso.lacounty.gov

COUNTY PROJECT MANAGER:

Name: Ali Frazzini

Title: Senior Analyst, Chief Sustainability Office

Address: _____

Telephone: 213-304-7856

Facsimile: _____

E-Mail Address: AFrazzini@cso.lacounty.gov

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: _____

CONTRACT NO: _____

CONTRACTOR'S PROJECT MANAGER:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Notices to Contractor shall be sent to the following:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

F1 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

INTENTIONALLY OMITTED

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME _____ Contract No. _____

GENERAL INFORMATION:

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

CONTRACTOR ACKNOWLEDGEMENT:

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

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

CONFIDENTIALITY AGREEMENT:

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

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

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

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

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

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

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

Any fire station. Any hospital. Any time.



1.877.222.9723

BabySafeLA.org

No shame | No blame | No names



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

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

FIVE THINGS YOU NEED TO KNOW ABOUT BABY SAFE SURRENDER

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

No shame | No blame | No names



ABOUT THE BABY SAFE SURRENDER PROGRAM

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

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

No shame | No blame | No names

ANY FIRE STATION.
ANY HOSPITAL.
ANY TIME.

1.877.222.9723
BabySafeLA.org

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



No shame | No blame | No names





FROM SURRENDER TO ADOPTION: ONE BABY'S STORY

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

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

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

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

ANSWERS TO YOUR QUESTIONS

Who is legally allowed to surrender the baby?

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

Do you need to call ahead before surrendering a baby?

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

What information needs to be provided?

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

What happens to the baby?

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

What happens to the parent or surrendering adult?

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

How can a parent get a baby back?

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

If you're unsure of what to do:

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

1.877.222.9723 or [BabySafeLA.org](https://www.babysafela.org)

English, Spanish and 140 other languages spoken.

FORMS REQUIRED AT COMPLETION OF THE CONTRACTS INVOLVING INTELLECTUAL PROPERTY DEVELOPED/DESIGNED BY CONTRACTOR. THE INTELLECTUAL PROPERTY DEVELOPED/DESIGNED BECOMES PROPERTY OF THE COUNTY AFTER CREATION OR AT THE END OF THE CONTRACT TERM.

H1 INDIVIDUAL'S ASSIGNMENT AND TRANSFER OF COPYRIGHT

H2 CONTRACTOR'S ASSIGNMENT AND TRANSFER OF COPYRIGHT

H3 NOTARY STATEMENT FOR ASSIGNMENT AND TRANSFER OF COPYRIGHT

(REQUIRED ONLY IF COPYRIGHT IS TO BE REGISTERED WITH COPYRIGHT BUREAU)

INDIVIDUAL'S ASSIGNMENT AND TRANSFER OF COPYRIGHT

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, _____, an individual ("Grantor"), does hereby assign, grant, convey and transfer to the County of Los Angeles, California ("Grantee") and its successors and assigns throughout the world in perpetuity, all of Grantor's right, title and interest of every kind and nature in and to all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types (including, without limitation, those items listed on Schedule A, attached hereto and incorporated herein by reference) developed or acquired, in whole or in part, under the Agreement described below, including, but not limited to, all right, title and interest in and to all copyrights and works protectable by copyright and all renewals and extensions thereof (collectively, the "Works"), and in and to all copyrights and right, title and interest of every kind or nature, without limitation, in and to all works based thereon, incorporated in, derived from, incorporating, or related to, the Works or from which the Works are derived.

Without limiting the generality of the foregoing, the aforesaid conveyance and assignment shall include, but is not limited to, all prior choses-in-action, at law, in equity and otherwise, the right to recover all damages and other sums, and the right to other relief allowed or awarded at law, in equity, by statute or otherwise.

_____ and Grantee have entered into County of Los Angeles

Agreement Number _____ for _____, dated _____, as amended by Amendment Number _____, dated _____,

{NOTE to Preparer: reference all existing Amendments} as the same hereafter may be amended or otherwise modified from time to time (the "Agreement").

Grantor's Signature

Date

Grantor's Printed Name: _____

Grantor's Printed Position: _____

CONTRACTOR'S ASSIGNMENT AND TRANSFER OF COPYRIGHT

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, _____, a _____, ("Grantor") does hereby assign, grant, convey and transfer to the County of Los Angeles, California ("Grantee") and its successors and assigns throughout the world in perpetuity, all of Grantor's right, title and interest of every kind and nature in and to all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training aids, training documentation and aids, and other information and/or tools of all types (including, without limitation, those items listed on Schedule A, attached hereto and incorporated herein by reference) developed or acquired, in whole or in part, under the Agreement described below, including, but not limited to, all right, title and interest in and to all copyrights and works protectable by copyright and all renewals and extensions thereof (collectively, the "Works"), and in and to all copyrights and right, title and interest of every kind or nature, without limitation, in and to all works based thereon, incorporated in, derived from, incorporating or relating to, the Works or from which the Works are derived.

Without limiting the generality of the foregoing, the aforesaid conveyance and assignment shall include, but is not limited to, all prior choices-in-action, at law, in equity and otherwise, the right to recover all damages and other sums, and the right to other relief allowed or awarded at law, in equity, by statute or otherwise.

Grantor and Grantee have entered into County of Los Angeles Agreement Number _____
for _____,
dated _____, as amended by Amendment Number _____, dated _____,

{NOTE to Preparer: reference all existing Amendments} as the same hereafter may be amended or otherwise modified from time to time (the "Agreement").

Grantor's Signature

Date

Grantor's Printed Name: _____

Grantor's Printed Position: _____

(To Be Completed By County and attached to H1 and/or H2)

REQUIRED ONLY IF COPYRIGHT IS TO BE REGISTERED WITH COPYRIGHT BUREAU

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 20____, before me, the undersigned, a Notary Public in and for the State of California, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the _____ of _____, the corporation that executed the within Assignment and Transfer of Copyright, and further acknowledged to me that such corporation executed the within Assignment and Transfer of Copyright pursuant to its bylaws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

NOTARY PUBLIC

INTENTIONALLY OMITTED

INTENTIONALLY OMITTED

INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit (“Exhibit”) sets forth the County and the Contractor’s commitment and agreement to fulfill each of their obligations under applicable state or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by the Contractor before the Effective Date of the Contract and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying base agreement between the County and Contractor (the “Contract”) and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit shall prevail unless stated otherwise.

1. DEFINITIONS

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.

- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization's Information Security Program as formally expressed by its top management.
- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** A formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third party entities who provide service to the County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** The Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability, and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures will be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor shall exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
- Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
- Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- Protect against accidental loss or destruction of, or damage to, County Information; and
- Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.

- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training will be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

The Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;

- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. PROPERTY RIGHTS TO COUNTY INFORMATION

All County Information is deemed property of the County, and the County shall retain exclusive rights and ownership thereto. County Information shall not be used by the Contractor for any purpose other than as required under this Contract, nor shall such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by the Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents. The Contractor may assert no lien on or right to withhold from the County, any County Information it receives from, receives addressed to, or stores on behalf of, the County. Notwithstanding the foregoing, the Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to the County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contractor owns, leases or possesses.

4. CONTRACTOR'S USE OF COUNTY INFORMATION

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

The Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- a. **Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".

- b. **Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.
- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in [Board of Supervisors Policy 6.104 – Information Classification Policy](#) as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven (7) calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five (5) calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 14 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.
- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

The Contractor shall perform background and security investigation procedures in the manner prescribed in this section unless the Contract prescribes procedures for conducting background and security investigations and those procedures are no less stringent than the procedures described in this section.

To the extent permitted by applicable law, the Contractor shall screen and conduct background investigations on all Contractor employees and Subcontractors as appropriate to their role, with access to County Information for potential security Risks. Such background investigations must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review and conducted in accordance with the law, may include criminal and financial history to the extent permitted under the law, and will be repeated on a regular basis. The fees associated with the background investigation shall be at the expense of the Contractor, regardless of whether the member of the Contractor's staff passes or fails the background investigation. The Contractor, in compliance with its legal obligations, shall conduct an individualized assessment of their employees, agents, and volunteers regarding the nature and

gravity of a criminal offense or conduct; the time that has passed since a criminal offense or conduct and completion of the sentence; and the nature of the access to County Information to ensure that no individual accesses County Information whose past criminal conduct poses a risk or threat to County Information.

The Contractor shall require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with the Contractor.

The Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training will cover, but may not be limited to the following topics:

- a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- c) **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.
- d) **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.
- e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
- f) **Privacy:** The Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

The Contractor shall have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

The County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. The Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

The Contractor shall obtain advanced approval from the County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

The Contractor will encrypt County Information transmitted on networks outside of the Contractor's control with Transport Layer Security (TLS) or Internet Protocol Security (IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer.

In addition, the Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly. Request for less frequent scanning must be approved in writing by the County's Chief Information Security Officer.

10. RETURN OR DESTRUCTION OF COUNTY INFORMATION

The Contractor shall return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor shall (i) promptly return or destroy, at the County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to protect such Information in accordance with the terms of this Contract; and (iii) deliver or destroy, at the County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by the Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be returned to the County, the Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to the County. For documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be destroyed, the Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon the County's request, the Contractor shall return all hardware, if any, provided by the County to the Contractor. The hardware should be physically sealed and returned via a bonded courier, or as otherwise directed by the County.

- b. **Method of Destruction.** The Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, “Guidelines for Media Sanitization” such that the County Information cannot be retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten (10) days of termination or expiration of the Contract or at any time upon the County’s request. On termination or expiration of this Contract, the County will return or destroy all Contractor’s Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County’s option.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer’s specifications.

12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

The Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 14 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups shall be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Project Director or Project Manager in writing; and (ii) if transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

The Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

14. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Contractor shall:

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone.

County Chief Information Security Officer and Chief Privacy Officer email
CISO-CPO_Notify@lacounty.gov

Chief Information Security Officer:
Ralph Johnson

Chief Information Security Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 253-5600

Chief Privacy Officer:

Lillian Russell
Chief Privacy Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 351-5363

- b. Include the following Information in all notices:
 - i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.
- d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, the County, law firms, and and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
- f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, The Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor's weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

15. NON-EXCLUSIVE EQUITABLE REMEDY

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

16. AUDIT AND INSPECTION

- a. **Self-Audits.** The Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

- b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, shall have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing County Information via an onsite inspection at least once a year. Upon the County's request the Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. The County shall pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor shall bear all costs of the audit; and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor shall cooperate with the

County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access shall extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by the Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.

17. CYBER LIABILITY INSURANCE

The Contractor shall secure and maintain cyber liability insurance coverage in the manner prescribed in this section unless the Contract prescribes cyber liability insurance coverage provisions and those provisions are no less stringent than those described in this section.

The Contractor shall secure and maintain cyber liability insurance coverage with limits of at least **\$2,000,000** per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor shall add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

18. PRIVACY AND SECURITY INDEMNIFICATION

In addition to the indemnification provisions in the Contract, the Contractor agrees to indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, agents, employees, and volunteers from and against any and all claims, demands liabilities, damages, judgments, awards, losses, costs, expenses or fees including reasonable attorneys' fees, accounting and other expert, consulting or professional fees, and amounts paid in any settlement arising from, connected with, or relating to:

- The Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information;
- The Contractor's failure to perform or comply with any terms and conditions of this Contract or related agreements with the County; and/or,
- Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's systems or networks (including all costs and expenses incurred by the County to remedy the effects of such loss, breach of Confidentiality, or Incident, which may include (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit

monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities).

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

ADDENDUM A: SOFTWARE AS A SERVICE (SaaS)

- a. **License:** Subject to the terms and conditions set forth in this Contract, including payment of the license fees by to the Contractor, the Contractor hereby grants to County a non-exclusive, non-transferable worldwide County license to use the SaaS, as well as any documentation and training materials, during the term of this Contract to enable the County to use the full benefits of the SaaS and achieve the purposes stated herein.
- b. **Business Continuity:** In the event that the Contractor's infrastructure containing or processing County Information becomes lost, altered, damaged, interrupted, destroyed, or otherwise limited in functionality in a way that affects the County's use of the SaaS, The Contractor shall immediately and within twenty-four (24) hours implement the Contractor's Business Continuity Plan, consistent with Section 12 OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY, such that the Contractor can continue to provide full functionality of the SaaS as described in the Contract.

The Contractor will indemnify the County for any claims, losses, or damages arising out of the County's inability to use the SaaS consistent with the Contract and Section 18 PRIVACY AND SECURITY INDEMNIFICATION.

The Contractor shall include in its Business Continuity Plan service offering, a means for segmenting and distributing IT infrastructure, disaster recovery and mirrored critical system, among any other measures reasonably necessary to ensure business continuity and provision of the SaaS.

In the event that the SaaS is interrupted, the County Information may be accessed and retrieved within two (2) hours at any point in time. To the extent the Contractor hosts County Information related to the SaaS, the Contractor shall create daily backups of all County Information related to the County's use of the SaaS in a segmented or off-site "hardened" environment in a manner that ensures backups are secure consistent with cybersecurity requirements described in this Contract and available when needed.

- c. **Enhancements:** Upgrades, replacements and new versions: The Contractor agrees to provide to County, at no cost, prior to, and during installation and implementation of the SaaS any software/firmware enhancements, upgrades, and replacements which the Contractor initiates or generates that are within the scope of the SaaS and that are made available at no charge to the Contractor's other customers.

During the term of this Contract, the Contractor shall promptly notify the County of any available updates, enhancements or newer versions of the SaaS and within thirty (30) Days update or provide the new version to the County. The Contractor shall provide any accompanying documentation in the form of new or revised documentation necessary to enable the County to understand and use the enhanced, updated, or replaced SaaS.

During the Contract term, the Contractor shall not delete or disable a feature or functionality of the SaaS unless the Contractor provides sixty (60) Days advance notice and the County provides written consent to delete or disable the feature or functionality. Should there be a replacement feature or functionality, the County shall have the sole discretion whether to accept such replacement. The replacement shall be at no additional cost to the County. If the Contractor fails to abide by the obligations in this section, the County reserves the right to terminate the Contract for material breach and receive a pro-rated refund.

- d. **Location of County Information:** The Contractor warrants and represents that it shall store and process County Information only in the continental United States and that at no time will County Data traverse the borders of the continental United States in an unencrypted manner.
- e. **Audit and Certification:** The Contractor agrees to conduct an annual System and Organization Controls (SOC 2 type II) audit or equivalent (i.e. The International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) 27001:2013 certification audit or Health Information Trust Alliance (HITRUST) Common Security Framework certification audit) of its internal controls for security, availability, integrity, confidentiality, and privacy. The Contractor shall have a process for correcting control deficiencies that have been identified in the audit, including follow up documentation providing evidence of such corrections. The results of the audit and the Contractor's plan for addressing or resolving the audit findings shall be shared with County's Chief Information Security Officer within ten (10) business days of the Contractor's receipt of the audit results. The Contractor agrees to provide County with the current audit certifications upon request.
- f. **Services Provided by a Subcontractor:** Prior to the use of any Subcontractor for the SaaS under this Contract, the Contractor shall notify County of the proposed subcontractor(s) and the purposes for which they may be engaged at least thirty (30) Days prior to engaging the Subcontractor and obtain written consent of the County's Contract Administrator.
- g. **Information Import Requirements at Termination:** Within one (1) Day of notification of termination of this Contract, the Contractor shall provide County with a complete, portable, and secure copy of all County Information, including all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in a format to be determined by County upon termination.
- h. **Termination Assistance Services:** During the ninety (90) Day period prior to, and/or following the expiration or termination of this Contract, in whole or in part, the Contractor agrees to provide reasonable termination assistance services at no additional cost to County, which may include:
 - i. Developing a plan for the orderly transition of the terminated or expired SaaS from the Contractor to a successor;
 - ii. Providing reasonable training to County staff or a successor in the performance of the SaaS being performed by the Contractor;
 - iii. Using its best efforts to assist and make available to the County any third-party services then being used by the Contractor in connection with the SaaS; and
 - iv. Such other activities upon which the Parties may reasonably agree.

ADDENDUM B: CONTRACTOR HARDWARE CONNECTING TO COUNTY SYSTEMS

Notwithstanding any other provisions in this Contract, the Contractor shall ensure the following provisions and security controls are established for any and all Systems or Hardware provided under this contract.

- a. **Inventory:** The Contractor must actively manage, including through inventory, tracking, loss prevention, replacement, updating, and correcting, all hardware devices covered under this Contract. The Contractor must be able to provide such management records to the County at inception of the contract and upon request.
- b. **Access Control:** The Contractor agrees to manage access to all Systems or Hardware covered under this contract. This includes industry-standard management of administrative privileges including, but not limited to, maintaining an inventory of administrative privileges, changing default passwords, use of unique passwords for each individual accessing Systems or Hardware under this Contract, and minimizing the number of individuals with administrative privileges to those strictly necessary. Prior to effective date of this Contract, the Contractor must document their access control plan for Systems or Hardware covered under this Contract and provide such plan to the Department Information Security Officer (DISO) who will consult with the County's Chief Information Security Officer (CISO) for review and approval. The Contractor must modify and/or implement such plan as directed by the DISO and CISO.
- c. **Operating System and Equipment Hygiene:** The Contractor agrees to ensure that Systems or Hardware will be kept up to date, using only the most recent and supported operating systems, applications, and programs, including any patching or other solutions for vulnerabilities, within ninety (90) Days of the release of such updates, upgrades, or patches. The Contractor agrees to ensure that the operating system is configured to eliminate any unnecessary applications, services and programs. If for some reason the Contractor cannot do so within ninety (90) Days, the Contractor must provide a Risk assessment to the County's Chief Information Security Officer (CISO).
- d. **Vulnerability Management:** The Contractor agrees to continuously acquire, assess, and take action to identify and remediate vulnerabilities within the Systems and Hardware covered under this Contract. If such vulnerabilities cannot be addressed, The Contractor must provide a Risk assessment to the Department Information Security Officer (DISO) who will consult with the County's Chief Information Security Officer (CISO). The County's CISO must approve the Risk acceptance and the Contractor accepts liability for Risks that result to the County for exploitation of any un-remediated vulnerabilities.
- e. **Media Encryption:** Throughout the duration of this Contract, the Contractor will encrypt all workstations, portable devices (e.g., mobile, wearables, tablets,) and removable media (e.g., portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) associated with Systems and Hardware provided under this Contract in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise required or approved by the County's Chief Information Security Officer (CISO).
- f. **Malware Protection:** The Contractor will provide and maintain industry-standard endpoint antivirus and antimalware protection on all Systems and Hardware as approved or required by the Department Information Security Officer (DISO) who will consult with the County's Chief Information Security Officer (CISO) to ensure provided hardware is free, and remains free of malware. The Contractor agrees to provide the County documentation proving malware protection status upon request.

ADDENDUM C: APPLICATION SOURCE CODE REPOSITORY

The Contractor shall manage the source code in the manner prescribed in this Addendum unless the Contract prescribes procedures for managing the source code and those procedures are no less stringent than the procedures described in this addendum.

- a. **County Application Source Code.** To facilitate the centralized management, reporting, collaboration, and continuity of access to the most current production version of application source code, all code, artifacts, and deliverables produced under this Contract, (hereinafter referred to as “County Source Code”) shall be version controlled, stored, and delivered on a single industry-standard private Git repository, provided, managed, and supported by the County. Upon commencement of the contract period, the Contractor will be granted access to the County’s private Git repository.
- b. **Git Repository.** The Contractor will use the County Git repository during the entire lifecycle of the project from inception to final delivery. The Contractor will create and document design documents, Data flow diagrams, security diagrams, configuration settings, software or hardware requirements and specifications, attribution to third-party code, libraries and all dependencies, and any other documentation related to all County Source Code and corresponding version-controlled documentation within the Git repository. This documentation must include an Installation Guide and a User Guide for the final delivered source code such that County may download, install, and make full functional use of the delivered code as specified and intended.

EXHIBIT A

STATEMENT OF WORK AND ATTACHMENTS

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SOW ATTACHMENTS

- 1 Performance Requirements Summary (PRS)

STATEMENT OF WORK (SOW)

1 SCOPE OF WORK

The Los Angeles County (County), Executive Office of the Board of Supervisors (EO) is seeking a qualified Proposer to support the Chief Sustainability Office (CSO) as it undertakes a revision to the 2019 County's OurCounty Sustainability Plan (OurCounty Plan). The selected Proposer should demonstrate a grasp on the latest in sustainability planning practices, an understanding of the complex governance structures related to sustainability within the region, the diversity of the County, and best practices in equitable stakeholder engagement. Proposer shall assist the CSO in delivering an updated sustainability plan by researching and analyzing the 2019 OurCounty Plan, developing stakeholder engagement processes that are inclusive of diverse interest areas and representative of regional/geographic variation, and collecting and analyzing data to identify areas of progress as well as areas of losses/decline. The updated OurCounty Plan will be presented to the Board of Supervisors for approval and adoption.

2 ADDITION AND/OR DELETION OF FACILITIES, SPECIFIC TASKS AND/OR WORK HOURS

- 2.1** The County reserves the right to add/delete specific tasks related to the sustainability plan which does not materially affect the scope of work, Term, Contract sum, or payment under the Contract.
- 2.2** All changes must be made in accordance with Paragraph 8.1, Amendments, of the Contract.

3 QUALITY CONTROL

The Proposer shall establish and utilize a comprehensive Quality Control Plan to assure the County a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the County Contract Project Monitor for review. The plan shall include, but may not be limited to the following:

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

4 QUALITY ASSURANCE PLAN

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

4.1 Intentionally Omitted

4.2 Intentionally Omitted

4.3 County Observations

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

5 INTENTIONALLY OMITTED

6 RESPONSIBILITIES

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

COUNTY

6.1 Personnel

The County will administer the Contract according to the Contract, Paragraph 6 (Administration of Contract – County). Specific duties will include:

- 6.1.1 Monitoring the Proposer's performance in the daily operation of this Contract.
- 6.1.2 Providing direction to the Proposer in areas relating to policy, information and procedural requirements.
- 6.1.3 Preparing Amendments in accordance with the Contract, Paragraph 8.1 (Amendments).

6.2 Intentionally Omitted

CONTRACTOR

6.3 Project Manager

- 6.3.1 Proposer shall provide a full-time Project Manager or designated alternate. Proposer shall provide a telephone number where the Project Manager or designated alternate may be reached Monday through Friday 8:00 a.m. to 5:30 p.m., excluding County-recognized holidays. The County's Project Manager will provide the Contractor with a list of holidays.
- 6.3.2 Project Manager shall act as a central point of contact with the County.
- 6.3.3 Project Manager shall have at least five (5) years of relevant experience in local or regional climate action planning, sustainability planning, and/or

other long-range planning efforts related to economy, equity, and environment.

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

6.4 Personnel

- 6.4.1 Proposer shall be required to background check their employees as set forth in Paragraph 7.5 (Background and Security Investigations), of the Contract.

6.5 Intentionally Omitted

6.6 Materials and Equipment

- 6.6.2 The purchase of all materials/equipment to provide the needed services is the responsibility of the Proposer. Proposer shall use materials and equipment that are safe for the environment and safe for use by the employee.

6.7 Training

- 6.7.2 Proposer shall provide training programs for all new employees and continuing in-service training for all employees.
- 6.7.3 All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to OSHA standards.

6.8 Intentionally Omitted

7 INTENTIONALLY OMITTED

8 INTENTIONALLY OMITTED

9 UNSCHEDULED WORK

- 9.1 The County Project Manager or his designee may authorize the Contractor to perform unscheduled work, including, but not limited to, repairs and replacements when the need for such work arises out of extraordinary incidents such as vandalism, acts of God, and third-party negligence; or to add to, modify or refurbish existing facilities.

- 9.2 Prior to performing any unscheduled work, the Contractor shall prepare and submit a written description of the work with an estimate of labor and materials. If the unscheduled work exceeds the Contractor's estimate, the County Project Director or his designee must approve the excess cost. In any case, no unscheduled work shall commence without written authorization.
- 9.3 When a condition exists wherein there is imminent danger of injury to the public or damage to property, Contractor shall contact County's Project Director for approval before beginning the work. A written estimate shall be sent within twenty-four (24) hours for approval. Contractor shall submit an invoice to County's Project Director within five (5) working days after completion of the work.
- 9.4 All unscheduled work shall commence on the established specified date. Contractor shall proceed diligently to complete said work within the time allotted.
- 9.5 The County reserves the right to perform unscheduled work itself or assign the work to another Contractor.

10 SPECIFIC WORK REQUIREMENTS

Proposer must complete all the following tasks and sub-tasks as outlined below:

10.1 Task 1: Project Administration

Proposer should develop and implement project management, communication, decision-making, and work product review and approval processes and procedures.

10.1.1 Project kick-off meeting: Proposer will prepare for and participate in a project kick-off meeting with CSO to clarify the project goals and objectives, finalize the work plan and schedule, identify lines of communication and decision making, and address other logistical and administration issues including document access, storage, and management.

10.1.2 Communication with CSO: Proposer will maintain regular communication with CSO through email, telephone, and an update/coordination method such as monthly or bi-monthly conference calls, meeting minutes, etc.

10.1.3 Quality Control of Reports and Documents: Proposer will establish a quality control process for the review of draft and final deliverables to ensure consistency and a high level of quality. This may be an internal function, a peer-review process, or a combination.

Deliverable: Project Team Meeting Agendas and Notes, Monthly Progress Report.

10.2 Task 2: Process/Progress Evaluation

Proposer shall research and analyze the past approach to creating and implementing the 2019 OurCounty Plan. The analysis should generally assess whether the County government and the region as a whole has made substantive progress in delivering on the goals and implementation of OurCounty actions, with attention to their intended time horizons.

- 10.2.1** Review annual report content and comments submitted; summarize where more and less progress has been made and identify themes among the comments that requested content edits to OurCounty, with special attention to climate resilience as a potential theme. Outline report content and comments related to addressing climate hazards or building social resilience.

- 10.2.2** Interview and/or survey up to 15 County Sustainability Council coordinating committee (CSCCC) members and 5 leadership committee members to assess and analyze perspectives on efficacy.

- 10.2.3** To support CSO in preparing for the launch of the Climate Resilience Initiative, gather information from County staff on existing and planned efforts that are aimed at addressing climate hazards or building social resilience, and whether/how the LA County Climate Vulnerability Assessment has informed those efforts. Develop recommendations on how to articulate a vision for climate resilience and how to integrate the launch of the Climate Resilience Initiative into the OurCounty Update, such as by incorporating short-term priorities and metrics within the updated OurCounty Plan.

- 10.2.4** Develop written survey for CSCCC members and analyze survey results.

- 10.2.5** Evaluate OurCounty to assess alignment and gaps in goals with key state and regional laws and policy vision statements and Board actions.
 - 10.2.5.1 State level examples: Scoping Plan, AB 1297, Adaptation Planning Guide.

10.2.5.2 County/regional examples: Climate Action Plan (Draft), Transportation Electrification Partnership Roadmap 2.0, Safety Element, Hazard Mitigation Plan, Climate Resilience Initiative

10.2.6 Review and synthesize themes and types of direction given by the Board of Supervisors via motion.

10.2.7 Interview key regional and state leaders to gather their input on OurCounty implementation progress, and role of County CSO in progress on sustainability goals (including climate resilience) at local and State level, how that role may be expanded or improved.

Deliverable: Memo summarizing findings of Task 2 including recommendations on additions/modifications to Plan’s framing or narrative, communication/engagement methodologies, and implementation approaches and tools.

10.3 Task 3: Stakeholder Engagement:

Proposer shall review past and current stakeholder engagement documents and processes to gain an understanding of CSO’s priorities related to engagement. Proposer should develop and implement a stakeholder engagement strategy that is equitable (using the OurCounty definition of equity), regional, and inclusive of the wide range of stakeholder groups relevant to the County’s sustainability efforts.

10.3.1 Review past stakeholder engagement documents and processes.

10.3.2 Develop a stakeholder engagement process and create stakeholder engagement plan, including a timeline that aligns stakeholder engagement process with OurCounty Plan refresh milestones to facilitate a transparent and efficient iterative process. Include a “climate resilience track” of stakeholder engagement for dedicated opportunities to gather stakeholder input on actions, indicators, metrics, and short-term priorities to address climate hazards and build social resilience.

10.3.3 Develop a stakeholder attribute analysis to ensure the engagement process is inclusive of diverse interest areas and representative of regional/geographic variation.

10.3.4 Include a plan and budget for identifying and supporting participation in the stakeholder engagement process for organizations with limited capacity to engage.

- 10.3.5** Develop materials for implementation of stakeholder engagement plan (e.g., slides and agendas for workshops, surveys, communications tools, etc.)
- 10.3.6** Execute stakeholder engagement plan, including planning and facilitating stakeholder events, collecting and organizing stakeholder feedback, synthesizing feedback into broad themes, and incorporating feedback into OurCounty Plan refresh at appropriate milestones.

Deliverable: Draft Stakeholder Engagement Plan, Final Stakeholder Engagement Plan, Engagement Materials, Stakeholder Engagement Report.

10.4 Task 4: Data Collection and Analysis:

Proposer shall review the existing indicator list with the goal of creating a new baseline for planning purposes and identifying areas of progress as well as areas of losses/decline. The Proposer shall also work to streamline and revise the list of indicators for ease of future updates, and based on relevance to tracking progress on OurCounty priorities.

- 10.4.1** Conduct analysis to update original sustainability indicators to 2021 data and identify indicators for which data is no longer available. Develop a report identifying key themes and generally assessing directionality in achieving the OurCounty strategies and goals, with special attention to indicators relating to climate resilience. Cross-reference progress reported in the annual OurCounty Progress Reports.
- 10.4.2** Review OurCounty Data Gap analysis and research on climate resilience indicators, and identify whether new datasets are available to address data gaps.
- 10.4.3** Considering findings from Task 2, provide recommendations on how datasets may be made more accessible and useful to internal and external partners.
- 10.4.4** Following completion of OurCounty revisions in Task 5, create recommended streamlined set of indicators based on relevance to tracking progress on new actions.
- 10.4.5** Collect and analyze datasets to quantify new set of indicators.
- 10.4.6** Work with County Chief Information Officer to ensure that indicators are publicly available and may be regularly updated.

Deliverables: List of updated original OurCounty indicators with metadata, Updated Data Gap analysis, memo with recommendations on data presentation and accessibility, draft and final memos with recommended streamlined indicator list along with quantification and metadata.

10.5 Task 5: Sustainability Plan Revisions:

The OurCounty Plan serves as both an internal guidance document for County departments and leadership and as a template for the local governments in the County. It provides a comprehensive framework for addressing sustainability within the County and provide specific actions and pathways for achieving indicator targets established in Task 2. Referencing findings from previous deliverables, draft and finalize revisions to the Sustainability plan, including an updated Introduction that celebrates progress made in the first 5 years, and a section highlighting the CSO vision for climate resilience that outlines the new Climate Resilience Initiative including metrics and priority steps for the next 2 years.

Deliverable: Draft Revised Plan, Final Revised Plan, Presentation Deck for Draft, Presentation Deck for Final, Updated website that replicates user friendliness imbued in the original OurCounty Plan. Each of these materials should have sections on climate resilience that can be pulled out and used as standalone materials for the launch of the Climate Resilience Initiative.

10.6 Task 6: Communication Strategy:

Referencing findings from previous deliverables, coordinate with County communications experts to develop a communication strategy for OurCounty Plan update and related materials, including a stakeholder fact sheet (up to five (5)), press release, and social media messaging.

10.6.1 Review message approach.

10.6.2 Co-create narrative actively considering plan communication.

10.6.3 Develop key stakeholder fact sheets (up to five (5)).

10.6.4 Draft Press Release & Social Media Toolkit.

Deliverable: Draft and Final Communications Strategy, key stakeholder fact sheets, Draft and Final Press release and social media toolkit.

11 GREEN INITIATIVES

11.1 Proposer shall use reasonable efforts to initiate “green” practices for environmental and energy conservation benefits.

11.2 Proposer shall notify County’s Project Manager of Contractor’s new green initiatives prior to the contract commencement.

12 PERFORMANCE REQUIREMENTS SUMMARY

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

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

**OURCOUNTY SUSTAINABILITY PLAN
PRICING SCHEDULE
FOR
BURO HAPPOLD**

MAXIMUM NOT TO EXCEED CONTRACT COST: \$981,770: Compensation rates are set forth below but are subject to the limitations set forth in this Agreement, Paragraph 5.0 Contract Sum. Any costs incurred to complete this project in excess of the maximum not-to-exceed cost shall be borne by the CONTRACTOR. The CONTRACTOR shall bill in accordance with the fee schedule below:

PROFESSIONAL CONSULTING COSTS:

| Professional Consulting Costs | Amount |
|---------------------------------------|------------------|
| Task 1: Project Administration | \$97,280 |
| Task 2: Process/Progress Evaluation | \$153,780 |
| Task 3: Stakeholder Engagement | \$217,730 |
| Task 4: Data Collection and Analysis | \$157,650 |
| Task 5: Sustainability Plan Revisions | \$231,070 |
| Task 6: Communication Strategy | \$43,460 |
| TOTAL: | \$900,970 |

HARD COSTS:

The CONTRACTOR shall bill costs below on a reimbursement basis in accordance with the fee schedule below:

| Hard Costs | Amount |
|--|-----------------|
| Community-based organization stipends | \$50,000 |
| Engagement expenses (i.e., survey platform and incentives, venue rental, printing) | \$20,000 |
| Team travel expenses | \$10,800 |
| TOTAL: | \$80,800 |

TOTAL COSTS

| Total Project Costs | |
|------------------------------|------------------|
| Professional Consulting Fees | \$900,970 |
| Hard Costs | \$80,800 |
| TOTAL: | \$981,770 |

If CONTRACTOR subcontracts for additional services to meet the requirements of the Statement of Work (Exhibit A) and complete the deliverables, the COUNTY will reimburse the CONTRACTOR for the actual costs of approved expenses. Total costs for Contractor staff and reimbursable expenses shall not exceed the maximum contract sum.

**OURCOUNTY SUSTAINABILITY PLAN
PRICING SCHEDULE
FOR
BURO HAPPOLD**

EXPENSES: All of the CONTRACTOR's routine overhead and other ordinary expenses, including but not limited to, clerical/technical office support, office supplies/materials/equipment, mileage and staff parking, charges, fees and other normal and reasonable expenses necessary to complete the services described in Exhibit A, Statement of Work, of Agreement, are included in the above contract fees.

DRAFT

**BOARD LETTER/MEMO
CLUSTER FACT SHEET**

Board Letter

Board Memo

Other

| | | |
|---|--|-----------------|
| CLUSTER AGENDA REVIEW DATE | 5/22/2024 | |
| BOARD MEETING DATE | 6/4/2024 | |
| SUPERVISORIAL DISTRICT AFFECTED | <input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th | |
| DEPARTMENT(S) | CHIEF EXECUTIVE OFFICE | |
| SUBJECT | COUNTYWIDE CLASSIFICATION/COMPENSATION ACTIONS TO IMPLEMENT THE FISCAL YEAR 2024-2025 RECOMMENDED BUDGET AND OTHER CLASSIFICATION/COMPENSATION ACTIONS | |
| PROGRAM | | |
| AUTHORIZES DELEGATED AUTHORITY TO DEPT | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| SOLE SOURCE CONTRACT | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: | |
| SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable | |
| DEADLINES/ TIME CONSTRAINTS | | |
| COST & FUNDING | Total cost: Included in the FY 2024-25 Recommended Budget | Funding source: |
| | TERMS (if applicable): | |
| | Explanation: | |
| PURPOSE OF REQUEST | TO IMPLEMENT THE FISCAL YEAR 2024-2025 RECOMMENDED BUDGET AND OTHER CLASSIFICATION/COMPENSATION ACTIONS | |
| BACKGROUND (include internal/external issues that may exist including any related motions) | This Board Letter includes: 1. Approve the accompanying ordinance amending Title 6 - Salaries, of the County Code to update the departmental staffing provisions to reflect positions allocated, deleted, and transferred in the FY 2024-2025 Recommended Budget and to implement routine technical adjustments to reflect earlier Board-approved budget and classification actions. 2. Approve the accompanying ordinance amending Title 6 - Salaries, of the County Code to add one (1) new unclassified classification for Public Defender. 3. Approve in the Classification Plan the title change of two (2) represented classifications. | |
| EQUITY INDEX OR LENS WAS UTILIZED | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: | |
| SUPPORTS ONE OF THE NINE BOARD PRIORITIES | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how: | |
| DEPARTMENTAL CONTACTS | Name, Title, Phone # & Email: Jennifer Revuelta, Principal Analyst, (213) 974-1783, jrevuelta@ceo.lacounty.gov | |



**CEO June 4, 2024
Fiscal Year 2024-25
Recommended Budget
Board Letter Summary**

CEO Classification/Compensation Contact Information:

Ann Havens, Senior Manager, (213) 974-9960, AHavens@ceo.lacounty.gov

Jennifer Revuelta, Principal Analyst, (213) 974-1783, jrevuelta@ceo.lacounty.gov

This Board Letter includes:

1. Approve the accompanying ordinance amending Title 6 - Salaries, of the County Code to update the departmental staffing provisions to reflect positions allocated, deleted, and transferred in the FY 2024-2025 Recommended Budget and to implement routine technical adjustments to reflect earlier Board-approved budget and classification actions.
2. Approve the accompanying ordinance amending Title 6 - Salaries, of the County Code to add one (1) new unclassified classification for Public Defender.
3. Approve in the Classification Plan the title change of two (2) represented classifications.



**Chief
Executive
Office.**

COUNTY OF LOS ANGELES

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

CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

June 4, 2024

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

Dear Supervisors:

**COUNTYWIDE CLASSIFICATION/COMPENSATION ACTIONS TO
IMPLEMENT THE FISCAL YEAR 2024-2025 RECOMMENDED BUDGET
AND OTHER CLASSIFICATION/COMPENSATION ACTIONS
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

SUBJECT

This letter and accompanying ordinance will update the departmental staffing provisions related to the approval of the Fiscal Year (FY) 2024-2025 Recommended Budget, as well as provide technical adjustments to reflect earlier Board-approved budget and classification actions. In addition, this letter and accompanying ordinance will update the departmental staffing provisions by adding one (1) unclassified classification and changing the title of two (2) represented classifications.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the accompanying ordinance amending Title 6 - Salaries, of the County Code to update the departmental staffing provisions to reflect positions allocated, deleted, and transferred in the FY 2024-2025 Recommended Budget and to implement routine technical adjustments to reflect earlier Board-approved budget and classification actions.

2. Approve the accompanying ordinance amending Title 6 - Salaries, of the County Code to add one (1) new unclassified classification for Public Defender.
3. Approve in the Classification Plan the title change of two (2) represented classifications.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The following summarizes the purpose/justification of the recommended actions:

FY 2024-2025 Recommended Budget

The subject budget phase was approved by the Board of Supervisors (Board) on April 23, 2024. We have been working with the departments to finalize our recommendations as to the appropriate classifications and level of new positions. This letter implements these specific changes to the departmental staffing provisions.

The Board's approval of the attached ordinance will fulfill the Charter requirement to provide for the number of County employees. It will also provide the authority for County departments to fill new positions allocated in the FY 2024-2025 Recommended Budget, delete positions which are obsolete, and make other adjustments as necessary. These recommendations are a routine part of the annual budget process.

Routine Adjustments

Routine adjustments are being made to the ordinance to provide for staffing provisions for various County departments. These adjustments include position deletions and adjusting entries from previous classification actions such as reorganizations and mid-year allocations.

New Unclassified Classification

We are recommending the Division Chief, Public Defender, (UC) (Item No. 9260) be established to replace the classified Division Chief, Public Defender (Item No. 9259) classification, which will be deleted once all incumbents have vacated the class (Attachment). The classification reports to the Chief of Staff (Assistant Public Defender (UC), Item No. 9263) and has responsibility over the operation of one or more major divisions within the Office of the Public Defender, including Juvenile, Strategic Communications, and Training. The assignment necessitates an unclassified status due to its executive responsibilities over these major divisions and is consistent with Section 33 of the County Charter as this position reports to the Chief of Staff.

Title Changes

We are recommending a classification title change for the represented classification of Accounting Technician I, LACERA (Item No. 0413) to Accounting Technician, LACERA (Attachment). The Accounting Technician II, LACERA (Item No. 0414) classification is being recommended for deletion. As such, the recommended title of Accounting Technician, LACERA is requested for clarity.

We are also recommending a classification title change for the represented classification of Accountant, LACERA (Item No. 0415) to Accountant I, LACERA (Attachment). The new classification of Accountant II, LACERA (Item No. 0473) was established on April 9, 2024. As such, the recommended title of Accountant I, LACERA is requested for clarity and consistency.

Implementation of Strategic Plan Goals

Approval of the accompanying ordinance will further the County Strategic Plan Goal III – Realize Tomorrow’s Government Today. Specifically, it will address Strategy III.3 to Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

The cost of and financing for the new position recommendations have been included in the FY 2024-2025 Recommended Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Article III, Section 11(3) of the Charter of the County of Los Angeles, the Board of Supervisors is “to provide, by ordinance, for the number of assistants, deputies, clerks, attaches, and other persons employed in the service of the County.” The County Charter also authorizes the establishment and maintenance of “a classification plan and the classification of all positions.” This responsibility is further delineated in Civil Service Rule 5.

California Government Code sections 31522.1, 31522.2 and 31522.4, County Employees Retirement Law of 1937 (CERL), states that retirement system employees are County employees who are to be included in the salary ordinance adopted by the Board. Further, the Constitution and our County Charter provides the Board with the authority to create classifications and set the compensation of County employees.

The Honorable Board of Supervisors
6/4/2024
Page 4

Appropriate notifications have been made to the impacted employee organizations regarding the recommended classification actions. The accompanying ordinance implementing amendments to Title 6 - Salaries, of the County Code has been approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these recommendations will enable departments to effect personnel actions associated with the FY 2024-2025 Recommended Budget and other classification actions.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:JDS:AYH
JR:AS:mmg

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Human Resources
Affected Departments

CLASSIFICATION PLAN CHANGES

ATTACHMENT

**UNCLASSIFIED CLASSIFICATION RECOMMENDED FOR
ADDITION TO THE CLASSIFICATION PLAN**

| Proposed Savings/ Cafeteria Benefit Plan | Item No. | Title | Recommended Salary Schedule and Level | |
|---|---------------------|--------------------------------------|--|-----|
| Savings/ Megaflex | 9260 | Division Chief, Public Defender (UC) | N23 | R19 |

**REPRESENTED CLASSIFICATIONS RECOMMENDED FOR
TITLE CHANGE IN THE CLASSIFICATION PLAN**

| Item No. | Current Title | Recommended New Title |
|---------------------|---------------------------------|-------------------------------|
| 0415 | Accountant, LACERA | Accountant I, LACERA |
| 0413 | Accounting Technician I, LACERA | Accounting Technician, LACERA |

ANALYSIS

This ordinance amends Title 6 – Salaries of the Los Angeles County Code by:

- Adding and establishing the salary of one new unclassified classification;
- and
- Adding, deleting, and/or changing certain employee classifications and number of ordinance positions in the departments of Agricultural Commissioner/Weights and Measures, Aging and Disabilities, Alternate Public Defender, Animal Care and Control, Arts and Culture, Assessor, Auditor-Controller, Board of Supervisors, Chief Executive Officer, Children and Family Services, Consumer and Business Affairs, County Counsel, District Attorney, Economic Opportunity, Fire, Health Services, Internal Services, Justice, Care and Opportunities, Medical Examiner, Mental Health, Military and Veterans Affairs, Museum of Art, Museum of Natural History, Parks and Recreation, Public Defender, Public Health, Public Social Services, Public Works, Regional Planning, Registrar-Recorder/County Clerk, Sheriff, Treasurer and Tax Collector, and Youth Development.

DAWYN R. HARRISON
County Counsel

By:
POUYA BAVAFA
Senior Deputy County Counsel
Labor & Employment Division

RDB:

ORDINANCE NO. _____

An ordinance amending Title 6 – Salaries of the Los Angeles County Code to add and establish the salary for one new unclassified classification and add, delete, and/or change certain employee classifications and number of ordinance positions in various departments as a result of the budget process for FY 2024-2025.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 6.28.050 (Tables of Classes of Positions with Salary Schedule and Level) is hereby amended to add the following class:

| ITEM NO. | TITLE | EFFECTIVE DATE | SALARY OR SALARY SCHEDULE AND LEVEL | |
|-----------------|--------------------------------------|-----------------------|--|------------|
| <u>9260</u> | <u>DIV CHIEF,PUBLIC DEFENDER(UC)</u> | <u>10/01/2024</u> * | <u>N23</u> | <u>R19</u> |
| | | | <u>N23</u> | <u>R19</u> |

*The Executive Office/Clerk of the Board of Supervisors shall insert the effective date for the salary or salary schedule and level in the space provided for the classifications added to Section 6.28.050 of the County Code.

SECTION 2. Section 6.32.010 (Agricultural Commissioner/Weights and Measures) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|---|
| 0038E | 60 | WEED & PEST ABATEMENT WORKER |

SECTION 3. Section 6.32.010 (Agricultural Commissioner/Weights and Measures) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------------------------|
| 1002A | 5 <u>6</u> | ADMINISTRATIVE SERVICES MANAGER I |
| 0004C | 30 <u>25</u> | AGRICULTURAL INSPECTOR AID |
| 4976A | 4 <u>2</u> | LABORATORY ASSISTANT |

SECTION 4. Section 6.33.010 (Alternate Public Defender) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------------|
| 9243F | 5 | SENIOR LAW CLERK |

SECTION 5. Section 6.33.010 (Alternate Public Defender) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|--|
| <u>2569A</u> | <u>1</u> | <u>INFORMATION TECHNOLOGY SPECIALIST I</u> |
| <u>2525A</u> | <u>1</u> | <u>SENIOR APPLICATION DEVELOPER</u> |

SECTION 6. Section 6.33.010 (Alternate Public Defender) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---------------------------------------|
| 9256N | 42 <u>6</u> | DEPUTY ALTERNATE PUBLIC DEFENDER III |
| 9257A | 440 <u>108</u> | DEPUTY ALTERNATE PUBLIC DEFENDER IV |
| 9258A | 48 <u>20</u> | HEAD DEPUTY,ALTERNATE PUBLIC DEFENDER |
| 2901N | 4 <u>3</u> | INVESTIGATOR II,PD |
| 2161A | 46 <u>15</u> | LEGAL OFFICE SUPPORT ASSISTANT II |
| 9232N | 3 <u>2</u> | PARALEGAL |

SECTION 7. Section 6.34.010 (Department of Animal Care and Control) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|-----------------------------------|
| <u>0887A</u> | <u>1</u> | <u>ADMINISTRATIVE ASSISTANT I</u> |

SECTION 8. Section 6.34.010 (Department of Animal Care and Control) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------------------------|
| 1002A | 6 <u>7</u> | ADMINISTRATIVE SERVICES MANAGER I |
| 2681A | 5 <u>6</u> | VOLUNTEER PROGRAMS COORDINATOR I |

SECTION 9. Section 6.36.010 (Department of Arts and Culture) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---------------------------|
| 8810A | 4 | CHIEF II,ARTS AND CULTURE |

SECTION 10. Section 6.36.010 (Department of Arts and Culture) is hereby amended to change the number of ordinance positions for the following class:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------------------------------|
| 8809A | 3 <u>4</u> | DIVISION DIRECTOR,ARTS AND CULTURE |

SECTION 11. Section 6.38.010 (Assessor) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------------------------------|
| 1003A | 5 <u>6</u> | ADMINISTRATIVE SERVICES MANAGER II |
| 1965A | 196 <u>215</u> | APPRAISER SPECIALIST I |
| 2620A | 4 <u>3</u> | DATABASE ADMINISTRATOR |
| 1881A | 4 <u>2</u> | DEPARTMENTAL CIVIL SERVICE REP |
| 4419A | 49 <u>18</u> | GEOGRAPHIC INFO SYST TECHNICIAN I |
| 1138A | 474 <u>173</u> | INTERMEDIATE CLERK |
| 2525A | 47 <u>15</u> | SENIOR APPLICATION DEVELOPER |

| | | | |
|-------|----|-----------|-----------------------|
| 2104A | 44 | <u>15</u> | SENIOR SECRETARY V |
| 1968A | 89 | <u>92</u> | SUPERVISING APPRAISER |
| 2329A | 3 | <u>2</u> | WAREHOUSE WORKER AID |

SECTION 12. Section 6.40.010 (Auditor-Controller) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---|
| 1573A | 4 | CLAIMS INVESTIGATOR II, AUDITOR-CONT |

SECTION 13. Section 6.40.010 (Auditor-Controller) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|---------------------------------------|
| <u>8258F</u> | <u>20</u> | <u>STUDENT PROFESSIONAL WORKER II</u> |

SECTION 14. Section 6.40.010 (Auditor-Controller) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------------------|
| 0647A | 22 | <u>23</u> ACCOUNTANT II |
| 0648A | 37 | <u>38</u> ACCOUNTANT III |
| 0913A | 3 | <u>2</u> STAFF ASSISTANT II |

SECTION 15. Section 6.44.010 (Department of the Board of Supervisors) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-------------------------------------|
| 1003A | 4 <u>5</u> | ADMINISTRATIVE SERVICES MANAGER II |
| 1114A | 3 <u>4</u> | ASST EXEC OFFICER,BD OF SUP(UC) |
| 2569A | 5 <u>6</u> | INFORMATION TECHNOLOGY SPECIALIST I |
| 2570A | 3 <u>4</u> | INFO TECHNOLOGY SPECIALIST II |
| 1110A | 7 <u>8</u> | PROJECT DIRECTOR,BD OF SUPVRS |
| 1100A | 43 <u>44</u> | SENIOR BOARD SPECIALIST |
| 0959A | 3 <u>4</u> | STAFF ANALYST,COMMISSION SERVS |

SECTION 16. Section 6.50.010 (Department of the Chief Executive Officer) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|--|
| 0860A | 1 | EX DIR,WOMEN & GIRLS INITIATIVE(UC) |

SECTION 17. Section 6.50.010 (Department of the Chief Executive Officer) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-------------|
| 0827A | 25 <u>27</u> | ANALYST,CEO |

| | | | |
|-------|----------------|------------|------------------------------------|
| 0834A | 40 | <u>11</u> | EMERGENCY MANAGEMENT COORD II,CEO |
| 0835A | 42 | <u>13</u> | EMERGENCY MANAGEMENT COORD III,CEO |
| 0845A | 35 | <u>38</u> | MANAGER,CEO |
| 0830A | 423 | <u>130</u> | PRINCIPAL ANALYST,CEO |
| 0829A | 80 | <u>88</u> | SENIOR ANALYST,CEO |
| 0853A | 40 | <u>11</u> | SPECIAL SERVICES ASSISTANT IV |

SECTION 18. Section 6.52.010 (Department of Medical Examiner) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------------------------------|
| 7089A | 4 | HEAD,FORENSIC AUTOPSY SUPPORT SRVS |

SECTION 19. Section 6.52.010 (Department of Medical Examiner) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|-------------------------------------|
| <u>1759A</u> | <u>1</u> | <u>EPIDEMIOLOGIST</u> |
| <u>4886A</u> | <u>1</u> | <u>MGR,AUTOPSY OPS AND SUP SRVS</u> |
| <u>0907A</u> | <u>2</u> | <u>STAFF ASSISTANT I</u> |

SECTION 20. Section 6.52.010 (Department of Medical Examiner) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|--------------------------------------|
| 1002A | 3 <u>4</u> | ADMINISTRATIVE SERVICES MANAGER I |
| 2297A | 3 <u>4</u> | EVIDENCE CUSTODIAN, MEDICAL EXAMINER |
| 2216A | 18 <u>24</u> | SENIOR TYPIST-CLERK |
| 4882A | 4 <u>2</u> | SUPERVISING FORENSIC ATTENDANT |
| 4889A | 3 <u>4</u> | SUPERVISING FORENSIC TECHNICIAN |

SECTION 21. Section 6.53.010 (Department of Children and Family Services) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-------------------------------------|
| 0888A | 19 <u>20</u> | ADMINISTRATIVE ASSISTANT II |
| 1004A | 14 <u>15</u> | ADMINISTRATIVE SERVICES MANAGER III |
| 9086A | 379 <u>387</u> | CHILDREN SERVICES ADMINISTRATOR I |
| 9087A | 100 <u>102</u> | CHILDREN SERVICES ADMINISTRATOR II |
| 8103A | 22 <u>41</u> | COMMUNITY HEALTH WORKER |
| 9179A | 496 <u>499</u> | ELIGIBILITY WORKER II |
| 8602A | 35 <u>36</u> | GROUP SUPERVISOR II |
| 2221A | 57 <u>58</u> | INTERMEDIATE SUPVGT TYPIST-CLERK |
| 1848A | 46 <u>19</u> | MANAGEMENT ANALYST |

| | | | |
|-------|----------------|------------|-------------------------------------|
| 2096A | 163 | <u>167</u> | SECRETARY III |
| 2547A | 25 | <u>26</u> | SENIOR IT TECHNICAL SUPPORT ANALYST |
| 2101A | 5 | <u>4</u> | SENIOR SECRETARY II |
| 2102A | 43 | <u>44</u> | SENIOR SECRETARY III |
| 2216A | 274 | <u>276</u> | SENIOR TYPIST-CLERK |
| 9074A | 949 | <u>951</u> | SUPVg CHILDREN'S SOCIAL WORKER |

SECTION 22. Section 6.58.010 (Aging and Disabilities Department) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|---------------------------------------|
| <u>8204N</u> | <u>4</u> | <u>COMMUNITY CENTER SPECIALIST II</u> |

SECTION 23. Section 6.58.010 (Aging and Disabilities Department) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE | |
|----------|----------------------------|-----------|--|
| 1002N | 9 | <u>10</u> | ADMINISTRATIVE SERVICES MANAGER I |
| 1848N | 48 | <u>22</u> | MANAGEMENT ANALYST |
| 9321F | 49 | <u>15</u> | NEIGHBORHOOD WORKER, SENIOR CITIZENS, NC |

SECTION 24. Section 6.59.010 (Department of Economic Opportunity) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|--|
| 0647A | 7 | <u>8</u> ACCOUNTANT II |
| 1002A | 44 | <u>13</u> ADMINISTRATIVE SERVICES MANAGER I |
| 1003A | 44 | <u>12</u> ADMINISTRATIVE SERVICES MANAGER II |
| 0752A | 2 | <u>3</u> FISCAL OFFICER I |

SECTION 25. Section 6.60.010 (Department of Consumer and Business Affairs) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|--------------------------|
| 0643A | 4 | ACCOUNTING TECHNICIAN II |

SECTION 26. Section 6.60.010 (Department of Consumer and Business Affairs) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|---------------------------------------|
| <u>0648A</u> | <u>2</u> | <u>ACCOUNTANT III</u> |
| <u>8168A</u> | <u>1</u> | <u>COMMUNITY CENTER DIRECTOR I</u> |
| <u>8204A</u> | <u>1</u> | <u>COMMUNITY CENTER SPECIALIST II</u> |
| <u>1120A</u> | <u>1</u> | <u>EXECUTIVE ASSISTANT</u> |

SECTION 27. Section 6.60.010 (Department of Consumer and Business Affairs)

is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|--|
| 1002A | 9 <u>8</u> | ADMINISTRATIVE SERVICES MANAGER I |
| 1669A | 8 <u>9</u> | CHIEF CONSUMER & BUSINESS AFFAIRS REP |
| 1663A | 44 <u>13</u> | CONSUMER & BUSINESS AFFAIRS REP II |
| 1673A | 5 <u>6</u> | DEP DIR, CONSUMER & BUSINESS AFFAIRS(UC) |
| 0977A | 2 <u>4</u> | PROGRAM MANAGER I |

SECTION 28. Section 6.64.010 (County Counsel) is hereby amended to change

the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|-----------------------------------|
| 9206A | 138 <u>143</u> | DEPUTY COUNTY COUNSEL |
| 2161A | 63 <u>64</u> | LEGAL OFFICE SUPPORT ASSISTANT II |
| 9232A | 64 <u>62</u> | PARALEGAL |
| 9207A | 228 <u>232</u> | SENIOR DEPUTY COUNTY COUNSEL |
| 9234A | 7 <u>8</u> | SUPERVISING PARALEGAL |

SECTION 29. Section 6.70.010 (District Attorney) is hereby amended to delete the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------------------------|
| 1002N | 4 | ADMINISTRATIVE SERVICES MANAGER I |
| 0977N | 4 | PROGRAM MANAGER I |

SECTION 30. Section 6.70.010 (District Attorney) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|----------------------------------|
| <u>1763A</u> | <u>1</u> | <u>DATA SCIENTIST</u> |
| <u>1765A</u> | <u>1</u> | <u>DATA SCIENTIST SUPERVISOR</u> |
| <u>1764A</u> | <u>1</u> | <u>SENIOR DATA SCIENTIST</u> |

SECTION 31. Section 6.70.010 (District Attorney) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------------------------|
| 9272A | 277 <u>265</u> | DEPUTY DISTRICT ATTORNEY II |
| 9273A | 352 <u>349</u> | DEPUTY DISTRICT ATTORNEY III |
| 9274A | 323 <u>320</u> | DEPUTY DISTRICT ATTORNEY IV |
| 2161A | 432 <u>131</u> | LEGAL OFFICE SUPPORT ASSISTANT II |

| | | | |
|-------|---------------|------------|-----------------------|
| 9232A | 90 | <u>101</u> | PARALEGAL |
| 9234A | 2 | <u>4</u> | SUPERVISING PARALEGAL |

SECTION 32. Section 6.76.010 (Fire Department - Executive) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|------------------|----------------------------|---------------------------|
| 7076A | 4 | PHOTOGRAPHER I |

SECTION 33. Section 6.76.010 (Fire Department - Executive) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|----------------------------------|
| <u>8250M</u> | <u>1</u> | <u>CAREER DEVELOPMENT INTERN</u> |

SECTION 34. Section 6.76.010 (Fire Department - Executive) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---|
| 1003A | 5 | <u>6</u> ADMINISTRATIVE SERVICES MANAGER II |
| 0684A | 5 | <u>3</u> COMPLIANCE AUDITOR |
| 1848A | 3 | <u>4</u> MANAGEMENT ANALYST |

SECTION 35. Section 6.76.011 (Fire Department - Administrative) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---------------------------|
| 8250M | 4 | CAREER DEVELOPMENT INTERN |

SECTION 36. Section 6.76.011 (Fire Department - Administrative) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------------------------------|
| 1002A | 25 <u>26</u> | ADMINISTRATIVE SERVICES MANAGER I |
| 1842A | 5 <u>7</u> | DEPARTMENTAL PERSONNEL ASSISTANT |
| 1848A | 44 | <u>13</u> |
| | | MANAGEMENT ANALYST |
| 1334A | 46 | <u>17</u> |
| | | PAYROLL CLERK II |
| 1843A | 8 | <u>11</u> |
| | | SENIOR DEPARTMENTAL PERSONNEL ASST |
| 2216A | 10 <u>9</u> | SENIOR TYPIST-CLERK |
| 1338A | 3 <u>4</u> | SUPERVISING PAYROLL CLERK I |

SECTION 37. Section 6.76.012 (Fire Department – Health Hazardous Materials) is hereby amended to change the number of ordinance positions for the following class:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------------------------|
| 4401A | 65 <u>58</u> | HAZARDOUS MATERIALS SPECIALIST II |

SECTION 38. Section 6.76.014 (Fire Department - Operations) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|--|
| <u>7495A</u> | <u>2</u> | <u>SUPERVISING HELICOPTER MECHANIC</u> |

SECTION 39. Section 6.76.014 (Fire Department - Operations) is hereby amended to change the number of ordinance positions for the following class:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|----------------------|
| 2102A | 44 <u>10</u> | SENIOR SECRETARY III |

SECTION 40. Section 6.76.015 (Fire Department - Prevention) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|------------------|-----------------------------------|----------------------------------|
| 3436A | 4 | SENIOR CIVIL ENGINEER |

SECTION 41. Section 6.76.016 (Fire Department – Special Services) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|----------------------------|
| <u>2216A</u> | <u>1</u> | <u>SENIOR TYPIST-CLERK</u> |

SECTION 42. Section 6.76.016 (Fire Department – Special Services) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|----------------------------|
| 2433A | 94 <u>98</u> | FIRE DISPATCHER II |
| 2435A | 5 <u>6</u> | FIRE DISPATCHER SPECIALIST |
| 2214A | 6 <u>5</u> | INTERMEDIATE TYPIST-CLERK |

SECTION 43. Section 6.77.010 (Department of Public Health) is hereby amended to delete the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|-------------------------------------|
| 1761F | 2 | CHIEF EPIDEMIOLOGIST |
| 5713N | 1 | CHF, HLTH FACILITIES INSPECTION DIV |
| 4614F | 3 | CONTRACT PROGRAM AUDITOR |
| 1759F | 10 | EPIDEMIOLOGIST |
| 4727F | 5 | HEALTH PROGRAM ANALYST I |
| 4731F | 5 | HEALTH PROGRAM ANALYST III |
| 5105F | 5 | LICENSED VOCATIONAL NURSE II |
| 0904F | 10 | MANAGEMENT ASSISTANT |
| 4899F | 2 | MED TECHNOLOGIST, LAB INFO SYSTEMS |
| 5121F | 2 | NURSE PRACTITIONER |
| 5214F | 5 | NURSING INSTRUCTOR |

| | | |
|-------|----|---|
| 5644F | 30 | PUBLIC HEALTH INVESTIGATOR TRAINEE |
| 8972F | 10 | RESEARCH ANALYST II,BEHAVIOR SCI |
| 4850F | 5 | SENIOR HEALTH EDUCATOR |
| 5456F | 3 | SENIOR PHYSICIAN |
| 5329F | 5 | SUPERVISING CLINIC NURSE I |
| 7142F | 4 | VIDEO PRODUCTION SPECIALIST |

SECTION 44. Section 6.77.010 (Department of Public Health) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|--|
| <u>5092N</u> | <u>3</u> | <u>CERTIFIED MEDICAL ASSISTANT</u> |
| <u>9038N</u> | <u>1</u> | <u>MENTAL HEALTH CLINICAL SUPERVISOR</u> |
| <u>5512N</u> | <u>1</u> | <u>PHARMACIST</u> |

SECTION 45. Section 6.77.010 (Department of Public Health) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------------------------------|
| 0886F | 64 <u>4</u> | ADMINISTRATIVE AID |
| 4595F | 6 <u>1</u> | ASSISTANT STAFF ANALYST,HLTH SERVS |
| 4595N | 49 <u>52</u> | ASSISTANT STAFF ANALYST,HLTH SERVS |
| 8103F | 20 <u>1</u> | COMMUNITY HEALTH WORKER |

| | | | |
|-------|---------------|-----------|-------------------------------------|
| 8103N | 68 | <u>70</u> | COMMUNITY HEALTH WORKER |
| 1763N | 3 | <u>7</u> | DATA SCIENTIST |
| 5670F | 20 | <u>1</u> | ENVIRONMENTAL HEALTH SPECIALIST I |
| 5672N | 20 | <u>22</u> | ENVIRONMENTAL HEALTH SPECIALIST III |
| 1759N | 52 | <u>54</u> | EPIDEMIOLOGIST |
| 1757F | 20 | <u>2</u> | EPIDEMIOLOGY ANALYST |
| 0750N | 5 | <u>6</u> | FINANCIAL SPECIALIST IV |
| 5707F | 20 | <u>1</u> | HEALTH FACILITIES EVALUATOR,NURSING |
| 4729A | 26 | <u>28</u> | HEALTH PROGRAM ANALYST II |
| 4729F | 5 | <u>1</u> | HEALTH PROGRAM ANALYST II |
| 4729N | 24 | <u>22</u> | HEALTH PROGRAM ANALYST II |
| 4731A | 14 | <u>12</u> | HEALTH PROGRAM ANALYST III |
| 2584N | 4 | <u>5</u> | INFORMATION TECHNOLOGY AIDE |
| 2214F | 60 | <u>3</u> | INTERMEDIATE TYPIST-CLERK |
| 5104F | 6 | <u>2</u> | LICENSED VOCATIONAL NURSE I |
| 1848A | 15 | <u>16</u> | MANAGEMENT ANALYST |
| 1848N | 29 | <u>35</u> | MANAGEMENT ANALYST |
| 5476F | 10 | <u>1</u> | PHYSICIAN SPECIALIST(NON MEGAFLEX) |
| 1762N | 2 | <u>3</u> | PREDICTIVE DATA ANALYST |
| 9035N | 2 | <u>4</u> | PSYCHIATRIC SOCIAL WORKER II |
| 5645A | 70 | <u>68</u> | PUBLIC HEALTH INVESTIGATOR |
| 5230F | 40 | <u>4</u> | PUBLIC HEALTH NURSE |

| | | | |
|-------|----------------|------------|-------------------------------------|
| 5230N | 455 | <u>158</u> | PUBLIC HEALTH NURSE |
| 5133F | 23 | <u>5</u> | REGISTERED NURSE I |
| 5134F | 43 | <u>6</u> | REGISTERED NURSE II |
| 8971F | 20 | <u>2</u> | RESEARCH ANALYST I,BEHAVIOR SCI |
| 8973A | 43 | <u>14</u> | RESEARCH ANALYST III,BEHAVIOR SCI |
| 8973F | 40 | <u>1</u> | RESEARCH ANALYST III,BEHAVIOR SCI |
| 8973N | 38 | <u>39</u> | RESEARCH ANALYST III,BEHAVIOR SCI |
| 2547N | 40 | <u>11</u> | SENIOR IT TECHNICAL SUPPORT ANALYST |
| 4594N | 28 | <u>32</u> | SENIOR STAFF ANALYST,HEALTH |
| 2216N | 118 | <u>121</u> | SENIOR TYPIST-CLERK |
| 4593F | 40 | <u>1</u> | STAFF ANALYST,HEALTH |
| 4593N | 95 | <u>106</u> | STAFF ANALYST,HEALTH |
| 0907N | 29 | <u>27</u> | STAFF ASSISTANT I |
| 1760F | 20 | <u>1</u> | SUPERVISING EPIDEMIOLOGIST |
| 5646A | 44 | <u>13</u> | SUPVVG PUBLIC HEALTH INVESTIGATOR |

SECTION 46. Section 6.78.010 (Department of Health Services - Administration)

is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|-----------------------|
| <u>7959A</u> | <u>2</u> | <u>GRAPHIC ARTIST</u> |

SECTION 47. Section 6.78.010 (Department of Health Services - Administration)

is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|------------------------------------|
| 2571A | 5 <u>6</u> | INFORMATION TECHNOLOGY MANAGER II |
| 2598A | 2 <u>3</u> | INFORMATION TECHNOLOGY SUPERVISOR |
| 5476A | 22 <u>23</u> | PHYSICIAN SPECIALIST(NON MEGAFLEX) |
| 0666A | 17 <u>18</u> | SENIOR ACCOUNTING SYSTEMS TECH |
| 7142A | 2 <u>4</u> | VIDEO PRODUCTION SPECIALIST |

SECTION 48. Section 6.78.055 (Department of Health Services – Harbor Care

South) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|------------------------------------|
| 2571A | 3 <u>2</u> | INFORMATION TECHNOLOGY MANAGER II |
| 5476A | 334 <u>340</u> | PHYSICIAN SPECIALIST(NON MEGAFLEX) |

SECTION 49. Section 6.78.060 (Department of Health Services – Los Angeles General Medical Center) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|------------------|----------------------------|---------|
| 72690 | 2 | PLUMBER |

SECTION 50. Section 6.78.060 (Department of Health Services – Los Angeles General Medical Center) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------------------------|
| 6774A | 280 <u>275</u> | CUSTODIAN |
| 2598A | 3 <u>2</u> | INFORMATION TECHNOLOGY SUPERVISOR |
| 6766A | 43 <u>11</u> | INSTITUTIONAL LABORER |
| 1138A | 374 <u>373</u> | INTERMEDIATE CLERK |
| 2214A | 459 <u>158</u> | INTERMEDIATE TYPIST-CLERK |
| 5504A | 67 <u>92</u> | PHARMACY TECHNICIAN |
| 7269A | 7 <u>9</u> | PLUMBER |

SECTION 51. Section 6.78.065 (Department of Health Services – Rancho Los Amigos) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|---------------------|
| 6774A | 62 <u>58</u> | CUSTODIAN |
| 5133A | 174 <u>173</u> | REGISTERED NURSE I |
| 5134A | 186 <u>187</u> | REGISTERED NURSE II |

SECTION 52. Section 6.78.070 (Department of Health Services – Olive View-UCLA Medical Center) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|------------------------------------|
| 5856A | 4 <u>6</u> | OCCUPATIONAL THERAPIST I |
| 5857A | 3 <u>4</u> | OCCUPATIONAL THERAPIST II |
| 5476A | 206 <u>209</u> | PHYSICIAN SPECIALIST(NON MEGAFLEX) |
| 5133A | 340 <u>341</u> | REGISTERED NURSE I |
| 5134A | 352 <u>351</u> | REGISTERED NURSE II |

SECTION 53. Section 6.78.085 (Department of Health Services – Integrated Correctional Health Services) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|---|
| <u>2591A</u> | <u>2</u> | <u>INFORMATION SYSTEMS ANALYST II</u> |
| <u>2525A</u> | <u>1</u> | <u>SENIOR APPLICATION DEVELOPER</u> |
| <u>2560A</u> | <u>1</u> | <u>SR NETWORK SYSTEMS ADMINISTRATOR</u> |

SECTION 54. Section 6.78.085 (Department of Health Services – Integrated Correctional Health Services) is hereby amended to change the number of ordinance positions for the following class:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|---------------------------------|
| 2546A | 4 <u>6</u> | IT TECHNICAL SUPPORT ANALYST II |

SECTION 55. Section 6.78.100 (Department of Health Services – Community Programs) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|---|
| <u>9194A</u> | <u>1</u> | <u>SUPVG PATIENT FIN SERVICE WORKER I</u> |

SECTION 56. Section 6.81.010 (Internal Services Department) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|----------------------------------|
| 2559A | 34 <u>30</u> | NETWORK SYSTEMS ADMINISTRATOR II |
| 2560A | 44 <u>43</u> | SR NETWORK SYSTEMS ADMINISTRATOR |

SECTION 57. Section 6.86.010 (Department of Mental Health) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|---|
| <u>5090A</u> | <u>10</u> | <u>CLINIC LICENSED VOCATIONAL NURSE I</u> |
| <u>1763A</u> | <u>2</u> | <u>DATA SCIENTIST</u> |
| <u>1765A</u> | <u>1</u> | <u>DATA SCIENTIST SUPERVISOR</u> |
| <u>7959A</u> | <u>1</u> | <u>GRAPHIC ARTIST</u> |
| <u>1416A</u> | <u>1</u> | <u>HEALTH INFORMATION ASSOCIATE</u> |
| <u>1409A</u> | <u>2</u> | <u>HEALTH INFO MANAGEMENT SUPERVISOR</u> |
| <u>1845A</u> | <u>2</u> | <u>PRIN DEPARTMENTAL PERSONNEL ASST</u> |
| <u>1764A</u> | <u>3</u> | <u>SENIOR DATA SCIENTIST</u> |
| <u>7142A</u> | <u>1</u> | <u>VIDEO PRODUCTION SPECIALIST</u> |

SECTION 58. Section 6.86.010 (Department of Mental Health) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|--|
| 0888A | 46 | <u>17</u> ADMINISTRATIVE ASSISTANT II |
| 0889A | 19 | <u>17</u> ADMINISTRATIVE ASSISTANT III |
| 1002A | 46 | <u>61</u> ADMINISTRATIVE SERVICES MANAGER I |
| 1003A | 26 | <u>29</u> ADMINISTRATIVE SERVICES MANAGER II |
| 2521A | 5 | <u>6</u> APPLICATION DEVELOPER II |
| 4595N | 4 | <u>5</u> ASSISTANT STAFF ANALYST, HLTH SERVS |
| 5064A | 17 | <u>20</u> CLINIC DRIVER |
| 5513A | 14 | <u>15</u> CLINICAL PHARMACIST |
| 8697A | 275 | <u>294</u> CLINICAL PSYCHOLOGIST II |
| 8103A | 727 | <u>751</u> COMMUNITY HEALTH WORKER |
| 0927A | 4 | <u>6</u> CREDENTIALING SPECIALIST |
| 1417A | 4 | <u>6</u> HEALTH INFORMATION TECHNICIAN |
| 4727A | 66 | <u>80</u> HEALTH PROGRAM ANALYST I |
| 4729A | 79 | <u>96</u> HEALTH PROGRAM ANALYST II |
| 4729N | 9 | <u>10</u> HEALTH PROGRAM ANALYST II |
| 4731A | 32 | <u>34</u> HEALTH PROGRAM ANALYST III |
| 2591A | 47 | <u>48</u> INFORMATION SYSTEMS ANALYST II |
| 2569A | 5 | <u>6</u> INFORMATION TECHNOLOGY SPECIALIST I |

| | | | |
|-------|----------------|-------------|-------------------------------------|
| 2214A | 498 | <u>500</u> | INTERMEDIATE TYPIST-CLERK |
| 2214N | 5 | <u>11</u> | INTERMEDIATE TYPIST-CLERK |
| 1848A | 50 | <u>57</u> | MANAGEMENT ANALYST |
| 2109A | 16 | <u>17</u> | MANAGEMENT SECRETARY III |
| 9002A | 364 | <u>434</u> | MEDICAL CASE WORKER II |
| 9038A | 329 | <u>353</u> | MENTAL HEALTH CLINICAL SUPERVISOR |
| 5278A | 192 | <u>207</u> | MENTAL HEALTH COUNSELOR,RN |
| 4740A | 39 | <u>43</u> | MENTAL HLTH PROGRAM MANAGER I |
| 4741A | 67 | <u>70</u> | MENTAL HLTH PROGRAM MANAGER II |
| 4742A | 35 | <u>38</u> | MENTAL HLTH PROGRAM MANAGER III |
| 4738A | 3 | <u>4</u> | MENTAL HLTH PROGRAM MANAGER IV |
| 4735A | 249 | <u>261</u> | MENTAL HEALTH PSYCHIATRIST |
| 8148A | 52 | <u>47</u> | MENTAL HEALTH SERVICES COORD I |
| 8149A | 59 | <u>54</u> | MENTAL HEALTH SERVICES COORD II |
| 5121A | 65 | <u>71</u> | NURSE PRACTITIONER |
| 2550A | 4 | <u>2</u> | OPERATING SYSTEMS ANALYST |
| 9193A | 102 | <u>127</u> | PATIENT FINANCIAL SERVS WORKER |
| 9193N | 2 | <u>4</u> | PATIENT FINANCIAL SERVS WORKER |
| 2526A | 3 | <u>4</u> | PRINCIPAL APPLICATION DEVELOPER |
| 2594A | 48 | <u>19</u> | PRINCIPAL INFO SYSTEMS ANALYST |
| 2552A | 4 | <u>2</u> | PRINCIPAL OPERATING SYSTEMS ANALYST |
| 9035A | 1447 | <u>1493</u> | PSYCHIATRIC SOCIAL WORKER II |

| | | | |
|-------|----------------|------------|-------------------------------------|
| 8162A | 53 | <u>55</u> | PSYCHIATRIC TECHNICIAN II |
| 8163A | 32 | <u>35</u> | PSYCHIATRIC TECHNICIAN III |
| 8973A | 6 | <u>4</u> | RESEARCH ANALYST III,BEHAVIOR SCI |
| 2096A | 78 | <u>81</u> | SECRETARY III |
| 2525A | 4 | <u>4</u> | SENIOR APPLICATION DEVELOPER |
| 8105A | 43 | <u>59</u> | SENIOR COMMUNITY HEALTH WORKER |
| 2593A | 32 | <u>33</u> | SENIOR INFORMATION SYSTEMS ANALYST |
| 2551A | 4 | <u>5</u> | SENIOR OPERATING SYSTEMS ANALYST |
| 2102A | 57 | <u>60</u> | SENIOR SECRETARY III |
| 2216A | 127 | <u>143</u> | SENIOR TYPIST-CLERK |
| 2216N | 2 | <u>3</u> | SENIOR TYPIST-CLERK |
| 1160A | 4 | <u>2</u> | SIGN LANGUAGE SPECIALIST |
| 4593N | 5 | <u>6</u> | STAFF ANALYST,HEALTH |
| 0907A | 94 | <u>97</u> | STAFF ASSISTANT I |
| 0913A | 50 | <u>53</u> | STAFF ASSISTANT II |
| 5884A | 74 | <u>83</u> | SUBSTANCE ABUSE COUNSELOR |
| 8106A | 23 | <u>33</u> | SUPERVISING COMMUNITY HEALTH WORKER |
| 4737A | 33 | <u>36</u> | SUPVVG MENTAL HEALTH PSYCHIATRIST |
| 9194A | 4 | <u>12</u> | SUPVVG PATIENT FIN SERVICE WORKER I |
| 8712A | 54 | <u>62</u> | SUPERVISING PSYCHOLOGIST |
| 1865A | 46 | <u>47</u> | TRAINING COORDINATOR,MENTAL HEALTH |
| 2201A | 2 | <u>1</u> | TRANSCRIBER TYPIST |

SECTION 59. Section 6.88.010 (Department of Military and Veterans Affairs) is

hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|--------------------------|
| <u>0907A</u> | <u>3</u> | <u>STAFF ASSISTANT I</u> |

SECTION 60. Section 6.88.010 (Department of Military and Veterans Affairs)

hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|-------------------------------|
| 8138A | 3 <u>4</u> | SUPERVISOR,VETERANS CLAIMS |
| 8142A | 8 <u>14</u> | VETERANS CLAIMS ASSISTANT III |

SECTION 61. Section 6.90.010 (Department of Museum of Art) is hereby

amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|----------------------------------|
| 9353F | 7 <u>6</u> | CARPENTER,NC |
| 8514A | 2 <u>1</u> | SENIOR CONSERVATOR,MUSEUM OF ART |
| 8440A | 3 <u>2</u> | SENIOR CURATOR,MUSEUM OF ART |

SECTION 62. Section 6.92.010 (Department of Museum of Natural History) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|--|
| <u>1001A</u> | <u>1</u> | <u>ADMINISTRATIVE DEPUTY, MUS/NAT HIST</u> |

SECTION 63. Section 6.94.010 (Department of Parks and Recreation) is hereby amended to delete the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|------------------|----------------------------|---|
| 2968H | 4 | AREA POOLS SUPERVISOR |
| 0352F | 58 | GROUNDS MAINTENANCE WORKER I |

SECTION 64. Section 6.94.010 (Department of Parks and Recreation) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------------------------------|
| 2948H | 235 <u>227</u> | LAKE LIFEGUARD, PARKS & RECREATION |
| 8737F | 225 <u>207</u> | LOCKER ROOM ATTENDANT |
| 2964H | 594 <u>548</u> | POOL LIFEGUARD |
| 2966H | 405 <u>89</u> | POOL MANAGER |
| 2949A | 22 <u>23</u> | SENIOR LAKE LIFEGUARD, PARKS & REC |
| 2965H | 89 <u>73</u> | SENIOR POOL LIFEGUARD |

SECTION 65. Section 6.102.010 (Justice, Care and Opportunities Department) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|-------------------------------|
| 1059A | 4 | ADMINISTRATIVE DEPUTY III(UC) |

SECTION 66. Section 6.102.010 (Justice, Care and Opportunities Department) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|--|
| <u>1007A</u> | <u>1</u> | <u>ADMINISTRATIVE SERVICES DIV MGR</u> |
| <u>3072A</u> | <u>1</u> | <u>CHIEF DEPUTY DIRECTOR,JCOD(UC)</u> |
| <u>3060A</u> | <u>8</u> | <u>JUSTICE PROGRAM ANALYST</u> |
| <u>3059A</u> | <u>8</u> | <u>JUSTICE PROGRAM ASSOCIATE</u> |
| <u>3062A</u> | <u>1</u> | <u>JUSTICE PROGRAM DIRECTOR</u> |
| <u>3061A</u> | <u>4</u> | <u>JUSTICE PROGRAM SR ANALYST</u> |
| <u>4740A</u> | <u>1</u> | <u>MENTAL HEALTH PROGRAM MANAGER I</u> |
| <u>1607A</u> | <u>1</u> | <u>PUBLIC INFORMATION ASSOCIATE</u> |
| <u>8106A</u> | <u>1</u> | <u>SUPERVISING COMMUNITY HEALTH WORKER</u> |

SECTION 67. Section 6.104.010 (Public Defender - Administration) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|-------------------------------|
| <u>1610A</u> | <u>1</u> | <u>COMMUNICATIONS MANAGER</u> |
| <u>7959A</u> | <u>1</u> | <u>GRAPHIC ARTIST</u> |

SECTION 68. Section 6.104.010 (Public Defender - Administration) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|----------------------------------|
| 9251N | 24 <u>21</u> | DEPUTY PUBLIC DEFENDER III |
| 9259A | 4 <u>3</u> | DIVISION CHIEF, PUBLIC DEFENDER |
| 2559A | 2 <u>3</u> | NETWORK SYSTEMS ADMINISTRATOR II |
| 9232A | 37 <u>41</u> | PARALEGAL |
| 9232N | 16 <u>14</u> | PARALEGAL |
| 9035N | 44 <u>13</u> | PSYCHIATRIC SOCIAL WORKER II |
| 2525A | 3 <u>4</u> | SENIOR APPLICATION DEVELOPER |

SECTION 69. Section 6.108.010 (Department of Public Social Services) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|---------------------------------------|
| <u>2611A</u> | <u>1</u> | <u>DEPTL INFO SECURITY OFFICER I</u> |
| <u>8258F</u> | <u>1</u> | <u>STUDENT PROFESSIONAL WORKER II</u> |

SECTION 70. Section 6.108.010 (Department of Public Social Services) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-------------------------------------|
| 7976A | 9 <u>10</u> | ADMINISTRATIVE INVESTIGATOR,PSS |
| 1003A | 50 <u>51</u> | ADMINISTRATIVE SERVICES MANAGER II |
| 1182A | 49 <u>50</u> | CHIEF CLERK |
| 4229A | 45 <u>44</u> | CONTRACT PROGRAM MONITOR |
| 1907A | 4 <u>7</u> | DEPARTMENTAL EMPLOYEE RELATIONS REP |
| 8022A | 83 <u>85</u> | HUMAN SERVICES ADMINISTRATOR II |
| 8023A | 74 <u>75</u> | HUMAN SERVICES ADMINISTRATOR III |
| 2591A | 55 <u>53</u> | INFORMATION SYSTEMS ANALYST II |
| 2565A | 42 <u>11</u> | INFORMATION TECHNOLOGY MANAGER I |
| 2603A | 2 <u>3</u> | IT SECURITY SPECIALIST |
| 2214A | 4842 <u>1837</u> | INTERMEDIATE TYPIST-CLERK |
| 1848A | 420 <u>122</u> | MANAGEMENT ANALYST |

| | | | |
|-------|-----|------------|-------------------------------------|
| 7980A | 244 | <u>247</u> | PROGRAM ASSISTANT,PSS |
| 2097A | 74 | <u>75</u> | SECRETARY IV |
| 2593A | 43 | <u>39</u> | SENIOR INFORMATION SYSTEMS ANALYST |
| 2547A | 44 | <u>15</u> | SENIOR IT TECHNICAL SUPPORT ANALYST |
| 9058A | 105 | <u>117</u> | SOCIAL SERVICES SUPERVISOR |
| 9051A | 838 | <u>939</u> | SOCIAL WORKER |
| 0918A | 155 | <u>152</u> | STAFF ASSISTANT,PSS |
| 1174A | 168 | <u>171</u> | SUPERVISING CLERK |

SECTION 71. Section 6.109.010 (Department of Public Works) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|--|
| 7065A | 4 | PHOTOCOPY MACHINE OPERATOR II |

SECTION 72. Section 6.109.010 (Department of Public Works) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---------------------------------|
| 4195A | 6 | <u>5</u> CONSTRUCTION INSPECTOR |
| 6492A | 30 | <u>31</u> ELECTRO-MECHANIC |
| 3608A | 25 | <u>24</u> ENGINEERING AID III |
| 3438A | 40 | <u>41</u> PRINCIPAL ENGINEER |

| | | | |
|-------|---------------|-----------|-------------------------------------|
| 2097A | 45 | <u>46</u> | SECRETARY IV |
| 3660A | 35 | <u>34</u> | SENIOR CIVIL ENGINEERING TECHNICIAN |
| 2331A | 8 | <u>7</u> | WAREHOUSE WORKER I |
| 7849A | 34 | <u>32</u> | WATER SERVICE WORKER |

SECTION 73. Section 6.112.010 (Department of Regional Planning) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---|
| 1861A | 4 | STAFF DEVELOPMENT SPECIALIST |

SECTION 74. Section 6.112.010 (Department of Regional Planning) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|--|
| 1002A | 3 | <u>4</u> ADMINISTRATIVE SERVICES MANAGER I |
| 1848A | 4 | <u>2</u> MANAGEMENT ANALYST |
| 2216A | 16 | <u>15</u> SENIOR TYPIST-CLERK |

SECTION 75. Section 6.114.010 (Registrar-Recorder/County Clerk) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------|
| 1624A | 4 | PROGRAM ANALYST |

SECTION 76. Section 6.114.010 (Registrar-Recorder/County Clerk) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|---|
| <u>2574A</u> | <u>1</u> | <u>INFORMATION TECHNOLOGY MANAGER III</u> |

SECTION 77. Section 6.114.010 (Registrar-Recorder/County Clerk) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-------------------------|
| 9304H | 1058 <u>934</u> | CLERK,NC |
| 9312H | 595 <u>635</u> | ELECTION ASSISTANT I,NC |

SECTION 78. Section 6.120.010 (Sheriff - Administration) is hereby amended to delete the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---------------------------------------|
| 0887A | 4 | ADMINISTRATIVE ASSISTANT I |

| | | |
|-------|---|-------------------------------------|
| 0889N | 4 | ADMINISTRATIVE ASSISTANT III |
| 6774A | 4 | CUSTODIAN |
| 1881A | 4 | DEPARTMENTAL CIVIL SERVICE REP |
| 1907A | 2 | DEPARTMENTAL EMPLOYEE RELATIONS REP |
| 7964A | 1 | GRAPHIC ARTS COORDINATOR, SHERIFF |
| 7962A | 2 | GRAPHIC ARTS SPECIALIST |
| 7198A | 4 | STATIONARY ENGINEER II |
| 0898A | 4 | SUPVG ADMINISTRATIVE ASSISTANT III |
| 2201A | 4 | TRANSCRIBER TYPIST |

SECTION 79. Section 6.120.010 (Sheriff - Administration) is hereby amended to change the number of ordinance positions for the following class:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|----------------|
| 2708A | 424 <u>127</u> | DEPUTY SHERIFF |

SECTION 80. Section 6.120.011 (Sheriff – Court Services) is hereby amended to delete the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---------------------------|
| 1138A | 4 | INTERMEDIATE CLERK |
| 2172A | 4 | INTERMEDIATE STENOGRAPHER |

SECTION 81. Section 6.120.012 (Sheriff - Custody) is hereby amended to delete the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-------------------------------------|
| 6887A | 4 | ASST MGR, LAUNDRY SERVICES, SHERIFF |
| 6053N | 4 | COMBINATION TRUCK DRIVER |
| 6875N | 4 | LAUNDRY SUPERVISOR I |
| 4160A | 4 | SIGN LANGUAGE SPECIALIST |

SECTION 82. Section 6.120.012 (Sheriff - Custody) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------|
| 6774A | 27 <u>41</u> | CUSTODIAN |
| 2719A | 402 <u>103</u> | LIEUTENANT |
| 2717A | 329 <u>333</u> | SERGEANT |

SECTION 83. Section 6.120.013 (Sheriff – Detective Services) is hereby amended to delete the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|-----------------------------|
| 0888N | 4 | ADMINISTRATIVE ASSISTANT II |
| 2472N | 2 | INTERMEDIATE STENOGRAPHER |

SECTION 84. Section 6.120.013 (Sheriff – Detective Services) is hereby amended to add the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|--------------|----------------------------|--|
| <u>7964A</u> | <u>1</u> | <u>GRAPHIC ARTS COORDINATOR, SHERIFF</u> |
| <u>7962A</u> | <u>2</u> | <u>GRAPHIC ARTS SPECIALIST</u> |

SECTION 85. Section 6.120.013 (Sheriff – Detective Services) is hereby amended to change the number of ordinance positions for the following class:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|---------------------------|
| 2214N | 2 <u>1</u> | INTERMEDIATE TYPIST-CLERK |

SECTION 86. Section 6.120.014 (Sheriff – General Support Services) is hereby amended to delete the following classes and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|----------|----------------------------|------------------------------------|
| 0889A | 4 | ADMINISTRATIVE ASSISTANT III |
| 8697A | 5 | CLINICAL PSYCHOLOGIST II |
| 2301A | 2 | EVIDENCE & PROP CUSTODIAN II, SHER |
| 2214N | 4 | INTERMEDIATE TYPIST-CLERK |

SECTION 87. Section 6.120.014 (Sheriff – General Support Services) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|----------------|
| 2708A | 235 <u>229</u> | DEPUTY SHERIFF |
| 7269A | 28 <u>38</u> | PLUMBER |

SECTION 88. Section 6.120.016 (Sheriff – County Services) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|--------------|
| 2719A | 49 <u>18</u> | LIEUTENANT |
| 2717A | 97 <u>96</u> | SERGEANT |

SECTION 89. Section 6.120.018 (Sheriff – Patrol Clearing Account) is hereby amended to delete the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|-------------------|
| 1352A | 2 | STATISTICAL CLERK |

SECTION 90. Section 6.120.018 (Sheriff – Patrol Clearing Account) is hereby amended to change the number of ordinance positions for the following class:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|----------------|
| 2708A | 3664 <u>3662</u> | DEPUTY SHERIFF |

SECTION 91. Section 6.123.010 (Department of Youth Development) is hereby amended to change the number of ordinance positions for the following class:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|------------------------------|
| 8298A | 7 <u>8</u> | YOUTH DEVELOPMENT AMBASSADOR |

SECTION 92. Section 6.126.010 (Treasurer and Tax Collector) is hereby amended to add the following class and number of ordinance positions:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|--------------------------------------|
| <u>2587A</u> | <u>2</u> | <u>INFO TECH BUSINESS ANALYST II</u> |

SECTION 93. Section 6.126.010 (Treasurer and Tax Collector) is hereby amended to change the number of ordinance positions for the following classes:

| ITEM NO. | NO. OF ORDINANCE POSITIONS | TITLE |
|-----------------|-----------------------------------|------------------------------------|
| 1003A | 5 <u>6</u> | ADMINISTRATIVE SERVICES MANAGER II |
| 0527A | 44 <u>15</u> | ASSISTANT OPERATIONS CHIEF, TTC |

| | | | |
|-------|---------------|-----------|---------------------------------|
| 1539A | 24 | <u>21</u> | DELINQUENT ACCOUNT INVESTIGATOR |
| 0532A | 7 | <u>8</u> | OPERATIONS CHIEF, TTC |
| 0487A | 2 | <u>3</u> | PRINCIPAL CASH SYSTEMS ANALYST |
| 1541A | 6 | <u>5</u> | SUPVGR DELINQUENT ACCOUNT INVES |
| 1367A | 63 | <u>62</u> | TAX SERVICES CLERK II |

SECTION 94. Pursuant to Government Code section 25123(f), this ordinance shall take effect immediately upon final passage. If this ordinance becomes effective before July 1, 2024, it shall be construed and applied as if it were effective and operative on and after July 1, 2024. If this ordinance becomes effective after July 1, 2024, it shall be construed and applied as if it were effective and operative on and after July 1, 2024.

[FY2024-25RECOMMBUDGASCEO]

DIVISION CHIEF, PUBLIC DEFENDER (UC)

Class Code: 9260

DEFINITION/STANDARDS:

DEFINITION:

Has immediate charge of a legal division or multiple units in the Office of the Public Defender.

CLASSIFICATION STANDARDS:

Positions allocable to this class report directly to the Chief Deputy or an Assistant Public Defender. Incumbents have administrative and technical responsibility over the operation of one or more major divisions within the Office of the Public Defender.

EXAMPLES OF DUTIES:

Plans, assigns, directs, and evaluates the work of one of the major divisions within the Office of the Public Defender, including but not limited to the Juvenile Division, Training Division, and Strategic Communications. Directs and participates in the development of divisional policies and procedures and ensures their implementation and uniform application throughout the division. Makes informed recommendations on departmental policies. Participates in the annual budget process by identifying the immediate personnel, space, equipment, and material needs of the division and providing compelling justifications to Chief Deputy or Assistant Public Defender. Anticipates emergent and future needs of the division resulting from new legislation or policy and recommends mitigating measures. Coordinates the work of the division with the courts and other divisions within the department. Confers with the head deputies of branch offices or sections regarding the preparation and defense of difficult or high-profile cases. Confers with judges, attorneys, representatives of law enforcement agencies, public officials, community groups, and other stakeholders on matters related to the work of the division. Resolves difficult or controversial legal problems.

Juvenile Division:

Provides leadership direction over the administration and operations of the Juvenile Division, including the functional areas of Juvenile Operations, External Stakeholder Engagement, and Miranda Duty Oversight.

Through the Head Deputies, directs the work and activity of all staff assigned to the Juvenile Division. Spearheads the development and maintenance of strategic relationships with community and justice stakeholders, community service providers, and federal, state, and local agencies.

Represents the Department in collaborations with juvenile justice stakeholder, such as the Probation Oversight Committee, Juvenile Justice Coordinating Council (JJCC), Juvenile Justice Crime Prevention Act (JJCPA), and JJCC Data Ad Hoc Committees.

Strategic Communications:

Provides direction over the administration and operations of the Strategic Communications Division which is comprised of the Appellate, Employee Relations, and Communications Units.

Appellate

Provides direction to the Head Deputy of the Appellate Unit on high-level appellate matters.

Directs the application of various policies and legal analysis on pending and active post-conviction cases handled by Appellate.

Advises departmental leadership on legal advocacy matters relevant to the Office of the Public Defender. Collaborates with CEO, the Board of Supervisors, and public defense associations on legislative advocacy.

Employee Relations

Provides direction to the Head Deputy over the Employee Relations (ER) Unit and directs matters regarding performance management and progressive discipline of all employee groups, sensitive issues involving managers, and ER matters that are brought before the Civil Service Commission.

Oversees pending litigation involving the Department and Public Records Act (PRA) and determines the impact of disclosure on the Department's ongoing litigation and employee relations matters.

Assesses departmental risks and presents recommendations to the Department's executive leadership team.

Directs matters concerning disputes with labor groups, including negotiations over collective bargaining agreements. Serves as the lead executive manager on high-profile issues requiring consultations or negotiations with labor groups, leads joint labor-management discussions, represents the department in arbitration and mediation meetings, and confers with the Chief Executive Office, County Counsel, and outside counsel on labor law issues.

Communications Unit

Oversees the operations and activities of the Communications Unit through the Communications Manager. Develops and maintains strategic relationships with the Board of Supervisors, federal, state, and local agencies, and the media.

Directs the information campaign strategy of the department. Coordinates with the Public Defender, Chief Deputy, Chief of Staff, and departmental leadership on internal and external communications strategies.

Represents the department in discussions with the Board of Supervisors and other government leaders on the communication strategy over select issues relevant to the Office of the Public Defender.

Training Division:

Provides executive leadership over the administration and operations of the Training Division.

Plans and organizes training programs. Analyzes training needs and objectives, identifies skill gaps and training priorities, and oversees the development of new training programs and revision of existing training curriculum.

Oversees employee training, collaborates with managers to identify specific training needs and provide training solutions that align with departmental objectives, coordinates program changes with the executive management.

Evaluates training effectiveness by collecting feedback and conducting post-training evaluations. Establishes key performance indicators to determine the impact of training on employee performance.

Manages and allocates the Department's training budget, negotiates with external training vendors, and seeks cost-effective training solutions.

Monitors industry trends on training techniques and methodologies and explores new approaches to ensure the training's relevance.

Ensures departmental compliance with countywide training requirements and Mandatory Continuing Legal Education (MCLE) training requirements. Identifies strategies to increase compliance.

Negotiates the terms of membership agreements with criminal defense associations.

REQUIREMENTS:

MINIMUM REQUIREMENTS:

TRAINING AND EXPERIENCE:

One year of experience as a Head Deputy Public Defender in the service of the County of Los Angeles -
OR - Two years of experience supervising and directing a branch office or major legal section of a public
defense agency in a management capacity.

LICENSE:

Admission to practice law in all courts in California. A valid California Class C Driver License or the ability
to utilize an alternative method of transportation when needed to carry out job-related essential functions.

PHYSICAL CLASS:

2 - Light.

OTHER REQUIREMENTS:

SPECIALTY REQUIREMENTS: COMMENTS:

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

| | | |
|---|--|--|
| CLUSTER AGENDA REVIEW DATE | 5/22/2024 | |
| BOARD MEETING DATE | 6/4/2024 | |
| SUPERVISORIAL DISTRICT AFFECTED | <input type="checkbox"/> All <input type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th | |
| DEPARTMENT(S) | Chief Executive Office | |
| SUBJECT | Vermont Corridor Site 2 Renovation Project Establishment and Related Actions | |
| PROGRAM | Vermont Corridor Site 2 Project | |
| AUTHORIZES DELEGATED AUTHORITY TO DEPT | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| SOLE SOURCE CONTRACT | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: | |
| SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable | |
| DEADLINES/ TIME CONSTRAINTS | Yes | |
| COST & FUNDING | Total cost: \$263,000,000 | Funding source: \$260,000,000 Bonds \$3,000,000 prior year net County cost |
| | TERMS (if applicable): N/A | |
| | Explanation: N/A | |
| PURPOSE OF REQUEST | <p>The proposed Vermont Corridor Site 2 Renovation Project is intended to reduce the County's lease footprint by relocating departments from leased facilities to a County-owned facility and revitalize and upgrade a deteriorated County asset in a transit-oriented location. The recommendations relate to proposed renovation of the County-owned property and financing of the project. The Guaranteed Maximum Price of the renovation is \$210M, with issuance of Bonds in an aggregate principal amount not to exceed \$260M. An additional \$3M of prior year net County cost is included for County project management, Counsel fees, and soils remediation (if required). Upon completion of negotiations, the Ground and Facilities Lease Agreements and any ancillary documents will be signed.</p> | |
| BACKGROUND (include internal/external issues that may exist including any related motions) | <p>On June 14, 2022, the Board adopted a change in scope of development for Site 2 from mixed-use, market-rate housing to an approximately 243,000-square-foot County administrative office building by renovating and expanding the County-owned and vacated former Department of Mental Health headquarters, located at 550 South Vermont Avenue; and demolishing the vacated former Department of Workforce Development Aging and Community Services headquarters, located at 3175 West 6th Street and the adjacent two-story parking structure. Furthermore, authorized the Chief Executive Officer to execute a Pre-Development Agreement with Los Angeles County Facilities 2, Inc.</p> | |
| EQUITY INDEX OR LENS WAS UTILIZED | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: | |
| SUPPORTS ONE OF THE NINE BOARD PRIORITIES | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how: | |
| DEPARTMENTAL CONTACTS | Name, Title, Phone # & Email: Matthew Diaz, Manager, (213) 974-4260, mdiaz@ceo.lacounty.gov Katrin Aslanian-Vartan, Principal Analyst, (213) 974-1461, kaslanian-vartan@ceo.lacounty.gov John Patterson, Senior Finance Analyst, (213) 584-1089, jpatterson@ttc.lacounty.gov | |



**Chief
Executive
Office.**

COUNTY OF LOS ANGELES

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

CHIEF EXECUTIVE OFFICERS

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

June 4, 2024

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

Dear Supervisors:

**VERMONT CORRIDOR SITE 2 RENOVATION PROJECT:
PROJECT ESTABLISHMENT AND RELATED ACTIONS,
CERTIFY AN ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT,
AUTHORIZE GROUND LEASE AND FACILITIES LEASE AGREEMENTS,
INTRODUCE AN ORDINANCE AUTHORIZING A PUBLIC LEASEBACK,
ADOPT RESOLUTION AUTHORIZING ISSUANCE OF BONDS,
AND AUTHORIZE AN APPROPRIATION ADJUSTMENT
FISCAL YEAR 2023-24
(SECOND DISTRICT) (4-VOTES)**

SUBJECT

Adoption of the recommendations in this letter relate to the proposed development of County-owned property in the area known as the Vermont Corridor, located on and around South Vermont Avenue between 4th and 6th Streets in the City of Los Angeles.

Specifically, this letter recommends actions to certify an Addendum to the Final Environmental Impact Report (FEIR) for the Vermont Corridor Project; authorize the Vermont Corridor Site 2 Renovation project (Project) and establish the Vermont Corridor Site 2 Renovation, Capital Project No. 87802 (CP No. 87802); introduce an ordinance authorizing execution of the proposed Ground Lease and Facilities Lease Agreements (Lease Agreements) for the proposed approximately 243,000-square-foot County administrative office building to be built by renovating and expanding the vacated former Department of Mental Health (DMH) headquarters,

located at 550 South Vermont Avenue, and demolishing the existing four-story, 52,000-square-foot, vacated former Department of Workforce Development, Aging and Community Services (WDACS) headquarters, located at 3175 West 6th Street (collectively, Site 2) to serve as a County administration office building including public serving uses and ancillary retail; and authorize the execution, upon completion of negotiations, of the proposed Lease Agreements, including any ancillary documents. This letter also authorizes an appropriation adjustment for Project costs to be funded directly by the County; adopts the resolution authorizing the issuance of tax-exempt and federally taxable bonds by Los Angeles County Facilities 2 Inc. (LACF2), on behalf of the County; authorizes the Chief Executive Officer, or her designee, to take all related actions to implement and lease the Project; and determine the Project to be deemed a "Covered Project" under the County's current Community Workforce Agreement (CWA).

IT IS RECOMMENDED THAT THE BOARD:

1. Certify that the Addendum to the previously certified Environmental Impact Report (EIR) for the adopted Vermont Corridor Project has been completed in compliance with the California Environmental Quality Act (CEQA) and reflects the independent judgment and analysis of the County; find that the Board has reviewed and considered the information contained in the Addendum together with the previously certified FEIR, prior to authorizing the project described herein, and authorize the Addendum.
2. Authorize the proposed Project at Site 2 and establish the Vermont Corridor Site 2 Renovation, CP No. 87802, to fund project costs that are directly funded by the County, for owner's representative/project management services, legal services, and potential soil remediation activities.
3. Authorize the proposed Lease Agreements for Site 2, in substantially the forms enclosed hereto, pursuant to which the County will lease and leaseback properties located at 550 South Vermont Avenue and 3175 West 6th Street, for the financing and renovation of an approximately 243,000-square-foot office building to serve as a County administration office building including public serving uses and ancillary retail, and delegate authority to the Chief Executive Officer, or her designee, to execute the proposed Lease Agreements for Site 2 between the County and LACF2, including any ancillary documents and to execute any future amendments to the agreements thereto that may be necessary to implement the terms set forth therein, subject County Counsel clearance as to form.
4. Authorize an appropriation adjustment transferring \$500,000 from the completed Vermont Corridor County Administration Building, CP No. 69950, and \$2,500,000 from the Various Refurbishment Mitigation/Remediation, CP No. 86612, to the

Vermont Corridor Site 2 Renovation, CP No. 87802, for owner's representative/project management services, legal services, and potential soil remediation activities.

5. Introduce, waive reading, and place on the agenda for adoption, the enclosed ordinance authorizing the public leaseback transaction contemplated by the proposed Lease Agreements for Site 2 pursuant to Government Code Section 54241.
6. Adopt a resolution authorizing the financing plan for the proposed Site 2 Project and the issuance and sale of bonds on a tax-exempt and federally taxable basis by LACF2, on behalf of the County, to finance the proposed Site 2 Project costs with a Guaranteed Maximum Price (GMP) of \$210,000,000, plus capitalized interest and costs of issuance for the transaction in an aggregate principal amount not to exceed \$260,000,000 and authorize the County to accept title to Site 2 and any improvements thereon upon payment or defeasance in full of such bonds.
7. Authorize the Chief Executive Officer, or her designee, to execute any additional transactional documents cleared as to form by County Counsel and take any other actions and execute any other documents cleared as to form by County Counsel consistent with, and/or necessary for the implementation of the foregoing recommended actions.
8. Determine at the Board's discretion, that the Project shall be deemed a "Covered Project" to which the County's current CWA shall apply.
9. Authorize TCLA Development, Inc. (TCLA, aka Trammell Crow Company) to perform all administrative duties of the County that is required to be performed by the CWA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will certify the Addendum to the previously certified EIR for the Vermont Corridor Project; authorize the renovation and expansion of the County-owned and vacated former DMH headquarters, located at 550 South Vermont Avenue; authorize demolition of the vacated former WDACS headquarters, located at 3175 West 6th Street and adjacent two-story parking structure; establish the capital project; authorize execution of the proposed Lease Agreements for Site 2 and related financing documents to facilitate the financing of the renovation of Site 2; authorize an appropriation adjustment to fund County's Site 2 Project expenses; introduce an ordinance authorizing the public leaseback, adopt a resolution authorizing the financing plan for Site 2, the issuance and sale of bonds, and authorize the Chief Executive Officer, or her designee, to execute any transactional documents necessary for the proposed Site 2 project, and determine the Project "Covered Project" under the County's current CWA.

Background

The proposed Site 2 Project is within an area designated as the Vermont Corridor, which is an approximately 12-mile segment between Hollywood Boulevard and 120th Street. The Vermont Corridor is home to multiple businesses and connects to several bus and Metro rail lines making it a key transit center. The genesis of the redevelopment of the County-owned properties within the Vermont Corridor area was because of the degraded conditions of the buildings and associated impacts on County staff and operations, and contribution to blight within the general area. Redevelopment of the County-owned parcels in a transit-oriented location makes it ideal for County staff commuting to work.

On January 28, 2014, the Board adopted a motion to begin predevelopment activities for several County-owned buildings in the Vermont Corridor, specifically at the following locations:

- Site 1: 510, 526, 532 South Vermont Avenue and 523 Shatto Place
- Site 2: 550 South Vermont Avenue and 3175 West 6th Street
- Site 3: 433 South Vermont Avenue

Following issuance of a Request for Proposals in August 2015 and on August 9, 2016, the Board authorized the County to proceed with predevelopment activities and start negotiations with Los Angeles County Facilities Inc., for a new, approximately 400,000-square-foot DMH headquarters facility at 510 South Vermont Avenue, and construction of a new parking structure at 523 Shatto Place (Site 1), to enter into negotiations in the future with TCLA for the development of the mixed-use, market-rate housing at 550 South Vermont and 3175 West 6th Street (Site 2), and affordable senior housing at 433 South Vermont Avenue (Site 3).

On May 22, 2018, the Board certified the FEIR for all three sites and introduced an ordinance for adoption authorizing execution of the Lease Agreements for Site 1. To date, both Sites 1 and 3 have been developed. The Site 1 project was delivered on schedule and substantially under budget, which highlights the effectiveness and prudence of the County's delivery approach through the Public-Private Partnership process. On October 7, 2021, a Certificate of Occupancy was issued for Site 1. The building is currently occupied by DMH, Departments of Children and Family Services, Human Resources Exam Unit, Economic Opportunity, and Aging and Disabilities, Second District area office, and the Executive Office's Human Immunodeficiency Virus and Human Relations Commissions. With the increase in teleworking, additional County departments and entities were able to occupy the building beyond what was initially proposed for Site 1. In March 2023, a Temporary Certificate of Occupancy was issued for Site 3. The development provides 72 units of high-quality affordable housing for seniors, with 50 percent of those units being available for the most vulnerable seniors, 116 underground parking spaces, and a community recreation center.

On June 14, 2022, the Board adopted a change in scope of development for Site 2 from mixed-use, market-rate housing to an approximately 243,000-square-foot County administrative office building by renovating and expanding the County-owned and vacated former DMH headquarters, located at 550 South Vermont Avenue; and demolishing the vacated former WDACS headquarters, located at 3175 West 6th Street and the adjacent two-story parking structure. The proposed County administrative office building will replace more than 200,000 square feet of County leased space within three miles of the Project with termination dates within a year of the projected completion of Site 2. There are also current and forthcoming challenges with some of the existing leases that would preclude the County from future extensions, such as the landlord's desire to convert existing office space to residential, and/or the County's desire to vacate leases. Additionally, with the shift of the work environment to a hybrid of in-person and telework for various County departments, this relocation will allow the newly relocated programs the opportunity to effectively plan, manage, and maintain office space and staff presence. Furthermore, the Board designated the Chief Executive Office (CEO) to manage the pre-development and oversee the development of Site 2, and authorized the Chief Executive Officer, or her designee, to negotiate and execute a Pre-Development Agreement with LACF2.

Proposed Project

The proposed Project is intended to reduce the County's lease footprint by relocating departments from leased facilities to a County-owned facility. It will also revitalize and upgrade a deteriorated County asset in a transit-oriented location. Collapsing existing leases and relocating those programs into Site 2 will significantly offset the debt service costs for the proposed development.

The proposed Project will upgrade the former vacated DMH headquarters building to current seismic and building code standards. The scope includes a new building façade, mechanical, electrical, plumbing, and fire life safety infrastructure, and interior improvements, as well as retrofitting the structural system and exterior site improvements. The renovation will include extending the floorplate of the existing approximately 154,793-square-foot building to add approximately 88,340 square feet of new occupiable space. Parking for the proposed Site 2 administrative office building is available within the newly constructed parking structure as part of Site 1, and approximately 10 new spaces will be added in front of the proposed Site 2 administrative office building.

Retail Component

Approximately 2,000 square feet of ground level retail space has been identified along Vermont Avenue and 6th Street within Site 2. Leasing and management of the retail space will be contracted by LACF2 to third parties on behalf of the County. The County will have the right to direct the operation and use of the retail space including the selection

of specific retailers. The retail component will activate the corner of Vermont Avenue and 6th Street and create job opportunities for the local community. Rent received from the retail space, less management fees, will be used to pay the debt service. This ground level retail space will be accessible not only to Site 2 tenant departments but also to the community, including County administrative staff located at Site 1.

Proposed Tenants

Although Site 1 is a non-public facing County administrative building, Site 2 will contain a variety of public facing and Countywide functions, some of which have been traditionally difficult to place given their operations. When complete, the renovated Site 2 will house the following County departments and associated programs relocating from current leased spaces:

- Department of Public Health
 - Relocating from 600 South Commonwealth Avenue, Los Angeles: Division of Human Immunodeficiency Virus and Sexually Transmitted Diseases Programs, Emergency Response and Preparedness Division, Office for Advancement of Early Care and Education, Organizational Development Training, and Health Facilities Inspection Division
 - Relocating from 3530 Wilshire Boulevard, Los Angeles: Chronic Disease and Injury Prevention and Oral Health
- Department of Children and Family Services
 - Relocating from 501 Shatto Place, Los Angeles: Human Resources Administrative Team, Payroll, Personnel Processing, Risk Management, Health and Safety, Performance Management
- DMH
 - Relocating from 5601 East Slauson Avenue, Los Angeles: Human Resources Division
- Department of Public Social Services
 - Relocating from 2415 West 6th Street, Los Angeles, or 2601 Wilshire Boulevard, Los Angeles: General Relief/Cal-Fresh Services
- Executive Office of the Board
 - Relocating from 350 South Figueroa Street, Los Angeles: Sheriff Civilian Oversight Commission

Bond Financing

LACF2 is a California nonprofit public benefit corporation and an organization described under section 501(c)(3) of the Internal Revenue Code of 1986. Replicating the successful financing model of Site 1, LACF2 proposes to issue bonds, in one or more series and on a tax-exempt and/or taxable bases, on behalf of the County, to be designated as the

Los Angeles County Facilities 2 Inc., Lease Revenue Bonds, Series 2024 (Vermont Corridor Site 2 County Administration Building) (Bonds).

The Bonds will be issued in accordance with the guidelines set forth in Revenue Ruling 63-20 of the United States Treasury, as amended and updated by Revenue Procedure 82-26 (Revenue Procedure). As issuer of the Bonds, LACF2 will hold the obligation to pay debt service. The form of the Site 2 Lease Agreements must be adopted by the Board through adoption of the enclosed ordinance to allow the financing process to proceed.

Pursuant to Revenue Ruling 63-20, as amended and updated by the Revenue Procedure, bonds issued by a nonprofit corporation organized under the laws of the State of California in order to finance facilities in the State of California may qualify as tax-exempt obligations upon compliance with the requirements set forth in the Revenue Procedure. LACF2 has been formed as a nonprofit public benefit corporation for purposes including, but not limited to, designing, developing, permitting, constructing, and equipping an office building and associated improvements for use by the County.

Ground Lease and Facilities Lease Agreements

Since the County owns the land on which Site 2 will be developed, the County will enter into a proposed Ground Lease Agreement (Enclosure A) of Site 2 with LACF2.

LACF2 proposes to enter into a proposed Facilities Lease Agreement (Facilities Lease) (Enclosure B) under which LACF2 will undertake the Site 2 development and leaseback the premises to the County and payments by the County of rent under the Facilities Lease will be used to pay debt service on the Bonds. Under the financing structure, the County will be the 100 percent master tenant of the building pursuant to the Facilities Lease and will receive title to the building following the full repayment of the Bonds in Fiscal Year 2056-57. Upon the date the Bonds are no longer outstanding, LACF2 will convey the building to the County for no additional consideration, and the Lease Agreements shall both terminate. The County will have the right at any time to prepay the rent due under the Facilities Lease and purchase the building by depositing an amount sufficient to redeem or defease the Bonds with the trustee for the Bonds in accordance with the Indenture for the Bonds.

Since the proposed lease and sublease transactions pursuant to the Lease Agreements constitute a public leaseback between the County and LACF2, Government Code Section 54241 requires that the action be authorized by an ordinance (Enclosure C).

LACF2 proposes to enter into a Development Agreement (Enclosure D) with TCLA to develop, oversee, and manage the design, permitting, construction, and equipping of a turnkey office building. The pricing for the proposed Site 2 development has been

established by using the facility's design documents to create the developer GMP of \$210,000,000.

The relationship between LACF2 and TCLA is one of owner and developer. TCLA as the developer is under contract to LACF2 to manage the proposed Project's development, including guaranteeing that it will be constructed as designed and completed on time and within budget. The benefit of this project delivery method is that the County will receive a turnkey, state-of-the-art office building under a financed purchase. By having LACF2 and TCLA assume the responsibility for developing and delivering the proposed Project to the County for occupancy, the County is shielded from cost overruns and other construction related delays as the County is not a party to any of the construction agreements, with the exception of any costs and delays associated with site conditions due to the County's ownership of Site 2. Normally, developers own or acquire a site for a proposed development and retain the liability of any unforeseen site conditions. Since the County owns the parcels proposed for development, it would retain any liabilities associated with them. Authorization of the proposed appropriation adjustment will transfer sufficient funds into CP No. 87802, for site conditions/remediation, should it be required.

Under the GMP, TCLA is at risk for all costs exceeding the amount included in the budget related to unforeseen items, except for site remediation. Due to the County's ownership of the land, the County maintains exposure from site remediation costs should they exceed the budgeted amount in the GMP, which is \$1,000,000.

Green Building/Sustainable Design Program

Site 2 development will comply with the Leadership in Energy and Environmental Design Gold policy and the Board's policy for Green Building/Sustainable Design Program by incorporating energy and water conservation features including, but not limited to, the use of drought tolerant and water efficient native landscaping, on-site stormwater design, energy efficient glass and aluminum fins to provide shading and to reduce energy demands, and use of recycled and regionally sourced materials.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Goal III, Realizing Tomorrow's Government Today; Strategy III.3.2. – Manage and Maximize County Assets; and Strategy III.3.6 – Implement a Workplace of the Future.

FISCAL IMPACT/FINANCING

The proposed Site 2 development will be financed using tax-exempt and/or federally taxable Bonds issued by LACF2, on behalf of the County, to fund all project costs, capitalized interest, and costs of issuance. The County has funded \$6,591,000 for the Pre-Development Agreement and related legal costs, and upon authorization of the proposed appropriation adjustment (Enclosure E) \$500,000 will be transferred from the completed Vermont Corridor County Administration Building, CP No. 69950, to CP No. 87802. An additional \$2,500,000 will be transferred from the Various Refurbishment Mitigation/Remediation, CP No. 86612, to CP No. 87802, to address site conditions/remediation activities that go beyond the amount included in the GMP. CP No. 87802 will also be used to fund owner's representative/project management services, and legal expenses.

Based on current market conditions, the County expects to issue the Bonds in an aggregate principal amount not to exceed \$260,000,000, the proceeds of which will be used to finance the \$210,000,000 GMP cost of construction of the Site 2, plus capitalized interest and the costs of issuance for this financing.

The County is obligated under the Facilities Lease to begin making base rental payments in Fiscal Year 2026-27, upon substantial completion of the Project, which will be used to make debt service payments on the Bonds. Based on current interest rates in the municipal bond market, the total debt service cost of the Bonds is estimated to be \$461,661,000, with a maximum annual debt service cost of \$14,210,000 and an average annual debt service costs of \$14,025,000, with a final maturity of June 1, 2057. The actual debt service cost of the Bonds will be based on market interest rates on the day of pricing, which is currently scheduled for August 2024.

The annual operational cost of the new building is estimated at \$3,800,000 (subject to cost-of-living adjustments) including capital reserve and will be paid to LACF2 by the County in the form of Additional Rent. Proposed tenant departments will fund their pro-rata portion of base rent and operational costs. Proposed tenants will pay approximately \$14,100,000 of reallocated lease payments and financial contributions significantly offsetting the estimated maximum annual debt service plus operational costs of approximately \$18,010,000, leaving a balance of roughly \$3,910,000 to be covered by ongoing net County cost. The \$3,910,000 ongoing net County cost has been included in the County's multi-year forecast.

Estimated Borrowing Costs

The Resolution (Enclosure F) being presented to the Board requires the Bonds to be issued at a true interest cost not to exceed 6.0 percent. Based on the current interest rate environment, the actual borrowing costs would be significantly lower, resulting in a

true interest cost of approximately 4.52 percent. The debt service costs during the construction phase (comprised of interest only) will be funded with the Bond proceeds deposited in a capitalized interest account maintained with U.S. Bank Trust Company National Association, the third-party Trustee for the Bonds. After substantial completion of Site 2, the debt service costs will be funded through base rental payments, including rent from the retail component, from the County to LACF2. All County base rent payments and operational costs will flow to U.S. Bank Trust Company National Association, as Trustee.

Following the issuance of the Bonds in August 2024, the Treasurer and Tax Collector will inform the Board of the final debt service obligations via memorandum.

Financing Team

If no satisfactory bids are received in response to a notice of public sale to be published by LACF2, the Treasurer and Tax Collector is recommending the Bonds to be sold on a negotiated basis, with Barclays serving as the senior-managing underwriter. The County, in conjunction with LACF2; has selected Orrick, Herrington & Sutcliffe LLP to serve as Bond Counsel; Hawkins Delafield & Wood LLP to serve as Disclosure Counsel; and Montague DeRose and Associates, LLC to be the Municipal Advisor for the transaction. Loeb & Loeb will represent the County as external counsel for this financing. U.S. Bank National Association will be appointed as the Trustee for the Bonds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On July 11, 2022, the predevelopment phase began with the execution of the Pre-Development Agreement with LACF2. To date, the proposed County tenants and CEO have worked with the developer to design the proposed Project and establish a GMP. The GMP ensures the County will receive a high-quality sustainable, Leadership in Energy and Environmental Design Gold-rated design at a not-to-exceed cost and protects against change order risk, except as it relates to costs associated with the site conditions. TCLA has engaged consultants to complete all project entitlements for the proposed Project as well as environmental review and CEQA documentation has been prepared under the oversight of the County.

The proposed Lease Agreements for Site 2 are authorized by Government Code Section 25351 et seq. and 25536(c), which allow the County to construct, expand, lease, build, rebuild, furnish, refurbish, or repair public buildings as necessary to carry out the work of the County.

The Intergovernmental General Plan Consistency consultation for the Project pursuant to Government Code Section 65402 has been completed with the City of Los Angeles, which provided its clearance on June 3, 2023.

The proposed Facilities Lease includes County policy requirements for compliance with the Local and Targeted Worker Hiring, Civic Art, and other applicable County policies.

Effective June 7, 2023, the Countywide CWA applies to County delivered projects with an estimated construction contract value of \$5 million or greater. While the CWA does not extend to non-County delivered projects, such as Public Private Partnership projects, it is at the Board's discretion to include such projects as a "Covered Project" under the Countywide CWA. Therefore, upon approval of this letter and associated recommendations, the CWA will apply to this project. The contractor and all subcontractors must comply with all terms and conditions of the Countywide CWA which, among other things, increases work opportunities for those seeking to start a new career in the construction industry and promotes the hiring of underrepresented individuals on the project.

ENVIRONMENTAL DOCUMENTATION

A FEIR for the Vermont Corridor Project was prepared by the County as lead agency and was certified by the Board of Supervisors on May 22, 2018. The previously certified FEIR is on file with the Los Angeles County Development Authority for the Vermont Corridor Project. The Addendum is on file with the CEO Asset Management Branch.

Under section 15164 of the State CEQA Guidelines, an Addendum ([Final Vermont Site 2 Addendum](#)) to a previously certified EIR may be prepared if none of the conditions described in State CEQA Guidelines Section 15162 calling for preparation of a Subsequent EIR have occurred. The Addendum to the FEIR was prepared for the proposed changes to the previously analyzed project, in compliance with CEQA Guidelines Sections 15164(a) and 15162 and with CEQA Section 21166.

The Addendum to the Certified EIR analyzed proposed modifications (previously defined as the "Project") to the original Vermont Corridor Project. In the Certified EIR the proposed scope of the adopted project was mixed-use, market-rate housing, and the current proposed scope is development of an approximately 243,000-square-foot County administrative office building. The proposed changes do not meet the criteria for a supplemental or subsequent EIR because none of the circumstances under State CEQA Guidelines Section 15162 and CEQA Section 21166 have occurred. Specifically, the Addendum demonstrates that:

The proposed Project does not involve substantial changes to the original Vermont Corridor Project that would require major revisions to the Certified EIR due to new significant impacts or substantially more severe significant impacts; none of the conditions requiring preparation of a subsequent analysis are applicable. Based on this information, it was determined that preparation of a subsequent EIR was not required. The Mitigation Monitoring and Reporting Program, Findings of Fact and Statement of Overriding Considerations, as adopted with the project at the time of EIR certification will continue to apply.

The required fee, if any, to the California Department of Fish and Wildlife was paid for the previously Certified EIR.

The Addendum, EIR, and related documents are available and can be viewed at 500 West Temple Street, Room 754, Los Angeles (for the Addendum) and 700 West Main Street, Alhambra (for the EIR). Also, the electronic version of the EIR and the Addendum are available at the following links: [123005.pdf \(lacounty.gov\)](#) and [\(Final Vermont Site 2 Addendum\)](#), respectively. The location of the documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is at 500 West Temple Street, Room 754, Los Angeles. The custodian of such documents and materials is the Los Angeles County CEO Asset Management Branch.

Upon the Board's authorization of the recommended actions, CEO will file a Notice of Determination with the Registrar-Recorder/County Clerk and with the State Clearinghouse in accordance with section 21152 of the California Public Resources Code and will post the Notice to the County's website in accordance with section 21092.2.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

From Bond closing date to completion of construction, the proposed Project is anticipated to span 31 months. During construction of Site 2, proposed tenant department services will not be interrupted, as the departments will remain in their current leased facilities until completion of Site 2.

The Honorable Board of Supervisors
June 4, 2024
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CONCLUSION

Upon Board adoption and financing of the proposed Site 2 Project, building permits will be obtained and construction will subsequently commence.

Please return one adopted copy of this Board letter to the CEO, Capital Programs Division.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:JTC
VBM:MJD:KAV:er

Enclosures

- c: Executive Office, Board of Supervisors
- County Counsel
- Auditor-Controller
- Children and Family Services
- Economic Opportunity
- Mental Health
- Public Health
- Public Social Services
- Treasurer and Tax Collector

ENCLOSURE A

GROUND LEASE AGREEMENT

between

**COUNTY OF LOS ANGELES,
a body corporate and politic**

and

**LOS ANGELES COUNTY FACILITIES 2 INC.,
a California nonprofit public benefit corporation**

Dated as of _____, 2024

**Vermont Corridor Site 2
Los Angeles, California**

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GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this “**Ground Lease**”) is dated for reference purposes as of _____, 2024, and is made by and between the **COUNTY OF LOS ANGELES**, a body corporate and politic (“**County**”), and **LOS ANGELES COUNTY FACILITIES 2 INC.**, a California nonprofit public benefit corporation (“**LACF2**”). County and LACF2 are each occasionally referred to herein as a “**Party**” or collectively as the “**Parties.**”

RECITALS

A. County is the owner of certain real property in the City of Los Angeles, County of Los Angeles, California, the address of which is 550 South Vermont Avenue and 3175 West 6th Street and which is legally described on the attached Exhibit A (collectively, the “**Ground Lease Premises**”).

B. LACF2 is a California nonprofit public benefit corporation established exclusively for purposes and activities that are permitted under Section 501(c)(3) of the Internal Revenue Code of 1986 (the “**Code**”). In particular, LACF2 has been formed for the purposes of (i) assisting in the erection and maintenance of public buildings, monuments, facilities, housing, or works, (ii) combatting community deterioration and carrying out neighborhood revitalization and community economic development by receiving and administering funds exclusively for educational and charitable purposes, (iii) promoting social welfare and education through cooperative programs with governmental entities, (iv) undertaking activities which lessen the burdens of government, and (v) carrying on other charitable activities associated with the foregoing purposes as allowed by law.

C. Pursuant to California Government Code Sections 25351 and 25536(c), County desires to lease the Ground Lease Premises to LACF2 pursuant to this Ground Lease, and for LACF2 to undertake a project consisting of (i) the design, development, permitting, and construction of improvements and installation of furniture, fixtures and equipment on the Land consisting of renovation and expansion of the existing office building comprised of (a) approximately 154,793 gross square feet of existing space renovated to Class A office space, including two ground floor retail spaces of approximately 1,000 square feet each, (b) an extension of the existing building floorplates to include an additional approximately 88,340 gross square feet of new Class A office space, for a total of approximately 243,133 gross square feet of Class A Office Space, (c) approximately 12,050 gross square feet of renovated subterranean back-of-house support space, and (d) an elevated pedestrian walkway connecting the existing office building to the terrace level of the neighboring office building commonly known as 510 South Vermont Avenue (the “**Pedestrian Skybridge**”) ((a), (b), (c), and (d) collectively, the “**Office Building**”), (ii) a nonexclusive right to use a minimum of six hundred (600) parking spaces in the parking garage located at 523 Shatto Place (the “**Garage**”), (iii) approximately 10 surface parking spots (“**Surface Parking Spaces**”) and landscaping located on the Land; and (iv) demolition of the existing 52,000 square foot former Department of Workforce and Development, Aging and Community Service Building and adjacent two-story parking structure located on the Land (collectively, the “**Project**”).

D. LACF2 will sublease the Ground Lease Premises and the Project to be constructed thereon to County pursuant to that certain Facilities Lease, between LACF2 as sublandlord and County as subtenant, of even date herewith (the “**Facilities Lease**”), the form of which is attached as Exhibit B. The design and construction of the Project is more particularly described in the Facilities Lease. Under the Facilities Lease, the Project is to be delivered in “turnkey condition.”

E. TC LA Development, Inc., a Delaware corporation (“**TCLA**”), is a national real estate development firm with experience in the oversight and management of design, permit processing and construction of office buildings. Pursuant to a County solicitation issued on August 18, 2015, County selected TCLA to be the developer of the Project. Accordingly, LACF2 will engage TCLA to oversee and manage certain construction and development activities for the Project pursuant to a separate development management agreement (the “**Development Agreement**”) of even date herewith between LACF2 and TCLA, in the form attached as Exhibit C.

F. Financing for the Project shall be from the proceeds of tax-exempt and taxable obligations issued by LACF2, with the tax-exempt obligations to be issued in accordance with the provisions of the Internal Revenue Service Revenue Ruling 63-20, as amended and updated by Internal Revenue Service Revenue Procedure 82-26 (the “**Bonds**”). 63-20 Bonds are tax-exempt bonds issued by a nonprofit organization on behalf of a government entity to finance a public facility.

G. All capitalized terms used but not defined in this Ground Lease shall have the meaning given to them in the Facilities Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Parties agree as follows:

1. Demise.

1.1 Demise. In consideration of the rents, covenants and agreements contained in this Ground Lease, County hereby leases the Ground Lease Premises to LACF2, and LACF2 hereby leases the Ground Lease Premises from County upon and subject to the conditions set forth in this Ground Lease.

1.2 Use of the Ground Lease Premises. The Ground Lease Premises shall be used and occupied only for the purpose of the development, construction, operation, use, repair, and maintenance of the Project pursuant to the terms and conditions of this Ground Lease, the Facilities Lease and all Applicable Laws (collectively, the “**Permitted Uses**”). The Parties agree that the explicit purpose of this Ground Lease is to allow for the County’s occupancy of the Project pursuant to the Facilities Lease; consequently, LACF2 shall not use or permit the Ground Lease Premises to be used for any purpose other than the Permitted Uses without the prior written approval of County, which County may grant, withhold or condition at its sole and absolute discretion.

1.3 Applicable Laws. “**Applicable Laws**” means all of the following, even if unforeseen or extraordinary, to the extent affecting any of, (a) LACF2, its members, owners, shareholders, officers, employees, contractors, consultants, agents, customers, guests, or invitees, Litera Compare Redline of 238359363v5 and 238359363v7

(b) County, its board members, officers, employees, contractors, consultants, agents, customers, guests, or invitees, (c) TCLA, its members, owners, shareholders, officers, employees, contractors, consultants, agents, customers, guests, or invitees, (d) all or any portion of the Ground Lease Premises, or (e) the use, occupancy, possession, construction, operation, maintenance, improvement, alteration, repair, or restoration of any portion of the Project: (x) all present and future laws, statutes, requirements, ordinances, orders, judgments, regulations, resolutions, covenants, restrictions, or administrative or judicial determinations of every governmental authority and of every court or agency claiming jurisdiction over LACF2, County, TCLA, the Project, or the Ground Lease Premises or matters set forth clauses (a) through (e), above, whether enacted or in effect as of the Effective Date or thereafter, including, but not limited to, California Labor Code §§ 1720 *et seq.*, environmental laws, zoning laws, building codes and regulations and those laws relating to accessibility to, usability by, and discrimination against, disabled individuals; and (y) all covenants, restrictions, and conditions of record affecting the Ground Lease Premises from time to time.

1.4 Prohibited Uses.

1.4.1 Nuisance. LACF2 shall not conduct or permit to be conducted any private or public nuisance on or about the Ground Lease Premises or the Project, nor commit any waste thereon. No rubbish, trash, waste, residue, brush, graffiti, weeds or undergrowth or debris of any kind or character shall ever be placed or permitted to accumulate upon any portion of the Ground Lease Premises or the Project, except for trash collected in appropriate receptacles intended for such purposes, nor shall any portion of the Ground Lease Premises or Project be permitted to be operated or maintained in a manner that renders the Ground Lease Premises or Project a fire hazard or other hazard to public safety.

1.4.2 Restrictions and Prohibited Uses. Without expanding upon or enlarging the Permitted Uses of the Ground Lease Premises and Project expressly set forth in Section 1.2, the following uses of the Ground Lease Premises and the Project are expressly prohibited:

1.4.2.1 The Ground Lease Premises and Project shall not be used or developed in any way which violates any Applicable Laws.

1.4.2.2 The Ground Lease Premises and Project shall not be used or developed in any way in a manner inconsistent with the Permitted Uses. Without limiting the foregoing, no part of the Ground Lease Premises shall be used by any person for any adult entertainment purposes, as such term refers to graphic, explicit and/or obscene depictions of sexual activity.

1.4.2.3 The Project shall at all times be kept in good condition and repair consistent with the requirements of this Ground Lease and the Facilities Lease.

1.4.2.4 No condition shall be permitted to exist upon the Ground Lease Premises or Project which induces, breeds or harbors infectious plant diseases, rodents or noxious insects, excessive noise or excessive waste of utilities for a construction project of the size and character of the Project, and LACF2 shall take

such measures as are appropriate to prevent any conditions from existing on the Ground Lease Premises or Project which create a danger to the health or safety of any persons occupying, using, working at, or patronizing the Ground Lease Premises or Project.

1.4.2.5 No tools, equipment, or other structure designed for use in boring for water, oil, gas or other subterranean minerals or other substances, or designed for use in any mining operation or exploration, shall hereafter be erected or placed upon or adjacent to the Ground Lease Premises, except (a) as is necessary to allow LACF2 to perform its maintenance and repair obligations pursuant to this Ground Lease, and (b) for such boring or drilling as necessary to perform water testing or monitoring, or any dewatering program to relieve soil water pressure.

1.4.2.6 No adverse environmental condition in violation of Applicable Laws shall be permitted to exist on or in any portion of the Ground Lease Premises or the Project, nor shall any Hazardous Substances be permitted to be generated, treated, stored, released, disposed of, or otherwise deposited in or on, or allowed to emanate from, the Ground Lease Premises, the Project or any portion thereof.

Notwithstanding the foregoing, County acknowledges that County shall be subject to the same prohibited use restrictions in the Facilities Lease, and in the event that County violates such prohibited use restrictions, LACF2 shall not be in default under the Ground Lease.

1.5 Access and Utilities. As reasonably required for the use or occupancy of the Ground Leased Premises or the adjacent lands of County, County and LACF2 shall cooperate regarding the provision of reciprocal temporary and permanent pedestrian, vehicular, and utility access easements to, from, over, and under the Ground Leased Premises and the Project to, from, over, and under adjacent lands of County. County and LACF2 shall execute such instruments as may be necessary to provide for such pedestrian, vehicular, and utility access easements at no additional cost to LACF2 and agree to cooperate in the location thereof.

1.6 Leasehold Title Insurance. The leasehold interest in the Ground Lease Premises granted to LACF2 by County shall be subject only to (a) those easements and reservations of rights set forth in Section 1.5 and (b) those permitted exceptions set forth in the attached Exhibit D. The leasehold interest shall be insured by a CLTA title policy issued by Commonwealth Title Company ([_____], title officer), and the cost of the policy of title insurance shall be a cost of the Project.

2. Term.

2.1 Term. The term (the “**Term**”) of this Ground Lease shall commence on the date on which this Ground Lease is fully executed, acknowledged and delivered by LACF2 and County (the “**Effective Date**”) and, unless such term is extended, shall terminate on the earlier of (a) _____ [FINAL MATURITY DATE OF THE BONDS] and (b) the date that the Bonds are no longer Outstanding (as defined in the Indenture of Trust, dated for reference purposes as of [_____, 2024], between LACF2 and Trustee (the “**Indenture**”)) and the Project has been conveyed by LACF2 to County as set forth in the applicable provisions of the Facilities Lease.

Notwithstanding the foregoing, if on the Expiration Date of the Facilities Lease, the total Base Rent (as defined in the Facilities Lease) otherwise payable has not been fully paid as a result of an Abatement of Rent (as defined in the Facilities Lease) and the Bonds remain Outstanding, then, as provided in the Facilities Lease, the term of the Facilities Lease shall be extended until the total Base Rent otherwise payable thereunder shall be fully paid or such earlier time as the Bonds are no longer Outstanding; provided, however, that such extension shall not exceed ten (10) years. In the event of such an extension, the Term of this Ground Lease shall be deemed extended for the same period of time that the term of the Facilities Lease is extended.

3. Rent. LACF2 shall pay to County as rent for the Term the sum of \$1.00 payable in advance on or before the first day of the Term. In addition, only to the extent that County has paid current all amounts of Additional Rent owed under the Facilities Lease, then LACF2 shall also be required to make the following additional payments:

3.1 Net Lease. The Parties acknowledge that the rent to be paid by LACF2 under this Ground Lease is intended to be absolutely net to County. LACF2 shall be solely responsible for all capital costs (including, without limitation, all structural and roof repairs or replacements) and operating expenses attributable to the operation and maintenance of the Ground Lease Premises and the Project, including without limitation the parking areas included within the Ground Lease Premises.

3.2 Utilities. LACF2 shall pay or cause to be paid all utility and service charges for furnishing water, power, sewage disposal, light, telephone service, garbage and trash collection, and all other utilities and services, to the Ground Lease Premises and the Project, in addition to costs to bring said utilities to the Ground Lease Premises, unless otherwise provided in the Facilities Lease.

3.3 Taxes and Assessments. LACF2 agrees to pay before delinquency all lawful taxes, assessments, fees, or charges which at any time may be levied by the state, County, city or any tax or assessment levying body upon any interest in this Ground Lease or any possessory right which LACF2 may have in or to the Ground Lease Premises or the Project for any reason, as well as all taxes, assessments, fees, and charges on goods, merchandise, fixtures, appliances, equipment, and property owned by it in, on or about the Ground Lease Premises; provided, however, LACF2 shall not be liable for, and shall have no obligation to pay, real property taxes that accrue against the Ground Lease Premises or the Project from and after the Effective Date through and including the day immediately preceding the Rent Commencement Date (as such term is defined in the Facilities Lease) and County shall be solely responsible for payment of any such real property taxes. LACF2's obligation to pay taxes and assessments hereunder shall include but is not limited to the obligation to pay any taxes and/or assessments, or increases in taxes and/or assessments arising as a result of the making of this Ground Lease or the construction of the Project. LACF2 shall have the right to contest the amount of any assessment imposed against the Ground Lease Premises, the Project or the possessory interest therein; provided, however, the entire expense of any such contest (including interest and penalties which may accrue in respect of such taxes) shall be the responsibility of LACF2.

The Parties acknowledge that under certain circumstances the Ground Lease Premises may be subject to possessory interest taxes, and that such taxes shall be paid by LACF2 within the

proper timeframe so as not to be delinquent. This statement is intended to comply with Section 107.6 of the Revenue and Taxation Code. LACF2 shall include a statement in any sublease (other than the Facilities Lease) to the effect that the interests created therein are derived from LACF2's interest under this Ground Lease and that LACF2's interest requires the payment of a possessory interest tax.

LACF2 shall apply for and use commercially reasonable efforts to obtain and maintain, effective from and after the Effective Date and continuing throughout the Term, the Welfare Exemption from property taxes, as set forth in Section 214 of the Revenue and Taxation Code, or any successor statute, for the Ground Lease Premises and the Project. County shall reasonably cooperate with LACF2's efforts described in the immediately-preceding sentence.

4. Development of Project.

4.1 Construction. In accordance with the Facilities Lease, this Ground Lease and all Applicable Laws, LACF2 shall cause the Project to be constructed and developed on the Ground Lease Premises. LACF2 shall not develop or construct on the Ground Lease Premises any improvements except as set forth in the Facilities Lease.

4.2 Pre-Construction Activities. Following the issuance of the Bonds and after delivery of the Notice to Proceed (as defined in the Development Agreement) by LACF2 to TCLA, without a requirement of notice by County, LACF2 shall, pursuant to the Development Agreement, cause TCLA to ensure, at its sole cost and expense, that the Ground Lease Premises are secured and kept free of any trespassers or other non-permitted occupiers, illegal activities, graffiti, trash, or any other conditions that could pose a threat to public health, safety or order, other otherwise create a nuisance. Notwithstanding the foregoing, upon notification by County or any other governmental agency having jurisdiction over the Premises, LACF2 shall promptly cause TCLA to take corrective actions to cure an of the foregoing conditions.

4.3 Ownership of the Project. During the Term, the Project together with any other improvements permitted under this Ground Lease and the Facilities Lease shall be owned by LACF2. However, LACF2 shall have no ownership interest in the Ground Lease Premises other than its leasehold interest under this Ground Lease. Notwithstanding the foregoing, the Parties intend that the separation of the title to the Ground Lease Premises from the title to the Project shall not change the character of the Project as real property.

4.3.1 No Conveyance of the Project. During the term of this Ground Lease, the Project shall not be conveyed, transferred or assigned except that a lien may be granted by LACF2 under the terms of a Leasehold Mortgage (as defined in the Facilities Lease) for the benefit of the trustee for the Bonds, as further described in the Indenture. In its capacity as the beneficiary of the Leasehold Mortgage, the trustee for the Bonds is hereafter referred to as the "**Leasehold Mortgagee**." At all times, the owner of the leasehold interest under this Ground Lease shall also be the owner of the Project. Any attempted conveyance, transfer or assignment, whether voluntarily or by operation of law or otherwise, to any person or entity not in compliance with the preceding sentence shall be void and of no effect whatsoever.

4.3.2 Vesting of the Project in County. Upon the date the Bonds are no longer Outstanding, all of LACF2's right, title and interest in and to the improvements constructed pursuant to the Project shall terminate and title to the Project shall automatically vest in County and the Project shall be surrendered by LACF2 to County. No further deed or other instrument shall be necessary to confirm the vesting in County of title to the Project; however, LACF2 shall upon request of the County and in a timely manner, execute, acknowledge and deliver to County a quitclaim deed to convey all of LACF2's leasehold interest in the Ground Lease Premises and its ownership of the Project and any other improvements constructed by LACF2 on the Ground Lease Premises to County and to confirm that title to the Project has vested in County.

5. Condition of the Ground Lease Premises.

5.1 "As Is". LACF2 accepts the Ground Lease Premises "as is" in its existing condition to the extent provided in this Section 5.1, and LACF2 shall cause any environmental remediation contemplated in the approved Project Budget (as defined in the Development Agreement) to be completed at the Ground Lease Premises (the "**Environmental Work**") in accordance with Applicable Laws. Other than the completion of the Environmental Work, County shall be solely responsible for all claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the presence, release or disposal of Hazardous Substances that (i) were present in the soil, groundwater, soil vapor, or anywhere on, in, or under the Ground Lease Premises as of the Effective Date, including but not limited to Hazardous Substances located within the existing improvements located on the Ground Lease Premises as of the Effective Date; (ii) are at any time present on any adjacent property owned or controlled by County and which result in contamination of the Ground Lease Premises; or (iii) contaminate the Ground Lease Premises as a result of the act or omission of County or the act or omission of any party for which County is liable. County's obligation shall include any costs of investigation or remediation of such toxic or hazard substances that may be required by any federal, state or local government agency. County shall not be responsible for any claims, judgments, damages, penalties, fines, expenses, liabilities, or losses relating to the release or disposal of Hazardous Substances on the Ground Lease Premises during construction of the Project (other than County's obligations with respect to Hazardous Substances located on, in, or under the Ground Lease Premises as of the Effective Date set forth in the preceding sentence) or at any other time during the Term by LACF2 or the act or omission of LACF2's contractors or their subcontractors or any other party for which LACF2 is liable, and the responsibility for the same shall remain with LACF2.

5.2 "Hazardous Substances." "**Hazardous Substances**" means the following: (a) petroleum, any petroleum by-products, waste oil, crude oil or natural gas; (b) any material, waste or substance that is or contains asbestos or polychlorinated biphenyls, or is radioactive; any medical waste; and (c) any substance, product, waste or other material of any nature whatsoever which is or becomes defined, listed or regulated as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "solid waste," "radioactive material," or similarly defined substance pursuant to any Applicable Laws, including the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*; the California Health & Safety Code and all other analogous State of California and local statutes, ordinances and regulations, including, without

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limitation, any dealing with underground storage tanks; provided, however, “Hazardous Substances” shall not include any of the foregoing materials or substances described above that are of the types and in quantities customarily used in the ordinary course of construction, occupancy or operation of office buildings similar to the Project, including, without limitation, in the ordinary course of delivering medical care in accordance with generally accepted standard practices, consisting of (i) office, cleaning, building maintenance, and construction materials and supplies used in reasonable quantities and in the ordinary course of the construction, occupancy or operation of the Project, and (ii) gasoline or diesel fuel in the tanks of automobiles and other machines located on the Ground Lease Premises (whether during construction or otherwise); but only so long as, in the case of (i) and (ii), they are always stored, maintained, used and disposed of in compliance with all Applicable Laws.

5.3 County’s Right to Inspect. County shall have the right to inspect the Ground Lease Premises at any time.

6. Liens; Security Interest.

6.1 Leasehold Mortgage. Except for the Leasehold Mortgage, to be granted by LACF2 to the Leasehold Mortgagee as security for the Bonds to be issued to finance the Project or as otherwise specifically approved in writing by County, LACF2 shall not directly or indirectly create or permit to be created or to remain, and will discharge, any mortgage, lien, security interest, encumbrance or charge on the Ground Lease Premises, the Project or any part thereof or on LACF2’s interest therein.

6.2 Protection of Leasehold Mortgagee. For so long as the Leasehold Mortgage remains in force and effect the following provisions shall apply:

6.2.1 Notice of Default. County upon serving LACF2 any notice of default pursuant to the provisions of this Ground Lease shall also serve a copy of such notice upon Leasehold Mortgagee at the address set forth in Section 14 or as subsequently provided in writing by Leasehold Mortgagee to County pursuant to the notice provisions set forth in Section 14. No notice to LACF2 under this Ground Lease shall be deemed to have been duly given unless and until a copy thereof has been provided to such Leasehold Mortgagee in accordance with Section 14. From and after the date such notice has been given to Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period, after the giving of such notice upon it, for remedying any default or acts or omissions which are the subject matter of such notice, or causing the same to be remedied, as is given LACF2 after the giving of such notice to LACF2 under this Ground Lease, plus in each instance the additional periods of time specified in Sections 6.2.2 and 6.2.3 to remedy, commence remedying or cause to be remedied, the defaults or acts or omissions which are specified in such notice.

6.2.2 Right to Cure. Leasehold Mortgagee shall have the right, but not the obligation, to remedy such default or cause the same to be remedied for a period of ninety (90) days after the expiration of LACF2’s cure period, if any, provided under this Ground Lease, for LACF2 to remedy same, and County shall accept such performance by or at the instance of Leasehold Mortgagee as if the same had been made by LACF2.

6.2.3 Extended Cure Period. If a non-monetary default is reasonably susceptible of cure, but cannot reasonably be remedied within ninety (90) days after receipt of notice of default, then, so long as the cure for any non-monetary default under this Ground Lease has commenced within ninety (90) days after receipt of notice of default, and is thereafter diligently and in good faith continuously prosecuted to completion, the cure period will be extended. Such cure period shall include any time required to obtain possession of the Ground Lease Premises by foreclosure of the Leasehold Mortgage or by other appropriate means by reasonable diligence, or until such earlier time as all defaults of LACF2 are cured. Nothing in this Section 6.2.3, however, shall be construed to extend this Ground Lease beyond the Term, nor to require a Leasehold Mortgagee to continue such foreclosure proceedings after all defaults are cured.

6.2.4 New Ground Lease. In the event of the termination of this Ground Lease prior to the expiration of the Term for any reason, including a termination by reason of a bankruptcy by LACF2, County shall provide the Leasehold Mortgagee written notice that the Ground Lease has been terminated together with a statement of any and all sums which would at the time be due under this Ground Lease but for such termination and of all other defaults, if any, under this Ground Lease then known to County. Leasehold Mortgagee shall thereupon have the option, but shall in no event be obligated, to obtain a new lease in accordance with and upon compliance with each of the following terms and conditions:

6.2.4.1 Leasehold Mortgagee shall, within sixty (60) days following receipt of written notice of termination of this Ground Lease, provide written notice to County that it desires to enter into a new lease of the Ground Lease Premises with County; and

6.2.4.2 County and Leasehold Mortgagee shall enter into a new lease within thirty (30) days after County's receipt of notice under Section 6.2.4.1, which shall be effective as of the date of the termination of this Ground Lease and shall be for the remainder of the Term of this Ground Lease and at the Rent and upon all other terms, covenants and conditions as this Ground Lease (excluding requirements which are inapplicable or have already been fulfilled).

6.2.5 Notices. Any notice or other communication which County shall desire or is required to give or serve upon Leasehold Mortgagee shall be in writing and shall be provided in accordance with Section 14. Any notice or other communication which such Leasehold Mortgagee shall desire or is required to give or serve upon County shall be in writing and shall be provided in accordance with Section 14.

6.2.6 Amendments. No agreement between County and LACF2 modifying, canceling or surrendering this Ground Lease shall be effective without (a) the prior written consent of the Trustee in accordance with Section 9.07 of the Indenture and (b) a Favorable Opinion of Bond Counsel (as defined in the Indenture) delivered to the Trustee.

6.2.7 Insurance Clauses. If required by Leasehold Mortgagee, Leasehold Mortgagee shall be named as its interests may appear on any insurance policies covering the Ground Lease Premises.

6.2.8 Leasehold Mortgage Not a Transfer. The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Ground Lease or the leasehold estate hereby created, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of LACF2's interest under this Ground Lease or of the leasehold estate created hereby so as to require such Leasehold Mortgagee as such to assume the performance of any of the terms, covenants or conditions on the part of LACF2 to be performed prior to foreclosure of the Leasehold Mortgage; provided, however, that upon foreclosure of the Leasehold Mortgage, the Leasehold Mortgagee or any purchaser at any sale of LACF2's rights under this Ground Lease in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignee or transferee of LACF2's rights under this Ground Lease created under any instrument of assignment or transfer in lieu of foreclosure of any Leasehold Mortgage, shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of LACF2 to be performed hereunder from and after the date of such purchase and assignment.

6.2.9 Leasehold Mortgagee's Right to Assign. Notwithstanding any provision of this Ground Lease to the contrary, upon acquiring LACF2's interest under this Ground Lease pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings Leasehold Mortgagee may, upon acquiring LACF2's interest under this Ground Lease, or a new lease as provided above, and without further consent of County, sell and assign such leasehold interest on such terms and to such persons and organizations as are acceptable to such Leasehold Mortgagee and which meet the requirements set forth in Section 15.3.3, and thereafter be relieved of all obligations under this Ground Lease, which accrue after the date of such sale or assignment so long as each of the following conditions are met:

6.2.9.1 There is no default on the part of Leasehold Mortgagee under this Ground Lease and no event that with the giving of notice, the passage of time, or both, would constitute an Event of Default by Leasehold Mortgagee under this Ground Lease, all such defaults having been cured to the reasonable satisfaction of County prior to the Effective Date of such assignment;

6.2.9.2 If such assignee will not itself manage the Project, its proposed operator shall have sufficient experienced and competent personnel to construct (if applicable), operate, manage, maintain, and repair the Project in accordance with the requirements of this Ground Lease and as set forth in Section 15.3.3; and

6.2.9.3 As part of such assignment the assignee shall assume all of the obligations of LACF2 under this Ground Lease by executing, acknowledging and recording one or more assumption agreements in form and substance reasonably satisfactory to County. The assignee shall thereafter have all the rights and shall perform all the duties and obligations of LACF2 under this Ground Lease.

6.2.9.4 No Leasehold Mortgagee or assignee shall have any liability under this Ground Lease beyond its interest in this Ground Lease, even if it becomes the tenant. Any such liability shall terminate if and when any such Leasehold Mortgagee or assignee assigns (and the assignee assumes) this Ground Lease; provided, however, no such sale or assignment shall release Leasehold Mortgagee

or such assignee from any claims or obligations under this Ground Lease, which arose while Leasehold Mortgagee or any of its affiliates or assignee held the leasehold interest under this Ground Lease or was in possession of the Ground Lease Premises.

6.2.10 Rejection of Unexpired Ground Lease by LACF2 or LACF2's Bankruptcy Trustee. If LACF2 or LACF2's Bankruptcy Trustee rejects this Ground Lease during the Term in a proceeding under Section 365 of the United States Bankruptcy Code or similar or successor statute, such rejection will have no effect on the rights of Leasehold Mortgagee under this Section 6.2, which rights will remain in full force and effect notwithstanding such rejection as if the same were provided for in a separate and independent agreement between County and such Leasehold Mortgagee, and such Leasehold Mortgagee shall have the right to a new ground lease on the same terms and conditions set forth in Section 6.2. The provisions set forth in Section 6.2 granting Leasehold Mortgagee certain rights are for the express benefit of each such Leasehold Mortgagee for the term set forth in this Section 6.2 and are independent of the other provisions of this Ground Lease.

6.2.11 No Merger. So long as any Leasehold Mortgage is in existence, unless the Leasehold Mortgagee otherwise consents in writing, the fee title to the Ground Lease Premises and the leasehold estate of LACF2 therein created by this Ground Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by County or by LACF2 or by a third party, by purchase or otherwise.

6.2.12 Further Assurances. Upon request from LACF2 or any Leasehold Mortgagee (prospective or current), County shall promptly and in writing, under documentation reasonably satisfactory to County and the requesting party: certify whether or not (a) this Ground Lease is in full force and effect, (b) to County's knowledge a default exists, (c) the date through which rent has been paid, and (d) such other similar matters as may be reasonably requested, all subject to any then exceptions reasonably specified in such certificate.

6.2.13 Miscellaneous. Notwithstanding anything to the contrary in this Ground Lease, Leasehold Mortgagee: (a) may exercise its rights through an affiliate, assignee, designee, nominee, subsidiary or other person, acting in its own name or in Leasehold Mortgagee's name (and anyone so acting shall automatically have the same protections, rights, and limitations of liability as Leasehold Mortgagee); (b) shall never be obligated to cure any LACF2 default; (c) may abandon such cure at any time; and (d) may withhold its consent or approval for any reason when acting upon the direction of the holders of a majority in aggregate principal amount of the Bonds. Any such consent or approval must be in writing.

7. Indemnify and Hold Harmless.

7.1 Indemnification by County. County shall indemnify, defend and hold harmless LACF2 and its officers, representatives, employees, and agents (the "**Indemnified LACF2 Parties**") from and against any and all liability, demands, liens, damages, claims, causes of action,

expenses, and fees (including reasonable attorney's fees and costs and expert witness fees) for bodily injury, property damage, and death (hereinafter collectively referred to as "**Liabilities**"), arising out of or relating to the negligent acts, errors, or omissions of County including, without limitation, any breach of this Ground Lease except to the extent that such Liabilities are caused by the negligence or willful misconduct of LACF2.

7.2 Indemnification by LACF2. LACF2 shall indemnify, defend and hold harmless County and its special districts, elected officials, officers, agents, employees and volunteers (the "**Indemnified County Parties**") from and against any and all Liabilities (as defined in Section 7.1), arising out of or relating to the negligent acts, errors, or omissions of LACF2 including, without limitation, any breach of this Ground Lease except to the extent that such Liabilities are caused by the negligence or willful misconduct of County.

7.3 Survival. The indemnification provisions of this Section 7 shall remain in full force and effect and survive the termination and/or expiration of this Ground Lease.

8. **Minimum Scope of Insurance Coverage for LACF2.** For so long as the Facilities Lease remains in effect, the insurance provisions thereof shall be deemed to be substituted in their entirety for this Section 8. At any other time, the following provisions shall be applicable:

8.1 General Insurance Provisions. Without limiting LACF2's indemnification of County, and during the Term and until all of LACF2's obligations pursuant to this Ground Lease have been met, LACF2 shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Ground Lease (the "**Required Insurance**"). County in no way warrants that the Required Insurance is sufficient to protect LACF2 for liabilities which may arise from or relate to this Ground Lease.

8.1.1 Evidence of Coverage and Notice to County. Certificate(s) of insurance coverage (each an "**Insurance Certificate**") satisfactory to County and a copy of an Additional Insured endorsement confirming that the Indemnified County Parties have been given Insured status under the LACF2's General Liability policy, shall be delivered to County at the address set forth in Section 8.1.1.4, prior to the Effective Date.

8.1.1.1 Renewal Insurance Certificates shall be provided to County prior to LACF2's policy expiration dates. County reserves the right to obtain complete, certified copies of any Required Insurance policies at any time.

8.1.1.2 Each Insurance Certificate shall identify all Required Insurance coverage types and limits, reference this Ground Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Insurance Certificate shall be LACF2. Each Insurance Certificate shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any County required endorsement forms.

8.1.1.3 Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying Insurance Certificate or endorsement, or any other insurance documentation or information provided by LACF2, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

8.1.1.4 Insurance Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

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

8.1.2 Claims Notice. LACF2 shall promptly notify County of any third party claim or suit filed against LACF2 which arises from or relates to this Ground Lease, and could result in the filing of a claim or lawsuit against LACF2 and/or County.

8.1.3 Additional Insured Status and Scope of Coverage. Indemnified County Parties, shall be provided additional insured status under LACF2's General Liability policy with respect to liability arising from or connected with LACF2's acts, errors, and omissions arising from and/or relating to LACF2's operations on and/or its use of the Ground Lease Premises. Indemnified County Parties' additional insured status shall apply with respect to liability and defense of suits arising out of the LACF2's acts or omissions, whether such liability is attributable to LACF2 or to Indemnified County Parties. The full policy limits and scope of protection also shall apply to Indemnified County Parties as an additional insured, even if they exceed the minimum Required Insurance provisions hereof. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions.

8.1.4 Cancellation of or Changes in Insurance. LACF2 shall provide County with, or LACF2's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance shall an Event of Default by LACF2.

8.1.5 Failure to Maintain Required Insurance. LACF2's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute an Event of Default by LACF2. County, at its sole discretion, may obtain damages from LACF2 resulting from LACF2's failure to maintain Required Insurance, and/or County

may elect to purchase the Required Insurance without further notice to LACF2, and LACF2 shall promptly reimburse County's expense of such purchase.

8.1.6 Insurer Financial Ratings. Required Insurance is to be provided by an insurance company authorized to do business in the State of California and acceptable to County, with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

8.1.7 LACF2's Insurance Shall Be Primary. LACF2's insurance policies, with respect to any claims related to this Ground Lease, shall be primary with respect to all other sources of coverage available to County. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any LACF2 coverage.

8.1.8 Waiver of Subrogation. To the fullest extent permitted by law, LACF2 waives its and its insurer(s) rights of recovery against County under all Required Insurance policies for any loss arising from or related to this Ground Lease. LACF2 shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

8.1.9 Deductibles and Self-Insured Retentions. LACF2's policies shall not obligate County to pay any portion of any LACF2 deductible or Self-Insured Retentions ("SIR"). County retains the right to require LACF2 to reduce or eliminate policy deductibles and SIRs with respect to County, or to provide a bond guaranteeing LACF2's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.1.10 Claims Made Coverage. If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the Effective Date, and LACF2 shall maintain such coverage for a period of not less than three (3) years following the end of the Term.

8.1.11 Application of Excess Liability Coverage. LACF2 may use a combination of primary and excess insurance policies that provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.1.12 Separation of Insureds. All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

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

8.2 Insurance Coverage Types and Limits. The Required Insurance includes the following insurance types and coverages:

8.2.1 Commercial General Liability Insurance. Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming Indemnified County Parties as an additional insured, with limits of not less than:

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

8.2.2 Automobile Liability Insurance. Automobile Liability insurance (insurance providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of LACF2's use of autos pursuant to this Ground Lease, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.2.3 Workers Compensation and Employers' Liability Insurance. Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If applicable to LACF2's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.2.4 Commercial Property Insurance. Commercial Property Insurance shall:

8.2.4.1 Provide coverage for County's property and any improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

8.2.4.2 Be written for the full replacement cost of the property, with a deductible no greater than two hundred fifty thousand (\$250,000) or five percent (5%) of the property value, whichever is less. Insurance proceeds shall be payable to the LACF2 and County as their interests may appear.

9. Eminent Domain. In the event of any taking of the Ground Lease Premises, in whole or in part, by eminent domain proceedings, the interest of LACF2 shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Bonds and other amounts due under the Indenture and the Facilities Lease attributable to such part of the Facilities and shall be paid to the Trustee and applied as set forth in the Facilities Lease, and the balance of the award, if any, shall be paid to the County.

10. Events of Default by LACF2 and County's Remedies.

10.1 Events of Default. The following occurrences or acts shall constitute an Event of Default by LACF2 (each an "**Event of Default**") under this Ground Lease:

10.1.1 Monetary Defaults. The failure of LACF2 to pay the rentals due, or make any other monetary payments required under this Ground Lease, within ten (10) days after receiving written notice that any such payment is overdue. LACF2 may cure such nonpayment by paying the amount overdue within such ten (10) day period.

10.1.2 Failure to Perform Other Obligations. The failure of LACF2 to keep, perform, and observe any and all other promises, covenants, conditions, and agreements set forth in this Ground Lease within thirty (30) days after receiving written notice of LACF2's failure to perform; provided, however, that where LACF2's performance of such covenant, condition or agreement is not reasonably susceptible of completion within such thirty (30) day period and LACF2 has in good faith commenced and is continuing to perform the acts necessary to perform such covenant, condition or agreement within such thirty (30) day period, County will not exercise any remedy available to it hereunder for so long as LACF2 uses reasonable due diligence in continuing to pursue to completion the performance such covenant, condition or agreement and so completes performance within a reasonable time.

10.1.3 LACF2's Financial Condition. LACF2 shall be in default hereunder if LACF2 shall make a general assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or shall fail seasonably to contest the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of LACF2 or any material part of its properties.

10.1.4 LACF2 Event of Default Under Facilities Lease. Any LACF2 Event of Default under the Facilities Lease shall be an Event of Default under this Ground Lease.

10.1.5 LACF2 Default Under Development Agreement. Any LACF2 Default under the Development Agreement (beyond any applicable notice and cure period) shall be an Event of Default under this Ground Lease.

10.1.6 Limitation on Events of Default. Except with respect to breaches or defaults with respect to the payment of money, LACF2 shall not be considered in default as to any provision of this Ground Lease to the extent such default is the result of or pursuant to, any process, order, or decree of any court or regulatory body with jurisdiction, or any other circumstances which are physically or legally impossible to cure, provided LACF2 uses due diligence in pursuing whatever is required to obtain release from or reversal of such process, order, or decree or is attempting to remedy such other circumstances preventing its performance. With respect to breaches or defaults with respect to the payment of money, LACF2 shall not be considered in default as to any provision of this Ground Lease to the extent such default is the result of or pursuant to, any default by County under the Facilities Lease.

10.2 Remedies upon LACF2's Default. Upon the occurrence of an Event of Default, and subject to the rights of any Leasehold Mortgagee to cure such Event of Default as provided in Section 6, County may exercise any remedy which may be available to it at law or equity, including but not limited to actions for damages, and/or injunctive relief, provided, however, that, unless the Bonds are no longer Outstanding, County may not terminate this Ground Lease prior to the end of the Term.

10.3 Cumulative Rights and Remedies. The rights and remedies reserved to County herein, including those not specifically described, shall be cumulative, and except as provided by California statutory law in effect at the time, County may pursue any and all such rights and remedies at the same time or independently.

10.4 No Waiver. No delay or omission of County to exercise any right or remedy shall, except as expressly provided herein, be construed as a waiver of any such right or remedy or of any default by LACF2 hereunder. The acceptance by County of rent shall not be a waiver of any preceding breach or default by LACF2 of any provision hereof, other than the failure of LACF2 to pay the particular rent accepted, regardless of County's knowledge of such preceding breach or default at the time of acceptance of such rent, or, except as expressly set forth herein, a waiver of County's right to exercise any remedy available to County by virtue of such breach or default.

10.5 Attorneys' Fees. In the event suit is brought by County or LACF2 relating to this Ground Lease, including for the breach of any covenant or condition of this Ground Lease, each Party shall bear its own costs and expenses, including attorneys' fees, regardless of the prevailing Party, unless otherwise awarded by a court of competent jurisdiction.

10.6 Waiver of Damages. Notwithstanding any provision in this Ground Lease to the contrary, in no event shall LACF2 or County, or any of their respective board members, affiliates, managers, members, shareholders, employees, or representatives, be liable under this Ground Lease to the other Party, or its respective board members, affiliates, managers, members, shareholders, employees, or representatives, for consequential, loss of the bargain, punitive, exemplary, statutory, indirect, special, punitive or similar losses or damages.

11. Quiet Enjoyment. If and so long as LACF2 shall pay all rent and all other amounts payable by LACF2 hereunder whenever the same shall become due and shall keep all of the covenants and conditions required by it to be kept during the term of this Ground Lease, County shall not interfere with the peaceful and quiet occupation and enjoyment of the Ground Lease Premises by LACF2.

12. Compliance with Laws. LACF2 shall not use the Ground Lease Premises or permit anything to be done in or about the Ground Lease Premises which will in any way conflict with any Applicable Laws or any other law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. LACF2 shall, at its sole cost and expense, promptly comply with all Applicable Laws and any other laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and obtain all permits, licenses or other approvals required by governmental agencies or bodies.

13. Waiver Limitations. The waiver by either Party of any term, covenant or condition herein contained on the part of the other Party to be performed shall not be deemed a waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance by a Party of the other Party's performance of any obligations hereunder shall not be deemed to be a waiver of any preceding breach of any term, covenant or condition of this Ground Lease.
14. Notices. All notices or requests required or permitted under this Ground Lease shall be in writing, shall be (i) personally delivered, (ii) sent by certified or registered mail, return receipt requested, postage prepaid, or (iii) delivered by a nationally recognized overnight courier and shall be deemed given when so delivered or received. All notices or requests shall be sent as follows:

If to County:

County of Los Angeles
Chief Executive Office – Real Estate Division
County of Los Angeles
320 West Temple.,7th Floor
Los Angeles, CA 90012
Attention: Senior Manager

With a copy to:

Office of the County Counsel
County of Los Angeles
500 West Temple Street, 6th Floor
Los Angeles, CA 90012-2932
Attention: Behnaz Tashakorian

Chief Executive Office- Capital Projects
County of Los Angeles
500 West Temple St. Room 713
Los Angeles, CA 90012
Attention: Assistant Chief Executive Officer

Treasurer and Tax Collector- Public Finance
County of Los Angeles
500 West Temple St., Room 432
Los Angeles, CA 90012
Attention: Assistant Treasurer and Tax Collector

If to LACF2:

Los Angeles County Facilities Inc.
c/o Public Facilities Group
1700 Seventh Avenue
Suite 2100, PMB 552
Seattle, WA 98101
Attention: John Finke

With a copy to:
Hillis Clark Martin & Peterson PS
999 Third Avenue, Suite 4600
Seattle, WA 98104
Attention: Matthew W. Markovich

If to Leasehold Mortgagee:

Any party may change the address to which notices shall be sent by notice to the other party in the manner and with the effect set forth in this Section 14.

15. Assignment and Subleasing.

15.1 Purpose of Ground Lease; Unique Qualifications of LACF2 and Key Staff. LACF2 acknowledges and agrees that (a) the sole and explicit purpose of this Ground Lease is for LACF2 to construct the Project on the Ground Lease Premises and to then sublease the Project and the Ground Lease Premises to County pursuant to the Facilities Lease (a “**Lease/Leaseback Transaction**”); (b) the board members, officers and employees of LACF2 have unique and specialized knowledge in structuring and managing Lease/Leaseback Transactions for public entities in which bonds are issued; (c) because of the attributes explicitly described in clauses (a) and (b) in this Section 15.1, together with many other attributes not explicitly described herein but nevertheless acknowledged by the Parties, the restraints on any Subleases and Assignments set forth in this Section 15 are conclusively agreed by the Parties to be reasonable and in no event an unreasonable restraint on alienation.

15.2 Subleasing. The Parties intend that LACF2 shall enter into the Facilities Lease with County. Any other proposed Sublease of the Ground Lease Premises shall only be allowed in the event of an Event of a Tenant Default under the Facilities Lease, and then subject to the terms and conditions set forth in this Section 15.

15.2.1 Definition of Sublease. The term “**Sublease**” means any lease, license, permit, concession, or other interest in the Ground Lease Premises or the Project, or a right to use the Ground Lease Premises or a portion thereof, which is conveyed or granted by LACF2 to a party other than the County pursuant to the Facilities Lease, and which constitutes less than the unrestricted conveyance of the entire LACF2 interest under this Ground Lease. “**Subtenant**” means the person or entity (other than County) to whom such right to use is conveyed by a Sublease.

15.2.2 Facilities Lease. Concurrently herewith the Parties have entered into the Facilities Lease, which shall be effective as of the Effective Date.

15.2.3 LACF2’s Right to Sublease. In the event that County, as the subtenant under the Facilities Lease, is subject to an Event of Tenant Default under the Facilities Lease, the Facilities Lease is terminated, and County has been lawfully evicted from the Ground Lease Premises (collectively, a “**County Eviction**”), then, and only then, shall

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LACF2 have the right to Sublease the Ground Lease Premises pursuant to the following: LACF2 may freely execute Subleases (and amendments, modifications, renewals of assignments thereof) without the consent or approval of County provided that (a) the subleased Ground Lease Premises shall be utilized only for Permitted Uses, (b) the Sublease shall terminate no later than the end of the Term of this Ground Lease or its earlier termination, (c) the terms and conditions of the Sublease are consistent with those specific terms and conditions of this Ground Lease and the Sublease does not otherwise purport to grant rights LACF2 does not possess or violate the terms and conditions of this Ground Lease or any Applicable Laws. No Sublease shall be effective without a Favorable Opinion of Bond Counsel delivered to the Trustee. Prior to entering into any Sublease, LACF2 shall submit to County for its approval, not to be unreasonably withheld, conditioned or delayed, the form of sublease and any related agreement. Any material changes to these forms and agreements in the future shall also be submitted to County for its review and approval, not to be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary elsewhere in this Ground Lease, in the event of a County Eviction, the Permitted Uses shall be automatically amended to include general office and retail use by any Subtenant.

15.3 Assignment. Except for the Leasehold Mortgage, LACF2 shall not assign, mortgage, or encumber this Ground Lease or delegate the duties of LACF2 under this Ground Lease without the prior written consent of County, which may be granted, withheld or conditioned at County's sole and absolute discretion. A consent to one assignment shall not be deemed to be a consent by County to any subsequent assignment by another person. This Ground Lease shall not, nor shall any interest of LACF2 herein, be assignable by operation of law.

15.3.1 Approval of Assignments. Except as specifically provided in this Article 15, LACF2 shall not, without the prior written consent of County, which may be granted, withheld or conditioned at County's sole and absolute discretion, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this Ground Lease or any interest, right, or privilege therein, or enter into a Sublease for the use of all or substantially all of the Ground Lease Premises.

15.3.2 Involuntary Transfers Prohibited. Except as otherwise specifically provided in this Ground Lease, neither this Ground Lease nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment, or execution against LACF2, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against LACF2, or by any process of law including proceedings under the Bankruptcy Act.

15.3.3 Additional Requirements. Any assignee must (a) be a public benefit corporation established under Section 501(c)(3) of the Code and (b) have staff with comparable or better skills and experience as John Finke in Lease/Leaseback Transactions.

15.4 Key Staffing. In the event that John Finke, resigns, is removed or is otherwise unable, incapable or unwilling to continue in his capacity as Chief Executive Officer and board chair for LACF2, then LACF2 shall replace John Finke with Erin Birkenkopf or Matt Calcavecchia, or another person having at comparable or better skills and experience in

Lease/Leaseback Transactions and such other replacement shall be subject to County's approval, which may not be unreasonably withheld, conditioned or delayed.

15.5 Terms Binding Upon Successors, Assigns and Subtenants. Except as otherwise specifically provided for herein, each and all of the provisions, agreements, terms, covenants, and conditions herein contained to be performed, fulfilled, observed, and kept by LACF2 hereunder shall be binding upon the heirs, executors, administrators, successors, and assigns of LACF2, and all rights, privileges and benefits arising under this Ground Lease in favor of LACF2 shall be available in favor of its heirs, executors, administrators, successors, and assigns.

16. Representations and Warranties.

16.1 Representations and Warranties of LACF2. LACF2 hereby makes the following representations and warranties as of the Effective Date:

16.1.1 Legal Power. LACF2 has the legal power, right and authority to enter into this Ground Lease and to consummate the transactions contemplated and described herein.

16.1.2 Binding Obligation of LACF2. This Ground Lease is a valid and legally binding obligation of LACF2 and the applicable provisions hereof enforceable against LACF2 in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization and moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

16.1.3 Compliance with Organizational Documents. There is no charter, bylaw, or capital stock provision of LACF2, and no provision of any indenture, instrument, or agreement, written or oral, to which LACF2 is a party or which governs the actions of LACF2 or which is otherwise binding upon LACF2, nor to LACF2's knowledge is there any judgment, decree or order of any governmental authority or court binding on LACF2 which would be contravened by the execution, delivery or performance by LACF2 of this Ground Lease.

16.1.4 Litigation Pending. To LACF2's knowledge, there is no action, suit, or proceeding at law or in equity or by or before any governmental authority now pending, or threatened against or affecting LACF2, which, if adversely determined, would materially impair LACF2's right or ability to execute or perform its obligations under this Ground Lease.

16.1.5 No Breach of Indebtedness Requirements. Neither the execution and delivery of this Ground Lease, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Ground Lease conflict with or result in a material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, encumbrance, deed of trust, loan, lease or other instrument to which LACF2 is a party.

16.1.6 No Insolvency. To LACF2's knowledge, no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy,

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reorganization or other proceedings are pending or threatened against LACF2, nor are any of such proceedings contemplated by LACF2.

16.1.7 Accuracy of Materials. To LACF2's knowledge, all written reports, documents, and instruments prepared by LACF2 or an affiliate thereof and delivered to County in connection with entering into this Ground Lease are accurate, correct and sufficiently complete to give County true and accurate knowledge of their subject matter, and do not contain any material misrepresentation or material omission.

16.1.8 No Gratuity. Neither LACF2, nor its directors, officers, employees or affiliates, nor any individual representing LACF2, nor anyone holding an interest in LACF2 has offered or given to any official or employee of County any gratuity (in any form) for the intent or purpose of securing favorable treatment under this Ground Lease or the approval or execution hereof.

16.1.9 No Solicitation. LACF2 has not employed or retained any person, other than a bona fide employee working solely for LACF2, to solicit or secure this Ground Lease and it has not paid or agreed to pay any person, other than a bona fide employee working solely for LACF2 or financing fees payable to third parties in connection with the issuance of the Bonds to finance the Project, any fee, commission, percentage, brokerage fee, gifts or any other consideration, contingent upon or resulting from the award or making of this Ground Lease.

16.1.10 Authority to Execute. The individual(s) signing this Ground Lease on behalf of LACF2 is or are authorized to execute this Ground Lease and bind LACF2 to its terms and conditions, and, upon such execution, this Ground Lease shall be legally binding on LACF2 and, if LACF2 is a corporation for which a single individual is signing, have provided County with a corporate resolution stating that such individual is duly empowered to by such corporation to enter into this Ground Lease.

16.2 Representations and Warranties of County. County hereby makes the following representations and warranties as of the Effective Date:

16.2.1 Legal Power. County has the legal power, right and authority to enter into this Ground Lease, and to consummate the transactions contemplated hereby herein.

16.2.2 Binding Obligations of County. This Ground Lease is the valid and legally binding obligation of County and the applicable provisions hereof are enforceable against County in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization and moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

16.2.3 Compliance with Charter. There is no provision of any indenture, instrument, or agreement, written or oral, to which County is a party or which governs the actions of County or which is otherwise binding upon County, nor is there any judgment, decree or order of any governmental authority or court binding on County which would be contravened by the execution, delivery or performance of this Ground Lease by County.

16.2.4 Litigation Pending. To County's knowledge, there is no action, suit, or proceeding at law or in equity or by or before any governmental authority now pending, or threatened against or affecting County, which, if adversely determined, would materially impair County's right or ability to execute or perform its obligations under this Ground Lease.

16.2.5 No Breach of Indebtedness Requirements. Neither the execution and delivery of this Ground Lease, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms of this Ground Lease conflict with or result in a material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, encumbrance, deed of trust, loan, lease or other instrument to which County is a party.

16.2.6 No Insolvency. To County's knowledge, no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or are threatened against County, nor are any of such proceedings contemplated by County.

16.2.7 Authority to Execute. The individual(s) signing this Ground Lease on behalf of County are authorized to execute this Ground Lease and bind County to its terms and conditions, and, upon such execution, this Ground Lease shall be legally binding on County.

17. Damage and Destruction.

17.1 No Option to Terminate for Casualty. LACF2 shall have no option to terminate this Ground Lease because of damage or destruction to the Project.

17.2 No County Obligation to Make Repairs. County shall have no obligation whatsoever to make any repairs or perform any maintenance on the Ground Lease Premises except as may be set forth in the Facilities Lease.

17.3 Repairs Not Performed by LACF2. If LACF2 fails to make any repairs or replacements as required, County may notify LACF2 of said failure in writing, and should LACF2 fail to cure said failure and make repairs or replacements within a reasonable time as established by County, County may make such repairs or replacements and the cost thereof, including, but not limited to, the cost of labor, overhead, materials and equipment, shall be charged against LACF2.

17.4 Waiver of Civil Code Sections. The Parties' rights shall be governed by this Ground Lease in the event of damage or destruction. The Parties hereby waive the provisions of California Civil Code Sections 1932 and 1933, and any other provisions of law which provide for contrary or additional rights.

18. Miscellaneous

18.1 Time of Essence. Time is of the essence in regard to performance of the covenants and agreements stated herein.

Litera Compare Redline of 238359363v5 and 238359363v7

18.2 Entire Agreement. This Ground Lease sets forth the entire agreement of the Parties as to the subject matter hereof and supersedes all prior discussions and understandings between them.

18.3 No Joint Venture or Agency. Nothing contained in this Ground Lease nor any of the acts of the Parties hereto shall be construed nor is it the intent of the Parties, to create a joint venture or partnership between County and LACF2, nor is either Party the agent or representative of the other, and nothing in this Ground Lease shall be construed to create any such agency relationship or to hold either Party liable to anyone for goods delivered or services performed at the request of the other Party.

18.4 Amendments. No change in, or addition to, or waiver or termination of this Ground Lease, shall be valid unless made in writing and signed by both parties and in compliance with Section 6.2.6. County and LACF2 agree to negotiate in good faith any amendments to this Ground Lease that may be requested or required in connection with the issuance of the Bonds to finance the Project.

18.5 Governing Law. This Ground Lease shall be construed in accordance with and governed by the laws of the State of California.

18.6 Jurisdiction/Venue. In the event any action is brought to enforce any of the provisions of this Ground Lease, the Parties agree to be subject to exclusive in personam jurisdiction in the Superior Court of California, County of Los Angeles, and agree that in any such action venue shall lie exclusively in the County of Los Angeles, California.

18.7 Headings. The article, section and paragraph headings herein contained are for the purposes of identification and reference convenience only and shall not be considered in construing this Ground Lease.

18.8 No Merger. In no event shall the leasehold interest of LACF2 hereunder merge with any estate of County in or to the Ground Lease Premises or the leasehold interest of County under the Facilities Lease. In the event that County acquires the leasehold interest of LACF2, such leasehold interest shall not merge with County's fee interest in the Ground Lease Premises or the leasehold interest of County under the Facilities Lease, and this Ground Lease and the Facilities Lease shall remain in full force and effect.

18.9 Counterparts; Recording of Memorandum. This Ground Lease may be executed in several counterparts, each of which shall be deemed an original for all purposes. The parties shall record a memorandum of this Ground Lease in the form attached hereto as Exhibit E.

18.10 Intentionally Omitted.

18.11 Meanings of Words Not Specifically Defined/General Rules of Interpretation. Words and phrases contained herein shall be construed according to the context and the approved usage of the English language, but technical words and phrases, and such others as have acquired a peculiar and appropriate meaning by law, or are defined in this Ground Lease, are to be construed according to such technical, peculiar, and appropriate meaning or definition. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa.

versa, and each gender will include any other gender. As used in this Ground Lease, the word “includes or “including” means including without limitation, the word “or” is not exclusive and the words “herein,” “hereof,” “hereto” and hereunder refer to this Ground Lease as a whole unless the context otherwise requires, references herein: (a) to articles, paragraphs, sections and exhibits mean the articles, paragraphs, sections and exhibits which are part of this Ground Lease as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof and by this Ground Lease, (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof and by this Ground Lease, and (c) to a statute means such statute as amended, supplemented or replaced from time to time. The exhibits, schedules, addenda, and attachments which are attached to this Ground Lease are made a part of this Ground Lease.

18.12 Parties Represented by Counsel. Both County and LACF2 have entered this Ground Lease following advice from legal counsel of their own choosing. This document is the result of combined efforts of both Parties and their attorneys. Thus, any rule of law or construction which provides that ambiguity in a term or provision shall be construed against the draftsman shall not apply to this Ground Lease.

18.13 Conflict of Interest; No Personal Liability. No official or employee of County shall have any personal interest, direct or indirect, in this Ground Lease, nor shall any official or employee of County participate in any decision relating to this Ground Lease which affects such official’s or employee’s pecuniary interest in any corporation, partnership or association in which such official or employee is directly or indirectly interested. No official or employee of the County shall be personally liable in the event of a breach of this Ground Lease. LACF2 shall within not less than ten (10) days after learning of any such conflict of interest or facts which reasonably indicate that a conflict of interest may exist, notify County thereof; provided, however, the failure of LACF2 to make any such notification shall not be a breach or default of this Ground Lease.

18.14 Waivers and Relocation. To the fullest extent permitted by Applicable Laws, LACF2 waives any rights now or hereafter conferred upon it by statute or other law to surrender this Ground Lease or to quit or surrender the Ground Lease Premises or any part thereof, or to receive any suspension, diminution, abatement or reduction of the rent or other sums and charges payable by LACF2 hereunder on account of any damage to the Ground Lease Premises or the Project, other than as expressly provided in this Ground Lease or as otherwise agreed to in writing by the Parties. To the fullest extent permitted by Applicable Laws, LACF2 waives the provisions of Section 1932, Subdivision 2, and Section 1933, Subdivision 4, of the California Civil Code, and the provisions of any similar law hereinafter enacted, as each may be amended from time to time. LACF2 expressly acknowledges that LACF2 will be in possession of the Ground Lease Premises as a result of County’s previously acquired property interest in recognition of such fact and to the fullest extent permitted by Applicable Law, LACF2 disclaims any status as a “displaced person” as such is defined in Governmental Code Section 7260, and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Sections 7260 through 7276, inclusive, as interpreted in Title 25, Chapter 6, Section 6034(b)(1) of the California Code of Regulations.

18.15 No Third-Party Beneficiaries. The Leasehold Mortgagee shall be a third-party beneficiary of the rights conferred to it under this Ground Lease. Except as expressly set forth in

this Ground Lease, no parties other than County, the Leasehold Mortgagee and LACF2, and their respective successors and assigns, shall be a beneficiary of the rights conferred in this Ground Lease, and no other party shall be deemed a third-party beneficiary of such rights.

18.16 Exculpation of Certain Persons. No individual board member, trustee, officer, director, shareholder, member, constituent partner, employee, or agent of any party, in his or her individual capacity as such, shall have any personal liability for the performance of any obligation of such party under this Ground Lease solely by reason of such status.

18.17 Performance Postponed. Any performance required under this Ground Lease on a day that is not a Business Day (as defined below) shall be postponed until the next Business Day. The term “**Business Day**” means a day (i) other than a day on which banks located in the State of California, the City of New York, New York, or the city in which the Corporate Trust Office of the Trustee is located are required or authorized to close and (ii) on which the New York Stock Exchange is not closed.

18.18 Severability. If (a) any provision of this Ground Lease is held by a court of competent jurisdiction (or by an arbitrator in an arbitration) as to be invalid, void or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a party the material benefit of this Ground Lease, then the remainder of this Ground Lease which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

18.19 Interest. In any situation where County has advanced sums on behalf of LACF2 pursuant to this Ground Lease, such sums shall be due and payable within five (5) Business Days after LACF2’s receipt of written demand, together with interest at the Applicable Rate (unless another rate is specifically provided herein) from the date such sums were first advanced, until the time payment is received. In the event that LACF2 repays sums advanced by County on LACF2’s behalf with interest in excess of the maximum rate permitted by Applicable Laws, County shall refund such excess payment. “**Applicable Rate**” means an annually compounded rate of interest equal to the Prime Rate, plus three percent (3%) per annum; provided, however, that the Applicable Rate shall in no event exceed the maximum rate of interest which may be charged pursuant to Applicable Laws. “**Prime Rate**” means the prime or reference rate announced from time to time by Bank of America, N.A. or its successor, or if Bank of America, N.A. and its successor cease to exist then the prime or reference rate announced from time to time by the largest state chartered bank in California in term of deposits.

18.20 Recitals. All Recitals set forth herein are hereby incorporated into this Ground Lease. The Parties agree that the Recitals are true and correct and have the same force and effect as all other provisions contained Ground Lease.

18.21 Surrender. On the expiration or early termination of this Ground Lease, LACF2 shall surrender and deliver up the Ground Lease Premises, including all improvements then located thereon and the appurtenances thereto, into the possession of LACF2, in good order, condition and repair, free and clear of all lettings and occupancies, and, without any payment or allowance whatsoever by County, free and clear of all liens and encumbrances other than those existing on the Effective Date of this Ground Lease and those, if any, created by County. LACF2 shall

execute, acknowledge and deliver to County such instruments of further assurance as in the opinion of County are necessary or desirable to confirm or perfect Landlord's right, title and interest in and to the Ground Lease Premises.

18.22 Schedule of Exhibits. THIS GROUND LEASE INCLUDES THE FOLLOWING EXHIBITS ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE.

| | |
|-----------|---|
| Exhibit A | Ground Lease Premises Legal Description |
| Exhibit B | Facilities Lease |
| Exhibit C | Development Agreement |
| Exhibit D | Permitted Exceptions |
| Exhibit E | Form of Memorandum of Lease |

[Signatures on next page]

COUNTY:
COUNTY OF LOS ANGELES
a body corporate and politic

By: _____
Name: FESIA A. DAVENPORT
Chief Executive Officer

ATTEST:

DEAN C. LOGAN,
Registrar-Recorder/County Clerk

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:
DAWYN R. HARRISION
County Counsel

By: _____
Name: _____
Title: Senior Deputy

LACF2:
LOS ANGELES COUNTY FACILITIES 2 INC.
a California nonprofit public benefit corporation

By: _____
Name: John Finke
Title: President

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

State _____ of _____ California
County of Los Angeles

On _____, 2024, before me, _____,
Notary Public, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

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

State _____ of _____ California
County of Los Angeles

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me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
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County of Los Angeles

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State _____ of _____ California
County of Los Angeles

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
GROUND LEASE PREMISES LEGAL DESCRIPTION

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

**EXHIBIT B
FACILITIES LEASE**

[Attached]

**EXHIBIT C
DEVELOPMENT AGREEMENT**

[Attached]

EXHIBIT D
PERMITTED EXCEPTIONS

A.

EXHIBIT E
FORM OF MEMORANDUM OF GROUND LEASE

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Hillis Clark Martin & Peterson P.S.
Attention: Matthew W. Markovich
999 Third Avenue, Suite 4600
Seattle, WA 98104

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE ONLY.

Assessor's Parcel Nos. _____

This instrument is exempt from recording fees (California Government Code Section 27383) and from Documentary Transfer Tax (California Revenue and Tax Code Section 11929).

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (“**Memorandum**”) is dated for reference purposes as of _____, 2024 and is made by and between **COUNTY OF LOS ANGELES**, a body corporate and politic (“**County**”), acting by and through its COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, and **LOS ANGELES COUNTY FACILITIES 2 INC.**, a California nonprofit public benefit corporation (“**LACF2**”).

1. **Ground Lease.** County leased to LACF2 under that certain Ground Lease Agreement dated for reference purposes as of [_____, 2024] (the “Ground Lease”) that certain real property located in the City of Los Angeles, County of Los Angeles, California (“Ground Lease Premises”), legally described in the attached Exhibit A. The Ground Lease is made a part of this Memorandum as though fully set forth herein. All capitalized terms used but not defined in this Memorandum shall have the meaning given to them in the Ground Lease.

2. **Term.** The term of the Ground Lease shall commence on [_____, 2024], and, unless such term is extended, shall terminate on the earlier of (a) [_____] [FINAL MATURITY DATE OF BONDS] and (b) the date that the Bonds are no longer Outstanding (as defined in the Indenture of Trust, dated as of [_____, 2024], by and between LACF2 and U.S. Bank Trust Company, National Association, as Trustee) and the Project has been conveyed by LACF2 to County as set forth in the applicable provisions of the Facilities Lease Agreement dated for reference purposes as of [_____, 2024] (the “Facilities Lease”) (either, as applicable, the “Expiration Date”).

Litera Compare Redline of 238359363v5 and 238359363v7

Notwithstanding the foregoing, if on the Expiration Date of the Facilities Lease, the total Base Rent (as defined in the Facilities Lease) otherwise payable under the Facilities Lease has not been fully paid as a result of an Abatement of Rent (as defined in the Facilities Lease) and the Bonds remain Outstanding, then, as provided in the Facilities Lease, the term of the Facilities Lease shall be extended until the total Base Rent otherwise payable thereunder shall be fully paid or such earlier time as the Bonds are no longer Outstanding; provided, however, that such extension shall not exceed ten (10) years. In the event of such an extension, the Term of the Ground Lease shall be deemed extended for the same period of time that the term of the Facilities Lease is extended.

3. Purpose of Memorandum. This Memorandum is prepared for purposes of recordation only and to provide constructive notice of the rights of County and LACF2 under the Ground Lease to all third parties, and does not set forth all of the terms and conditions set forth in the Ground Lease. In the event there is any conflict between the terms and conditions of the Ground Lease and this Memorandum, the Ground Lease shall control.

[Signatures on next page]

This Memorandum of Ground Lease is dated as of the date first above written.

LOS ANGELES COUNTY FACILITIES 2 INC.,
a California nonprofit public benefit corporation

By: _____
Name: John Finke
Title: President

SIGNER(S) OTHER THAN NAMED ABOVE:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: FESIA A. DAVENPORT
Title: Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:
DAWYN R. HARRISON County

County Counsel

By: _____
Name: _____
Title: Senior Deputy

**Certificate of [Acting]Executive Officer-Clerk
Of the Board of Supervisors**

On this ____ day of _____ 2024, pursuant to Section 25103 of the California Government Code, the undersigned [Acting] Executive Officer-Clerk of the Board of Supervisors certifies that on this date, a copy of this document was delivered to the Chair of the Board of Supervisors of the County of Los Angeles.

[_____]
Executive Officer-Clerk of the
Board of Supervisors

By: _____

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

State _____ of _____ California
County of Los Angeles

On _____, 2024, before me, _____,
Notary Public, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

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

State _____ of _____ California
County of Los Angeles

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Notary Public, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
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authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

ENCLOSURE B

**FACILITIES
LEASE AGREEMENT**

between

**LOS ANGELES COUNTY FACILITIES 2 INC.,
a California nonprofit public benefit corporation**

and

**COUNTY OF LOS ANGELES,
a body corporate and politic**

Dated as of _____, 2024

**Vermont Corridor Site 2
Los Angeles, California**

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FACILITIES LEASE AGREEMENT

THIS FACILITIES LEASE AGREEMENT (this “**Lease**”) is effective as of _____, 2024 (the “**Effective Date**”) and is made by and between **LOS ANGELES COUNTY FACILITIES 2 INC.**, a California nonprofit public benefit corporation, as sublandlord (“**Landlord**”), and the **COUNTY OF LOS ANGELES**, a body corporate and politic, as subtenant (“**Tenant**”). Landlord and Tenant are each occasionally referred to herein as a “**Party**” or collectively as the “**Parties.**”

RECITALS

A. Landlord is the lessee under that certain Ground Lease of even date herewith (the “**Ground Lease**”), with Tenant as lessor, pursuant to which Landlord leases that certain real property in the City of Los Angeles (the “**City**”), County of Los Angeles, California (the “**County**”), the address of which is 550 South Vermont Avenue and 3175 West 6th Street and which is legally described on the attached Exhibit A (collectively, the “**Land**”).

B. Pursuant to California Government Code Sections 25351 and 25536(c), Tenant desires to have Landlord undertake a project consisting of (i) the design, development, permitting, and construction of improvements and installation of furniture, fixtures and equipment on the Land consisting of renovation and expansion of the existing office building comprised of (a) approximately 154,793 gross square feet of existing space renovated to Class A office space, including two ground floor retail spaces of approximately 1,000 square feet each, (b) an extension of the existing building floorplates to include an additional approximately 88,340 gross square feet of new Class A office space, for a total of approximately 243,133 gross square feet of Class A Office Space, (c) approximately 12,050 gross square feet of renovated subterranean back-of-house support space, and (d) an elevated pedestrian walkway connecting the existing office building to the terrace level of the neighboring office building commonly known as 510 South Vermont Avenue (the “**Pedestrian Skybridge**”) ((a), (b), (c), and (d) collectively, the “**Office Building**”), (ii) a nonexclusive right to use a minimum of six hundred (600) parking spaces in the parking garage located at 523 Shatto Place (the “**Garage**”), (iii) approximately 10 surface parking spots (“**Surface Parking Spaces**”) and landscaping located on the Land; and (iv) demolition of the existing 52,000 square foot former Department of Workforce and Development, Aging and Community Service Building and adjacent two-story parking structure located on the Land (collectively, the “**Project**”). The Project shall be delivered to Tenant in Turnkey Condition as defined in Section 1.

C. Landlord will engage TC LA Development, Inc., a Delaware corporation (“**TCLA**”) as Developer to develop, oversee and manage the design, permitting and construction phases of the Project in accordance with the terms and conditions of a Development Agreement and for a Fixed Price as provided herein, all of which shall be subject to Tenant’s Concurrence as provided herein.

D. The financing for the Project will be pursuant to Landlord’s issuance of Bonds (defined in Section 1). The Bonds are issued by a nonprofit organization on behalf of a

government entity to finance a public facility. Upon the date the Tax-Exempt Bonds are no longer Outstanding (as defined in the Indenture), Landlord will convey the Premises to Tenant for no additional consideration and this Lease shall terminate and the Ground Lease shall terminate.

E. Landlord and Tenant desire to enter into this Lease whereby, following the completion of the Project, Landlord shall operate, maintain and repair the Premises, and Tenant shall lease and occupy the Premises at the rent and subject to all of the terms, covenants and conditions set forth herein.

AGREEMENT

1. Definitions. As used in this Lease, the following capitalized terms shall have the following meanings:

“Abatement” means a reduction in the Rent payable by Tenant hereunder (other than Additional Rent for current Operating Costs) as a result of damage, destruction or partial condemnation of the Premises or a defect in Landlord’s title to the Premises, any of which results in substantial interference with Tenant’s right to use and occupancy of the Premises. The amount by which Rent is abated during any period shall be the amount necessary to cause the resulting Rent payable by Tenant (other than Additional Rent for current Operating Costs) not to exceed the Fair Market Rent for the portions of the Premises with respect to which there is no substantial interference.

“ADA” means the Americans With Disabilities Act of 1990, as amended from time to time.

“Additional Rent” means the Operating Costs, including Taxes and Utilities, together with the Annual Capital Repair Reserve Payment and [Capital Expenditures and Alterations by Landlord each]¹ as defined herein, payable by Tenant under the provisions of this Lease.

“Administrative Fees and Expenses” has the meaning given such term in the Indenture.

“Alterations by Landlord” means amounts payable by Tenant to Landlord pursuant to Section 10.4.

“Annual Capital Repair Reserve Payment” means the annual payment to the Capital Repairs Fund described in Section 5.11.

“Annual Operating Budget” shall have the meaning set forth in Section 5.7.

“Applicable Laws” means all of the following, even if unforeseen or extraordinary, to the extent affecting any of, (a) Landlord, its members, owners, shareholders,

¹ NTD: Discuss implication of including Capital Expenditures and Alterations by Landlord in the definition of “Additional Rent”.

officers, employees, contractors, consultants, agents, customers, guests, or invitees, (b) Tenant, its board members, officers, employees, contractors, consultants, agents, customers, guests, or invitees, (c) Trustee, its members, owners, shareholders, officers, employees, contractors, consultants, agents, customers, guests, or invitees, (d) all or any portion of the Premises, or (e) the use, occupancy, possession, construction, operation, maintenance, improvement, alteration, repair, or restoration of any portion of the Project: (x) all present and future laws, statutes, requirements, ordinances, orders, judgments, regulations, resolutions, covenants, restrictions, or administrative or judicial determinations of every governmental authority and of every court or agency claiming jurisdiction over Landlord, Tenant, Developer, Trustee, the Project, or the Premises or matters set forth in Clauses (a) through (e), above, whether enacted or in effect as of the Effective Date or thereafter, including, but not limited to, California Labor Code §§ 1720 *et seq.*, environmental laws, zoning laws, building codes and regulations and those laws relating to accessibility to, usability by, and discrimination against, disabled individuals; and (y) all covenants, restrictions, and conditions of record affecting the Premises from time to time.

“Applicable Rate” means an annually compounded rate of interest equal to the Prime Rate, plus two percent (2%) per annum; provided, however, that the Applicable Rate shall in no event exceed the maximum rate of interest which may be charged pursuant to Applicable Laws.

“Approved Work Plan” has the meaning set forth in Section 5.11(a).

“Architect” means M. Arthur Gensler Jr. & Associates, Inc., a California corporation, the architect for the Project, or another qualified architect selected by Landlord, with the Tenant’s Concurrence.

“Asset Management Fee” means that fee payable to Landlord as part of the Additional Rent in an amount equal to one percent (1%) of the Base Rent payable hereunder as of the Rent Commencement Date.

“Base Rent” means the rent payable by Tenant under this Lease from the Rent Commencement Date to and including the Expiration Date in the amounts set forth on the Schedule of Base Rent, attached hereto as Exhibit B.

“Bonds” means the Tax-Exempt Bonds and the Taxable Bonds to be issued by Landlord for design, permitting, construction, and equipping of the Project pursuant to the Indenture. From the proceeds of such Bonds, Landlord intends to pay all costs associated with the development of the Project for the Fixed Price, all costs of issuing the Bonds, and capitalized interest during the construction period.

“Business Day” means a day (i) other than a day on which banks located in the State of California, the City of New York, New York, or the city in which the Corporate Trust Office of the Trustee is located are required or authorized to close and (ii) on which the New York Stock Exchange is not closed.

“Capital Expenditures” means the acquisition of a prior non-existing asset (including Financed FF&E) or the repair or replacement of a pre-existing asset (other than personal property, or removable trade fixtures) which (i) are not characterized as an operating

cost or expense under generally accepted accounting principles, (ii) maintains the value of the Project over its usual life and (iii) is permanently affixed to, or otherwise used in conjunction with the real estate.

“Capital Repairs Fund” means the fund of that name established under the Indenture and referenced in Section 5.11.

“City” has the meaning set forth in Recital A.

“Civic Art” means art to be installed in accordance with the County Art Policy and the Construction Documents.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor federal income tax statute or code. Any reference to a provision of the Code shall include the applicable Department of Treasury regulations.

“Condemnation” has the meaning set forth in Section 20.1.

“Construction Contracts” means (i) the General Construction Contract and (ii) all other contracts for construction services entered into between Landlord, or Developer on behalf of and acting as authorized representative for Landlord, and any Contractor, for construction of any portion of the Project not covered by the General Construction Contract.

“Construction Documents” mean the Construction Drawings and Detailed Specifications approved, in writing, by Landlord with Tenant’s Concurrence, for the construction of the Project, including technical drawings, schedules, diagrams, plans, and specifications setting forth in detail the requirements for construction of the Project and providing information customarily required for the use of the building trades.

“Construction Drawings” means drawings setting forth in detail the requirements for the construction of the Project. As used herein, “Construction Drawings” include all graphic and pictorial documents depicting the design, location and dimensions of the elements of the Project (including Tenant Improvements) and include plans, elevations, sections, details, schedules and diagrams for the Project, all of which shall be consistent with the Project Requirements.

“Contract Documents” means the Construction Documents, the Construction Contracts and the other documents identified as Contract Documents in the General Construction Contract, all of which shall be subject to Tenant’s Concurrence.

“Contractors” means the General Contractor and any other construction contractors and design-builders with whom Landlord enters into direct contracts upon the written recommendation of Developer, or with whom Developer on behalf of and acting as the Landlord’s authorized representative, enters into contracts, all such contracts shall be subject to Tenant’s Concurrence.

“County” has the meaning set forth in Recital A, acting in a capacity other than as Tenant.

“**County Art Policy**” means County’s civic art policy attached hereto as Exhibit U, as may be amended from time to time.

“**Detailed Specifications**” means all written detailed requirements for materials, equipment, construction systems, standards, and workmanship for the construction of the Project.

“**Developer**” means TC LA Development, Inc., a Delaware corporation, and its successors and permitted assigns under the Development Agreement.

“**Developer Obligation Date**” means [_____].

“**Developer Start Date**” means that date that is thirty (30) days after the Effective Date.

“**Development Agreement**” means that certain Development Agreement of even date herewith, as amended from time to time, between Developer and Landlord which provides for the development, design, permitting and construction of the Project, and which has received Tenant’s Concurrence (the form of which is attached hereto as Exhibit O).

“**Disallowed Amendment**” has the meaning set forth in Section 9.17.

“**Effective Date**” has the meaning set forth in the Preamble.

“**Emergency Repair Commencement Deadline**” has the meaning set forth in Section 10.1(a).

“**Emergency Repair Situation**” has the meaning set forth in Section 10.1(d).

“**Environmental Laws**” means all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes relating to the regulation or protection of human health, safety, the environment, and natural resources, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 *et seq.*), the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), the Clean Water Act (33 U.S.C. §§ 1251 *et seq.*), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §§ 2601 *et seq.*), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §§ 11001 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. §§ 651 *et seq.*), and any similar or comparable state or local laws, including, without limitation, the California Hazardous Substance Account Act (California Health & Safety Code §§ 25300 *et seq.*), as such federal, state, and local laws exist as of the Effective Date and as amended in the future.

“**Event of Default**” has the meaning set forth in Section 22 of this Lease.

“**Expiration Date**” has the meaning set forth in Section 3.

“**Fair Market Rent**” means the fair market rent (other than rent to cover current Operating Costs) payable for office premises in Los Angeles County, California comparable to

the Premises hereunder, determined as of the Effective Date. The Fair Market Rent shall be determined by a qualified MAI appraiser selected by Tenant and reasonably acceptable to Landlord. The Fair Market Rent shall be calculated as of the Effective Date and thereafter shall be re-calculated in the event of damage, destruction or partial condemnation of the Premises as contemplated in Sections 19 and 20;

“Final Acceptance” has the meaning set forth in Section 9.14.

“Final Payment” means payment to the Developer, the Architect, the General Contractor, and any other Contractors by Landlord following Final Acceptance.

“Financed FF&E” means furniture, fixtures, equipment and movable property as set forth on Exhibit N attached hereto, the costs of which will (i) be included in Project Costs, but only to the extent of the Financed FF&E Allowance set forth in the approved Project Budget, and (ii) be financed through the Bonds. Any cost of furniture, fixtures, equipment and movable property that is in excess of the Financed FF&E Allowance set forth in the approved Project Budget shall not be part of the Fixed Price. The Financed FF&E will be designed, provided and installed as set forth on Exhibit N.

“Financial Statements” has the meaning set forth in Section 10.2.

“Fiscal Year” means the fiscal year under which the County and the Landlord operate, commencing with July 1 and ending with June 30.

“Fixed Price” means an amount not to exceed _____ dollars [\$_____], the total amount to be paid by Landlord for Project Costs. A detailed description of Project Costs by line item and category is set forth in the Project Budget.

“Force Majeure” means any inability of a Party to perform any non-monetary obligation under this Lease due to fire or other casualty, earthquake, flood, tornado or natural disaster, civil disturbance, war, organized labor dispute, freight embargo, governmental order, or other unforeseeable event beyond the reasonable control of the Party required to perform the subject obligation, including, in the case of a delay in the commencement or completion by Landlord of the Project, a delay in such construction caused by a hidden condition, including without limitation environmental contamination, relating to the foundation, substructure or subsurface of the Premises, which was not known to, Landlord as of the commencement of such work, although Landlord shall, to the extent possible, commence and complete the portions, if any, of the work, not impacted by such delay within the timeframes set forth in this Lease. Notwithstanding the foregoing, in order for either Party to claim a delay has been caused by a Force Majeure event, the Force Majeure must be detailed in a written notice given by the Party claiming such delay to the other Party within thirty (30) days after the Party claiming such delay obtained actual knowledge of the Force Majeure event giving rise to the claim of delay, which notice shall, at a minimum, reasonably specify the (a) nature of the Force Majeure event and of the delay it has caused and (b) the date of commencement of the Force Majeure event and the delay it caused and (if not ongoing) the date the Force Majeure event ended.

“General Construction Contract” means the agreement between Landlord and the General Contractor for construction of the Project.

“General Contractor” means [SNYDER LANGSTON, a _____] the anticipated general contractor for the Project, or another qualified general contractor proposed by Developer and approved by Landlord.

“Ground Lease” has the meaning set forth in Recital A.

“Hazardous Substance” means the following:

- (a) petroleum, any petroleum by-products, waste oil, crude oil or natural gas;
- (b) any material, waste or substance that is or contains asbestos or polychlorinated biphenyls, or is radioactive;
- (c) any medical waste; and
- (d) any substance, product, waste or other material of any nature whatsoever which is or becomes defined, listed or regulated as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “solid waste,” “radioactive material,” or similarly defined substance pursuant to any Applicable Laws, including the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*; the California Health & Safety Code and all other analogous State of California and local statutes, ordinances and regulations, including, without limitation, any dealing with underground storage tanks; provided, however, “Hazardous Substances” shall not include any of the foregoing materials or substances described above that are of the types and in quantities customarily used in the ordinary course of construction, occupancy or operation of office buildings and related parking structures similar to the Project, including, without limitation, in the ordinary course of delivering medical care in accordance with generally accepted standard practices, consisting of (a) office, cleaning, building maintenance, and construction materials and supplies used in reasonable quantities and in the ordinary course of the construction, occupancy or operation of the Project, and (b) gasoline or diesel fuel in the tanks of automobiles and other machines located on the Premises (whether during construction or otherwise); but only so long as, in the case of (a) and (b), they are always stored, maintained, used and disposed of in compliance with all Applicable Laws.

“Indemnified Landlord Parties” has the meaning set forth in Section 18.2.

“Indemnified Tenant Parties” has the meaning set forth in Section 18.1.

“Indenture” means the trust indenture dated of even date herewith by and between the Trustee and the Landlord, (the form of which is attached hereto as Exhibit Q), as originally executed.

“Inspecting Engineer” has the meaning set forth in Section 5.11(a).

“Inspection Report” has the meaning set forth in Section 5.11(a).

“Land” has the meaning set forth in Recital A.

“Landlord” means Los Angeles County Facilities 2 Inc., a California nonprofit public benefit corporation, and its successors and permitted assigns.

“Lease” means this Facilities Lease Agreement.

“Leasehold Mortgage” means the (a) Construction Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing; (b) Assignment of Leases and Cash Collateral; (c) applicable Uniform Commercial Code financing statements; and (d) other security documents executed by Landlord in connection with or to secure the Bonds.

“Liabilities” has the meaning set forth in Section 18.1.

“Liens” means any lien, charge, security interest or encumbrance, except the Indenture and the Leasehold Mortgage, which may be attached to, upon or against the Premises or any portion thereof.

“Notice Address” means, as to each of the Notice Parties, its respective address as specified in or pursuant to Section 34.15.

“Notice Parties” means each of Landlord, Tenant and Trustee.

“Operating Costs” means any and all costs and expenses directly related to ownership, operation and maintenance of the Premises, as more particularly set forth in Section 5.2, but excluding Project Costs, Capital Expenditures and the other items expressly excluded under Section 5.3.

“Permitted Use” means use of the Premises by Tenant for office, retail, parking and/or any other lawful use consistent with the provisions of Section 7 and the Ground Lease.

“Preliminary Plans” means the initial renditions for the Project pursuant to site plan approvals issued with respect to the Project by the County, a schedule of which Preliminary Plans is attached hereto as Exhibit C. The Preliminary Plans include a design intent summary regarding the quality of construction, and general intent of design.

“Premises” means the Land, the Office Building, the Surface Parking Spaces, landscaping and such other improvements as may be located on the Land from time to time.

“Prime Rate” means the prime or reference rate announced from time to time by Bank of America, N.A. or its successor, or if Bank of America, N.A. and its successor cease to exist then the prime or reference rate announced from time to time by the largest state chartered bank in California in term of deposits.

“Procured FF&E” means furniture, fixtures, equipment, and movable property installed in the Project by Developer at Landlord’s direction through a Landlord initiated change order, the costs of which are not a Project Cost, but defined as an Other Owner Cost in the Development Agreement.

“Project” has the meaning set forth in Recital B, inclusive of all design, permitting and construction, all design and other professional services, and all labor, materials and equipment used or incorporated in such design and construction of the (a) Project, (b) Tenant Improvements to be constructed within the Project, and (c) the Financed FF&E and the Procured FF&E. The Project shall be consistent with and reasonably inferable from the approved Project Requirements as being necessary to produce the intended results. The Project design shall be structured around a solid core and shell to ensure a functional and easily maintainable building foundation. The Project shall be designed to meet LEED Gold certification standards.

“Project Budget” means the budget for development of the Project attached hereto as Exhibit D-2 and as revised from time to time by Developer and Landlord with Tenant’s Concurrence, and in accordance with the Development Agreement.

“Project Contingency” means the contingency by that name set forth in the Project Budget and further defined in the Development Agreement.

“Project Costs” means all costs for the completion of the development, design, permitting, and construction and equipping of the Project, including, without limitation, all site work, including utility relocation and installation of utilities as required to serve the Project [and obtaining all appurtenant easements required for such utility relocation and installation], all roadway improvements (if any), sidewalks and landscaping, all permit fees, all costs of the Project, HVAC, electrical and other building systems, including but not limited to conduit rough-in for data, telephone, and security, all costs of Tenant Improvements including HVAC thermostats and operating controls, all costs of Financed FF&E (but only to the extent of the Financed FF&E Allowance set forth in the approved Project Budget), all costs of architectural services provided by the Architect under the Architect’s agreement, all other professional design services and other services provided by Contractors or other professionals engaged by Developer, the General Contractor, all amounts paid to the General Contractor under the General Construction Contract, including all labor, material, and equipment used or incorporated in such design and construction, all amounts paid to other Contractors and subcontractors, if any, under any other Construction Contract or subcontract entered into by Landlord upon the written approval of Developer or by Developer on behalf of and acting as the Landlord’s agent in connection with the Project, including all labor, material, equipment used or incorporated in such design and construction, services provided by engineers, environmental consultants, surveyors and other professionals and consultants retained by Developer in connection with the Project, the Developer’s Overhead Allowance, Developer’s Fee (each as defined in the Development Agreement), insurance (other than Bond insurance and other than builders risk insurance which shall be purchased by Landlord and not by Developer or the General Contractor), payment and performance bonds, applicable state and local retail sales taxes, the Project Contingency, [all costs of obtaining the nonexclusive right to use a minimum of 600 parking spaces in the Garage, all costs of the Civic Art, and all costs of the Relocation Services]².

Notwithstanding anything to the contrary herein, Project Costs do not include (a) Tenant’s Personal Property and any taxes thereon (which shall be paid by Tenant at its sole cost and expense); (b) Owner Discretionary Costs; (c) Costs Resulting from Owner-Caused

² NTD: Bond counsel to confirm whether Civic Art and Relocation Services can be included in Project Costs.

Delay; (d) any increase in the cost of the Project resulting from Owner-initiated change orders in accordance with Section 8.3 of the Development Agreement; (e) real property taxes and assessments with respect to the Premises; and (f) Other Owner Costs. Owner Discretionary Costs, Costs Resulting from Owner-Caused Delay, and Other Owner Costs each shall have the meaning assigned to them in the Development Agreement.

“Project Requirements” means the Preliminary Plans, Construction Documents, Requirements of Law, and any other requirements for the Project specifically agreed to by Landlord and Developer with Tenant’s Concurrence.

“Project Schedule” means the schedule for development and construction of the Project as revised from time to time by Developer and Landlord, with Tenant’s Concurrence, in accordance with the Development Agreement. The initial Project Schedule is set forth in Exhibit D-1.

“Proposed Capital Expenditure Work Plan” has the meaning set forth in Section 5.11(a).

“Punch List” means a list of items required to be completed prior to Final Acceptance that are minor items which do not affect Landlord’s ability to lease the Premises to Tenant and do not affect Tenant’s ability to use the Premises for their Permitted Use. The Punch List shall be subject to Tenant’s Concurrence.

“Relocation Services” means the relocation and installation of Tenant’s furniture, fixtures, equipment and movable property from Tenant’s current buildings at 600 Commonwealth Ave., 5601 E. Slauson Ave., 350 S. Figueroa, 3530 Wilshire Blvd., 2415 W. 6th Street., and 501 Shatto Place to the Project, the costs of which shall be part of the [Taxable Bonds]³.

“Rent” means the sum of Base Rent and Additional Rent.

“Rent Commencement Date” means the date of Substantial Completion of the Project, except as set forth in Section 4.6.

“Rent Payment Date” means each June 1 and December 1 throughout the Term.

“Retail Space Lease” has the meaning set forth in Section 21.

“Retail Space Sublease” has the meaning set forth in Section 21.

“Retail Spaces” has the meaning set forth in Section 21.

“Requirements of Law” means all requirements relating to land and building construction (including those specifically applicable to Tenant’s contemplated use of the Premises and Project for the Permitted Use), planning, zoning, subdivision, environmental, air quality, flood hazard, fire safety, accessibility, and other governmental approvals, permits,

³ NTD: Bond counsel to confirm.

licenses and/or certificates as may be necessary from time to time to comply with all the foregoing and other applicable statutes, rules, orders, regulations, laws, Applicable Laws, ordinances, and covenants, conditions and restrictions, which now apply to and/or affect the design, construction, existence, intended use, operation and/or occupancy of the Premises, the Project or any part thereof.

“Substantial Completion Date” means the date of Substantial Completion of the Project.

“Substantial Completion of the Project” has the meaning set forth in Section 9.1.3.

“Substantially Complete” means that the Project has been constructed in substantial accordance with the Contract Documents and: (i) all elements required for the functioning of the Project are operational and in good working order and condition including satisfying applicable ADA building requirements, as well as regulations adopted thereunder; (ii) the Project, is weather tight and waterproof; (iii) the fire and life safety systems within the Project are operational and in good working order and condition; (iv) the elevators within the Project operate and function in good working order and condition, but may still require minor touch up installation and cleaning; (v) the mechanical and electrical systems, including but not limited to the HVAC system, have been individually tested and verified that they are in good working order and able to support the Permitted Use of the Project by the Tenant, and have been tested to assure that the Project systems operate on an integrated basis; (vi) the finish work has been substantially completed, including, but not limited to public lobby, elevator, HVAC, plumbing, fire and life safety, sprinkler and electrical systems, doors, partitions, cabinetry, carpet and base, including removal of all construction debris; and (vii) all roadway improvements, site utilities, sidewalks and landscaping have been substantially completed and construction barricades and equipment have been removed; except, in each case, minor Punch List items which do not materially affect use and occupancy of the Project for its Permitted Use.

“Tax Agreement” has the meaning set forth in Section 7.4(a).

“Tax-Exempt Bonds” means those Bonds that are tax-exempt obligations and that satisfy the requirements of Internal Revenue Service Revenue Ruling 63-20, as amended and updated by Internal Revenue Service Revenue Procedure 82-26, and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings.

“Taxable Bonds” means any Bonds that are not Tax-Exempt Bonds.

“Taxes” means all real and personal property taxes and assessments (including assessments for special assessment district improvements), supplemental assessments, license and permit fees, leasehold excise taxes, other excise taxes, levies, sales, use and occupancy taxes, any tax or charge assessed against the Premises and any taxes levied or assessed in addition to or in lieu of, in whole or in part, such taxes, assessments or other charges and all other governmental impositions and charges of every kind and nature, general and special, ordinary and extraordinary, foreseen and unforeseen of every character which at any time from and after

the Substantial Completion Date may be imposed, levied upon or assessed against or which arise with respect to or constitute a lien upon the Premises, the Project (or any part thereof), the leasehold estate created by this Lease or any part thereof, or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Premises or any part thereof. Taxes shall not include any tax computed on the basis of Landlord's net income or any other form of income tax by any governmental entity.

"TCLA" means TC LA Development, Inc., a Delaware corporation.

"Tenant" means the County of Los Angeles, and its successors and permitted assigns.

"Tenant Improvements" means any improvements to the interior of the Project, including but not limited to HVAC thermostats, operating controls and conduit rough-in for data, telephone, and security wiring, all of which are more specifically described in the Construction Documents and subject to Tenant's Concurrence.

"Tenant's Concurrence" means, with respect to any Contract Documents or any action to be taken by Landlord with respect to the Project for which Tenant's Concurrence is specified, (a) the written approval of Tenant to such Contract Document or action following written notice to Tenant from Landlord or Developer requesting such concurrence or (b) any deemed concurrence pursuant to this Lease. Tenant's Concurrence (whether written or deemed) is given solely as an expression of Tenant's lack of objection to any Contract Documents or any action for which Tenant's Concurrence is sought and shall under no circumstance be deemed or construed to constitute (x) Tenant's endorsement of such Contract Document or action, (y) a professional opinion by Tenant regarding the effect, safety, legality, or construction worthiness of any improvement or work conducted in accordance with such Contract Document or action, or (z) Tenant's acceptance or assumption of any liability arising from such Contract Document or action. Tenant's written approval of such Contract Document or action shall be made within ten (10) Business Days following written notice to Tenant from Landlord requesting such concurrence. Landlord shall include in any such notice, printed in capital letters and boldface type, a legend to the following effect:

"THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL OF THE CONTRACT DOCUMENTS DESCRIBED HEREIN."

If the foregoing legend is included by the Landlord in its communication, then the submitted Contract Documents shall be deemed to have been approved if the Tenant fails to object with respect thereto within ten (10) Business Days of receipt of such notice. Tenant's Concurrence shall not be unreasonably withheld, conditioned or delayed.

"Tenant's Construction Representative" means Matthew J. Diaz, or such other individual named in a notice from Tenant to Landlord given from time to time.

"Tenant's Personal Property" means Tenant's furniture, equipment and movable property placed in the Premises. Tenant shall provide and install Tenant's Personal

Property at Tenant's sole cost and expense. Tenant's Personal Property does not include Financed FF&E.

“**Term**” has the meaning set forth in Section 3.

“**Trustee**” has the meaning given such term under the Indenture.

“**Turnkey Condition**” means that Substantial Completion of the Project has been achieved and all Financed FF&E and Procured FF&E has been installed in accordance with the Construction Documents, and the Project is fully occupiable and usable for its intended purposes by Tenant and any agreed Relocation Services have been completed.

“**Utilities**” means all utilities and services furnished to the Premises, after the Substantial Completion Date including without limitation, gas, electricity, water and sewer.

Any capitalized term used but not defined shall have the meaning given to it in the Development Agreement or Indenture, as applicable.

2. Demise of Premises. In consideration of the rents, covenants and agreements contained in this Lease, Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord upon and subject to the conditions set forth in this Lease; provided that Tenant shall not be able to occupy the Premises prior to the Substantial Completion Date.

2.1 Subleasehold Title Insurance. The subleasehold interest in the Premises granted to Tenant by Landlord shall be subject only to those permitted exceptions set forth in the attached Exhibit J. The subleasehold interest shall be insured by a CLTA title policy issued by Commonwealth Title Company (Eric Gile, title officer), and the cost of the policy of the title insurance policy shall be a cost of the Project.

3. Term. The term (the “**Term**”) of this Lease shall commence on the Effective Date and shall expire on the earlier of (a) [_____, 20__] [**Final maturity date of the Bonds**], (b) the date that the Bonds are no longer Outstanding (as defined in the Indenture) and the Premises have been conveyed by Landlord to Tenant as set forth in the applicable provisions of this Lease, or (c) the date on which this Lease terminates in accordance with its terms (any, as applicable, the “**Expiration Date**”). Notwithstanding the foregoing, if on the Expiration Date of this Lease, the total Base Rent otherwise payable hereunder has not been fully paid as a result of an Abatement of Rent and the Bonds remain Outstanding, then, the Term of this Lease shall be extended until the total Base Rent otherwise payable hereunder shall be fully paid or such earlier time as the Bonds are no longer Outstanding; provided, however, that such extension shall not exceed ten (10) years. In the event of such an extension, the Term of this Lease shall be deemed extended for the same period of time that the term of the Ground Lease is extended.

4. Base Rent; Conveyance of Premises.

4.1 Obligation to Pay Base Rent. Except as set forth in Section 4.6, Tenant shall pay Base Rent to the Trustee at the Trustee's address set forth in Section 34.15 without deduction, offset, prior notice or demand, in advance on the Rent Commencement Date and thereafter in advance on each Rent Payment Date throughout the Term. Tenant shall deposit

with the Trustee each payment of Base Rent at least one (1) Business Day prior to the Rent Payment Date. The first Base Rent payment that occurs on the Rent Commencement Date shall equal the prorated amount attributable to the period occurring between the Rent Commencement Date and the next following Rent Payment Date (after deducting any payments made by Tenant pursuant to Section 4.6 that are on deposit with the Trustee for such period), and the last Base Rent payment shall equal the prorated amount attributable to the period occurring between the last Rent Payment Date and the Expiration Date. In any Fiscal Year, the aggregate amount of Base Rent plus the Annual Capital Repair Reserve Payment shall not exceed the Fair Market Rent for the Premises and in any partial Fiscal Year (falling in the Fiscal Year in which Rent Commencement Date or the termination of this Lease occurs), the aggregate amount of Base Rent plus the Annual Capital Repair Reserve Payment shall not exceed the Fair Market Rent for the Premises for such partial Fiscal Year.

4.2 Defeasance. In the event that, pursuant to Section 4.3, Tenant deposits with the Trustee money and/or Government Obligations (as defined in the Indenture), maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to pay or prepay all Base Rent then due under this Lease in accordance with the terms of this Lease and sufficient to redeem or defease all of the Outstanding Bonds pursuant to the terms of the Indenture, plus all costs associated with such redemption or defeasance, Landlord shall convey unencumbered title to the Premises to Tenant (subject to Section 4.4), this Lease shall automatically terminate, no further payments need be made of any Base Rent under this Lease and Landlord shall not be entitled to any lien, benefit or security in the Premises, except the right to receive the funds so set aside and pledged, and neither Landlord nor Tenant shall have any further obligation to the other hereunder. Landlord shall apply such prepaid Base Rent to the defeasance or redemption of Bonds in accordance with the Indenture. In the event the Premises are conveyed to Tenant pursuant to this Section 4.2, the Ground Lease shall automatically terminate.

4.3 Options to Prepay Rent and Purchase Premises; Conveyance of Title.

(a) **Option to Purchase.** Tenant shall have the option to purchase the Premises and thereby terminate this Lease and the Ground Lease by depositing with the Trustee amounts sufficient to redeem or defease all of the Outstanding Bonds pursuant to the terms of the Indenture, plus all costs associated with such redemption or defeasance.

(b) **Exercise of Option.** Tenant shall give Landlord not less than forty-five (45) days' prior written notice of its irrevocable election to exercise its option to purchase under Section 4.3(a) in the form set forth on the attached Exhibit G. Within fifteen (15) days thereafter and in accordance with Section 4.3(e), Landlord shall provide Tenant with an accounting of the amounts necessary to complete the purchase on the date set forth in such notice. The purchase price shall be paid in cash or same-day available funds by 12:00 noon Pacific Time on the payment date specified in such notice (or such other earlier date as Tenant and Landlord may mutually agree. Notwithstanding the foregoing, Tenant's election hereunder may be conditioned on the availability of sufficient funds on the purchase date, so long as any required notices of termination of management contracts that must be given by Landlord in anticipation of the purchase are also so conditioned.

(c) **Option to Partially Prepay Lease and Cause Bonds to be Redeemed or Defeased.** Tenant shall have the option to partially prepay the principal component of Base Rent, in increments of five thousand dollars (\$5,000), for periods to be determined by Tenant (as represented by the principal components of Base Rent due each year as set forth on Exhibit B) by causing Bonds to be redeemed in accordance with Section 3.01 of the Indenture or by causing Bonds to be defeased in accordance with Article X of the Indenture. Notice of Tenant's intent to prepay by causing Bonds to be redeemed or defeased, as applicable, shall be given to Landlord in writing not less than forty-five (45) days in advance of the intended prepayment date. The notice of partial prepayment shall be substantially in the form set forth on Exhibit H. By 10:00 a.m. Pacific Time on the date set for such prepayment, Tenant shall pay to Trustee in cash or same-day available funds, an amount equal to the principal component of Base Rent to be prepaid, together with interest thereon sufficient to optionally redeem or defease such Bonds in accordance with the Indenture. Upon such prepayment, Exhibit B shall be amended to reflect the reduction in Base Rent resulting from such prepayment; provided, however that in all cases Exhibit B shall result in Base Rent being due and payable in the amounts and at the times sufficient to pay the principal of and interest on all Bonds Outstanding after giving effect to the redemption or defeasance. Tenant shall be responsible for paying all costs associated with partial payment.

(d) **No Requirement to Purchase.** Nothing herein shall be construed to require Tenant to exercise the purchase option herein granted.

(e) **Accounting; Disputed Amounts.** Within fifteen (15) days of its receipt of the notice under Section 4.3(b), in addition to providing Tenant with information regarding the amounts required to redeem or defease all of the Outstanding Bonds pursuant to the terms of the Indenture, plus all costs associated with such redemption or defeasance, Landlord shall provide Tenant with an accounting of all Additional Rent then due and expected to be due on the purchase date set forth in the notice. Such accounting shall also include the amounts of money currently in any Capital Repairs Fund or other reserve account, and specifically itemize amounts in those accounts allocated to work already performed, and contracted to be performed. If Tenant does not dispute such accounting, Tenant shall pay all such Additional Rent and other amounts due and owing on the purchase date, and if Tenant does not pay such amounts, Landlord may use funds remaining in any operating account (including the reserve fund established pursuant to Section 5.2(t)) to pay such amounts. If Tenant disputes the amounts set forth in the accounting provided by Landlord and an agreement cannot be reached within twenty (20) days of receipt of the accounting, then Tenant shall pay all undisputed amounts on the purchase date, and any amounts remaining in dispute are not waived by Landlord, and, notwithstanding the conveyance of the Premises, Landlord may seek those amounts per the Dispute Resolution Procedure in Exhibit F. Tenant's obligation to pay Additional Rent hereunder shall survive the payment in full or defeasance of the Bonds and the termination of this Lease. It is contemplated that amounts remaining in controversy, if any, will relate to Additional Rent, including but not limited to operating costs, capital costs, proration of expenses, Landlord management fees, capital expenditures, reserve accounts, ongoing or estimated expenses. Amounts paid by Tenant to redeem or defease the Bonds pursuant to the terms of the Indenture and cause conveyance of the Premises shall be used only for that

purpose and shall not be first applied to Additional Rent. Payment may, to the extent permitted by the Indenture, be partially made by demand to use amounts remaining in any operating, capital, or replacement reserve accounts not already allocated to work actually performed or equipment purchased and upon conveyance of the Premises to Tenant any amounts remaining in such operating capital, or replacement reserve accounts shall be paid to Tenant within ten (10) Business Days.

(f) Limitation. Notwithstanding any other provision hereof, no prepayment shall be permitted that would result in any Taxable Bonds (and the Base Rent payments allocable thereto) remaining Outstanding beyond the last remaining Base Rent payment applicable to the Tax-Exempt Bonds.

4.4 Conveyance of Premises. Landlord shall convey to Tenant unencumbered title to the Premises without recourse or warranty (except by assignment of all warranties provided by Contractors and their equipment suppliers) and in its then-current condition together with any reserve funds or accounts held by Landlord (subject to offset as described in Section 4.3(e)), upon the termination of this Lease, as a result of the full payment, redemption or defeasance of all outstanding Bonds pursuant to the terms of the Indenture, plus all costs associated with such redemption or defeasance. The deed by which Landlord conveys the Premises to Tenant may list as exceptions all covenants, conditions, restrictions and other matters then recorded against the Premises so long as such exceptions: (w) were in effect on the Effective Date, (x) were approved by Tenant prior to the Substantial Completion Date; (y) consist of non-delinquent real estate taxes and assessments or (z) arise by reason of Tenant's activities. Tenant shall pay the cost for any owner's policy of title insurance it elects to obtain in connection with such conveyance together with any transfer tax. Landlord shall not be required to make any representations regarding the conditions of the Premises, and Tenant agrees to accept the Premises in an "as is" condition. Upon termination of this Lease, the Ground Lease shall automatically terminate, and, upon request by either Party, the parties shall execute and record a termination of Ground Lease and this Lease in the real property records of the County. In addition, prior to the conveyance, as built plans, maintenance records, management records, and records of contracts and payments with vendors for the entire Lease Term shall be made available to Tenant, or transferred into the Tenant's possession.

4.5 Covenant to Budget for Rent. Tenant's obligation to pay Rent is a general fund obligation of Tenant, and Tenant hereby covenants to take such action as may be necessary to include the payment of all Rent due hereunder in its annual budget and to make the necessary annual appropriations for the payment of Rent, subject to the provisions of this Lease. Such covenants are deemed to be duties imposed by law, and it is the duty of each and every public official of Tenant to take such action and do such things as are required by law in the performance of the official duty of such official to enable Tenant to carry out and perform such covenants.

Subject to Abatement as provided herein, the obligation of Tenant to pay Rent and to perform its obligations hereunder will be absolute and unconditional, and payment of Rent will not be subject to setoff, counterclaim or recoupment.

Notwithstanding the foregoing, the obligation of Tenant to pay Base Rent and Additional Rent does not constitute an obligation of Tenant for which Tenant is obligated to levy or pledge any form of taxation or for which Tenant has levied or pledged any form of taxation. Neither the Bonds nor the obligation of Tenant to pay Base Rent or Additional Rent constitutes an indebtedness of the County, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

5. Additional Rent; Payment of Operating Costs and Capital Costs. Absolute Net Lease. Tenant acknowledges that, with the conditions set forth herein, this Lease is an absolute net lease. From and after the Substantial Completion Date, Tenant shall pay (i) all Operating Costs in accordance with Section 5.7 and (ii) Capital Repair Reserve Payments made in accordance with Section 5.11. Prior to the Substantial Completion Date, all Operating Costs relating to the Premises shall be paid by Landlord or as otherwise provided by the Development Agreement.

5.2 Operating Costs. Tenant shall pay as Additional Rent amounts sufficient to pay or reimburse Landlord for all Operating Costs incurred by Landlord pursuant to an Annual Operating Budget approved by Tenant pursuant to Section 5.7. In consideration of Tenant's payment of the Operating Costs, Landlord shall be responsible for all operations and all property management for the Premises. Landlord shall at all times use its best efforts to operate the Premises in an economically reasonable manner and minimize Operating Costs in accordance with reasonable commercial standards prevailing in the market place for comparable premises. Operating Costs means any and all costs and expenses directly related to operation and maintenance of the Premises in connection with the following, in each case excluding costs described in Section 5.3:

- (a) the repair, replacement (other than capital repairs and replacement), operation, and maintenance of the Premises, including, without limitation, interior and exterior maintenance, all exterior doors and windows, elevators, sidewalks, driveways, dock or pier, interior perimeter and interior partition walls and finishes (including periodic painting thereof), exterior wall finishes, broken glass in exterior and interior doors and windows, roof, floor covering, window frames, gutters and downspouts, HVAC system, electrical system, plumbing system, pest control, landscaping, and all other areas used in connection with the Premises;
- (b) the Asset Management Fee payable to Landlord pursuant to Section 10.2(d).
- (c) the commercially reasonable property management fees paid to the entity managing the Premises under any property management contract entered into pursuant to, and terminable in accordance with, Section 10.2(b).
- (d) the auditing fees incurred by Landlord in connection with the preparation of the financial statements required under Section 10.2(c).
- (e) all reasonable costs of services provided by third parties (i.e., service providers other than Landlord) and benefiting the Premises, including parking

management services; provided, however, that (i) Landlord shall be required to obtain services at rates generally competitive in the marketplace, (ii) such third-party providers shall not be related entities to Landlord and (iii) any gift, bonus, rebate, offset against fees or charges at another site or other remuneration paid by any such third-party provider to Landlord, Developer, any property manager, or any other party engaging in or related to the management of the Premises shall be disclosed to Tenant and credited to Tenant as an offset against Operating Costs. Such services shall include janitorial, security, gardening, together with related costs and expenses, licenses, permits, and inspection fees, the cost of supplies, materials, equipment, and tools used in connection therewith;

(f) Utilities until such time as the account for any such Utility is established in the name of Tenant with Tenant's Concurrence pursuant to Section 6, and reasonable security/fire alarm monitoring fees and related costs;

(g) Taxes;

(h) any damage to the Premises (but not to Tenant's Personal Property) caused by breaking and entering or other criminal act or any other event not covered by insurance, to the extent that such act or event is not caused or exacerbated by the acts or omissions of Landlord, its agents, employees, or contractors;

(i) all costs of compliance with governmental laws or the board of fire underwriters (or similar organization) now or hereafter constituted as applicable to the Premises;

(j) all insurance premiums for insurance required to be carried under this Lease (including loss of rent insurance);

(k) amounts necessary to fund or restore any operating or maintenance reserve provided for in the Annual Operating Budget or as may otherwise be agreed by Landlord and Tenant;

(l) the amount of any deductible payable under any insurance policy described herein as a result of repairs or replacements attributable to fire or other casualty to the extent that such fire or casualty is not caused or exacerbated by the acts or omissions of Landlord, its agents, employees, or contractors;

(m) following Final Acceptance, all attorneys' fees and other costs incurred by Landlord in efforts to enforce the provisions of the Development Agreement the General Construction Contract as approved by Tenant to enforce product or workmanship warranties given by Developer, the General Contractor, or other Contractors or suppliers of equipment or materials (unless Tenant desires that Landlord instead assign such warranties to Tenant in accordance with Section 5.8), but only to the extent that such costs have not been paid from the Project Contingency or reimbursed by or recovered from Developer, the General Contractor, or any other Contractor or any other party who may be obligated to Landlord;

(n) Administrative Fees and Expenses, any Rebatable Arbitrage (as defined in the Indenture) payable with respect to the Bonds, and costs payable in connection with any prepayment of Base Rent and any defeasance or redemption of the Bonds;

(o) all other costs reasonably incurred by Landlord in connection with the maintenance, and upkeep of the Premises in order to: (i) prevent any dangerous or unsafe condition on the Premises that could result in liability to Landlord or its officers, employees, directors, or other agents or (ii) comply fully with and to avoid or to cure any default under the Indenture, Leasehold Mortgage and other documents relating to the Bonds and all Requirements of Law;

(p) all costs of compliance with federal, state or local laws, regulations or permits pertaining to storm water pollution, prevention plans and all National Pollution Discharge Elimination System laws or regulations adopted or to be adopted by the United States Environmental Protection Agency;

(q) the costs for a day porter for the Premises on such schedule as is mutually agreed by Landlord and Tenant;

(r) the costs for building engineers (including an Inspection Engineer under Section 5.11(a)) for the Premises on such schedule as is mutually agreed by Landlord and Tenant;

(s) the costs for security for the Premises on such schedule as is mutually agreed by Landlord and Tenant; and

(t) if elected by Landlord and Tenant, a reserve fund for unexpected expenses commencing at two hundred thousand dollars (\$200,000) per year and thereafter as it may be increased at the suggestion of Landlord and direction of Tenant.

5.3 Exclusions from Operating Costs. Operating Costs shall exclude:

(a) Project Costs;

(b) Utilities established in the name of Tenant with Tenant's Concurrence as provided in Section 5.2(f);

(c) political or charitable contributions made by Landlord;

(d) fines, penalties and interest penalties incurred as a result of Landlord's failure to make payments when due or take such other actions as may be required, unless arising directly from Tenant's failure to pay Rent to Landlord when due;

(e) legal fees, accountant's fees and other expenses incurred in connection with (i) disputes with Tenant or associated with the interpretation of the terms of this Lease or (ii) legal proceedings arising out of Landlord's violation of the terms of this Lease, the Ground Lease, any contract with any third party, or any Requirements of Law;

(f) costs of any service provided to Tenant for which Landlord is reimbursed, or any other expense for which Landlord is or will be reimbursed by another source (i.e., expenses covered by insurance or warranties or the proceeds of any condemnation) or expenses which would be reimbursed if the Landlord maintained the insurance coverage required by Section 16;

(g) fees to Landlord for goods or services in excess of the fees that would typically be charged by unrelated, independent persons or entities for similar goods and services;

(h) repairs or replacements made to rectify or correct any latent defect(s) in the original design, materials or workmanship of the Project, as originally constructed, to the extent of and in the amount that the cost of such repairs or replacements are paid to Landlord (i) from the Project Contingency or (ii) by reimbursement or other recovery from Developer, the General Contractor, or any other Contractor, or any other party who may be obligated to Landlord to pay or reimburse for such repairs, including, but not limited to, warranty claims;

(i) repairs or replacements necessitated by the negligence or willful misconduct of Landlord, Landlord's employees, contractors or agents;

(j) repairs or replacements attributable to fire or other casualty to the extent covered by the proceeds of insurance required by Section 16;

(k) notwithstanding Section 5.2(f), any Utilities directly related to the completion of the Project following Substantial Completion of the Project in an amount determined by Landlord in the exercise of its reasonable discretion if not otherwise metered, all of which shall be payable as part of the Project Costs;

(l) any cost of repair, replacement, operation and/or maintenance of the Premises incurred as a direct result of the ongoing construction of the Project following Substantial Completion of the Project, all of which shall be payable as part of the Project Costs;

(m) Capital Expenditures;

(n) depreciation or amortization;

(o) debt service on loans with respect to the Premises not approved by Tenant;

(p) damages recoverable by Tenant due to violation by Landlord of any of the terms and conditions of this Lease;

(q) Except for the Asset Management Fee, Landlord's general corporate overhead and general administrative expenses not related to the operation of the Premises and all compensation to executives, officers or partners of Landlord or to any other

person above the level of building manager (excluding the building manager of the Premises, if any); and

(r) Costs associated with the operation of the business of the Landlord as the same are distinguished from the costs of operation of the Premises, including accounting and legal matters, costs of defending any lawsuits with any lender or any employee or vendor of Landlord.

5.4 Payment of Taxes by Tenant. Tenant shall be liable for Taxes that accrue from and after the Rent Commencement Date. Tenant shall pay all Taxes directly to the applicable governmental agency prior to delinquency and shall provide proof of such payment promptly to Landlord. To the extent Taxes or other charges can be paid in installments, Tenant may pay such Taxes in installments. With respect to any general or special assessments which may be levied against or upon the Premises, or which under the Applicable Laws then in force may be evidenced by improvement or other bonds or may be paid in annual installments, only the amount of such annual installment, and interest due thereon, shall be included within the computation of Taxes. Landlord and Tenant shall cooperate to minimize the amount of applicable Taxes where reasonably possible and to the extent consistent with all Applicable Laws.

5.5 Real and Personal Property Tax Statements. Landlord shall make appropriate arrangements to receive directly from the applicable governmental agency assessment notices and real and personal property tax statements for the current year and shall provide a copy thereof promptly to Tenant. Tenant and Landlord shall work together in good faith to obtain a property tax exemption for the Premises and Project. Without limiting the generality of the foregoing, Landlord shall apply for and use commercially reasonable efforts to obtain and maintain, effective from and after the Effective Date and continuing throughout the Term, the Welfare Exemption from property taxes, as set forth in Section 214 of the California Revenue and Taxation Code, or any successor statute, for the Premises. Tenant shall reasonably cooperate with Landlord's efforts described in the immediately-preceding sentence.

5.6 Right to Contest Taxes. If Landlord receives prior notice that an appraisal of the Premises, or any portion thereof, will be conducted for real property tax purposes, Landlord shall so notify Tenant and permit Tenant to be present during such appraisal if Tenant so elects. Tenant shall have the right in Landlord's name and stead, and at Tenant's sole expense, to contest the validity or amount of any real property taxes provided all such taxes are paid when and as due. Landlord shall cooperate with Tenant and provide reasonable assistance with respect to any such contest, including, without limitation, such information and supporting documents as may be reasonably requested by Tenant. Notwithstanding any provision of this Lease to the contrary, Tenant shall not be required, nor shall Landlord have the right, to pay, discharge or remove any such real property tax so long as no Event of Default has occurred and Tenant is contesting the existence, amount, applicability or validity thereof by appropriate proceedings conducted in good faith with due diligence. In the event Landlord shall obtain a tax refund as a result of any such tax appeal or other proceedings Tenant shall be entitled to, and Landlord shall promptly pay to Tenant, all such tax refunds.

5.7 Payment of Operating Costs. From and after the Substantial Completion Date, Tenant shall pay the Operating Costs to Landlord in the following manner:

(a) **Annual Operating Budget.** Landlord shall develop an annual operating budget (“**Annual Operating Budget**”) for the Premises and shall submit a copy of such Annual Operating Budget to Tenant no later than nine (9) months prior to the anticipated Substantial Completion Date and the commencement of each Fiscal Year thereafter for review and written approval by Tenant for the purpose of determining the amount of estimated Operating Costs expected to be incurred in connection with the Premises for the upcoming Fiscal Year. If Tenant does not approve the proposed Annual Operating Budget and Tenant and Landlord are unable to agree upon an Annual Operating Budget by the thirtieth (30th) day prior to the commencement of the following Fiscal Year, Landlord and Tenant will resolve the dispute pursuant to Exhibit F. Until such time as such dispute is resolved, Tenant shall continue to pay Operating Costs in accordance with the previously approved Annual Operating Budget.

(b) **Payment as Additional Rent.** In advance of the Rent Commencement Date and thereafter in advance of each Rent Payment Date, Tenant shall pay as Additional Rent, on February 1 and August 1 of each year, an amount equal to one-half (1/2) of the Operating Costs for each Fiscal Year as reasonably estimated by Landlord and set forth in the Annual Operating Budget. By way of example, Additional Rent that is due and payable on February 1, 2028 (and that is attributable to the period from February 1, 2028 through July 31, 2028) shall be paid no later than January 31, 2028. The first Additional Rent payment shall equal the sum of (i) the prorated amount attributable to the period between the Substantial Completion Date and the next following Rent Payment Date, and (ii) any insurance premiums that are required to be prepaid in full at the commencement of coverage on the Rent Commencement Date. The last Additional Rent payment shall equal the prorated amount attributable to the period between the last Rent Payment Date and the Expiration Date. Tenant shall pay directly to the Trustee any portion of Additional Rent that is required to be held and applied by the Trustee under the Indenture, and to the Landlord any other portion.

(c) **Tenant Review.** Operating Costs shall be subject to Tenant’s review, and Tenant shall have the right to object to (i) any cost or expense which exceeds the prevailing price for such goods or services in the market; (ii) any cost or expense which has been improperly included under Section 5.2; or (iii) the failure of the Landlord to include costs or expenses for goods or services which Landlord is obligated to provide under this Lease.

(d) **Reconciliation.** Within ninety (90) days after the end of each Fiscal Year occurring during the Term (or, if applicable, the Expiration Date), Landlord shall furnish to Tenant a reconciliation statement of the actual Operating Costs for the preceding Fiscal Year and Tenant’s actual payment of Operating Costs based upon the Parties’ approved Annual Operating Budget. The reconciliation statement shall be prepared, signed and certified to be correct by Landlord. If the actual Operating Costs for that Fiscal Year exceed the monthly payments of estimated Operating Costs made by Tenant, Tenant shall pay Landlord the deficiency within thirty (30) days after receipt of the reconciliation

statement. If Tenant's payments of estimated Operating Costs made during that Fiscal Year exceed the actual Operating Costs, the excess shall be credited by Landlord to the Additional Rent next due and payable; provided, however, that such excess sum which is more than three (3) months of then estimated Operating Costs shall be paid to Tenant in cash via Landlord's check within thirty (30) days after the date of the reconciliation statement.

5.8 Warranties. During the Term, Landlord shall exert its good faith and diligent efforts to enforce any and all applicable warranties, express or implied, in connection with defects which may arise in the original design, materials or workmanship of the Premises as originally constructed. Landlord shall assess maintenance, repairs, and replacements for potential warranty coverage and comply with warranty requirements, including but not limited to notices to the warrantor and requests for warranty service. Prior to Final Acceptance, costs incurred by Landlord in enforcing any such warranties shall be deemed a Project Cost and not payable by Tenant. Thereafter, costs incurred by Landlord to enforce any warranties shall be an Operating Cost, subject to the provisions of Section 5.2(m). Notwithstanding the foregoing, following Final Acceptance, Tenant may require Landlord to assign any such warranties to Tenant and Tenant shall thereafter be responsible for enforcement of such warranties.

If Landlord fails to take actions reasonably requested by Tenant to enforce or otherwise obtain the benefit of any such warranty, Tenant shall have the right, but not the obligation, to perform required work and shall have the right to be reimbursed by Landlord for the sum it actually expends in the performance of such work. If Landlord does not reimburse Tenant within thirty (30) days after demand from Tenant, Tenant shall have the right to pursue any and all remedies available at law or equity except that Tenant shall have no right to offset against Base Rent payable under this Lease.

5.9 Proration. Operating Costs for any partial month during the Term shall be prorated on a daily basis at the rate of one-thirtieth ($\frac{1}{30}$) of the Operating Costs for that month.

5.10 Right to Audit. Each Fiscal Year, within that period expiring ninety (90) days after Tenant's receipt of the reconciliation statement provided under Section 5.7, Tenant shall have the right to audit Landlord's books and records pertaining to the accuracy of the computation of Operating Costs. If, after delivery of copies of such audit to Landlord and Trustee and consultation with Landlord to determine such accuracy, any such audit, conducted in accordance with generally accepted accounting principles, reveals a discrepancy between Landlord's statement of the actual Operating Costs for a Fiscal Year and the amount determined by such audit, then Landlord shall reimburse to Tenant the excess amount paid by Tenant (or Tenant shall pay to Landlord the deficiency), if any; and, if such discrepancy exceeds three percent (3%) or more, Landlord shall pay for the cost of such audit. The Trustee shall have no duty to review, verify or analyze such audits and shall hold such audits solely as a repository for the benefit of the Landlord and the holders of the Bonds. The Trustee shall not be deemed to have notice of any information contained therein or default or Event of Default which may be disclosed therein in any manner.

Tenant shall also have the right either before or after Final Acceptance to cause Landlord to undertake an audit of the books and records of Developer, or any Project contractor in accordance with Section 18 of the Development Agreement, in a method, by parties and at a budget approved by Tenant, and to submit the results of any such audit to Tenant. Similarly, Tenant shall have the right to cause Landlord to undertake an audit of the books and records of the property manager for the Project in a method, by parties and at a budget approved by Tenant and in accordance with the provisions of the agreement entered into between Landlord and such property manager. Costs incurred by Landlord in connection with any such audit shall be reimbursed by Tenant except to the extent otherwise reimbursed under Section 19 of the Development Agreement or management agreement.

5.11 Annual Capital Repair Reserve Payment. Following the Substantial Completion Date, in advance of each Rent Payment Date, Tenant shall pay to Trustee, as Additional Rent, one-half (1/2) of the Annual Capital Repair Reserve Payment which has been reasonably established for the Premises. The Annual Capital Repair Reserve Payment shall be deposited by Trustee in the Capital Repairs Fund. The Annual Capital Repair Reserve Payment for the Premises for the first five (5) Fiscal Years following the Substantial Completion Date is approximately [\$243,000] per year, but such amount is reviewable annually and is subject to revision by mutual agreement of Landlord and Tenant. The annual payment for the initial year and final year shall be prorated for any partial year.

The Approved Work Plan for the Premises and the amount of the Annual Capital Repair Reserve Payment shall be re-determined every fifth (5th) Fiscal Year following the Substantial Completion Date utilizing the procedures set forth in Section 5.11(a). Landlord shall provide Trustee with written notice of the amount of each Annual Capital Repair Reserve Payment, including any modification of the initial Annual Capital Repair Reserve Payment, as soon as practicable after each calculation thereof but in no event later than the Substantial Completion Date and each September 30 thereafter. A copy of each such notice shall be provided to Tenant, and the Trustee shall be entitled to rely on the calculation set forth therein without independent investigation or verification.

(a) **Calculation of Annual Capital Repair Reserve Payment and Disbursements.** For the sixth (6th) Fiscal Year following the Substantial Completion Date and each Fiscal Year thereafter, the Annual Capital Repair Reserve Payment shall be determined in accordance with the following procedure: on or before June 1 of the fifth (5th) Fiscal Year following the Substantial Completion Date, and every fifth (5th) June 1 thereafter, Landlord shall, following consultation with Tenant, retain an independent qualified structural engineering firm with at least five (5) years of experience inspecting buildings comparable to the Premises or other qualified construction professional mutually acceptable to Landlord and Tenant with comparable levels of expertise (“**Inspecting Engineer**”) to conduct a physical inspection of the condition of the Premises (including all major building systems). Any contract for such services must specifically be transferrable to Tenant upon conveyance of the Premises, and terminable by the Tenant by written notice within forty-five (45) days of conveyance of the Premises with or without cause.

Within thirty (30) days following such inspection, the Inspecting Engineer shall deliver a copy of its report (“**Inspection Report**”) to Landlord and Tenant, including a

description of what Capital Expenditures, if any, need to be made to the Premises through the stated maturity date of the Bonds in order to maintain the Premises in substantially its present condition and state of repair as of Final Acceptance, normal wear and tear excepted (which may include recommendation for periodic maintenance or other preventive measures which should be taken to minimize Capital Expenditures and otherwise maintain the Premises in an economic and cost-effective manner), a recommended schedule of Capital Expenditures to be made during the next five (5) year period, and cost estimates to implement such schedule.

Landlord, or Landlord's property manager, shall consult with Tenant to determine a proposed capital expenditure work plan ("**Proposed Capital Expenditure Work Plan**") based upon the Inspection Report and taking into account amounts already on deposit in the Capital Repairs Fund. Tenant shall not be required to make payments into a reserve for Capital Expenditures which do not need to be completed within the next five (5) years unless the Tenant agrees otherwise. Disputes between Landlord and Tenant regarding the Proposed Capital Expenditure Work Plan may, but are not required to be, submitted according to the independent dispute mediation process set forth in Section 5.11(d), and the Work Plan so approved by the Parties or resolved by the independent dispute mediation process shall be deemed the "**Approved Work Plan**" for the next five (5) year period.

(b) **Disbursements from the Capital Repairs Fund.** Landlord, or Landlord's property manager, shall from time to time as required by the Approved Work Plan prepare requests for disbursements from the Capital Repairs Fund for submission to the Trustee in accordance with Section 4.15 of the Indenture. Such requests shall be signed by both Landlord and Tenant. Disbursements made from the Capital Repairs Fund by Trustee pursuant to any such written request shall be presumed to be made properly and the Trustee shall not be required to verify (i) the propriety of any Capital Expenditure, (ii) the application of any disbursement made from the Capital Repairs Fund, (iii) the compliance of any party with any Approved Work Plan, (iv) the accuracy of any calculation of the Annual Capital Repair Reserve Requirement or (v) the purpose of any disbursement from the Capital Repairs Fund.

(c) **Determination of Capital Expenditure Amount.** The cost of a Capital Expenditure shall include construction and project management fees payable to Landlord and Landlord's property manager as determined by Landlord and agreed to by Tenant in writing based upon the complexity of the Capital Expenditure project but not less than one percent (1%) and not to exceed a total of five percent (5%) of the hard construction costs associated with the Capital Expenditure. For reference, projects consisting of a purchase and installation by a single vendor, without separate design costs or other contractors may have a lower construction and project management fee; projects requiring several contractors, special inspections, round the clock access, coordination with existing service providers, other contractors, or design professionals may have a higher construction management fee. Asset Management Fees shall not be assessed on payments into the Capital Repairs Fund. The acquisition of a prior non-existing asset requested by Tenant that is not part of the Approved Work Plan shall be paid for by Tenant as a tenant improvement at the time of such acquisition unless Landlord and Tenant agree that the acquisition of such asset can be paid for out of funds on deposit in the Capital Repairs Fund.

(d) **Mediation of Disputes.** Landlord and Tenant have the option, but not the obligation, to follow the independent dispute mediation process set forth in the attached Exhibit F to attempt to resolve disputes regarding the Proposed Capital Expenditure Work Plan in an economic and time efficient manner and without resorting to litigation so that the Proposed Capital Expenditure Work Plan conforms to the requirements of this Lease and any Capital Expenditures made to the Premises are made in a cost-effective, appropriate and timely manner so as to maintain the Premises in not less than substantially its condition and repair as of Final Acceptance, normal wear and tear excepted; provided, however, Tenant shall not be required to make payments into the Capital Repairs Fund for Capital Expenditures which do not need to be made during the next five (5) years unless the Tenant agrees otherwise. Nothing in this Section prohibits either party from pursuing remedies in law or equity with courts of the County of Los Angeles consistent with Section 34.12.

(e) **Remaining Balance of Capital Repairs Fund.** Any balance remaining in the Capital Repairs Fund not specifically allocated to Capital Expenditures in progress or already completed at the time of conveyance of the Premises to Tenant pursuant to Section 4.3 and/or 4.4 will be, at the Tenant's option, and in accordance with the Indenture, returned to Tenant within forty-five (45) days following conveyance by either the Landlord or Trustee.

(f) **Limit on Annual Capital Repair Reserve Payment.** Notwithstanding any other provision of this Lease to the contrary, in no event shall the Annual Capital Repair Reserve Payment for any year exceed an amount which, when added to the total Base Rent for such year, cause the aggregate of such amounts to exceed the Fair Market Rent of the Premises for such year.

6. Utilities. Landlord shall be solely responsible for and shall pay for all charges for Utilities used or consumed in the Premises from the Effective Date until the Substantial Completion Date, and Landlord shall make any necessary arrangements to have all such Utilities billed directly to and paid for directly by Landlord during this time. Upon written notice from Tenant following the Substantial Completion Date, Landlord shall arrange for the transfer of any specified Utility account into Tenant's name. Thereafter, Tenant shall be responsible for and shall pay for all charges for such Utility or Utilities used or consumed on the Premises. Notwithstanding anything to the contrary herein, until Substantial Completion of the Project has occurred, Landlord shall be solely responsible for and shall pay for all charges for Utilities used or consumed in the Premises.

7. Use. Tenant intends to use the Premises for the Permitted Use, and Tenant has confirmed to its satisfaction that the Premises can be used for the Permitted Use. Any sublease by Tenant to private persons as defined in the Code shall require that Landlord, Trustee and Tenant receive a Favorable Opinion of Bond Counsel (as defined in the Indenture). Furthermore, no such sublease shall adversely affect the status of Landlord as a 501(c)(3) organization as defined in the Code. Tenant's use of the Premises shall be in accordance with the following:

7.1 No Insurance Cancellation. Tenant shall not negligently or intentionally do, bring, or keep anything in or about the Premises that would reasonably be expected to cause cancellation of any insurance covering the Premises.

7.2 Compliance with Applicable Laws. From and after the Substantial Completion Date, Tenant shall comply with all Applicable Laws concerning the Premises and Tenant's use of the Premises, including without limitation, Environmental Laws. Tenant shall not use the Premises for the transportation, storage or generation of any Hazardous Substances in violation of Environmental Laws. From and after the Substantial Completion Date, and to the extent permitted by law, Tenant shall absolutely and unconditionally indemnify, defend and hold Landlord harmless from and against any and all debts, demands, obligations, liens, judgments, claims, liabilities, losses, damages, cleanup costs, and expenses (including reasonable attorneys' fees) now or hereafter arising in connection with the presence, transportation, storage, disposal or handling of Hazardous Substances located in, on or about the Premises which are proven to be caused by or resulting from the actions of Tenant, its agents or employees after the Substantial Completion Date, excluding (a) any Hazardous Substances introduced on the Premises by Landlord or its agents or which migrate onto the Premises from property not owned by Tenant as a result of any act or omission of Landlord or its agents; (b) any such debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense resulting from the actions or omissions of Landlord, Developer, the General Contractor and their respective agents, employees, contractors, subcontractors or invitees; or (c) any debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost, or expense as a result of Landlord's violation of any contractual obligation under this Lease, the Ground Lease, the Development Agreement, the Indenture, any other document executed by Landlord in connection with a Leasehold Mortgage incurred in connection with Section 11, or any other contract or agreement. This indemnification shall survive the Expiration Date.

7.3 No Waste, Nuisance or Damage. Tenant shall not use the Premises in any manner that will constitute waste of the Premises or nuisance, and Tenant shall not do anything or permit actions to be taken that would reasonably be expected to cause damage to the Premises.

7.4 Landlord and Tenant Covenants.

(a) **Tax Covenants.** At all times from and after the Effective Date, Landlord (a) shall maintain its purposes and engage only in activities which are in furtherance of its purposes and which are permitted by the California Nonprofit Public Benefit Corporation Law; (b) will maintain its status as a nonprofit corporation and as an organization described in Section 501(c)(3) of the Code whose income does not inure to the benefit of any private person; (c) shall not encumber, pledge, hypothecate or grant a security interest in all or any part of the Premises (except for the Indenture and the Leasehold Mortgage which comply with the provisions of Section 11) or except as consented to in writing by Tenant (at Tenant's sole and absolute discretion) and Trustee; (d) shall not engage in any activities related to the Premises or the Leasehold Mortgage (except those specifically set forth in Sections 9 and 11) which would cause the transaction contemplated under this Lease to constitute an unrelated trade or business determined by applying Section 513(a) of the Code; and (e) will not take any action or omit to take any action

which, if taken or omitted, would adversely affect the tax-exempt status of interest payable on the Tax-Exempt Bonds. Unless Landlord (i) is directed in writing by holders of a majority in aggregate principal amount of the Tax-Exempt Bonds or the Trustee, and (ii) has received a Favorable Opinion of Bond Counsel, at all times during the Term, Landlord shall not assign its rights under this Lease (except to Trustee pursuant to the Indenture and the Leasehold Mortgage) without (x) the prior written consent of Tenant (which may be granted or withheld at Tenant's sole and absolute discretion), and (y) complying with the Ground Lease. Tenant agrees to comply with the provisions of that certain Tax Agreement by and between [_____] and [_____] of even date herewith (the form of which is attached as Exhibit R) (the "**Tax Agreement**"). Tenant hereby covenants that it will not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause the interest on the Tax Exempt Bonds to be included in gross income for federal income tax purposes. This covenant shall survive the payment in full or defeasance of the Tax-Exempt Bonds.

(b) **Continuing Disclosure.** Tenant hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Lease, failure of Tenant to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default hereunder.

7.5 Prohibited Uses. The following uses of the Premises are expressly prohibited:

(a) The Premises shall not be used or developed in any way which violates any Applicable Laws.

(b) The Premises shall not be used or developed in any way in a manner inconsistent with the Permitted Use. Without limiting the foregoing, no part of the Premises shall be used by any person for any adult entertainment purposes, as such term refers to graphic, explicit and/or obscene depictions of sexual activity or illegal drug use.

(c) No condition shall be permitted to exist upon the Premises which induces, breeds or harbors infectious plant diseases, rodents or noxious insects, and Tenant shall take such measures as are appropriate to prevent any conditions from existing on the Premises which create a danger to the health or safety of any persons occupying, using, working at, or patronizing the Premises.

(d) No tools, equipment, or other structure designed for use in boring for water, oil, gas or other subterranean minerals or other substances, or designed for use in any mining operation or exploration, shall hereafter be erected or placed upon or adjacent to the Premises, except (a) as is necessary to perform maintenance and repair obligations under this Lease, and (b) for such boring or drilling as necessary to perform water testing or monitoring, or any dewatering program to relieve soil water pressure.

(e) No adverse environmental condition in violation of Applicable Laws shall be permitted to exist on or in any portion of the Premises, nor shall any Hazardous Substances be permitted to be generated, treated, stored, released, disposed of, or otherwise deposited in or on, or allowed to emanate from, the Premises, or any portion thereof.

8. Liens.

8.1 Covenant Against Liens. Except for the Indenture and the Leasehold Mortgage incurred by Landlord in compliance with the provision of Section 11 to secure the Bonds, Landlord covenants and agrees that it shall not during the Term suffer or permit any Liens to be attached to, upon or against the Premises, or any portion thereof or any Rent payable under this Lease for any reason, including without limitation, Liens arising out of the possession, use, occupancy, acquisition, construction, repair, or rebuilding of the Premises or by reason of the furnishing of labor, services, materials, or equipment to the Premises or to Landlord. Landlord shall cause Developer to keep the Premises free and clear of all construction liens resulting from the construction of the Project (including the right to contest same by appropriate proceedings conducted in good faith with due diligence) under the terms of the Development Agreement prior to the Substantial Completion Date. If Developer shall fail to do so, Landlord shall protect, defend, indemnify and hold Tenant harmless against any such liens. Landlord agrees to indemnify, protect, defend and hold Tenant harmless from and against all liabilities, losses, damages, expenses and costs (including reasonable attorneys' fees and costs) incurred in connection with any such Lien. Landlord's obligations pursuant to this Section 8.1 shall survive the Expiration Date. Tenant covenants and agrees that, from and after the Substantial Completion Date, it shall not during the Term suffer or permit any Liens to be attached to, upon or against the Premises (including the right to contest same by appropriate proceedings conducted in good faith with due diligence), or any portion thereof or its leasehold interest in the Premises for any reason, including without limitation, Liens arising out of the possession, use, occupancy, acquisition, maintenance, operation, repair, or rebuilding of the Premises or by reason of the furnishing of labor, services, materials, or equipment to the Premises or to Tenant. Tenant agrees to indemnify, protect, defend and hold Landlord harmless from and against all liabilities, losses, damages, expenses and costs (including reasonable attorneys' fees and costs) incurred in connection with any Lien arising from the circumstances set forth in the immediately preceding sentence.

8.2 Covenant to Remove Liens. Landlord will promptly, and in all events within thirty (30) days following the attachment of any Lien, remove and discharge any and all Liens which attach to, upon or against the Premises or any portion thereof, or any leasehold interest of Tenant created under this Lease (other than liens or encumbrances arising through the actions of Tenant). Landlord reserves the right to contest the validity or amount of any such Lien in good faith provided that, within thirty (30) days after the filing of such Lien, Landlord discharges such Lien of record or records a bond which complies with the requirements of applicable law eliminating such Lien as an encumbrance against the Premises. In the event Landlord shall fail to so remove any such Lien, Tenant may take such action as Tenant shall reasonably determine to remove such Lien and all costs and expenses incurred by Tenant including, without limitation, amounts paid in good faith settlement of such Lien and attorneys' fees and costs shall be paid by Landlord to Tenant together with interest at the Applicable Rate

from the date advanced until paid. Landlord's obligations pursuant to this Section 8.2 shall survive the Expiration Date and, unless properly incurred under other provisions of this Lease, the costs of such obligations shall not be included as Operating Costs hereunder.

8.3 Tenant's Disclaimer. Notwithstanding the consent or request of Tenant, express or implied, for the performance of any labor or services or for the furnishing of any materials or equipment for any construction, alteration, addition, or repair to the Premises (or any part thereof), Landlord and Tenant agree and notice is hereby given that Tenant will not be liable for any labor, services, materials, or equipment furnished or to be furnished to Landlord, Developer or anyone holding an interest in the Premises (or any part thereof) through or under Landlord or Developer, and that no construction or other liens for any such labor, services, materials, or equipment shall attach to or affect the interest of Tenant in the Premises. Nothing in this Section 8.3 shall relieve Tenant of its obligation to pay Rent hereunder.

9. Construction of Project. Tenant would not have entered into this Lease but for the agreement by Landlord to undertake the Project, including without limitation (a) the obtaining of financing for the Project, (b) the acquisition of a leasehold interest in the Premises by way of the Ground Lease, and (c) the construction and equipping of the Premises for use by Tenant for the Permitted Use. It is of critical importance to Tenant that the construction of the Project be completed in a timely manner and within the Project Budget. Accordingly, Landlord shall diligently cause the Project to be designed, permitted and constructed in a good and workmanlike manner and delivered to Tenant upon achieving Substantial Completion of the Project by the date set forth in the approved Project Schedule and in no event later than the Developer Obligation Date. Upon Final Acceptance, the Project shall be free of patent or latent defects, free and clear of all Liens and otherwise in accordance with the requirements of this Lease. In order to assure timely communications between Landlord and Tenant during the construction process, any notice to Tenant requiring or permitting a response by Tenant shall specify the outside date by which Tenant's response must be received to be effective, which response date shall not be less than ten (10) Business Days.

9.1 Development Agreement; Developer Insurance. To meet the requirements of this Lease for timely completion of the Project, Landlord shall, simultaneously with the Effective Date, enter into the Development Agreement with Developer in the form attached to this Agreement as Exhibit O. Landlord shall also cause Developer to procure and maintain, at a minimum, for the duration of the Development Agreement, insurance as more particularly described in Exhibit G to the Development Agreement, against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of work pursuant to the Development Agreement by Developer, its agents, representatives, employees, and/or subcontractors. The cost of such insurance shall be paid by the Developer or its subcontractors as described in Section 9.11.

9.2 Developer Start Date. Landlord shall cause the Developer to commence demolition, grading and substantive construction of the Project by the Developer Start Date and thereafter to diligently prosecute the construction of the Project until its Substantial Completion in accordance with the Project Schedule.

9.3 Schedule for Design and Construction. The dates set forth in the initial Project Schedule attached hereto as Exhibit D-1, as may be revised from time to time with Tenant's Concurrence, shall serve as target dates for achieving the matters set forth therein. Landlord shall require Developer to agree that time is of the essence and Substantial Completion of the Project must occur by the date set forth in the approved Project Schedule, subject only to Unavoidable Delays and Owner-Caused Delays (each as defined in the Development Agreement). In order to ensure to the greatest extent practicable that the Project is designed, permitted and completed on or before the dates set forth in the Project Schedule, Landlord and Tenant shall each proceed with all necessary due diligence and in good faith to complete such matters as require action or approval on the part of Tenant and Landlord. Landlord shall, following consultation with Tenant's Construction Representative, promptly and diligently respond to all questions and concerns raised by Developer or by the Architect, Contractors, engineers or other consultants.

(a) **Notices from Developer to Landlord.** To ensure that Tenant is fully apprised of decisions required of Landlord pursuant to the Development Agreement, Landlord shall require Developer to simultaneously provide to Tenant a copy of all final notices, plans and specifications or other documents required to be delivered by Developer to Landlord under the Development Agreement and Landlord shall also simultaneously provide to Tenant a copy of notices, plans and specifications or other documents required to be delivered by Landlord to Developer under the Development Agreement. In addition, Tenant shall have the right, but not the obligation, to attend design meetings with Developer, Architect, and other design professionals as appropriate in the course of development of Construction Documents.

(b) **Notices by Tenant to Landlord and Developer.** To ensure that Developer is fully apprised of Tenant's position on Project decisions to be made by Landlord, Tenant shall have the right to simultaneously provide to Developer a copy of any notice Tenant issues to Landlord hereunder. Such notice shall be sent to Developer at the following address by messenger or fax:

TC LA Development, Inc.
2221 Rosecrans Ave, Suite 200
El Segundo, CA 90245
Attention: Greg Ames

(c) **Tenant's Construction Representative.** Landlord shall, and shall direct Developer to, direct all notices and submittals required to be sent to Tenant hereunder to the attention of Tenant's Construction Representative.

9.4 Plans and Specifications.

(a) **Preliminary Plans.** As of the date of this Lease, Landlord has reviewed and accepted with Tenant's Concurrence, the Project Requirements for the Project to be constructed on the Land, including the Preliminary Plans, a list of which is attached to this Lease as Exhibit C. In addition, Tenant has reviewed and accepted the

Project Budget, which is attached as Exhibit D-2, which sets forth a detailed itemization by line item and category for all Project Costs.

(b) **Construction Drawings and Detailed Specifications.**

Landlord will cause the preparation by Architect of Construction Drawings and Detailed Specifications for the Project and plans and specifications for Tenant Improvements, in each case for review and acceptance by Tenant. Landlord shall, following consultation with Tenant, cooperate in good faith with Developer to cause a completed design that meets all Requirements of Law and is consistent with all Project Requirements and the building quality reflected therein, in an amount not to exceed the Project Budget, as expeditiously as possible to ensure the Substantial Completion of the Project by the date set forth in the approved Project Schedule. Accordingly, as provided above, Developer will provide Tenant a copy of all submittals requiring Landlord's review and approval pursuant to the Development Agreement, as and when such submittals are provided to Landlord. To the extent that is commercially reasonable, Landlord shall provide Tenant with advance warning of the expected timing of any submission of Construction Drawings and/or Detailed Specifications for the Project or plans and/or specifications for Tenant Improvements. Tenant shall only have the right to withhold Tenant's Concurrence to interim and final sets of such Construction Drawings and Detailed Specifications which (i) do not meet the Project Requirements, or (ii) do not comply with Requirements of Law, or (iii) do not comply with previous iterations of the Construction Drawings and Detailed Specifications in all material respects, or (iv) propose changes in work or materials that would result in a material change in appearance or diminution in quality of the Project. Tenant shall have the right to give notice to Landlord disapproving any such iterations of the Construction Drawings and Detailed Specifications and Landlord shall notify Developer in the manner and within the time period set forth in the Development Agreement. Tenant's written Concurrence, objection or comments shall be provided within ten (10) days after receiving iterations of the Construction Drawings and Detailed Specifications. Landlord shall include in any such notice, printed in capital letters and boldface type, a legend to the following effect:

“THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL OF THE CONTRACT DOCUMENTS DESCRIBED HEREIN.”

If the foregoing legend is included by the Landlord in its communication, then the submitted Construction Drawings, Detailed Specifications for the Project, or plans and specifications for Tenant Improvements, shall be deemed to have been approved if the Tenant fails to object with respect thereto within ten (10) Business Days of receipt of such notice. The final Construction Drawings and Detailed Specifications setting forth in detail the requirements for the construction of the entire Project which have been approved by Landlord, with Tenant's Concurrence, are called the Construction Documents.

(c) **Changes to Construction Documents.** Landlord has directed that Developer provide Tenant a copy of all proposed changes in the Construction Documents requiring Landlord's review and/or approval pursuant to the Development

Agreement, as and when such proposed changes are provided to Landlord. Such submittals shall reasonably highlight any changes to or differences from the previous iteration of such Construction Drawings and/or Detailed Specifications for the Project or plans and/or specifications for Tenant Improvements. To the extent that is commercially reasonable, Landlord shall provide Tenant with advance warning of the expected timing of any submission of Construction Drawings and/or Detailed Specifications for the Project or plans and/or specifications for Tenant Improvements. Tenant shall have the right to give notice to Landlord disapproving any such proposed change in the Construction Documents within the time period set forth in the notice of any such proposed change, but in no event shall the time period be less than ten (10) Business Days. Landlord shall include in any such notice, printed in capital letters and boldface type, a legend to the following effect:

“THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL OF THE CONTRACT DOCUMENTS DESCRIBED HEREIN.”

If the foregoing legend is included by the Landlord in its communication, then the submitted changes to Construction Drawings and/or Detailed Specifications for the Project or plans and/or specification for Tenant Improvements shall be deemed to have been approved if the Tenant fails to object with respect thereto within ten (10) Business Days of receipt of such notice.

If Tenant timely disapproves any such proposed change, Tenant shall notify Landlord in writing specifying the reason for its disapproval and Landlord shall so notify Developer. Tenant shall only have the right to disapprove changes which (i) are not a consistent development of the Project Requirements, (ii) do not meet Project Requirements, (iii) do not comply with Requirements of Law, (iv) would violate the terms of any permits for the Project, (v) would cause the Project Schedule to be adversely impacted or the Project Budget to be exceeded, or (vi) involve proposed changes in work or materials which would result in a material change in appearance or diminution in quality of the Project. Disputes regarding a proposed change in the Construction Documents shall be resolved pursuant to the dispute resolution process set forth in Section 9.6.

9.5 Tenant Improvements. The Fixed Price shall include the design, permitting and construction of Tenant Improvements. As is the case for the Project in general, the aspects of the Construction Documents, the Project Schedule and the Project Budget that relate to the Tenant Improvements shall be subject to Tenant’s Concurrence. Final plans for the Tenant Improvements must be completed within the applicable period set forth in the Project Schedule. The Tenant Improvements must not exceed the amount budgeted in Exhibit D-2.

9.6 Dispute Resolution Process. Tenant and Landlord have the option to follow the independent resolution process set forth in this Section 9.6 to resolve disputes regarding preparation of the Construction Drawings and Detailed Specifications and changes to Construction Documents in an economic and time efficient manner so that such documents conform to the requirements of this Lease, the Project Schedule is not adversely impacted, and the Project as constructed will satisfy the Project Requirements. In the event that a dispute arises

between Tenant and Landlord during the design or construction of the Project regarding the adequacy of any Construction Drawings or Detailed Specifications or the responsibility for any costs associated with any design development, addition or change (e.g., whether any design development is consistent with and reasonably inferable from the Project Requirements), the Parties shall attempt to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the parties are unable to resolve the dispute within three (3) Business Days, either Party may, by delivering written notice to the other and Trustee, refer the matter to a dispute resolution mediator as set forth on the attached Exhibit F.

9.7 Project Contingency. The amounts set forth in the various line items of the Project Budget are estimates only of Project Costs to be incurred. To the extent the actual Project Costs in any line item of the Project Budget exceed the amount shown for such line item, Developer shall first allocate amounts in other line items, in which the actual known Project Costs shall have been less than the amount in the Project Budget, to the line item in which the excess Project Cost(s) has occurred. Following the allocation by Developer as set forth in the preceding sentence with respect to all line items, except Project Contingency, Developer is entitled to draw upon the Project Contingency for such excess Project Costs. The allocation of the Project Contingency for such purposes is solely under Developer's control; provided however, if there is any unused Project Contingency following Final Acceptance, such sums shall be allocated in accordance with the provisions of Section 12.8 of the Development Agreement, the Indenture and the Tax Agreement. If the Project Contingency is not sufficient to pay such excess Project Costs, Developer shall be responsible therefor in accordance with Section 9.6 of the Development Agreement. The monthly reports provided to Landlord and Tenant shall contain an explanation in reasonable detail of any allocation of cost savings and Project Contingency to other line items in the Project Budget.

9.8 Permits; Costs; Compliance with Legal Requirements. Landlord shall cause Developer to secure all permits for the Project, licenses, permissions, consents, and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Project pursuant to Requirements of Law. Tenant shall join in the application for such permits or authorizations whenever such joinder is required; provided, however, Tenant shall incur no expense or liability in connection therewith. Landlord shall cause all work on the Project to be performed in accordance with (a) the Development Agreement, (b) all Requirements of Law and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction over the Project and/or the Premises, (c) this Lease, and the Ground Lease.

9.9 Construction Contracts. Landlord intends to contract for the construction of the Project directly with the General Contractor to cause Developer to serve as construction manager in connection therewith pursuant to the provisions of the Development Agreement. Prior to its execution, Landlord shall provide Tenant with a copy of the General Construction Contract for Tenant's Concurrence. In addition, Tenant shall have the right to view, for its own information, all Construction Contracts and the bids submitted by potential Contractors and subcontractors.

9.9.1 General Contractor Insurance. Prior to the date of the execution of the General Construction Contract, Landlord shall cause the applicable Contractor to procure and maintain, at a minimum, for the duration of such Construction Contract the insurance more particularly described in Exhibit G of the Development Agreement, against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of work thereunder by such Contractor, its agents, representatives, employees and/or subcontractors. The cost of such insurance shall be paid by (as applicable) the General Contractor, or their subcontractors.

9.9.2 No Assumption of Risk. By requiring such minimum insurance, neither Landlord nor Tenant shall be deemed to, or construed to, have assumed the risks that may be applicable to the General Contractor or the General Construction Contract

9.10 Construction of Project. Landlord shall use its reasonable best efforts to commence initial construction of the Project promptly following receipt of the clearing and grading permits. Thereafter, following receipt of the building permits for the Project, Landlord shall use its best efforts to cause construction of the Project to be diligently and continuously prosecuted in a timely manner. All work shall be performed in a good and workmanlike manner, shall be free of defects in the work and materials and shall be constructed in substantial accordance with the Contract Documents, the requirements of this Lease, Requirements of Law, and the Ground Lease. Landlord shall use its best efforts to cause Substantial Completion of the Project in accordance with the Project Schedule attached hereto as Exhibit D-1. In addition, Landlord shall use its best efforts to cause all Project Costs not to exceed the Fixed Price; provided, however, that (i) Landlord shall have no obligation to pay Project Costs in excess of the Fixed Price, and (ii) Tenant, whose only payment obligation hereunder is the payment of Rent and other amounts specifically set forth herein, shall have no obligation for the payment of any Project Costs. As reflected in Exhibit N, Tenant may directly procure certain Financed FF&E. In such event, upon written request by Tenant (including such supporting documentation as Landlord may reasonably require), Landlord shall reimburse Tenant as a Project Cost for Tenant's costs of procuring such Financed FF&E; provided that such reimbursement shall not exceed the amount of the Financed FF&E Allowance as set forth in the Project Budget, and any costs in excess of such Financed FF&E Allowance shall be borne by Tenant and are not part of the Fixed Price.

9.11 Payment of Project Costs and Other Costs Associated with the Project. Throughout the course of construction of the Project, Developer shall submit to Landlord on a monthly basis Project Applications for Payment, as defined in, and in the manner, and with all supporting documentation described in, the Development Agreement. Pursuant to Section 9.3(a), Landlord shall require Developer to simultaneously provide Tenant with a copy of all such Project Applications for Payment and supporting documentation. Tenant shall have the right, but not the obligation, to give notice to Landlord objecting to any aspect of such submittals and Landlord shall notify Developer in the manner and within the time period set forth in the Development Agreement. If Tenant fails to give such notice so as to allow Landlord to make timely objection, Landlord shall be free to approve or to take such other action as it deems appropriate with respect to any such submittal. Any dispute with respect to Project Applications for Payment may be subject to dispute resolution pursuant to Section 9.6. In no

event shall Landlord approve any Project Application for payment unless and until the Project is in balance in accordance with Section 9.6 of the Development Agreement.

9.12 Savings. Upon Final Acceptance, Landlord shall provide Tenant and Trustee notice of the unexpended amount, if any, of the Project Contingency. Subject to the payment to Developer of the incentive fee specified in Section 12.8 of the Development Agreement, one hundred percent (100%) of the remaining savings shall be used, at the direction of the Tenant consistent with the Indenture and the Tax Agreement, to finance other capital improvements related to the Project or to pay or redeem Bonds, which shall result in a corresponding reduction to the Base Rent.

9.13 Substantial Completion of the Project. “**Substantial Completion of the Project**” shall have occurred when all of the following events have occurred with respect to the Project:

(a) Developer has notified Landlord and Tenant in writing that the Project, including all Tenant Improvements, is Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items and activities required for LEED Gold certification (or as otherwise agreed by Landlord and Tenant);

(b) Architect has issued its “Certificate of Substantial Completion” (AIA Document G704) stating that the work under the Construction Contracts is sufficiently complete in substantial accordance with the Contract Documents to permit Tenant to occupy or utilize the Project for its Permitted Use;

(c) The County has issued a temporary or final certificate of occupancy or other approval sufficient for initial occupancy of the Project and the City’s Fire Department has also issued its approval for occupancy such that Tenant is permitted to and could, pursuant to such issued certificate of occupancy, physically occupy the Project for its Permitted Use; provided, however, if (i) the certificate of occupancy is not issued solely because of Tenant’s failure to install Tenant’s Personal Property and/or any portion of the Financed FF&E to be installed by Tenant, in accordance with Exhibit N and the latest agreed upon schedule (but, if Tenant has not been provided with appropriate access rights to perform and complete the installation, then Tenant will be excused for every day it was not provided access) and (ii) Landlord has given Tenant written notice of such failure, with enough detail for Tenant to reasonably understand the failure, at least ten (10) Business Days prior to the deemed Project Substantial Completion Date, then this condition shall be deemed satisfied;

(d) The General Contractor has issued its “Certificate of Substantial Completion” together with its “Affidavit of Payment of Debts and Claims” (AIA Forms 706 and 706A), together with partial waivers and releases of lien for work performed prior to the date of its “Certificate of Substantial Completion” in form satisfactory to Landlord, with Tenant’s Concurrence, from such materialmen, laborers, contractors and subcontractors as Landlord, with Tenant’s Concurrence, may reasonably require;

(e) Access to the Project has undergone inspection by a “Certified Access Specialist” and has been determined pursuant to such inspection to meet all applicable construction-related accessibility standards under California Civil Code Section 55.53, and Landlord has so certified to Tenant pursuant to California Civil Code Section 1938;

(f) Landlord, with Tenant’s Concurrence, has accepted the Project as Substantially Complete (which acceptance by Landlord and concurrence by Tenant shall not be unreasonably withheld, conditioned or delayed and will presumptively be granted if items (a) through (e) have been satisfied), subject to completion of the Punch List items agreed upon by Landlord, with Tenant’s Concurrence;

(g) Landlord shall, or shall cause Developer to, have caused a Notice of Completion under California Civil Code Section 8190 to be recorded with respect to the Project.

(h) Notwithstanding that Substantial Completion of the Project shall have occurred, Landlord shall be entitled to provide Developer with a Punch List.

9.14 Final Acceptance. “Final Acceptance” shall have occurred when all of the following events have occurred with respect to the Project:

(a) The County has issued all certificates of occupancy for the Project; provided, however, if issuance of a certificate of occupancy is subject to completion of installation of Tenant’s Personal Property, then this condition shall be deemed satisfied; provided, further, that if the parties specifically agree that any element of the Financed FF&E will be installed by Tenant, that agreement shall be set forth in Exhibit N and this condition shall be deemed satisfied regardless of any delay in the issuance of any certificate of occupancy attributable to such installation.

(b) Each Contractor has issued its “Certificate of Substantial Completion” together with its “Affidavit of Payment of Debts and Claims” (AIA Forms 706 and 706A), together with final waivers and releases of lien, in form satisfactory to Landlord with Tenant’s Concurrence, from all Contractors and subcontractors who have performed work on site.

(c) All Punch List items for the Project have been completed to the reasonable satisfaction of Landlord with Tenant’s Concurrence; provided that Landlord with Tenant’s Concurrence, may consent to Final Acceptance prior to completion of all Punch List items, if (i) Landlord and Developer have agreed upon the estimated cost of any Punch List items remaining to be completed and (ii) 150% of such estimated costs are withheld by the Trustee in the Project Fund until the Punch List items have been completed to the reasonable satisfaction of Landlord with Tenant’s Concurrence. When the Punch List items have been completed, and Developer has so notified Landlord, upon Landlord’s reasonable satisfaction (with Tenant’s Concurrence) that such Punch List items have been completed, Landlord shall deliver its requisition to the Trustee for payment of such funds being withheld by Trustee.

(d) Developer has submitted its application for Final Payment together with evidence reasonably satisfactory to Landlord (with Tenant's Concurrence) that all construction costs for the Project have been paid in full including evidence of full payment for any personal property installed on the Premises as part of the Project Costs.

(e) The period for filing construction liens for the Project has expired and none have been filed or releases or discharges of construction liens in form and substance satisfactory to Landlord (with Tenant's Concurrence) have been obtained by Developer from all Contractors in accordance with all Construction Contracts and from such laborers, Contractors and subcontractors performing work on site as Landlord, with Tenant's Concurrence, may require.

(f) Architect has issued its "Certificate of Final Completion" for the Project and Landlord has received the certificate of any other architect or engineer reasonably requested by Landlord or Tenant.

(g) The General Contractor has issued a certificate that the Project has been finally completed in substantial accordance with the Contract Documents and no Hazardous Substances were incorporated into the structure of the Project (other than as set forth in the Construction Documents).

(h) Developer has delivered to Landlord a written report showing the allocation of Project Costs among the categories of the Project Budget and the remaining specified dollar amount of the Project Contingency and the undisbursed portion of the Developer's Fee (as defined in the Development Agreement).

(i) Landlord, Tenant and Trustee have each received an updated title commitment dated at least ninety (90) days after Substantial Completion, that (i) confirms that no liens for labor or materials have arisen in connection with the construction of the Project, and (ii) shows no additional exceptions to such title policy other than those approved by or arising through Landlord (with Tenant's Concurrence).

(j) Developer shall have delivered to Landlord and Tenant its affidavit that the Construction Contracts for the Project required the Contractors under those contracts and their subcontractors to pay prevailing wage in accordance with Section 34.23.

(k) The Civic Art shall have been installed.

(l) Developer shall have submitted the initial applications, supporting documents, and other materials needed to obtain LEED Gold certification (or as otherwise agreed by Landlord and Tenant).

9.15 As-Constructed Plans and Specifications; Manuals; Warranties; Permits and Licenses; and Survey. On or before Final Acceptance, Landlord shall provide Tenant with a complete and detailed set of "as constructed" plans and specifications for the Project (Tenant Improvements to be provided in a CAD—computer-aided design—format), together with copies of all other materials received from Developer pursuant to the Development Agreement including manuals, warranties, permits, licenses, and a survey. Landlord shall ensure

that Tenant has the right and irrevocable license to use the Construction Documents for maintenance, repairs, remodels, and additions or any other use incidental to Tenant's use or occupancy of the Project and/or Premises or Tenant's leasehold or fee interest to the Project. Tenant may freely use likenesses, depictions or renderings of the Project for publicity or other purposes associated with Tenant's use or occupancy of the Project and/or Premises or Tenant's leasehold or fee interest to the Project.

9.16 Inspection by Tenant. Tenant shall have the right to inspect the ongoing construction of the Project and the Contract Documents upon reasonable prior notice to Landlord.

9.17 No Amendment of Documents. In the event Landlord desires to amend the agreement with the Architect, the General Construction Contract, the Development Agreement, the Indenture, the Leasehold Mortgage, each in accordance with its terms, or any other document, contract or agreement entered into in connection with the Bonds, Landlord shall submit a copy of such proposed amendment to Tenant. Such submittals shall clearly highlight any proposed amendment of the previously accepted version of any such agreement or contract and provide a clear articulation as to the reasons and purposes for making the proposed amendment. To the extent that is commercially reasonable, Landlord shall provide Tenant with advance warning of the expected timing of any notice of a proposed amendment. Landlord shall include in any such notice, printed in capital letters and boldface type, a legend to the following effect:

“THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL OF THE CONTRACT DOCUMENTS DESCRIBED HEREIN.”

If the foregoing legend is included by the Landlord in its communication, then the submitted amendment to any of the agreement with the Architect, the General Construction Contract, or any Contract Document, the Development Agreement, the Indenture, the Leasehold Mortgage, each in accordance with its terms, or any other document, contract or agreement entered into in connection with the Project or the Bonds, shall be deemed to have been approved by Tenant if the Tenant fails to object with respect thereto within ten (10) Business Days of receipt of such notice; provided, however, any amendment that would be likely to result in (a) the Project (i) not meeting the Project Requirements, (ii) not complying with Requirements of Law, (iii) violating the terms of any permits for the Project, (iv) not being completed in compliance with the Project Schedule, (v) having a cost that exceeds the Project Budget, or (vi) being subject to material change in appearance or diminution in quality of the Project or (b) the Base Rent or the Additional Rent being increased at any time during the Term (collectively, a “**Disallowed Amendment**”) shall not be subject to the deemed approval provision set forth above and shall require the affirmative consent of Tenant.

In the event Tenant notifies Landlord within ten (10) Business Days following receipt of such proposed amendment of its objection to such proposed amendment, stating any conditions for assent and reasons for the objections, Landlord shall not enter into the proposed amendment unless (a) Landlord first does each of the following: (i) responds to the concerns

expressed by Tenant, (ii) determines that any such amendment does not materially and adversely affect the Project, (iii) confirms that any such amendment complies with the provisions of the Indenture, and (iv) obtains Tenant's Concurrence and (b) the proposed amendment is not a Disallowed Amendment.

9.18 Tenant's Construction Representative. Tenant's Construction Representative shall have the right, but not the obligation, to (i) review and suggest revisions to the Construction Contracts prior to their execution, (ii) review and suggest revisions to the Construction Documents prior to or during construction in order to clarify, correct or properly reflect the intent of design (as defined below), (iii) review, comment on, or suggest actions with respect to all submittals and change orders concurrently with the Architect's review and with a reasonable time for such comments prior to final approval of the change order or submittal, and (iv) provide written notice to Landlord of any known or suspected failure of the Project to comply with the Construction Documents, this Lease, Requirements of Law, or the Ground Lease, or any other construction related defects in the Project or construction means and methods.

(a) **Copies of Review Items.** Landlord shall require Developer to provide, or make available, to the Tenant's Construction Representative copies of all potential Construction Contracts, Construction Documents, submittals, and change orders. Tenant Construction Representative's efforts shall be coordinated with Landlord and Developer so as to not unreasonably interfere with or delay design, development or construction of the Project.

(b) **Notices to Landlord.** If during the course of construction, Tenant's Construction Representative notifies Landlord that it believes that the Project is not proceeding in accordance with the Contract Documents, Landlord shall provide a copy of such notice to Developer for review and response and Landlord shall thereafter require Developer to take, or cause to be taken, any steps necessary to correct any deficiency or omission that is determined to exist. The failure of Tenant's Construction Representative or Tenant to give such notice or to take advantage of such rights listed above shall not give rise to any liability for Tenant and shall not be considered a waiver of any right of Tenant under this Lease.

(c) **Intent of Design.** As of the Effective Date of this Lease, the Construction Documents are in development and are not complete. Accordingly, to the extent such Contract Documents are silent or internally inconsistent as to various design and construction matters, Tenant Construction Representative may issue notice to Landlord and Developer as to what it considers to be the intent of design. For purposes of this Section 9.18(c), "intent of design" shall mean what would be naturally and reasonably inferable from the Contract Documents by an experienced professional in the construction industry accustomed to projects similar to the Project as being necessary for the construction of a fully complete and operational project.

(d) **Change in the Work Initiated by Tenant.** Tenant may initiate changes in the work if, and only if, Tenant deposits additional funds in the Non-Bond Proceeds Account (as defined in the Indenture) held by the Trustee to cover any

additional cost of such change including the applicable Developer's Fee payable for any such change pursuant to Section 11.1 of the Development Agreement. Such Tenant requested change orders are expected to include change orders related to Procured FF&E; additional environmental remediation in excess of the amount set forth in the Project Budget; and tenant improvements to the retail area of the Premises.⁴

10. Maintenance, Management, Alterations, and Janitorial Services.

10.1 Maintenance and Repair. Landlord shall, at Landlord's sole cost and expense (but only to the extent that Tenant has provided funds in accordance with the Annual Operating Budget and that there are available operating or maintenance reserves (with respect to Operating Costs), the Capital Repairs Fund (with respect to Capital Expenditures), or as otherwise made available by Tenant), and in accordance with this Lease, maintain, repair and replace the Project or portions thereof in an attractive condition, good order and function, at a condition equal to or better than the predominant condition of other office buildings owned or occupied by Tenant in the business districts of the City of Los Angeles, throughout the Term, including but not limited to the following: (a) the structural portions of the Premises (understood to include the roof, foundation and load bearing walls); (b) the non-structural portions of the Premises (understood to include the roof covering and membrane), including but not limited to all improvements, alterations and fixtures, but excluding furnishings; (c) all systems and equipment, including but not limited to electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system, elevators, security systems, flooring, ceiling, doorways, windows, hardware, fixtures, lighting, heating, ventilating and air conditioning system ("HVAC"), and loading doors; (d) the exterior of the Premises including, but not limited to, landscaping, driveways, sidewalks, lighting and parking facilities, and storm water maintenance servicing the Premises. Landlord shall take all action and will perform all interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary, maintenance and repairs required to keep all parts of the Premises in good repair and condition, subject only to ordinary wear and tear. It is the intent of this Section 10 that Landlord, to the extent of available funds as set forth above, agrees to perform all maintenance and make all repairs to the Premises that may become necessary by reason of age, wear and tear, deferred maintenance or defects in any construction thereof by Landlord. In determining a maintenance and repair program for the Premises, Landlord shall determine a cost-effective program of maintenance and repair. In the event that there are insufficient funds available to make repairs required under this Section 10.1 due to unforeseen circumstances, the Parties shall meet promptly and determine how to amend the budget priorities, utilize any reserves, or modify operations or standards so that the then-current Fiscal Year's budget is not increased.

(a) **Time for Repairs.** Repairs shall be made promptly to keep the Premises in the condition described in this Section 10. Landlord understands certain response time is required to ensure Tenant's operations continue with minimal interruption and to ensure the safety of employees and delivery of services. Landlord shall commence repairs or cause the property manager or others to commence repairs (i) within four (4) hours from notice ("**Emergency Repair Commencement Deadline**") with respect to (1) electrical power, (2) HVAC operations, (3) vertical transportation, (4) parking garage use or

⁴ NTD: To be confirmed: Relocation Services are included in the budget such that no change order will be necessary.

access, (5) broken windows, exterior doors or any other fault to the exterior surface of the Project that poses any sort of security or weatherproofing concern, (6) security and fire/life safety systems, (7) flooding or water damage, (8) any condition reasonably likely to lead to any risk to public safety, human health or property damage, destruction or loss, and (9) essential daily custodial services, and (ii) within ten (10) Business Days for all other repairs and maintenance (unless, due to the nature of the particular repair or maintenance obligation, more than thirty (30) days are reasonably required to commence it, in which case the property manager shall not be in default if it begins the work within this thirty (30) day period). Once commenced, repairs shall be diligently prosecuted to completion on a commercially reasonable schedule.

(b) **Tenant's Right to Make Repairs.** If Tenant provides notice to Landlord of an event or circumstance that requires the action of Landlord with respect to the replacement, repair, or maintenance to the Premises as set forth in this Section 10.1 and Landlord fails to provide such action as required by the terms of this Lease within the time period specified in Section 10.1(a), Tenant may (but shall not be obligated to do so) take the required action if Tenant delivers to Landlord an additional notice advising Landlord that Tenant intends to take the required action if Landlord does not begin the required repair or maintenance within (i) four (4) hours for any of the issues set forth in Section 10.1(a)(i) and (ii) twenty-four (24) hours for any other issue.

(c) **Tenant's Right to Reimbursement.** If such action was required under the terms of this Lease to be taken by Landlord, Tenant shall be entitled to prompt reimbursement within thirty (30) days of invoice by Tenant to Landlord, which invoice shall include reasonable supporting documentation with respect thereto.

(d) **Emergency Repairs.** An “**Emergency Repair Situation**” is defined as the existence of any condition that requires prompt repair, replacement or service to minimize the impact of an event or situation that affects Tenant's ability to conduct business or otherwise occupy and utilize the Premises in a neat, clean, safe, and functional environment. If Tenant notifies Landlord of an Emergency Repair Situation, which occurs in or about the Premises and which is the responsibility of Landlord to repair or maintain, then Landlord shall commence appropriate repairs or maintenance immediately after notice of the condition is given by Tenant, which notice may be via telephone, facsimile, email, personal contact or any other means, and Landlord shall thereafter diligently pursue to completion said repairs or maintenance.

(e) **Tenant's Right to Cure.** If Landlord fails to commence repairs within four (4) hours of the Emergency Repair Commencement Deadline, or if the Tenant is unable to contact the Landlord or any designated agent within a reasonable time based upon the seriousness of the event or situation, Tenant may, but shall not be obligated to, cause said repairs or replacements to be made or such maintenance to be performed, and Tenant shall provide notice to Landlord of any actions taken by Tenant with respect to such repairs, replacements or maintenance. Within ten (10) days following demand and invoice by Tenant accompanied by reasonable supporting documentation with respect thereto, Landlord shall reimburse Tenant the actual cost and expenses thereof, provided said costs and expenses are reasonable and funds are available therefor.

(f) **Tenant's Right to Consent.** Landlord and Tenant shall consult as to whether a particular expenditure under this Section 10.1 is properly chargeable as an Operating Cost or Capital Expenditure, and no withdrawals from the Capital Repairs Fund shall be made without Tenant's written consent (either at the time or in advance by means of approval of a budget providing for such expenditure).

10.2 Management of Premises; Accounting.

(a) **Standard of Operation.** Landlord shall cause the Premises to be operated and managed, and services provided, in a manner consistent with that of a reasonably prudent building owner of comparable Class A office buildings located in the business districts of Los Angeles, California, and in a manner which is efficient and reasonably controls expenses.

(b) **Property Management.** Following Substantial Completion of the Project, Landlord shall at all times cause the Premises to be operated by a professional property management company selected and managed by Landlord. Such property manager shall be subject to Tenant's prior approval, and have at least five (5) years' experience in managing Class A office buildings of comparable size and quality to the Premises in the business districts of Los Angeles, at a management fee which shall not be in excess of the predominant management fee charged by property management companies managing commercial office buildings of comparable size and quality in Los Angeles County. The property management contract shall include the provisions set forth in Exhibit L, and shall comply with Revenue Procedure 2017-13 or any successor revenue procedure issued by the Internal Revenue Service governing management, operation or other service contracts in connection with the issuance of tax-exempt obligations. The property management contract shall also include a requirement that, if the nature of the repair or maintenance obligation presents a hazard or emergency, the property manager shall commence performance within 8 hours, and shall thereafter pursue such cure with diligence. Such property manager shall at all times operate the Premises in compliance with the requirements of all Applicable Laws and in compliance with the terms and provisions of this Lease and the Ground Lease. Commencing on the Substantial Completion Date, the property manager shall be retained with a contract not more than five (5) years in length. Such property management contract shall include provisions stating that such contract may be terminated for cause (but not convenience) by Landlord on its determination or as directed by Tenant, if the property manager is in default under the property management contract. Such termination for cause shall require only thirty (30) days written notice to the property manager. After the expiration or termination of the original property management contract, Contracts with property management firms shall be terminable for cause as set forth above and terminable for convenience by Landlord at Tenant's direction upon not less than six (6) months' notice beginning five (5) years after the Substantial Completion Date. Notwithstanding the foregoing or any other provision of this Lease, any and all management contracts relating to the Project, including the original property management contract, shall immediately terminate at the time that the Tax-Exempt Bonds are no longer Outstanding.

(c) **Financial Statements.** As soon as reasonably possible and in any event within 180 days after the close of each Fiscal Year (beginning with the Fiscal

Year ending June 30, [20__]), Landlord shall deliver to Tenant and Trustee the (i) consolidated balance sheet of Landlord and the Premises as at the end of such Fiscal Year setting forth in comparable form the corresponding figures as at the end of the preceding Fiscal Year, certified as to accuracy by an officer of Landlord; (ii) statements of income, retained earnings and changes in financial position for such Fiscal Year of Landlord and the Premises setting forth in comparable form the corresponding figures for the previous Fiscal Year prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year or containing disclosure of the effect on financial position or results of operations of any change in the application of accounting principles during the year certified as to accuracy by an officer of Landlord; (iii) operating statement for the Premises for the preceding Fiscal Year certified as to accuracy by an officer of Landlord; and (iv) certificate executed by an officer of Landlord certifying compliance by Landlord with the requirements of this Lease, the Ground Lease, the Leasehold Mortgage, the Indenture, and the Bonds. Such year-end balance sheet and income statements of the Landlord shall be accompanied by an unqualified report and audit opinion of independent public accountants of recognized standing selected by Landlord and not objected to by Tenant, which report and opinion shall be in accordance with generally accepted auditing standards relating to reporting, or, if qualified, the opinion shall not be qualified due to any departure from any generally accepted accounting principles.

Notwithstanding anything to the contrary contained herein, Trustee shall have no duty to review any such audited or unaudited financial statements or reports, including the balance sheet, income, retained earnings, and changes in financial position statements and operating statements described above (collectively, “**Financial Statements**”) or inquire into the underlying facts and circumstances of any certificate or notice delivered by Landlord. Trustee shall not be considered to have notice of the contents of any such financial statements or of any default or Event of Default hereunder or under any Bond Document or Other Document (as defined in the Indenture) based upon such content. Further, Trustee has no duty to verify the accuracy of any such Financial Statements or any such notice or certificate.

(d) **Asset Management Fee.** As compensation for its services in overseeing the management of the Premises, the preparation of financial statements and the preparation of an Annual Operating Budget for the Premises, Tenant shall pay Landlord the Asset Management Fee as an Operating Cost pursuant to Section 5.2. The Asset Management Fee is separate and distinct from the Development Management Fee owed to Developer and paid to Landlord through Bond proceeds on the date of issuance of the Bonds.

10.3 Tenant’s Remedies. If Landlord does not perform its obligations under Section 10.1 of this Lease within the time limitations set forth therein, or if Landlord does not reimburse Tenant as required under Section 10.1 after demand from Tenant, Tenant may resort to the mediation procedure in Exhibit F and/or pursue any and all remedies available at law or equity, except that Tenant shall have no right to offset against Base Rent payable under this Lease.

10.4 Alterations by Landlord. From and after the Substantial Completion Date, Tenant may require Landlord to complete alterations of the Premises and Landlord shall provide a written cost estimate of the requested alterations with complete line item breakdown

for each component of the requested alterations for Tenant's review and approval. In the event Tenant approves the cost, and the total cost is \$25,000 or less, Landlord shall proceed to complete the requested alterations in a timely manner. Upon completion of the alterations, Landlord shall submit an invoice for payment to Tenant including a detailed breakdown on the costs for the alteration(s), and Tenant shall pay said invoice within thirty (30) days of receipt of invoice. In the event the cost of the alterations exceeds \$25,000 and Tenant approves the costs, Landlord shall proceed to complete the requested alterations subject to the availability of funds, or, Tenant's undertaking to reimburse Landlord for such costs prior to the due date for payment to contractors, architects, or other third parties in connection with such alterations, provided said due date is not less than thirty (30) days from each invoice for completion of the alterations. Such alterations and additions shall not decrease the value of the Premises, and such modifications, alterations, and additions shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable laws and the requirements of all insurance policies required to be maintained by Landlord. Any alterations completed by Landlord pursuant to this Section 10.4 shall be maintained by Landlord during the term of this Lease.

10.5 Compliance with Laws. To the extent required by Applicable Laws, Landlord shall comply and stay current with all applicable local, state, and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements in providing Tenant with any requested alterations.

10.6 Lien Free. Landlord shall cause all alterations to be lien free, completed in a workmanlike manner and in compliance with all Applicable Laws.

10.7 Alterations by Tenant. Any alterations or Tenant Improvements to be undertaken by Tenant shall have the prior written consent of Landlord. Such consent shall not be unreasonably withheld, conditioned or delayed. Any alterations or Tenant Improvements made by Tenant shall remain Tenant property and may be removed by Tenant at or prior to the expiration of this Lease; provided, however, that such removal does not cause injury or damage to the Premises beyond normal wear and tear. Landlord shall, upon reasonable notice, have access to all non-confidential and/or non-privileged plans and specifications relating to alterations or Tenant Improvements made by Tenant to Premises.

10.8 Communications Equipment. Tenant may, from time to time, install, maintain, replace and/or remove any satellite dishes, links, duct bank or antennas on the grounds, roof and/or exterior walls or parapet of the Premises as Tenant deems necessary or desirable, provided Tenant shall first obtain Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed, and Tenant shall be responsible for repairing any damage caused to the roof or roof membrane in connection with such activities. Upon the removal by Tenant of any such satellite dishes, links, or antennas, Tenant shall repair any damage incurred in connection with such removal. Any work by Tenant pursuant to this Section 10.8 shall be subject to compliance with the Landlord's reasonable requirements, including, without limitation, the requirement that any work affecting the roof of the Project be undertaken in a manner so as not to affect any roof warranty then in effect.

10.9 Janitorial Services. Landlord shall provide, or cause to be provided, as an Operating Cost, all janitorial services in connection with the Premises, consistent with the requirements set forth on Exhibit M.

10.10 Termination of Contracts. All third-party contracts entered into by Landlord with respect to the maintenance and operation of the Premises shall include a provision which provides for immediate termination of each such contract following the conveyance of the Premises to Tenant pursuant to Section 4.

11. Landlord Financing of Project. Landlord shall not have the right to mortgage, pledge, encumber, or assign the Premises in whole or in part except in connection with its financing of the Project through the Bonds issued by Landlord. Copies of the Indenture and the Leasehold Mortgage securing the Bonds have been provided to and approved by Tenant. Pursuant to the subordination, non-disturbance and attornment agreement, of even date herewith entered into by Landlord and Tenant with the Trustee as the beneficiary under the Leasehold Mortgage, so long as Tenant is not in default, beyond any applicable notice and/or cure period, under any of the terms, covenants or conditions of this Lease, the beneficiary under the Leasehold Mortgage shall not disturb Tenant's possessory rights in the Premises in the event such beneficiary should foreclose the Leasehold Mortgage.

12. Construction Liens. From and after the Substantial Completion Date, Tenant shall pay all costs for modifications, alterations and additions done by it or caused to be done by it on the Premises as permitted or required by this Lease (other than the construction of the Project) and Tenant shall keep the Premises free and clear of all Liens resulting from modifications, alterations and additions done by or for Tenant; provided, however, Tenant shall have the right to contest the correctness or validity of any such Lien by appropriate proceedings conducted in good faith with due diligence. Within thirty (30) days following written notice from Landlord, Tenant shall discharge such Lien of record or record a bond which complies with the requirements of law for eliminating such Lien as an encumbrance against the Premises if in the reasonable exercise of Landlord's judgment the protection of the Premises or Landlord's interest therein shall require such payment. In the event Tenant shall fail to so remove any such Lien, Landlord may take such action as Landlord shall reasonably determine to remove such Lien and all costs and expenses incurred by Landlord including, without limitation, amounts paid in good faith settlement of such Lien and attorneys' fees and costs shall be paid by Tenant to Landlord. Tenant's obligations pursuant to this Section 12 shall survive the Expiration Date.

13. Representations and Warranties.

13.1 Representations and Warranties of Landlord. Landlord hereby makes the following representations and warranties as of the Effective Date:

13.1.1 Legal Power. Landlord has the legal power, right and authority to enter into this Lease and to consummate the transactions contemplated and described herein.

13.1.2 Binding Obligation of Landlord. This Lease is a valid and legally binding obligation of Landlord and the applicable provisions hereof enforceable against Landlord in accordance with their respective terms, subject only to applicable bankruptcy,

insolvency, reorganization and moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

13.1.3 Compliance with Organizational Documents. There is no charter, bylaw, or capital stock provision of Landlord, and no provision of any indenture, instrument, or agreement, written or oral, to which Landlord is a party or which governs the actions of Landlord or which is otherwise binding upon Landlord, nor to Landlord's knowledge is there any judgment, decree or order of any governmental authority or court binding on Landlord which would be contravened by the execution, delivery or performance of this Lease.

13.1.4 Litigation Pending. To Landlord's knowledge, there is no action, suit, or proceeding at law or in equity or by or before any governmental authority now pending, or threatened against or affecting Landlord, which, if adversely determined, would materially impair Landlord's right or ability to execute or perform its obligations under this Lease.

13.1.5 No Breach of Indebtedness Requirements. Neither the execution and delivery of this Lease, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Lease conflict with or result in a material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, encumbrance, deed of trust, loan, lease or other instrument to which Landlord is a party.

13.1.6 Landlord. To Landlord's knowledge, no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against Landlord, nor are any of such proceedings contemplated by Landlord.

13.1.7 Accuracy of Materials. To Landlord's knowledge, all written reports, documents, and instruments prepared by Landlord or an affiliate thereof and delivered to Tenant in connection with entering into this Lease are accurate, correct and sufficiently complete to give Tenant true and accurate knowledge of their subject matter, and do not contain any material misrepresentation or material omission.

13.1.8 No Gratuity. Neither Landlord, nor its directors, officers, employees or affiliates, nor any individual representing Landlord, nor anyone holding an interest in Landlord has offered or given to any official or employee of Tenant any gratuity (in any form) for the intent or purpose of securing favorable treatment under this Lease or the approval or execution hereof.

13.1.9 No Solicitation. Landlord has not employed or retained any person, other than a bona fide employee working solely for Landlord, to solicit or secure this Lease and it has not paid or agreed to pay any person, other than a bona fide employee working solely for Landlord, any fee, commission, percentage, brokerage fee, gifts or any other consideration, contingent upon or resulting from the award or making of this Lease.

13.1.10 Authority to Execute. The individual(s) signing this Lease on behalf of Landlord is or are authorized to execute this Lease and bind Landlord to its terms and conditions, and, upon such execution, this Lease shall be legally binding on Landlord and, if Landlord is a corporation for which any individual is signing, have provided Tenant with a corporate resolution stating that such individual(s) is or are duly empowered to by such corporation to enter into this Lease.

13.2 Representations and Warranties of Tenant. Tenant hereby makes the following representations and warranties as of the Effective Date:

13.2.1 Legal Power. Tenant has the legal power, right and authority to enter into this Lease, and to consummate the transactions contemplated hereby herein.

13.2.2 Binding Obligations of Tenant. This Lease is the valid and legally binding obligation of Tenant and the applicable provisions hereof are enforceable against Tenant in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization and moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

13.2.3 Compliance with Charter. There is no provision of any indenture, instrument, or agreement, written or oral, to which Tenant is a party or which governs the actions of Tenant or which is otherwise binding upon Tenant, nor is there any judgment, decree or order of any governmental authority or court binding on Tenant which would be contravened by the execution, delivery or performance of this Lease by Tenant.

13.2.4 Litigation Pending. To Tenant's knowledge, there is no action, suit, or proceeding at law or in equity or by or before any governmental authority now pending, or threatened against or affecting Tenant, which, if adversely determined, would materially impair Tenant's right or ability to execute or perform its obligations under this Lease.

13.2.5 No Breach of Indebtedness Requirements. Neither the execution and delivery of this Lease, nor the incurrance of the obligations set forth herein or therein, nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms of this Lease conflict with or result in a material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, encumbrance, deed of trust, loan, lease or other instrument to which Tenant is a party.

13.2.6 No Insolvency. To Tenant's knowledge, no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or are threatened against Tenant, nor are any of such proceedings contemplated by Tenant.

13.2.7 Authority to Execute. The individual(s) signing this Lease on behalf of Tenant are authorized to execute this Lease and bind Tenant to its terms and conditions, and, upon such execution, this Lease shall be legally binding on Tenant.

14. Minimum Scope of Insurance Coverage for Landlord. After the Effective Date, Landlord shall at a minimum maintain insurance coverage of the type and amount specified on Exhibit K.

15. Minimum Scope of Insurance Coverage for Tenant.

15.1 General Liability. After the Substantial Completion Date, Tenant shall have the right to self-insure under Section 15.2 or, at its sole cost and expense, shall obtain and keep in force throughout the Term a Commercial General Liability insurance policy on an occurrence basis insuring Tenant against claims for injuries to persons and property damage liability. “Commercial General Liability” insurance shall mean Insurance Services Office form number (CG00 001) with a limit of not less than \$1,000,000 combined single limit per occurrence, \$5,000,000 aggregate. Tenant agrees to add Landlord and Trustee as additional insureds to any Commercial General Liability insurance policy.

15.2 Self-Insurance by Tenant. Notwithstanding anything herein to the contrary, Tenant may self-insure for general liability coverage. Upon request by Landlord or Trustee (the Trustee having no obligation to make such request) to Tenant’s Risk Manager, Tenant shall provide Landlord and Trustee with at least thirty (30) days’ prior written notice of any change in Tenant’s self-insured status and will provide Landlord and Trustee with a certificate of self-insurance as adequate proof of insurance. If Tenant elects to self-insure as set forth in this Section, Tenant acknowledges and agrees that Landlord shall have no liability for such losses or damage which would otherwise have been covered by the general liability insurance which Tenant could have provided in accordance with Section 15.1, nor shall Tenant’s failure to obtain commercial general liability insurance have any effect on Tenant’s obligations under this Lease.

15.3 Workers’ Compensation. Tenant is self-insured for all of its workers’ compensation liability exposure. Tenant shall, at its own expense, maintain through its self-insurance program coverage for its workers’ compensation liability exposure for the duration of the Term. Tenant shall provide Landlord and Trustee with at least thirty (30) days’ prior written notice of any change in the Tenant’s self-insured status and will provide Landlord and Trustee with a certificate of self-insurance as adequate proof of insurance.

16. Property Insurance.

16.1 Coverage for Premises. From and after the Substantial Completion Date, Landlord shall cause the Premises to be insured for fire and other perils currently covered by a special causes of loss commercial property insurance form. Such coverage shall include twenty-four (24) months of rental interruption coverage for the costs of Base Rent and Additional Rent, with Extra Expense coverage and shall name Trustee and Tenant as loss payee as each of their interests may appear. Landlord shall further cause the Premises to be insured against the perils of earth movement, and flood, either as part of the aforementioned commercial property policy, or under a separate policy or policies. Such earth movement and flood insurance shall include twenty-four (24) months of rental interruption coverage and shall name Trustee as loss payee as its interests may appear. Landlord shall cause coverage to be maintained against loss arising from earth movement and flood so long as such coverage is available at a commercially

reasonable cost and in coverage amounts which are commercially available, but shall not be in default under this Lease if coverage is no longer written, is unavailable for properties comparable to the Premises or is not available at commercially reasonable premium amounts. Landlord will provide Tenant and Trustee with thirty (30) days' prior written notification of material changes in coverage. Landlord will, upon request, furnish Tenant and Trustee with satisfactory evidence that such coverage is in effect.

16.2 Coverage for Tenant's Personal Property. Landlord shall have no obligation to insure any of Tenant's Personal Property.

17. Waiver of Subrogation. Landlord and Tenant shall cause their respective property insurance carriers to release and waive all rights of subrogation against the other to the extent a loss is covered by property insurance in force. Landlord and Tenant hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies, including any extended coverage endorsements hereto; provided, that this provision shall be inapplicable if it would have the effect of invalidating any insurance coverage of Landlord or Tenant.

18. Indemnity and Hold Harmless.

18.1 Indemnification by Landlord. Landlord shall indemnify, defend and hold harmless Tenant and its elected and appointed officers, officials, employees, and agents (the "**Indemnified Tenant Parties**") from and against any and all liability, demands, liens, damages, claims, causes of action, expenses, and fees (including reasonable attorneys' fees and costs and expert witness fees) for bodily injury, property damage, and death (hereinafter collectively referred to as "**Liabilities**"), arising out of or relating to the negligence, acts, errors, or omissions of Landlord including, without limitation, any breach of this Lease except to the extent that such Liabilities are caused by the negligence or willful misconduct of Tenant.

Landlord shall require the Developer, the General Contractor, and all other Contractors to agree to and abide by the indemnification requirements set forth in this Section 18.1 in favor of Tenant, subject to the provisions of California Civil Code sections 2782 *et seq.*, as such may be applicable to the work and/or services being provided by Landlord's contractors and consultants.

18.2 Indemnification by Tenant. Tenant shall indemnify, defend and hold harmless Landlord and its officers, representatives, employees, and agents (the "**Indemnified Landlord Parties**") from and against any and all Liabilities arising out of or relating to the negligent acts, errors, or omissions of Tenant including, without limitation, any breach of this Lease except to the extent that such Liabilities are caused by the negligence or willful misconduct of Landlord, Developer, the General Contractor, or their consultants, agents or employees.

18.3 Survival. The indemnification provisions of this Section 18 shall remain in full force and effect and survive the termination and/or expiration of this Lease.

19. Destruction.

19.1 Insured Damage. If during the Term, the Premises are partially or totally destroyed by any casualty that is covered by insurance described in Section 16, rendering the Premises partially or totally inaccessible or unusable, Landlord shall restore the Premises to substantially the same condition as they were in immediately before such destruction, if (i) the insurance proceeds available to Landlord equal or exceed the cost of such restoration, (ii) such restoration can be completed within a period which is not longer than twenty-four (24) months from date of such destruction, and (iii) such restoration is permitted under then existing Applicable Laws to be done in such a manner as to return the Premises to substantially the same condition as it was immediately before the destruction. Landlord will advise Tenant and Trustee with respect to the preceding conditions and, accordingly, whether such restoration of the Premises can proceed, on or before that date which is ninety (90) days after the date of destruction. If the foregoing conditions cannot be met, such destruction shall be treated as “Underinsured Damage” in accordance with the provisions of Section 19.2. The insurance proceeds shall be retained by Trustee who shall disburse same to Landlord from time to time as the restoration work progresses; provided, however, that Landlord shall complete such restoration as soon as reasonably practical, but in any event not longer than that period which is twenty-four (24) months from the date of such destruction.

19.2 Underinsured Damage. If during the Term the Premises are partially or totally destroyed by any casualty and the conditions set forth in Section 19.1, captioned “Insured Damage” cannot be met, Landlord shall provide written notice to Tenant and Trustee within ninety (90) days after the date of destruction. Such notice shall describe the extent of the destruction, which of the conditions(s) cannot be met, and the estimated time necessary for restoration of the Premises. Within thirty (30) days of Tenant’s receipt of Landlord’s notice, Tenant shall notify Landlord in writing whether Tenant will proceed to satisfy the conditions which cannot be met, including the deposit of funds with the Trustee sufficient to restore any Underinsured Damage.

(a) If Tenant so fulfills such conditions, then Landlord shall proceed to restore the Premises in accordance with the terms agreed between Landlord and Tenant. In that event, the insurance proceeds shall be retained by Trustee who shall disburse same to Landlord from time to time as the restoration work progresses.

(b) If Tenant elects not to fulfill such conditions and the Premises are totally destroyed, this Lease shall terminate and the entire amount of the insurance proceeds held by Trustee shall be used to repay, redeem or defease Bonds and to reimburse Trustee for any costs incurred by Trustee for which it is entitled to reimbursement under the Indenture.

(c) If Tenant elects not to fulfill such conditions and the Premises are partially destroyed, this Lease shall not terminate, Tenant shall continue to pay Rent subject to Abatement and the amount of the insurance proceeds held by Trustee shall be disbursed to Landlord to complete such restoration as Landlord reasonably determines to be practicable to allow for Tenant’s partial use of the Premises for its intended purposes. Any insurance proceeds not disbursed for such restoration shall be used to repay, redeem or

defeasance Bonds and to reimburse Trustee for any costs incurred by Trustee for which it is entitled to reimbursement under the Indenture.

(d) If any monies deposited by Tenant in connection with any restoration pursuant to this Section 19.2 remain after the Premises have been restored, those monies shall be returned to Tenant.

19.3 Extent of Landlord's Obligation to Restore. If Landlord is required or elects to restore the Premises or such portion thereof which has been destroyed as provided in this Section 19, Landlord shall not be required to restore Tenant's Personal Property, such excluded items being the sole responsibility of Tenant to restore.

19.4 Abatement of Rent. In the event that (i) the Premises are [partially] damaged or [partially]⁵ destroyed by fire or other casualty following the Rent Commencement Date (or after Tenant commences paying Base Rent in accordance with Section 4.6), or (ii) a defect in Landlord's title occurs, either of which results in substantial interference with Tenant's right to the use and occupancy of the Premises, this Lease shall not terminate (except as provided in Section 19.2), but the Rent otherwise payable by Tenant hereunder (other than Additional Rent for payment of Operating Costs) shall be subject to Abatement during the period of such interference.

19.5 Waiver of Certain Rights. In recognition of the specifically negotiated provisions in this Lease with respect to Tenant's rights in the event of damage, destruction or condemnation of the Premises, Tenant hereby waives its rights pursuant to California Civil Code §§ 1932(1), 1932(2) and 1933(4).

20. Condemnation. The condemnations provisions in this Lease are in lieu of the provisions in Sections 1265.110-1285.160 of the California Code of Civil Procedure.

20.1 Total Condemnation. If there is a taking or damaging of all or any portion of the Premises by the exercise of any governmental power, whether by legal proceedings or otherwise, by a governmental agency with jurisdiction over the Premises (a "**Condemnation**") such that there can be no reasonable use of the Premises by Tenant, as reasonably determined by Tenant, this Lease shall terminate on the date the condemnor has the right to possession of the Premises. The entire award with respect to a taking of the Premises (including Tenant's leasehold estate under this Lease) shall be paid to Trustee and applied to repay, redeem or defeasance Bonds in accordance with the Indenture. Any Condemnation proceeds remaining after Bonds are no longer Outstanding shall be paid to Tenant.

20.2 Partial Condemnation. If, prior to Substantial Completion of the Project, there is a partial taking of the Premises by Condemnation but the Project can be completed substantially in accordance with the Project Requirements, such condemnation proceeds shall be paid to Trustee who shall deposit such condemnation proceeds into the Non-Bond Proceeds Account established under the Indenture for purposes of paying Project Costs, and any funds

⁵ NTD: County to confirm intent of addition of the word "partially".

remaining in such account as of Substantial Completion shall be used to repay, redeem or defease Bonds in accordance with the Indenture.

20.2.2 If there is a partial taking of the Premises by Condemnation, and Tenant determines that restoration is possible or a reasonable use can be made of the Premises by Tenant without restoration, then the condemnation proceeds shall be paid to Trustee who shall, as applicable, (i) deposit such condemnation proceeds into the Capital Repairs Fund and shall disburse such condemnation proceeds to Landlord from time to time as restoration progresses, or (ii) apply such amounts to repay, redeem or defease Bonds in accordance with the Indenture.

20.2.3 Following any partial taking of the Premises by Condemnation in which Tenant determines that restoration is possible or a reasonable use can be made of the Premises by Tenant without restoration, Rent (other than Additional Rent for payment of Operating Costs) shall be subject to Abatement to the extent and during the period that the partial condemnation results in substantial interference with Tenant's right to the use and occupancy of the Premises.

20.2.4 Following any partial taking of the Premises in which Tenant determines that restoration is not possible and no reasonable use can be made of the Premises by Tenant, this Lease shall terminate on the date the condemnor has the right to possession of the Premises. The entire award with respect to a taking of the Premises (including Tenant's leasehold estate under this Lease) shall be paid to Trustee and applied to repay, redeem or defease Bonds in accordance with the Indenture. Any Condemnation proceeds remaining after Bonds are no longer Outstanding shall be paid to Tenant.

21. Assignment of Project; Subletting. Except as provided in the Indenture and allowed by the Ground Lease, Landlord shall not sell, transfer, convey, or assign all or any portion of its interest in this Lease or in the Premises (except to Trustee) without the prior written consent of Tenant (which may be granted or withheld at Tenant's sole and absolute discretion) and a Favorable Opinion of Bond Counsel shall have been delivered to Trustee. Tenant shall not sell, transfer, convey, or assign all or any portion of its interest in this Lease or in the Premises without the prior written consent of Landlord (which may be granted or withheld at Landlord's sole and absolute discretion) and a Favorable Opinion of Bond Counsel, which shall have been delivered to Trustee.

Any sale, transfer, conveyance, assignment, or sublease permitted under this Section 21 shall be in writing and shall require the purchaser, transferee, grantee, assignee, or subtenant to comply fully with the terms of this Lease and the Ground Lease, including, without limitation, the provisions of Section 7 regarding use of the Premises. Tenant shall provide Landlord and Trustee with written notice of any such sale, transfer, conveyance, or assignment and a copy of all documentation relating thereto. Any attempted sale, transfer, conveyance, assignment or sublease in material violation of the requirements set forth in this Section 21 shall be null and void and shall constitute an event of default under the Indenture.

Notwithstanding the foregoing, upon Tenant's election, Landlord shall sublease from Tenant the portion of the Premises consisting of approximately two (2) one-thousand (1,000) square foot spaces located within the ground floor retail space of the Office Building, as

depicted in Exhibit S (the “**Retail Spaces**”), or a portion thereof, pursuant to a lease agreement in substantially the form attached hereto as Exhibit T-1 (a “**Retail Space Lease**”), provided that the sole purpose of executing a Retail Space Lease shall be for Landlord to sub-lease the Retail Spaces or portions thereof to a Retail Space Lessee (as defined below) identified by Tenant pursuant to a sublease agreement substantially in the form attached hereto as Exhibit T-2 (each, a “**Retail Space Sublease**”). Landlord’s rent obligation under the Retail Space Lease shall be to pay to Tenant the balance remaining, if any, from the rent (base or additional), operating expense reimbursements or other amounts paid to Landlord by the Retail Space Lessee pursuant to the Retail Space Sublease, after first deducting any leasehold excise or other similar tax payable by Landlord, and all management and leasing fees, administration costs, leasing commissions, operating expenses, utilities, repair costs, legal fees and similar costs and expenses incurred by Landlord in connection with the Retail Space Sublease. Each Retail Space Sublease and the permitted use thereunder shall be subject to (i) the provisions of Section 7 regarding use of the Premises, (ii) Landlord and Tenant receiving a Favorable Opinion of Bond Counsel (as defined in the Indenture), which shall have been delivered to Trustee, and (iii) all Applicable Laws. Tenant shall have the right to select, by written notice to Landlord, the third party user of all or any portion of the Retail Spaces (collectively, the “**Retail Space Lessees**”), subject to the foregoing requirements.

22. Default by Tenant. The occurrence of any of the following shall constitute an “**Event of Default**” by Tenant under this Lease:

22.1 Payment. Failure to make any payment or any other payment due or required under this Lease, if the failure to pay is not cured within ten (10) days after written notice of such failure from Trustee or Landlord has been received by Tenant; provided, however, failure to pay the Base Rent at least one (1) Business Day prior to the Rent Payment Date shall be deemed an immediate default.

22.2 Other Failure to Perform. Failure to materially perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after written notice of such failure from Trustee or Landlord has been received by Tenant; provided, however, if the default cannot reasonably be cured within such thirty (30) days, then such default shall not constitute an Event of Default if Tenant commences to cure the default within thirty (30) days and diligently and in good faith continues to cure such default until cured.

22.3 Remedies for Tenant Default. If Tenant commits an Event of Default under this Section 22 and fails to cure such default within the time period provided in this Lease (in lieu of any statutory requirements), then Landlord shall have the right to pursue any and all remedies available at law or in equity, including without limitation, the right to (a) terminate this Lease or (b) so long as Landlord or its assignee does not terminate Tenant’s right to possession, this Lease shall continue in effect and Landlord or its assignee shall have the right enforce all of its rights and remedies under this Lease, including the right to recover Base Rent payments as they become due hereunder pursuant to Section 1951.4 of the California Civil Code.

Notwithstanding the foregoing, in no event shall Landlord have the right to accelerate any payments owing by Tenant under this Lease.

Notwithstanding anything to the contrary herein, in the event Tenant commits an Event of Default under Section 5.11 and fails to cure such default within the time period provided herein, Landlord shall have no right to cancel and terminate this Lease or evict Tenant and re-enter the Premises through an unlawful detainer action or otherwise.

23. Default by Landlord. Landlord shall be in default if Landlord fails to perform its obligations (i) within five (5) Business Days after notice by Tenant specifying the obligation which Landlord has failed to perform if such failure occurs prior to the Substantial Completion Date and (ii) within thirty (30) days after notice by Tenant specifying the obligation which Landlord has failed to perform if such failure occurs after the Substantial Completion Date; provided, that if the nature of Landlord's obligation is such that more than five (5) Business Days or thirty (30) days, as applicable, are required for performance, Landlord shall not be in default if Landlord commences diligent performance within such period following Tenant's notice and thereafter completes performance within a reasonable time. In the event that Landlord fails to cure any such default within the time periods permitted, Tenant shall have the right to pursue any and all remedies available at law or in equity, or have the option to pursue such remedies after resort to the procedure in Exhibit F provided, however, that Tenant shall have (i) no right to offset against Rent payable under this Lease, and (ii) no right to terminate this Lease or the Ground Lease so long as the Bonds remain Outstanding.

24. Trustees Rights. For so long as the Leasehold Mortgage remains in force and effect the following provisions shall apply:

24.1 Notice of Default. Tenant upon serving Landlord any notice of default pursuant to the provisions of this Lease shall also serve a copy of such notice upon Trustee at the address set forth in Section 34.15 or as subsequently provided in writing by Trustee to Tenant pursuant to the notice provisions set forth in Section 34.15. No notice to Landlord under this Lease shall be deemed to have been duly given unless and until a copy thereof has been provided to Trustee in accordance with Section 34.15. From and after the date such notice has been given to Trustee, Trustee shall have the same period, after the giving of such notice upon it, for remedying any default or acts or omissions which are the subject matter of such notice, or causing the same to be remedied, as is given Landlord after the giving of such notice to Landlord under this Lease, plus in each instance the additional periods of time specified in this Section 24 to remedy, commence remedying or cause to be remedied, the defaults or acts or omissions which are specified in such notice.

24.2 Right to Cure. Trustee shall have the right, but not the obligation, to remedy such default or cause the same to be remedied for a period of ninety (90) days after the expiration of Landlord's cure period, if any, provided under this Lease, for Landlord to remedy same, and Tenant shall accept such performance by or at the instance of Trustee as if the same had been made by Landlord.

24.3 Extended Cure Period. If the default is reasonably susceptible of cure, but cannot reasonably be remedied within ninety (90) days, Tenant shall not terminate this lease, so long as (a) defaults in the payment of money under this Lease are cured, within ninety (90) days and (b) the cure for any non-monetary default under this Lease has commenced, and is thereafter diligently and in good faith continuously prosecuted to completion. Such cure period

shall include any time required to obtain possession of the Premises by foreclosure of the Leasehold Mortgage or by other appropriate means by reasonable diligence, or until such earlier time as all defaults of Landlord are cured. Nothing in this Section 24.3, however, shall be construed to extend this Lease beyond the Term, nor to require a Trustee to continue such foreclosure proceedings after all defaults are cured. Once all defaults are cured, this Lease, shall continue in full force and effect as if Landlord had not defaulted.

25. Waiver. In light of the specific agreements in this Lease with regard to Landlord's obligations to maintain the Premises, Tenant hereby waives its rights under California Civil Code §§ 1941 and 1942.

26. Signs. Tenant shall have the right to place identification signage, other signage, advertisements, awnings, banners or other exterior decorations on the exterior of the Premises without any further consent or approval from Landlord. Any sign that Tenant has the right to place, construct and maintain shall comply with all Applicable Laws, and Tenant shall obtain any approval required by such Applicable Laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.

27. Landlord's Right to Enter the Premises. Landlord shall have the right to enter the Premises with twenty-four (24) hour prior written notice times during Tenant's normal business hours for the purposes listed below (or upon less notice if necessary to perform emergency repairs); provided, however, Landlord acknowledges and agrees to comply with Tenant's written requests regarding security and employee privacy protocols. Landlord shall conduct its activities on the Premises as allowed in this Section in a manner that will cause the least possible inconvenience, annoyance or disturbance to Tenant.⁶ Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any right reserved in this Section 27.

27.1 Condition. To determine whether the Premises are in good condition, whether Tenant is complying with its obligations under this Lease and to perform any maintenance, repair or replacement obligations of Landlord pursuant to Section 10.

27.2 Notices. To serve, post or keep posted any notices required or allowed under the provisions of this Lease.

28. No Encumbrances by Landlord. Except to the extent expressly authorized in Sections 11 and 21, Landlord shall not at any time during the Term sell, transfer, lease (other than to Tenant pursuant to this Lease), convey, encumber (other than to Trustee pursuant to the Leasehold Mortgage), pledge (other than to Trustee pursuant to the Indenture), hypothecate or otherwise grant a security interest in the Premises or any portion thereof.

29. Right to Estoppel Certificates. Each Party, within thirty (30) Business Days after notice from the other Party, shall, unless the other Party is in default hereunder, execute and deliver to the other Party, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified and stating the modifications.

⁶ NTD: County to confirm deleted language regarding provision of mental health services and administration and requirements to protect patient or client privacy do not apply.

Unless the Party requested to provide such a certificate is in default, failure to deliver the certificate within such thirty (30) Business Day period shall be conclusive upon the Party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

30. Limitation on Landlord's Liability. Notwithstanding any provision in this Lease to the contrary, Tenant shall look solely to the estate and property of Landlord in the Premises and buildings constituting the Project, any insurance proceeds or condemnation proceeds payable to Landlord under this Lease, any sums paid to Landlord under the Development Agreement and any amounts payable to Landlord under any warranty or other contract with respect to the Project for the collection of any judgment requiring the payment of money by Landlord or for the enforcement of any other judgment or remedy against Landlord and no other assets of Landlord shall be subject to levy, execution or other procedure for the satisfaction of Tenant's remedies.

31. Attorneys' Fees. In the event suit is brought by Landlord or Tenant relating to this Lease, including for the breach of any covenant or condition of this Lease, the Party prevailing on a majority of the issues shall be entitled to a sum for reasonable attorneys' fees, witness fees, and court costs, including costs of appeal.

32. Surrender. Tenant shall, on the Expiration Date, surrender and deliver up the Premises, including all improvements then located thereon and the appurtenances thereto, into the possession of Landlord, in good order, condition and repair, free and clear of all lettings and occupancies, and free and clear of all liens and encumbrances other than those existing on the date of this Lease and those, if any, created by Landlord, without any payment or allowance whatsoever by Landlord, unless Tenant exercises the Option to Purchase as set forth in Section 4.3 and 4.4. Tenant shall execute, acknowledge and deliver to Landlord such instruments of further assurance as in the opinion of Landlord are necessary or desirable to confirm or perfect Landlord's right, title and interest in and to all of the above-described property.

32.1 Conveyance of Premises. Notwithstanding Tenant's obligation to surrender the Premises on the Expiration Date, Landlord shall nonetheless be obligated to convey the Premises to Tenant pursuant to Sections 4.3 and 4.4.

32.2 Survival. The provisions of this Section 32 shall survive the expiration or termination of this Lease.

33. Broker. Landlord and Tenant each represent to the other that neither is represented by any broker, agent or finder with respect to this Lease in any manner.

34. Miscellaneous Provisions.

34.1 Entire Agreement. This Lease sets forth the entire agreement of the Parties as to the subject matter hereof and supersedes all prior discussions and understandings between them.

34.2 No Amendment of Development Agreement. Landlord shall not assign nor amend the Development Agreement without the Tenant's prior written approval, which approval shall not be unreasonably withheld.

34.3 No Joint Venture or Agency. Nothing contained in this Lease nor any of the acts of the Parties hereto shall be construed nor is it the intent of the Parties, to create a joint venture or partnership between Landlord and Tenant, nor is either Party the agent or representative of the other, and nothing in this Lease shall be construed to create any such agency relationship or to hold either Party liable to anyone for goods delivered or services performed at the request of the other Party.

34.4 Meanings of Words Not Specifically Defined/General Rules of Interpretation. Words and phrases contained herein shall be construed according to the context and the approved usage of the English language, but technical words and phrases, and such others as have acquired a peculiar and appropriate meaning by law, or are defined in Section 1, are to be construed according to such technical, peculiar, and appropriate meaning or definition. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. As used in this Lease, the word "includes or "including" means including without limitation, the word "or" is not exclusive and the words "herein," "hereof," "hereto" and hereunder refer to this Lease as a whole. Unless the context otherwise requires, references herein: (a) to articles, paragraphs, sections and exhibits mean the articles, paragraphs, sections and exhibits which are part of this Lease as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof and by this Lease, (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof and by this Lease, and (c) to a statute means such statute as amended, supplemented or replaced from time to time. The exhibits, schedules, addenda, and attachments which are attached to this Lease are made a part of this Lease.

34.5 Conflict of Interest; No Personal Liability. No official or employee of Tenant shall have any personal interest, direct or indirect, in this Lease, nor shall any official or employee of Tenant participate in any decision relating to this Lease which affects such official's or employee's pecuniary interest in any corporation, partnership or association in which such official or employee is directly or indirectly interested. No official or employee of either Party shall be personally liable in the event of a breach of this Lease. Landlord shall within not less than ten (10) days after learning of any such conflict of interest or facts which reasonably indicate that a conflict of interest may exist, notify Tenant thereof; provided, however, the failure of Landlord to make any such notification shall not be a breach or default of this Lease.

34.6 No Third-Party Beneficiaries. The Trustee shall be a third party beneficiary of the rights conferred to it under this Lease. Except as expressly set forth in this Lease, no parties other than Tenant, the Trustee and Landlord, and their respective successors and assigns, shall be a beneficiary of the rights conferred in this Lease, and no other party shall be deemed a third-party beneficiary of such rights.

34.7 Exculpation of Certain Persons. No individual board member, trustee, officer, director, shareholder, member, constituent partner, employee, or agent of any Party, in his or her individual capacity as such, shall have any personal liability for the performance of any obligation of such Party under this Lease solely by reason of such status.

34.8 Performance Postponed. Any performance required under this Lease on a day that is not a Business Day shall be postponed until the next Business Day.

34.9 Quiet Enjoyment. Landlord covenants that Tenant shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the use of the Premises.

34.10 Governing Law. This Lease shall be governed by and construed and enforced in accordance with the laws of the State of California.

34.11 Severability/Construction of Lease. Should any of the provisions of this Lease be found to be invalid, illegal, unconstitutional or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the Parties. The Parties hereby acknowledge and agree that each was represented by counsel and this Lease was negotiated and drafted at arms' length. Accordingly, the judicial rule of construction that any ambiguities are to be construed against the drafting party shall be inapplicable in the interpretation of this Lease. The provisions of this Lease shall be construed as a whole according to their common meaning and consistent with the other provisions contained herein in order to achieve the objectives and purposes of this Lease.

34.12 Jurisdiction/Venue. In the event any action is brought to enforce any of the provisions of this Lease, the parties agree to be subject to exclusive in personam jurisdiction in the Los Angeles County Superior Court for the State of California and agree that in any such action venue shall lie exclusively in the County.

34.13 Waiver. No waiver of any right under this Lease shall be effective unless contained in writing signed by a duly authorized officer or representative of the party sought to be charged with the waiver and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

34.14 Captions. Section captions contained in this Lease are included for convenience only and form no part of the agreement between the Parties.

34.15 Notices. All notices or requests required or permitted under this Lease shall be in writing, shall be (i) personally delivered, (ii) sent by certified or registered mail, return receipt requested, postage prepaid, (iii) by nationally recognized overnight courier and shall be deemed given when so delivered or received; or (iv) by electronic mail, provided that any notice of default must also be sent using one of the other forms of notice. All notices or requests to any Party shall be sent to all other Parties as follows:

If to Landlord:

Los Angeles County Facilities 2 Inc.
c/o Public Facilities Group
1700 Seventh Avenue
Suite 2100, PMB 552
Seattle, WA 98101
Attention: John Finke
Email: johnfinke@publicfacilitiesgroup.org

With a copy to:

Hillis Clark Martin & Peterson PS
999 Third Avenue, Suite 4600
Seattle, WA 98104
Attention: Matthew W. Markovich
Email: matt.markovich@hcmp.com

If to Tenant:

County of Los Angeles
Chief Executive Office- Real Estate Division
320 W. Temple St., 7th Floor
Los Angeles, CA 90012
Attention: Senior Manager

With copies to:

Office of the County Counsel
County of Los Angeles
500 West Temple St. 6th Floor
Los Angeles, CA 90012-2932
Attention: Behnaz Tashakorian

Chief Executive Office- Capital Projects
County of Los Angeles
500 West Temple St. Room 713
Los Angeles, CA 90012
Attention: Assistant Chief Executive Officer

Treasurer and Tax Collector- Public Finance
County of Los Angeles
500 West Temple St., Room 432
Los Angeles, CA 90012
Attention: Assistant Treasurer and Tax Collector

If to Trustee:

Any Party may change the address to which notices shall be sent by notice to the other Party in the manner and with the effect set forth in this Section 34.15. Any notice provided to Tenant in connection with the ordinary course of the development of the Project, including any request for Tenant's Concurrence, Landlord shall also send electronic notice to the following email addresses (in addition to the addressees listed above): leaseacquisitions@ceo.lacounty.gov.

34.16 Binding Effect. Subject to the provisions of Sections 11 and 21, this Lease shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns. No permitted assignment of this Lease or Tenant's rights hereunder shall be effective against Landlord unless and until an executed counterpart of the instrument of assignment shall have been delivered to Landlord, and Landlord shall have been furnished with the name and address of the assignee. The term "Tenant" shall be deemed to include the assignee under any such permitted assignment. The term "Landlord" shall include any successors to or assigns of the Landlord's interest in the Premises following any foreclosure of the Leasehold Mortgage, including Trustee or any purchaser at a trustee's or sheriff's sale of the Premises.

34.17 Trustee. Notwithstanding anything to the contrary herein, Landlord and Tenant agree that Trustee, in acting under this Lease, acts not in its individual capacity but solely as Trustee under the Indenture and Trustee shall be entitled to the same rights, protections and immunities hereunder to which it is entitled as Trustee under the Indenture. In furtherance and not in limitation of the foregoing, the exercise of the rights of Trustee and the duties of Trustee hereunder, or under any assignment hereof to Trustee, shall be, in each and every case, subject to the express provisions of Articles VII and VIII of the Indenture; provided, that the Indenture shall not operate to limit Trustee's rights to compensation and indemnification provided hereunder.

34.18 Gender and Number. As used in this Lease, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, the neuter shall include the masculine and feminine, the singular shall include the plural and the plural shall include the singular, as the context may require.

34.19 Nondiscrimination. Tenant covenants by and for itself, its successors and assigns, and all persons claiming under or through it, and this Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 1926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises herein leased nor shall Tenant, or any person claiming under or through Tenant, establish or permit any such practice or practices of

discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the Premises herein leased.

34.20 Recording; Memorandum of Lease. Neither Landlord nor Tenant shall record this Lease without the written consent of the other; provided, however, that a Memorandum of this Lease in the form attached hereto as Exhibit E shall be recorded upon the Effective Date at no cost to the Tenant.

34.21 Amendment of Lease. So long as the Bonds remain Outstanding, any amendment of this Lease must comply with applicable provisions of the Indenture. Without limitation, Landlord and Tenant may, from time to time, amend this Lease in writing (a) to exclude any surplus portion of the Premises in accordance with Section 9.06 of the Indenture or (b) for any purpose permitted by the Indenture, the Leasehold Mortgage and the Ground Lease. Any amendment of this Lease must be in writing and executed by both Parties.

34.22 Time Is of the Essence. Time is of the essence in the performance of each Party's obligations under this Lease. Each Party shall carry out its obligations under this Lease diligently and in good faith.

34.23 Prevailing Wage. Landlord shall require that the General Contractor and its subcontractors comply with the prevailing wage requirements and be subject to restrictions and penalties in accordance with Section 1770 of the California Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts. The Landlord shall require that the General Contractor furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Landlord will post at the job site. All prevailing wages shall be obtained by the Landlord/Contractor from the California Department of Industrial Relations, Division of Labor Statistics and Research.

Landlord shall require that the General Contractor comply with the payroll record keeping and availability requirement of Section 1776 of the Labor Code. In addition, Landlord shall require that the General Contractor make travel and subsistence payments to workers needed for performance of work in accordance with Section 1773.8 of the Labor Code. Prior to commencement of work, Landlord shall require that the General Contractor contact the Division of Apprenticeship Standards and comply with Sections 1777.5, 1777.6 and 1777.7 of the Labor Code and applicable regulations.

Landlord shall indemnify, hold harmless, and defend Tenant and shall be responsible for any fine, penalty or fee levied against the Premises arising out of any violations by Landlord of this Section 34.23.

34.24 Authority. Landlord and Tenant represent that they have authority to enter into this Lease. This Lease shall not be effective until approved of and signed by the Chief Executive Officer, or her designee.

34.25 Recitals. All Recitals set forth herein are hereby incorporated into this Lease. The Parties agree that the Recitals are true and correct and have the same force and effect as all other provisions contained Lease.

35. Force Majeure. Landlord and Tenant shall not be deemed in default with respect to the performance of any of the terms, conditions and covenants of this Lease (other than the payment of Rent or other amounts due hereunder) if Landlord's or Tenant's failure to perform shall be due to any Force Majeure event. In the event either Party is delayed or prevented from performing any of its respective obligations under this Lease (other than the payment of Rent or other amounts due hereunder) due to a Force Majeure event, then the time period for performance of such obligations shall be extended for the period of such delay. Nothing contained in this Section 35 shall be deemed to extend the Rent Commencement Date nor to excuse Tenant's obligation to pay Rent as and when required by the terms of this Lease.

36. Failure to Achieve Substantial Completion of Project by Developer Obligation Date. In the event that Substantial Completion of the Project is not achieved by the Developer Obligation Date, the following provisions shall apply until such time as Substantial Completion is achieved.

36.1 Enforcement of Development Agreement. Landlord shall vigorously enforce the provisions of the Development Agreement, including, without limitation, Section 7.2(b) thereof, with regard to the failure of the Developer to cause Substantial Completion of the Project to occur by the Developer Obligation Date. Amounts received from Developer thereunder for the payment of debt service on the Bonds shall be deposited with the Trustee as provided under the Indenture.

36.2 Enforcement of the General Construction Contract . Landlord shall vigorously enforce the provisions of the General Construction Contract including, without limitation, provisions requiring the payment of liquidated damages in the event that the General Contractor fails to achieve completion of construction of the Project by the date set forth in the Construction Contract. Amounts received from the General Contractor and available for payment of debt service on the Bonds shall be deposited with the Trustee as provided under the Indenture.

37. Parking Covenant. Landlord covenants, for the benefit of Tenant, to enter into an agreement with Los Angeles County Facilities Inc., a California nonprofit public benefit corporation, the ground lessee of the Garage, pursuant to which Tenant (and its employees, subtenants and invitees) shall have the non-exclusive right to use (on the same basis as other users of the Garage) a minimum of six hundred (600) parking spaces in the Garage. Such agreement shall be in substantially the form set forth as Exhibit I hereto.

38. County Policy Requirements. Landlord shall comply with the following County policy requirements and also cause such policy requirements to be incorporated into all Construction Contracts for the Project.

38.1 Employment. The Parties shall not, in the implementation of this Lease and in design, development, operation, and use of the project, discriminate against any employee or applicant for employment on the basis of race, religion, sex, sexual orientation, age, physical handicap, or national origin and shall comply with all applicable provisions of federal, state and local law related to discrimination. Landlord shall take affirmative action to ensure that applicants are employed and that employees are treated during their employment without regard

to their race, religion, sex, sexual orientation, age, physical handicap, or national origin, including without limitation employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

38.2 Rental or Sale. Landlord shall refrain from restricting the rental, sale, or lease of the Premises, or any portion thereof, on the basis of sex, age, handicap, marital status, race, color, religion, creed, ancestry, or national origin of any person. All leases and contracts affecting the Premises or any portion thereof shall contain clauses expressly giving effect to this Section 38.

38.3 Community Workforce Agreement. Landlord shall comply with the Countywide Community Workforce Agreement approved and adopted by the County's Board of Supervisors on February 17, 2023, a copy of which is attached as Exhibit P.⁷

38.4 Civic Art. Landlord shall comply with the County Art Policy, a copy of which is attached as Exhibit U.⁸

[Signature pages follow]

⁷ County to provide this document.

⁸ County to provide this document.

DATED the date first above written.

LANDLORD:

LOS ANGELES COUNTY FACILITIES 2 INC.,
a California nonprofit public benefit corporation

By: _____

Name: John Finke

Title: President

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____

Name: FESIA A. DAVENPORT

Title: Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____

Name: _____

Title: _____

California Certificate of Acknowledgment

[LANDLORD]

JURAT

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

State of California)
County of Los Angeles)

Subscribed and sworn to (or affirmed) before me on this ____ day of _____, 2024,
by _____, proved to me on the
basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: _____ Seal

California Certificate of Acknowledgment

[TENANT]

JURAT

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

State of California)
County of Los Angeles)

Subscribed and sworn to (or affirmed) before me on this ____ day of _____, 2024,
by _____, proved to me on the
basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: _____ Seal

EXHIBIT A

Land

EXHIBIT B

SCHEDULE OF BASE RENT

[**NOTE:** Base Rent is based upon the attached pro forma Bond Debt Service Schedule, which includes all debt service payments following bond closing.

Following the pricing of the Bonds and prior to execution of this Lease, a final Schedule of Base Rent as approved by Tenant will be attached hereto.]

The Base Rent specified in this Exhibit B shall be payable only from and after the Rent Commencement Date; accordingly, the Base Rent due on any date specified below (a “**Payment Date**”) shall in fact be due only if such Payment Date is on or after the Rent Commencement Date. If the Rent Commencement Date occurs on a date other than a Payment Date, then the Base Rent due on the next Payment Date shall be prorated based on the number of days from the Rent Commencement Date to such Payment Date.

EXHIBIT C

PRELIMINARY PLANS

[See attached.]

EXHIBIT D-1

PROJECT SCHEDULE

[See attached.]

EXHIBIT D-2

PROJECT BUDGET

[See attached.]

EXHIBIT E

MEMORANDUM OF FACILITIES LEASE

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Hillis Clark Martin & Peterson P.S.
Attention: Matthew W. Markovich
999 Third Ave, Suite 4600
Seattle, WA 98104

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE ONLY.

Assessor's Parcel Nos.

This instrument is exempt from recording fees (California Government Code Section 27383) and from Documentary Transfer Tax (California Revenue and Tax Code Section 11922).

MEMORANDUM OF FACILITIES LEASE

THIS MEMORANDUM OF FACILITIES LEASE (this "**Memorandum**") is dated for reference purposes _____, 2024 and is made by and between **LOS ANGELES COUNTY FACILITIES 2 INC.**, a California nonprofit public benefit corporation ("**Sublandlord**"), and **COUNTY OF LOS ANGELES**, a body corporate and politic ("**Subtenant**").

1. Ground Lease. Sublandlord is the lessee under that certain Ground Lease Agreement dated for reference purposes _____, 2024 (the "**Ground Lease**"), pursuant to which Sublandlord leases that certain real property located in the City of Los Angeles, County of Los Angeles, California ("**Land**"), more specifically described on the attached Exhibit A.

2. Facilities Lease. Sublandlord leases to Subtenant the Land including all improvements thereon (collectively, the "**Premises**"), at a rent and on the terms and conditions set forth in that certain Facilities Lease Agreement dated _____, 2024 (the "**Facilities Lease**") which is made part of this Memorandum as though fully set forth herein. The Facilities Lease is for a term commencing on the Effective Date and, unless such term is extended, shall expire on the earlier of (a) _____, 20__ [**Final maturity date of the Bonds**], (b) the date that the Bonds are no longer Outstanding (as defined in the Indenture) and the Premises have been conveyed by Landlord to Tenant as set forth in the applicable provisions of the

Facilities Lease, or (c) the date on which the Facilities Lease terminates in accordance with its terms (any, as applicable, the “**Expiration Date**”).

Notwithstanding the foregoing, if on the Expiration Date of the Facilities Lease, the total Base Rent (as defined in the Facilities Lease) otherwise payable has not been fully paid as a result of an Abatement of Rent (as defined in the Facilities Lease) and the Bonds remain Outstanding, then, as provided in the Facilities Lease, the term of the Facilities Lease shall be extended until the total Base Rent otherwise payable thereunder shall be fully paid or such earlier time as the Bonds are no longer Outstanding; provided, however, that such extension shall not exceed ten (10) years.

3. Option to Purchase. Subtenant has the option to purchase the Sublandlord’s leasehold interest in the Land and its fee interest in the improvements thereon throughout the term of the Facilities Lease.

4. Definition of Terms. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Facilities Lease.

5. Purpose of Memorandum. This Memorandum is prepared for purposes of recordation only and to provide constructive notice of the rights of Sublandlord and Subtenant under the Facilities Lease to all third parties, and does not set forth all of the terms and conditions set forth in the Facilities Lease. In the event there is any conflict between the terms and conditions of the Facilities Lease and this Memorandum, the Facilities Lease shall control.

DATED the date first above written.

LANDLORD:

LOS ANGELES COUNTY FACILITIES 2 INC.,
a California nonprofit public benefit corporation

By _____
Name: John Finke
Title: President

SIGNER(S) OTHER THAN NAMED ABOVE:

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

By _____

Name: FESIA A. DAVENPORT

Title: Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:
DAWYN R. HARRISON
County Counsel

By _____

Name: _____

Title: _____

California All-Purpose Acknowledgment

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

State of California)
County of Los Angeles)

Subscribed and sworn to (or affirmed) before me on this ____ day of _____, 2024,
by _____, proved to me on the
basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: _____ Seal

California All-Purpose Acknowledgment

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

State of California)
County of Los Angeles)

Subscribed and sworn to (or affirmed) before me on this ____ day of _____, 2024,
by _____, proved to me on the
basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: _____ Seal

California All-Purpose Acknowledgment

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

State of California)
County of Los Angeles)

Subscribed and sworn to (or affirmed) before me on this ____ day of _____, 2024,
by _____, proved to me on the
basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: _____ Seal

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT F

DISPUTE RESOLUTION PROCEDURE

In the event a dispute or claim in law or equity shall arise between the parties to this Lease, the parties have the option to participate in neutral, non-binding mediation prior to the filing of litigation or any other legal action or any other proceeding before a trier of fact. Landlord or Tenant shall provide 30 days written notice to the other party of the desire to mediate. The mediation shall be conducted in Los Angeles County, California. Landlord and Tenant shall choose a mutually agreeable mediator within fifteen (15) days of notice of the desire to mediate and shall thereafter attend the mediation in good faith. If the Parties cannot agree on the mediator, each party shall select a mediator with at least five (5) years-experience in lease and construction related mediation and the two mediators will in turn select the mediator. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. Mediation fees will be divided evenly between parties. By entering into this agreement, the parties are not waiving their right to a jury trial or to bypass the mediation process and directly pursue remedies in law or equity.

The parties recognize that mediation proceedings are settlement negotiations, and that all offers, promises, conduct and statements, whether written or oral, made in the course of the proceedings, are inadmissible in any arbitration or court proceeding, to the extent allowed by applicable state law. The parties agree to not subpoena or otherwise require the mediator to testify or produce records, notes or work product in any future proceedings, and no recording or stenographic record will be made of the mediation session. Evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation session. In the event the parties do reach a settlement agreement, the terms of that settlement will be admissible in any court or arbitration proceedings required to enforce it, unless the parties agree otherwise. Information disclosed to the mediator in a private caucus shall remain confidential unless the party authorizes disclosure.

If mediation is unsuccessful, either the Landlord or the Tenant may file litigation or any other legal action or proceeding pursuant to California law.

EXHIBIT G

**FORM OF NOTICE OF ELECTION
OF
OPTION TO PURCHASE**

To: Landlord

You are hereby notified that **COUNTY OF LOS ANGELES** (“**Tenant**”) has elected to exercise on _____, 20__ its option to purchase the Land and the Project to be constructed thereon (“**Premises**”) currently leased by Tenant pursuant to the Facilities Lease Agreement (“**Lease**”) by and between Tenant and Landlord dated _____, 2024. This purchase option is being exercised pursuant to Section 4.3 of the Lease. Tenant is now, and on the date set forth above for payment will be, in full compliance with all terms and conditions of the Lease. Pursuant to Section 4.3(b) of the Lease, within fifteen (15) days of this notice, Landlord is to provide Tenant with an accounting of the amounts necessary to complete the purchase on the exercise date set forth above.

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____

Name: FESIA A. DAVENPORT

Title: Chief Executive Officer

ATTEST:

DEAN C. LOGAN

Registrar-Recorder/County Clerk

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DAWYN R. HARRISON

County Counsel

By: _____

Name: _____

Title: _____

EXHIBIT H
**FORM OF NOTICE OF ELECTION
TO
PARTIALLY PREPAY BASE RENT**

To: Landlord

You are hereby notified that COUNTY OF LOS ANGELES (“**Tenant**”) has elected to exercise its option to prepay a portion of the Base Rent due under that certain Facilities Lease Agreement (the “**Lease**”) by and between Tenant and LOS ANGELES COUNTY FACILITIES 2 INC., a California nonprofit public benefit corporation (“**Landlord**”) dated _____, 2024 by causing Bonds [to be redeemed in accordance with Section 3.01 of the Indenture][to be defeased in accordance with Article X of the Indenture]. In accordance with Section 4.3(c) of the Lease, the date of prepayment shall be _____, 20__ and the principal components of Base Rent to be prepaid on such date are _____, representing the maturities (or portions thereof) set forth below. By 10:00 a.m. Pacific Time on such date, Tenant shall pay to Trustee in cash or same-day available funds, an amount equal to the principal components of Base Rent to be prepaid, together with interest thereon sufficient to optionally redeem or defease such Bonds in accordance with the Indenture, together with any other amounts payable under the Lease on such date. In accordance with that certain Indenture of Trust dated _____, 2024 between Landlord and U.S. Bank Trust Company, N.A., as Trustee, Landlord shall direct Trustee to take all actions required to [cause an optional redemption of the Bonds][cause a defeasance of the Bonds] in principal amounts and maturities corresponding to the principal components of Base Rent set forth below.

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____

Name: FESIA A. DAVENPORT

Title: Chief Executive Officer

ATTEST:

DEAN C. LOGAN

Registrar-Recorder/County Clerk

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DAWYN R. HARRISON

County Counsel

By: _____

Name: _____

Title: _____

**Schedule of Principal Components of Base Rent
to Be Prepaid and Bonds to Be Redeemed or Defeased**

| Date Principal Component (of Base Rent) Due | Amount of Principal Component to be Prepaid and Bonds to be Redeemed* | Amount of Principal Component to be Prepaid and Bonds to be Defeased* |
|--|--|--|
|--|--|--|

*Principal may be prepaid only in increments of \$5,000.00.

EXHIBIT I
PARKING COVENANT

EXHIBIT J

PERMITTED EXCEPTIONS- SUBLEASEHOLD TITLE POLICY

EXHIBIT K

MINIMUM INSURANCE REQUIREMENTS FOR LANDLORD

[Under review by County's Risk Management Team.]

I. WAIVER

Both Landlord and Tenant agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

II. GENERAL INSURANCE PROVISIONS - LANDLORD REQUIREMENTS

Without limiting Landlord's indemnification of Tenant, and during the Term and until all of Landlord's obligations pursuant to this Lease have been met, Landlord shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease (the "**Required Insurance**"). Tenant in no way warrants that the Required Insurance is sufficient to protect Landlord for liabilities which may arise from or relate to this Lease.

1. Evidence of Coverage and Notice to Tenant. Certificate(s) of insurance coverage (each an "**Insurance Certificate**") satisfactory to Tenant and a copy of an Additional Insured endorsement confirming that the Indemnified Tenant Parties have been given Insured status under Landlord's General Liability policy, shall be delivered to Tenant at the address set forth in Section 1.4 of this Exhibit K, prior to the Effective Date.

1.1. Renewal Insurance Certificates shall be provided to Tenant not less than ten (10) days prior to Landlord's policy expiration dates. Tenant reserves the right to obtain complete, certified copies of any Required Insurance policies at any time.

1.2. Each Insurance Certificate shall identify all Required Insurance coverage types and limits, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Insurance Certificate shall be Landlord. Each Insurance Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Tenant required endorsement forms.

1.3. Neither Tenant's failure to obtain, nor Tenant's receipt of, or failure to object to a non-complying Insurance Certificate or endorsement, or any other insurance documentation or information provided by Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

1.4. Insurance Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

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

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

3. Additional Insured Status and Scope of Coverage. Indemnified Tenant Parties, shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with Landlord's acts, errors, and omissions arising from and/or relating to Landlord's operations on and/or its use of the Premises and/or Project. Indemnified Tenant Parties' additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to Landlord or to Indemnified Tenant Parties. The full policy limits and scope of protection also shall apply to Indemnified Tenant Parties as an additional insured, even if they exceed the Landlord's minimum Required Insurance. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions.

4. Cancellation of or Changes in Insurance. Landlord shall provide Tenant with, or Landlord's insurance policies shall contain a provision that Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance shall an Event of Default by Landlord.

5. Failure to Maintain Required Insurance. Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute an Event of Default by Landlord. Tenant, at its sole discretion, may obtain damages from Landlord resulting from Landlord's failure to maintain Required Insurance, and/or Tenant may elect to purchase the Required Insurance without further notice to Landlord, and Landlord shall promptly reimburse Tenant's expense of such purchase.

6. Insurer Financial Ratings. Required Insurance is to be provided by an insurance company authorized to do business in the State of California and acceptable to Tenant, with an A.M. Best rating of not less than A:VII, unless otherwise approved by Tenant.

7. Landlord's Insurance Shall Be Primary. Landlord's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of

coverage available to Tenant. Any Tenant maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Landlord coverage.

8. Waiver of Subrogation. To the fullest extent permitted by law, Landlord waives its and its insurer(s) rights of recovery against Tenant under all Required Insurance policies for any loss arising from or related to this Lease. Landlord shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

9. Deductibles and Self-Insured Retentions. Landlord's policies shall not obligate Tenant to pay any portion of any Landlord's deductible or Self-Insured Retentions ("SIR"). Tenant retains the right to require Landlord to reduce or eliminate policy deductibles and SIRs with respect to Tenant, or to provide a bond guaranteeing Landlord's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

10. Claims Made Coverage. If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the Effective Date, and Landlord shall maintain such coverage for a period of not less than three (3) years following the end of the Term.

11. Application of Excess Liability Coverage. Landlord may use a combination of primary and excess insurance policies that provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

12. Separation of Insureds. All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

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

III. INSURANCE COVERAGE TYPES AND LIMITS

1. Landlord Requirements (After Rent Commencement Date). After the Rent Commencement Date, Landlord shall provide and maintain the following programs of insurance coverage:

1.1. Commercial General Liability Insurance. Commercial General Liability Insurance providing scope of coverage equivalent to ISO policy form CG 00 01, naming Indemnified Tenant Parties as additional insureds, with limits of not less than:

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

1.2. Commercial Property Insurance. Such coverage shall:

1.2.1 Provide coverage for Landlord's property and any improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

1.2.2 Be written for the full replacement cost of the Project, with a deductible no greater than two hundred fifty thousand dollars (\$250,000) or five percent (5%) of the Project's value, whichever is less. Insurance proceeds shall be payable to the Landlord and the Tenant as their interests may appear.

2. Landlord Requirements (Prior to the Rent Commencement Date). Prior to the Rent Commencement Date, Landlord shall provide and maintain the following programs of insurance coverage as specified in Exhibit G to the Development Agreement.

EXHIBIT L

PROPERTY MANAGEMENT CONTRACT REQUIREMENTS

NOTE: The property management contract for the Project shall be subject to such reasonable requirements as may be proposed by Tenant in a written notification to Landlord delivered not later than [_____, 20__], which requirements shall be subject to Landlord's approval, such approval shall not be unreasonably denied or delayed.

The property management agreement must automatically terminate when the Bonds are no longer Outstanding.

EXHIBIT M

JANITORIAL SERVICES CONTRACT REQUIREMENTS

1. Background checks shall be performed, in a manner specified by Tenant, of all qualified permanent and temporary employees.
2. Provide all required services and supplies.
3. Perform (daily) services five days a week during the hours of 5:00 p.m. to 1:00 a.m. only.
4. Provide and replace all light tubes and light bulbs using only those types of tubes and bulbs that are energy efficient as indicated by manufacturer. Fixture reflectors shall be wiped clean with each re-lamping.
5. Landlord and custodial staff shall be responsible for key control. Issuing keys to workers, collecting said keys at shift end and retrieving keys at the end of custodian's employment.
6. Where Landlord is required to empty trash, such trash will be removed from the Office Building and deposited in the dumpster.
7. Graffiti expunged as needed but no later than two working days after notice to Landlord.
8. Sidewalks, driveway, parking area and all means of access and egress should at a minimum be maintained in good repair, clean and safe condition at all times.
9. All lawns, shrubbery and foliage on the grounds of the Project at a minimum should be maintained in good condition and neat in appearance. Grass and shrubbery must be planted as needed to maintain the grounds in good appearance and condition.
10. The contract must terminate immediately when the Bonds are no longer Outstanding.
11. **SPECIFIC SERVICES** – Frequency and coverage:

A. Daily:

1. Rest Rooms:

Empty all trash containers, refill dispensers, damp mop floors, clean, sanitize and polish all plumbing fixtures, chrome fittings, flush rings, drain and overflow outlets, clean and polish mirrors, clean wall adjacent to hand basins/urinals, dust metal partitions, remove finger prints from walls, switches, etc.

2. Lobby Area – Main Corridors – Stairways:

Remove trash, vacuum, vacuum/damp mop tile, clean lobby and entrance doors, clean and sanitize drinking fountains.

3. Employee Break Rooms/Kitchen:

Remove trash, vacuum rugs and carpet, wipe spills, mop tile floor, remove fingerprints from doors, light switches, etc., and refill dispensers.

4. General and Private Areas:

Remove trash, vacuum carpets, mop tile floors, spot clean interior partition glass (including removing finger prints), clean counter tops and blackboards, dust desks and desk accessories (papers and folders left on desks are not to be moved), conference tables, credenza/file cabinets, bookcases and other office furniture. Return chairs and waste baskets to proper position

5. Building Security:

- a. Turn off all lights (except security and night lights).
- b. Close windows.
- c. Reset alarms and lock all doors.

B. Weekly – All Areas:

Polish buff hard resilient floors in traffic areas, spot clean carpeted areas.

Dust all high and low horizontal surfaces, including sills, ledges, moldings, baseboards, shelves, locker tops, frames and file cabinets, damp wipe plastic and leather furniture.

Remove fingerprints from doors, elevator walls and controls, frames and light switches in office areas, clean and polish bright metal to 70” height, clean and sanitize waste containers in rest rooms and break rooms.

C. Monthly – All Areas:

Clean interior glass partitions/doors, dry dust wood paneling, remove dust/cobwebs from ceiling areas.

(Spray buff resilient/hard floor areas), detail vacuum carpet edges, under desk/office furniture.

Vacuum upholstered furniture, wipe plastic and leather furniture.

Dust picture moldings and frames.

Vacuum hall vents and ceiling vents

D. Quarterly – All Areas:

Spray buff resilient and hard surface floors and apply floor finish.

Clean interior/exterior windows, clean/polish office furniture, damp clean diffuser outlets in ceiling/wall, wash waste containers, clean/dust blinds, wash sanitize.

Light fixtures cleaned and dusted

E. Semi-Annually – All Areas:

1. All Areas:

- a. Clean and polish all baseboards.
- b. Damp clean lobby and reception chairs.
- c. Clean carpeted surfaces-use a water extraction method.

2. Wash windows as required inside and outside but not less frequently than twice annually

F. Annually – All Areas:

1. All resilient and hard surface floors:

- a. Move furniture, strip, seal and apply floor finish to all resilient and hard surface floors.
- b. Clean carpets

EXHIBIT N
FINANCED FF&E

EXHIBIT O
DEVELOPMENT AGREEMENT

EXHIBIT P

Countywide Community Workforce Agreement

EXHIBIT Q
INDENTURE

EXHIBIT R
TAX AGREEMENT

EXHIBIT S

RETAIL SPACES

EXHIBIT T-1

RETAIL SPACE LEASE

[Attached]

LEASE AGREEMENT

by and between

**COUNTY OF LOS ANGELES,
as Landlord**

and

**LOS ANGELES COUNTY FACILITIES 2 INC.,
as Tenant**

For Premises Located at

**550 S. Vermont Avenue and 3175 West 6th Street
in Los Angeles, California**

Dated As of _____, 2024

LEASE AGREEMENT

THIS LEASE AGREEMENT (the “**Lease**”) is entered into this ____ day of _____, 2024 (the “**Effective Date**”) by and between **COUNTY OF LOS ANGELES**, a body politic and corporate, as sub-landlord (the “**Landlord**”), and **LOS ANGELES COUNTY FACILITIES 2 INC.**, a California nonprofit public benefit corporation, as sub-tenant (the “**Tenant**”). Landlord and Tenant are each occasionally referred to herein as a “**Party**” or collectively as the “**Parties.**”

RECITALS

A. Landlord is the owner of certain real property in the City of Los Angeles, County of Los Angeles, California, the address of which is 550 S. Vermont Avenue and 3175 West 6th Street in Los Angeles, California and which is legally described on the attached Exhibit A.

B. Tenant is the ground lease tenant of the Ground Lease Agreement dated _____, 2024 with Landlord, as ground lease landlord, pursuant to which Tenant ground leases the Land (the “**Ground Lease**”).

C. Landlord is the subtenant of the Facilities Lease Agreement dated _____, 2024 with Tenant, as sublandlord (the “**Facilities Lease**”), pursuant to which Landlord subleases the Land.

D. Pursuant to California Government Code Section 26227, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, approximately ____ square feet of rentable space the “**Premises**”) located in the ground floor retail space of the office building (the “**Building**”), which is part of a larger office building development (the “**Project**”), which Premises is shown on the site plan attached hereto as Exhibit A (the “**Premises**”).

E. Landlord and Tenant further desire that Tenant sublease the Premises to a subtenant (the “**Subtenant**”), which is _____, and accordingly, upon Board approval, Tenant will be entering into a sublease with the Subtenant, in the form attached hereto as Exhibit B (the “**Sublease**”).

F. It is the intention of the Parties that many of the Tenant’s obligations are to be passed through to the Subtenant pursuant to the Sublease, and as expressly set forth herein.

G. Landlord and Tenant have agreed to enter into this Lease whereby Tenant shall sublease and, pursuant to this Lease, shall allow Subtenant to occupy the Premises at the rent and subject to all of the terms, covenants and conditions set forth herein.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter contained, and the foregoing recitals, each of which is deemed a contracted part hereof, Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

- (a) Landlord: County of Los Angeles
- (b) Tenant: Los Angeles County Facilities 2 Inc.
- (c) Premises: _____ square feet of rentable space located in the ground floor retail space of the office building located at 550 S.

Vermont Avenue and 3175 West 6th Street in Los Angeles, California.

(d) Permitted Use: Subject to all applicable laws, Tenant shall use and occupy the Premises for the following purpose: _____ (collectively, the “**Permitted Use**”), and for no other purpose.

(e) Term: (i) **Initial Term.** The “Term” of this Lease shall commence on the Effective Date (also referred to herein as the “**Commencement Date**”) and is scheduled to expire at 11:59 p.m. on _____, 20__ (the “**Expiration Date**”), subject to the earlier termination of this Lease as set forth herein.

(ii) **Lease Year.** For purposes of the term, the first “Lease Year” shall begin on the Commencement Date, and end on the day immediately prior to the first anniversary of the Commencement Date. The second “Lease Year” shall be the succeeding twelve (12) calendar month period, the third “Lease Year” shall be the next succeeding twelve (12) calendar month period, and so on, until the Expiration Date.

(iii) **Termination of Lease.** In the event that the Sublease terminates for any reason, Landlord shall have the right to terminate this Lease upon thirty (30) days’ notice. This Lease shall automatically terminate upon the termination of the Facilities Lease.

(f) Rent: Tenant shall pay Landlord for the use granted herein the sum of any balance remaining, if any (the “**Rent**”), from the rent (base or additional), operating expense reimbursements or other amounts paid to Tenant by the Subtenant pursuant to the Sublease, after first deducting any leasehold excise or other similar tax payable by Tenant in connection with this Lease and all management and leasing fees, administration costs, leasing commissions, operating expenses, utilities, repair costs, legal fees and similar costs and expenses incurred by Tenant in connection with the Sublease (the “**Tenant Expenses**”). The Rent shall be net of all Tenant Expenses. The first month shall commence on the Commencement Date, and if the Commencement Date shall be other than the first day of a calendar month, the first month shall be deemed to include the first (1st) full calendar month after the Commencement Date, plus the partial month in which the Commencement Date occurs, which partial month shall be prorated in accordance with Section 5 below.

(g) Security Deposit: Not applicable. See Sublease.

- (h) Operating Expenses Not applicable. See Sublease.
- (i) Guarantor: Not applicable. See Sublease.
- (j) Parking: Tenant shall have the right to use _____ (___) parking spaces in the parking facilities designated by Landlord.
- (k) Building Hours: 6:00a.m. to 8:00p.m., Monday through Friday, or such other days and/or hours as Landlord shall reasonably determine, except for County-observed locally and nationally recognized holidays.

2. LEASE TERM AND COMMENCEMENT DATE.

A. Term. The Term of this Lease is the period specified in the Lease Summary. Upon delivery and acceptance of this Lease in accordance with the terms of this Lease, as of the Effective Date, this Lease shall be in full force and effect and valid and binding against the Parties in accordance with, but on and subject to, the terms and conditions of this Lease. If the Commencement Date is not a fixed date, then within thirty (30) days after the actual Commencement Date, the Parties shall confirm in writing the actual Commencement Date and the Expiration Date.

B. Landlord Improvements. Landlord shall have no construction or improvement obligations with respect to the Premises. Tenant acknowledges that Tenant is accepting the Premises “as is,” solely in reliance on Tenant’s own investigation, and that no representation or warranty of any kind whatsoever, express or implied, has been made by Landlord or Landlord’s agents. Any information given or disclosure made to Tenant by Landlord or Landlord’s agents concerning the Premises shall not constitute a representation or warranty made by Landlord. Tenant has been given the full opportunity to inspect the Premises prior to the execution of this Lease. At the final expiration or termination of the Lease, including any extensions thereof, all improvements, including those completed by Tenant, shall become the property of Landlord.

3. LEASE CONSIDERATIONS. As additional consideration for Landlord leasing the Premises to Tenant hereunder:

A. The Parties acknowledge that this Lease shall not be effective until approved and signed by the Board of Supervisors and executed by the Chief Executive Officer, or designee. Upon receipt of Board approval, Tenant shall enter into the Sublease and provide a copy of the fully executed Sublease to Landlord promptly thereafter.

B. Tenant shall perform all obligations required by this Lease.

4. USES; APPLICABLE LAWS.

A. Uses. Tenant shall use and occupy the Premises solely for the Permitted Use as set forth in the Lease Summary and for such other lawful purposes as may be incidental thereto. Tenant shall comply with its obligations under this Lease and the terms of the Facilities Lease and the Ground Lease. Tenant shall be subject to all applicable governmental regulatory agencies, all applicable laws, and the rules and regulations of the County in connection with the operation of the Premises as promulgated from time

to time by the County. Tenant shall also have the non-exclusive right to use in common with other tenants in the Project those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, to be shared by Landlord and certain tenants, are collectively referred to herein as the (“**Common Areas**”). The manner in which the Common Areas are maintained and operated shall be at the reasonable discretion of Landlord, and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas.

B. Compliance with Applicable Laws. The Premises, or any part thereof, shall not be used or permitted to be used for any activity that constitutes a nuisance. Tenant shall, at its sole cost and expense, conform to, and shall use commercially reasonable efforts to cause all persons using or occupying any part of the Premises that is under Tenant’s control to comply with all applicable laws and rules and regulations governing the Premises that may be in effect from time to time applicable to the use of the Premises. Tenant hereby warrants and covenants that the operation of the Premises shall not interfere with any functions of Landlord outside of the Premises. Tenant acknowledges the following: as of the Commencement Date: (i) that it has reviewed all zoning ordinances, land use restrictions, and similar limitations affecting the Premises, as well as all agreements entered into under the same, (ii) that Tenant shall comply with all such ordinances, restrictions, limitations and agreements according to the terms of this Lease, and (iii) that Tenant's failure or inability at any time to comply with such ordinances, restrictions, limitations and agreements shall not give rise to any right in Tenant to terminate this Lease. Furthermore, if any governmental license, certificate, approval, or permit, shall be required for the proper and lawful conduct of the Permitted Use in the Premises, or any part thereof, pursuant to any applicable law, Tenant, at its sole cost and expense, shall use commercially reasonable efforts to cause the Subtenant to procure and thereafter maintain such licenses, certificates, approvals, and permits during the Term hereof, and Tenant shall submit such licenses, certificates, approvals, and permits (and all applications therefor) received from Subtenant to Landlord for inspection promptly upon request. Landlord agrees to reasonably cooperate with Tenant, at no cost, expense or liability to Landlord, in connection with Tenant procuring all such licenses certificates, approvals, and permits. Tenant shall use commercially reasonable efforts to cause the Subtenant to comply with the terms and conditions of the Sublease. In the event Tenant fails, for any or no reason whatsoever, to cause Subtenant to obtain any or all licenses, certificates, approvals, or permits necessary for the operation of Tenant's operations at the Premises as required by this Lease, such failure shall not affect, reduce or diminish Tenant's obligations under this Lease.

5. RENT.

A. Rent. Tenant shall pay Landlord for the use granted herein the Rent, which shall be net of all Tenant Expenses, as described in Section 1(f) of the Lease Summary, which shall be payable within five (5) days after receipt by Tenant of the Sublease Rent, without prior notice or demand. In the event that there is no such balance remaining after the Sublease Rent is paid to Tenant, then no Rent shall be due to Landlord for the applicable month. Payment shall be due and payable as set forth above with ten (10) days’ grace period and shall be made by check or draft issued and payable to the County of Los Angeles and mailed or otherwise delivered to the County of Los Angeles, Auditor-Controller, Administrative Services, 500 West Temple Street, Room 515, Los Angeles, CA 90012, Attention: Franchise/Concessions Section. Each payment of Rent shall be accompanied by supporting documentation showing the calculation of the Rent due and payable for the applicable month. Tenant agrees to pay ten percent (10%) of the monthly Rent as a late fee in the event the payment is not received by Landlord within the ten (10) days’ grace period set forth above. Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month. No payment by Tenant or receipt by Landlord

of an amount less than the amount of Rent herein stipulated to be due or payable shall be deemed to be other than on account of the earliest amounts owing under this Lease. No endorsement or statement on any check or any letter accompanying any check or payment shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of any amount owing to Landlord or to pursue any other remedy available to Landlord under this Lease or at law or in equity.

B. Operating Expenses. Not applicable. See Sublease.

6. TENANT OBLIGATIONS. It is the understanding of the Parties that all of Tenant's obligations set forth in this Lease, except with respect to the payment of Rent and the giving of notice, shall be passed through, assigned to, and assumed by, the Subtenant pursuant to the Sublease, and that Tenant shall be relieved of all such liability upon the full execution of the Sublease.

7. TAXES AND ASSESSMENTS. Not applicable. See Sublease.

8. SERVICES AND UTILITIES. Not applicable. See Sublease.

9. MAINTENANCE AND REPAIR.

A. Landlord's Responsibilities. Landlord shall have no maintenance, repair or replacement obligations with respect to the Premises.

B. Tenant's Responsibilities. Throughout the term of this Lease, Tenant shall use commercially reasonable efforts to enforce the provisions of the Sublease regarding Subtenant's maintenance and repair obligations.

10. LIENS.

A. General. Throughout the term of this Lease, Tenant shall use commercially reasonable efforts to enforce the provisions of the Sublease regarding Subtenant's obligations with respect to liens at the Premises. Tenant hereby covenants to keep the Premises and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by Tenant's acts or omissions.

11. INDEMNIFICATION AND INSURANCE.

A. Indemnification. Not applicable. See Sublease.

B. Tenant's Insurance. During the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Tenant shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "**Required Insurance**") are in addition to and separate from any other contractual obligation imposed upon Tenant pursuant to this Lease. Landlord in no way warrants that the Required Insurance is sufficient to protect Tenant for liabilities which may arise from or relate to this Lease.

(1) Evidence of Coverage and Notice to Landlord:

(a) Certificates of insurance coverage (each, a "**Certificate**") satisfactory to Landlord, and a copy of an Additional Insured endorsement confirming Landlord and its Agents (defined below) has been given Insured status

Litera Compare Redline of 238359367v5 and 238359367v8

LACF2 - Los Angeles County Facilities Lease

ND: 22868.002 4883-1580-6035v7

Exhibit T-1, page 7

under Tenant's General Liability policy, shall be delivered to Landlord at the address shown below and provided prior to the Effective Date of this Lease.

(b) Renewal Certificates shall be provided to Landlord not less than 10 days prior to Tenant's policy expiration dates. Landlord reserves the right to obtain complete, certified copies of any required Tenant insurance policies at any time.

(c) Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Tenant identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Landlord required endorsement forms.

(d) Neither Landlord's failure to obtain, nor Landlord's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Tenant, its insurance brokers and/or insurers, shall be construed as a waiver of any of the Required Insurance provisions.

(e) Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles
Chief Executive Office
Asset Management Branch
Capital Projects Program
500 W. Temple Street, Room 754
Los Angeles, California 90012
Attention: Capital Projects Program, Senior Manager

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

(2) Additional Insured Status and Scope of Coverage. Landlord, which is the County of Los Angeles, its Special Districts, elected officials, officers, agents, employees and volunteers (collectively, the "**Agents**"), shall be provided additional insured status under Tenant's General Liability policy with respect to liability arising from or connected with Tenant's acts, errors, and omissions arising from and/or relating to Tenant's operations on and/or its use of the Premises. Landlord's additional insured status shall apply with respect to liability and defense of suits arising out of the Tenant's acts or omissions, whether such liability is attributable to Tenant or to Landlord. The full policy limits and scope of protection also shall apply to Landlord as an additional insured, even if they exceed Landlord's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

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

(4) Failure to Maintain Insurance. Tenant's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease.

(5) Insurer Financial Ratings. Insurance is to be provided by an insurance company authorized to do business in California and acceptable to Landlord, with an A.M. Best rating of not less than A:VII, unless otherwise approved by Landlord.

(6) Tenant's Insurance Shall be Primary. Tenant's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Landlord. Any Landlord maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Tenant coverage.

(7) Waiver of Subrogation. To the fullest extent permitted by law, Tenant hereby waives its and its insurers' rights of recovery against Landlord under all required insurance policies for any loss arising from or related to this Lease. Tenant shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

(8) Deductibles and Self-Insured Retentions ("SIRs"). Tenant's policies shall not obligate Landlord to pay any portion of any Tenant deductible or SIR. Landlord retains the right to require Tenant to reduce or eliminate policy deductibles and SIRs as respects the Landlord, or to provide a bond guaranteeing Tenant's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

(9) Claims Made Coverage. If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the Effective Date of this Lease. Tenant understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

(10) Application of Excess Liability Coverage. Tenant may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

(11) Separation of Insureds. All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

(12) Landlord Review and Approval of Insurance Requirements. Landlord reserves the right to review and adjust the Required Insurance provisions.

C. Insurance Coverage Requirements. Tenant shall maintain the following:

(a) General Liability insurance (written by ISO policy form CG 00 01 or its equivalent) and endorsed to name County as an additional insured, with limits of not less than the following:

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

(b) Automobile Liability insurance (written on ISO form CA 00 01 or its equivalent) with a limit of liability of not less than \$ 1 million for each accident and providing coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto.”

(c) Workers Compensation and Employers’ Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Tenant is responsible, and including Employers’ Liability coverage with limits of not less than the following:

| | |
|--------------------------|-------------|
| Each Accident: | \$1 million |
| Disease — policy limit: | \$1 million |
| Disease — each employee: | \$1 million |

(d) Commercial Property Insurance. Such insurance shall:

(i) Provide coverage for Landlord’s property and any improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

(ii) Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value, whichever is less. Insurance proceeds shall be payable to Tenant and Landlord as their interests may appear.

(e) Sexual Misconduct Liability insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

(f) Professional Liability/Errors and Omissions insurance covering liability arising from or related to this Agreement, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Tenant understands and agrees it shall maintain such coverage for a period of not less than three (3) years following the expiration, termination or cancellation of this Lease.

12. REPAIR AND RESTORATION:

A. Notice of Damage to Premises. Subject to Section 19 of the Facilities Lease, if any portion of the Premises shall be damaged or destroyed by fire or other casualty, Tenant shall give prompt written notice thereof to Landlord (“**Tenant’s Notice of Damage**”). Tenant’s Notice of Damage shall include a statement as to whether the damage to the Premises is covered by Tenant’s Required Insurance.

B. Insured Damage. During the term of this Lease, if the Premises or any portion thereof is damaged due to a risk covered by the Required Insurance, the insurance proceeds shall be distributed to Tenant, and Tenant shall promptly cause the damage to be repaired and the Premises restored to substantially the same condition as they were in immediately before such damage. Notwithstanding the foregoing, should Tenant fail to obtain certain Required Insurance that would have covered such damage, Landlord shall repair the damage and restore the Premises at Tenant’s sole cost and expense.

C. Underinsured Damage. If, during the term of this Lease, the Premises or any portion thereof is damaged due to a risk not covered entirely by the Required Insurance and whether or not such damage is substantial, Tenant may elect to (i) repair the damage, at Tenant’s sole cost and expense, and the Premises shall be restored to substantially the same condition as they were in immediately before the damage or (ii) terminate this Lease. Said election shall be made by written notice to Landlord within thirty (30) days of the occurrence of the damage. If no written notice is given by Tenant within said thirty (30) day period, then Tenant shall be deemed not to have elected to have the damage repaired and to have elected to terminate the Lease.

D. Repairs to Building, Premises, or Improvements. If any damage is required to be repaired pursuant to this Section 12 or Tenant has elected to have such damage repaired, the Premises shall be restored to substantially the same condition as they were in immediately before the damage as promptly as is commercially reasonable. To the extent the damage is caused by a risk covered by Required Insurance, such repairs shall be made from the proceeds of such insurance and the proceeds of such insurance shall be made available to Tenant for such purpose. Tenant shall be responsible for covering any costs of such repairs in excess of the proceeds from the Required Insurance. All work shall be performed in a good and workmanlike manner and shall be completed as promptly as is reasonably possible and in accordance with all applicable laws. Commencement of the repair and restoration shall require (i) securing the area to prevent injury to persons and/or vandalism to the Premises, the building and any other improvements and (ii) the placement of a work order or contract for obtaining the labor and materials to accomplish the repair and restoration.

E. Termination of Lease if Unable to Repair or Restore. Notwithstanding any provision contained in this Lease to the contrary, if the applicable laws existing at the time of the damage do not permit the repair or restoration required or allowed under the Lease, either Party may terminate this Lease by giving sixty (60) days’ written notice to the other Party. If this Lease is terminated pursuant to any of the provisions in this Section 12.E and no Event of Default has occurred and is continuing, the proceeds of any and all Required Insurance shall be the sole property of Tenant. Tenant shall be required to use such proceeds to clear the site or abate potential nuisances due to damage. If the proceeds of any Required Insurance are received by Landlord, such proceeds shall be promptly paid to Tenant, less any expenses incurred by Landlord in clearing the site or abating potential nuisances due to the damage. Tenant hereby waives its rights pursuant to California Civil Code §§ 1932(1), 1932(2) and 1933(4).

13. DEFAULT.

A. Default by Tenant.

(1) Default. The occurrence of any of the following shall constitute a default and breach of this Lease (each an “**Event of Default**”):

(a) A failure to pay Rent payable by Tenant under the terms of this Lease, within ten (10) days after such Rent is due, without the need for written notice of such failure from Landlord.

(b) A failure by Tenant to observe and perform any agreement, term, covenant or condition in this Lease applicable to Tenant (“**Tenant’s Obligations**”) when such failure continues for thirty (30) days after written notice thereof to Tenant; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion, which in no event shall be more than sixty (60) days from receipt of the written notice described above.

(c) Using the Premises for anything other than the Permitted Use, or vacating or abandoning the Premises.

(d) Transferring Tenant’s interest in this Lease in violation of Section 16.

(e) The filing by Tenant hereunder in any court pursuant to any statute of a petition in bankruptcy or insolvency or for reorganization or arrangement for the appointment of a receiver of all or a portion of Tenant's property; the filing against Tenant or any guarantor hereunder of any such petition, or the commencement of a proceeding for the appointment of a trustee, receiver or liquidator for Tenant, or of any of the property of Tenant, or a proceeding by any governmental authority for the dissolution or liquidation of Tenant, if such proceeding shall not be dismissed or trusteeship discontinued within sixty (60) days after commencement of such proceeding or the appointment of such trustee or receiver; or the making by Tenant of an assignment for the benefit of creditors.

(2) Remedies. If Tenant commits an Event of Default under this Section 13 and fails to cure such default within the time period provided in this Lease (in lieu of any statutory requirements), then Landlord shall have the right to pursue any and all remedies available at law or in equity, including without limitation, the right to (a) terminate this Lease or (b) so long as Landlord or its assignee does not terminate Tenant’s right to possession, this Lease shall continue in effect and Landlord or its assignee shall have the right enforce all of its rights and remedies under this Lease, including the right to recover Rent payments as they become due hereunder pursuant to Section 1951.4 of the California Civil Code.

B. Default by Landlord. Landlord shall in no event be in default under this Lease unless Landlord shall neglect or fail to perform any of its obligations hereunder and shall fail to remedy the same within twenty (20) business days after notice from Tenant to Landlord specifying such neglect or failure, or if such failure is of such a nature that Landlord cannot reasonably remedy the same within such twenty (20) business day period, Landlord shall fail to commence promptly (and in any event within such twenty (20) business day period) to remedy the same and to prosecute such remedy to completion with

diligence and continuity. In no event shall Landlord be liable for any damages based on a default, including without limitation, any special, consequential, or punitive damages. Tenant's sole and exclusive remedy in the event of a default by Landlord shall be to terminate this Lease upon written notice to Landlord. If such written notice is so given, this Lease shall terminate and the Parties shall have no further liabilities or obligations hereunder, except as to indemnification obligations for actions or events occurring prior to the date of such termination, to the extent specifically provided for in this Lease.

14. WAIVER OF CONDITIONS OR COVENANTS. Any waiver by Landlord of any breach or any one or more of the covenants, conditions, terms and agreements of this Lease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term, or agreement of this Lease, nor shall failure on the part of Landlord to require exact, full and complete compliance with any of the covenants, conditions, terms, and agreements of this Lease be construed as in any manner changing the terms hereof, nor shall the terms of this Lease be changed or altered in any manner whatsoever other than by written agreement between Landlord and Tenant. No delay, failure, or omission of Landlord to re-enter the Premises or to exercise any right, power, privilege, or option, arising from any default shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. No notice to Tenant shall be required to restore or revise "time is of the essence" after the waiver by Landlord of any default. No option, right, power, remedy, or privilege of Landlord shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options, and remedies given Landlord by this Lease shall be cumulative. Any waiver by Landlord must be in writing to be effective.

15. EMINENT DOMAIN. Subject to Section 20 of the Facilities Lease, if the whole or any part of the Premises shall be taken by any paramount public authority under the power of eminent domain, then the Term of this Lease shall cease as to the part so taken from the day the possession of that part shall be taken for any public purpose, and from that day Tenant shall have the right to either cancel this Lease or to continue in the possession of the remainder of the Premises under the terms herein provided. All damages awarded for such taking shall belong to and be the property of Landlord provided, however, that Landlord shall not be entitled to any portion of the award made for loss of personal property, equipment, and trade fixtures belonging to Tenant immediately prior to the taking of possession by the condemning authority. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure.

16. ASSIGNMENT/SUBLETTING.

A. No Assignment. Tenant shall not, without the prior written consent of Landlord, either directly or indirectly give, assign, mortgage, pledge, hypothecate, encumber, transfer, grant control of, or permit any lien to attach to, this Lease or any interest, right, or privilege therein (each a "**Transfer**"). In addition, for purposes of this Section 16, said consent may be withheld in Landlord's sole and absolute discretion. If Landlord consents to a Transfer, as a condition thereto which the Parties hereby agree is reasonable, Tenant shall pay to Landlord fifty (50%) of any Transfer Premium, as defined below, received by Tenant from such transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such transferee in connection with the Transfer in excess of the Rent payable by Tenant under this Lease during the term of the Transfer. For purposes of this provision, the following acts of Tenant shall be considered a Transfer requiring the prior written consent of Landlord to be effective:

(1) Any disposition(s) that effectuates a change in the majority control of Tenant to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Lease; and

(2) Any assumption, assignment, delegation, or takeover of any of Tenant's duties, responsibilities, obligations, or performance of same hereunder by any entity other than Tenant (whether through assignment, sublease, subcontract, delegation, merger, buyout, or any other mechanism), with or without consideration, for any reason whatsoever.

In the event any one of the above occurs without Landlord's express prior written approval, such occurrence shall constitute an Event of Default that shall entitle Landlord, at its sole discretion, to terminate this Lease. In the event of such termination, Landlord shall be entitled to pursue the same remedies against Tenant as it could pursue following an Event of Default by Tenant pursuant to the terms hereof, including at law and in equity.

B. Tenant Remains Obligated. No subletting or assignment, even with the consent of Landlord, shall relieve Tenant of its obligation to pay rent and to perform all of the other obligations to be performed by Tenant hereunder. The acceptance by Landlord of any payment due hereunder from any other person or entity shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment or subletting. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the Premises shall not operate as a waiver or estoppel to the future enforcement by Landlord of its rights pursuant to the provisions of this Lease.

C. Subleases. Notwithstanding anything contained herein to the contrary, the Sublease shall be a permitted Transfer under this Section 16, subject to the County's, through its Chief Executive Officer, or designee, final approval. With respect to any other sublease, Tenant shall obtain Landlord's approval in accordance with the following procedure: At least thirty (30) days prior to the proposed effective date of any sublease, Tenant shall submit a copy of such sublease (or assignment or amendment thereof), to the CEO or her authorized designee for approval, which approval shall be within Landlord's sole and absolute discretion. To the extent practical, Landlord shall approve or disapprove the proposed sublease (or assignment or amendment thereof) within thirty (30) days after receipt thereof. In no event, however, shall such sublease (or amendment or assignment thereof) be made or become effective without the prior approval of the CEO. Each such sublease shall specifically provide that the subtenant shall comply with all the terms, covenants, and conditions of this Lease applicable to the portion of the Premises subject to the sublease and that County shall have the right to enforce the provisions of such sublease in its capacity as a third party beneficiary of such sublease.

17. TENANT'S FIXTURES AND PERSONAL PROPERTY. Not applicable. See Sublease.

18. HAZARDOUS SUBSTANCES.

A. Definition. For purpose of this Lease, the term Hazardous Substances shall be deemed to include "hazardous substances" as defined in California Health and Safety Code Section 25316, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

B. Warranties, Representations, and Covenants. Throughout the term of this Lease, Tenant shall use commercially reasonable efforts to enforce the provisions of the Sublease with respect to Hazardous Substances.

C. Notice. Tenant agrees to immediately notify Landlord when Hazardous Substances have been released on the Premises, upon becoming aware of the same.

D. Default. Tenant's failure to comply with the provisions of this Section 18 may, in Landlord's sole discretion, be deemed an Event of Default and entitle Landlord to all rights and remedies as set forth in Section 13.

19. SURRENDER OF THE PREMISES; HOLDING OVER. Throughout the term of this Lease, Tenant shall use commercially reasonable efforts to enforce the provisions of the Sublease regarding the surrender of the Premises and any holdover by Subtenant. Any occupancy subsequent to the last day of the Term shall be a tenancy at will, subject to the terms of this Lease and the Facilities Lease.

20. ADMINISTRATION. The CEO or his/her authorized designee shall have the authority to administer this Lease on behalf of Landlord.

21. ALTERATIONS. Except as hereinafter provided, Tenant shall make no additions, installations, improvements, replacements or alterations in or to the Premises, including without limitation, any artwork to be painted or installed on any portion of the Premises (hereinafter "**Alterations**") without the prior written consent of Landlord, which shall not be unreasonably withheld. Consent shall be given or denied within thirty (30) days of receipt of written request, which request shall include a complete set of plans and/or designs, where applicable, and the estimated cost of such Alterations. If Landlord has not provided written approval or disapproval within thirty (30) days of Tenant's request, Landlord shall be deemed to have disapproved Tenant's request. Additionally, Landlord may condition its approval thereof upon the delivery by Tenant of payment in full for such Alterations into an escrow account held by Landlord or, at Tenant's own cost and expense, completion and lien indemnity bonds, satisfactory to Landlord, for said Alterations. All Alterations made by or for Tenant shall be done in a good and workmanlike manner and diligently prosecuted to completion, in compliance with applicable law. Any Alterations in or to the mechanical, electrical, plumbing, sanitary, heating, air conditioning, ventilation, life safety or other systems of the Building or to or affecting the roof or any other structural part of the Building, shall require Landlord's consent, in its sole and absolute discretion, and if approved, shall be performed only by contractors approved by Landlord. Landlord, at its sole and absolute discretion, may require Tenant to remove any Alterations at Tenant's sole cost and expense, and immediately repair any damage occasioned to the Premises by reason of such removal so as to restore the Premises to the original condition which existed upon the Commencement Date of this Lease.

22. SECURITY. Tenant shall be solely responsible for security measures at the Premises. Tenant acknowledges that as of the Commencement Date, Landlord has not and will not undertake any duty whatsoever to provide security for the Premises and, accordingly, Landlord is not responsible for the security of same or the protection of Tenant's property or Tenant's employees, invitees, clients, or contractors from any cause whatsoever, including but not limited to criminal and/or terrorist acts. To the extent Tenant determines that such security or protection services are advisable or necessary, Tenant shall arrange for and pay the costs of providing same. Landlord shall have no responsibility to prevent, and shall not be liable to Tenant for losses due to theft, burglary or other criminal activity, or for damages or injuries to persons or property resulting from persons gaining access to the Premises, and Tenant hereby releases Landlord and the Landlord Indemnitees from all liabilities for such losses, damages or injury, regardless of the cause thereof.

23. LANDLORD'S RIGHTS OF ACCESS. Landlord and its agents shall have the right to access the Land for ingress and egress for the duration of this Lease. After reasonable notice (except in emergencies when no such notice shall be required), which may be by telephone or e-mail, Landlord, its agents and representatives, shall have the right (without any obligation so to do) to enter the Premises (i) to inspect the same, (ii) to exercise such rights as may be permitted hereunder, (iii) to make repairs or alterations to the Premises, (iv) to make repairs or perform other obligations if Tenant fails to do so as

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required hereunder (but Landlord shall have no duty whatsoever to make any such inspections, repairs, alterations, additions or improvements except as otherwise expressly provided in this Lease), (v) to deal with emergencies, (vi) to post such notices as may be permitted or required by law to prevent the perfection of liens against Landlord's interest in the Premises, (vii) to exhibit the Premises to prospective tenants prospective purchasers, landlords and mortgagees, or (viii) for any other purpose as Landlord may deem necessary or desirable. Tenant shall not be entitled to any abatement of rent or other charges nor shall Landlord be deemed guilty of an eviction, actual or constructive, or any violation of Tenant's quiet enjoyment of the Premises on account of Landlord's access to the Premises pursuant to the provisions of this Section 23 or any other provision of this Lease or applicable law.

24. COUNTY'S LOBBYISTS. Tenant and each lobbyist or lobbying firm, as defined in Los Angeles County Code Section 2.160.010, retained by Tenant, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Tenant or any Landlord's lobbyist or Landlord lobbying firm retained by Tenant to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Lease upon which Landlord may immediately terminate or suspend this Lease.

25. NOTICES. All notices or requests required or permitted under this Lease shall be in writing, shall be (i) personally delivered, (ii) sent by certified or registered mail, return receipt requested, postage prepaid, (iii) by nationally recognized overnight courier and shall be deemed given when so delivered or received; or (iv) by electronic mail, provided that any notice of default must also be sent using one of the other forms of notice. All notices or requests to any Party shall be sent to all other Parties as follows:

If to Landlord:

Chief Executive Office
Asset Management Branch
Real Estate Division
320 W. Temple Street, 7th Floor
County of Los Angeles
Los Angeles, California 90012
Attention: Dean Lehman, PE., Senior Manager

With copies to:
Office of the County Counsel
County of Los Angeles
500 West Temple St. 6th Floor
Los Angeles, CA 90012-2932

Chief Executive Office-
Asset Management Branch
Capital Projects Program
County of Los Angeles

500 West Temple St. Room 754
Los Angeles, CA 90012
Attention: Capital Projects Program – Senior Manager

If to Tenant:

Los Angeles County Facilities 2 Inc.
c/o Public Facilities Group
1700 7th Ave, Suite 2100, PMB 552
Seattle, WA 98101
Attention: John Finke
Email: johnfinke@publicfacilitiesgroup.org

With a copy to:

Hillis Clark Martin & Peterson P.S.
Wells Fargo Center
999 Third Avenue, Suite 4600
Seattle, WA 98104
Attention: Matthew W. Markovich
Email: matt.markovich@hcmp.com

26. PARKING. Tenant, and Tenant's employees, agents, representatives and contractors (collectively, "**Tenant's Employees**") shall have the right to use _____ (___) parking spaces in such areas of the parking lot on the Project, or other parking facilities obtained by Landlord for the benefit of the Project, as Landlord may, from time to time designate for such purpose. Tenant shall comply, and enforce compliance among Tenant's Employees, with those rules and regulations concerning the use of the parking facilities promulgated by Landlord from time to time. Tenant shall furnish Landlord, upon Landlord's request, the license numbers of all motor vehicles operated by Tenant and Tenant's Employees. Tenant's failure to comply with the provisions of this Section 26, or to enforce such compliance by Tenant's Employees, shall be an Event of Default hereunder.

27. LIABILITY OF LANDLORD. For the satisfaction of any remedy of Tenant for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder, Tenant agrees to look solely to Landlord's estate and interest in the Property (or the proceeds from same); and no other property or assets of Landlord, no property or assets of any general partner of Landlord, and no property or assets of any director, shareholder, officer or employee of Landlord or of any corporate general partner of Landlord shall be subject to levy, execution

or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, the relationship of Landlord and Tenant hereunder, or Tenant's use or occupancy of the Premises.

28. SIGNS. Not applicable. See Sublease.

29. GUARANTY. Intentionally omitted.

30. GENERAL PROVISIONS:

A. Waiver. The waiver by Landlord or Tenant of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition on any subsequent breach of the same or any other term, covenant, or condition herein contained. All waivers must be in writing to be effective.

B. Marginal Headings. The Section titles in this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

C. Time. Time is of the essence for this Lease and each and all of its provisions in which performance is a factor.

D. Recordation. Tenant may not record this Lease at any time without the prior written consent of Landlord.

E. Binding on Successors. Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Tenant, and whatever the context permits or requires, the successors in interest to Landlord.

F. Prior Agreements. The Lease, the agreements incorporated by reference, and all attachments and exhibits hereto, contain all of the agreements of the Parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the Parties hereto or their respective successors-in-interest. This Lease shall not be effective or binding on any Party until fully executed by both Parties hereto.

G. Force Majeure. Landlord and Tenant shall not be deemed in default with respect to the performance of any of the terms, conditions and covenants of this Lease (other than the payment of Rent or other amounts due hereunder) if Landlord's or Tenant's failure to perform shall be due to any Force Majeure event. In the event either Party is delayed or prevented from performing any of its respective obligations under this Lease (other than the payment of Rent or other amounts due hereunder) due to a Force Majeure event, then the time period for performance of such obligations shall be extended for the period of such delay. Nothing contained in this Section 30.G shall be deemed to extend the Commencement Date nor to excuse Tenant's obligation to pay Rent as and when required by the terms of this Lease. As used herein, "**Force Majeure**" means any inability of a Party to perform any non-monetary obligation under this Lease due to fire or other casualty, earthquake, flood, tornado or natural disaster, civil disturbance, war, organized labor dispute, freight embargo, governmental order, or other unforeseeable event beyond the reasonable control of the Party required to perform the subject obligation.

H. Severability. Any provision of this Lease that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

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I. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

J. Choice of Law and Forum. This Lease shall be governed by the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the courts of the County of Los Angeles, California.

K. Interpretation. Unless the context of this Lease clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other, (ii) the masculine, feminine and neuter genders shall be deemed to include the others, (iii) “or” is not exclusive, and (iv) “includes” and “including” are not limiting.

L. Administration of Landlord Space. Landlord does not grant or delegate to Tenant hereunder any of its governmental powers (statutory, implied, administrative, or otherwise) with respect to the Premises.

M. Conflict of Interest. No Landlord employee whose position in Landlord service enables him/her to influence obtaining or awarding any lease, license or permit, and no spouse or economic dependent of such employee, shall be employed in any capacity by Tenant herein, or have any other direct or indirect financial interest resulting from this Lease.

N. Solicitation of Consideration. It is improper for any County Officer, employee or agent to solicit consideration, in any form, from a tenant with the implication, suggestion or statement that the tenant's provision of consideration may secure more favorable treatment for the tenant in the award of the lease or that the tenant's failure to provide such consideration may negatively affect County's consideration of the tenant's submission. A tenant shall not offer to or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to award of a lease. Tenant shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller Employee Fraud Hotline. Failure to report such solicitation may result in the termination of this Lease.

O. Title. Tenant hereby acknowledges the title of County in and to the Land, and covenants and agrees never to assail, contest or resist said title.

P. Acknowledgment of Ineligibility for Relocation Assistance. Tenant expressly acknowledges that Tenant will be in possession of the Premises as a result of County's previously acquired property interest. In recognition of such fact, Tenant hereby disclaims any status as a “displaced person” as such is defined in Government Code Section 7260, and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Section 7260 through 7276, inclusive, as interpreted in Title 25, Chapter 6, Section 6034(b)(1) of the California Code of Regulations.

Q. No Presumption Against Drafter: Landlord and Tenant agree and acknowledge that: (i) each has, of its own ability, had its own independent counsel review this Lease, (ii) this Lease has been freely negotiated by Landlord and Tenant, and (iii) in the event of any ambiguity, controversy, dispute or disagreement over the interpretation, validity or enforceability of this Lease or any of its covenants, terms or conditions, no inference, presumption or conclusion whatsoever shall be drawn against Landlord by virtue of Landlord's having drafted this Lease.

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

S. Third Party Beneficiary. Landlord and Tenant acknowledge that Landlord is a third party beneficiary of the Sublease with the right to enforce the provisions of the Sublease against the Subtenant, which right shall be in addition to, or in lieu of, Tenant’s right to enforce the Sublease against the Subtenant.

31. COUNTERPARTS; ELECTRONIC SIGNATURES. This Lease and any other document necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and in the form of electronic records and are executed electronically. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The Parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Lease to be subscribed by its Chief Executive Officer or her designee and Tenant has caused this Lease to be subscribed in its behalf by its duly authorized officer, on the day, month, and year first above written.

TENANT

LOS ANGELES COUNTY FACILITIES 2 INC.,
a California nonprofit public benefit corporation

By: _____
Name: John Finke
Title: President

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By _____
Deputy

LANDLORD

COUNTY OF LOS ANGELES,
a body politic and corporate

By _____
FESIA A. DAVENPORT
Chief Executive Officer

APPROVED AS TO FORM:

DAWYN R HARRISON
County Counsel

By _____
Deputy County Counsel

EXHIBIT A

Site Plan of the Premises

EXHIBIT B

Form of Sublease Agreement

EXHIBIT T-2

RETAIL SPACE SUBLEASE

[See attached]

SUBLEASE AND CONCESSION LEASE AGREEMENT

by and between

**LOS ANGELES COUNTY FACILITIES 2 INC.,
as Sublandlord**

and

_____,
as Subtenant

For Premises Located at

550 SOUTH VERMONT AVENUE and 3175 WEST 6TH STREET, 1st FLOOR

LOS ANGELES, CALIFORNIA

Dated As of _____, 2024

SUBLEASE AND CONCESSION AGREEMENT

THIS SUBLEASE AND CONCESSION AGREEMENT (this “**Lease**”) is entered into as of _____, 2024 (the “**Effective Date**”) by and between **LOS ANGELES COUNTY FACILITIES 2 INC.**, a California nonprofit public benefit corporation, as sub-sub-landlord (“**Landlord**”), and _____, a(n) _____, as sub-sub-tenant (“**Tenant**” or “**Concessionaire**”). Landlord and Tenant are each occasionally referred to herein as a “**Party**” or collectively as the “**Parties.**”

RECITALS:

A. The County of Los Angeles, a body corporate and politic (“**County**”) is the fee owner of that certain real property legally described on Exhibit A-1 and commonly known as 550 South Vermont Avenue and 3175 West 6th Street, Los Angeles California (the “**Land**”).

B. Pursuant to that certain Ground Lease Agreement dated _____, 2024 (the “**Ground Lease**”), by and between County, as landlord, and Landlord, as tenant, County leases the Land to Landlord.

C. Pursuant to that certain Facilities Lease Agreement dated _____, 2024 (the “**Facilities Lease**”), by and between Landlord, as the sublandlord, and County, as subtenant, Landlord leases the Premises (as defined in the Facilities Lease) to County.

D. Landlord subsequently entered, or will enter, into that certain Lease Agreement dated _____ (the “**County-LACF2 Lease**”), by and between County, as sub-sublandlord, and Landlord, as sub-subtenant, pursuant to which Landlord sub-leases, or will sub-lease, approximately _____ square feet of rentable space (the “**Premises**”) located in the ground floor retail space of the office building (the “**Building**”) located on the Land, which is part of a larger office building development (the “**Project**”). The Premises are shown on the site plan attached hereto as Exhibit A-2.

E. Landlord now desires to sublease to Tenant, and Tenant desires to sublease from Landlord, the Premises.

F. Landlord and Tenant have agreed to enter into this Lease whereby Tenant shall sublease and occupy the Premises as a concessionaire at the rent and subject to all of the terms, covenants and conditions set forth herein.

G. On or about _____, 202__, Tenant submitted the Plans for the Tenant Improvements (all as defined in Section 20) to the County of Los Angeles Department of Building and Safety. The Plans are currently pending with County as Case No. _____.

H. On or about _____, 202__, Landlord’s representative and Tenant conducted a walk-through and inspection of the Premises.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter contained, and the foregoing Recitals, each of which is deemed a contracted part hereof, Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

- (a) Landlord: Los Angeles County Facilities 2 Inc., a California nonprofit public benefit corporation
- (b) Tenant: _____, a(n) _____
- (c) Premises: _____ square feet of rentable space located in the ground floor retail space of the office building located at 550 South Vermont Avenue and 3175 West 6th Street, Los Angeles, California. Tenant may elect to re-measure the Premises within _____ (____) days following delivery of possession by Landlord.
- (d) Permitted Use: Subject to all applicable laws, Tenant shall use and occupy the Premises for the following purpose (the “**Permitted Use**”): _____.
- (e) Term:
 - (i) **Initial Term.** The initial term of this Lease (the “**Term**”) shall commence on the date (the “**Commencement Date**”) that is _____ (____) days after (A) delivery of the Premises to Tenant, and (B) the date on which a full building permit is issued to Tenant for the construction of the Tenant Improvements (as defined in Section 20), and shall expire on the date that is _____ (____) years after the Commencement Date (the “**Expiration Date**”), subject to the earlier termination of this Lease as set forth herein. “**Term**” shall also include any extensions or renewals of the initial Term, to the extent expressly authorized pursuant to the terms of this Lease or agreed to in writing by Landlord and Tenant.
 - (ii) **Lease Year.** For purposes of the term, the first “**Lease Year**” shall begin on the Commencement Date, as may be applicable, and end on the day immediately prior to the anniversary thereof, and the second “**Lease Year**” shall be the succeeding twelve (12) calendar month period, the third “**Lease Year**” shall be the next succeeding twelve (12) calendar month period, and so on, until the Expiration Date; provided, however, that if the Commencement Date is a day other than the first day of a calendar month, then the first Lease Year shall include that period of time from the

Commencement Date up to the first day of the next calendar month and the following twelve (12) months, and any subsequent Lease Year shall be the twelve (12) month period beginning on the anniversary of the first day of the next calendar month following the Commencement Date.

(iii) **Co-Terminous.** Tenant shall have the option to extend the Term of this Lease as set forth in (f), below; provided, however, this Lease shall be co-terminous with the County-LACF2 Lease and in no event may the Term of this Lease exceed the term of the County-LACF2 Lease. Landlord shall provide Tenant a copy of any notice of termination received from the County under the County-LACF2 Lease.

(f) Extension Option:

Tenant shall have the option to extend the initial Term for up to ____ (___) additional consecutive ____ (___) year periods (each, an “**Option**”), for a maximum total Term of ____ (___) years; provided, however, that in no event, shall the Term be extended beyond the term of the County-LACF2 Lease as set forth in (e)(iii), above. To exercise an Option, Tenant shall, by not later than _____ (___) days prior to the termination of the then-current Term, provide Landlord with written notice of its intention to exercise an Option (an “**Exercise Notice**”). Provided Tenant is not then in default of its obligations under this Lease beyond applicable notice and cure periods, and Tenant has not had a history of defaults under this Lease, then Landlord shall, within ____ (___) days after receipt of an Exercise Notice, provide Tenant with written notice that the Term shall be extended for an additional ____ (___) year period. If Tenant fails to exercise an Option upon termination of the initial Term, both Options shall be void and of no further effect.

(g) Base Rent:

Annual base rent (“**Base Rent**”) shall be \$____, which shall be paid beginning on the Commencement Date, in accordance with the terms and conditions of Section 5. Base Rent shall increase annually in the amount of ____ percent (___%).

(h) Security Deposit:

The security deposit shall be the amount of \$____ (the “**Security Deposit**”), which shall be paid and held in accordance with the terms and conditions of Section 6.

(i) Operating Expenses:

Included in Base Rent.

(j) Guarantor:

N/A

- (k) Parking: Tenant shall have the right to use _____ (____) non-exclusive parking spaces, as set forth in Section 26.
- (l) Building Hours: Tenant shall [provide food services at the Premises five (5) days per week, Monday through Friday (except for holidays observed by County), during the hours of 7:00a.m. and 5:00p.m.], unless otherwise provided by the Building Rules and Regulations attached as Exhibit B (the “**Building Rules and Regulations**”), or any other rules and regulations for the Project.

2. LEASE TERM AND COMMENCEMENT DATE.

A. Term. The Term of this Lease is the period specified in the Lease Summary. On the Effective Date, this Lease shall be in full force and effect and valid and binding against the Parties in accordance with, and subject to, the terms and conditions of this Lease. If the Commencement Date is not a fixed date, then within thirty (30) days after the actual Commencement Date, the Parties shall confirm in writing the actual Commencement Date and the Expiration Date.

B. Landlord Improvements. Landlord shall have no construction or improvement obligations with respect to the Premises. Tenant acknowledges that Tenant is accepting the Premises “AS IS,” solely in reliance on Tenant’s own investigation, and that no representation or warranty of any kind whatsoever, express or implied, has been made by Landlord or Landlord’s agents. Any information given or disclosure made to Tenant by Landlord or Landlord’s agents concerning the Premises shall not constitute a representation or warranty made by Landlord. Tenant has been given the full opportunity to inspect the Premises prior to the execution of this Lease. At the final expiration or termination of the Lease, including any extensions thereof, all improvements, including those completed by Tenant, shall become the property of Landlord.

3. LEASE CONSIDERATIONS. As additional consideration for Landlord leasing the Premises to Tenant hereunder:

- A. Tenant's floor plans are subject to Landlord's prior written approval.
- B. Tenant shall perform all obligations required by this Lease.

4. USES; APPLICABLE LAWS.

A. Uses. Tenant shall use and occupy the Premises solely for the Permitted Use as set forth in the Lease Summary, and for such other lawful purposes as may be incidental thereto. Tenant shall comply with its obligations under this Lease, the County-LACF2 Lease, the

Facilities Lease and the Ground Lease. Tenant shall be subject to all applicable governmental regulatory agencies, all applicable laws, and the rules and regulations of the County in connection with the operation of the Premises as promulgated from time to time by the County. Subject to the terms and conditions of the Common Use Agreement attached hereto as Exhibit F, Tenant shall also have the non-exclusive right to use in common with other tenants in the Project those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, to be shared by Landlord and certain tenants, are collectively referred to herein as the (“**Common Areas**”). The manner in which the Common Areas are maintained and operated shall be at the reasonable discretion of Landlord, and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas and Landlord shall be responsible for ensuring that the Common Areas comply with applicable laws, rules and regulations including the Americans with Disabilities Act.

B. Compliance with Applicable Laws. The Premises, or any part thereof, shall not be used or permitted to be used for any activity that constitutes a nuisance. Tenant shall, at its sole cost and expense, cause all persons using or occupying any part of the Premises that is under Tenant’s control, to conform to and comply with the Building Rules and Regulations, and all applicable laws and rules and regulations governing the Premises that may be in effect from time to time applicable to the use of the Premises. Tenant hereby warrants and covenants that the operation of the Premises shall not interfere with any functions of Landlord outside of the Premises. Tenant acknowledges the following: as of the Commencement Date: (i) that it has reviewed all zoning ordinances, land use restrictions, and similar limitations affecting the Premises, as well as all agreements entered into under the same, (ii) that Tenant shall comply with all such ordinances, restrictions, limitations and agreements according to the terms of this Lease, and (iii) that Tenant's failure or inability at any time to comply with such ordinances, restrictions, limitations and agreements shall not give rise to any right in Tenant to terminate this Lease unless expressly set forth to the contrary herein. Furthermore, if any governmental license, certificate, approval, or permit, shall be required for the proper and lawful conduct of the Permitted Use in the Premises, or any part thereof, pursuant to any applicable law, Tenant shall, at its sole cost and expense, diligently and duly procure and thereafter maintain such licenses, certificates, approvals, and permits during the Term hereof, and Tenant shall submit such licenses, certificates, approvals, and permits (and all applications therefor) to Landlord for inspection promptly upon request. Landlord shall reasonably cooperate with Tenant, at no cost, expense or liability to Landlord, in procuring all such licenses certificates, approvals, and permits. Tenant shall at all times during the Term hereof comply with the terms and conditions of each such license, certificate, approval, and permit. In the event Tenant fails, for any or no reason whatsoever, to obtain any or all licenses, certificates, approvals, or permits necessary for Tenant's operations at the Premises as required by this Lease, such failure shall not affect, reduce or diminish Tenant's obligations under this Lease except as expressly set forth to the contrary herein. Tenant shall indemnify and hold Landlord and the Landlord Indemnitees (as hereinafter defined) harmless from any Claims (as defined in Section 11) imposed for any violation of any and all applicable laws, licenses, certificates, approvals, or permits, whether occasioned by neglect, omission, or the willful act of Tenant or any person (other

than Landlord, its agents or employees) by license, invitation, sublease, assignment or any other arrangement with Tenant.

C. Personnel; Staffing. Tenant shall provide, at its cost, all personnel, labor, merchandise, materials, Tenant Equipment, and all other items required by Tenant to fulfill its obligations under this Lease. The term “**Tenant Equipment**” shall mean all fixtures, equipment, tools, furniture, and all other personal property belonging to Tenant and required in connection with Tenant’s operation in the Premises. Tenant shall endeavor to hire staff from the Wilshire / Los Angeles area in order to operate the Premises.

5. RENT.

A. Base Rent. For the use granted herein, commencing on the Commencement Date and continuing until the Expiration Date, Tenant shall pay to Landlord, in advance, without prior notice or demand, Base Rent. Tenant shall pay Base Rent in equal monthly installments, on or before the first (1st) day of each calendar month; provided, however, Tenant shall pay the first payment of Base Rent on or before the Commencement Date. If the Commencement Date is a date other than the first day of a calendar month, then the first payment of Base Rent shall include the prorated Base Rent for the partial month in which the Commencement Date occurs and Base Rent for the first full calendar month after the Commencement Date. Base Rent shall be paid by check issued and payable to Landlord and mailed, or otherwise delivered, as directed in Section 25. If Tenant fails to pay Base Rent by the date that is five (5) business days after the first day of the month, Tenant shall pay Landlord a late fee in the amount of ten percent (10%) of the delinquent payment of Base Rent. Base Rent for any partial calendar month shall be prorated according to the actual number of days occurring within such calendar month. No payment by Tenant, or receipt by Landlord, of an amount less than the amount of Base Rent due or payable shall be deemed to be other than on account of the earliest amounts owing under this Lease. No endorsement or statement on any check or any letter accompanying any check or payment shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord’s right to recover the balance of any amount owing to Landlord or to pursue any other remedy available to Landlord under this Lease or at law or in equity.

B. Other Charges. All taxes, liens, charges, insurance premiums, services and other costs that are attributable solely to the Premises and Tenant’s operation of the Permitted Use therein shall be paid by Tenant directly, prior to or upon their due dates. In the event that Landlord is inadvertently billed for any such expenses, Landlord shall promptly notify Tenant and Tenant shall pay all of such expenses prior to or upon their due dates. Should Tenant fail to pay any of such expenses when due, Landlord shall be entitled, but shall not be required to, pay such expenses on Tenant’s behalf, plus ten percent (10%) interest on all outstanding sums due. Except as set forth in Section 9 hereof, Tenant shall not be required to pay for any portion of the costs and expenses incurred by Landlord in connection with the ownership, operation and maintenance of the Building nor shall Tenant be required to pay any management fees or other costs incurred by Landlord in connection with the maintenance and repair of the Building.

C. Additional Rent. All sums due Landlord under this Lease, including but not limited to any reimbursement, interest, late charges and attorneys’ fees, shall be deemed for all

purposes “Additional Rent.” The term “Rent” herein shall include any and all forms of rent due under this Lease including, but not limited to, Base Rent and Additional Rent.

6. SECURITY DEPOSIT. Concurrently with Tenant's execution and delivery of this Lease, Tenant shall deposit with Landlord the Security Deposit as security for the full and faithful performance of every provision of this Lease to be performed by Tenant. If Tenant defaults with respect to any provisions of this Lease, Landlord may, without notice to Tenant, apply all or any part of the Security Deposit for the payment of any Base Rent or any other sum due and payable under this Lease and Tenant shall, within five (5) business days after written demand therefor, restore the Security Deposit to its original amount. During any renewal or extension of the Term, the amount of the Security Deposit required to be maintained by Tenant shall be increased so as to maintain, at all times and from time to time, the same ratio to monthly Base Rent as applicable on the Commencement Date. Tenant shall not be entitled to any interest on the Security Deposit and Landlord shall have the right to commingle the Security Deposit with Landlord's other funds. Any unapplied portion of the Security Deposit shall be returned to Tenant within thirty (30) days following the expiration of the Term of this Lease. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code and any and all similar, related or successor provisions of law.

7. TAXES AND ASSESSMENTS.

A. Payment of Taxes. Tenant shall have sole responsibility to pay promptly any applicable possessory interest taxes, personal property taxes, real property taxes, rental taxes, excise taxes, business and occupation taxes and assessments, all of Tenant's federal, state and local income taxes, sales taxes, use taxes, Social Security taxes, unemployment taxes and all taxes withheld from wages or salaries paid to Tenant's employees, and taxes or charges of any kind or nature whatsoever (hereinafter referred to collectively as “**Taxes**”) levied or assessed against Premises, Tenant's operations in the Premises, or against Tenant's possessory interest, by any government entity. Tenant's leasehold interest may be subject to property taxation and Tenant shall pay any property tax levied on any such interest. The possessory interest created by the Lease may be subject to property taxation so that Tenant may be subject to the payment of property taxes levied on the interest and Tenant shall pay before delinquency any and all possessory interest taxes due and arising from this Lease. The foregoing statement is included to comply with California Revenue and Taxation Code Section 107.6.

B. Indemnity. Tenant shall indemnify, defend, protect and hold Landlord and the Landlord Indemnitees harmless from all Claims incurred relating to the payment of Taxes by Tenant, including any interest associated therewith. Tenant shall take any action necessary to prevent the Taxes from resulting in delinquency liens upon the Premises, and to allow Landlord to pay such Taxes that have become more than thirty (30) days delinquent. Landlord shall in no way be obligated to pay such Taxes which come delinquent, provided however, that if Landlord makes such payments, such payments will become immediately due and payable to Landlord by Tenant, plus ten percent (10%) interest on all outstanding sums due.

8. SERVICES AND UTILITIES. Tenant shall make all arrangements, and pay directly to the utility provider all charges, for any gas, electricity, water, waste collection services, telephone service, cable, and internet service, and all other utilities used by Tenant or consumed

at the Premises during the Term. If any service or utility usage of Tenant is not separately metered or billed, Tenant shall pay to Landlord its equitable share of the charges for each such service or utility as reasonably determined by Landlord. Landlord shall furnish the Premises with the following utility lines, pipes, conduits, vaults and other facilities to serve the Premises: sewer, water, electricity (including 1 ½” conduits with pull string from the Premises to the Building), a fire alarm control panel, and a telephone closet point of entry. Landlord shall not be liable for, and Tenant shall not be entitled to, any reduction of Rent by reason of Landlord’s failure to furnish any of the utilities required to be furnished by Landlord, including, without limitation, if the failure is caused by accident, breakage, repairs, strikes, lockouts, or other labor disturbances or labor disputes of any character, or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord. Landlord shall not be liable under any circumstances for a loss of or injury to property, however occurring, through or in connection with or incidental to failure to furnish any of the utilities required to be furnished by Landlord.

9. MAINTENANCE AND REPAIR

A. Landlord’s Responsibilities. Landlord shall, (i) maintain the structural portions of the Building, including the foundation, floor/ceiling slabs, roof, curtain wall, exterior glass, columns, beams, shafts, stairs, stairwells and elevator cabs and common areas (collectively, the “**Building Structure**”), and (ii) maintain and repair those portions of the base Building mechanical, electrical, life safety, plumbing, sprinkler systems and heating, ventilating and air-conditioning systems located in the core of the Building or in other areas outside of the Premises (collectively, the “**Building Systems**”); provided, however, Tenant shall be responsible for repairing and maintaining any distribution of such systems throughout the Premises. The Building Structure and Building Systems shall collectively be referred to herein as the “**Base Building.**”

B. Tenant’s Responsibilities. Tenant shall, at Tenant’s sole cost and expense, repair and maintain the Premises, including all improvements, fixtures and furnishings therein, and including but not limited to fire suppressant systems within the space, ducts, ceiling tiles, floor coverings, electrical, lighting, plumbing, HVAC, and clearing of drains inside the Premises, in good condition and repair and in accordance with the requirements of: (i) all applicable laws; (ii) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; (iii) any insurance companies insuring all or any part of the Premises; and (iv) the rules and regulations of Landlord regarding the operation of the Premises as may be promulgated from time to time. In addition, Tenant shall, at Tenant’s own expense, repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant. All maintenance and repairs are to be performed by or on behalf of Tenant and shall be done promptly, in a good and workmanlike fashion and without diminishing the original quality of the Premises, ordinary wear and tear excepted. Tenant shall deliver to Landlord copies of Tenant’s maintenance contracts and service records within ten (10) days after receipt of Landlord’s written request therefor. Landlord shall have the right, with two (2) business days’ prior written notice (except in the event of an emergency, in which case no prior written notice shall be required), to make any repairs that are not promptly commenced by Tenant and charge Tenant for the cost thereof, which cost shall be paid by Tenant within ten (10) business days following receipt of an invoice from Landlord. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and

Litera Compare Redline of 238359367v5 and 238359367v8

LACF2 - Los Angeles County Facilities Lease

ND: 22868.002 4883-1580-6035v7

Exhibit T-2, page 10

Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect.

C. Waste; Trash. Tenant shall not commit or permit the commission of any waste upon the Premises, nor permit anything to be done upon the Premises that would invalidate or prevent the procurement of any Required Insurance or governmental permits, licenses or approvals that may at any time be required pursuant to the provisions hereof. Tenant shall not store or dispose of any waste or byproducts of Tenant's operation on the Premises in violation of Section 18 of this Lease. Tenant shall be responsible for daily general cleaning of and providing janitorial services to the Premises, at its sole cost. [Tenant shall be responsible for arranging and providing its own trash service to dispose of waste from the food service. Tenant shall coordinate with building management for the location of its trash bins as set forth in Exhibit C attached hereto and pickup schedule at the Premises.]

D. Graffiti. Any and all graffiti that is existing on the Premises shall be removed by Tenant within forty-eight (48) hours, at Tenant's sole cost and expense.

10. LIENS.

A. General. Tenant hereby covenants to keep the Premises and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by Tenant's acts or omissions and/or created by the performance of any labor or furnishing of any material, supplies, or equipment contemplated hereunder. Tenant shall hold Landlord and the Premises and all parts thereof free and harmless from any such Tenant-created liens, claims, or demands, and any and all costs, damages or liability in connection therewith, together with reasonable attorney's fees and all actual cost and expenses incurred by Landlord in negotiating, settling, defending, and otherwise protecting the Premises or any part thereof against such liens, claims or demands.

B. Mechanics' and other Liens. Tenant shall not permit any mechanic's, materialmen's, contractor's, sub-contractor or other lien, arising out of the performance of the Lease, to stand against the Premises, or any part thereof. If any such lien shall be filed against the Premises, Tenant shall cause the same to be discharged within ten (10) days after actual notice of such filing, by payment, deposit, or bond. If Tenant fails to discharge any such lien, Landlord may, but shall not be obligated to, discharge the same, and any amount so paid or deposited by Landlord and all costs and expenses incurred by Landlord, including reasonable attorney's fees, shall become immediately due and payable by Tenant to Landlord, together with interest thereon computed at the rate of ten percent (10%) per annum. Tenant shall indemnify, defend and hold Landlord harmless from and against all Claims resulting therefrom.

11. INDEMNIFICATION AND INSURANCE.

A. Indemnification. Tenant shall indemnify, defend, protect, save and hold harmless Landlord, its shareholders, directors, and employees, and the County, its Special Districts, elected and appointed officers, officials, Boards, officers, employees, agents, consultants, attorneys, trustees, volunteers, successors and assigns (the "**Landlord Indemnitees**")

Litera Compare Redline of 238359367v5 and 238359367v8

LACF2 - Los Angeles County Facilities Lease

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from and against any and all demands, claims, causes of action, fines, penalties, damages, losses, liabilities (including without limitation, strict liability), judgments, and expenses (including without limitation, reasonable attorneys' fees and expenses, filing and other court costs, including on appeal) (collectively, the "**Claims**") incurred in connection with or arising from any of the following:

(1) the use, condition, operation, maintenance or occupancy of the Premises;

(2) any activity, work, or thing done, or permitted or suffered by or through Tenant in or about the Premises;

(3) any acts, omissions, or negligence of Tenant or any of Tenant's affiliates, agents, employees, officers, directors, customers, or while in the Premises, its invitees (each, a "**Tenant Party**");

(4) any claim of any clients, staff, employees or other invitees of Tenant or any Tenant Party, including claims alleging breach or violation of such person's civil or legal rights, or in connection with the admission or exclusion of such persons from the Premises;

(5) any injury or damage arising from the use or operations of the Tenant Equipment;

(6) any breach, violation, or nonperformance by Tenant of any term, covenant, or provision of this Lease;

(7) any injury or damage to the person, property or business of Tenant or any Tenant Party, or any other person entering upon the Premises under the express invitation of Tenant; and

(8) any accident, injury to or death of persons or loss or damage to any item of property occurring at the Premises, including but not limited to any Workers' Compensation suits, liability or expense.

If any action or proceeding is brought against Landlord or a Landlord Indemnitee by reason of any such indemnified Claim as set forth above, Tenant, upon notice from Landlord, will defend the Claim at Tenant's sole cost and expense with counsel reasonably satisfactory to Landlord, such approval not to be unreasonably withheld. All of the foregoing indemnities in this paragraph shall survive the expiration or earlier termination of this Lease.

B. Tenant's Insurance. Without limiting Tenant's indemnification of Landlord and Landlord Indemnitees, during the Term, and until all of its obligations pursuant to this Lease have been met, Tenant shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "**Required Insurance**") are in addition to and separate from any other contractual obligation imposed upon Tenant pursuant to this Lease. Landlord in no way warrants that the

Required Insurance is sufficient to protect Tenant for liabilities which may arise from or relate to this Lease.

(1) Evidence of Coverage and Notice to Landlord:

(a) Certificates of insurance coverage (each, a “**Certificate**”) satisfactory to Landlord, and a copy of an Additional Insured endorsement confirming Landlord, and the County and its Agents (defined below) has been given additional Insured status under Tenant’s General Liability policy, shall be delivered to Landlord at the address shown below and provided prior to the Effective Date of this Lease.

(b) Renewal Certificates shall be provided to Landlord not less than 10 days prior to Tenant’s policy expiration dates. Landlord reserves the right to obtain complete, certified copies of any required Tenant insurance policies at any time upon written request to Tenant.

(c) Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Tenant identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Landlord required endorsement forms.

(d) Neither Landlord’s failure to obtain, nor Landlord’s receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Tenant, its insurance brokers and/or insurers, shall be construed as a waiver of any of the Required Insurance provisions.

(e) Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

Los Angeles County Facilities 2 Inc.,
c/o Public Facilities Group
1700 Seventh Ave., Suite 2100, PMB 552
Seattle, Washington 98101
Attention: John Finke

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

(2) Additional Insured Status and Scope of Coverage. Landlord and the County of Los Angeles, its Special Districts, elected officials, officers, agents, employees and volunteers (collectively, the “**County and its Agents**”), shall be provided additional insured status

under Tenant's General Liability policy with respect to liability arising from or connected with Tenant's acts, errors, and omissions arising from and/or relating to Tenant's operations on and/or its use of the Premises. Landlord's and the County and its Agent's additional insured status shall apply with respect to liability and defense of suits arising out of the Tenant's acts or omissions, whether such liability is attributable to Tenant or to Landlord. The full policy limits and scope of protection also shall apply to Landlord and the County and its Agents as an additional insured, even if they exceed Landlord's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

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

(4) Failure to Maintain Insurance. Tenant's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease.

(5) Insurer Financial Ratings. Insurance is to be provided by an insurance company authorized to do business in California and acceptable to Landlord, with an A.M. Best rating of not less than A:VII, unless otherwise approved by Landlord.

(6) Tenant's Insurance Shall be Primary. Tenant's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Landlord. Any Landlord maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Tenant coverage.

(7) Waiver of Subrogation. To the fullest extent permitted by law, Tenant hereby waives its and its insurers' rights of recovery against Landlord under all required insurance policies for any loss arising from or related to this Lease. Tenant shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

(8) Deductibles and Self-Insured Retentions ("SIRs"). Tenant's policies shall not obligate Landlord to pay any portion of any Tenant deductible or SIR. Landlord retains the right to require Tenant to reduce or eliminate policy deductibles and SIRs as respects the Landlord, or to provide a bond guaranteeing Tenant's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

(9) Claims Made Coverage. If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the Effective Date of this

Lease. Tenant understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

(10) Application of Excess Liability Coverage. Tenant may use a combination of primary and excess insurance policies which provide coverage as broad as (“follow form” over) the underlying primary policies, to satisfy the Required Insurance provisions.

(11) Separation of Insureds. All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

(12) Landlord Review and Approval of Insurance Requirements. Landlord reserves the right to review and adjust the Required Insurance provisions.

C. Insurance Coverage Requirements. Tenant shall maintain the following:

(a) General Liability insurance (written by ISO policy form CG 00 01 or its equivalent) and endorsed to name County as an additional insured, with limits of not less than the following:

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

(b) Automobile Liability insurance (written on ISO form CA 00 01 or its equivalent) with a limit of liability of not less than \$ 1 million for each accident and providing coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto.”

(c) Workers Compensation and Employers’ Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Tenant is responsible, and including Employers’ Liability coverage with limits of not less than the following:

| | |
|--------------------------|-------------|
| Each Accident: | \$1 million |
| Disease — policy limit: | \$1 million |
| Disease — each employee: | \$1 million |

(d) Commercial Property Insurance. Such insurance shall:

(i) Provide coverage for Landlord’s property and any improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

(ii) Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value, whichever is less. Insurance proceeds shall be payable to Tenant and Landlord as their interests may appear.

(e) Intentionally deleted.

(f) Intentionally deleted.

12. REPAIR AND RESTORATION:

A. Notice of Damage to Premises. Subject to Section 19 of the Facilities Lease, if any portion of the Premises shall be damaged or destroyed by fire or other casualty, Tenant shall give prompt written notice thereof to Landlord (“**Tenant's Notice of Damage**”). Tenant’s Notice of Damage shall include a statement as to whether the damage to the Premises is covered by Tenant’s Required Insurance.

B. Insured Damage. During the term of this Lease, if the Premises or any portion thereof is damaged due to a risk covered by the Required Insurance, the insurance proceeds shall be distributed to Tenant, and Tenant shall promptly cause the damage to be repaired and the Premises restored to substantially the same condition as they were in immediately before such damage. Notwithstanding the foregoing, should Tenant fail to obtain certain Required Insurance that would have covered such damage, Landlord shall repair the damage and restore the Premises at Tenant’s sole cost and expense.

C. Underinsured Damage. If, during the Term, the Premises or any portion thereof is damaged due to a risk not covered entirely by the Required Insurance and whether or not such damage is substantial, Tenant may elect to (i) repair the damage, at Tenant’s sole cost and expense, and the Premises shall be restored to substantially the same condition as they were in immediately before the damage or (ii) terminate this Lease. Said election shall be made by written notice to Landlord within thirty (30) days of the occurrence of the damage. If no written notice is given by Tenant within said thirty (30) day period, then Tenant shall be deemed to have elected to have the damage repaired and not to have elected to terminate the Lease.

D. Repairs to Building, Premises, or Improvements. If any damage is required to be repaired pursuant to this Section 12 or Tenant has elected to have such damage repaired, the Premises shall be restored to substantially the same condition as they were in immediately before the damage as promptly as is commercially reasonable. To the extent the damage is caused by a risk covered by Required Insurance, such repairs shall be made from the proceeds of such insurance and the proceeds of such insurance shall be made available to Tenant for such purpose. Tenant shall be responsible for covering any costs of such repairs in excess of the proceeds from the Required Insurance. All work shall be performed in a good and workmanlike manner and shall be completed as promptly as is reasonably possible and in accordance with all applicable laws. Commencement of the repair and restoration shall require (i) securing the area to prevent injury to persons and/or vandalism to the Premises, the building and any other improvements and (ii) the placement of a work order or contract for obtaining the labor and materials to accomplish the repair and restoration.

E. Termination of Lease if Unable to Repair or Restore. Notwithstanding any provision contained in this Lease to the contrary, if the applicable laws existing at the time of the damage do not permit the repair or restoration required or allowed under the Lease, either Party may terminate this Lease by giving sixty (60) days' written notice to the other Party. If this Lease is terminated pursuant to any of the provisions in this Section 12.E and no Event of Default has occurred and is continuing, the proceeds of any and all Required Insurance shall be the sole property of Tenant. Tenant shall be required to use such proceeds to clear the site or abate potential nuisances due to damage. If the proceeds of any Required Insurance are received by Landlord, such proceeds shall be promptly paid to Tenant, less any expenses incurred by Landlord in clearing the site or abating potential nuisances due to the damage. Tenant hereby waives its rights pursuant to California Civil Code §§ 1932(1), 1932(2) and 1933(4).

13. DEFAULT.

A. Default by Tenant.

(1) Default. The occurrence of any of the following shall constitute a default and breach of this Lease (each an "**Event of Default**"):

(a) A failure to pay Rent payable by Tenant under the terms of this Lease within three (3) business days after such Rent is due, without the need for written notice of such failure from Landlord.

(b) A failure by Tenant to observe and perform any agreement, term, covenant or condition in this Lease applicable to Tenant ("**Tenant's Obligations**") when such failure continues for thirty (30) days after written notice thereof to Tenant; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion, which in no event shall be more than sixty (60) days from receipt of the written notice described above.

(c) Using the Premises for anything other than the Permitted Use, or vacating or abandoning the Premises in violation of the terms of this Lease.

(d) Transferring Tenant's interest in this Lease in violation of Section 16.

(e) The filing by Tenant hereunder in any court pursuant to any statute of a petition in bankruptcy or insolvency or for reorganization or arrangement for the appointment of a receiver of all or a portion of Tenant's property; the filing against Tenant or any guarantor hereunder of any such petition, or the commencement of a proceeding for the appointment of a trustee, receiver or liquidator for Tenant, or of any of the property of Tenant, or a proceeding by any governmental authority for the dissolution or liquidation of Tenant, if such proceeding shall not be dismissed or trusteeship discontinued within sixty (60) days after commencement of such proceeding or the appointment of such trustee or receiver; or the making by Tenant of an assignment for the benefit of creditors.

(2) Remedies. If Tenant commits an Event of Default under this Section 13 and fails to cure such default within the time period provided in this Lease (in lieu of any statutory requirements), then Landlord shall have the right to pursue any and all remedies available at law or in equity, including without limitation, the right to (a) terminate this Lease or (b) so long as Landlord or its assignee does not terminate Tenant's right to possession, this Lease shall continue in effect and Landlord or its assignee shall have the right enforce all of its rights and remedies under this Lease, including the right to recover Base Rent payments as they become due hereunder pursuant to Section 1951.4 of the California Civil Code.

B. Default by Landlord. Landlord shall in no event be in default under this Lease unless Landlord shall neglect or fail to perform any of its obligations hereunder and shall fail to remedy the same within twenty (20) business days after notice from Tenant to Landlord specifying such neglect or failure, or if such failure is of such a nature that Landlord cannot reasonably remedy the same within such twenty (20) business day period, Landlord shall fail to commence promptly (and in any event within such twenty (20) business day period) to remedy the same and to prosecute such remedy to completion with diligence and continuity. In no event shall Landlord be liable for any damages based on a default, including without limitation, any special, consequential, or punitive damages. Tenant's sole and exclusive remedy in the event of a default by Landlord shall be to terminate this Lease upon written notice to Landlord. If such written notice is so given, this Lease shall terminate and the Parties shall have no further liabilities or obligations hereunder, except as to indemnification obligations for actions or events occurring prior to the date of such termination, to the extent specifically provided for in this Lease.

14. WAIVER OF CONDITIONS OR COVENANTS. Any waiver by Landlord of any breach or any one or more of the covenants, conditions, terms and agreements of this Lease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term, or agreement of this Lease, nor shall failure on the part of Landlord to require exact, full and complete compliance with any of the covenants, conditions, terms, and agreements of this Lease be construed as in any manner changing the terms hereof, nor shall the terms of this Lease be changed or altered in any manner whatsoever other than by written agreement between Landlord and Tenant. No delay, failure, or omission of Landlord to re-enter the Premises or to exercise any right, power, privilege, or option, arising from any default shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. No notice to Tenant shall be required to restore or revise "time is of the essence" after the waiver by Landlord of any default. No option, right, power, remedy, or privilege of Landlord shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options, and remedies given Landlord by this Lease shall be cumulative. Any waiver by Landlord must be in writing to be effective.

15. EMINENT DOMAIN. Subject to Section 19 of the Facilities Lease, if the whole or any part of the Premises shall be taken by any paramount public authority under the power of eminent domain, then the Term of this Lease shall cease as to the part so taken from the day the possession of that part shall be taken for any public purpose, and from that day Tenant shall have the right to either cancel this Lease or to continue in the possession of the remainder of the Premises under the terms herein provided. All damages awarded for such taking shall belong to and be the property of Landlord; provided, however, that Landlord shall not be entitled to any portion of the

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award made for loss of personal property, equipment, and trade fixtures belonging to Tenant immediately prior to the taking of possession by the condemning authority. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure.

16. ASSIGNMENT/SUBLETTING.

A. No Assignment/Subletting. Except for a Permitted Transfer, as that term is defined below, Tenant shall not, without Landlord's prior written consent, either directly or indirectly give, assign, sublease, mortgage, pledge, hypothecate, encumber, transfer, grant control of, or permit any lien to attach to, this Lease or any interest, right, or privilege therein (each a "**Transfer**"). A Transfer in violation of this Lease shall be a Default (as defined in Section 21).

(1) Notwithstanding the foregoing, provided that: (a) Tenant is not then in default under this Lease; (b) the proposed transferee's services are aligned with targeting underserved communities and in furtherance of the public interest; (c) Tenant provides written notice to Landlord not less than ten (10) days prior to the effective date of any such transfer; and (d) the proposed transferee executes and delivers to Landlord, within thirty (30) days after the effective date of any such transfer, an instrument containing an express assumption of all of Tenant's obligations under this Lease, then Tenant shall have the right without Landlord's prior written consent and without a transfer fee, to enter into an assignment or sublease with (each a "**Permitted Transfer**"): (i) any subsidiary entity of Tenant or subsidiary of Tenant's parent, (ii) Tenant's parent entity, (iii) any entity succeeding to all or substantially all of the stock or assets of Tenant as a result of a sale as a going concern, consolidation or merger, (iv) a corporation or other business entity of which Tenant owns in excess of fifty percent (50%) of the outstanding capital stock and/or such corporation or other business entity has in excess of fifty percent (50%) common ownership with Tenant, (v) a business entity which has acquired all, or substantially all, of the outstanding capital stock or equity interest of Tenant or all or substantially all of the assets of Tenant; (vi) a centralized entity comprised of a "roll-up" of Tenant with some or all of the other affiliates of Tenant or Tenant's parent; (vii) in connection with the transfer of any stock in Tenant to a subsidiary, affiliate, or controlling corporation (direct or indirect), or to the holder or holders of the majority of the issued or outstanding capital stock of Tenant; or (viii) the transfer of any stock in connection with a public offering and/or that is publicly traded on a recognized national or international stock exchange or over the counter.

(2) [In addition, Tenant shall have the right, without Landlord's prior written consent and without a transfer fee, to enter into a sublease (a "**Social Equity Franchisee Sublease**") with a Social Equity Franchisee (as defined below), provided that: (a) Tenant is not then in default under this Lease; (b) Tenant provides Landlord with written notice of the Social Equity Franchisee Sublease, including a reasonable detailed description of the proposed terms and any other information reasonably requested by Landlord no later than sixty (60) days prior to the intended effective date thereof; (c) the Social Equity Franchisee expressly agrees to be contractually obligated to perform all of Tenant's obligations under this Lease; (d) Tenant delivers to Landlord a fully executed copy of the Social Equity Franchisee Sublease no later than ten (10) days prior to the intended effective date of the Social Equity Franchisee Sublease; and (e) Tenant shall not be released from its obligations, and shall remain fully and primarily liable, under this

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Lease. As used herein, a “**Social Equity Franchisee**” shall mean a franchisee that: (i) meets the qualifications, and has satisfied the requirements, set forth in Landlord’s Social Enterprise Preference Program; (ii) is otherwise approved and trained by Franchisor; (iii) has fully completed the franchise training program required under the terms of Tenant’s Social Equity Franchisee Program, a description of which is attached hereto as Exhibit D; (iv) will continue to operate the Premises for the Permitted Use; and (v) will continue to be mentored by Tenant during the Term of the Social Equity Franchisee Sublease.]

B. Tenant Remains Obligated. No assignment or sublease shall release Tenant from its obligations set forth in this Lease. The acceptance by Landlord of any payment due hereunder from any other person or entity shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment or subletting. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the Premises shall not operate as a waiver or estoppel to the future enforcement by Landlord of its rights pursuant to the provisions of this Lease.

17. TENANT’S FIXTURES AND PERSONAL PROPERTY. Tenant may remove, at its own expense, during or at the expiration of the Term or other termination of this Lease, all Tenant Equipment placed or installed in or upon the Premises by Tenant, provided no Event of Default has occurred and is continuing. Tenant agrees that if so instructed by Landlord, Tenant shall remove, at its own expense, at the expiration or early termination of the Term, or any holdover period thereof, all Tenant Equipment placed or installed in or upon the Premises by Tenant. In the event Tenant removes any of the Tenant Equipment pursuant to this Section 17, Tenant shall restore the Premises to the original condition which existed upon the Commencement Date of this Lease, repair any damage to the Premises occurring as a result of such removal, and leave the Premises in broom clean condition, ordinary wear and tear excepted. If Tenant fails to remove all such Tenant Equipment and any other of Tenant’s effects from the Premises upon the expiration or earlier termination of this Lease for any cause whatsoever, Landlord may, at its option, remove the same in any manner that Landlord may choose without thereby incurring any liability to Tenant and may (i) store said effects, in which case Tenant shall pay Landlord upon demand all expenses incurred in such removal, including court costs and attorneys’ fees and storage charges for such effects for any length of time that the same shall be in Landlord’s possession, and/or (ii) upon giving such notice, if any, as may be required by law, sell said effects, or any of the same, at private sale and without legal process, for such price as Landlord may obtain and apply the proceeds of such sale to any amounts due under this Lease from Tenant to Landlord and to the expense incident to the removal and sale of said effects.

18. HAZARDOUS SUBSTANCES.

A. Definition. For purpose of this Lease, the term Hazardous Substances shall be deemed to include “hazardous substances” as defined in California Health and Safety Code Section 25316, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

B. Warranties, Representations, and Covenants. Tenant hereby warrants, covenants, and represents that it shall not cause the presence, use, storage, or disposal of any

Hazardous Substances on or about the Premises without the prior written consent of Landlord, in its sole discretion. Tenant further warrants, covenants, and represents that it shall comply with all applicable laws and regulations concerning the use, release, storage, and disposal by Tenant, its agents, and contractors of Hazardous Substances on the Premises. Tenant waives any and all claims, caused by any Hazardous Substances both known and unknown by Tenant to exist at, in, or on the Premises as of the Effective Date of this Lease, and shall indemnify, defend, save and hold harmless Landlord and the Landlord Indemnitees, from and against any and all liability, expense (including defense costs and legal fees), and claims for damages caused by any Hazardous Substances known by Tenant to exist at, in or on the Premises as of the Effective Date of this Lease. This indemnification obligation shall survive the expiration of this Lease.

C. Notice. Tenant shall immediately notify Landlord when Hazardous Substances have been released on the Premises, upon becoming aware of the same.

D. Indemnity. Tenant shall indemnify, defend, and hold harmless Landlord and the Landlord Indemnitees from and against all Claims which arise out of the presence or release of Hazardous Substances on the Premises, which is caused by Tenant or the Tenant Parties, but excluding the mere discovery of (i) a preexisting condition not exacerbated by Tenant or the Tenant Parties, and/or (ii) Hazardous Substances which migrate onto the Premises from property not leased by Tenant. The indemnity provided by this Section 18 shall survive the termination of this Lease.

E. Default. Tenant's failure to comply with the provisions of this Section 18 may, in Landlord's sole discretion, be deemed an Event of Default and entitle Landlord to all rights and remedies as set forth in Section 13.

19. SURRENDER OF THE PREMISES; HOLDING OVER. On the expiration or earlier termination of the Term, Tenant shall quit and surrender to Landlord the Premises vacant, broom-clean, and in good order and condition, ordinary wear and tear excepted. Landlord may specify in writing those Alterations and improvements that are required to be restored and the specific items that are to be removed and those that are allowed to remain, subject to Section 21. Tenant shall comply with such request in addition to removing from the Premises the Tenant Equipment and Tenant's signs and immediately repair any damage occasioned to the Premises by reason of such removal so as to leave the Premises in a neat and clean condition. No act or thing done by Landlord or any agent or employee of Landlord during the Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. Tenant shall deliver to Landlord all keys and security cards to the Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant, and shall inform Landlord of the combination of each lock, safe and vault, if any, in the Premises. If Tenant fails to vacate the Premises on the last day of the Term in the condition required hereunder, Landlord shall be entitled to re-enter without process and without notice (any notice to quit or of re-entry being expressly waived) using such force as may be reasonably necessary, and alternatively, shall have the benefit of all provisions of applicable law respecting the speedy recovery of possession of the Premises (whether by summary proceedings or otherwise) to the same extent as if statutory notice had been given. In addition to and not in limitation of the foregoing, occupancy subsequent to the last day of the Term

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(“**Holdover Occupancy**”) shall be a tenancy at will, subject to the terms of this Lease and the County-LACF2 Lease. Landlord shall also be entitled to recover all damages, including lost business opportunity regarding any prospective tenant for the Premises, suffered by Landlord as a result of Tenant’s Holdover Occupancy.

20. TENANT IMPROVEMENTS.

A. Tenant shall, at its sole cost and expense, design and construct the improvements necessary for the Permitted Use (the “**Tenant Improvements**”) subject to, and in accordance with, plans and specifications prepared by Tenant or its architect (the “**Plans**”) reviewed and approved by Landlord. As of the Effective Date, Tenant has submitted the Plans to Landlord for review and approval, which are pending with County as Case No. _____. Tenant shall be responsible for all mudding, taping, finishing, and painting within the tenant space. Any improvements contemplated by Tenant that are not included in the approved Plans shall remain subject to Landlord’s prior written approval pursuant to Section 21.

B. Landlord shall have until fifteen (15) days after the Effective Date to review and approve the proposed Plans. If Landlord delivers a notice of disapproval within such fifteen (15) day period, then the Parties shall engage in good faith efforts to resolve all disapproved aspects of the Plans within fifteen (15) days after such notice of disapproval is received by Tenant. If Landlord has not provided Tenant with a written approval or disapproval within fifteen (15) days after the Effective Date, Landlord shall be deemed to have disapproved the proposed Plans.

C. Tenant shall have sixty (60) days after the Effective Date to obtain all approvals required by applicable governmental authorities to construct the Tenant Improvements (the “**Construction Permits**”) and Tenant’s obligation to commence construction of the Tenant Improvements shall be contingent upon Tenant receiving the Construction Permits. Tenant shall use commercially reasonable efforts to obtain the Construction Permits. If, despite Tenant’s commercially reasonable efforts, Tenant has not obtained its Construction Permits within sixty (60) days after the Effective Date, Tenant shall have the right to extend the permitting period for two (2) additional periods of thirty (30) days each upon written notice to Landlord.

D. Tenant shall commence construction (“**Commencement of Construction**”) of the Tenant Improvements by not later than thirty (30) days after the issuance of Construction Permits and shall complete construction of the Tenant Improvements within forty-five (45) days after Commencement of Construction, subject to Force Majeure and/or a Pre-Opening Delay (as defined in Section 20.E). All Tenant Improvements, including any improvements approved by Landlord subsequent to the initial approval of the Plans, shall be constructed at Tenant’s sole cost and expense, including, but not limited to, all costs incurred in connection with design, permitting, labor and materials. Notwithstanding the foregoing, in the event that Tenant has not completed construction of the Tenant Improvements within sixty (60) days after receipt by Tenant of its Construction Permits, then, subject to a Pre-Opening Delay, Rent shall nevertheless commence on the Commencement Date.

E. In the event the opening of Tenant’s business to the public is delayed due to supply chain delays, then, the Commencement Date may be tolled one (1) day for each day of

any such delay, up to a maximum of sixty (60) days (a “**Pre-Opening Delay**”), provided that Tenant delivers to Landlord not less than fourteen (14) days prior to the originally scheduled Commencement Date (the “**Original Commencement Date**”) written notice describing in reasonable detail the nature of the delay and providing documentation reasonably satisfactory to Landlord evidencing the following: (1) that Tenant has promptly ordered materials, furniture, fixtures and/or equipment that are essential to Tenant's opening to the public; (2) that supply chain delays, which are beyond Tenant’s control, have caused delays in the delivery of such materials, furniture, fixtures and/or equipment to Tenant; and (3) that such delays have caused actual delays in Tenant’s critical path schedule for opening to the public (collectively, a “**Pre-Opening Delay Notice**”). Landlord shall have three (3) business days from the date of receiving the Pre-Opening Delay Notice to approve or disapprove the Pre-Opening Delay Notice. If Landlord has not provided Tenant with a written approval or disapproval of the Pre-Opening Delay Notice within three (3) business days of its receipt thereof, Landlord shall be deemed to have disapproved the Pre-Opening Delay Notice and the Original Commencement Date shall be deemed to be the Commencement Date.

21. ALTERATIONS. Subject to Section 20, and except as herein after provided Tenant shall make no additions, installations, improvements, replacements or alterations in or to the Premises, including without limitation, any artwork to be painted on any portion of the Premises (hereinafter “**Alterations**”) without the prior written consent of Landlord, which shall not be unreasonably withheld. Consent shall be given or denied within thirty (30) days of receipt of written request, which request shall include a complete set of plans and/or designs, where applicable, and the estimated cost of such Alterations. If Landlord has not provided written approval or disapproval within thirty (30) days of Tenant’s request, Landlord shall be deemed to have disapproved Tenant’s request. Additionally, Landlord may condition its approval thereof upon the delivery by Tenant of payment in full for such Alterations into an escrow account held by Landlord or, at Tenant’s own cost and expense, completion and lien indemnity bonds, satisfactory to Landlord, for said Alterations. All Alterations made by or for Tenant shall be done in a good and workmanlike manner and diligently prosecuted to completion, in compliance with applicable law. Any Alterations in or to any part of the Base Building or the exterior of the Premises that would be visible to the public shall require Landlord’s consent, in its sole and absolute discretion, and if approved, shall be performed only by contractors approved by Landlord. Landlord, in its sole and absolute discretion, may require Tenant to remove any unapproved Alterations at Tenant's sole cost and expense, and immediately repair any damage occasioned to the Premises by reason of such removal so as to restore the Premises to the original condition which existed upon the Commencement Date of this Lease.

22. SECURITY. Tenant shall be solely responsible for security measures at the Premises. Tenant acknowledges that as of the Commencement Date, Landlord has not and will not undertake any duty whatsoever to provide security for the Premises and, accordingly, Landlord is not responsible for the security of same or the protection of Tenant's property or Tenant’s employees, invitees, clients, or contractors from any cause whatsoever, including but not limited to criminal and/or terrorist acts. To the extent Tenant determines that such security or protection services are advisable or necessary, Tenant shall arrange for and pay the costs of providing same. Landlord shall have no responsibility to prevent, and shall not be liable to Tenant for losses due to theft, burglary or other criminal activity, or for damages or injuries to persons or property resulting

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LACF2 - Los Angeles County Facilities Lease

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from persons gaining access to the Premises, and Tenant hereby releases Landlord and the Landlord Indemnitees from all liabilities for such losses, damages or injury, regardless of the cause thereof, except to the extent that such losses, damages or injury are caused by or result from Landlord's gross negligence or willful misconduct.

23. LANDLORD'S RIGHTS OF ACCESS. Landlord, its agents and representatives, shall have the right (without any obligation so to do) to enter the Premises, in its capacity as Landlord, (i) to inspect the same, (ii) to exercise such rights as may be permitted hereunder, (iii) to make repairs or alterations to the Premises, (iv) to make repairs or perform other obligations if Tenant fails to do so as required hereunder (but Landlord shall have no duty whatsoever to make any such inspections, repairs, alterations, additions or improvements except as otherwise expressly provided in this Lease), (v) to deal with emergencies, (vi) to post such notices as may be permitted or required by law to prevent the perfection of liens against Landlord's interest in the Premises, (vii) to exhibit the Premises to prospective concessionaires during the twenty four (24) months preceding expiration of the Term and at any reasonable time during the Term, or (viii) for any other purpose as Landlord may deem necessary or desirable. Notwithstanding the foregoing, Landlord will use commercially reasonable efforts not to interfere with Tenant's ability to conduct business in the Premises during any such entry by Landlord. Tenant shall not be entitled to any abatement of rent or other charges, and Landlord shall not be deemed guilty of an eviction, actual or constructive, or any violation of Tenant's quiet enjoyment of the Premises on account of Landlord's access to the Premises pursuant to the provisions of this Section 23 or any other provision of this Lease or applicable law, except to the extent Tenant suffers losses as a result of Landlord's gross negligence or willful misconduct.

24. COUNTY'S LOBBYISTS. Tenant and each lobbyist or lobbying firm, as defined in Los Angeles County Code Section 2.160.010, retained by Tenant, if any, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Tenant or any Landlord's lobbyist or Landlord lobbying firm retained by Tenant to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Lease upon which Landlord may immediately terminate or suspend this Lease.

25. NOTICES. All notices or requests required or permitted under this Lease shall be in writing, shall be (i) personally delivered, (ii) sent by certified or registered mail, return receipt requested, postage prepaid, (iii) by nationally recognized overnight courier and shall be deemed given when so delivered or received; or (iv) by electronic mail, provided that any notice of default must also be sent using one of the other forms of notice. All notices or requests to any Party shall be sent to all other Parties as follows:

If to Landlord:

Los Angeles County Facilities 2 Inc.
c/o Public Facilities Group
1700 Seventh Ave., Suite 2100, PMB 552
Seattle, WA 98101
Attention: John Finke
Email: johnfinke@publicfacilitiesgroup.org

With a copy to:

Hillis Clark Martin & Peterson P.S.
999 Third Avenue, Suite 4600
Seattle, WA 98104
Attention: Matthew W. Markovich
Email: matt.markovich@hcmp.com

With a copy to:

County of Los Angeles
Chief Executive Office, Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Dean Lehman, Senior Manager

If to Landlord (for payment of Rent):

Los Angeles County Facilities 2 Inc.
CBRE Inc AAF Vermont Corridor
P.O. Box 82552
Goleta, California 93118-2552

If to Tenant:

With a copy to:

Notwithstanding the foregoing, any Party may update its notice address by providing notice to all other Parties in accordance with this Section 25.

26. **PARKING.** Tenant, and Tenant’s employees, agents, representatives and contractors (collectively, “**Tenant’s Parking Users**”) shall have the non-exclusive right to use ____ (___) parking spaces in the parking lot for the Project, or other parking facilities provided by Landlord, on a first-come, first-served basis. Tenant shall use commercially reasonable efforts to enforce compliance among all of Tenant’s Parking Users with the rules and regulations concerning the use of the parking facilities promulgated by Landlord from time to time, including but not limited to display of a parking permit or other parking authorization reasonably required by Landlord. Tenant shall furnish Landlord, upon Landlord’s request, the license numbers of all

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motor vehicles operated by Tenant and Tenant's Employees, Tenant's failure to comply with the provisions of this Section 26, or to enforce such compliance by Tenant's Parking Users, shall be an Event of Default under Section 13(A)(1)(b).

27. LIABILITY OF LANDLORD. For the satisfaction of any remedy of Tenant for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder, Tenant shall look solely to Landlord's estate and interest in the Project (or the proceeds from same); and no other property or assets of Landlord, no property or assets of any general partner of Landlord, and no property or assets of any director, shareholder, officer or employee of Landlord or of any corporate general partner of Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, the relationship of Landlord and Tenant hereunder, or Tenant's use or occupancy of the Premises.

28. SIGNS. During the Term, Tenant shall be entitled to signage identifying the Premises as _____ ("**Tenant's Signage**"). All of Tenant's Signage shall comply with applicable laws and regulations, and shall be provided and installed by Tenant at its sole cost and expense, following receipt of prior written approval from Landlord. Upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's sole cost, cause the removal of Tenant's Signage and repair any damage resulting from such removal.

29. RESERVED.

30. GENERAL PROVISIONS:

A. Waiver. The waiver by Landlord or Tenant of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition on any subsequent breach of the same or any other term, covenant, or condition herein contained. All waivers must be in writing to be effective.

B. Marginal Headings. The Section titles in this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

C. Time. Time is of the essence for this Lease and each and all of its provisions in which performance is a factor.

D. Recordation. Tenant may not record this Lease at any time without the prior written consent of Landlord.

E. Binding on Successors. Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Tenant, and whatever the context permits or requires, the successors in interest to Landlord.

F. Prior Agreements. The Lease, the agreements incorporated by reference, and all attachments and exhibits hereto, contain all of the agreements of the Parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended

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or added to except by an agreement in writing signed by the Parties hereto or their respective successors-in-interest. This Lease shall not be effective or binding on any Party until fully executed by both Parties hereto.

G. Force Majeure. Landlord and Tenant shall not be deemed in default with respect to the performance of any of the terms, conditions and covenants of this Lease (other than the payment of Rent or other amounts due hereunder) if Landlord's or Tenant's failure to perform shall be due to any Force Majeure event. In the event either Party is delayed or prevented from performing any of its respective obligations under this Lease (other than the payment of Rent or other amounts due hereunder) due to a Force Majeure event, then the time period for performance of such obligations shall be extended for the period of such delay. Nothing contained in this Section 30.G shall be deemed to extend the Commencement Date or to excuse Tenant's obligation to pay Rent as and when required by the terms of this Lease. As used herein, "**Force Majeure**" means any inability of a Party to perform any non-monetary obligation under this Lease due to fire or other casualty, earthquake, flood, tornado or natural disaster, civil disturbance, war, organized labor dispute, freight embargo, governmental order, or other unforeseeable event beyond the reasonable control of the Party required to perform the subject obligation.

H. Severability. Any provision of this Lease that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

I. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

J. Choice of Law and Forum. This Lease shall be governed by the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the courts of the County of Los Angeles, California.

K. Interpretation. Unless the context of this Lease clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other, (ii) the masculine, feminine and neuter genders shall be deemed to include the others, (iii) "or" is not exclusive, and (iv) "includes" and "including" are not limiting.

L. Solicitation of Consideration. It is improper for any County Officer, employee or agent to solicit consideration, in any form, from a tenant with the implication, suggestion or statement that the tenant's provision of consideration may secure more favorable treatment for the tenant in the award of the lease or that the tenant's failure to provide such consideration may negatively affect County's consideration of the tenant's submission. A tenant shall not offer to or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to award of a lease. Tenant shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller Employee Fraud Hotline. Failure to report such solicitation may result in the termination of this Lease.

M. Title. Tenant hereby acknowledges the title of County in and to the Land, and covenants and agrees never to assail, contest or resist said title.

N. Acknowledgment of Ineligibility for Relocation Assistance. Tenant expressly acknowledges that Tenant will be in possession of the Premises as a result of County's previously acquired property interest. In recognition of such fact, Tenant hereby disclaims any status as a "displaced person" as such is defined in Government Code Section 7260, and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Section 7260 through 7276, inclusive, as interpreted in Title 25, Chapter 6, Section 6034(b)(1) of the California Code of Regulations.

O. No Presumption Against Drafter: Landlord and Tenant agree and acknowledge that: (i) each has, of its own ability, had its own independent counsel review this Lease, (ii) this Lease has been freely negotiated by Landlord and Tenant, and (iii) in the event of any ambiguity, controversy, dispute or disagreement over the interpretation, validity or enforceability of this Lease or any of its covenants, terms or conditions, no inference, presumption or conclusion whatsoever shall be drawn against Landlord by virtue of Landlord's having drafted this Lease.

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

Q. Third Party Beneficiary. Landlord and Tenant agree that County shall be a third-party beneficiary of this Lease with the right to enforce the provisions of this Lease against Tenant, which right shall be in addition to, or in lieu of, Landlord's right to enforce this Lease against Tenant; provided, however, that this Lease shall not create privity of contract between County and either of Landlord or Tenant.

31. COUNTERPARTS; ELECTRONIC SIGNATURES. This Lease and any other document necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and in the form of electronic records and are executed electronically. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The Parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have each caused this Lease to be subscribed in its behalf by its duly authorized officer, on the day, month, and year first above written.

LANDLORD

LOS ANGELES COUNTY FACILITIES 2 INC.,
a California nonprofit public benefit corporation

By: _____

Name: John Finke

Title: President

TENANT

_____,
a(n) _____

By: _____

Name: _____

Its: _____

EXHIBIT A-1
Legal Description of the Land

EXHIBIT A-2

Preliminary Site Plan of the Premises

EXHIBIT B

Building Rules and Regulations

The following Building Rules and Regulations shall apply to the Premises, the Property, the Building, parking areas associated therewith, and the appurtenances thereto:

1. The Building is open to tenants from 6:00AM to 8:00 PM.
2. The Building is open to the public from 7:00 AM to 5:00 PM, Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be obstructed by Concessionaire or its invitees, guests, and agents (“Concessionaire Parties”) or used by any occupant for purposes other than ingress and egress to and from their respective Premises and for going from one to another part of the Premises, as applicable.
3. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any such fixtures or appliances from misuse by Concessionaire Parties shall be repaired or replaced by Concessionaire.
4. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors of the Premises.
5. Concessionaire shall provide Landlord a copy of the for all door lock(s) in the Premises. Landlord shall furnish to Concessionaire a reasonable number of keys/access cards to service areas of the building, and Concessionaire shall not make duplicates thereof. Concessionaire must, upon the termination of Concessionaire’s occupancy, restore to Landlord all keys/access cards, either furnished to or otherwise procured by Concessionaire and, in the event of the loss of any keys/access cards so furnished, Concessionaire shall pay to building management the cost thereof.
6. Movement in or out of the Premises of furniture or equipment, or dispatch or receipt by Concessionaire of any bulky material, merchandise or materials shall be conducted in a safe manner. Concessionaire assumes all risks of and shall be liable for all damage to articles moved and injury to persons or public engaged or not engaged in such movement, as a result of acts in connection with carrying out this service for such Concessionaire.
7. No birds or animals (other than service animals) shall be brought into or kept in, on or about the Premises.
8. Concessionaire shall not make or permit any vibration or improper, objectionable or unpleasant noises or odors in the Premises. All equipment of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings shown on Tenant’s Plans as approved by Landlord, to absorb or prevent any unreasonable vibration, noise and annoyance.
9. Concessionaire shall not use or keep in the Premises any flammable or explosive fluid or substance.

10. Landlord will not be responsible for lost or stolen personal property, money or jewelry from the Premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

14. Concessionaire may not enter into phone rooms, electrical rooms, mechanical rooms, or other service areas of the Building unless accompanied by building management employee(s).

15. Concessionaire shall not permit its employees, invitees or guests to smoke in the Premises, including the lobbies, passages, corridors, elevators, rest rooms, stairways or any other areas. Nor shall Concessionaire permit its employees, invitees, or guests to loiter at the Premises' entrances for the purposes of smoking.

16. Canvassing, soliciting or peddling in or about the Premises is prohibited and Concessionaire shall cooperate to prevent same.

17. Building management reserves the right to prevent access to the Premises or Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

18. Concessionaire shall not use the Premises for any business or activity other than that specifically provided for in this Lease.

19. Concessionaire shall not install any radio or television antenna, loudspeaker or other devices on the roof or exterior walls of the Premises. Concessionaire shall not go upon the roof of the Building.

20. Concessionaire shall store all its trash and garbage within the Premises or in other facilities provided by Landlord. Concessionaire shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by building management.

21. Concessionaire shall not use the name of the Premises in connection with or in promoting or advertising the business of Concessionaire.

22. Concessionaire shall comply with all safety, fire protection and evacuation procedures and regulations established by building management or any governmental agency from time to time.

23. No firearms of any kind shall be permitted within the Premises.

24. Concessionaire shall not obstruct, alter, or in any way impair the efficient operation of buildings heating, ventilating and air-conditioning system.

25. Concessionaire shall not waste electricity or water and agrees to cooperate in implementing conservation measures.

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26. No cooking shall be done on the Premises (although heating in a microwave shall be permitted), nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes.

27. Landlord reserves the right to exclude or expel from the Premises any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

28. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

29. These Rules and Regulations are in addition to and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of this Lease between Landlord and Concessionaire.

30. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Premises and for the preservation of good order therein. Concessionaire agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted.

31. Concessionaire shall be responsible for the observance of all of the foregoing rules by Concessionaire's employees, agents, clients, customers, invitees and guests.

EXHIBIT C
Trash Plan

EXHIBIT D

Social Equity Franchise Program

[see attached summary]

EXHIBIT E

Tenant Improvements

[to be inserted]

EXHIBIT F

Common Use Agreement

Los Angeles County Facilities 2 Inc. (the "Owner") ground leases the property located at 550 S. Vermont Avenue and 3175 West 6th Street in Los Angeles, California (the "Property"), and Owner has hired _____ (the "Manager") to manage the Property. Owner certifies that the following conditions exist at the Property:

1. Restroom facilities [of the listed food facility] must comply with all local applicable Building and Safety, Plumbing and Mechanical codes[, as well as the California Retail Food Code, including, but not limited to: Sections 113953, 114190, 114192, 114197, 114250, 114250.1, 114268, 114269, 114271, 114276, 114279-114282]. These restroom facilities have also been provided for the use of employees and customers in the following [food] facilities:
 - a. _____
2. Common use restroom and/or janitorial facilities shall not be located within another business. These facilities will be accessible to all employees and customers of the food facility listed in 1.a, above, at all times.
3. [Food facilities that sell or give away alcoholic beverages for consumption on the premises may not designate common restrooms for use by employees or the public. These facilities must provide restrooms for each gender within the food facility structure. (Los Angeles County Code Title 11.38.570).]
4. Owner and Manager shall have sole control of all common areas including the common restroom facilities.
5. Manager has an on-site office which is staffed by personnel responsible for the maintenance of the designated common restroom facilities. The restroom facilities shall be available during all hours of operation to the customers and employees of the above stated food facilities. The restroom facilities shall be maintained clean, in good repair, and constantly supplied with single-service soap, disposable towels, toilet paper and an adequate supply of cold and hot water (100°F-108°F) at hand wash sinks for a minimum of 15 seconds. Designated personnel will be on duty during all hours of operation of the food facilities utilizing the common restroom facilities for maintenance purposes.

Owner has reviewed the requirements of Los Angeles County Environmental Health, and agrees to continue to meet these requirements in the future. Owner is aware, and has notified each food facility named in this letter, that approved restroom facilities may be required within the premises of the food facility if the conditions of this agreement are violated at any time.

Sincerely:

_____, as agent for Los Angeles County Facilities 2 Inc.

By: _____

Name: _____

Title: _____

EXHIBIT U
COUNTY ART POLICY

ENCLOSURE C

ANALYSIS

This ordinance authorizes a public leaseback pursuant to California Government Code section 54241 of certain real property in the City of Los Angeles, County of Los Angeles, the addresses of which are 550 South Vermont Avenue and 3175 West 6th Street, and improvements, furniture, fixtures and equipment on such property consisting of (i) approximately 154,793 gross square feet of existing space renovated to Class A office space, including two ground floor retail spaces of approximately 1,000 square feet each, (ii) an extension of the existing building floorplates to include an additional approximately 88,340 gross square feet of new Class A office space, for a total of approximately 243,133 gross square feet of Class A office space, (iii) approximately 12,050 gross square feet of renovated subterranean back-of-house support space, (iv) an elevated pedestrian walkway connecting the existing office building to the terrace level of the neighboring office building commonly known as 510 South Vermont Avenue, and (v) approximately 10 surface parking spots and landscaping, all to serve as office space and related ancillary facilities for various County departments, commissions and staff.

DAWYN R. HARRISON
County Counsel

By _____
DEBBIE Y. CHO
Senior Deputy County Counsel
Government Services Division

DYC:lp

Requested: []/[]/24
Revised: []/[]/24

ORDINANCE NO. _____

An ordinance authorizing a public leaseback to Los Angeles County Facilities 2 Inc., a California nonprofit public benefit corporation, pursuant to the requirements of California Government Code section 54241.

The Board of Supervisors of the County of Los Angeles (the “Board of Supervisors”) ordains as follows:

SECTION 1. Findings. The Board of Supervisors finds that:

A. The County of Los Angeles (the “County”) is the owner of certain real property within the County, in the City of Los Angeles, the street addresses of which are 550 South Vermont Avenue and 3175 West 6th Street (collectively, the “Land”).

B. Los Angeles County Facilities 2 Inc. (“LACF2”) is a California nonprofit public benefit corporation formed for the purposes of (i) assisting in the erection and maintenance of public buildings, monuments, facilities, housing, or works, (ii) combatting community deterioration and carrying out neighborhood revitalization and community economic development, (iii) promoting social welfare and education through cooperative programs with governmental entities, (iv) undertaking activities which lessen the burdens of government, (v) serving as a supporting organization described in section 509(a)(3) of the Internal Revenue Code of 1986 authorized to benefit, perform the functions of, and/or assist in carrying out the governmental purposes of the County, a body corporate and politic; and (vi) carrying on other charitable activities associated with the foregoing purposes as allowed by law.

C. LACF2’s powers include entering into lease agreements and issuing bonds consistent with such purposes on behalf of the County.

D. In accordance with California Government Code (the “Government Code”) section 54240 *et seq.* authorizing public leasebacks, the County desires to lease the Land to LACF2 pursuant to a Ground Lease Agreement, by and between the County and LACF2 (the “Ground Lease”), in order for LACF2 to design, develop, permit, and construct improvements and install furniture, fixtures and equipment on the Land consisting of (i) renovation and expansion of the existing office building comprised of (a) approximately 154,793 gross square feet of existing space renovated to Class A office space, including two ground floor retail spaces of approximately 1,000 square feet each, (b) an extension of the existing building floorplates to include an additional approximately 88,340 gross square feet of new Class A office space, for a total of approximately 243,133 gross square feet of Class A office space, (c) approximately 12,050 gross square feet of renovated subterranean back-of-house support space, and (d) an elevated pedestrian walkway connecting the existing office building to the terrace level of the neighboring office building commonly known as 510 South Vermont Avenue ((a), (b), (c), and (d) collectively, the “Office Building”), (ii) installation of approximately 10 surface parking spots (“Surface Parking Spaces”) and landscaping located on the Land; and (iii) demolition of the existing 52,000 square foot former Department of Workforce Development, Aging and Community Services headquarters and adjacent two-story parking structure located on the Land, all to serve as office space and related ancillary facilities for various County departments, commissions and staff (collectively, the “Project”).

E. The County will sublease the Land, the Office Building, the Surface Parking Spaces, landscaping and such other improvements as may be located on the Land from time to time (collectively, the “Premises”) back from LACF2 pursuant to a Facilities Lease

Agreement, between LACF2, as sublandlord, and the County, as subtenant (the “Facilities Lease”).

F. The purpose of this ordinance is to authorize a public leaseback pursuant to Government Code section 54241.

G. Government Code section 54241 requires the adoption of this ordinance prior to entering into a formal agreement with the public leaseback corporation for a term that exceeds five years.

SECTION 2. Authorization of Public Leaseback.

A. The form of the Ground Lease, by and between the County and LACF2, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, including any person serving in such office on an interim or acting basis (the “Executive Officer-Clerk”), is hereby approved, and the Chair of the Board of Supervisors, and such other member of the Board of Supervisors as the Chair may designate, the Treasurer and Tax Collector of the County (the “Treasurer”), the Chief Executive Officer of the County (the “Chief Executive Officer”) or any other person or persons designated by the Treasurer or the Chief Executive Officer (collectively, the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Ground Lease in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

B. The form of the Facilities Lease, by and between LACF2 and the County, submitted to and on file with the Executive Officer-Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on

behalf of the County, to execute and deliver the Facilities Lease in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the principal portions of the base rent payable under the Facilities Lease shall not exceed \$260,000,000, the term of the Facilities Lease shall not exceed 40 years (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest portions of the base rent shall not exceed 6.00% per annum.

SECTION 3. Subject to Referendum.

The Ground Lease and the Facilities Lease herein approved are subject to referendum as provided by California Elections Code section 9140 *et seq.*

SECTION 4. Effective Date.

This ordinance shall become effective 30 days from the date of final passage pursuant to Government Code section 25123.

SECTION 5. Publishing Requirement.

This ordinance shall be published before the expiration of fifteen (15) days after its passage and adoption pursuant to Government Code section 25124.

ENCLOSURE D

DEVELOPMENT AGREEMENT

Between

**LOS ANGELES COUNTY FACILITIES 2 INC.
a California nonprofit public benefit corporation**

and

**TC LA DEVELOPMENT, INC.
a Delaware corporation**

Dated as of _____, 2024

**Vermont Corridor Site 2
Los Angeles, California**

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “**Agreement**”) is dated for reference purposes as of _____ and is by and between LOS ANGELES COUNTY FACILITIES 2 INC., a California nonprofit public benefit corporation (“**Owner**”), and TC LA DEVELOPMENT, INC., a Delaware corporation (“**Developer**”). Owner and Developer are each occasionally referred to herein as a “**Party**” or collectively as the “**Parties**.”

RECITALS

A. Owner is the tenant under that certain Ground Lease dated for reference purposes as of [_____], 2024 (the “**Ground Lease**”), in which the County of Los Angeles a public body, corporate and politic (“**County**” or “**Tenant**”), a political subdivision of the State of California, is the landlord and pursuant to which Owner leases that certain real property in the City of Los Angeles, County of Los Angeles, California, the address of which is 550 South Vermont Avenue and 3175 West 6th Street and which is legally described on the attached Exhibit A (collectively, the “**Premises**”).

B. Pursuant to California Government Code Sections 25351 and 25536(c), Owner desires to undertake a project consisting of (i) the design, development, permitting, and construction of improvements and installation of furniture, fixtures and equipment on the Premises consisting of renovation and expansion of the existing office building comprised of (a) approximately 154,793 gross square feet of existing space renovated to Class A office space, including two ground floor retail spaces of approximately 1,000 square feet each, (b) an extension of the existing building floorplates to include an additional approximately 88,340 gross square feet of new Class A office space, for a total of approximately 243,133 gross square feet of Class A Office Space, (c) approximately 12,050 gross square feet of renovated subterranean back-of-house support space, and (d) an elevated pedestrian walkway connecting the existing office building to the terrace level of the neighboring office building commonly known as 510 South Vermont Avenue (the “**Pedestrian Skybridge**”) ((a), (b), (c), and (d) collectively, the “**Office Building**”), (ii) a nonexclusive right to use a minimum of six hundred (600) parking spaces in the parking garage located at 523 Shatto Place (the “**Garage**”), (iii) approximately 10 surface parking spots (“**Surface Parking Spaces**”) and landscaping located on the Premises; and (iv) demolition of the existing 52,000 square foot former Department of Workforce and Development, Aging and Community Service Building and adjacent two-story parking structure located on the Premises; and (iv) demolition of the existing 52,000 square foot former Department of Workforce and Development, Aging and Community Service Building and adjacent two-story parking structure located on the Land (collectively, the “**Project**”). The Project shall be delivered to Tenant in Turnkey Condition as defined in Section 1.

C. Owner, as sublandlord, and County as subtenant are parties to that certain Facilities Lease Agreement of even date herewith (the “**Facilities Lease**”), whereby Owner has agreed to lease the Premises (defined in Section 1) upon substantial completion of the Project, at the rent and subject to all of the terms, covenants and conditions set forth in the Facilities Lease, a copy of which is attached hereto as Exhibit B.

D. Owner desires to retain Developer to develop, oversee and manage the design, permitting, construction, furnishing and equipping phases of the Project in accordance with the terms and conditions of this Agreement. Developer desires to perform development and construction management services in connection with the construction of the Project in accordance with the terms and conditions of this Agreement. Subject to the terms and conditions of this Agreement, Developer warrants to achieve Substantial Completion (defined in Section 1) of the Project no later than the Developer Obligation Date (defined in Section 1) and for a total price not to exceed the Fixed Price (defined in Section 1).

E. Developer will not perform design or construction services. The Parties intend for Owner to contract directly and separately with (i) the General Contractor to construct the Project and (ii) the Architect and such other Contractors or consultants who may be engaged to perform discrete elements of design or construction work on the Project to the extent not covered by the General Construction Contract. If, during the performance of this Agreement, additional construction service contractors are retained, the Owner will contract with them directly or Developer will contract with them on behalf of and acting as the Owner's authorized representative.

F. Owner anticipates that financing for the Project will be obtained through the issuance of Bonds (defined in Section 1). Upon payment in full of the Bonds (and/or other circumstances set forth in the Ground Lease), Owner will convey the Project to County for no additional consideration.

NOW, THEREFORE, in order to fulfill the foregoing objectives, Owner and Developer desire to enter into this Agreement and proceed in accordance with its terms.

1. Definitions. As used herein, the following terms shall have the following meanings:

“**ADA**” means the Americans with Disabilities Act of 1990, as amended from time to time.

“**Agreement**” has the meaning set forth in the Preamble.

“**Architect**” means M. Arthur Gensler Jr. & Associates, Inc., a California corporation, or another qualified architect proposed by Developer and approved by Owner.

“**Bond Closing**” refers to the date the Bond proceeds are made available to the Trustee.

“**Bonds**” means those tax-exempt or taxable obligations to be issued by Owner for design, permitting, construction, furnishing and equipping of the Project pursuant to the Indenture. The tax-exempt Bonds shall satisfy the requirements of Internal Revenue Service Revenue Ruling 63-20, as amended and updated by Internal Revenue Service Revenue Procedure 82-26, and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings. From the proceeds of such Bonds, Owner intends to pay all costs associated with the Ground Lease, the development of the Project for the

Fixed Price, all costs of issuing the Bonds, and capitalized interest during the construction period.

“Business Day” means a day (i) other than a day on which banks located in the State of California, the City of New York, New York, or the city in which the Corporate Trust Office of the Trustee is located are required or authorized to close and (ii) on which the New York Stock Exchange is not closed.

“Civic Art” means art to be installed in accordance with the County’s arts policy and the Construction Documents.

“Commencement of Construction” means the date Developer or Owner executes and delivers a Notice to Proceed to General Contractor.

“Condemnation” has the meaning set forth in Section 21.2(b).

“Construction Contracts” means (i) General Construction Contract and (ii) all other contracts for construction services entered into between Owner, or Developer on behalf of and acting as authorized representative for Owner, and any Contractor, for construction of any portion of the Project not covered by the General Construction Contract.

“Construction Documents” means the Construction Drawings and Detailed Specifications approved, in writing, by Owner with Tenant’s Concurrence, for the construction of the Project, including technical drawings, schedules, diagrams, plans and specifications setting forth in detail the requirements for construction of the Project and providing information customarily required for the use of the building trades.

“Construction Drawings” means, collectively, the drawings setting forth in detail the requirements for the construction of the Project. As used herein, “Construction Drawings” include all graphic and pictorial documents depicting the design, location and dimensions of the elements of the Project (including Tenant Improvements) and include plans, elevations, sections, details, schedules and diagrams for the Project, all of which shall be consistent with the Project Requirements.

“Contract Documents” means the Construction Documents, the Construction Contracts and the other documents identified as Contract Documents in the General Construction Contract, copies of which shall be provided to Tenant.

“Contractors” means the General Contractor and any other construction contractors and design-builders with whom Owner enters into direct contracts upon the written recommendation of Developer, or with whom Developer on behalf of and acting as the Owner’s authorized representative, enters into contracts. The General Contractor shall be subject to Tenant’s Concurrence.

“Costs Resulting from Owner-Caused Delay” means any increase in costs of constructing the Project to the extent resulting from Owner-Caused Delay. Where additional

costs are incurred as a result of a combination of Owner-Caused Delay and any other factor causing delay (whether caused by Developer, Contractor, a third-party, or by anyone or anything else), Costs Resulting From Owner-Caused Delay shall be only the portion of such costs fairly attributable to Owner-Caused Delay.

“**County**” has the meaning set forth in Recital A.

“**Deed of Trust**” has the meaning set forth in Section 16.4(b).

“**Design Development Drawings**” means drawings that are a consistent development of the Schematic Drawings and further define and describe all important aspects of the Project. The Design Development Drawings will serve as the basis for the Construction Drawings.

“**Detailed Specifications**” means all written detailed requirements for materials, equipment, construction systems, standards and workmanship for the construction of the Project.

“**Developer**” has the meaning set forth in the Preamble, together with any successors and assigns permitted under this Agreement.

“**Developer Obligation Date**” means [_____, 202_]. The Developer Obligation Date shall be extended for any delays resulting from the following: the extent (i) Bond Closing has not occurred on or before [_____, 2024, (ii) Owner has not issued its Notice to Proceed on or before [_____, 2024, (iii) of Owner-Caused Delays, or (iv) of Unavoidable Delays; provided, however, extensions due to Unavoidable Delays shall not exceed ninety (90) days. Notwithstanding the foregoing, if, the Unavoidable Delay is a direct and unavoidable result of either (1) a casualty or condemnation subject to Section 21 or (2) the discovery of Hazardous Substances beneath the surface of the Premises, which existed but were unknown (or the location or extent of which were unknown based on the information in Developer’s possession as of the Effective Date) to Developer as of the Effective Date, then the ninety (90) day limitation set forth in the immediately preceding sentence shall not apply.

“**Developer’s Fee**” means the fee to be paid to Developer pursuant to Section 11.1 and subject to the terms and conditions set forth in Sections 7.2, 11 and 12.

“**Effective Date**” means the date that this Agreement is fully executed, acknowledged and delivered by Owner and Developer.

“**Environmental Laws**” means all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes relating to the regulation or protection of human health, safety, the environment, and natural resources, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 *et seq.*), the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), the Clean Water Act (33 U.S.C. §§ 1251 *et seq.*), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §§ 2601 *et seq.*), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §§ 11001 *et seq.*), the Occupational Safety and

Health Act (29 U.S.C. §§ 651 *et seq.*), and any similar or comparable state or local laws, including, without limitation, the California Hazardous Substance Account Act (California Health & Safety Code §§ 25300 *et seq.*), as such federal, state, and local laws exist as of the Effective Date and as amended in the future.

“**Event of Default**” has the meanings set forth in Sections 23.2 and 23.3.

“**Excess Liquidated Damages**” has the meaning set forth in Section 7.2(d).

“**Facilities Lease**” means the Facilities Lease Agreement to be executed between Owner and Tenant for occupancy of the Premises, in the form attached hereto as Exhibit B.

“**Final Acceptance**” means the Owner’s written approval and concurrence that certain events, more fully defined in Section 12.4, have occurred prior to Final Payment being made.

“**Final Payment**” means payment to the Developer, the Architect, the General Contractor, and any other Contractors, by Owner following Final Acceptance of the Project pursuant to Section 12.

“**Financed FF&E**” means furniture, fixtures, equipment and movable property as set forth on Exhibit J, the costs of which will (i) be included in Project Costs, but only to the extent of the Financed FF&E Allowance set forth in the approved Project Budget, and (ii) financed through the Bonds. Any cost of furniture, fixtures, equipment, and movable property that is in excess of the Financed FF&E Allowance set forth in the approved Project Budget shall not be part of the Fixed Price. The Financed FF&E will be designed, provided and installed as set forth on Exhibit J.

“**Financed FF&E Allowance**” means the amount of [_____ dollars (\$_____)], as set forth in the Project Budget for the Financed FF&E. Any costs of Financed FF&E in excess of the Financed FF&E Allowance shall be deemed to be an Other Owner Cost.

“**Financing Costs**” means all financing costs approved by bond counsel and County in connection with the issuance of the Bonds.

“**Fixed Price**” means an amount not to exceed [_____ dollars (\$_____)], the total amount to be paid by Owner for Project Costs. A detailed description of Project Costs by line item and category is set forth in the Project Budget.

“**General Construction Contract**” means the agreement between Owner and the General Contractor for construction of the Project.

“**General Contractor**” means Snyder Langston, L.P., the anticipated general contractor for the Project, or another qualified general contractor proposed by Developer and approved by Owner.

“Ground Lease” has the meaning set forth in Recital A.

“Guaranteed Maximum Construction Price” means the maximum cost for construction of the Project, as guaranteed by the General Contractor pursuant to the terms of the General Construction Contract.

“Hazardous Substances” means the following: (a) petroleum, any petroleum by-products, waste oil, crude oil or natural gas; (b) any material, waste or substance that is or contains asbestos or polychlorinated biphenyls, or is radioactive; any medical waste; and (c) any substance, product, waste or other material of any nature whatsoever which is or becomes defined, listed or regulated as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “solid waste,” “radioactive material,” or similarly defined substance pursuant to any Applicable Laws, including the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*; the California Health & Safety Code and all other analogous State of California and local statutes, ordinances and regulations, including, without limitation, any dealing with underground storage tanks; provided, however, “Hazardous Substances” shall not include any of the foregoing materials or substances described above that are of the types and in quantities customarily used in the ordinary course of construction, occupancy or operation of office buildings similar to the Project, including, without limitation, in the ordinary course of delivering medical care in accordance with generally accepted standard practices, consisting of (i) office, cleaning, building maintenance, and construction materials and supplies used in reasonable quantities and in the ordinary course of the construction, occupancy or operation of the Project, and (ii) gasoline or diesel fuel in the tanks of automobiles and other machines located on the Premises (whether during construction or otherwise); but only so long as, in the case of (i) and (ii), they are always stored, maintained, used and disposed of in compliance with all Applicable Laws.

“Indemnification Claim Notice” has the meaning set forth in Section 15.3.

“Indemnified Party” has the meaning set forth in Section 15.3.

“Indemnifying Party” has the meaning set forth in Section 15.3.

“Indenture” means the trust indenture pursuant to which Owner will cause the issuance of the Bonds.

“Initial Draw” means Developer’s first application for payment of Project Costs, which shall not occur before Bond Closing.

“Laws” means all of the following, even if unforeseen or extraordinary, to the extent affecting any of, (a) Owner, its members, owners, shareholders, officers, employees, contractors, consultants, agents, customers, guests, or invitees, (b) Tenant, its board members, officers, employees, contractors, consultants, agents, customers, guests, or invitees, (c) Developer, its members, owners, shareholders, officers, employees, contractors, consultants, agents, customers,

guests, or invitees, (d) Trustee, its members, owners, shareholders, officers, employees, contractors, consultants, agents, customers, guests, or invitees, (e) all or any portion of the Premises, or (f) the use, occupancy, possession, construction, operation, maintenance, improvement, alteration, repair, or restoration of any portion of the Project: (x) all present and future laws, statutes, requirements, ordinances, orders, judgments, regulations, resolutions, covenants, restrictions, or administrative or judicial determinations of every governmental authority and of every court or agency claiming jurisdiction over Owner, Tenant, Developer, Trustee, the Project, or the Premises or matters set forth in clauses (a) through (f), above, whether enacted or in effect as of the Effective Date or thereafter, including, but not limited to, California Labor Code §§ 1720 *et seq.*, environmental laws, zoning laws, building codes and regulations and those laws relating to accessibility to, usability by, and discrimination against, disabled individuals; and (y) all covenants, restrictions, and conditions of record affecting the Premises from time to time.

“**LEED**” has the meaning set forth in Section 4.7.

“**Liabilities**” has the meaning set forth in Section 15.1.

“**LTWH**” has the meaning set forth in Section 7.4(e)(1).

“**Monthly Carrying Costs**” has the meaning set forth in Section 7.2(b).

“**Notice to Proceed**” means the notice to be delivered by Owner to Developer, at or following the Bond Closing and the execution of all Construction Contracts, whereby Owner authorizes the Commencement of Construction.

“**Other Owner Costs**” means all costs that are explicitly stated in this Agreement to be the responsibility of Owner or Tenant or are stated not to be the responsibility of Developer. Other Owner Costs shall include, without limitation, Tenant’s Personal Property and any taxes thereon; any costs of Financed FF&E in excess of the Financed FF&E Allowance; Procured FF&E (if any); the premium for the policy of builder’s risk insurance for the Project (and any deductible thereunder) that is procured by Owner; Financing Costs and any other costs associated with the Bonds; costs for the Ground Lease; title, escrow and recording costs); debt service on the Bonds; attorneys’ fees and costs incurred by Owner or Tenant; property taxes and assessments of any nature with respect to the Premises or any improvements located on the Premises; costs associated with any licensee, subtenant or other occupant of the Premises; expenses resulting from Owner-Caused Delays or Unavoidable Delays (including, without limitation, expenses incurred in connection with a casualty, and including, without limitation, environmental clean-up costs exceeding the line item allowance amount for environmental clean-up set forth in the Project Budget attached as Exhibit D) except as otherwise provided in Section 7.2; consulting fees for any consultants engaged by Owner, Tenant or Trustee as permitted under Section 9.3; and costs associated with any lawsuit, claim or other action pending or threatened against Owner or Tenant, except as otherwise provided in Sections 13, 15 and 24. Other Owner Costs are not part of the Fixed Price; provided, however, the costs associated with Other Owner Costs that are managed by Developer shall be added to the Project Costs for purposes of calculating the Developer’s Fee.

“Overhead Allowance” means the overhead allowance to be paid to Developer in accordance with the provisions of Section 11.2.

“Owner” has the meaning set forth in the Preamble together with its successors and permitted assigns in accordance with the Ground Lease and Facilities Lease.

“Owner’s Representative” has the meaning set forth in Section 17.2.

“Owner’s Warranty Claim” has the meaning set forth in Section 13(h).

“Owner-Caused Delay” means any period of delay in the overall progress of design, construction, and completion of the Project, including Tenant Improvements, to the extent caused by (i) Owner-initiated change orders to the General Construction Contract, (ii) Owner-initiated changes to the Construction Documents, (iii) Owner’s failure to approve, disapprove, decide, or otherwise respond to Developer with respect to a particular item for which Owner’s response is required hereunder or under the General Construction Contract, or failure to deliver plans, information, specifications, or other information within the time frames required under this Agreement or the General Construction Contract (if Owner’s failure to approve, disapprove, decide, or otherwise respond to Developer with respect to a particular item for which Owner’s response is required is not a deemed approval under this Agreement), (iv) Owner’s failure to timely fund Project Costs or Other Owner Costs, or (v) Tenant’s intentional interference with work being performed under the General Construction Contract. However, Owner-Caused Delay shall not include: (a) delay to the extent caused by Developer’s failure to provide, within the time frames allowed hereunder, draw requests, architect’s certifications, progress completion certifications, copies of change orders and supporting documentation, shop drawings, schedules, costs, invoices, job progress reports, or other documents or information which Owner is entitled to receive hereunder or which is reasonably requested by Owner in connection with any such decision or response, or (b) delay to the extent caused by the existence of reasonable cause to suspect that construction of the Project or any other services provided by Developer have not been performed in accordance with Construction Documents and other requirements hereunder, in which case Owner-Caused Delay shall not include the amount of additional time reasonably needed by Owner to determine whether such construction or other services conform to all requirements hereunder, so long as Owner proceeds with all reasonable diligence to make such determination. To facilitate timeliness in Owner’s communications with Developer over matters relating to design or construction of the Project and to minimize the possibility of Owner-Caused Delay, Developer shall alert Owner to deadlines for approvals, decisions or other responses that Owner must provide hereunder, including, among other methods, attachment of “deadline cover sheets” on any submissions to Owner that require response by a particular deadline or distribution of weekly calendars that show deadlines imposed on Owner. If Developer at any time believes that an instance of Owner-Caused Delay has occurred that has directly caused or will directly cause an increase in Project Costs or extension of the Developer Obligation Date, Developer shall send a written notification to Owner and Tenant within ten (10) Business Days of Developer’s discovery of the occurrence of such alleged Owner-Caused Delay setting forth in reasonable detail (w) a detailed description of alleged event that constituted such Owner-Caused Delay, (x) the period of alleged Owner-Caused Delay, (y) how the alleged Owner-Caused Delay

adversely impacted the Project Schedule, and (z) any incremental increase in Project Costs that are identifiable or reasonably foreseeable as a direct result of such Owner-Caused Delay. Any disputes between Developer and Owner over Project Costs attributable to Owner-Caused Delay shall not be a reason to stop or delay construction of the Project and shall be resolved by the Parties as expeditiously as possible, either by mutual agreement of the Parties or in accordance with the dispute resolution mechanisms described in Section 24.

“Owner Discretionary Costs” means certain costs to be paid by Owner, and shall include, audit, inspection, and other administrative costs incurred prior to Substantial Completion, as described under the heading “Owner Discretionary Costs” on the Project Budget attached hereto as Exhibit D. Owner Discretionary Costs may be incurred only at the discretion of the Owner, and therefore are not part of the Fixed Price; provided, however, the costs associated with Owner Discretionary Costs that are managed by Developer shall be added to the Project Costs for purposes of calculating the Developer’s Fee.

“Party” and **“Parties”** has the meaning set forth in the Preamble.

“Permits” means all land use approvals, permits and approvals required for construction and occupancy of the Project under any Law.

“Permitted Use” means use of the Premises by Tenant for office, retail, parking and/or any other lawful use consistent with the provisions of Section 7 and the Ground Lease.

“Preliminary Plans” means the initial renderings, program requirements, Schematic Design Drawings, Design Development Drawings, Plan Check Ready Drawings and specifications for the Project as approved by the Owner with Tenant Concurrence as a part of the pre-development deliverables. A detailed list of the Preliminary Plans is attached hereto as Exhibit E.

“Premises” means the real property described in Recital A and the entirety of the facilities and any other improvements located on such property from time to time.

“Procured FF&E” means furniture, fixtures, equipment, and movable property installed in the Project by Developer at Tenant’s request at the Owner’s direction through an Owner initiated change order, the costs of which will be an Other Owner Cost and shall not be part of the Fixed Price; provided, however, the costs associated with the Procured FF&E shall be added to the Project Cost for purposes of calculating the Developer Fee.

“Project” has the meaning set forth in Recital B, inclusive of all design, permitting and construction, all design and other professional services, and all labor, materials and equipment used or incorporated in such design and construction of the (a) Project, (b) Tenant Improvements to be constructed within the Project, and (c) the Financed FF&E and the Procured FF&E. The Project shall be consistent with and reasonably inferable from the approved Project Requirements as being necessary to produce the intended results. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, the Financed FF&E will be designed, provided and installed in accordance the provisions of Exhibit J.

“Project Application for Payment” means the procedures by which requests for payment for Project Costs and other costs shall be made in accordance with Section 9.

“Project Budget” means the budget for development of the Project attached to this Agreement as Exhibit D, as revised from time to time by Developer and Owner with Tenant’s Concurrence in accordance with this Agreement.

“Project Contingency” means the contingency by that name set forth in the Project Budget together with all cost savings in all line items that are not required for allocation to other line items in which excess Project Costs were incurred.

“Project Costs” means all costs for the completion of the development, design, permitting, construction, and equipping of the Project, including, without limitation, all site work, including utility relocation and installation of utilities as required to serve the Project [and obtaining all appurtenant easements required for such utility relocation and installation], all roadway improvements (if any), sidewalks and landscaping, all permit fees, all costs of the Project, HVAC, electrical and other building systems, including but not limited to conduit rough-in for data, telephone, and security, all costs of Tenant Improvements including HVAC thermostats and operating controls, all costs of Financed FF&E (but only to the extent of the Financed FF&E Allowance set forth in the approved Project Budget), all costs of architectural services provided by the Architect, all other professional design services and other services provided by Contractors or other professionals engaged by Developer, General Contractor, all amounts paid to the General Contractor, under the General Construction Contract, including all labor, material, and equipment used or incorporated in such design and construction, all amounts paid to other Contractors and subcontractors, if any, under any other Construction Contract or subcontract entered into by Owner upon the written approval of Developer or by Developer on behalf of and acting as the Owner’s authorized representative in connection with the Project, including all labor, material, equipment used or incorporated in such design and construction, services provided by engineers, environmental consultants, surveyors and other professionals and consultants retained by Developer in connection with the Project, the Developer’s Overhead Allowance, Developer’s Fee, insurance (other than Bond insurance and other than builder’s risk insurance policy, which shall be purchased by Owner and not by Developer or General Contractor), payment and performance bonds, applicable state and local retail sales taxes, the Project Contingency, [all costs of obtaining the nonexclusive right to use a minimum of 600 parking spaces in the Garage, all costs of the Civic Art, and all costs of the Relocation Services]¹; provided, however, Project Costs shall not mean, except as specifically provided in Section 11 (relating to Developer’s Overhead Allowance and Developer’s Fee) or as set forth in the Project Budget, (i) salaries or other compensation of Developer’s personnel normally situated at Developer’s principal office or branch offices, (ii) except as otherwise provided in the Construction Contracts, salaries or other compensation for any Contractor’s personnel normally situated at such Contractor’s principal office or branch offices, (iii) salaries or other compensation for any officer of Developer or Contractor; (iv) expenses of Developer’s or any

¹ NTD: Bond counsel to confirm whether Civic Art and Relocation Services can be included in Project Costs.

Contractor's principal office; (v) overhead or general expenses, except as expressly provided in the definition of Project Costs; and (vi) Project Costs in excess of the Fixed Price.

Notwithstanding anything to the contrary herein, Project Costs do not include and Developer has no responsibility for (a) Tenant's Personal Property and any taxes thereon (which shall be paid by Tenant at its sole cost and expense); (b) Owner Discretionary Costs; (c) Costs Resulting from Owner-Caused Delay; (d) any increase in the cost of the Project resulting from Owner-initiated change orders; (e) real property taxes and assessments with respect to the Premises and the improvements thereon; and (f) Other Owner Costs.

"Project Fund" means the fund of that name established under the Indenture for the purpose, among others, of paying Project Costs.

"Project Requirements" means the Preliminary Plans, Construction Documents, Requirements of Law, and any other requirements for the Project specifically agreed to by Owner and Developer with Tenant's Concurrence.

"Project Schedule" means the schedule for development and construction of the Project as set forth on the attached Exhibit F, as revised from time to time by Developer and Owner with Tenant's Concurrence in accordance with this Agreement; provided, however, that in no event shall the Project Schedule provide for Substantial Completion of the Project to occur later than the Developer Obligation Date.

"Punch List" means a list of items required to be completed prior to Final Acceptance that are minor items which do not affect Owner's ability to lease the Premises to Tenant and do not affect Tenant's ability to occupy and use the Premises for the Permitted Use. The Punch List shall be subject to Tenant's Concurrence.

"Relocation Services" means the relocation and installation of Tenant's furniture, fixtures, equipment and movable property from Tenant's current buildings at 600 Commonwealth Ave., 5601 E. Slauson Ave., 350 S. Figueroa, 3530 Wilshire Blvd., 2415 W. 6th Street., and 501 Shatto Place to the Project in conformance with plans, change orders and directions agreed by Owner and Developer with Tenant's Concurrence, the cost of which shall be part of the [Taxable Bonds]².

"Requirements of Law" means all requirements relating to land and building construction, including those specifically applicable to Tenant's contemplated use of the Premises for the Permitted Use, and planning, zoning, subdivision, environmental, air quality, flood hazard, fire safety, accessibility, and other governmental approvals, permits, licenses and/or certificates as may be necessary from time to time to comply with all the foregoing and other applicable statutes, rules, orders, regulations, laws, Laws, ordinances, and covenants, conditions and restrictions, which apply to and/or affect the design, construction, existence, intended use, operation and/or occupancy of the Premises or any part thereof.

² NTD: Bond counsel to confirm.

“Sale of the Bonds” means execution and delivery by Owner and a responsible bond underwriter of an agreement providing for the purchase and sale of the Bonds on terms consistent with the terms of the Facilities Lease and with no conditions to the underwriter’s obligation to pay for and accept delivery of the Bonds other than those conditions contained in said agreement between Owner and the responsible bond underwriter.

“Schematic Drawings” means drawings establishing the general scope, conceptual design, design intent and scale and relationship among the components of the Project.

“Substantial Completion Date” means the date of Substantial Completion of the Project.

“Substantial Completion of the Project” has the meaning set forth in Section 12.1.

“Substantially Complete” means that the Project has been constructed in substantial accordance with the Contract Documents and: (a) all elements required for the functioning of the Project are operational and in good working order and condition including satisfying applicable ADA building requirements, as well as regulations adopted thereunder; (b) the Project is weather tight and waterproof; (c) the fire and life safety systems within the Project are operational and in good working order and condition; (d) the elevators within the Project operate and function in good working order and condition, but may still require minor touch up installation and cleaning; (e) the mechanical and electrical systems, including but not limited to the HVAC system, have been individually tested and verified that they are in good working order and able to support the Permitted Use of the Project by the Tenant, and have been tested to assure that the Project systems operate on an integrated basis; (f) the finish work has been substantially completed, including, but not limited to, public lobby, elevator, HVAC, plumbing, fire and life safety, sprinkler and electrical systems, doors, partitions, cabinetry, carpet and base, including removal of all construction debris; and (g) all roadway improvements, site utilities, sidewalks and landscaping have been substantially completed and construction barricades and equipment have been removed; except, in each case, minor Punch List items which do not materially affect use and occupancy of the Project for its Permitted Use;

“Tenant” has the meaning set forth in Recital A together with any successors and assigns permitted under the Facilities Lease.

“Tenant Improvements” means improvements to the interior of the Project, including but not limited to HVAC thermostats, operating controls and conduit rough-in for data, telephone, and security wiring, as they are described in the Construction Documents.

“Tenant’s Concurrence” means, with respect to any Contract Documents or any action to be taken by Owner with respect to the Project for which Tenant’s Concurrence is specified, (a) the written approval of Tenant to such Contract Document or action following written notice to Tenant from Owner or Developer requesting such concurrence or (b) any deemed concurrence pursuant to this Agreement. Tenant’s Concurrence (whether written or deemed) is given solely as an expression of Tenant’s lack of objection to any Contract Documents or any action for which Tenant’s Concurrence is sought and shall under no circumstance be deemed or construed

to constitute (x) Tenant's endorsement of such Contract Document or action, (y) a professional opinion by Tenant regarding the effect, safety, legality, or construction worthiness of any improvement or work conducted in accordance with such Contract Document or action, or (z) Tenant's acceptance or assumption of any liability arising from such Contract Document or action. Tenant's written approval of such Contract Document or action shall be made within ten (10) Business Days following written notice to Tenant from Owner requesting such concurrence. Owner shall include in any such notice, printed in capital letters and boldface type, a legend to the following effect:

“THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL OF THE CONTRACT DOCUMENTS DESCRIBED HEREIN.”

If the foregoing legend is included by the Owner in its communication, then the submitted Contract Documents shall be deemed to have been approved if the Tenant fails to object with respect thereto within ten (10) Business Days of receipt of such notice. Tenant's Concurrence shall not be unreasonably withheld, conditioned or delayed.

“Tenant's Personal Property” means Tenant's furniture, equipment, and movable personal property placed in the Premises. Tenant shall provide and install Tenant's Personal Property at Tenant's sole cost and expense. Tenant's Personal Property does not include Financed FF&E or Procured FF&E otherwise purchased and installed by Developer.

“Title Policies” means the leasehold policy of title insurance issued to Owner upon its acquisition of a leasehold interest in the Premises pursuant to the Ground Lease and the lender's policy of title insurance issued to the Trustee upon the recording of the mortgage or deed of trust in favor of the Trustee.

“Trustee” means a national bank or other financial institution with trust powers selected by Owner to serve as the bond trustee under the Indenture or any duly authorized successor thereto appointed pursuant to the Indenture.

“Turnkey Condition” means that Substantial Completion of the Project has been achieved, and all Financed FF&E and Procured FF&E has been installed in accordance with the Construction Documents, and the Project is fully occupiable and usable for its intended purposes by Tenant and any agreed Relocation Services have been completed.

“Unavoidable Delays” means any delay in the performance by Developer or the General Contractor of its obligations with respect to construction of the Project caused by strikes or labor disputes (other than those caused by Developer's acts, omissions or failure to negotiate in good faith), acts of God, unavoidable casualties, adverse weather conditions in excess of those usually encountered in the Los Angeles area which prevent or delay critical path construction activities as and when scheduled by the Contractors, acts of terrorists, governmental delays in issuing permits or conducting inspections (beyond the typical delays expected in a project of the size and type of the Project and provided that Developer has filed all applications and paid all required

fees for such permits in a timely fashion), delays caused by Tenant (which does not include any period of time provided in the Facilities Lease or this Agreement for Tenant to review and respond to any submission), governmental embargo restrictions, subsurface and environmental conditions not reasonably identified by Developer prior to the Effective Date in the exercise of its commercially reasonable due diligence (including, without limitation, the location and extent of oil wells or other Hazardous Substances in the soil), or other causes beyond the reasonable control of Developer or the General Contractor, which, after the exercise of due diligence to mitigate the effects thereof, delay construction of the Project. Unavoidable Delays are not delays resulting from (a) Developer's or General Contractor's failure to comply with the terms and provisions of this Agreement or the General Construction Contract (as applicable), (b) increased prices, or (c) unavailability of funds, provided the Fixed Price (and all other funds payable by Owner under this Agreement) is timely paid by Owner in accordance with Section 9. Unavoidable Delays will entitle Developer to an extension of the Developer Obligation Date, but will in no way entitle Developer to additional compensation, except as otherwise provided in this Agreement. Nothing contained herein shall prevent Developer from allocating the Project Contingency to increased costs of constructing the Project caused by Unavoidable Delays. Notwithstanding the foregoing, in order for either Party to claim an Unavoidable Delay, the Unavoidable Delay must be described in reasonable detail a written notice given by the Party claiming such Unavoidable Delay to the other Party within ten (10) Business Days after the Party claiming such Unavoidable Delay obtained knowledge of the event or circumstances giving rise to the claim of Unavoidable Delay, which notice shall reasonably specify the nature of the event giving rise to the claim of Unavoidable Delay and the date of commencement of the Unavoidable Delay and the (i) estimated delay (if ongoing) or (ii) the actual delay (if not ongoing) caused by such event or circumstances.

Any disagreements with regard to Unavoidable Delays that cannot be resolved by Developer and Owner shall be resolved in accordance with Section 24, but (subject to Owner's continued funding of the Project Costs up to the amount of the Fixed Price) work shall continue pending resolution of such dispute.

“USGBC” has the meaning set forth in Section 4.7.

“**Warranty Period**” means that period commencing on the date of Substantial Completion of the Project and expiring one (1) year thereafter.

2. Development of the Project.

2.1 Fixed Price. Owner hereby retains Developer and Developer shall, in accordance with the terms of this Agreement, develop, oversee and manage the design, permitting, construction, furnishing and equipping phases of the Project in accordance with the terms and conditions of this Agreement. Subject to the terms of this Agreement, and provided the Fixed Price is paid in accordance with Section 9 and Owner timely pays all other amounts payable by Owner under this Agreement, Developer warrants Substantial Completion of the Project (i) constructed in a good and workmanlike manner, (ii) in substantial accordance with the Contract Documents, (iii) on or before the Developer Obligation Date, (iv) for the Fixed Price (excluding any components of the Project that are not Project Costs), and (v) free and clear of all

liens. Project Costs exceeding the Fixed Price shall be paid by Developer, with Developer depositing any required funds with Trustee pursuant to Section 9.6.

2.2 Owner Discretionary Costs. Owner Discretionary Costs shall not be considered Project Costs but shall be Owner's sole responsibility and shall not be Developer's responsibility.

2.3 Diligent Efforts; Relationship of the Parties. Developer accepts the relationship of trust and confidence established with Owner by this Agreement and agrees that in providing the services set forth in this Agreement, Developer shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and oversee the General Contractor, all other Contractors, all other engineers, design consultants, managers and other persons retained in connection with the design, permitting, development and construction of the Project so as to cause Substantial Completion of the Project for the Fixed Price in an expeditious and economic manner consistent with the best interests of Owner, and otherwise in a good and workmanlike manner and in substantial accordance with the Contract Documents, on or before the Developer Obligation Date, free and clear of all liens (provided the Fixed Price is paid in accordance with Section 9). Developer shall perform its services in accordance with the terms of this Agreement, including, without limitation, all services to be provided by Developer as described in Section 5. Developer shall not perform any construction services in connection with this Agreement. By the terms of this Agreement, Developer (a) is not obligated to perform services for which Owner has contracted with a third party without Developer's prior written consent, and (b) except as set forth in Section 23.2, is not obligated to pay for such services for which Owner has contracted with third parties without Developer's prior written consent, and such services shall be paid for directly by Owner and shall not be considered Project Costs unless they are pre-approved by Developer in writing.

2.4 Mutual Cooperation; Liability of Owner. Developer and Owner shall fully and in good faith cooperate with each other to accomplish all of the activities contemplated in this Agreement. Owner shall have no liability or responsibility whatsoever with respect to the activities to be performed by Developer, except to timely pay the Fixed Price and to timely perform all obligations of Owner set forth in this Agreement pursuant to the terms and conditions contained herein.

2.5 Term. The rights and obligations of the Developer and Owner hereunder shall commence on the Effective Date and shall continue until expiration of the Warranty Period.

3. Project Financing.

3.1 Issuance of Bonds. Owner intends to issue Bonds in a principal amount sufficient to pay the Project Costs, Financing Costs, capitalized interest, and other costs payable pursuant to the terms of the Indenture.

3.2 Disbursal of Proceeds. A portion of the proceeds from the sale of the Bonds in an amount sufficient to pay the Fixed Price shall be deposited into the Project Fund

held by the Trustee and shall be used to pay Project Costs and other costs in accordance with the terms of the Indenture and this Agreement.

4. Project Design. Developer shall cause design services to be performed by qualified architects, engineers and other professionals recommended by Developer, approved by Owner and paid as part of the Project Costs. Developer shall provide to Tenant copies of any notices, plans, specifications, or other documents required to be delivered to Owner under this Agreement. In addition, Tenant shall have the right, but not the obligation, to attend design meetings with Developer, Architect, and other design professionals as appropriate in the course of development of Construction Documents. Tenant shall also have the right to simultaneously provide to Developer a copy of any notice Tenant issues to Owner.

4.1 Selection of Development Team for Project. In addition to the Architect and the General Contractor, the following entities have been approved by Owner and are intended to be retained in connection with the Project:

- (a) Utility Consultant: Dry Utility Experts
- (b) Civil Engineers: KPFF
- (c) Landscape Architect: SWA
- (d) Geotechnical Engineers: Geotechnologies
- (e) Environmental Consultants: Tetra Tech; Citadel Environmental
- (f) Commissioning Agent: Salas O'Brien South, LLC

In order to complete the Project, Developer shall have the right to select other professionals as necessary or desirable for the design, permitting, and development of the Project and shall have the obligation to recommend other Contractors for Owner's approval. Except as otherwise provided in this Agreement, all amounts paid to the entities outlined above and any others hereinafter engaged by Developer in connection with the performance of its duties and responsibilities under this Agreement, or as authorized representative for Owner, shall be part of the Fixed Price.

4.2 Design-Build Contracts. For any design-build elements, the Construction Contract shall provide that the design professionals shall be engaged by the General Contractor.

4.3 Amendments of Design or Construction Contracts. Consistent with the terms and conditions of the General Construction Contract, there shall be no amendment to such Construction Contracts or the Architect agreement, without the prior written consent of Owner, Tenant's Concurrence and the concurrence of Developer. Developer shall provide Tenant a copy of all proposed changes to the Construction Documents requiring Owner's review and/or approval pursuant to this Agreement and Section 9.17 of the Facilities Lease, as and when such

proposed changes are provided to Owner. All rights of Owner and Developer, respectively, under the General Construction Contract and any other contract designated by Trustee shall be assigned to Trustee. Developer shall obtain, at no cost to Owner, the consent of General Contractor and other design professionals and Contractors as necessary to each such assignment.

4.4 Project Budget. The Project Budget sets forth a detailed itemization by line item and category of all Project Costs, including the Project Contingency, Overhead Allowance and Developer's Fee. The Project Budget is attached hereto as Exhibit D.

4.5 Drawings. Prior to the execution of this Agreement, Developer caused the Schematic Drawings, the Design Development Drawings and the Construction Drawings and Detailed Specifications for the Project to be prepared, in each case for Developer's review, Owner's approval and Tenant's Concurrence. All such approved drawings and specifications are included in the Preliminary Plans and listed on Exhibit E.

4.6 ADA Compliance. Each design contract shall include a provision requiring that upon "substantial completion" of the work covered by that design contract, the work and the Project so constructed shall comply with the applicable Americans with Disabilities Act requirements referenced herein.

4.7 LEED Certification. Developer shall use commercially reasonable efforts to obtain a Leadership in Energy and Environmental Design – NC 2009 ("LEED") Gold certification from the U.S. Green Building Council ("USGBC") with respect to the Project. Owner acknowledges that the design decisions made by it and by Tenant will have an impact on the LEED certifications received and will work in good faith with Developer when making those decisions to consider their potential impact on LEED certifications. Developer shall keep Owner and Tenant apprised throughout the design process of any design decisions that may affect the LEED certifications of the Project and with respect to any preliminary determinations made by the USGBC with respect to the LEED certification of those improvements. It is anticipated that the final determination by the USGBC of the LEED certification of the Project will not occur until after Final Acceptance. Owner shall hold back 2.5% of the Developer's Fee until a LEED certification is obtained for the Project, and Developer shall diligently and continuously use commercially reasonable efforts to pursue such LEED certification for the Project. If Developer has diligently and continuously used commercially reasonable efforts to pursue such LEED certification for the Project, and the LEED certification for the Project has not been obtained within eighteen (18) months after Final Acceptance of the Project (subject to Unavoidable Delays), then Developer shall be entitled to payment of the remaining 2.5% of the Developer's fee being held by Owner. If the LEED certification for the Project has not been obtained within eighteen (18) months after Final Acceptance of the Project (subject to Unavoidable Delays), and Developer has not diligently and continuously used commercially reasonable efforts to pursue such LEED certification for the Project (beyond any applicable notice and cure period), and such failure to obtain LEED certification is not as a result of the acts or omissions of Owner or Tenant, then Owner shall be entitled, as Owner's sole remedy, to retain the 2.5% of the Developer's Fee held back as liquidated damages resulting from Developer's failure to use diligent and continuous efforts to achieve the LEED certification.

4.8 Owner's Review. Owner and Tenant may participate in all design meetings with Developer, Architect, and other design professionals as appropriate in the course of the development of the Schematic Drawings, the Design Development Drawings and all Construction Documents in order to facilitate the approval of such Construction Documents in accordance with the terms of this Agreement. Developer shall also provide Tenant a copy of all submittals requiring Owner's review and approval pursuant to this Agreement, as and when such submittals are provided to Owner. Owner shall promptly review the Project Budget and each of the Schematic Drawings, the Design Development Drawings and all Construction Drawings and Detailed Specifications submitted in accordance with this Agreement and shall give Developer written notice within ten (10) Business Days following its receipt of the Project Budget and/or Construction Drawings and Detailed Specifications of its approval or disapproval thereof, specifying in the case of its disapproval, its reason therefor. Owner shall have the right to disapprove Schematic Drawings, Design Development Drawings, Construction Drawings and Detailed Specifications which (i) do not meet the Project Requirements, (ii) do not comply with Requirements of Law, (iii) do not comply with previous iterations of the Construction Drawings and Detailed Specifications in all material respects, or (iv) propose changes in work or materials that would result in a material change in appearance or diminution in quality of the Project. If no objections or comments are received within such ten (10) Business Day period, then the submittals shall be deemed approved; provided that Developer shall include in the required notice to Owner and to Tenant, printed in capital letters and boldface type, a legend to the following effect:

“THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL OF THE SCHEMATIC DRAWINGS, DESIGN DEVELOPMENT DRAWINGS, CONSTRUCTION DRAWINGS OR DETAILED SPECIFICATIONS DESCRIBED HEREIN.”

If the foregoing legend is included by Developer in its communication, then the submitted drawings and/or specification shall be deemed to have been approved if the Owner fails to object with respect thereto within ten (10) Business Days of receipt of such notice.

4.9 Resubmittals. If objections or comments are submitted in writing within the time frame and in accordance with the requirements set forth in the preceding subsection, Developer shall cause the Architect to make changes to the Schematic Drawings, Design Development Drawings, Construction Drawings and/or Detailed Specifications consistent with reasonable objections or comments made by the Owner and shall resubmit the same to Owner in accordance with the foregoing schedule for further review. The process of resubmittal and review shall continue until the submittals have been approved by all the parties. The final Construction Drawings and Detailed Specifications setting forth in detail the requirements for the construction of the Project which have been approved by Owner are called the Construction Documents. There shall be no material change in the Construction Documents except as set forth in Section 8.

4.10 Permit and Construction Documents. Developer shall cause General Contractor to cause its design professionals to prepare Construction Documents as required for submittal of the building permit and other permit applications in accordance with Section 6, and as required for construction of the Project.

5. Construction Management Services. Developer shall provide Owner with all construction administration and construction management services necessary or desirable to cause Substantial Completion of the Project on or before the Developer Obligation Date, all in a good and workmanlike manner and in substantial accordance with the Contract Documents, including, without limitation, the following:

5.1 Preconstruction Phase.

(a) Developer shall oversee all design work done by Architect and other design professionals for the design and development of the Project. Developer shall expeditiously review design documents during their development and advise Owner on proposed site use and improvements, selection of materials, building systems and equipment and methods of Project delivery. Developer shall provide recommendations on relative feasibility of construction methods, availability of materials and labor, and time requirements for procurement, installation, construction and factors related to construction costs including, but not limited to, costs of alternative designs or materials, budgets and possible economics.

(b) Developer shall prepare and periodically update the Project Schedule for Owner's acceptance. Developer shall coordinate and integrate the services of Architect and other design professionals into the Project Schedule which shall also set forth Developer's and Owner's responsibilities with anticipated construction schedules, highlighting critical and long lead time items. Any changes to the Project Schedule that would extend the scheduled date for the Substantial Completion of the Project (other than as may be extended under this Agreement) will require Tenant's Concurrence.

(c) Developer shall consult with Owner and Tenant regarding the Construction Documents and make recommendations whenever design details adversely affect constructability, cost or schedules.

(d) Developer shall cause General Contractor to establish the assignment of responsibilities for temporary Project facilities and equipment, materials and services for common use of the Contractors. Developer shall verify that such requirements and assignment of responsibilities are included in the proposed Contract Documents.

(e) Developer shall cause General Contractor to determine the division of the Project into individual contracts for various categories of work, including the method to be used for selecting Contractors and awarding Construction Contracts. Developer shall cause General Contractor to review the Construction Documents as required to provide that (1) the work of the Contractors is coordinated; (2) all requirements for the Project have been assigned to the appropriate Construction Contract; (3) the likelihood of jurisdictional disputes has been minimized; and (4) proper coordination has been provided for phased construction.

(f) Developer shall prepare a Project Schedule providing for the components of the work and shall consult with General Contractor in connection with the preparation and updating of the Project Schedule, including phasing of construction, times of commencement and completion required of each Contractor, ordering and delivery of products requiring long lead time, and the occupancy requirements of Tenant. Developer shall provide the current Project Schedule to General Contractor for bidding documents.

(g) Developer shall work with General Contractor to expedite and coordinate the ordering and delivery of materials requiring long lead times.

(h) Developer shall select and coordinate the professional services of surveyors, special consultants and testing laboratories required for the Project.

(i) Developer shall cause General Contractor to provide an analysis of the types and quantities of labor required for the Project and shall review with General Contractor the availability of appropriate categories of labor required for critical phases. Developer shall make recommendations for actions designed to minimize adverse effects of labor shortages.

(j) Following Owner's approval of the Construction Documents, the Developer shall update and submit the latest estimate of Project Costs, Project Budget and the Project Schedule for Owner approval and Tenant's Concurrence.

(k) Developer shall direct General Contractor to develop bidders' interest in the Project, establish bidding procedures, issue bidding documents to bidders and conduct pre-bid conferences with prospective bidders. Developer shall cause General Contractor to submit the list of prospective bidders for Owner's review. Owner shall have the right to reject any bidder if there exists substantial and reasonable cause for such rejection. Developer shall assist General Contractor with respect to questions from bidders and the issuance of addenda.

(l) Developer, working with General Contractor, shall receive bids, prepare bid analyses and award contracts or reject bids.

5.2 Construction Phase.

(a) Developer shall administer all Construction Contracts for the Project.

(b) Developer shall provide administrative, management and related services to coordinate scheduled activities and responsibility of the Contractors with each other and with those of the Developer and Owner to manage the Project substantially in accordance with the Project Schedule and Contract Documents.

(c) Developer shall cause General Contractor to update the Project Schedule incorporating the activities of the Contractors on the Project, including activity sequences and duration, allocation of labor and materials, processing of shop drawings, product

data and samples and delivery of products requiring long lead time and procurement. The Project Schedule shall include Owner's and Tenant's occupancy requirement showing portions of the Project having occupancy priority. Developer shall update and reissue the Project Schedule as required to show current conditions. If an update indicates that the previously approved Project Schedule may not be met, Developer shall direct General Contractor to take corrective action so as to cause Substantial Completion of the Project to be achieved on or before the Developer Obligation Date.

(d) Developer shall cause General Contractor to schedule and coordinate the sequence of construction so as to cause Substantial Completion of the Project on or before the Developer Obligation Date.

(e) Developer shall cause General Contractor to dutifully administer and enforce all Construction Contracts with subcontractors. Developer shall notify Owner and Tenant of and shall consult with Owner regarding any material breaches or defaults by any party to a Construction Contract relating to the Project. Developer shall, with respect to such breach or default by such contracting party, follow the instructions or directions of Owner so long as such instructions or directions do not, in the reasonable professional judgment of Developer, restrict, delay, impair or otherwise jeopardize the Substantial Completion of the Project by the Developer Obligation Date.

(f) Developer shall develop cash flow reports and forecasts for the Project (including variances between actual and budgeted costs) and provide Owner and Tenant with copies of same.

(g) Developer shall oversee the course of construction and shall conduct such inspections of the course of construction and testing of work to insure that the work of each Contractor is being performed in accordance with the requirements of the Contract Documents in a good and workmanlike manner, free of defects and deficiencies in work, and free and clear of all liens. Developer shall reject all work which does not conform to the requirements of the Contract Documents and cause corrective action to be taken.

(h) Developer shall transmit to Architect or any other appropriate design professional requests for interpretations of the meaning and intent of Construction Drawings and Detailed Specifications and assist in the resolution of questions that arise.

(i) Developer shall expedite the processing and approval of shop drawings, product data, samples and other submittals.

(j) Section 8 shall control with regard to changes in the work.

(k) Developer shall record the progress of the Project. Developer shall cause General Contractor to submit written monthly progress reports to Owner, Tenant and Developer, including information on each Contractor and each Contractor's work, as well as the entire Project, showing percentages of completion. Developer shall maintain or cause General Contractor to maintain a daily log, containing a record of weather, each Contractor's work on the

site, number of workers, identification of equipment, work accomplished, problems encountered and such other information as Owner may require.

(l) Developer shall maintain at the Project site or at Developer's offices in Los Angeles County, for Owner and Tenant one record copy of all Contract Documents, all drawings, specifications, addenda, change orders and other modifications, in good order and marked currently to record changes and selections made during construction together with approved shop drawings, product data, samples and similar required submittals. Developer shall maintain records, in duplicate, of principal building layout lines, elevations of the bottom of the footings, floor levels and key site elevations certified by a qualified surveyor or professional engineer. All such records shall be made available to Owner and/or Tenant upon request and, upon completion of the Project, duplicate originals or electronic copies shall be delivered to Owner and Tenant.

(m) Although Developer shall not be responsible for the purchase of materials, systems and/or equipment (except as set forth in Exhibit J with respect to the Financed FF&E), Developer shall assure that General Contractor provides reasonable accommodation to Owner for the delivery and storage, protection and security of such materials, systems and equipment that are part of the Project until such items are incorporated into the Project, subject to General Contractor's reasonable determination concerning the status of construction and the availability of safe and secure portions of the Project for such purpose.

(n) Developer shall develop and implement procedures for the review and processing of applications by Contractors for progress and final payments.

(o) Based on the Developer's observations and evaluations of each Contractor's payment application, the Developer shall review and certify the amounts due the respective Contractors. The Developer shall prepare a Project Application for Payment based on the Contractors' payment application.

(p) Each Project Application for Payment and certification of the Contractor(s)' application for payment shall constitute a representation to Owner based on the Developer's overall supervision of the course of construction, inspections conducted at the site, and review of the data comprising the Contractors' application for payment that, to the best of Developer's knowledge, information and belief, the work has progressed to the point indicated and the quality of the work is in accordance with the Contract Documents (subject to minor deviations from the Contract Documents correctable prior to completion and to specific qualifications expressed by Developer in Developer's Project Application for Payment).

(q) Developer shall supervise the final testing and start-up of utilities, operational systems and equipment, in the presence of Owner's maintenance personnel if so requested by Owner.

(r) When Developer considers each Contractor's work Substantially Complete, the Developer shall prepare for the Contractor a list of incomplete or unsatisfactory items (Punch List) and a schedule for their completion. The Developer shall assist Architect or

any other design professional, as appropriate, in conducting inspections to determine whether the work is Substantially Complete.

(s) Developer shall cause General Contractor to coordinate the correction and completion of the work, including all Punch List items, and shall evaluate the completion of the work of the Contractors and make final recommendations to the Architect when the Project has achieved Final Acceptance. Developer shall maintain a database of all Punch List items or otherwise unsatisfactory items observed and record the resolution of these items. Developer shall assist Architect in conducting final inspections of the work.

(t) Developer shall procure and install the Procured FF&E in accordance with the applicable authorizing change order.

(u) Developer shall provide the Relocation Services.

(v) Developer shall procure and install the Civic Art in accordance with County policies and the Construction Documents.

(w) Developer shall take such other and further action as may be necessary or desirable to cause Substantial Completion of the Project to be achieved on or before the Developer Obligation Date.

6. Permits.

6.1 Permits. Developer shall obtain all Permits necessary for the construction of the Project pursuant to Requirements of Law. For those Permits yet to be acquired as of the Effective Date, prior to submission of an application for such Permits, Developer shall provide written notice to Owner including the Permit application to be submitted and Owner shall have three (3) Business Days from receipt of such notice to review any Permit application Developer intends to submit. Owner's failure to object to terms or conditions of a Permit application within three (3) Business Days shall be deemed Owner's approval of such Permit application and Owner's authorization for Developer to submit such Permit application, provided that Developer shall include in the required notice to Owner, printed in capital letters and boldface type, a legend to the following effect:

“THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN THREE (3) BUSINESS DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL OF THE PERMIT APPLICATION DESCRIBED HEREIN.”

For those Permit applications already submitted by Developer prior to the Effective Date, Owner and Tenant shall receive a copy upon either's request. Owner and/or Tenant shall join in any application for Permits as required; provided, however, neither Owner nor Tenant shall incur any expense or liability in connection therewith. Developer shall pursue issuance of such Permits with all due diligence.

6.2 Costs. All costs associated with issuance of the Permits, including the cost of any required off-site improvements, shall be Project Costs.

6.3 Schedule and Delays. Owner and Developer anticipate issuance of Permits and the Commencement of Construction within the time set forth in the Project Schedule set forth as Exhibit F. The Project Schedule shall be updated by Developer and Owner from time to time as reasonably required to reflect the current status of the Project. Except as otherwise provided in this Agreement, there shall be no increase in the Fixed Price as a result of any delay in issuance of the Permits or commencement or completion of construction of the Project unless due to Costs Resulting from Owner-Caused Delay.

7. Construction.

7.1 Commencement of Construction. Developer shall cause Substantial Completion of the Project in a good and workmanlike manner, free from defects in work or materials and in substantial accordance with the Contract Documents, on or before the Developer Obligation Date, free and clear of all liens, provided the Fixed Price and any other costs are paid in accordance with Section 9. As soon as reasonably practical following Bond Closing and issuance of the Permits but no later than ninety (90) days thereafter, Developer shall cause Commencement of Construction to occur and to diligently and continuously prosecute such work to Final Acceptance. Developer shall coordinate the sequencing of all construction and shall cause all Contractors to commence construction of that portion of the work covered under their respective Construction Contracts and diligently and continuously prosecute such work to Final Acceptance. Developer warrants to the Owner that materials and equipment incorporated into the Project shall be new unless otherwise agreed in writing by Owner with Tenant's Concurrence.

7.2 Delays.

(a) The Developer Obligation Date shall be extended to the extent of Unavoidable Delays, provided, however, that extensions due to Unavoidable Delays shall not exceed ninety (90) days, unless the Unavoidable Delay results from any of (i) a casualty or condemnation subject to Section 21; (ii) the discovery of Hazardous Substances beneath the surface of the Premises, which existed but were unknown to Developer as of the Effective Date; and (iii) Owner-Caused Delays.

(b) If Substantial Completion of the Project fails to occur by the Developer Obligation Date, then commencing on the Developer Obligation Date and continuing on the first day of each successive calendar month through the month in which Substantial Completion of the Project occurs, as Owner's sole remedy for such delay, Developer shall pay to Trustee an amount (the "**Monthly Carrying Costs**") equal to the amount that would be payable to the Trustee under the Indenture if Substantial Completion of the Project had occurred on the Developer Obligation Date; provided, however, the Monthly Carrying Costs shall be calculated on a daily basis so that if, by way of example, Substantial Completion of the Project is one day after the Developer Obligation Date, then the Monthly Carrying Costs shall equal 1/30th of the Monthly Carrying Cost for the subject month. The Monthly Carrying Cost is, in turn, equal to

one-sixth (1/6th) of the Base Rent that would be payable by Tenant under the Facilities Lease if Substantial Completion of the Project had so occurred, but Developer's obligation to pay the Monthly Carrying Cost shall be offset by any amounts of Base Rent paid or payable by Tenant under the Facilities Lease. Prior to the due date, Owner shall provide and/or shall cause the Trustee to provide Developer with the amounts of such Monthly Carrying Costs. Such Monthly Carrying Costs shall be paid in advance by Developer on the first day of each calendar month or portion thereof, but any overpayment shall be refunded in arrears for the partial month in which Substantial Completion of the Project occurs. Any overpayment of Monthly Carrying Costs in a particular month shall be credited against the amount due in the next month.

(c) Notwithstanding the foregoing, to the extent Owner receives insurance proceeds under the builder's risk insurance policy described in Section 16 to reimburse Owner for loss of income and rents, such sums shall be credited against Developer's obligation to pay Monthly Carrying Costs to the Trustee. Furthermore, notwithstanding anything to the contrary contained in this Agreement, in no event and under no circumstance shall Developer be obligated to make out-of-pocket payments for Monthly Carrying Costs in excess of that portion of Developer's Fee theretofore received by Developer under this Agreement plus any available insurance proceeds. However, any further obligation of Developer for Monthly Carrying Costs shall result in a forfeiture by Developer of that portion of the remainder of its Developer's Fee equal to the amount of Developer's remaining obligation (if any) for such Monthly Carrying Costs and Owner shall issue notice to Trustee to transfer any such forfeited amount of Developer's Fee to the appropriate account under the Indenture for payment of debt service on the Bonds.

(d) Any liquidated damages or similar amount paid by the General Contractor under the General Construction Contract as a result of the failure to achieve Substantial Completion of the Project by the Developer Obligation Date shall be deposited with the Trustee and held for payment of Monthly Carrying Costs and related expenses through the month in which Substantial Completion of the Project occurs to the extent that the aggregate amount paid or forfeited by Developer pursuant to Section 7.2(b) is not sufficient to pay all Monthly Carrying Costs through the month in which Substantial Completion of the Project occurs. Upon Final Acceptance and the making of all Final Payments (including the funding of the 150% holdback for uncompleted Punch List items), if Substantial Completion of the Project failed to occur by the Developer Obligation Date, the Developer and the Owner with Tenant's Concurrence shall (i) determine the amount of any liquidated damages or similar amount paid by General Contractor and deposited with Trustee as result of the failure of Substantial Completion to occur prior to the Developer Obligation Date and which has not been disbursed by Trustee to cover Monthly Carrying Costs and related expenses ("**Excess Liquidated Damages**") and (ii) direct the Trustee to disburse such Excess Liquidated Damages to Developer to the extent of any Monthly Carrying Costs paid by Developer or resulting in any forfeited Developer's Fee pursuant to Section 7.2(c).

(e) Upon Final Acceptance and the making of all Final Payments (including the funding of the 150% holdback for uncompleted Punch List items), if there are funds remaining in the Bond Proceeds Account in the Project Fund (as defined in the Indenture)

prior to the final distribution of said Account (i.e., the sharing of contingency money), if Substantial Completion of the Project has failed to occur by the Developer Obligation Date and if Developer has made the payments it is required to make pursuant to this Section 7.2, the Developer and the Owner shall determine and direct Trustee to include within the Project Fund for sharing purposes any additional interest earnings that accrued on the undisbursed Bond proceeds as a direct result of such delay in excess of interest that would have accrued absent such delay.

7.3 Guaranteed Maximum Construction Contract. As part of the Fixed Price, the Project shall be constructed pursuant to the General Construction Contract which shall contain (a) the Guaranteed Maximum Construction Price and (b) a provision for payment and performance bonds issued by a surety reasonably acceptable to Owner pursuant to which Owner, Trustee and Tenant shall be named as obligees pursuant to a rider or riders reasonably acceptable to Owner.

7.4 Construction Contracts. Developer shall cause all Construction Contracts Developer enters into on behalf of Owner (and shall use commercially reasonable efforts to assure that all Construction Contracts entered into by Owner) to include recitations or provisions requiring the following:

(a) General Contractor and its respective subcontractors comply with the prevailing wage requirements and be subject to restrictions and penalties in accordance with Section 1770 of the California Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.

(b) General Contractor furnish all subcontractors/ employees a copy of the Department of Industrial Relations prevailing wage rates which they will post at the job site. All prevailing wages shall be obtained by the Contractor from the California Department of Industrial Relations, Division of Labor Statistics and Research.

(c) General Contractor comply with the payroll record keeping and availability requirement of Section 1776 of the Labor Code.

(d) General Contractor make travel and subsistence payments to workers needed for performance of work in accordance with Section 1773.8 of the Labor Code.

(e) General Contractor contact the Division of Apprenticeship Standards and comply with Sections 1777.5, 1777.6 and 1777.7 of the Labor Code and applicable regulations.

(1) Provisions requiring all Contractors and subcontractors employed on the Project to comply with all applicable provisions of the Countywide Local and Targeted Worker Hiring (“**LTWH**”) policy as adopted by the Board of Supervisors of the County of Los Angeles by a motion dated June 11, 2019, and any subsequent actions taken by the Board to implement the LTWH policy;

(2) Provisions for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Project; and

(3) Provisions for indemnifying Owner, Tenant, Developer and Trustee for claims arising out of the negligence or willful misconduct of such Contractor and its employees, agents and subcontractors.

(4) Provisions causing General Contractor to procure and maintain, at a minimum, for the duration of the General Construction Contract, the insurance more particularly described in Facilities Lease Exhibit J against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of work thereunder by General Contractor and its agents, representatives, employees and/or subcontractors. The cost of such insurance shall be paid by General Contractor.

In the event that Developer is unable to cause any of the foregoing provisions to be included in any Construction Contract and gives specific notice to Owner of that fact, Owner's execution of any such contract shall constitute Owner's waiver of such requirements.

7.5 Protection of Persons and Property.

(a) Developer shall (or shall cause General Contractor to) be responsible for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Project.

(b) Developer shall (or shall cause General Contractor to) take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to: (1) all persons working on the Project construction site and all other persons who may be affected thereby; (2) the Project and materials and equipment to be incorporated therein; and (3) other property at or adjacent to the site.

(c) Developer shall or shall cause General Contractor and all other Contractors to give notices and comply with all applicable laws, ordinances, rules, regulations, and orders of public authorities bearing on the safety of persons and property and their protection from damage, injury or loss.

(d) Developer shall be liable for all damage or loss to the Project to the extent set forth in Section 15.1.

7.6 Insurance during Construction. Insurance shall be provided by Developer, Owner, Architect and Contractors in accordance with the provisions of Section 16.

7.7 Use of Project Contingency. The amounts set forth in the various line items of the Project Budget are estimates only of Project Costs to be incurred. To the extent the actual Project Costs in any line item of the Project Budget exceed the amount shown for such line item, Developer shall first allocate amounts in other line items, in which the actual known

Project Costs shall have been less than the amount in the Project Budget, to the line item in which the excess Project Cost(s) has occurred. Following the allocation by Developer as set forth in the preceding sentence with respect to all line items, except Project Contingency, Developer is entitled to draw upon the Project Contingency for such excess Project Costs. The allocation of the Project Contingency for such purposes is solely under Developer's control, subject to the provisions of Section 12.7, if there is any unused Project Contingency following Final Acceptance. If the Project Contingency is not sufficient to pay such excess Project Costs, Developer shall be responsible therefor in accordance with Section 9.6. If Developer determines that there are cost savings in any line item and such cost savings are not currently required for allocation to another line item in which excess Project Costs were incurred, Developer shall allocate such cost savings to the Project Contingency. The monthly reports provided to Owner and Tenant shall contain an explanation in reasonable detail of any allocation of cost savings and Project Contingency to other line items in the Project Budget.

7.8 Warranties. Developer shall cause General Contractor to secure for the benefit of Owner all warranties and guarantees of the work by Contractors, suppliers and manufacturers of components of the Project. Upon Final Acceptance, Developer shall cause General Contractor to assign such warranties to Owner (provided that such warranties shall also be for the benefit of Developer). After Final Acceptance of the Project and during the Warranty Period, Developer shall assist Owner to enforce any warranties or guarantees with respect to the Project upon request. The General Construction Contract shall provide a minimum of a one (1) year warranty for workmanship with respect to the Project. Without increasing the Fixed Price, Developer and Owner have agreed that Developer shall cause General Contractor to obtain warranties of equal or longer periods from Contractors and material suppliers for the fixtures, services, or subcontracts as set forth in Exhibit I; provided, however, that the Developer shall not be required to assist Owner to enforce any warranties or guarantees that extend beyond the Warranty Period.

7.9 Correction of Work. During the Warranty Period, Developer shall cause the applicable Contractor to promptly correct or cause to be corrected work properly rejected by Owner or known by Developer to be defective or failing to conform to the Contract Documents, whether observed before or after Substantial Completion of the Project and whether or not fabricated, installed or completed, and shall cause to be corrected work found to be defective or non-conforming within the Warranty Period. Such costs (to the extent not borne by insurance) shall be Project Costs. Notwithstanding anything to the contrary contained in this Agreement (including, without limitation, Sections 7.8, 7.9 and 13), the warranties to be provided or obtained by Developer or Contractors shall not include and shall not be applicable with respect to any of the Financed FF&E except for those items that are expressly set forth on Exhibit J to be the responsibility of Developer.

7.10 Stop Work by Owner. If General Contractor fails to correct defective work as required, or persistently fails to carry out work in accordance with the Construction Documents, Owner, with Tenant's Concurrence, by written order, may order Developer and General Contractor to stop the work, or any portion thereof, until the cause for such order has been eliminated.

7.11 Developer Default. If Developer defaults or neglects to carry out the work in accordance with the Contract Documents and fails within ten (10) calendar days after receipt of written notice from Owner to commence and continue correction of such default or neglect with diligence and promptness, then Owner may, without prejudice to other remedies Owner may have, act to correct such deficiencies. In such case an appropriate change order shall be issued deducting from the Fixed Price the costs of correcting such deficiencies. If the payments then or thereafter due Developer are not sufficient to cover the amount of the deduction, Developer shall pay the difference to Owner. Such action by Owner shall be without prejudice to any other rights or remedies to which Owner may be entitled under this Agreement or applicable law.

8. Changes to the Work.

8.1 No Changes Without Owner Approval. Following approval of the Construction Documents by Owner with Tenant's Concurrence, there shall be no changes in the work except in accordance with this Section 8. Changes in the work covered by the General Construction Contract and approved by Owner shall be processed in accordance with such Construction Contract.

8.2 Developer Approved Changes in the Work. It is anticipated that there will be field orders and change orders which shall result in changes to the scope of work. Developer shall use its reasonable efforts to apprise Owner and Tenant of proposed changes in the work and its recommendations regarding them prior to any action being taken. It may not always be possible to receive Owner's prior approval to these changes in a timely manner. Therefore, field orders and change orders may be approved by the Developer, without prior Owner approval, but only if the changes authorized by these field orders and change orders shall not have the effect of extending the Developer Obligation Date or materially altering the work. As soon as practical, but no later than with the next Project Application for Payment, Developer shall provide Owner and Tenant with all field orders and/or change orders approved by Developer. For the purposes of this Section 8.2, an alteration shall be deemed to be "material" if it would reduce the intended quality of the Project, result in an increase of Owner's operational costs over time, or result in a substitution of any of the systems in the Project (including but not limited to HVAC, plumbing, electrical, elevators, roofing, fire and life safety, security systems, and infrastructure components). In the case of either a material alteration or a change that would result in failure to achieve Substantial Completion of the Project by the Developer Obligation Date, prior written approval by the Owner with Tenant's Concurrence of the proposed change must be received.

8.3 Change in the Work Initiated by Owner. Owner with Tenant's Concurrence may initiate changes in the work if, and only if, Owner deposits additional funds in the Non-Bond Proceeds Account held by the Trustee to cover any additional cost of such change including the applicable Developer's Fee payable for any such change pursuant to Section 11.1. Such Owner requested change orders are expected to include change orders related to Procured FF&E; additional environmental remediation in excess of the amount set forth in the Project Budget;; and tenant improvements to the retail area.

9. Payment of Project Costs. Trustee will act as disbursing agent and hold and disburse money on deposit in the Project Fund to pay Project Costs and other costs in accordance with the Indenture and this Agreement. Monthly disbursements will be made from the Project Fund to the Contractors with whom Owner has contracted (or, at Owner's election, such disbursements may be made to Developer for Developer to then pay the Contractors, as applicable, from such disbursements) and to Developer in order that Developer is able to pay other Project Costs. So long as there has not occurred an Event of Default by Developer under this Agreement, such disbursements from the Project Fund shall continue until the Fixed Price has been disbursed (except as provided in Sections 11 and 12). Disbursements received by Developer from the Project Fund shall, except as otherwise expressly provided herein, be used solely to pay the Project Costs. Upon Developer's compliance with its obligations under this Agreement, Owner shall take all such action as is necessary and required to obtain such disbursements by the Trustee.

9.1 Applications for Payment. Developer shall submit to Owner and Tenant on or before the last Business Day of each calendar month a Project Application for Payment signed by Developer, which shall also include a payment application submitted by General Contractor consistent with the terms of the Construction Contract and consistent with the format set forth in Exhibit K. The Project Application for Payment shall request payment of a specified dollar amount, which shall constitute a portion of the Fixed Price, reasonably detailed to reflect the amount of the Project Costs expended in each category of the Project Budget. Such Project Application for Payment shall request the appropriate amount of hard or soft costs based on a percentage of completion basis with respect to such work as of the date of such Project Application for Payment, less retainage being withheld by General Contractor, from any of the Contractors. When retainage that has been previously withheld from a payment application submitted by General Contractor is to be paid by General Contractor to a Contractor, it shall be added to the next payment application of such Contractor submitted to Developer.

Project Costs other than hard and soft construction costs that are incurred or paid on a schedule that is not related to percentage of completion (e.g., Project Contingency paid only as allocated by Developer to specific costs incurred, Developer's Fee paid as described in Section 11.3, Developer's Overhead paid as described in Section 11.2, reserves for warranty work paid only after Substantial Completion of the Project, the 150% holdback for uncompleted Punch List items, payment of unutilized contingency accounts or construction savings to Owner and/or Developer, etc.) shall be included in the Project Application for Payment only when such items are to be paid in accordance with other provisions of this Agreement, without regard to the percentage completion of the Project.

Developer shall also provide a reconciliation between the total of all draw amounts requested (including such draw request) under a Project Application for Payment and the then-current Project Budget and include all the information and documentation required to be provided by General Contractor to the Owner pursuant to the Construction Contract, as well as a conditional partial lien release from General Contractor and from such laborers, contractors and subcontractors performing work on site as Owner may require, to become effective upon payment to the Contractor or such other payees of the amount of the payment specified in said

Contractor's payment application, and Endorsement No. 122 to the lender's title policy and a similar endorsement to the leasehold title policy showing no liens or claims of lien; provided, that if a lien has been filed, Developer and General Contractor may resolve such lien in accordance with Section 19. Developer shall provide copies of all conditional partial lien releases to the title company issuing the Title Policies and shall execute or cause General Contractor to execute an indemnity agreement with the title company in a form sufficient to enable the title company to issue the foregoing endorsements.

9.2 Payment Procedures. Architect shall certify each of the General Contractor's payment applications. Owner and Tenant shall have the opportunity to attend all meetings between Developer and Contractors at which Project Applications for Payment are to be discussed (e.g. Developer shall be available and shall require General Contractor to be available for a monthly meeting for review of the current month's application for payment, if requested by Owner or Tenant). Owner shall receive with the Project Application for Payment any documentation submitted to Developer supporting such Contractor's payment application. So long as Owner shall have received the Project Application for Payment, including all required Developer certifications, Architect certifications, lien releases, and other required supporting documentation, on or before the last Business Day of a calendar month, Owner shall make any objections regarding such Project Application for Payment in writing prior to the twelfth (12th) day of the succeeding calendar month or the Owner shall be deemed to have waived its right to object to such Project Application for Payment. Notwithstanding Tenant's right to review applications for payment, nothing in this Agreement shall be construed as constituting any sort of responsibility or liability for the making of any such payment.

Owner shall be obligated to pay those portions of the Project Application for Payment as to which there was no objection in accordance with this Section 9.2 on or before the fifteenth (15th) day of the succeeding calendar month. If Owner fails to receive the Project Application for Payment on or before the last Business Day of the month, Owner shall have a period of twelve (12) days from its receipt of such Project Application for Payment to review and approve such application, and a period of fifteen (15) days from its receipt of such Project Application for Payment to pay amounts as to which there is no objection. If Owner objects to any portion of a Project Application for Payment, Owner shall provide detailed written comments explaining the nature of the disapproval, whereupon (i) Project Costs which are approved by Owner shall be paid in accordance with Section 9.4 and (ii) Developer and Owner shall meet within two (2) Business Days to determine mutually acceptable revisions to the Project Application for Payment.

Failure of Developer and Owner to determine mutually acceptable revisions to the Project Application for Payment within the two (2) Business Day period shall entitle either Owner or Developer to commence the dispute resolution process described in Section 24 or, if necessary, litigation. Failure to reach agreement on an application for payment shall not relieve Developer from its duties and obligations under this Agreement.

9.3 Review and Inspections. Owner, Tenant and/or Trustee shall have the right, but not the obligation, to have such additional independent consulting architects, engineers

or any other appropriate consultants retained and paid by such party (which shall be treated as Other Owner Costs), to inspect the construction work as it progresses and to review the Contract Documents. Such inspections shall be coordinated with Developer so as to not interfere with or delay construction of the Project or payment of any Project Application for Payment. If during the course of such construction Owner and/or Tenant shall determine that the construction is not proceeding in accordance with the Contract Documents, Owner on its behalf or on behalf of Tenant shall give notice in writing to Developer that includes Owner's best efforts to specify the particular deficiency or omission and Developer shall thereupon take, or cause to be taken, all steps necessary to correct same. The failure to give such notice shall not give rise to any liability for Owner or Tenant and shall not be considered a waiver of any right of Owner or Tenant under this Agreement, including, without limitation, the enforcement of the representations and warranties of Developer under this Agreement and the requirements with respect to construction of the Project in accordance with the Contract Documents.

9.4 Requisition to the Trustee. Owner shall execute and deliver the requisition to the Trustee for the amount of the Project Application for Payment, or such undisputed portion thereof under Section 9.2, on or before expiration of the 15-day period specified in Section 9.2. Owner shall undertake good faith efforts to cause Trustee to disburse the amount shown on such requisition to Developer for disbursement to applicable Contractors and others on the thirteenth (13th) day of each calendar month, but in any event shall cause such payment to be made no later than the fifteenth (15th) day of the month if the Project Application for Payment was received by the last Business Day of the previous month.

9.5 Initial Draw. The Initial Draw shall include a mutually agreed amount to reimburse Developer for Project Costs actually incurred or paid by those parties (including, without limitation, fees and costs incurred prior to this Agreement for General Contractor, Architect and other design professionals) on and before the date of Bond Closing. Developer and Owner with Tenant's Concurrence shall agree on the maximum amount of the Initial Draw and shall notify Tenant of that agreed maximum amount by no later than five (5) Business Days prior to the Sale of the Bonds; in addition, Developer and Owner with Tenant's Concurrence shall agree on the exact amount of the Initial Draw and shall notify Tenant of that agreed Initial Draw amount by no later than seven (7) Business Days prior to the Bond Closing.

9.6 Cost Overruns; Sufficiency of Funds to Complete Construction. Owner shall have no obligation to request any disbursement of money on deposit in the Bond Proceeds Account in the Project Fund unless and until the Project is in balance (as set forth in the next sentence). The Project shall be deemed to be in balance only when the undisbursed portion of Bond proceeds allocable to payment of the Fixed Price (which Owner shall cause to contain an amount sufficient to pay the Fixed Price plus all other funds that are the responsibility of Owner under this Agreement) in the Project Fund together with funds deposited by Developer (if applicable) with Trustee and expected earnings on the Project Fund to the date of their anticipated disbursement after provision for all contingencies shall equal or exceed the amount reasonably estimated by Owner to pay for all Project Costs that are the responsibility of Developer under the terms of this Agreement. In the event Owner properly advises Developer that the Project is not in balance, Developer shall deposit into the Project Fund held by the

Trustee the amount necessary to bring the Project into balance (i.e., the excess amount, if any, by which the Project Costs that are Developer's responsibility under the terms of this Agreement exceed the Fixed Price), and such funds shall be disbursed in their entirety prior to any further disbursement of Bond proceeds from the Bond Proceeds Account in the Project Fund; provided that if the shortfall in the Bond Proceeds Account in the Project Fund is due to Owner's failure to deposit funds as required in connection with any Owner-initiated change orders, Owner shall deposit the necessary funds into the Bond Proceeds Account in the Project Fund held by the Trustee.

9.7 Other Owner Costs. Notwithstanding anything to the contrary contained in this Agreement, all costs of every nature that constitute Other Owner Costs shall be the sole responsibility, cost and expense of Owner or Tenant, as applicable, pursuant to the Facilities Lease or Ground Lease. Owner further agrees that Developer shall have no responsibility or liability for any of the Other Owner Costs and Owner shall timely fund all Other Owner Costs and shall use commercially reasonable efforts to cause Tenant to fund all Other Owner Costs that are Tenant's responsibility pursuant to the Facilities Lease or Ground Lease.

10. Other Services by Developer. Services may be performed by the Developer at the written request of Owner which are not included as part of the Project. Such services shall be performed pursuant to a separate written agreement between Owner and Developer.

11. Developer's Fee and Overhead Allowance.

11.1 Developer's Fee. The Fixed Price includes a fee payable to Developer of [_____ dollars (\$_____)], which is an amount equal two and one-half percent (2.5%) of the Project Costs and, to the extent a Developer's Fee is payable pursuant to the definitions of Owner Discretionary Costs and Other Owner Costs, the 2.5% Developer's Fee shall also be paid with respect to Owner Discretionary Costs and Other Owner Costs, excluding the Developer's Fee, the Overhead Allowance and the Project Contingency (except to the extent that the Project Contingency is expended towards Project Costs). Any change in the work initiated by Owner in accordance with Section 8.3 shall (a) increase the Developer's Fee in an amount calculated as two and one-half percent (2.5%) of the cost of any such change in the work, and (b) to the extent that such change in the work extends the Project Schedule, increase the Overhead Allowance as may be appropriate due to such extension as mutually agreed to by Owner and Developer.

11.2 Overhead Allowance. Developer shall also be paid an Overhead Allowance in connection with the work in the amount of \$[4,565,407], payable in installments of \$[152,180.23] per month from [July 2024] (the commencement of pre-construction activity for the Project) through the earlier to occur of (i) occupancy of the Project by Tenant or (ii) full payment of the amount of \$[4,565,407] (which amount shall not be changed notwithstanding any change to the Fixed Price). Such amount shall be paid to Developer as follows:

(a) In the initial Project Application for Payment following Bond Closing, an amount equal to \$[152,180.23] multiplied by the number of months elapsed from July 2024 to the date of the Bond Closing;

Litera Compare Redline of 238530561v7 and 238820720v1

(b) With each monthly Project Application for Payment prior to Final Acceptance, \$[152,180.23] (not to exceed in the aggregate, including the payment following Bond Closing, the sum of \$[4,565,407], except as may be increased in accordance with Section 11.1(b)); and

(c) Any unpaid balance shall be paid with the Final Payment.

11.3 Payment of Developer’s Fee. As part of a Project Application for Payment, Developer shall be entitled to a portion of the Developer’s Fee based upon achievement of the Project milestones set forth below. If the hard costs incurred as of a date a milestone is achieved exceed the budgeted percentage of hard costs, as set forth below, after application of the Project Contingency, Developer shall not be entitled to draw that portion of its Developer’s Fee equal to such excess until the next milestone is achieved, and then only if the hard costs incurred as of such milestone do not exceed the budgeted percentage of hard costs to be incurred by such milestone date after application of the Project Contingency. Any unpaid portion of the Developer’s Fee shall be paid with the Final Payment.

| Project Completion Milestones | Percentage of Developer’s Fee Payable |
|--|--|
| Upon commencement of construction | 10.0% |
| 25%* | 20.0% |
| 50%* | 35.0% |
| 75%* | 50.0% |
| Substantial Completion of the Project | 90.0% |
| Final Acceptance | 97.5% |
| LEED Certification | 100.0% |

TOTAL MILESTONE FEES \$[4,565,407]

* Percentage of Project completion to be calculated as the percentage of hard construction costs approved for disbursement divided by the total of all such hard construction costs as shown in the Project Budget; provided, however, that Developer shall be entitled to such payment only to the extent the hard costs incurred as of any such milestone dates do not exceed the hard costs budgeted (after application of the Project Contingency) to be incurred as of such milestone dates. The final installment of the Developer’s Fee shall be paid to Developer as provided in Section 4.7.

12. Completion of the Project.

12.1 Substantial Completion of the Project. “Substantial Completion of the Project” shall have occurred when all of the following events have occurred:

(1) Developer has notified Owner and Tenant in writing that the Project, including all Tenant Improvements, is Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items and activities required for LEED Gold certification (or as otherwise agreed by Owner and Tenant);

(2) Architect has issued its “Certificate of Substantial Completion” (AIA Document G704) stating that the work under the Construction Contracts is sufficiently complete in substantial accordance with the Contract Documents to permit Tenant to occupy or utilize the Project for its Permitted Use;

(3) The County has issued a temporary or final certificate of occupancy or other approval sufficient for initial occupancy of the Project and the City’s Fire Department has also issued its approval for occupancy such that Tenant is permitted to and could, pursuant to such issued certificate of occupancy, physically occupy the Project for its Permitted Use; provided, however, if (i) the certificate of occupancy is not issued solely because of Tenant’s failure to install Tenant’s Personal Property and/or any portion of the Financed FF&E to be installed by Tenant, in accordance with Exhibit N and the latest agreed upon schedule (but, if Tenant has not been provided with appropriate access rights to perform and complete the installation, then Tenant will be excused for every day it was not provided access) and (ii) Owner has given Tenant written notice of such failure, with enough detail for Tenant to reasonably understand the failure, at least ten (10) Business Days prior to the deemed Substantial Completion Date, then this condition shall be deemed satisfied;

(4) General Contractor has issued its “Certificate of Substantial Completion” together with its “Affidavit of Payment of Debts and Claims” (AIA Forms 706 and 706A), together with partial waivers and releases of lien for work performed prior to the date of its “Certificate of Substantial Completion” in form satisfactory to Owner, with Tenant’s Concurrence, from such materialmen, laborers, contractors and subcontractors as Owner, with Tenant’s Concurrence, may reasonably require;

(5) Access to the Project has undergone inspection by a “Certified Access Specialist” and has been determined pursuant to such inspection to meet all applicable construction-related accessibility standards under California Civil Code Section 55.53, and Owner has so certified to Tenant pursuant to California Civil Code Section 1938;

(6) Owner, with Tenant’s Concurrence, has accepted the Project as Substantially Complete (which acceptance by Owner and concurrence by Tenant shall not be unreasonably withheld, conditioned or delayed and will presumptively be granted if items (1) through (5) have been satisfied), subject to completion of the Punch List items agreed upon by Owner, with Tenant’s Concurrence;

(7) Owner shall, or shall cause Developer to, have caused a Notice of Completion under California Civil Code Section 8190 to be recorded with respect to the Project.

(8) Notwithstanding that Substantial Completion of the Project shall have occurred, Owner shall be entitled to provide Developer with a Punch List.

Until Substantial Completion of the Project has occurred, Owner shall not occupy the Project and shall prohibit Tenant or any other party from occupying the Project; provided, however, that limited use of the Project for storage, move-in or installation of Tenant’s Personal

Property by either Owner or Tenant when such use is approved by Developer, such approval not to be unreasonably withheld, shall not be deemed to be occupancy.

12.2 Notice of Substantial Completion. Developer shall give notice in writing to Owner and Tenant at least thirty (30) days prior to the date upon which Developer anticipates that Substantial Completion of the Project will be achieved. During the fifteen (15) Business Day period after the delivery of the estimated completion notice, Owner, Developer, General Contractor, and Tenant shall meet on one or more occasions, if necessary, and tour to inspect and review the Project to determine whether it is Substantially Complete. The parties shall prepare the Punch List to be completed prior to Final Acceptance. The completion of the Punch List shall not be required in order for the Project to be Substantially Complete.

12.3 Completion of Punch List Items. Following Substantial Completion of the Project, Developer shall cause all Punch List items to be completed promptly (and in all events within sixty (60) days after Substantial Completion of the Project) in accordance with the Contract Documents. Developer shall coordinate the performance of any such Punch List work to avoid any unreasonable hindrance to Tenant's installation of Tenant's Personal Property and its occupancy of the Project.

12.4 Final Acceptance. Upon Final Acceptance, Developer shall be entitled to payment of the balance of Developer's Fee less the amount held back for LEED certification, as well as all other Project Costs incurred in connection with the work, but not to exceed the Fixed Price. Developer shall give notice in writing to Owner at least thirty (30) days prior to the date upon which the Project shall be ready for Final Acceptance. "**Final Acceptance**" means that all of the following items have occurred with respect to the Project:

(a) The County has issued all certificates of occupancy for the Project; provided, however, if issuance of a certificate of occupancy is subject to completion of installation of Tenant's Personal Property, then this condition shall be deemed satisfied.

(b) Each Contractor has issued its "Certificate of Substantial Completion" together with its "Affidavit of Payment of Debts and Claims" (AIA Forms 706 and 706A), together with final waivers and releases of lien, in form satisfactory to Owner with Tenant's Concurrence, from all Contractors and subcontractors who have performed work on site.

(c) All Punch List items for the Project have been completed to the reasonable satisfaction of Owner with Tenant's Concurrence; provided that Owner with Tenant's Concurrence, may consent to Final Acceptance prior to completion of all Punch List items, if (i) Owner and Developer have agreed upon the estimated cost of any Punch List items remaining to be completed and (ii) 150% of such estimated costs are withheld by the Trustee in the Project Fund until the Punch List items have been completed to the reasonable satisfaction of Owner with Tenant's Concurrence. When the Punch List items have been completed, and Developer has so notified Owner, upon Owner's reasonable satisfaction (with Tenant's Concurrence) that such Punch List items have been completed, Owner shall deliver its requisition to the Trustee for payment of such funds being withheld by Trustee.

(d) Developer has submitted its application for Final Payment together with evidence reasonably satisfactory to Owner (with Tenant's Concurrence) that all construction costs for the Project have been paid in full including evidence of full payment for any personal property installed on the Premises as part of the Project Costs.

(e) The period for filing construction liens for the Project has expired and none have been filed or releases or discharges (as permitted under Section 19) of construction liens in form and substance satisfactory to Owner (with Tenant's Concurrence) have been obtained by Developer from all Contractors in accordance with all Construction Contracts and from such laborers, Contractors and subcontractors performing work on site as Owner, with Tenant's Concurrence, may require.

(f) Architect has issued its "Certificate of Final Completion" for the Project and Owner has received the certificate of any other architect or engineer reasonably requested by Owner or Tenant.

(g) General Contractor has issued a certificate that the Project has been finally completed in substantial accordance with the Contract Documents and no Hazardous Substances were incorporated into the structure of the Project (other than as set forth in the Construction Documents).

(h) Developer has delivered to Owner a written report showing the allocation of Project Costs among the categories of the Project Budget and the remaining specified dollar amount of the Project Contingency and the undisbursed portion of the Developer's Fee.

(i) Owner, Tenant and Trustee have each received an updated title commitment dated at least ninety (90) days after Substantial Completion, that (i) confirms that no liens for labor or materials have arisen in connection with the construction of the Project, and (ii) shows no additional exceptions to such title policy other than those approved by or arising through Owner (with Tenant's Concurrence).

(j) Developer shall have delivered to Owner and Tenant its affidavit that the Construction Contracts for the Project required the Contractors under those contracts and their subcontractors to pay prevailing wage in accordance with Section 7.4.

(k) The Civic Art has been installed.

(l) Developer shall have submitted the initial applications, supporting documents, and other materials needed to obtain LEED Gold certification (or as otherwise agreed by Owner and Tenant).

12.5 Approval of Final Project Application for Payment. Upon delivery of Developer's final Project Application for Payment and other materials set forth above, Owner with Tenant's Concurrence shall, acting reasonably and in good faith, review and approve the final Project Application for Payment on or before that period expiring fourteen (14) Business

Days after receipt of the final Project Application for Payment, receipt of notice from Developer that the Punch List matters are complete (except those items permitted to remain outstanding pursuant to Section 12.4(c), and Owner's receipt of the materials set forth in Section 14. In the event no comments are received within said fourteen (14) Business Day period, Owner shall be deemed to have waived its right to comment on the final Project Application for Payment or to disapprove the completion of the Punch List, except those items permitted to remain outstanding pursuant to Section 12.4 (c). If Owner disapproves the final Project Application for Payment or completion of the Punch List, or any portion thereof, Owner shall provide detailed written comments explaining the nature of the disapproval; whereupon, Developer and Owner shall meet within two (2) Business Days to determine mutually acceptable revisions to the final Project Application for Payment and the completion of the Punch List. Failure of Developer and Owner to determine mutually acceptable revisions to the final Project Application for Payment and the completion of the Punch List within the two (2) Business Day period, shall entitle either Owner or Developer to commence the dispute resolution process described in Section 24. Failure to reach agreement on the amount of the Developer's final Project Application for Payment which is approved for payment shall in no way release Developer from its duties and obligations under this Agreement.

12.6 Requisition of Final Payment. Owner shall execute and deliver the requisition for Final Payment to the Trustee within one (1) Business Day following expiration of said fourteen (14) Business Day period, or if Owner disapproves of the final Project Application for Payment, then within one (1) Business Day after the date of approval of the mutually acceptable revisions to the final Project Application for Payment or the determination of the dispute resolution process, if applicable. Subject to the provisions for disbursement of unused contingency funds in Section 12.7, Owner shall take all steps to cause the Trustee to disburse the remaining money in the Bond Proceeds Account in the Project Fund, except for (1) any money withheld for completion of the Punch List items under Section 12.4(c), and (2) the installment of the Developer's Fee that is reserved for payment only upon a LEED certification, but in any event not more than the Fixed Price, in the amount shown on such requisition within one (1) Business Day of Trustee's receipt of such requisition. In addition, Owner shall in such requisition direct payment of the unexpended Project Contingency and of the remaining Developer's Fee in accordance with the provisions of Sections 11.3 and 12.8.

12.7 Disbursement of Project Contingency; Incentive Fee. Subject to allocation of the Project Contingency by Developer to pay for Project Costs pursuant to Section 7.7, if all or some portion of the Project Contingency (as such amount may be increased or decreased in accordance with the terms of this Agreement) is not used for Project Costs, then a portion of the unused Project Contingency shall be paid as an incentive fee to Developer as part of the Final Payment, and the remainder shall be paid as set forth in the Indenture, as follows:

| Amounts of Unused Project Contingency | % Payable to Developer | % Payable per Indenture |
|--|-------------------------------|--------------------------------|
| Amounts up to \$12,000,000 | 50% | 50% |
| Amounts in excess of \$12,000,000 | 0% | 100% |

NOTE: In no event shall Developer's Incentive Fee exceed Six Million Dollars (\$6,000,000).

13. Developer Representations; Warranties. Upon Substantial Completion of the Project, Developer shall represent and warrant to Owner in writing as follows:

(a) The Project has been completed in substantial accordance with the Contract Documents (as revised by Project change orders pursuant to Section 8) and is, and at all times during the Warranty Period shall be, free from defects in workmanship and materials in connection with the construction thereof.

(b) Developer has no knowledge of any structural defects, latent defects or building systems defects within the Project.

(c) The Project has been constructed in accordance with all Requirements of Law, all Permits and all insurance laws, regulations and requirements in effect at the time of construction of the Project.

(d) The Project is served by water, storm and sanitary sewage facilities, telephone, electricity, fire protection and other required public utilities adequate to serve the Project at the time of Substantial Completion of the Project.

(e) General Contractor and all other Contractors, suppliers, materialmen and consultants have (subject to Owner's payment of the Fixed Price and Owner's timely payment of all other amounts that are the responsibility of Owner) been paid in full for work related to construction of the Project billed to date (to the extent such costs are Project Costs) and there are no liens, encumbrances or other defects affecting title to the Premises which has been or will be filed against the Premises and/or the Project with respect thereto, or if any such lien has been filed, Developer or General Contractor shall have arranged for a bond to remove such lien in accordance with Section 19.

(f) Developer is not aware of any physical defect in the Premises or the Project which would prevent Owner from leasing the Project to Tenant for the Permitted Use.

(g) The use and operation of the Project for the Permitted Use is permitted under applicable municipal codes.

(h) To the best of Developer's knowledge and except as disclosed in writing there are no condemnation, environmental, zoning or other land use regulation proceedings currently instituted which could detrimentally affect the use and operation of the Project for its

intended purpose. If during the term of this Agreement any such proceedings have been instituted, Developer shall have used its best efforts and due diligence to resolve them prior to Substantial Completion of the Project.

(i) Developer has provided Owner with prompt notice of any special assessment proceedings affecting the Premises known by Developer.

(j) Except as disclosed to Owner in writing prior to the Bond Closing or as otherwise approved by Owner, the Project does not encroach onto adjoining land or onto any easements and there are no encroachments of improvements from adjoining land onto the Premises, except as otherwise provided in a reciprocal easement agreement to which the Premises and such adjoining land are subject. The location of the Project does not violate any applicable setback requirements. The Premises is not located in a flood zone.

(k) Except as disclosed to Owner in writing, there is no litigation pending, or to the best knowledge of Developer, threatened, with respect to the Project for matters undertaken by Developer under this Agreement.

(l) To the best of Developer's knowledge and except as disclosed in writing, (i) no Hazardous Substances have been released following the Effective Date in, on, under or affecting the Premises or the Project and any such Hazardous Substance which has been so released has been remediated in accordance with applicable law and (ii) no Hazardous Substances have been incorporated into the structure of the Project except as may be required in construction of the Project and only to the extent permitted by Laws.

(m) Prior to Substantial Completion of the Project, Developer has caused to be removed or remediated and properly disposed of all known Hazardous Substances requiring removal or remediation first existing on the Premises following the Commencement of Construction and if applicable, received a no further action letter from the appropriate governmental agency with respect to such Hazardous Substances.

(n) To the best of Developer's knowledge, all Permits necessary for the construction and occupancy of the Project have been obtained and are in full force and effect.

Each of the foregoing warranties with respect to the Project (and any other warranties, if any, from Developer) shall expire and be of no further force or effect, unless Owner shall have made a claim based upon an alleged breach of such warranties by Developer on or before the expiration of the Warranty Period. In the event Owner alleges a breach of any of the foregoing warranties, Owner shall give Developer written notice of any such allegation together with a detailed explanation of the alleged breach ("**Owner's Warranty Claim**"). Developer shall, within thirty (30) days after receipt of an Owner's Warranty Claim, proceed to commence to cure the circumstances specified in such Owner's Warranty Claim, or provide Owner with written notice of Developer's dispute of such Owner's Warranty Claim. If Developer commences a cure or correction of the matter alleged in Owner's Warranty Claim, Developer shall proceed reasonably diligently and promptly to complete such cure or correction, and the Warranty Period for the particular matter shall be extended for the period necessary to complete cure or

correction. Notwithstanding anything to the contrary contained in this Agreement, Owner agrees that in no event shall Developer have any liability or responsibility with respect to any of the foregoing warranties that are not accurate as a result of any negligent act or omission of Owner or Tenant or based on information known by Owner as of the date of this Agreement, or with respect to any such untrue representation or warranty that becomes untrue due to new facts and circumstances not previously known to, Developer as of the Effective Date and not within the reasonable control of Developer; provided that such new facts and circumstances have been disclosed in writing to Owner prior to the date of Substantial Completion, and do not prevent the occurrence of Substantial Completion.

14. Developer Obligations. On or before Final Acceptance of the Project, Developer shall obtain and submit to Owner, the following:

14.1 As-Built Plans. A complete set of final as-built plans and specifications for the Project prepared by General Contractor. Tenant Improvements will be provided on CAD.

14.2 Manuals. All technical and service, instruction and procedure manuals relating to the operation and maintenance of all HVAC systems and other mechanical devices and equipment installed in the Project, except insofar as relating to Tenant's Personal Property.

14.3 Warranties. An assignment (on a non-exclusive basis) and delivery of all warranties, guarantees, maintenance contracts, and machinery and equipment warranties received by Developer from General Contractor or any subcontractor thereof, or any supplier, materialmen or manufacturer relating to the Project; provided, however, that so long as Developer's warranty set forth in Section 13 remains in effect, Developer reserves the right, notwithstanding the assignment and delivery of such warranties hereunder to Owner, to fully enforce all such warranties in the place and stead of Owner.

14.4 Permits and Licenses. The originals (if not posted at the Project) of all Permits, licenses and other approvals necessary for the occupation, use and operation of the Project.

14.5 As-Built Survey. An as-built Survey of the Premises showing the location of all improvements constructed thereon.

15. Indemnification.

15.1 Developer's Indemnification. The Developer shall protect, defend, indemnify, and save harmless the Owner, Trustee, Tenant, and their respective officers, officials, employees, and agents, from and against any and all liability, demands, liens, damages, claims, causes of action, expenses, and fees (including reasonable attorneys' fees and costs and expert witness fees) for bodily injury, property damage, and death (hereinafter collectively referred to as "**Liabilities**"), to the extent arising out of or in any way resulting from the Developer's officers, employees and/or agents negligence, willful misconduct, or Event of Default under this Agreement, to the maximum extent permitted by law.

Developer's obligations under this Section 15 shall, except for third-party claims for personal injury, expire at the end of the Warranty Period. Developer's obligations under this Section 15 with respect to third-party claims for personal injury shall remain in full force and effect and survive the termination and/or expiration of this Agreement. Such obligations shall include, but not be limited to:

(a) The duty to promptly accept tender of defense and provide defense to Owner, Trustee and Tenant at Developer's own expense.

(b) The duty to indemnify and defend Owner, Tenant and Trustee from any such claim, demand, and/or cause of action brought by or on behalf of any of Developer's employees, or agents, including attorneys' fees, expert costs and expenses. The foregoing duty is specifically and expressly intended to constitute a waiver of Developer's immunity under the Labor Code of the State of California, as respects the Owner, Trustee and Tenant only, with a full and complete indemnity and defense of claims made by Developer's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

(c) To the maximum extent permitted by law, Developer shall indemnify and defend Owner, Trustee and Tenant from and be liable for all damages and injury which shall be caused to owners of property on or in the vicinity of the construction of the Project or which shall occur to any person or persons or property whatsoever arising out of or in any way resulting from the Developer's officers, employees and/or agents of all tiers, negligence, willful misconduct or Event of Default under this Agreement.

(d) In the event the Owner, Tenant or Trustee incurs any judgment, award, and/or costs arising from any claim to which they are entitled to be indemnified hereunder, including attorneys' fees, to enforce the provisions of this Section, all such reasonable fees, expenses, and costs shall be recoverable from the Developer.

Notwithstanding the provisions contained in this subsection above, Developer's obligation to indemnify Owner, Tenant and Trustee shall not extend to any claim, demand or cause of action to the extent caused by or arising out of the negligence, intentional acts, willful misconduct, or breach of this Agreement by Owner, Trustee, Tenant or their respective agents or employees. Furthermore, Owner and Developer hereby mutually release each other from liability and waive all rights of recovery against each other for any loss from perils insured against under the builder's risk insurance policy to be carried by Owner pursuant to Exhibit G.

(e) Developer is not, and shall not act as, a design professional hereunder. However, Developer shall facilitate the negotiation of the contract(s) between Owner and any design professional retained in connection with the Project to contain a clause whereby the design professional shall indemnify, defend and hold harmless Owner, Tenant and Trustee from and against any and all Liabilities that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of such Design Professional for the performance of professional services pertaining to the Project.

15.2 Owner's Indemnification. Owner shall protect, defend, indemnify, and save harmless Developer, Trustee, Tenant and its respective officers, officials, employees, and agents, from and against any and all Liabilities to the extent arising out of or in any way resulting from the Owner's officers, employees and/or agents negligence, willful misconduct, or Event of Default under this Agreement, to the maximum extent permitted by law. Owner's obligations under this Section 15 shall, except for third party claims for personal injury, expire at the end of the Warranty Period. Owner's obligations under this Section 15 with respect to third party claims for personal injury shall remain in full force and effect and survive the termination and/or expiration of this Agreement. Owner's indemnification obligations shall include, but not be limited to:

(a) The duty to promptly accept tender of defense and provide defense to Developer, Trustee and Tenant at Owner's own expense.

(b) The duty to indemnify and defend Developer, Trustee and Tenant from any such claim, demand, and/or cause of action brought by or on behalf of any of Owner's employees, or agents, including attorneys' fees, expert costs and expenses. The foregoing duty is specifically and expressly intended to constitute a waiver of Owner's immunity under the Labor Code of the State of California, as respects the Developer, Tenant and Trustee only, with a full and complete indemnity and defense of claims made by Owner's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

(c) To the maximum extent permitted by law, Owner shall indemnify and defend Developer, Trustee and Tenant from and be liable for all damages and injury which shall be caused to owners of property on or in the vicinity of the construction of the Project or which shall occur to any person or persons or property whatsoever arising out of or in any way resulting from the Owner's officers, employees and/or agents of all tiers, negligence, willful misconduct or Event of Default under this Agreement.

(d) In the event the Developer, Trustee or Tenant incurs any judgment, award, and/or costs arising from any claim to which they are entitled to be indemnified hereunder, including attorneys' fees, to enforce the provisions of this Section, all such reasonable fees, expenses, and costs shall be recoverable from the Owner.

Notwithstanding the foregoing, Owner's obligation to indemnify Developer, Trustee and Tenant shall not extend to any claim, demand or cause of action to the extent caused by Developer's negligence, intentional acts or breach of this Agreement.

15.3 Notice of Claim. Any party making a claim for indemnification pursuant to this Section 15 (an "**Indemnified Party**") must give the party from whom indemnification is sought (an "**Indemnifying Party**") written notice of such claim (an "**Indemnification Claim Notice**") promptly after the Indemnified Party receives any written notice of any action, lawsuit, proceeding, investigation or other claim against or involving the Indemnified Party by a government entity or other third party, or otherwise discovers the liability, obligation or facts giving rise to such claim for indemnification; provided that the failure to notify or delay in notifying an Indemnifying Party will not relieve the Indemnifying Party of its obligations

pursuant to this Section 15 except to the extent that the Indemnifying Party's ability to defend against such claim is actually prejudiced thereby. Such notice shall contain a description of the claim and the nature and amount of such loss (to the extent that the nature and amount of such loss is known at such time).

16. Insurance Requirements.

16.1 Developer's Insurance. By the Effective Date, Developer shall procure and maintain, at a minimum, for the duration of this Agreement insurance against claims for injuries to persons or damages to the Project which may arise from, or in connection with the performance of work hereunder by the Developer, its agents, representatives and/or employees in accordance with the requirements of Exhibit G. The cost of such insurance shall be a Project Cost.

16.2 Owner's Insurance. By the Effective Date, Owner shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to the Project which may arise from, or in connection with the performance of work hereunder by the Owner, its agents, representatives and/or employees. The cost of such insurance shall be paid by the Owner. Owner's insurance shall meet the minimum requirements set forth in Exhibit K of the Facilities Lease and will name Developer and affiliated companies as Additional Insureds on applicable policies for the Owners indemnification obligations to Developer in this agreement.

16.3 Verification of Coverage. Each Party shall furnish the other with certificates of insurance and endorsements required by this Agreement. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms reasonably approved by the other Party and are to be received and approved by such other Party prior to the commencement of activities associated with this Agreement. Each Party reserves the right to require complete certified copies of all required policies at any time.

16.4 Builder's Risk Insurance. Unless Owner, Developer and General Contractor agree that such Contractor shall be responsible for procuring builder's risk insurance coverage for the Project, Owner shall be responsible therefor. Such insurance shall be written on an "all risk" or "open perils" basis. The premium for such insurance shall be an Other Owner Cost. The builder's risk insurance shall cover all work to be done on the Project for the full 100% replacement cost of all such improvements.

(a) Coverage shall be provided for (i) losses on an all-risk basis and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, boiler explosion, and sprinkler coverage; (ii) the perils of earth movement and flood so long as such coverage is available at commercially reasonable cost and in coverage amounts that are commercially available; (iii) resultant damage from errors in design, plans, specifications, faulty workmanship, materials and construction; (iv) "extra expense"; (v) all materials to be stored offsite and while in transit to the jobsite; (vi) "cold testing" of all building

systems; (vii) Owner's, Tenant's and Developer's loss of use of the Project due to delays in Project completion caused by covered peril losses to the Project, including loss of income and rents (for at least twenty-four (24) months) and soft costs such as interest on the Bonds, real estate taxes and insurance premiums; (viii) the increased cost of construction, debris removal and demolition due to the operation of building laws and code upgrades; and (ix) direct physical damage to the Project and loss of use caused by an off premises power interruption.

(b) Coverage shall not be provided for Tenant's Personal Property.

(c) The policy shall include a waiver of subrogation provision, shall grant permission for partial occupancy of the facilities without having a detrimental effect on the coverage provided, and shall contain a separate debris removal limit of liability which is separate from, in addition to, and not part of the overall policy limit of liability.

(d) Owner shall have the required builder's risk insurance coverage in place no later than commencement of construction of the Project. The policy shall include Developer, General Contractor and its subcontractors, Owner, and Tenant as insureds in an amount equal to their interest with a loss payable clause in favor of Trustee. Owner shall keep the builder's risk policy in place from commencement of construction to the Substantial Completion Date.

17. Representatives.

17.1 Developer Representatives. Developer shall consult with Owner on initial assignments of personnel assigned to the Project. Owner agrees that the persons with overall responsibility for the work for the Project for the Developer shall be Greg Ames. The Project Manager shall be Nancy Moses. Owner shall have the right to approve any changes in the personnel named above, such approval not to be unreasonably withheld.

17.2 Owner Representative. Owner designates John Finke as the "Owner's Representative" authorized to act on the Owner's behalf with respect to the Project. Owner shall promptly render decisions to avoid delay in the orderly process of design and construction of the Project. Owner shall communicate with the Contractor only through Developer. Owner's Representative may be changed by Owner from time to time.

17.3 Tenant Representative. Owner hereby confirms that Tenant's Construction Representative (as defined in the Facilities Lease) is authorized to act on the Tenant's behalf with respect to the Project. Owner shall cause Tenant to promptly render any decisions required of Tenant to avoid delay in the orderly process of design and construction of the Project.

18. Accounting, Inspection and Audit.

18.1 Accounts. Developer shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement.

18.2 Inspection and Audit. Owner and/or Tenant may, each at their sole discretion or by request of Tenant, from time to time whether before or after Final Acceptance or termination of this Agreement, inspect all books and records of Developer or any Contractor relating to the Project and/or elect to have an audit conducted to verify Project Costs through the date of the latest progress payment. If Owner and/or Tenant so elects to conduct such an audit, it shall give notice to Developer, and such audit shall be conducted as soon as is reasonably feasible thereafter, but progress payments to Developer shall not be delayed pending the outcome of the audit. Such audit shall be conducted by an auditor selected by Owner and Tenant, and Owner and/or Tenant shall, except as hereinafter provided, pay the cost of such audit. Developer agrees to cooperate with the auditor and make available for examination at its principal office all of its books, records, correspondence and other documents deemed necessary to conduct the audit by the auditor. If the audit reveals a variation of one percent (1%) or more of the then Project Costs, Developer shall pay the cost of the audit, not to exceed Ten Thousand Dollars (\$10,000).

18.3 Preservation of Records. Developer shall preserve all records for a period of six (6) years after Final Payment hereunder; provided, however, if at any time prior to the expiration of ten (10) years after Final Payment, Developer proposes to dispose of any Contract Documents related to the Project, Developer shall deliver the same to Owner for disposition by Owner.

19. Construction Liens. Upon Final Acceptance of the Project and upon Owner's request during the progress of the Project, Developer shall submit evidence that all payrolls, material bills and other indebtedness relating to the work have been paid (subject to Owner's timely funding the Fixed Price and all other costs that are the responsibility of Owner). If at any time there shall be appropriate evidence of any lien or claim for which, if established, Owner shall be liable, or which would constitute a lien on the Project, and which is chargeable to and the responsibility of Developer, then provided that Owner has timely funded the Fixed Price and all other costs that are the responsibility of Owner under this Agreement, upon written request by Owner, Developer or Contractor shall furnish a bond or other assurance in form and amount satisfactory to remove such lien from the public records. If any potential lien claimant gives notice to Trustee in accordance with the provisions of applicable law that it has filed a mechanics' lien against the Project and such lien is the responsibility of Developer in accordance with the previous provisions of this Section 19, there shall be no further disbursement of Bond proceeds until Developer shall have provided Trustee and Owner with a bond or other security in accordance with applicable law, to the amount claimed under the lien or notice until resolution of such dispute and payment of such lien, agreement with such potential lien claimant that such notice is withdrawn, or a court declaration that such notice is void in accordance with the provisions of applicable law. Developer shall notify Owner, Tenant and Trustee upon Developer's knowledge of the filing of any lien or the service of any notice in connection with the Project.

20. Priority Agreements. To the extent permissible under California law, Developer shall require General Contractor to subordinate its lien rights, by agreement in form and substance satisfactory to Owner, to the lien of mortgage(s) securing the Bonds in favor of

Trustee and its respective successors or assigns, and shall use its best efforts to obtain a similar subordination from all subcontractors under this Agreement. Any subcontractor which refuses to so subordinate its lien rights must be specifically approved in writing by Owner.

21. Damage and Destruction; Condemnation.

21.1 Damage and Destruction. After the happening of any casualty to the Project, Developer shall give Owner, Tenant and Trustee prompt written notice thereof generally describing the nature and cause of such casualty and the extent of the damage or destruction to the Project. Developer and Owner acknowledge, agree and assign all insurance proceeds which Developer or Owner may be entitled to receive prior to Final Acceptance of the Project with respect to damage or destruction to the Project to Trustee for deposit into the Non-Bond Proceeds Account, pursuant to Section 4.01 of the Indenture held by Trustee under the Indenture, and the insurance carrier is hereby irrevocably instructed in accordance herewith. Such insurance proceeds shall be used to pay Project Costs, including increases in the Project Costs caused by such casualty so long as such use is permitted by the Indenture. If, prior to the Substantial Completion of the Project, damage or destruction occurs to the Project, Developer shall proceed diligently to reconstruct and restore the Project in accordance with the Contract Documents and the provisions of this Agreement. Insurance proceeds deposited in the Non-Bond Proceeds Account, pursuant to Section 4.02 of Indenture shall be disbursed to Developer in accordance with the provisions of Section 9 for payment of progress payments for payment of the costs to repair and restore the Project. All costs of such repair or restoration of the Project exceeding the amount of the insurance proceeds shall be paid in accordance with the Facilities Lease, and Developer shall not be responsible for any such costs.

21.2 Condemnation.

(a) If, prior to Substantial Completion of the Project, there is a partial taking of the Premises by Condemnation but the Project can be completed substantially in accordance with the Project Requirements, such condemnation proceeds shall be paid to Trustee who shall deposit such condemnation proceeds into the Non-Bond Proceeds Account established under Section 4.02 the Indenture for purposes of paying Project Costs. Following Substantial Completion of the Project, if there is a partial taking of the Premises by Condemnation, and Tenant determines that restoration is possible or a reasonable use can be made of the Premises without restoration, then the condemnation proceeds shall be paid to Trustee who shall, as applicable, (i) deposit such condemnation proceeds into the Capital Repairs Fund (as defined in the Indenture) and shall disburse such condemnation proceeds to Owner from time to time as restoration progresses, or (ii) deposit such condemnation proceeds in the Bond Fund (as defined in the Indenture) to be used to repay or defease Bonds.

(b) If there is a taking or damaging of all or any portion of the Premises by the exercise of any governmental power, whether by legal proceedings or otherwise, by a governmental agency with jurisdiction over the Premises or a transfer by Owner either under threat of condemnation or while legal proceedings for condemnation are pending (a “**Condemnation**”) such that there can be no reasonable use of the Premises by Tenant, as reasonably determined by Tenant, the entire award with respect to a taking of the Premises

(including Tenant's leasehold estate under the Facilities Lease) shall be paid to Trustee and applied at Tenant's direction to repay or defease Bonds or to reimburse Trustee for any costs incurred by Trustee for which it is entitled to reimbursement under the Indenture. Any Condemnation proceeds remaining after Bonds have been paid in full shall be paid to Tenant.

22. Payment of Taxes/Assessments.

22.1 Real Property Taxes. Any and all real property taxes and assessments (including leasehold excise tax) levied against the Premises and the Project or any portion thereof shall be paid by Owner. Notwithstanding anything to the contrary contained in this Agreement, Developer shall have no liability whatsoever for any real property taxes or assessments (including any leasehold excise tax).

22.2 Other State and Local Taxes. Except as otherwise provided in Section 22.1, Developer shall pay any and all state and local taxes assessed in connection with the Project, including, but not limited to, state and local retail sales taxes as part of the Fixed Price. Developer shall complete all necessary tax returns relating to such taxes and file the same with the applicable state or local governmental agency and remit, on or before the date such tax payment is due, payment of such state and local taxes to the proper taxing authority.

23. Default.

23.1 Developer Default. The following events shall constitute an "Event of Default" by Developer if the same shall continue uncured after expiration of the applicable notice and cure period set forth in Section 23.2:

(a) If Developer shall fail to perform any material obligation under this Agreement;

(b) If Developer persistently or repeatedly refuses or fails to cause to be supplied to the Project enough properly skilled workers or proper materials to complete the Project, including Tenant Improvements, or if Developer ceases work on the Project for a period of fourteen (14) consecutive days (subject to Unavoidable Delays);

(c) If Developer misappropriates any funds received by Developer pursuant to the provisions of this Agreement;

(d) If Developer persistently disregards and fails to comply with laws, ordinances or rules, regulations or orders of a public authority having jurisdiction over the Project;

(e) If, due to the wrongful actions of Developer, any Permit required for construction of the Project shall be revoked or canceled;

(f) If there shall occur any lien or other encumbrance on the Premises or the Project caused by Developer which is not bonded and removed in accordance with Section 19 above;

(g) If there shall have occurred defective workmanship or materials within the Project which is not cured within the time period provided in Section 7.11;

(h) If Developer shall have assigned, pledged or encumbered its rights, duties or obligations under this Agreement in violation of Section 25.6;

(i) If any warranty made by Developer as set forth in Section 13 shall be untrue or breached in any material respect;

(j) If Developer abandons the Project during the term of this Agreement; or

(k) If Developer files a petition for bankruptcy or if it makes a general assignment for the benefit of Developer's creditors, or if a receiver is appointed on account of Developer's insolvency and any such petition or appointment is not dismissed within sixty (60) days.

23.2 Owner Remedies upon Developer Event of Default. Upon any Event of Default by Developer, Owner shall give Developer written notice of the same, whereupon following receipt of such written notice Developer shall have thirty (30) days within which to commence all necessary action to cure any such Event of Default, (and if such cure is commenced, proceed to diligently complete such cure within a reasonable period of time), except with respect to Events of Default set forth in Section 23.1(h) for which the cure period shall be ten (10) Business Days, or Section 23.1(k) for which no cure period exists beyond the time period stated therein; provided however, that such cure period shall not apply to failure of Developer to achieve Substantial Completion of the Project on or before the Developer Obligation Date for the Project. In the event Developer fails to cure such Event of Default within the time period set forth above, Owner shall be entitled to the following remedies:

(a) To take over and complete the Project. Owner is hereby irrevocably appointed attorney-in-fact (the appointment being coupled with an interest) to enforce contracts or agreements theretofore made by Developer and to do any and all things that are necessary and proper to complete the Project and be entitled to use the undisbursed Project Fund proceeds to pay Project Costs;

(b) In addition to a claim for damages for such breach or default, and in addition to and without prejudice to any other right or remedy available under this Agreement or at law or in equity, to commence an action for specific performance of this Agreement;

(c) To withhold approval of further disbursement of Bond proceeds;

(d) To bring an action for damages; or

(e) To terminate this Agreement without liability upon ten (10) days written notice.

23.3 Owner Default. The following shall constitute an “Event of Default” by Owner:

(a) Owner fails to cause Trustee to make disbursements to Developer of any sum of money owed to Developer pursuant to this Agreement as and when due, including without limitation, all monies due and owing from the Bond Proceeds Account in the Project Fund unless Developer shall have committed an Event of Default as set forth in Section 23.1;

(b) Owner shall have assigned, pledged or encumbered its rights, duties or obligations under this Agreement in violation of Section 25.6; or

(c) Owner shall have failed to perform any other material obligation under this Agreement.

23.4 Developer Remedies upon Owner Event of Default. Upon any Event of Default by Owner, Developer shall give Owner written notice of the same. Upon receipt of such written notice Owner shall have ten (10) Business Days to cure any such Event of Default. In the event Owner fails to cure such Event of Default within said ten (10) Business Day period, Developer shall be entitled to stop all work relating to the Project, if Developer so desires and shall further be entitled to pursue its rights and remedies at law and in equity under this Agreement, including without limitation, specific performance of Owner’s obligations hereunder.

23.5 Remedies Not Exclusive. No remedy conferred upon either Party in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

23.6 Limitation on Liability. Notwithstanding anything to the contrary contained in this Agreement, in no event and under no circumstances shall Developer’s liability under this Agreement or in connection with the Project exceed the cumulative amount of (a) the Developer’s Fee and (b) any and all available insurance coverage; provided, however, to the extent that such liability is caused by Developer’s gross negligence, abandonment of the Project, or willful misconduct, the limitation of liability set forth in this Section 23.6 shall not apply.

24. Disputes. Owner and Developer agree to follow the independent resolution process set forth in this Section 24 to resolve disputes regarding preparation of the Construction Drawings and Detailed Specifications and changes to Construction Documents in an economic and time efficient manner so that such documents conform to the requirements of this Agreement, the Project Schedule is not adversely impacted, and the Project as constructed will satisfy the Project Requirements. In the event that a dispute arises between Owner and Developer during the design or construction of the Project regarding the adequacy of any Drawings or Specifications or the responsibility for any costs associated with any design

development, addition or change (e.g., whether any design development is consistent with and reasonably inferable from the Project Requirements), the Parties shall attempt to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the Parties are unable to resolve the dispute within three (3) Business Days, either Party may, by delivering written notice to the other and the Trustee, refer the matter to a dispute resolution mediation as set forth on the attached Exhibit H. In the event that either Party to this Agreement brings an action to enforce the terms hereof or declare rights hereunder, the prevailing Party in any such action or dispute shall be entitled to recover its reasonable attorneys' fees from the non-prevailing Party.

25. Miscellaneous.

25.1 Waiver. Any waiver by either of the Parties of any breach of any covenant herein contained to be kept and performed by the other Party shall not be deemed or considered as a continuing waiver, and shall not operate to bar or prevent the damaged Party from declaring a forfeiture for any succeeding breach, either of the same condition or covenant or otherwise.

25.2 Neutral Authorship. In connection with the execution and delivery hereof, each Party has been represented by counsel. Each of the provisions of this Agreement has been reviewed and negotiated, and represents the combined work product of both Parties. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the Party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

25.3 Severability. If any portion or portions of this Agreement is declared void or unenforceable, it shall not affect the other provisions of this Agreement.

25.4 Relationship of Parties. Developer and Owner shall not be construed as joint venturers or general partners, and neither shall have the power to bind or obligate the other party except as set forth in this Agreement. Nothing herein shall be construed as reserving to Owner the right to control Developer's business.

25.5 Third Party Rights. The provisions of this Agreement are intended for the benefit of, and may only be enforced by the Parties hereto and their respective successors and assigns, including, as to Owner, the Trustee and/or Tenant (as applicable). None of the rights or obligations of the Parties herein set forth (or implied) is intended to confer any claim, cause of action, remedy, defense, legal justification, indemnity, contribution claim, set-off, or other right whatsoever upon or otherwise inure to the benefit of any Contractor, Architect, subcontractor, worker, supplier, mechanic, architect, insurer, surety, guest, member of the public, or other third parties having dealings with either of the parties hereto or involved, in any manner, in the Project. Notwithstanding the foregoing, (i) if Developer fails to cause Substantial Completion of the Project to be achieved by the date set forth in the Project Schedule (subject to adjustment for Unavoidable Delays and Owner-Caused Delays as provided herein), or (ii) if Developer otherwise suffers an Event of Default which Developer does not cure within the allotted cure

period, then Tenant shall be deemed a third party beneficiary of this Agreement and may enforce the performance by Developer of its obligations under this Agreement.

25.6 Assignment; Encumbrance or Pledge. Neither this Agreement nor any rights or duties hereunder nor any benefits derived from this Agreement may be assigned, delegated, pledged or encumbered to any other person or entity by either Party hereto without the express written consent of the other and Tenant, which consent may be withheld by either Party or Tenant in the exercise of its absolute discretion, except that Owner may assign its rights under this Agreement to the Trustee pursuant to the Indenture as security in connection with the financing described in Section 3.

25.7 Notices. All notices or requests required or permitted under this Lease shall be in writing, shall be (i) personally delivered, (ii) sent by certified or registered mail, return receipt requested, postage prepaid, or (iii) by nationally recognized overnight courier and shall be deemed given when so delivered or received. All notices or requests to any Party shall be sent to the other Party as follows:

Owner: Los Angeles County Facilities Inc.
c/o Public Facilities Group
1700 Seventh Avenue
Suite 2100, PMB 552
Seattle, WA 98101
Attn: John Finke

With a copy to:

Hillis Clark Martin & Peterson, P.S.
999 Third Ave, Suite 4600
Seattle, WA 98104
Attn: Matthew W. Markovich

Developer: TC LA Development, Inc.
2221 Rosecrans Ave, Suite 200
El Segundo, CA 90245
Attn: Greg Ames

Either Party may change its address for the purposes of this section by giving written notice of such change to the other party in the manner provided in this Section 25.7.

A copy of all notices, plans and specifications, change orders, invoices, documents or other agreements required to be delivered by one party to the other pursuant to this Agreement shall be simultaneously sent to Tenant at its address set forth below.

Tenant:
County of Los Angeles
Chief Executive Office- Real Estate Division
320 W. Temple St., 7th Floor
Los Angeles, CA 90012
Attention: Senior Manager

With copies to:

Office of County Counsel
County of Los Angeles
500 West Temple St. 6th Floor
Los Angeles, CA 90012-2932
Attention: Behnaz Tashakorian

Chief Executive Office – Capital Projects
County of Los Angeles
500 West Temple St. Room 713
Los Angeles, CA 90012
Attention: Assistant Chief Executive Officer

Treasurer and Tax Collector – Public Finance
County of Los Angeles
500 West Temple St., Room 432
Los Angeles, CA 90012

Anything contained in this Section 25.7 to the contrary notwithstanding, copies of notices (other than notices of default), plans and specifications, change orders, invoices, documents or other agreements required to be delivered by one Party to the other pursuant to this Agreement and any requests for approval or concurrence that may be required by this Agreement may be given to the Parties and Tenant by email to the email addresses set forth below or such other email addresses as a Party or Tenant may specify from time to time by notice to the other Party and Tenant as provided herein. Unless the sender receives an email delivery failure notification, an email communication sent in accordance with this Section 25.7 shall be deemed delivered on the Business Day sent by the sender, unless sent after 6:00 p.m. Pacific Time or on a non-Business Day, in which case such email communication shall be deemed delivered on the following Business Day. The email addresses for the Parties and Tenant as of the Effective Date are:

Owner: johnfinke@publicfacilitiesgroup.org

Developer: games@trammellcrow.com

Tenant: leaseacquisitions@ceo.lacounty.gov

25.8 Entire Agreement. This Agreement (and the Exhibits referred to herein) constitute the entire agreement between the Parties with respect to the subject matter hereof and may be amended only in writing signed by both Parties.

25.9 Time Is of the Essence. Time is of the essence of this Agreement.

25.10 Employees of Developer. Developer is acting under this Agreement as an independent contractor and nothing herein contained, or any acts of Developer or Owner, nor any other circumstances, shall be construed to establish Developer as an agent of Owner. Developer shall be responsible for each of Developer's employees or other persons performing services to be performed by Developer hereunder and for determining the manner and time of performance of all acts to be performed by Developer hereunder. Developer shall maintain all required industrial and worker's compensation insurance for all employees of Developer and shall cause all Contractors, Architect and all design professionals and other persons, firms and corporations employed to perform services in connection with the Project to provide worker's compensation and similar insurance with respect to their respective employees.

25.11 Exhibits. The Exhibits to this Agreement are:

| Exhibit | Description | Partial Section Reference |
|----------------|--|----------------------------------|
| A | Legal Description of Premises | Recitals; Section 1 |
| B | Facilities Lease Agreement | Recitals; Section 1 |
| C | Site Plan | Recitals; Section 1 |
| D | Project Budget | Sections 1, 4.4 |
| E | Schedule of Preliminary Plans and Specifications | Section 1 |
| F | Project Schedule | Sections 1, 6.3 |
| G | Developer's Insurance Requirements | Section 16 |
| H | Dispute Resolution Procedure | Section 24 |
| I | List of Additional Warranties | Section 7.9 |
| J | Financed FF&E | Section 1 |
| K | Form of Payment Requisition | Section 9.1 |

25.12 Compliance with Civil Rights Laws. During the performance of this Agreement, Developer shall comply with all federal and applicable state nondiscrimination laws, including but not limited to: Title VII of the Civil Rights Act, 42 U.S.C. §§ 12101 *et seq.*; the Americans with Disabilities Act (ADA); and the provisions of Section 32.11 of the Facilities Lease that are applicable to Developer's performance of this Agreement.

25.13 Governing Law; Venue. This Agreement and all provisions hereof shall be interpreted in accordance with the laws of the State of California in effect on the date of

execution of this Agreement. The Superior Court of Los Angeles County, State of California shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

25.14 Recitals. All Recitals set forth herein are hereby incorporated into this Agreement. The Parties agree that the Recitals are true and correct and have the same force and effect as all other provisions contained in this Agreement.

25.15 Meanings of Words Not Specifically Defined/General Rules of Interpretation. Words and phrases contained herein shall be construed according to the context and the approved usage of the English language, but technical words and phrases, and such others as have acquired a peculiar and appropriate meaning by law, or are defined in Section 1, are to be construed according to such technical, peculiar, and appropriate meaning or definition. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. As used in this Agreement, the word “includes or “including” means including without limitation, the word “or” is not exclusive and the words “herein,” “hereof,” “hereto” and hereunder refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (a) to articles, paragraphs, sections and exhibits mean the articles, paragraphs, sections and exhibits which are part of this Agreement as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof and by this Agreement, (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof and by this Agreement, and (c) to a statute means such statute as amended, supplemented or replaced from time to time. The exhibits, schedules, addenda, and attachments which are attached to this Lease are made a part of this Lease.

[Signatures appear on next page.]

DATED the day and year first above written.

OWNER: LOS ANGELES COUNTY FACILITIES 2 INC.,
a California nonprofit public benefit corporation

By: _____
Name: John Finke
Its: President

DEVELOPER: TC LA DEVELOPMENT, INC.,
a Delaware corporation

By: _____
Name: _____
Its: _____

EXHIBIT A

Legal Description of Premises

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

EXHIBIT B

Facilities Lease Agreement

[Attached]

EXHIBIT C

Site Plan

[Attached]

EXHIBIT D
Project Budget

[Attached]

EXHIBIT E

Schedule of Preliminary Plans

[Attached]

EXHIBIT F
Project Schedule

[Attached]

EXHIBIT G

MINIMUM INSURANCE REQUIREMENTS FOR DEVELOPER

[Under review by County's and Developer's respective Risk Management Teams.]

I. GENERAL INSURANCE PROVISIONS.

Without limiting the Developer's indemnification of Owner, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Developer shall provide and maintain as a Project Cost insurance coverage satisfying the requirements specified in this Exhibit G and elsewhere in the Agreement (the "**Required Insurance**"). Owner in no way warrants that the Required Insurance is sufficient to protect the Developer for liabilities which may arise from or relate to this Agreement.

A. **Evidence of Coverage and Notice to Owner.** Certificate(s) of insurance coverage (each an "**Insurance Certificate**") or other evidence of coverage satisfactory to Owner shall be delivered to Owner prior to (i) the Effective Date with respect to coverage required to be carried by the Developer pursuant to Part II of this Exhibit G; and (ii) the date required under the General Construction Contract with respect to insurance required to be carried by the General Contractor. Such Insurance Certificates or other evidence shall:

- (1) Specifically identify this Agreement by name or number.
- (2) Clearly identify all insurance coverage types and limits required in this Agreement and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Developer or its parent company. Certificates shall provide the full name of each insurer providing coverage, and list any Owner required endorsement forms.
- (3) Include a copy of the additional insured endorsement to the commercial general liability policy, adding (a) Owner, its officers, directors, employees and agents (collectively, the "**Indemnified Owner Parties**," and (b) County and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, the "**Indemnified County Parties**") as additional insureds for the indemnification obligation of the Developer. The full limits and scope of protection of Developer's policy shall apply to Owner and County as additional insureds, even if they exceed Owner's minimum insurance requirements set forth herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies this and the other insurance requirement provisions herein.
- (4) Show Developer's insurance policies, with respect to any claims related to this Agreement, are primary with respect to all other sources of coverage available to Developer. Any Owner insurance and self-insurance coverage shall be excess of and not contribute to any

Developer coverage, which may be evidenced by adding a statement to the additional insured endorsement required in item (3) above, stating “It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by Owner and County’s insurance and self-insurance coverage are in excess of and non-contributing to the Named Insureds’ coverage for Named Insureds indemnity obligations in this agreement.

(5) Insurance Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

Los Angeles County Facilities 2 Inc.
c/o Public Facilities Group
1700 Seventh Avenue
Suite 2100, PMB 552
Seattle, WA 98101
Attn: John Finke

Renewal Insurance Certificates shall be provided to Owner prior to Developer’s policy expiration dates.

(6) Neither Owner’s failure to obtain, nor Owner’s receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Developer, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

(7) Developer also shall promptly report to Owner any injury or property damage accident or incident, including any injury to a Developer employee occurring on Owner property, and any loss, disappearance, destruction, misuse, or theft of Owner property, monies or securities entrusted to Developer. Developer also shall promptly notify Owner of any third party claim or suit filed against Developer which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Developer and/or Owner.

B. Insurer Financial Ratings. Insurance is to be provided by an insurance company authorized to do business in the State of California, with an A.M. Best rating of not less than A-:VII, unless otherwise approved by Owner.

C. Waiver of Subrogation. To the fullest extent permitted by law, Owner and Developer waives its and its insurer(s) rights of recovery against each other under all required insurance policies for any loss arising from or related to this Agreement. Both Parties shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

D. Cancellation of or Changes in Insurance. Developer shall provide Owner with, or Developer’s insurance policies shall contain a provision that Owner shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to Owner at least ten (10)

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days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance shall constitute an Event of Default by Developer, upon which Owner may suspend or terminate this Agreement.

E. **Failure to Maintain Insurance:** Developer's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute an Event of Default by Developer, upon which Owner immediately may withhold payments due to Developer, and/or suspend or terminate this Agreement. Owner, at its sole discretion, may obtain damages from Developer resulting from such Event of Default by Developer. Alternatively, Owner may purchase the Required Insurance, and without further notice to Developer, deduct the premium cost from sums due to Developer or pursue Developer reimbursement.

F. **Deductibles and Self-Insured Retentions.** Developer shall identify any deductibles or self-insured retention ("SIR") exceeding \$25,000. Developer's policies shall not obligate Owner to pay any portion of any Developer deductible or SIR.

G. **Claims Made Coverage.** If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the Effective Date. Developer shall maintain such coverage for a period of not less than three (3) years following the expiration, termination or cancellation of this Agreement.

H. **Application of Excess Liability Coverage.** Developer may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

I. **Separation of Insureds.** All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

J. **Alternative Risk Financing Programs.** Owner reserves the right to review, and then approve, Developer use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. Owner and its agents shall be designated as an Additional Covered Party under any approved program, as they would under required insurance.

J. **Owner Review and Approval of Insurance Requirements.** Owner reserves the right to review and reasonably adjust the Required Insurance provisions, conditioned upon Owner's reasonable determination of changes in risk exposures.

II. INSURANCE COVERAGE REQUIREMENTS FOR DEVELOPER — TYPES AND LIMITS

A. **Commercial General Liability Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 2010 and CG 2037 (10/01 edition))

or its equivalent), naming the Indemnified Owner Parties and the Indemnified County Parties as an additional insured in accordance with the requirements of this Agreement, ISO policy form, with limits of not less than:

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

The Products/Completed Operations coverage shall continue to be maintained in the amount indicated above for at least three (3) years after the date of Substantial Completion of the Project. Such insurance policies shall be endorsed with the CG 2404 (05/09 edition) Waiver of Transfer of Rights of Recovery Against Others to Us Endorsement and shall include a Per Project Aggregate Endorsement per form CG 2503 (03/97 edition). Such insurance shall be Primary and Non-Contributory in accordance with the requirements of this agreement.

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

C. **Workers Compensation and Employers’ Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers’ Liability coverage with limits of not less than \$1 million per accident. If Developer will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (“**PEO**”), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Developer’s operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen’s compensation law or any federal occupational disease law.

III. INSURANCE COVERAGE REQUIREMENTS FOR CONSTRUCTION PHASE — TYPES AND LIMITS

A. **Builder’s Risk Course of Construction Insurance.** Such coverage shall:

(1) Insure against damage from perils covered by the Causes-of-Loss Special Form (ISO policy form CP 10 30), and be endorsed to include earthquake, flood, ordinance or law coverage, coverage for temporary offsite storage, debris removal, pollutant cleanup and removal,

preservation of property, excavation costs, landscaping, shrubs and plants and full collapse coverage during construction (without restricting collapse coverage to specified perils). Such insurance shall be extended to include boiler & machinery coverage for air conditioning, heating and other equipment during testing.

(2) Be written on a completed-value basis and cover the entire value of the construction project, including \$(Insert the replacement value of Owner-furnished materials and equipment here) in Owner-furnished materials and equipment, against loss or damage until completion and acceptance by Owner.

Developer shall cause General Contractor to provide the requisite insurance coverage listed below:

B(1). General Liability Insurance. Such coverage shall be written on ISO policy form CG 2010 and CG 2037 (10/01 edition) or its equivalent, naming Owner, its officers, directors, employees and agents as an additional insured, with limits of not less than:

| | |
|--|--------------|
| General Aggregate: | \$50,000,000 |
| Products/Completed Operations Aggregate: | \$50,000,000 |
| Personal and Advertising Injury: | \$25,000,000 |
| Each Occurrence: | \$25,000,000 |

The Products/Completed Operations coverage shall continue to be maintained in the amount indicated above for at least three (3) years after the date of Substantial Completion of the Project. Such insurance policies shall be endorsed with the CG 2404 (05/09 edition) Waiver of Transfer of Rights of Recovery Against Others to Us Endorsement and shall include a Per Project Aggregate Endorsement per form CG 2503 (03/97 edition). Such insurance shall be Primary and Non-Contributory.

C(1). Automobile Liability insurance. Such coverage shall be written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$5,000,000 for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Such insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non- owned autos, as each may be applicable.

D(1). Professional Liability/Errors and Omissions insurance. Such insurance shall cover liability arising from any error, omission, negligent or wrongful act of Contractor, its officers or employees arising from or related to this Agreement with limits of not less than \$3,000,000 per occurrence and \$6,000,000 aggregate. The coverage shall remain in place for a period of not less than six (6) years following completion of the Project and shall provide an extended two-year reporting period commencing upon expiration, termination or cancellation of

this Agreement.

E. Workers Compensation and Employers' Liability Insurance or qualified self-insurance satisfying statutory requirements. Such coverage shall provide Employers' Liability coverage with limits of not less than \$1 million per accident. Such policy shall be endorsed to waive subrogation against Owner for injury to Contractor's employees. If the Contractor's employees will be engaged in maritime employment, the coverage shall provide the benefits required by the *U.S. Longshore and Harbor Workers Compensation Act, Jones Act* or any other federal law to which Contractor is subject. If Contractor will provide PEO, coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming Owner as the Alternate Employer, and the endorsement form shall be modified to provide that Owner will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision.

The insurance coverage described in Sections III.F and III.G below should be required only as applicable to the Projects. In the event operations performed by or on behalf of the Contractor result in pollution conditions (sudden/accidental or gradual) or release, discharge, escape, dispersal or emission of asbestos, whether gradual or sudden, Contractor's Pollution Liability Insurance or Asbestos Liability Insurance should be requested, respectively.

F. Contractor's Pollution Liability Insurance. Such insurance shall cover liability arising from the release, discharge, escape, dispersal or emission of pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring and treatment of pollutants in compliance with governmental mandate or requests. Motor vehicle pollution liability will be required under the Automobile Liability Insurance indicated above under section C above for removal of pollutant from the work site. Contractor shall maintain limits not less than \$3,000,000 per occurrence and \$6,000,000 aggregate.

G. Asbestos Liability Insurance. Such insurance shall cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal or emission of asbestos, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring and treatment of asbestos in compliance with governmental mandate or requests. Motor vehicle asbestos liability will be required under the Automobile Liability Insurance indicated above under section C above if asbestos will be removed from the work site. Contractor shall maintain limits not less than \$3,000,000 per occurrence and \$6,000,000 aggregate.

H. Performance Security Requirements. Each Contractor shall file surety bonds with Owner in the amounts and for the purposes noted below prior to the date required under its Construction Contract. All bonds issued in compliance with this Agreement shall be duly executed by a solvent surety company that is authorized by the State of California, is listed in the United States Department of the Treasury's Listing of Approved Sureties Treasury (Circular 570) (see www.fms.treas.gov/c570/) and is satisfactory to Owner, and Contractor shall pay all premiums and costs thereof and incidental thereto.

Litera Compare Redline of 238530561v7 and 238820720v1

Each bond shall be signed by both Contractor (as Principal) and the Surety.

Contractor shall give two surety bonds with good and sufficient sureties, as explained in subparagraphs III.H.1. and III.H.2. below: the first in the sum of not less than 100% of the sum of the General Construction Contract price to assure the payment of claims of material men supplying materials to the General Contractor, Subcontractors and mechanics and laborers employed by the General Contractor or Subcontractors on the Project, and the second in the sum of not less than 100% of the sum of the General Construction Contract price to assure the faithful performance of the General Construction Contract.

(1) The “Materials and Labor Bond” shall be so conditioned as to insure to the benefit of persons furnishing materials for or performing labor upon the Project. This bond shall be maintained by Contractor in full force and effect until (a) Substantial Completion and (b) payment of all claims for materials, labor and subcontracts.

(2) The “Bond for Faithful Performance” shall be so conditioned as to assure the faithful performance by the Contractor of all work under the Project General Construction Contract, within the time limits prescribed, including any maintenance and warranty provisions, in a manner that is satisfactory and acceptable to Owner, that all materials and workmanship supplied by the Contractor will be free from original or developed defects, and that should original or developed defects or failures appear within a period of one year from the date of Substantial Completion of the Project, Contractor shall, at Contractor’s own expense, make good such defects and failures and make all replacements and adjustments required, within a reasonable time after being notified by the Owner to do so, and to the approval of County. This bond shall be maintained by the General Contractor in full force and effect during the performance of the work under the Project General Construction Contract and for a period of one year after the date of Substantial Completion of the Project.

Should any surety or sureties upon said bonds or any of them become insufficient or be deemed unsatisfactory by Owner, Contractor shall replace said bond or bonds with good and sufficient sureties within ten (10) days after receiving notice from the Owner that the surety or sureties are insufficient or unsatisfactory. No further payment shall be deemed due or will be made under this Agreement until the new sureties shall qualify and be accepted by Owner.

EXHIBIT H

Dispute Resolution Procedure

Owner and Developer shall act in good faith and deal fairly in performing their respective duties under this Agreement in order to accomplish their mutual objectives and avoid disputes. If a dispute arises with respect to design or construction of the Project, the Parties agree to utilize the dispute resolution process contained herein, which will be non-binding but a condition precedent to having said dispute decided in court by a judge or jury.

1. Mediation. Pursuant to Section 24, in the event a dispute arises between Developer and Owner with respect to design and/or construction of the Project the Parties shall proceed in good faith to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the Parties are unable to resolve the dispute within three (3) Business Days, either Party may refer the dispute to the Mediator named below.

1.1 Mediator. For any dispute which cannot be resolved by the Parties, a qualified, independent mediator (“**Mediator**”) shall be mutually designated by Owner and Developer to resolve such dispute. If the Parties cannot agree on the Mediator, each party shall select a mediator with at least five (5) years-experience in construction related mediation and the two mediators will in turn select the Mediator. The Mediator is to act impartially and independently in the consideration of facts and conditions surrounding any dispute presented by Developer and Owner; however, the Mediator’s recommendations concerning any such dispute are advisory only. The Mediator’s recommendations shall be based on the pertinent provisions of this Agreement, and the facts and circumstances involved in the dispute. The Mediator’s recommendations shall be furnished in writing to the parties.

1.2 Developer Responsibility. Developer shall furnish the Mediator one copy of all documents it might have, other than those furnished by the Owner, which are pertinent to the performance of the Mediator’s duties hereunder.

1.3 Owner Responsibility. Owner shall furnish the Mediator one copy of all Contract Documents, including but not limited to the building design guidelines, applicable contracts, interpretative reports, progress schedule and updates, monthly progress reports, and other documents pertinent to the performance of this Agreement and necessary to the performance of the Mediator’s duties hereunder.

1.4 Term. Following execution of this Agreement, the Mediator shall have authority to act hereunder upon written request from either Owner or Developer and such authority shall terminate upon Final Acceptance, after Final Payment has been made.

1.5 Payment. The fees charged by the Mediator shall be shared equally by the Parties. The Mediator’s compensation shall include compensation for all materials, supplies, travel, office assistance and support and incidentals necessary to provide the services described herein. Payment for services rendered by the Mediator will be at the Mediator’s standard hourly

Litera Compare Redline of 238530561v7 and 238820720v1

rate as approved by Owner and Developer prior to commencement of the dispute resolution proceeding.

1.6 Legal Relationship. The Mediator, in the performance of the duties described herein, is acting in the capacity of an independent agent and not as an employee of either Developer or Owner. The Mediator is absolved of any personal or professional liability arising from the recommendations made hereunder, unless due to gross negligence or willful malfeasance.

EXHIBIT I

List of Additional Warranties

[Attached]

EXHIBIT J
Financed FF&E

[Attached]

EXHIBIT K
Form of Payment Requisition

[Attached]

ENCLOSURE E

June 24, 2024

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFORE
FY 2023-24
3 - VOTES**

SOURCES

USES

VARIOUS CAPITAL PROJECTS
VERMONT CORRIDOR COUNTY ADMINISTRATION BUILDING
 A01-CP-6014-65099-69950
 CAPITAL ASSETS - B & I
DECREASE APPROPRIATION **500,000**

VARIOUS CAPITAL PROJECTS
VERMONT CORRIDOR SITE 2 RENOVATION
 A01-CP-6014-65099-87802
 CAPITAL ASSETS - B & I
INCREASE APPROPRIATION **3,000,000**

VARIOUS CAPITAL PROJECTS
VARIOUS-RFURB-MITIGATION/REMEDICATION
 A01-CP-6014-65099-86612
 CAPITAL ASSETS - B & I
DECREASE APPROPRIATION **2,500,000**

SOURCES TOTAL \$ 3,000,000

USES TOTAL \$ 3,000,000

JUSTIFICATION

Reflects the transfer of funds from Various-Rfurb-Mitigation/Remediation, Capital Project (CP) No. 86612, and Vermont Corridor County Administration Building, CP No. 69950, to Vermont Corridor Site 2 Renovation, CP No. 87802, to fund owner's representative/project management services, legal services, and potential soil remediation activities for the County's Vermont Corridor Site 2 project.

AUTHORIZED SIGNATURE

Matthew Diaz, Manager, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

ACTION

RECOMMENDATION

AUDITOR-CONTROLLER

BY _____

B.A. NO. _____

DATE _____

APPROVED AS REQUESTED

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY _____

DATE _____

ENCLOSURE F

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AUTHORIZING THE EXECUTION AND DELIVERY BY THE COUNTY OF A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION WITH THE ISSUANCE AND SALE BY LOS ANGELES COUNTY FACILITIES 2 INC. OF LOS ANGELES COUNTY FACILITIES 2 INC. LEASE REVENUE BONDS, SERIES 2024, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$[NTE AMOUNT], AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY SECURITY DOCUMENTS AND OTHER DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, pursuant to Internal Revenue Service Revenue Ruling 63-20, as amended and updated by Internal Revenue Service Revenue Procedure 82-26 (the “Revenue Procedure”), bonds issued by a nonprofit corporation organized under the laws of the state of California (the “State”) in order to finance facilities in the State may qualify as tax-exempt obligations upon compliance with the requirements set forth in the Revenue Procedure; and

WHEREAS, the County of Los Angeles (the “County”) is the owner of certain real property within the County, in the City of Los Angeles, the street addresses of which are 550 South Vermont Avenue and 3175 West 6th Street (collectively, the “Land”); and

WHEREAS, Los Angeles County Facilities 2 Inc. (“LACF2”) is a California nonprofit public benefit corporation formed for the purposes of (i) assisting in the erection and maintenance of public buildings, monuments, facilities, housing, or works, (ii) combatting community deterioration and carrying out neighborhood revitalization and community economic development, (iii) promoting social welfare and education through cooperative programs with governmental entities, (iv) undertaking activities which lessen the burdens of government, (v) serving as a supporting organization described in Section 509(a)(3) of the Internal Revenue Code authorized to benefit, perform the functions of, and/or assist in carrying out the governmental purposes of the County of Los Angeles, California, a body corporate and politic; and (vi) carrying on other charitable activities associated with the foregoing purposes as allowed by law; and

WHEREAS, LACF2’s powers include entering into lease agreements and issuing bonds consistent with such purposes on behalf of the County; and

WHEREAS, in accordance with Article 9 (commencing with Section 54240) of Chapter 5 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Government Code”) authorizing public leasebacks, the County desires to lease the Land to LACF2 pursuant to a Ground Lease Agreement, by and between the County and LACF2 (the “Ground Lease”), in order for LACF2 to [(i) design, develop, permit, and construct improvements and install furniture, fixtures and equipment on the Land consisting of (a) approximately 154,793 gross square feet of existing space renovated to Class A office space with ground floor retail space and public serving uses, (b) an extension of the existing building floorplates to include an additional approximately 88,340 gross square feet of new Class A office space, for a total of approximately 243,133 gross square

feet of Class A Office Space, (c) approximately 12,050 gross square feet of renovated subterranean back-of-house support space ((a), (b), and (c) collectively, the “Office Building”), (d) two entrances to the Office Building, and (e) a nonexclusive right to use a minimum of six hundred (600) parking spaces in the parking garage located at 523 Shatto Place, approximately 10 surface parking spots, and landscaping; and (ii) demolish the existing 52,000 square foot former Department of Workforce and Development, Aging and Community Service Building and adjacent two-story parking structure, all to serve as a County administrative office space, divisions or staff] (collectively, the “Project”); and

WHEREAS, the County will sublease the Land, the Project and such other improvements as may be located on the Land from time to time (collectively, the “Premises”) back from LACF2 pursuant to a Facilities Lease Agreement, between LACF2, as sublandlord, and the County, as subtenant (the “Facilities Lease”); and

WHEREAS, LACF2, as sublandlord, will engage TC LA Development, Inc., a Delaware Corporation, as developer (the “Developer”) to develop, oversee and manage the design, permitting and construction phases of the Project in accordance with the terms and conditions of a Development Agreement, by and between LACF2 and the Developer (the “Development Agreement”), for a fixed price as provided in the Facilities Lease, all of which shall be subject to the subtenant’s concurrence as provided in the Facilities Lease; and

WHEREAS, the Project is necessary to meet the County’s requirements to provide for the needs of its citizens; and

WHEREAS, the County does not wish to undertake the governmental burden associated with the development of the Project, and has determined that the proposal by LACF2 is the most efficient means for achieving the Project and to relieve the County of the governmental burden thereof; and

WHEREAS, in accordance with Government Code Section 54241, the County shall ordain the approval of the Ground Lease and Facilities Lease; and

WHEREAS, in order to provide the funds necessary to finance the Project, LACF2 desires to provide for the issuance, on a tax-exempt and/or taxable basis, of Los Angeles County Facilities 2 Inc. Lease Revenue Bonds, Series 2024 ([Vermont Corridor County Administration Building]) (the “Series 2024 Bonds”), in one or more series or subseries, with such additional or other series or subseries designations as may be approved by LACF2, in an aggregate principal amount not to exceed \$[NTE AMOUNT], pursuant to an Indenture (the “Indenture”), by and between LACF2 and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), payable from the base rent to be made by the County pursuant to the Facilities Lease and the other assets pledged therefor under the Indenture; and

WHEREAS, for the purposes of issuing the Series 2024 Bonds pursuant to the Indenture, the County and LACF2 desire to expressly subordinate the Facilities Lease to the first lien of the Construction Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (the “Deed of Trust”), to be executed by LACF2 encumbering the Premises, by executing the Subordination, Non-Disturbance and Attornment Agreement (the “Subordination

Agreement”), by and among the County, LACF2 and the Trustee, it being a condition precedent to the issuance of the Series 2024 Bonds pursuant to the Indenture, that the lien of the Deed of Trust be unconditionally and at all times prior and superior to the leasehold interest and estates created by the Facilities Lease; and

WHEREAS, LACF2 and the Trustee would not execute the Indenture and LACF2 would not issue the Series 2024 Bonds or enter into the Ground Lease, the Facilities Lease, or the Development Agreement, except upon the express condition that the County: (i) confirm the status of the Ground Lease, (ii) confirm any and all approvals to the financing plan contemplated by the execution of the Indenture, the issuance of the Series 2024 Bonds, the execution of the Ground Lease, the Facilities Lease, and the Development Agreement and all documents and instruments executed in connection therewith, including, without limitation, the Deed of Trust, (iii) recognize and agree not to disturb the rights of the Trustee under the Deed of Trust, and (iv) confirm certain matters with respect to the Ground Lease and Facilities Lease, all as set forth in the Ground Lessor Consent, Estoppel, Recognition and Non-Disturbance Agreement (“the Ground Lessor Consent”) by and among the County, LACF2, and the Trustee; and

[**WHEREAS**, LACF2 and the County further desire to set forth the terms under which (i) LACF2 will receive its issuer fee, and (ii) Public Facilities Group, a Washington nonprofit corporation (“PFG”), as the sole member of LACF2, may be replaced, all as set forth in the Issuer Fee and Governance Agreement (the “Issuer Fee and Governance Agreement”), by and among the County, LACF2 and PFG; and]

WHEREAS, pursuant to Government Code Section 5808, before selling any of the Series 2024 Bonds, LACF2 shall advertise the Series 2024 Bonds for sale at public sale and shall invite sealed bids therefor by publication of a notice once at least 10 days before the date of such public sale in a newspaper of general circulation circulated within the boundaries of the County; and

WHEREAS, if one or more satisfactory bids are received pursuant to such notice, the Series 2024 Bonds shall be awarded to the highest responsible bidder; and

WHEREAS, if no bids are received or if LACF2 determines that the bids received are not satisfactory as to price or responsibility of the bidders, LACF2 may reject all bids received, if any, and either re-advertise or sell the Series 2024 Bonds at private sale; and

WHEREAS, in the event that no bids are received at the public sale or LACF2 determines that the bids received are not satisfactory as to price or responsibility of the bidders as provided in Government Code Section 5808, Barclays Capital Inc., as underwriter (the “Underwriter”), has submitted to LACF2 and the County a proposal to purchase the Series 2024 Bonds at a private sale in the form of a Bond Purchase Agreement (the “Bond Purchase Agreement”); and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Series 2024 Bonds, the underwriter thereof must have reasonably determined that the County and LACF2 have undertaken in a written agreement or contract for the benefit of the holders of the Series 2024 Bonds to provide disclosure of certain financial information and certain enumerated events on an ongoing basis; and

WHEREAS, in order to cause such disclosure requirement to be satisfied, (i) the County desires to execute a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) and (ii) LACF2 shall undertake certain obligations contained in the Indenture; and

WHEREAS, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) to be distributed in connection with a potential public offering of the Series 2024 Bonds has been prepared; and

WHEREAS, Government Code Section 5852.1 requires that the Board of Supervisors of the County (the “Board of Supervisors”) obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the Board of Supervisors has obtained from Montague DeRose and Associates, LLC, as the County’s municipal advisor, the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, the County has previously adopted a local debt policy (the “Debt Management Policy”) that complies with Government Code Section 8855(i), and the County entering into the documents as contemplated by this Resolution is consistent with the Debt Management Policy; and

WHEREAS, the Board of Supervisors has been presented with the form of each document referred to herein relating to the actions contemplated hereby, and the Board of Supervisors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such actions; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the County is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. All of the recitals herein contained are true and correct and the Board of Supervisors so finds.

Section 2. The Project, the purposes and activities of LACF2 with respect to the Project and the issuance by it of the Series 2024 Bonds, in one or more series and on a tax-exempt and/or taxable basis, to finance the Project under the Revenue Procedure are hereby approved.

Section 3. Pursuant to the Revenue Procedure, the County will accept title to the Premises, including any additions to the Premises as a result of the Project, when the Series 2024 Bonds to be issued by LACF2 are discharged.

Section 4. In the event that no bids are received at the public sale or LACF2 determines that the bids received are not satisfactory as to price or responsibility of the bidders as provided in Government Code Section 5808, the form of the Bond Purchase Agreement, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, including any person serving in such office on an interim or acting basis (the “Executive Officer-Clerk”), is hereby approved, and the Chair of the Board of Supervisors, and such other member of the Board of Supervisors as the Chair may designate, the Treasurer and Tax Collector of the County, the Chief Executive Officer of the County or any other person or persons designated by the Treasurer and Tax Collector of the County or the Chief Executive Officer of the County (collectively, the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the underwriter’s discount for the sale of the Series 2024 Bonds shall not exceed [1.00]% of the aggregate principal amount of the Series 2024 Bonds.

Section 5. The form of the Subordination Agreement, submitted to and on file with the Executive Officer-Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Subordination Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of the Ground Lessor Consent, submitted to and on file with the Executive Officer-Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Ground Lessor Consent in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. [The form of the Issuer Fee and Governance Agreement, submitted to and on file with the Executive Officer-Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Issuer Fee and Governance Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.]

Section 8. The form of Continuing Disclosure Certificate, submitted to and on file with the Executive Officer-Clerk, is hereby approved, and the Authorized Officers are each hereby

authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The form of Preliminary Official Statement, submitted to and on file with the Executive Officer-Clerk, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2024 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the County that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 10. The preparation and delivery of an Official Statement, and its use by the Underwriter in connection with any public offering and sale of the Series 2024 Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer.

Section 11. With the passage of this Resolution, the Board of Supervisors hereby certifies that the Debt Management Policy complies with Government Code Section 8855(i), and that the County entering into the documents as contemplated by this Resolution is consistent with the Debt Management Policy.

Section 12. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 13. All actions heretofore taken by the officers, employees and agents of the County with respect to the transactions set forth above are hereby approved, confirmed and ratified.

The foregoing Resolution was on the ____ day of _____, 2024, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which the Board so acts.

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Senior Deputy County Counsel

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Series 2024 Bonds in compliance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the County by Montague DeRose and Associates, LLC, as the municipal advisor to the County (the “Municipal Advisor”).

Principal Amount. The Municipal Advisor has informed the County and Los Angeles County Facilities 2 Inc. (“LACF2”) that, based on the County’s and LACF2’s financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Series 2024 Bonds to be sold is \$[_____] (the “Estimated Principal Amount”).

True Interest Cost of the Series 2024 Bonds. The Municipal Advisor has informed the County and LACF2 that, assuming that the Estimated Principal Amount of the Series 2024 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Series 2024 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2024 Bonds, is [_____] %.

Finance Charge of the Series 2024 Bonds. The Municipal Advisor has informed the County and LACF2 that, assuming that the Estimated Principal Amount of the Series 2024 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Series 2024 Bonds, which means the sum of all fees and charges paid to third parties, is \$[_____].

Amount of Proceeds to be Received. The Municipal Advisor has informed the County and LACF2 that, assuming that the Estimated Principal Amount of the Series 2024 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by LACF2 for sale of the Series 2024 Bonds, less the finance charge of the Series 2024 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2024 Bonds, is \$[_____].

Total Payment Amount. The Municipal Advisor has informed the County and LACF2 that, assuming that the Estimated Principal Amount of the Series 2024 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments LACF2 will make to pay debt service on the Series 2024 Bonds (less capitalized interest funded with proceeds of the Series 2024 Bonds), plus the finance charge for the Series 2024 Bonds, as described above, not paid with the proceeds of the Series 2024 Bonds, calculated to the final maturity of the Series 2024 Bonds, is \$[_____].

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Series 2024 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series 2024 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of

Series 2024 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Series 2024 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2024 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the County's and LACF2's financing plan, or a combination of such factors. The actual date of sale of the Series 2024 Bonds and the actual principal amount of Series 2024 Bonds sold will be determined by LACF2 based on the need for project funds and other factors. The actual interest rates borne by the Series 2024 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2024 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of LACF2.

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

| | | |
|---|--|---|
| CLUSTER AGENDA REVIEW DATE | 5/22/2024 | |
| BOARD MEETING DATE | 6/4/2024 | |
| SUPERVISORIAL DISTRICT AFFECTED | <input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th | |
| DEPARTMENT(S) | Los Angeles County Development Authority (LACDA) | |
| SUBJECT | CONTRACT FOR LASERFICHE SOFTWARE SUPPORT PLAN SERVICES | |
| PROGRAM | Information Technology | |
| AUTHORIZES DELEGATED AUTHORITY TO DEPT | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| SOLE SOURCE CONTRACT | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: | |
| SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable | |
| DEADLINES/ TIME CONSTRAINTS | The existing contract expires June 24, 2024. | |
| COST & FUNDING | Total cost: \$555,178.97 | Funding source: Program funds in the LACDA's Fiscal Year 2024-29 operating budgets |
| | TERMS (if applicable): | |
| | Explanation: No impact on the County General Fund. Funding for the contract is included LACDA's Fiscal Year 2023-2024 budget and will be included in future FY budgets. The five-year contract sum is \$504,708.15 plus up to \$50,470.82 (10%) in pool dollars for unforeseen costs. | |
| PURPOSE OF REQUEST | The purpose of this action is to approve a Contract with Laserfiche for Laserfiche Software Support Plan Services, to enable the LACDA maintenance and support to its electronic and document and records management system. These services support the LACDA with electronic and document and records management system for secure storage and retrieval. The maintenance and support will include technical support services for new releases and product updates, access to Laserfiche support site, and as needed other services such as increase of licenses. | |
| BACKGROUND (include internal/external issues that may exist including any related motions) | LACDA is utilizing a cooperative purchasing program and allowed by the LACDA Procurement and Contracting Policies and Procedures for HUD-funded projects and services. Compulink Management Center, Inc. dba Laserfiche agreed to the LACDA terms and conditions, including all latest applicable Board mandated provisions. | |
| EQUITY INDEX OR LENS WAS UTILIZED | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: | |
| SUPPORTS ONE OF THE NINE BOARD PRIORITIES | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how: | |
| DEPARTMENTAL CONTACTS | Name, Title, Phone # & Email: Cesar Delgado, Acting IT Manager, (626) 586-1707 Cesar.Delgado@lacda.org | |

June 4, 2024

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

Dear Commissioners:

**CONTRACT FOR LASERFICHE SOFTWARE SUPPORT PLAN SERVICES
(ALL DISTRICTS) (3 VOTE)**

CIO RECOMMENDATION: (X) APPROVE

SUBJECT

This letter requests approval of a five-year Contract with Compulink Management Center, Inc. dba Laserfiche (Laserfiche), to provide Laserfiche Software Support Plan Services for the Los Angeles County Development Authority's (LACDA).

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Executive Director or designee to execute, amend, and if necessary, terminate a five-year Contract and all related documents with Laserfiche for Laserfiche Software Support Plan Services, in the amount of \$504,708.15, plus up to \$50,470.82 (10%) in pool dollars for unforeseen costs; the total maximum Contract sum for all three years will not exceed \$555,178.97.
2. Find that approval of a Contract for Laserfiche Software Support Plan Services is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
3. Authorize the Executive Director or designee, upon his determination and as necessary and appropriate under terms of the contract, to amend the Contract to add or delete services and utilize pool dollars, and if necessary, to terminate for convenience the Contract with Laserfiche.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve a Contract with Laserfiche for Laserfiche Software Support Plan Services, to enable the LACDA maintenance and support to its electronic and document and records management system.

These services support the LACDA with electronic and document and records management system for secure storage and retrieval. The maintenance and support will include technical support services for new releases and product updates, access to Laserfiche support site, and as needed other services such as increase of licenses.

The LACDA receives all licenses and rights immediately while being allowed to distribute payments over five years with no interest.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The five-year contract term will include \$504,798.15 to continue the Laserfiche Software Support Plan, and \$50,470.82 in pool dollars for unforeseen costs. The LACDA will use up to \$98,883.54 in program funds included in the LACDA's approved Fiscal Year 2023-2024 and 2024-2025 budgets for the first year of the Contract. Funds for years two through five will be included through the LACDA's annual budget approval process. The maximum contract amount for all five years of the Contract will be \$555,178.97, including the pool dollars.

Laserfiche confirms that no California sales or use taxes applies because all products for this purchase will be digitally downloaded.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Contract with Laserfiche and the Laserfiche Software Support Policy have been reviewed by County Counsel. The Laserfiche Software Support Policy is attached as Exhibit A-4 to the LACDA contract with Laserfiche.

In compliance with Board Policy 6.020 "Chief Information Office Board Letter Approval", the Chief Information Office reviewed the information technology (IT) components of this request and recommends approval. The Chief Information Office Analysis is attached (Attachment II)

ENVIRONMENTAL DOCUMENTATION

The proposed activities are exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined

Honorable Board of Commissioners

June 4, 2024

Page 3

as a project under CEQA and do not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

The LACDA utilized the Omnia Partners cooperative purchasing program allowed by the LACDA Procurement and Contracting Policies and Procedures for HUD-funded projects and services. Compulink Management Center, Inc. dba Laserfiche agreed to the LACDA terms and conditions, including all latest applicable Board mandated provisions.

IMPACT ON CURRENT SERVICES AND PROJECTS

The Contract for Laserfiche Software Support Plan will continue to be instrumental supporting the LACDA's electronic and document and records management system.

Respectfully submitted,

Reviewed by:

EMILIO SALAS
Executive Director
Los Angeles County Development Authority

PETER LOO
Acting Chief Information Officer
County of Los Angeles

ES:KT:mr

Enclosures



CONTRACT

BY AND BETWEEN

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

AND

**COMPULINK MANAGEMENT CENTER, INC. DBA
LASERFICHE**

FOR

LASERFICHE SOFTWARE SUPPORT PLAN SERVICES

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STANDARD EXHIBITS

- Exhibit A – Statement of Work
- Exhibit B – Fee Schedule
- Exhibit C – LACDA’s Administration
- Exhibit D – Contractor’s Administration
- Exhibit E – Required Contract Forms and Certifications
- Exhibit F – Required Contract Provisions
- Exhibit G – Required Forms at the Time of Contract Execution
- Exhibit H – Required Forms at the Completion of Contract
- Exhibit I – Intentionally Omitted
- Exhibit J – Service Level and Warranty Agreement

CONTRACT BETWEEN
LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
AND
COMPULINK MANAGEMENT CENTER, INC. DBA LASERFICHE
FOR
LASERFICHE SOFTWARE SUPPORT PLAN SERVICES

This Contract and Exhibits made and entered into this 25th day of June, 2024 by and between the Los Angeles County Development Authority, hereinafter referred to as the ("LACDA") and Compulink Management Center, Inc. dba Laserfiche, hereinafter referred to as the ("Contractor"). The LACDA and Contractor are herein referred to as collectively the ("Parties").

RECITALS

WHEREAS, the LACDA may contract with private businesses for Laserfiche Software Support Plan services when certain requirements are met;

WHEREAS, the Contractor is a private firm specializing in providing Laserfiche Document and Records Management services;

WHEREAS, the Contractor was awarded a contract as allowed under cooperative purchasing program for state and local municipal governments set forth in 2 CFR part 200 known as the "Super Circular" for U.S. Department of Housing and Urban development ("HUD") funded projects and services, referencing a national cooperative contract with National Cooperative Purchasing Alliance ("NCPA")/Region 14 Education Service Center in conjunction with Omnia Partners – Document and Records Management, Contract Number 01-158. If there is any conflict between the terms and conditions of this Contract and the terms and conditions of the Contract Number 01-158, this Contract shall apply;

WHEREAS, on June 4, 2024, the LACDA's Board of Commissioners ("Board") delegated authority for the LACDA's Executive Director, or duly authorized designee (hereinafter jointly referred to as the ("Executive Director")) to execute contracts for Laserfiche Software Support Plan services;

WHEREAS, the Contractor agrees to comply with, submit to, and abide by all federal, State, and County rules, regulations, policies, procedures of the funding source, governing administration, and fiscal authorities; and all applicable law;

WHEREAS, the Contractor possesses the competence, financial ability, expertise, facilities, and personnel to provide the services contemplated hereunder;

WHEREAS, it is the intent of the Parties hereto to enter into Contract to provide Laserfiche Software Support Plan services (“Services”), as set forth herein; and

WHEREAS, the Contractor is willing and able to provide the services described herein, in consideration of the payments under this Contract and under the terms and conditions hereafter set forth.

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

1.0 APPLICABLE DOCUMENTS

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

1.1 Standard Exhibits

1.1.1 Exhibit A - Statement of Work

1.1.2 Exhibit B - Fee Schedule

1.1.3 Exhibit C - LACDA’s Administration

1.1.4 Exhibit D - Contractor’s Administration

1.1.5 Exhibit E - Required Contract Forms and Certifications

- Application for Exception and Certification Form for the Jury Service Program
- Compliance with Fair Chance Employment Hiring Practices Certification

- Contractor's EEO Certification
- Defaulted Property Tax Reduction Program Certification
- Familiarity with the County Lobbyist Ordinance Certification
- Zero Tolerance Human Trafficking Policy Certification

1.1.6 Exhibit F - Required Contract Provisions

- Contractor Employee Jury Service Ordinance
- Defaulted Property Tax Reduction Program
- IRS Notice 1015 – Earned Income Credit (EIC)
- Lobbyist Ordinance
- Safely Surrendered Baby Law

1.1.7 Exhibit G - Required Forms at the Time of Contract Execution

- Contractor Acknowledgement and Confidentiality Agreement

1.1.8 Exhibit H - Required Form at the Completion of Contract

- Contractor Acknowledgement, Confidentiality, and Copyright Assignment

1.1.9 Exhibit I - Intentionally Omitted

1.1.10 Exhibit J - Service Level and Warranty Agreement

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

2.0 DEFINITIONS

2.1 Standard Definitions

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following

words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- 2.1.1 **Contract:** Agreement executed between the LACDA and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work in Exhibit A.
- 2.1.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the LACDA to perform or execute the work covered by the Statement of Work in Exhibit A.
- 2.1.3 **Laserfiche Software Support Plan:** The Contractor shall provide LACDA with annual Laserfiche Software Support Services on a subscription basis.
- 2.1.4 **Laserfiche Software:** All or any component of any software product designed, developed, created, written, owned, licensed, distributed, sold or marketed by Laserfiche.

3.0 WORK

3.1 Work Requirements

- 3.1.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in Exhibit A - Statement of Work, attached hereto and incorporated herein by reference.
- 3.1.2 The Contractor acknowledges that the quality of Service(s) provided under this Contract shall be at least equivalent to that which Contractor provides to all other clients it serves.
- 3.1.3 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the LACDA.

4.0 TERM OF CONTRACT

4.1 Term

- 4.1.1 The term of this Contract shall commence on June 25, 2024 and shall remain in full force and effect until June 24, 2025 after execution by the LACDA's Executive Director, or designee, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.1.2 The LACDA shall have the sole option to extend this Contract term for up to four (4) additional one-year periods, for a maximum total Contract term of five (5) years. Each such option and extension shall be exercised at the sole discretion of the Executive Director, or designee.
- 4.1.3 The Contractor shall notify the LACDA's Project Manager when this Contract is within three (3) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the LACDA's Project Manager at the address herein provided in Exhibit C - LACDA's Administration.

5.0 CONTRACT SUM

5.1 Maximum Amount

The Maximum Amount of this Contract shall be Ninety-Eight Thousand, Eight Hundred and Eighty-Three and 54/100 Dollars (\$98,883.54) ("Maximum Amount") for the term of this Contract as set forth in Paragraph 4.1 - Term, above. Any costs incurred to complete this Service in excess of the maximum not-to-exceed cost will be borne by the Contractor.

5.2 Written Approval for Reimbursement

The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment,

subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the LACDA's express prior written approval.

5.3 Notification of 75% of Total Contract Sum

The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the Maximum Amount under this Contract. Upon occurrence of this event, the Contractor shall send written notification to Maryann Robles at the address herein provided in Exhibit C - LACDA's Administration.

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

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

5.5 Invoices and Payments

5.5.1 The Contractor shall invoice the LACDA only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the LACDA under the terms of this Contract. The Contractor's payments shall be as provided in Exhibit B - Fee Schedule, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the LACDA. If the LACDA does not approve work in writing no payment shall be due to the Contractor for that work.

- 5.5.2 The Contractor's invoices shall be priced in accordance with Exhibit B - Fee Schedule.
- 5.5.3 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.
- 5.5.4 The Contractor shall submit the monthly invoices to the LACDA by the 1st calendar day of the month following the month of service.
- 5.5.5 All invoices under this Contract shall be submitted to the following address: 700 W. Main Street, Alhambra, California 91801.
- 5.5.6 LACDA Approval of Invoices. All invoices submitted by the Contractor for payment must have the written approval of the LACDA's Project Manager prior to any payment thereof. In no event shall the LACDA be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.6 Intentionally Omitted.

5.7 Source and Appropriation of Funds

- 5.7.1 The LACDA's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development ("HUD") and, for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.
- 5.7.2 In the event this Contract extends into succeeding fiscal years and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current fiscal year. The LACDA will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice.

6.0 ADMINISTRATION OF CONTRACT – LACDA

6.1 LACDA's Administration

A listing of all LACDA Administration referenced in the following subparagraphs is designated in Exhibit C - LACDA's Administration. The LACDA shall notify the Contractor in writing of any change in the names or addresses shown.

6.2 LACDA's Project Manager

Responsibilities of the LACDA's Project Manager include:

- 6.2.1 Ensuring that the objectives of this Contract are met;
- 6.2.2 Providing direction to the Contractor in the areas relating to LACDA policy, information requirements, and procedural requirements;
- 6.2.3 Meeting with the Contractor's Project Manager on a regular basis; and
- 6.2.4 Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

7.1 Contractor's Project Manager

- 7.1.1 The Contractor's Project Manager is designated in Exhibit D - Contractor's Administration. The Contractor shall notify the LACDA in writing of any change in the name or address of the Contractor's Project Manager.
- 7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Contract and shall coordinate with the LACDA's Project Manager on a regular basis.
- 7.1.3 The Contractor's Project Manager must have 5 years of experience.

7.2 Approval of Contractor's Staff

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

7.3 Contractor's Staff Identification

The Contractor shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge, which shall be visible when the Contractor or its staff is on LACDA's properties.

7.4 Background and Security Investigations

- 7.4.1 Each of the Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by the LACDA in LACDA's sole discretion, shall undergo and pass a background investigation to the satisfaction of the LACDA as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of the Contractor's staff passes or fails the background investigation.
- 7.4.2 If a member of the Contractor's staff does not pass the background investigation, the LACDA may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. The LACDA will not provide to the Contractor or to the Contractor's staff any information obtained through the LACDA's background investigation.
- 7.4.3 The LACDA, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the LACDA or whose background or conduct is incompatible with LACDA facility access.
- 7.4.4 Disqualification of any member of the Contractor's staff pursuant to this Paragraph 7.4 shall not relieve the Contractor of its obligation to

complete all work in accordance with the terms and conditions of this Contract.

7.5 Confidentiality

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

7.5.2 The Contractor shall indemnify, defend, and hold harmless the LACDA, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by the Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.5, as determined by the LACDA in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.5 shall be conducted by the Contractor and performed by counsel selected by the Contractor and approved by the LACDA. Notwithstanding the preceding sentence, the LACDA shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the LACDA with a full and adequate defense, as determined by the LACDA in its sole judgment, the LACDA shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by the LACDA in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of the LACDA without LACDA's prior written approval.

7.5.3 The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.5.4 The Contractor shall sign and adhere to the provisions of the “Contractor Acknowledgement and Confidentiality Agreement”, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

8.1.1 For any change which affects the scope of work, term, Maximum Amount, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and Executive Director, or designee.

8.1.2 The LACDA's Board or Executive Director may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The LACDA reserves the right to add and/or change such provisions as required by the LACDA's Board or Executive Director. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and Executive Director.

8.1.3 The Executive Director may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Contract. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor and Executive Director or designee.

8.2 Assignment and Delegation/Mergers or Acquisitions

8.2.1 The Contractor shall notify the LACDA of any pending acquisitions/mergers of its company unless otherwise legally

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

- 8.2.2 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of the LACDA, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, the LACDA consent shall require a written amendment to the Contract, which is formally approved and executed by the Parties. Any payments by the LACDA to any approved delegate or assignee on any claim under this Contract shall be deductible, at the LACDA's sole discretion, against the claims, which the Contractor may have against the LACDA.
- 8.2.3 Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the LACDA in accordance with applicable provisions of this Contract.
- 8.2.4 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason

whatsoever without the LACDA's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, the LACDA shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by the Contractor.

8.3 Authorization Warranty

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

8.4 Budget Reductions

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

8.5 Compliance with Applicable Laws

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

8.6 Compliance with Civil Rights Laws

8.6.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000(e)(1) through 2000(e)(17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with the Contractor's EEO Certification, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.6.2 The Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Contract.

8.6.3 The Contractor shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

8.7 Compliance with the County Policy of Equity

The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity ("CPOE") (<https://ceop.lacounty.gov/>) to which the LACDA requires compliance by the Contractor. The Contractor further acknowledges that the LACDA strives to provide a workplace free from discrimination, harassment, retaliation and

inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The Contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the Contractor, its employees or its subcontractors to uphold the LACDA's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of the Contract as well as civil liability.

8.8 Compliance with County's Zero Tolerance Policy on Human Trafficking

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

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

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

8.9 Compliance with Fair Chance Employment Practices

The Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, the LACDA may, in its sole discretion, terminate the Contract.

8.10 Compliance with Jury Service Program

8.10.1 Jury Service Program

This Contract is subject to the provisions of the County ordinance entitled Contractor Employee Jury Service (“Jury Service Program”) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit F – Required Contract Provisions and incorporated by reference into and made a part of this Contract.

8.10.2 Written Employee Jury Service Policy

- A. Unless the Contractor has demonstrated to the LACDA’s satisfaction either that the Contractor is not a “Contractor” as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee’s regular pay the fees received for jury service.
- B. For purposes of this sub-paragraph, “Contractor” means a person, partnership, corporation or other entity which has a contract with the LACDA or a subcontract with a Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more LACDA contracts or subcontracts. “Employee” means any California resident who is a full-time employee of the Contractor. “Full-time” means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the LACDA, or 2) Contractor has a long-standing

practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the LACDA under the Contract, the Subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the subcontract agreement.

- C. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and the Contractor shall immediately notify the LACDA if the Contractor at any time either comes within the Jury Service Program’s definition of “Contractor” or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The LACDA may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the LACDA’s satisfaction that the Contractor either continues to remain outside of the Jury Service Program’s definition of “Contractor” and/or that the Contractor continues to qualify for an exception to the Jury Service Program.
- D. The Contractor’s violation of this sub-paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, the LACDA may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award

of future LACDA contracts for a period of time consistent with the seriousness of the breach.

8.11 Conflict of Interest

8.11.1 No LACDA employee whose position with the LACDA enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the LACDA's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the LACDA's approval or ongoing evaluation of such work.

8.11.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the LACDA. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this subparagraph shall be a material breach of this Contract.

8.12 Consideration of Hiring LACDA Employees Targeted for Layoff or Re-Employment List

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent LACDA or County employees who are targeted for

layoff or qualified, former LACDA or County employees who are on a re-employment list during the life of this Contract.

8.13 Consideration of Hiring GAIN-GROW Participants

8.13.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services ("DPSS") Greater Avenues for Independence ("GAIN") Program or General Relief Opportunity for Work ("GROW") Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The LACDA will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@DPSS.LACOUNTY.GOV and BSERVICES@WDACS.LACOUNTY.GOV and DPSS will refer qualified GAIN/GROW job candidates.

8.13.2 In the event that both laid-off LACDA and County employees and GAIN/GROW participants are available for hiring, the LACDA and County employees shall be given first priority.

8.14 Contractor's Acknowledgement of LACDA's Commitment to the Safely Surrendered Baby Law

8.14.1 The Contractor acknowledges that the LACDA places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the LACDA's policy to encourage all LACDA contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster, in Exhibit F – Required Contract Provisions, in a prominent position at the contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at www.babysafela.org.

8.14.2 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit F – Required Contract Provisions, Safely Surrendered Baby Law of this Contract. Additional information is available at www.babysafela.org.

8.15 Intentionally Omitted.

8.16 Contractor Responsibility and Debarment

8.16.1 Responsible Contractor

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

8.16.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the LACDA acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the LACDA may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on LACDA contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the LACDA.

8.16.3 Non-Responsible Contractor

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

corporation created by the LACDA, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the LACDA, any other public entity, or a nonprofit corporation created by the LACDA, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the LACDA or any other public entity.

8.16.4 Contractor Hearing Board

- A. If there is evidence that the Contractor may be subject to debarment, the LACDA will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- B. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the LACDA shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- C. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

- D. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The LACDA may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the LACDA.
- E. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
- F. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation

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

8.16.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of the LACDA Contractors.

8.17 Contractor's Warranty of Adherence to LACDA's Child Support Compliance Program

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

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

8.18 Counterparts and Electronic Signatures

This Contract may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Contract. The facsimile, email or other electronically delivered signature of the Parties shall be deemed to constitute original

signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

8.19 Damage to LACDA Facilities, Buildings or Grounds

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

8.19.2 If the Contractor fails to make timely repairs, the LACDA may make any necessary repairs. All costs incurred by the LACDA as determined by the LACDA, for such repairs shall be repaid by the Contractor by cash payment upon demand.

8.20 Employment Eligibility Verification

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

8.20.2 The Contractor shall indemnify, defend, and hold harmless, the LACDA, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the LACDA or both in connection with any alleged violation of any

Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.21 Executive Order 11246 and 11375, Equal Opportunity in Employment

8.21.1 The Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

8.21.2 The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

8.21.3 The Contractor will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

8.21.4 The Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the LACDA and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

8.21.5 In the event of Contractor's noncompliance with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

8.21.6 The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the LACDA may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the LACDA, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

8.22 Facsimile Representations

The LACDA and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each Party,

when appearing in appropriate places on the Amendments prepared pursuant to paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the Parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.23 Fair Labor Standards

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

8.24 Intentionally Omitted.

8.25 Force Majeure

8.25.1 The Parties agree that COVID-19 pandemic is not a force majeure event. Neither Party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

8.25.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either

of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this sub-paragraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

8.25.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.26 Governing Law, Jurisdiction, and Venue

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

8.27 Indemnification

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

8.28 Independent Contractor Status

8.28.1 This Contract is by and between the LACDA and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the LACDA and the Contractor. The employees and agents of one party shall not be, or be construed to

be, the employees or agents of the other party for any purpose whatsoever.

8.28.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The LACDA shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.28.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the LACDA. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.28.4 The Contractor shall adhere to the provisions stated in subparagraph 7.5 - Confidentiality.

8.29 Liquidated Damages

8.29.1 If, in the judgment of the Executive Director, or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Executive Director, or designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the LACDA, will be forwarded to the Contractor by the Executive Director, or designee, in a written notice describing the reasons for said action.

8.29.2 If the Executive Director, or designee, determines that there are deficiencies in the performance of this Contract that the Executive Director, or designee, deems are correctable by the Contractor over a certain time span, the Executive Director, or designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Executive Director, or designee, may:

- A. Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or
- B. Deduct liquidated damages. The Parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The Parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred and 00/100 Dollars (\$100.00) per day per infraction, or as specified in the Performance Requirements Summary ("PRS") Chart, as defined in Appendix B (Statement of Work Exhibits), hereunder, and that the Contractor shall be liable to the LACDA for liquidated damages in said amount. Said amount shall be deducted from the LACDA's payment to the Contractor; and/or
- C. Upon giving five (5) days-notice to the Contractor for failure to correct the deficiencies, the LACDA may correct any and all deficiencies and the total costs incurred by the LACDA for completion of the work by an alternate source, whether it be LACDA forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the LACDA, as determined by the LACDA.

8.29.3 The action noted in sub-paragraph 8.29.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover

the LACDA cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.29.4 This sub-paragraph shall not, in any manner, restrict or limit the LACDA's right to damages for any breach of this Contract provided by law or as specified in the PRS or sub-paragraph 8.29.2, and shall not, in any manner, restrict or limit the LACDA's right to terminate this Contract as agreed to herein.

8.30 Most Favored Public Entity

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

8.31 Nondiscrimination and Affirmative Action

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

8.31.2 The Contractor shall certify to, and comply with, the provisions of the Contractor's EEO Certification, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.31.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer,

recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

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

8.31.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.31.6 The Contractor shall allow LACDA representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of Paragraph 8.31 when so requested by the LACDA.

8.31.7 If the LACDA finds that any provisions of this Paragraph 8.31 have been violated, such violation shall constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract. While the LACDA reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the LACDA that the Contractor has violated the anti-discrimination provisions of this Contract.

8.31.8 The Parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the LACDA shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.32 Non Exclusivity

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

8.33 Notice of Delays

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

8.34 Notice of Disputes

The Contractor shall bring to the attention of the LACDA's Project Manager any dispute between the LACDA and the Contractor regarding the performance of services as stated in this Contract. If the LACDA's Project Manager is not able to resolve the dispute, the Division Director, or designee shall resolve it.

8.35 Notice to Employees Regarding the Federal Earned Income Credit

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

8.36 Notices

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits C - LACDA's Administration and D - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Division Director, or designee shall have the authority to issue all notices or demands required or permitted by the LACDA under this Contract.

8.37 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the LACDA agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.38 Public Records Act

8.38.1 Any documents submitted by the Contractor; all information obtained in connection with the LACDA's right to audit and inspect the Contractor's documents, books, and accounting records pursuant Section 8.41 - Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the solicitation used for this Contract, become the exclusive property of the LACDA. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The LACDA shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if

disclosure is required by law, or by an order issued by a court of competent jurisdiction.

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

8.39 Publicity

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

- A. The Contractor shall develop all publicity material in a professional manner; and
- B. During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the LACDA without the prior written consent of the LACDA’s Project Manager. The LACDA shall not unreasonably withhold written consent.

8.39.2 The Contractor may, without the prior written consent of the LACDA, indicate in its bids and sales materials that it has been awarded this Contract with the LACDA, provided that the requirements of this Section 8.39 shall apply.

8.40 Quality Assurance Plan

8.40.1 The LACDA or its agent(s) will monitor the Contractor’s performance under this Contract on not less than an annual basis. Such

monitoring will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the LACDA determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board and listed in the appropriate LACDA reports. The report to the Board will include improvement/corrective action measures taken by the LACDA and the Contractor. If improvement does not occur consistent with the corrective action measures, the LACDA may terminate this Contract or impose other penalties as specified in this Contract.

8.40.2 A performance review will be conducted no later than ninety (90) days prior to the end of the first and second years of this Contract to evaluate the performance of the Contractor. Based on the assessment of the performance review, as determined by the LACDA in its sole discretion, written notification will be given to the Contractor whether this Contract will be terminated at the end of the current year or will be continued into the next contract year.

8.41 Record Retention and Inspection/Audit Settlement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the LACDA, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the LACDA during the term of this Contract and for a period of five (5) years

thereafter unless the LACDA's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the LACDA's option, the Contractor shall pay the LACDA for travel, per diem, and other costs incurred by the LACDA to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.41.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the LACDA within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the LACDA shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.41.2 Failure on the part of the Contractor to comply with any of the provisions of this Section 8.41 shall constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract.

8.41.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the LACDA conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the LACDA's dollar liability for any such work is less than payments made by the LACDA to the Contractor, then the difference shall be either: a) repaid by the Contractor to the LACDA by cash payment upon demand or b) at the sole option of the LACDA, deducted from any amounts due to the Contractor from the LACDA, whether under this Contract or otherwise. If such audit finds that the LACDA's dollar liability for such work is more than the payments made by the LACDA

to the Contractor, then the difference shall be paid to the Contractor by the LACDA by cash payment, provided that in no event shall the LACDA's maximum obligation for this Contract exceed the funds appropriated by the LACDA for the purpose of this Contract.

8.42 Recycled Bond Paper

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

8.43 Intentionally Omitted.

8.44 Subcontracting

8.44.1 The requirements of this Contract may not be subcontracted by the Contractor without the advance approval of the LACDA. Any attempt by the Contractor to subcontract without the prior consent of the LACDA may be deemed a material breach of this Contract.

8.44.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the LACDA's request:

- A. A description of the work to be performed by the Subcontractor;
- B. A draft copy of the proposed subcontract; and
- C. Other pertinent information and/or certifications requested by the LACDA.

8.44.3 The Contractor shall indemnify and hold the LACDA harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

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

8.44.5 The LACDA's consent to subcontract shall not waive the LACDA's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this

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

8.44.6 The LACDA's Project Manager is authorized to act for and on behalf of the LACDA with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the LACDA, Contractor shall forward a fully executed subcontract to the LACDA for their files.

8.44.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the LACDA's consent to subcontract.

8.44.8 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the LACDA from each approved Subcontractor. The Contractor shall ensure delivery of all such documents to the individual identified in Paragraph 8.36 - Notices before any Subcontractor employee may perform any work hereunder.

8.45 Time Off For Voting

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

8.46 Validity

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the

application of such provision to other persons or circumstances shall not be affected thereby.

8.47 Waiver

No waiver by the LACDA of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the LACDA to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Paragraph 8.47 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.48 Warranty Against Contingent Fees

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

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

8.49 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

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

8.49.2 Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it

is now in compliance, and during the term of this Contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.50 Termination for Breach of Warranty to Maintain Compliance with County’s Defaulted Property Tax Reduction Program

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.49 "Warranty of Compliance with County’s Defaulted Property Tax Reduction Program" shall constitute default under this contract. Without limiting the rights and remedies available to the LACDA under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which the LACDA may terminate this Contract and/or pursue debarment of the Contractor, pursuant to County Code Chapter 2.206.

9.0 INSURANCE

Without limiting Contractor's indemnification of LACDA Indemnitees, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 9 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The LACDA in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

9.1 Insurance Coverage

9.1.1 Commercial General Liability Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents") as an additional insured, with limits of not less than:

- General Aggregate: \$2 million
- Products/Completed Operations Aggregate: \$2 million

- Personal and Advertising Injury: \$1 million
- Each Occurrence: \$1 million

9.2 Additional Unique Insurance Coverage

9.2.1 Technology Professional Liability Errors & Omissions Insurance

Insurance appropriate to the Contractor’s profession and work hereunder for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Insurance shall be sufficiently broad to respond to the duties and obligations as is undertaken by the Contractor in this Contract and shall include, but not be limited to, claims involving infringement of intellectual property, copyright, trademark, invasion of privacy violations, information theft, release of private information, extortion and network security, coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing including outsourcing development and design; (6) systems design, consulting, development and modification; (7) training services relating to computer software or hardware; (8) management, repair and maintenance of computer products, networks and systems; (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor with limits of not less than \$10 million per occurrence. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

- a. The Policy shall include, or be endorsed to include, **property damage liability coverage** for damage to, alteration of, loss of,

or destruction of electronic data and/or information “property” of the LACDA in the care, custody, or control of the Contractor. If not covered under the Contractor’s liability policy, such “property” coverage of the LACDA may be endorsed onto the Contractor’s Cyber Liability Policy as covered property as follows:

- b. Cyber Liability coverage in an amount sufficient to cover the full replacement value of damage to, alteration of, loss of, or destruction of electronic data and/or information “property” of the LACDA that will be in the care, custody, or control of Contractor.
- c. The Insurance obligations under this agreement shall be the greater of (1) all the Insurance coverage and limits carried by or available to the Vendor; or (2) the minimum Insurance requirements shown in this agreement. Any insurance proceeds in excess of the specified limits and coverage required, which are applicable to a given loss, shall be available to the LACDA. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the indemnity or other obligations of the Contractor under this Contract.

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the LACDA requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the LACDA.

9.2.2 Privacy/Network Security (Cyber) Liability

Insurance coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs]; (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or

use of computer systems with limits of not less than \$2 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

9.3 Certificate of Insurance Coverage:

- 9.3.1 Certificate(s) of Insurance Coverage ("Certificate") satisfactory to the LACDA, and a copy of an Additional Insured endorsement confirming the LACDA and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to the LACDA at the address shown below and provided prior to commencing services under this Contract.
- 9.3.2 Renewal Certificates shall be provided to the LACDA not less than ten (10) days prior to Contractor's policy expiration dates. The LACDA reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- 9.3.3 Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract.
- 9.3.4 Certificates shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners ("NAIC") identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any LACDA required endorsement forms.
- 9.3.5 Neither the LACDA's failure to obtain, nor the LACDA's receipt of, or failure to object to a non-complying Certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

9.3.6 Certificates and copies of any required endorsements shall be sent to:

Los Angeles County Development Authority
Administrative Services Division/Information Technology Unit
700 W. Main Street, Alhambra, CA 91801
Attention: Maryann Robles, I.T. Contract Administrator

9.4 Notices of Injury or Damage or Destruction

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

9.5 Additional Insured Status and Scope of Coverage

The LACDA and its Agents shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the LACDA. The LACDA and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the LACDA. The full policy limits and scope of protection also shall apply to the LACDA and its Agents as an additional insured, even if they exceed the LACDA's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

9.6 Cancellation of or Change to Maintain Insurance

The Contractor shall provide the LACDA with, or Contractor's insurance policies shall contain a provision that the LACDA shall receive, written notice of cancellation or any change in Required Insurance, including

insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to LACDA at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the LACDA, upon which the LACDA may suspend or terminate this Contract.

9.7 Failure to Maintain Insurance

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

9.8 Contractor's Insurance Shall Be Primary

The Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any LACDA maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

9.9 Insurance Specifics

9.9.1 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against the LACDA under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

9.9.2 Sub-Contractor Insurance Coverage Requirements

The Contractor shall include all Sub-Contractors as insureds under the Contractor's own policies, or shall provide the LACDA with each Sub-Contractor's separate evidence of insurance coverage. The Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the LACDA and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain the LACDA's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

9.9.3 Deductibles and Self-Insured Retentions (SIRs)

The Contractor's policies shall not obligate the LACDA to pay any portion of any Contractor deductible or SIR. The LACDA retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs as respects the LACDA, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

9.9.4 Claims Made Coverage

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

9.9.5 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

9.9.6 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

9.9.7 Alternative Risk Financing Programs

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

9.10 LACDA Review and Approval of Insurance Requirements

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

10.0 TERMINATION

10.1 Termination for Convenience

10.1.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the LACDA, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

A. After receipt of a notice of termination and except as otherwise directed by the LACDA, the Contractor shall:

B. Stop work under this Contract on the date and to the extent specified in such notice, and

C. Complete performance of such part of the work as shall not have been terminated by such notice.

10.1.2 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with Paragraph 8.41 - Record Retention and Inspection/Audit Settlement.

10.2 Termination for Default

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

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

10.2.2 In the event that the LACDA terminates this Contract in whole or in part as provided in sub-paragraph 10.2.1, the LACDA may procure, upon such terms and in such manner as the LACDA may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the LACDA for any and all excess costs incurred by the LACDA, as determined by the LACDA, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

10.2.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in sub-paragraph 10.2.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the LACDA in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this sub-paragraph 10.2.3, the terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.

10.2.4 If, after the LACDA has given notice of termination under the provisions of this Paragraph 10.2, it is determined by the LACDA that the Contractor was not in default under the provisions of this Paragraph 10.2, or that the default was excusable under the provisions of sub-paragraph 10.2.3, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 10.1 - Termination for Convenience.

10.2.5 The rights and remedies of the LACDA provided in this Paragraph 10.2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

10.3 Termination for Improper Consideration

10.3.1 The LACDA may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any LACDA officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the LACDA shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

10.3.2 The Contractor shall immediately report any attempt by a LACDA officer or employee to solicit such improper consideration. The report shall be made either to the LACDA manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

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

10.4 Termination for Insolvency

10.4.1 The LACDA may terminate this Contract forthwith in the event of the occurrence of any of the following:

A. Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

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

10.4.2 The rights and remedies of the LACDA provided in this Paragraph 10.4 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

10.5 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each LACDA Lobbyist or LACDA Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any LACDA Lobbyist or LACDA Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the LACDA may in its sole discretion, immediately terminate or suspend this Contract.

10.6 Termination for Non-Appropriation of Funds

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

11.0 UNIQUE TERMS AND CONDITIONS

11.1 Data Destruction

- 11.1.1 Contractor(s) and vendor(s) that have maintained, processed, or stored the LACDA data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled Guidelines for Media Sanitization. (Available at: <http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88-Rev.%201>)
- 11.1.2 The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the LACDA, or external to the LACDA's boundaries. The LACDA must receive within ten (10) business days, a signed document from Contractor(s) and vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.
- 11.1.3 The Vendor shall certify that any LACDA data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology ("NIST") Special Publication SP-800-88, Guidelines for Media Sanitization. The Vendor shall provide the LACDA with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all LACDA data was destroyed and is unusable, unreadable, and/or undecipherable.

11.2 Ownership of Materials, Software and Copyright

- 11.2.1 The LACDA shall be the sole owner of all right, title and interest, in and to all plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through the Contractor's work

pursuant to this Contract. The Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in the LACDA all of the Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.

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

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

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

11.2.5 Notwithstanding any other provision of this Contract, the LACDA will not be obligated to the Contractor in any way under Paragraph 11.2 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as

required by sub-paragraph 11.2.3 or for any disclosure which the LACDA is required to make under any state or federal law or order of court.

11.2.6 All the rights and obligations of this Paragraph 11.2 shall survive the expiration or termination of this Contract.

11.3 Patent, Copyright and Trade Secret Indemnification

11.3.1 The Contractor shall indemnify, hold harmless and defend the LACDA from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. The LACDA shall inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support the Contractor's defense and settlement thereof.

11.3.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that the LACDA's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that the LACDA's continued use of the system is not materially impeded, shall either:

- A. Procure for the LACDA all rights to continued use of the questioned equipment, part, or software product; or
- B. Replace the questioned equipment, part, or software product with a non-questioned item; or
- C. Modify the questioned equipment, part, or software so that it is free of claims.

11.3.3 The Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned

product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

[Signatures on the following page]

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SIGNATURES

IN WITNESS WHEREOF, the LACDA and the Contractor, through their duly authorized officers, have executed this Contract as of the date first above written.

By _____
Name of Contractor
Title

LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY

By _____
Emilio Salas
Executive Director

APPROVED AS TO PROGRAM:
ADMINISTRATIVE SERVICES DIVISION

APPROVED AS TO FORM:
DAWYN R. HARRISON
County Counsel

By _____
Kathy Thomas
Chief of Operations

By _____
Behnaz Tashakorian
Principal Deputy County Counsel

CONTRACTOR: **COMPULINK MANAGEMENT
CENTER, INC. DBA LASERFICHE**

EXHIBIT A

STATEMENT OF WORK

STATEMENT OF WORK FOR LASERFICHE SOFTWARE SUPPORT PLAN SERVICES

1.0 SCOPE OF WORK

The Los Angeles County Development Authority (LACDA) is the County's affordable housing and community development agency. The LACDA helps strengthen neighborhoods, empower families, support local economies, and promote individual achievement. The LACDA maintains many administrative buildings and 68 housing developments that include over 3,229 residential units within the County of Los Angeles.

The LACDA is seeking Laserfiche Software Support Plan Basic Level Support and Support Renewal Services from Laserfiche (manufacturer) in addition to Laserfiche Document and Records Management software for the LACDA.

2.0 GENERAL REQUIREMENTS

2.1 The Contractor shall be Laserfiche.

2.2 The Contractor shall provide Laserfiche Software Support Plan Services.

3.0 SPECIFIC WORK REQUIREMENTS

3.1 Technical Support Services

The Contractor shall provide Laserfiche Software Support Plan Services, Software Update License, and Support as described in Exhibit A-4, Laserfiche Software Support Plan Details, which includes, but shall not be limited to, the following:

3.1.1 Technical Support Services

The Contractor shall provide the following technical support services, which include, but are not limited to, the following duties:

- **New Releases and Product Updates**
 - Provide new versions, updates, and hotfixes of licensed products at no additional charge as soon as the release is available to the LACDA.
 - If LACDA elects to upgrade an existing Laserfiche Software to a different or newer version of Laserfiche Software ("Product Upgrade"), LACDA may receive a credit in the amount of the purchase price of the existing Laserfiche Software, not including any payments made towards LSAP (unless the LSAP payment was pre-paid, in which case the remaining

LSAP term that remains un-used may be applied as Laserfiche credit) or other ancillary payments such as customer installation fees and additional requested professional services.

- Access to the Laserfiche Support Site and Laserfiche Answers
 - Provide the LACDA an account for Laserfiche Answer, the online social community for Laserfiche users and developers, and provide access to the library of technical white papers.
 - Fast-track escalation for urgent enterprise content management support cases.
- Preferred pricing on Laserfiche Training events, including Regional Training and Laserfiche Empower Conference.

3.2 Other Services

The Contractor shall provide other as-needed services not included in Section 3.1. All work assigned under this section must be reviewed and approved by the LACDA in writing and in advance. Failure of the Contractor to obtain advance written approval shall be grounds for no payment to the Contractor. The services could include professional services, installing and configuring the latest versions, to keep the LACDA Laserfiche System current. Services may also include implementation of new features, new customizations, the carry-over of existing customizations and fixes to new software versions.

4.0 RESPONSIBILITIES

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

LACDA

4.1 LACDA Contract Administrator

The LACDA will administer the Contract according to the Contract, Paragraph 6, Administration of Contract - LACDA. Specific duties will include:

- 4.1.1 Monitor the Contractor's performance in the daily operation of this Contract.
 - 1.0
- 4.1.2 Provide direction to the Contractor in areas relating to policy, information and procedural requirements.
- 4.1.3 Prepare amendments to the Contract in accordance with Section 8.1 (Amendments) in the Contract.

Contractor

4.2 Project Manager

- 4.2.1 The Contractor shall provide a qualified full-time Project Manager (also known as the Account Manager, Supervisor, etc.) assigned to the contract with five (5) years of experience, within the last five (5) years to perform the required work in this SOW.
- 4.2.2 The Contractor's Project Manager shall act as a central point of contact with the LACDA and shall have full authority to act for the Contractor on all matters relating to the daily tasks specified in Section 3.0 – Specific Work Requirements in this Statement of Work. The Project Manager shall be able to effectively communicate, in English, both orally and in writing.
- 4.2.3 The Contractor shall provide a telephone number where the Project Manager may be reached on a twenty-four (24) hour per day basis. The Project Manager must be available during all hours, 365 days per year.

4.3 Assigned Staff

- 4.3.1 The Contractor shall assign a sufficient number of employees with three (3) years of experience, within the last five (5) years to perform the required work in this SOW. At least one employee on site shall be authorized to act for the Contractor in every detail and must speak and understand English.
- 4.3.2 The Contractor shall be required to background check their employees as set forth in Paragraph 7.5, Background and Security Investigations, of the Contract.

4.4 Uniform

The Contractor's employees assigned to the Contract shall wear an appropriate uniform at all times. The uniform must display the Contractor's company name and will be provided at the Contractor's expense.

4.5 Staff Identification

- 4.6.1 The Contractor shall ensure their employees are appropriately identified as set forth in sub-paragraph 7.3 – Contractor's Staff Identification, of the Contract.
- 4.6.2 The Contractor's employees must wear visible identification when working under the Contract on LACDA property. The identification shall be a Contractor photo ID or LACDA Visitor ID or LACDA photo ID.

4.6.3 The Contractor's employees must sign in and out at the receptionist's desk at the beginning and end of each workday.

4.7 Material and Equipment

The Contractor is responsible for the purchase of all materials/equipment to provide the needed services. The Contractor shall use materials and equipment that are safe for the environment and safe for use by the Contractor's employees.

4.8 Training

The Contractor shall provide training programs for all new employees and continuing in-service training for all employees. All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear, and use PPE according to Cal/OSHA requirements.

4.9 Contractor's Office

The Contractor shall maintain an office with a telephone in the company's name where the Contractor conducts business. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Contract. When the office is closed, the Contractor shall answer calls received by the answering service within two (2) hours of receipt of the call.

4.10 Meetings

The Contractor is required to attend LACDA scheduled meetings as requested by the LACDA. Failure to attend will cause an assessment of fifty dollars (\$50.00).

5.0 HOURS / DAYS OF WORK

The LACDA office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday.

The LACDA offices are closed on the following Holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Cesar E. Chavez Day
- Memorial Day
- Juneteenth Day
- Independence Day
- Labor Day
- Indigenous Peoples' Day
- Veterans Day

- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day

Note: Holidays that fall on a Saturday are observed on the previous Friday and holidays that fall on a Sunday are observed on the following Monday.

6.0 INTENTIONALLY OMITTED.

7.0 UNSCHEDULED WORK

- 7.1** The LACDA Project Manager or his designee may authorize the Contractor to perform unscheduled work, including, but not limited to, repairs and replacements when the need for such work arises out of extraordinary incidents such as vandalism, acts of God, and third-party negligence; or to add to, modify or refurbish existing facilities.
- 7.2** Prior to performing any unscheduled work, the Contractor shall prepare and submit a written description of the work with an estimate of labor and materials. If the unscheduled work exceeds the Contractor's estimate, the LACDA Project Director or his designee must approve the excess cost. In any case, no unscheduled work shall commence without written authorization.
- 7.3** When a condition exists wherein there is imminent danger of injury to the public or damage to property, Contractor shall contact LACDA's Project Director for approval before beginning the work. A written estimate shall be sent within twenty-four (24) hours for approval. Contractor shall submit an invoice to LACDA's Project Director within five (5) working days after completion of the work.
- 7.4** All unscheduled work shall commence on the established specified date. Contractor shall proceed diligently to complete said work within the time allotted.
- 7.5** The LACDA reserves the right to perform unscheduled work itself or assign the work to another Contractor.

8.0 QUALITY CONTROL PLAN

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the LACDA a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the LACDA for review upon request. The plan shall include, but not be limited to the following:

- 8.1** Method of monitoring to ensure that Contract requirements are being met;
3.0

- 8.2** A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action,

9.0 QUALITY ASSURANCE PLAN

As specified in Section 8.40 (Quality Assurance Plan) of the Contract, the LACDA will evaluate the Contractor's performance under this Contract and the Plan, specified in 8.0 of this Statement of Work, using the following quality assurance procedures:

9.1 Performance Requirements Summary (Exhibit A-2 of this Exhibit A)

The LACDA shall use a Performance Requirements Summary (PRS) chart, Exhibit A-2 of this Exhibit A, to monitor the Contractor's work performance and efforts to remedy any and all deficiencies throughout the term of this Contract. The chart shall contain, at a minimum, the following:

- Each section of the Contract/SOW referenced and identified;
- The standard of performance (description of the work requirement)
- The method to be used to monitor work performance
- The fees/deductions to be assessed for each service that is not satisfactory

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

When the Contractor's performance does not conform to the requirements of this Contract, the LACDA will have the option to apply the following non-performance remedies:

- Require the Contractor to implement a formal corrective action plan, subject to approval by the LACDA. In the plan, the Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.
- Reduce payment to the Contractor by a computed amount based on the penalty fee(s) in the PRS.
- Reduce, suspend or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.

- Failure of the Contractor to comply with or satisfy the request(s) for improvement of performance or to perform the neglected work specified within ten (10) days shall constitute authorization for the LACDA to have the service(s) performed by others. The entire cost of such work performed by others as a consequence of the Contractor's failure to perform said service(s), as determined by the LACDA, shall be credited to the LACDA on the Contractor's future invoice.

This section does not preclude the LACDA's right to terminate the contract upon thirty (30) days written notice with or without cause, as provided for in the Contract, Paragraph 10.1 (Termination for Convenience).

9.2 Periodic Performance Reviews (Exhibit A-3 of this Exhibit A)

The LACDA will conduct periodic reviews to evaluate the Contractor's performance.

9.3 Contract Deficiency Notice

The LACDA will make verbal notification to the Contractor of a Contract deficiency as soon as the deficiency is identified. The problem should be resolved within a time period mutually agreed upon by the LACDA and the Contractor.

If resolution of the deficiency does not result from the verbal notification, the LACDA will determine whether a formal Contract Deficiency Notice shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the LACDA within five (5) workdays, acknowledging the reported deficiencies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the LACDA within ten (10) workdays.

9.4 LACDA Observations

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

10.0 INFORMATION SECURITY AND PRIVACY REQUIREMENTS

The Contractor shall comply with all information security and privacy requirements identified in Exhibit A-5.

11.0 ADDITION/DELETION OF SERVICES

The LACDA reserves the right to add or delete services during the term of the Contract. The Contractor's fees will be adjusted by negotiation between the LACDA and the Contractor. All negotiated fees must be approved in advance and in writing by the LACDA. Failure of the Contractor to obtain advance written

approval from the LACDA shall be grounds for no payment and the cost will be borne by the Contractor.

EXHIBIT A-1

LASERFICHE SOFTWARE SUPPORT PLAN DETAILS

| Line Item | Product | Description License Type | Quantity |
|-----------|---------|--|----------|
| 1 | ENF20B | Rio Named Full User | 660 |
| 2 | QC4B | Quick Fields Basic Package | 16 |
| 3 | QFAB | Quick Fields Agent | 1 |
| 4 | EFRMB | Forms Professional | 660 |
| 5 | EPFRMB | Rio Forms Portal | 1 |
| 6 | ERMB | Records Management | 660 |
| 7 | IAB | Import Agent | 1 |
| 8 | EPLS2B | Rio Public Portal for Two Laserfiche Servers | 1 |
| 9 | SC01B | Scan Connect | 2 |
| 10 | SC05B | Scan Connect 5-Pack | 1 |
| 11 | TKB | SDK | 1 |

EXHIBIT A-2

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

| REFERENCE/ REQUIRED SERVICE | STANDARD OF PERFORMANCE | MONITORING METHOD | DEDUCTIONS/FEEES TO BE ASSESSED |
|--|--|---|------------------------------------|
| SOW Section 3.0 Specific Work Requirements | 100 % Completion of Required Services | Observation, Inspection, and Acceptance. | \$50 per occurrence |

EXHIBIT A-3

CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES:

Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY: _____

Signature of LACDA Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

LACDA EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

LACDA Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

**EXHIBIT A-4
LASERFICHE SOFTWARE SUPPORT PLAN DETAIL**

EXHIBIT A-5

INFORMATION AND PRIVACY SECURITY REQUIREMENTS

This sets forth information security procedures to be established by Contractor before the effective date of the Contract and maintained throughout the term of the Contract. These procedures are in addition to the requirements of the Contract between the Parties. They present a minimum standard only. However, it is Contractor's sole obligation to: (i) implement appropriate measures to secure its systems and data, including Personally Identifiable Information and LACDA Confidential Information, against internal and external threats and risks; and (ii) continuously review and revise those measures to address ongoing threats and risks. Failure to comply with the minimum standards set forth in this Exhibit 4 (Information and Privacy Security Requirements) will constitute a material, non-curable breach of the Contract by Contractor, entitling LACDA, in addition to and cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract.

1. **Security Policy.** Contractor shall establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards and procedures (collectively "**Information Security Policy**"). The Information Security Policy will be communicated to all Contractor personnel in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks.
2. **Personnel and Contractor Protections.** Contractor shall screen and conduct background checks on all Contractor personnel contacting LACDA Confidential Information, including Personally Identifiable Information, for potential security risks and requires all employees and contractors to sign an appropriate written confidentiality/non-disclosure agreement. All agreements with third-parties involving access to Contractor's systems and data, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls, and procedures for information systems. Contractor shall supply each of its Contractor personnel with appropriate, ongoing training regarding information security procedures, risks, and threats. Contractor shall have an established set of procedures to ensure Contractor personnel promptly report actual and/or suspected breaches of security.
3. **Removable Media.** Except in the context of Contractor's routine back-ups or as otherwise specifically authorized by LACDA in writing, Contractor shall institute strict physical and logical security controls to prevent transfer of Personally Identifiable Information to any form of Removable Media. For purposes of this

Attachment E (Information Security Requirements), “Removable Media” means portable or removable hard disks, floppy disks, USB memory drives, zip disks, optical disks, CDs, DVDs, digital film, digital cameras, memory cards (e.g., Secure Digital (SD), Memory Sticks (MS), CompactFlash (CF), SmartMedia (SM), MultiMediaCard (MMC), and xD-Picture Card (xD)), magnetic tape, and all other removable data storage media.

4. **Data Control; Media Disposal and Servicing.** Personally Identifiable Information and LACDA Confidential Information: (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by LACDA in writing; (ii) if transferred across the Internet, any wireless network (e.g., cellular, 802.11x, or similar technology), or other public or shared networks, must be protected using appropriate encryption technology as designated or approved by LACDA in writing; and (iii) if transferred using Removable Media (as defined above) must be sent via a bonded courier or protected using encryption technology designated or approved by LACDA in writing. The foregoing requirements shall apply to back-up data stored by Contractor at off-site facilities. In the event any hardware, storage media, or Removable Media must be disposed of or sent off-site for servicing, Contractor shall ensure all LACDA Confidential Information, including Personally Identifiable Information, has been cleared, purged, or scrubbed from such hardware and/or media using industry best practices (e.g., NIST Special Publication 800-88, Guidelines for Media Sanitization¹).

5. **Hardware Return.** Upon termination or expiration of the Contract or at any time upon LACDA’s request, Contractor will return all hardware, if any, provided by LACDA containing Personally Identifiable Information or LACDA Confidential Information to LACDA. The Personally Identifiable Information and LACDA Confidential Information shall not be removed or altered in any way. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by LACDA. In the event the hardware containing LACDA Confidential Information or Personally Identifiable Information is owned by Contractor or a third-party, a notarized statement, detailing the destruction method used and the data sets involved, the date of destruction, and the company or individual who performed the destruction will be sent to a designated LACDA security representative within fifteen (15) days of termination or expiration of the Contract or at any time upon LACDA’s request. Contractor’s destruction or erasure of Personally Identifiable Information pursuant to this Section shall be in compliance

1.0 ¹ Available at <http://www.csrc.nist.gov/>

2.0

with industry Best Practices (e.g., NIST Special Publication 800-88, Guidelines for Media Sanitization²).

6. **Physical and Environmental Security.** Contractor facilities that process Personally Identifiable Information or LACDA Confidential Information will be housed in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.
7. **Communications and Operational Management.** Contractor shall: (i) monitor and manage all of its information processing facilities, including, without limitation, implementing operational procedures, change management and incident response procedures; and (ii) deploy adequate anti-viral software and adequate back-up facilities to ensure essential business information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures will be adequately documented and designed to protect information, computer media, and data from theft and unauthorized access.
8. **Access Control.** Contractor shall implement formal procedures to control access to its systems, services, and data, including, but not limited to, user account management procedures and the following controls:
 - a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of properly configured firewalls;
 - b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization, and event logging;
 - c. Applications will include access control to limit user access to information and application system functions; and
 - d. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor shall record, review and act upon all events in accordance with incident response policies set forth below.
9. **Security Incident.** A "Security Incident" shall have the meaning given to such term in 45 C.F.R. § 164.304.

3.0 ² Available at <http://www.csrc.nist.gov/>

a. Contractor will promptly notify (but in no event more than twenty-four (24) hours after the detection of a Security Incident) the designated LACDA security contact by telephone and subsequently via written letter of any potential or actual security attacks or Security Incidents.

b. The notice shall include the approximate date and time of the occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence. A Security Incident includes instances in which internal personnel access systems in excess of their user rights or use the systems inappropriately.

c. Contractor will provide a monthly report of all Security Incidents noting the actions taken. This will be provided via a written letter to the LACDA security representative on or before the first (1st) week of each calendar month. LACDA or its third-party designee may, but is not obligated, perform audits and security tests of Contractor's environment that may include, but are not limited to, interviews of relevant personnel, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of Personally Identifiable Information and LACDA Confidential Information.

d. In the event LACDA desires to conduct an unannounced penetration test, LACDA shall provide contemporaneous notice to Contractor's Vice President of Audit, or such equivalent position. Any of LACDA's regulators shall have the same right upon request. Contractor shall provide all information reasonably requested by LACDA in connection with any such audits and shall provide reasonable access and assistance to LACDA or its regulators upon request. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes. LACDA reserves the right to view, upon request, any original security reports that Contractor has undertaken on its behalf to assess Contractor's own network security. If requested, copies of these reports will be sent via bonded courier to the LACDA security contact. Contractor will notify LACDA of any new assessments.

10. **Contractor Self Audit.** Contractor will provide to LACDA a summary of: (1) the results of any security audits, security reviews, or other relevant audits listed below, conducted by Contractor or a third-party as applicable; and (2) the corrective actions or modifications, if any, Contractor will implement in response to such audits.

Relevant audits conducted by Contractor as of the effective date of the Contract include:

- a. ISO 27001:2013 (Information Security Management) or FDA's Quality System Regulation – Contractor-Wide. A full recertification is conducted every three (3) years with surveillance audits annually.
 - (i) **External Audit** – Audit conducted by non-Contractor personnel, to assess Contractor's level of compliance to applicable regulations, standards, and contractual requirements.
 - (ii) **Internal Audit** – Audit conducted by qualified Contractor Personnel (or contracted designee) not responsible for the area of review, of Contractor organizations, operations, processes, and procedures, to assess compliance to and effectiveness of Contractor's Quality System ("**CQS**") in support of applicable regulations, standards, and requirements.
 - (iii) **Supplier Audit** – Quality audit conducted by qualified Contractor Personnel (or contracted designee) of product and service suppliers contracted by Contractor for internal or Contractor client use.
 - (iv) **Detailed findings**- are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to LACDA as provided above and the ISO certificate is published on Contractor's website.
- b. SSAE-16 (formerly known as SAS -70 II) – As to the Hosting Services only:
 - (i) Audit spans a full twelve (12) months of operation and is produced every six (6) months (end of June, end of December) to keep it "up to date."
 - (ii) The resulting detailed report is available to LACDA.

Detailed findings are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to LACDA as provided above.

11. **Security Audits.** In addition to the audits described in Section 10 (Contractor Self Audit), during the term of this Contract, LACDA or its third-party designee may annually, or more frequently as agreed in writing by the Parties, request a security audit of Contractor's data center and systems. The audit will take place at a time mutually agreed to by the Parties, but in no event on a date more than ninety (90) days from the date of the request by LACDA. LACDA's request for security audit will specify the areas (e.g., Administrative, Physical and Technical) that are subject to the audit and may include but not limited to physical controls inspection, process reviews, policy reviews evidence of external and internal vulnerability scans, penetration tests results, evidence of code reviews, and evidence of system configuration and audit log reviews. LACDA shall pay for all third-party costs associated with the audit. It is understood that summary data of the results may be filtered to remove the specific information of other Contractor customers such as IP address, server names, etc.. Contractor shall cooperate with LACDA in the

development of the scope and methodology for the audit, and the timing and implementation of the audit. Any of the LACDA's regulators shall have the same right upon request, to request an audit as described above. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

12. Confidentiality

a. Contractor agrees that all information supplied by its affiliates and agents to the LACDA including, without limitation, (a) any information relating to LACDA's customers, patients, business partners, or personnel; and (b) Personally Identifiable Information (as defined below) will be deemed confidential and proprietary to the LACDA, regardless of whether such information was disclosed intentionally or unintentionally or marked as "confidential" or "proprietary" ("Confidential Information"). To be deemed "Confidential Information", trade secrets and mask works must be plainly and prominently marked with restrictive legends.

b. **LACDA Data.** All of the LACDA Confidential Information, data, records, and information of LACDA to which Contractor has access, or otherwise provided to Contractor under this Contract ("LACDA Data"), shall be and remain the property of LACDA and LACDA shall retain exclusive rights and ownership thereto. The LACDA Data shall not be used by Contractor for any purpose other than as required under this Contract, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of to third-parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents.

c. **Personally Identifiable Information.** "Personally Identifiable Information" shall mean any information that identifies a person, including, but not limited to, name, address, email address, passwords, account numbers, social security numbers, credit card information, personal financial or healthcare information, personal preferences, demographic data, marketing data, credit data, or any other identification data. For the avoidance of doubt, Personally Identifiable Information shall include, but not be limited to, all "nonpublic personal information," as defined under the Gramm-Leach-Bliley Act (15 United States Code ("U.S.C.") §6801 et seq.), Protected Health Information, and "Personally Identifiable Information" as that term is defined in EU Data Protection Directive (Directive 95/46/EEC) on the protection of individuals with regard to processing of personal data and the free movement of such data.

i. **Personally Identifiable Information.** In connection with this Contract and performance of the services, Contractor may be provided or obtain,

from LACDA or otherwise, Personally Identifiable Information pertaining to LACDA's current and prospective personnel, directors and officers, agents, investors, patients, and customers and may need to process such Personally Identifiable Information and/or transfer it, all subject to the restrictions set forth in this Contract and otherwise in compliance with all applicable foreign and domestic laws and regulations for the sole purpose of performing the services.

ii. **Treatment of Personally Identifiable Information.** Without limiting any other warranty or obligations specified in this Contract, and in particular the confidential provisions of Section 12 (Confidentiality), during the term of this Contract and thereafter in perpetuity, Contractor will not gather, store, log, archive, use, or otherwise retain any Personally Identifiable Information in any manner and will not disclose, distribute, sell, share, rent, or otherwise retain any Personally Identifiable Information to any third-party, except as expressly required to perform its obligations in this Contract or as Contractor may be expressly directed in advance in writing by LACDA. Contractor represents and warrants that Contractor will use and process Personally Identifiable Information only in compliance with (a) this Contract, (b) LACDA's then current privacy policy, and (c) all applicable local, state, and federal laws and regulations (including, but not limited to, current and future laws and regulations relating to spamming, privacy, confidentiality, data security, and consumer protection).

iii. **Retention of Personally Identifiable Information.** Contractor will not retain any Personally Identifiable Information for any period longer than necessary for Contractor to fulfill its obligations under this Contract. As soon as Contractor no longer needs to retain such Personally Identifiable Information in order to perform its duties under this Contract, Contractor will promptly return or destroy or erase all originals and copies of such Personally Identifiable Information.

d. **Return of Confidential Information.** On LACDA's written request or upon expiration or termination of this Contract for any reason, Contractor will promptly: (a) return or destroy, at LACDA's option, all originals and copies of all documents and materials it has received containing LACDA's Confidential Information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Contract; and (c) deliver or destroy, at LACDA's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection 12(a), and provide a notarized written statement

to LACDA certifying that all documents and materials referred to in Subsections 12(a) and (b) have been delivered to LACDA or destroyed, as requested by LACDA.

EXHIBIT B

FEE SCHEDULE

**FEE SCHEDULE
FOR
LASERFICHE SOFTWARE SUPPORT PLAN SERVICES**

The Contractor shall provide Laserfiche Software Support Plan services in accordance with Exhibit A, Statement of Work. Should additional services be required from the Contractor by the LACDA, the Contractor shall honor the same Unit Price, unless the service is not covered below, and the new service cost shall be negotiated between the Contractor and the LACDA.

| Line Item | Product | Description | Qty | Unit Price* | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------|---------|--|-----|-------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | | | | 06/25/2024-06/24/2025 | 06/25/2025-06/24/2026 | 06/25/2026-06/24/2027 | 06/25/2027-06/24/2028 | 06/25/2028-06/24/2029 |
| 1 | ENF20B | Rio Named Full User | 660 | \$100.00 | \$66,000.00 | \$66,679.80 | \$67,366.60 | \$68,060.48 | \$68,761.50 |
| 2 | QC4B | Quick Fields Basic Package | 16 | \$500.00 | \$8,000.00 | \$8,082.40 | \$8,165.65 | \$8,249.75 | \$8,334.73 |
| 3 | QFAB | Quick Fields Agent | 1 | \$2,000.00 | \$2,000.00 | \$2,020.60 | \$2,041.41 | \$2,062.44 | \$2,083.68 |
| 4 | EFRMB | Rio Forms Professional | 660 | \$10.00 | \$6,600.00 | \$6,667.98 | \$6,736.66 | \$6,806.05 | \$6,876.15 |
| 5 | EPFRMB | Rio Forms Portal | 1 | \$1,599.00 | \$1,599.00 | \$1,615.47 | \$1,632.11 | \$1,648.92 | \$1,665.90 |
| 6 | ERMB | Records Management | 660 | \$10.00 | \$6,600.00 | \$6,667.98 | \$6,736.66 | \$6,806.05 | \$6,876.15 |
| 7 | IAB | Import Agent | 1 | \$300.00 | \$300.00 | \$303.09 | \$306.21 | \$309.37 | \$312.55 |
| 8 | EPLS2B | Rio Public Portal for Two (2) Laserfiche Servers | 1 | \$10,000.00 | \$10,000.00 | \$10,103.00 | \$10,207.06 | \$10,312.19 | \$10,418.41 |
| 9 | SC01B | Scan Connect | 2 | \$33.00 | \$66.00 | \$66.68 | \$67.37 | \$68.06 | \$68.76 |

| Line Item | Product | Description | Qty | Unit Price* | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------|--------------------------|---------------------|-----|--------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | | | | 06/25/2024-06/24/2025 | 06/25/2025-06/24/2026 | 06/25/2026-06/24/2027 | 06/25/2027-06/24/2028 | 06/25/2028-06/24/2029 |
| 10 | SC05B | Scan Connect 5-Pack | 1 | \$132.00 | \$132.00 | \$133.36 | \$134.73 | \$136.12 | \$137.52 |
| 11 | TKB | SDK | 1 | \$750.00 | \$750.00 | \$757.73 | \$765.53 | \$773.41 | \$781.38 |
| 12 | 9999RECUR | Discount | 1 | (\$3,163.46) | (\$3,163.46) | (\$3,196.04) | (\$3,228.96) | (\$3,262.22) | (\$3,295.82) |
| 13 | Total Annual Cost | | | | \$98,883.54 | \$99,902.05 | \$100,931.03 | \$101,970.62 | \$103,020.91 |

*3% year over year increase

SECTION 2

In Section 2, the LACDA includes the pool of dollars ("Pool Dollars") available under this Agreement Exhibit B, Fee Schedule, for the purchase of additional commodity and services for ongoing support, upgrades, unrelated to the scope of services of \$50,470.82, at the discretion of the LACDA, using the LACDA Contract Amendment under Paragraph 8.1 (Amendments). The total amount of available Pool Dollars shall be decreased by each Amendment under Paragraph 8.1 (Amendments) and may only be increased by executing an Amendment in accordance with Paragraph 8.1 (Amendments), for the Maximum Amount of this Contract shall be \$555,178.97 ("Maximum Amount") for the term of this Contract, including Pool Dollars.

EXHIBIT C

LACDA'S ADMINISTRATION

EXHIBIT D

CONTRACTOR'S ADMINISTRATION

EXHIBIT E

REQUIRED CONTRACT FORMS AND CERTIFICATIONS

EXHIBIT F

REQUIRED CONTRACT PROVISIONS

EXHIBIT G

REQUIRED FORMS AT THE TIME OF CONTRACT EXECUTION

EXHIBIT H

REQUIRED FORMS AT THE COMPLETION OF CONTRACT EXHIBIT I INTENTIONALLY OMITTED

EXHIBIT J

**SERVICE LEVEL AND WARRANTY
AGREEMENT**

EXHIBIT J SERVICE LEVEL AND WARRANTY AGREEMENT

1. General

This Service Level and Warranty Agreement – Exhibit J sets forth the scope of Backup Solution Software and Hardware Services under the SOW (Appendix A), and Contractor’s service level commitment regarding, the maintenance, operational support, hosting and monitoring of the Solution, including, but not limited to, service levels consisting of Maintenance Services, Support Services, correction of Deficiencies, warranties and LACDA’s remedies for Contractor’s failure to meet the service level commitment specified herein. Capitalized terms used in this Appendix without definition shall have the meanings given to such terms in the Contract.

2. Scope of Services

2.1 **Description**

Contractor shall provide service levels relating to Solution Maintenance specified in the Contract and this Appendix, as more fully described below. Solution Maintenance shall include Maintenance Services and Support Services. Solution Maintenance shall commence upon Go-Live of the Solution and shall continue for the term of the Agreement.

2.2 **Definitions**

Most of the terms are defined in the Definitions section. Some terms are referenced within the Exhibit K documents and described within the specific section.

“**Available**” means the services shall be available for access and use by the LACDA.

“**Business Hours**” shall mean 7:00 a.m. to 6:00 p.m. Pacific Time (PT) Monday through Friday except for LACDA approved holidays.

“**Critical Deficiency**” shall mean a Deficiency of Priority Level 1, as further described in Section 5.2.2 (Problem Correction Priorities).

“**Customer Support**” shall have the meaning specified in Section 4.1 (Scope of Support).

“**Days of Operation**” shall mean 365/366 days per year, 6:00 a.m. to 9:00 p.m. Pacific Time (PT), excluding LACDA recognized holidays and “Scheduled Downtime”.

“**Disabling Device**” shall the meaning specified in Section 6.1 (General Warranties).

“**Disaster**” shall mean a catastrophic event that results in significant or potentially significant Downtime or disruption of the Production Environment and requires Contractor to invoke the Disaster Recovery Plan.

“**Disaster Recovery**” shall mean and refer to Contractor’s obligations described in Section 4.5 (“Backup and Disaster Recovery”).

“Disaster Recovery Plan” shall have the meaning specified in Section 4.5 (Backup and Disaster Recovery).

“Downtime” shall mean the period of time when the Solution or any Solution component is unavailable, including Unscheduled Downtime and Scheduled Downtime.

“Low Deficiency” shall mean a Deficiency of Priority Level 4, as further described in Section 5.2.2 (Problem Correction Priorities).

“Maintenance Services” shall mean any goods or services provided under this Agreement for maintaining the Solution, including but not limited to updates, corrections, enhancements and other Updates to the Solution, interfaces, data extractions, Solution availability, data security and reports, as further specified in Section 3 (Maintenance Services).

“Major Deficiency” shall mean a Deficiency of Priority Level 1 or Priority Level 2, as further described in Section 5.2.2 (Problem Correction Priorities).

“Moderate Deficiency” shall mean a Deficiency of Priority Level 3, as further described in Section 5.2.2 (Problem Correction Priorities).

“Off-Business Hours” shall mean all hours that are not Business Hours or Scheduled Downtime.

“Peak Period” shall mean the combined times of 10:00 a.m. to 12:00 p.m. and 2:00 p.m. to 4:00 p.m. Pacific Time (PT) Monday through Friday except for LACDA approved holidays.

“Priority Level” shall mean the applicable Deficiency severity level for correcting Deficiencies, as described in Section 5.2 (Resolution of Deficiencies).

“Response Time” shall mean the time elapsed for a transaction within the hosted gateway.

“Response Time Baseline” shall mean the LACDA specified baseline for Response Time, as further described in this Appendix.

“Response Time Deficiency” shall mean Solution not responding within the prescribed Response Time Baseline, as further described in Section 6.3 (Solution Performance Requirements).

“Scheduled Downtime” shall mean that the Solution cannot be accessed due to Solution scheduled maintenance, including but not limited to preventive maintenance, updates, upgrades, scheduled reboots and restarts, as further described in Section 3.2 (Scheduled Downtime).

“Service Credits” shall mean credits or any other form of discount to be applied to the applicable Maintenance Fees for Contractor’s failure to timely correct Deficiencies as specified in this Appendix.

“Service Level Agreement”; **“SLA”** shall mean and refer to Contractor’s service level commitment regarding Solution Maintenance as required by the Agreement and this Appendix, including but not limited to Maintenance Services, Support Services and warranties specified herein.

“Severe Deficiency” shall mean a Deficiency of Priority Level 2, as further described in Section 5.2.2 (Problem Correction Priorities).

“Support Hours” shall have the meaning specified in Section 4.2 (Customer Support).

“Support Services” shall mean any goods or services provided under this Agreement in support of the Solution, including but not limited to updates, corrections, enhancements, customer support, interfaces, data extractions, Solution availability, data security, reports and any applicable regulatory compliance, as further specified in Section 4 (Support Services).

“Solution Availability” shall mean, with respect to any particular calendar month, the ratio obtained by subtracting Unscheduled Downtime during such month from the Total Monthly Time and thereafter dividing the difference so obtained by the Total Monthly Time.

“Solution Availability Deficiency” shall mean the Solution not meeting any of the Solution Availability requirements as specified in this Appendix.

“Solution Performance” shall mean the performance of the Solution with respect to Response Time, Solution Availability and Disaster Recovery.

“Solution Performance Deficiency” shall mean Solution not meeting any of the Solution Performance Requirements as specified in Section 6.3 (Solution Performance Requirements).

“Solution Performance Requirements” shall mean the requirements for Solution Performance, including Section 6.3 (Solution Performance Requirements).

“Total Monthly Time” shall mean all minutes in the Days of Operation for a calendar month, excluding Scheduled Downtime.

“Unscheduled Downtime” shall have the meaning specified in Section 7.2 (Service Credits).

3. Maintenance Services

As part of Solution Maintenance, Contractor shall provide maintenance of the Solution including the provision of Updates (hereinafter “Maintenance Services”), as provided in this Section 3.

3.1 Solution Maintenance

3.1.1 Application Software

Contractor shall provide Software Updates to the Solution Software to keep current with Contractor’s hosting technology standards, industry standards, Third Party Software upgrades, enhancements, updates, patches, bug fixes, etc., the Solution Requirements and as provided to Contractor’s general customer base, all in accordance with this Appendix and in coordination with LACDA’s Project Manager. By definition, such Software Updates shall include, but not be limited to, enhancements, Version Releases and other improvements and modifications to the Solution Software, including Application Software.

Without limiting any other provisions of this Agreement, including, without limitation, this Appendix, Software Updates to the Application Software shall

be provided to LACDA at least twice every year, unless otherwise agreed to by the LACDA and Contractor.

Contractor shall notify the LACDA of all Software Updates to the Solution Software prior to the anticipated installation date thereof. Contractor's provision and installation of such Software Updates to the Solution Software shall be at no additional cost to The LACDA beyond any applicable Maintenance Fees. Any Software Updates necessary to remedy security problems in the Solution Software (e.g., closing "back doors" or other intrusion-related problems) shall be provided promptly following Contractor's knowledge of such problems. The LACDA shall also be notified in writing within five (5) calendar days of Contractor's knowledge of the existence of any intrusions or other security problems or breaches that may affect the integrity of the Solution, subject to the provisions of Paragraph 7.5 (Confidentiality) of the Required Contract.

3.1.2 Server Software

As part of Maintenance Services, Contractor shall also provide maintenance of the Server Software that is part of the Server Environment for the Solution, including but not limited to operating software, database software and other software installed in the Server Environment that is not Application Software. Contractor shall update, upgrade or replace these Server Software components during the term of the Agreement to comply with the Solution Requirements and the warranties specified in this Agreement and to support and be compatible with the Application Software including any Application Modifications provided by Contractor under the Agreement.

Contractor shall provide Software Updates to the Server Software to keep current with Contractor's hosting technology standards, industry standards, Software Updates to the Application Software and other Application Modifications, all in coordination with the LACDA's Project Manager.

3.1.3 Third Party Products

Maintenance Services additionally include maintaining compatibility of the Solution Software with any Third Party Products that may be acquired by The LACDA under this Agreement as Optional Work, including Third Party Software and Additional Hardware. Prior to the installation of any Third Party Product, or any update thereto, Contractor shall test and ensure such Third Party Product's compatibility with the then current version of the Solution Software. Contractor shall all ensure that the Solution Software is compatible with the required or critical updates to Third Party Products, including without limitation, service and compatibility packs and security patches, promptly upon their release.

Notwithstanding the foregoing, any Third Party Application that may be incorporated by Contractor into the Application Software shall be subject to the same Solution Maintenance obligations and requirements as the

Application Software components that are owned by, or are proprietary to, Contractor.

3.1.4 Server Hardware

As part of Maintenance Services, Contractor shall provide maintenance of the Server Hardware components surrounding the Solution Software, including but not limited to all equipment and networking components and other Hardware Upgrades at no additional cost to The LACDA beyond the applicable Maintenance Fees. Contractor shall repair, upgrade or replace these Server Hardware components during the term of the Agreement to comply with the Solution Requirements and the warranties specified in this Agreement and to support, and be compatible with, the Solution Software including any Application Modifications provided by Contractor under the Agreement.

3.1.5 Client Environment

As part of Maintenance Services, Contractor shall, during the term of the Agreement, maintain the Solution's compatibility with the LACDA's Client Environment by providing, among others, Software Updates to the Solution Software and Hardware Upgrades to the Solution Hardware.

3.2 Scheduled Downtime

Unless agreed to otherwise in advance by the LACDA and Contractor, Contractor shall provide all Maintenance Services, including installation of Updates, during Scheduled Downtime.

For the purpose of this Appendix, Scheduled Downtime shall occur on Sundays between the hours of 3:00 p.m. and 9:00 p.m. Pacific Time (PT). Contractor may change the Scheduled Downtime window by notifying the LACDA at least three (3) days prior to modifying the Scheduled Downtime, subject to approval by the LACDA's Project Manager. Any Downtime outside of the above window of time without such prior notice and the LACDA's Project Manager's approval shall be considered Unscheduled Downtime and shall entitle the LACDA to remedies as specified in this Appendix. Notwithstanding the foregoing, Contractor may request Solution Downtime for the provision of an emergency correction to the Solution. Such Downtime shall be deemed Scheduled Downtime, provided that it has been approved by the LACDA's Project Manager.

4. Support Services

4.1 Scope of Support

Contractor's responsibilities for supporting the operation of the Solution (hereinafter "Support Services") shall include responding to problems reported and correcting Deficiencies as specified in this Appendix. As part of its Support Services, Contractor shall provide operational support for the Solution during the Support Hours, which shall include without limitation

providing a point of contact for all Solution problems by maintaining a Solution for customer support (“Customer Support”). Such operational support shall include Support Services to correct any failure of the Solution and to remedy Deficiencies in accordance with Section 5 (“Correction of Deficiencies”) to ensure that the Solution operates in accordance with the Specifications, including Solution Requirements, warranties and other requirements under the Agreement. Requests for Customer Support will be submitted by the LACDA’s technical support via telephone and/or Contractor’s web-based trouble ticketing Solution. In the event that the Contractor’s web-based trouble ticketing Solution is not available to the LACDA, the LACDA may use email or any other reasonable means to request Customer Support. Customer Support shall respond with a plan for resolving each Deficiency and respond to the LACDA’s Project Manager within the applicable required period specified in Section 5.2.2 (“Problem Correction Priorities”) depending on the Priority Level of the Deficiency.

4.2 Customer Support

Contractor’s Customer Support service level requirements shall also include but not be limited to those listed below:

1. LACDA designated technical support staff that provides First Level Support shall have access to Contractor’s Customer Support through the methods outlined in this Appendix.
2. The LACDA shall have access to Contractor’s Customer Support through the Web-based trouble ticketing Solution or telephone. The trouble ticketing Solution shall provide for the LACDA a simple method to submit, track and update issues that require escalation to Contractor’s Customer Support. The authorized LACDA contacts will each receive an account and training on the ticketing Solution.
3. Contractor shall provide a telephone number for the LACDA staff to call during normal Business Hours. This telephone number shall be managed by an automated Solution to quickly connect the LACDA staff with the appropriate Customer Support personnel.
4. Contractor’s automated Solution shall include the functionality of leaving detailed voice mails describing the issues. The voice mails must be responded to within 24 to 48 hours (excluding weekends and holidays).
5. Priority Levels for the Deficiencies shall be assigned according to definitions specified in Section 5.2.2 (“Problem Correction Priorities”).
6. Contractor shall respond within the period specified in Section 5.2.2 (Problem Correction Priorities) depending on the Priority Level of the Deficiency.
7. Contractor’s Customer Support shall made be available to the LACDA between 8 a.m. and 5 p.m. Pacific Time (PT), Monday through Friday, excluding LACDA observed holidays (“Support Hours”).
8. Contractor’s Customer Support shall work with the LACDA’s Project Manager and the LACDA’s technical support staff on correcting Deficiencies and keep such LACDA personnel informed regarding the

updates and scheduled timeframes to ensure that all maintenance windows are clearly communicated and the requirements of this Appendix are met.

9. Contractor shall triage and update submitted Deficiencies and requests to have the priority, description, type, version and other elements of each case modified by Customer Support based on the severity and business impact. The cases may be downgraded or upgraded in priority, and Contractor shall work with the LACDA to ensure that the case is diagnosed properly. In the event of any issues regarding a case, the parties may invoke the Dispute Resolution Procedure as defined in the Contract.
10. Deficiency correction, timeframes and Service Credits for failure to timely correct any Deficiencies as specified herein shall be as specified in Section 5 (Correction of Deficiencies).
11. Enhancement suggestions to the Solution shall be submitted using Contractor's Customer Support ticketing Solution. Contractor shall conduct a preliminary evaluation within thirty (30) days and update the ticket with that preliminary evaluation. Contractor shall use this information in product enhancement planning.

4.3 Solution Extraction

As part of Support Services, Contractor shall be responsible for the LACDA's access to the Solution from the Solution to the LACDA's Data Store. The access method shall be direct mirror access, unless otherwise elected by the LACDA, Solution extraction shall be highly automated. Failure to deliver the Solution extraction as required more frequently than specified by extract option table below shall be deemed at a minimum a Priority Level 2 Deficiency. Solution extraction shall be performed by Contractor at no additional cost beyond the applicable Maintenance Fees.

Extract Option Table

| | |
|---------------------------------------|--|
| LACDA Selected Data Extraction Option | Priority Level 2 Deficiency for Failure to Deliver at Required Frequency |
| Daily | Once per Week |
| Weekly | Once per Month |
| Monthly | Once per Quarter (3 months) |
| Direct mirrored Access | Once per Week |

4.4 Response Time Monitoring

Contractor shall perform Response Time monitoring at regular intervals and in sufficient detail to detect problems. Contractor shall provide the LACDA with direct access at any time to the data collected as a result Response Time monitoring. Whenever requested by the LACDA, Contractor shall provide the LACDA with reports and/or download that data along with all applicable documentation that may be necessary for the LACDA to independently monitor the Response Time of the Solution.

4.5 Backup and Disaster Recovery

As part of Support Services, Contractor shall also be responsible for Disaster Recovery services and submission of a formal plan for Disaster Recovery (“Disaster Recovery Plan” – See section 9 of this Appendix)

Contractor or the LACDA may declare an event a Disaster. Upon occurrence of a Disaster, Contractor shall provide the services outlined in the Disaster Recovery Plan. Contractor shall be subject to the following service level requirements as part of Disaster Recovery, which shall be contained in and are incorporated into the Disaster Recovery Plan:

1. Contractor shall have complete responsibility for restoration of the Solution.
2. In the event of a Disaster declaration, Contractor shall be required to maintain regular and consistent communication with the LACDA about the outage and steps taken to restore the Solution.
3. Contractor shall be required to make a declaration of a Disaster and invoke the Disaster Recovery Plan within twelve (12) hours from the disruption of the Production Environment or precipitating event.
4. Contractor shall restore the Solution to a point no greater than twenty-four (24) hours prior to the declaration of the Disaster by the LACDA or Contractor.
5. the LACDA shall be able to logon to the Disaster Recovery site within forty-eight (48) hours of the declaration of the Disaster by the LACDA or Contractor.
6. Contractor shall have at a minimum 50% capacity within forty-eight (48) hours and 100% capacity within ninety-six (96) hours of the declaration of the Disaster by the LACDA or Contractor.
7. Contractor’s failure to make a declaration of a Disaster within twelve (12) hours shall result in the incident and deemed Unscheduled Downtime.

5. Correction of Deficiencies

5.1 Identification of Deficiencies

The Deficiencies under this Agreement may be identified either as a result of Contractor’s use of its own monitoring Solution or discovered by the LACDA. Upon discovery of a Deficiency by the LACDA, the LACDA will report the Deficiency to Contractor’s Customer Support for resolution in accordance with this Appendix.

The Priority Level of a Deficiency shall be assigned according to the Priority Level definition set forth in Section 5.2.2 (Problem Correction Priorities). Based on Contractor’s proposed solution and/or workaround(s) for the Deficiency, the LACDA may reevaluate and escalate or downgrade the Priority Level of the Deficiency pursuant to Section 5.2.4 (“Priority Level Adjustment”).

5.2 Resolution of Deficiencies

5.2.1 Uptime Service Level

Contractor will make the services available continuously, as measured over the course of each calendar month period, an average of 99.99% of the time, excluding unavailability as a result of exceptions, as defined below (the “availability percentage”). “Available” means the services shall be available for access and use by the LACDA.

For purposes of calculating the availability percentage, the following are “Exceptions” to the service level requirement, and the Services shall not be considered Un-Available , if any inaccessibility is due to: (1) LACDA’s acts or omissions; (2) LACDA’s Internet connectivity limitations; and (3) Contractors’ regularly scheduled downtime.

5.2.2 Problem Correction Priorities

The LACDA shall assign the Priority Level to each Deficiency reported by the LACDA to Contractor’s Customer Support. Contractor shall assign Priority Levels to Deficiencies discovered by its own problem monitoring Solution. Following report of a Deficiency from the LACDA, Contractor shall respond back to the LACDA’s within the prescribed “Response Timeframe” specified below and resolve each such Deficiency within the specified “Resolution Time”. Resolution Time for correction of Deficiencies shall start tolling when the LACDA first notifies Contractor of a Deficiency by telephone or otherwise as specified herein, including Contractor’s Customer Support, and shall end when the LACDA determines that the Deficiency has been resolved.

| Priority Level | Description of Deficiency | Response Timeframe | Resolution Time |
|---------------------|---|---|--|
| 1 - Critical | Solution is down, practically down (e.g., Response Time is at or over four (4) times the agreed upon Response Time Baseline) or does not function at all, as determined by the LACDA. There is no way to circumvent the problem; a significant number of the LACDA users are affected. A production business Solution is inoperable. | One (1) Business Hour | One (1) Business Day |
| 2 – Severe | A component of the Solution is not performing in accordance with the Specifications (e.g., Response Time is at two (2) or three (3) times the agreed upon Response Time Baseline), creating significant the LACDA business impact, or its core functionality is not available, as determined by the LACDA. OR (i) There is a Minimum Requirement that is not being met or (ii) mandatory reporting is inaccurate. | Four (4) Business Hours OR One (1) Business Day | Two (2) Business Days OR Two (2) weeks |

| | | | |
|---------------------|---|-----------------------|---|
| | Resolution Time for these two Severe Deficiencies may be extended at the sole discretion of the LACDA. | | |
| 3 – Moderate | A component of the Solution is not performing in accordance with the Specifications; there are unexpected results, moderate or minor operational impact, as determined by the LACDA. | One (1) Business Day | Two (2) weeks |
| 4 – Low | This is a low impact problem and is not significant to operations or is related to education (e.g., general “how to” and informational Solution Software questions, Documentation requests, understanding of reports or general “how to” create reports), as determined by the LACDA. | Two (2) Business Days | Next Version Release or 6 months unless otherwise agreed to by the LACDA and Contractor |

5.2.3 Problem Resolution Process

For any Deficiency reported by the LACDA or discovered by Contractor, Contractor shall immediately commence corrective action. Contractor shall correct all Deficiencies within the Resolution Times specified above. Contractor shall also immediately commence to develop a workaround or a fix for any Priority Level 1 or Priority Level 2 Deficiency. The LACDA and Contractor shall agree on the Deficiency resolution, whether by a permanent solution or a workaround.

Contractor shall provide the best level of effort to correct all Deficiencies and, in particular, Deficiencies with Priority Level 1 through Priority Level 3.

In the event that Contractor fails to correct a Deficiency within the prescribed Resolution Time, Contractor shall provide the LACDA with a written or electronic report that includes a detailed explanation of the status of such Deficiency, preliminary actions taken, detailed mitigation plans and an estimated time for completing the correction of such Deficiency. This process will be repeated until the Deficiency is resolved and the resolution is approved by the LACDA's Project Manager. The parties will jointly cooperate during this period of time.

5.2.4 Priority Level Adjustment

The LACDA may escalate or downgrade a Priority Level of a Deficiency if the Deficiency meets the definition of the Priority Level as escalated or downgraded. A Deficiency may also be escalated by the LACDA if the Deficiency persists or re-occurs, as determined by the LACDA's Project Manager. At the time the Deficiency is escalated or downgraded, an appropriate timeline will be applied for resolution of such Deficiency in accordance with Section 5.2.2 (Problem Correction Priorities). Contractor may not downgrade a Priority Level without the consent of the LACDA's Project Manager. Contractor may not "close" or "inactivate" a trouble ticket or Deficiency report without the consent of the LACDA's Project Manager. Contractor may request a special exception to the above timeline where there are extenuating circumstances, with the decision for extension made at the discretion of the LACDA's Project Manager.

If a workaround may be provided by Contractor for a Deficiency, the LACDA may elect to downgrade the Priority Level of such Deficiency until an agreed upon date. If a permanent fix is not provided by such agreed upon date, The LACDA will be able to escalate the Priority Level back to the Original Priority Level or higher, as provided herein.

6. Warranties

6.1 General Warranties

Contractor represents, warrants, covenants and agrees that throughout the term of this Agreement:

1. Contractor shall comply with the description and representations (including, but not limited to, Deliverable documentation, performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions and requirements applicable to professional software design meeting industry standards) set forth in this Agreement, including Appendix B (Statement of Work) and this Appendix.
2. All Solution components shall interface and be compatible with each other; and the Solution components, when taken together, shall be capable of delivering all of the functionality as set forth in this Agreement.

3. Unless specified otherwise herein, the Solution shall be free from any and all material Deficiencies.
4. The Solution Maintenance service levels shall not degrade during the term of the Agreement.
5. Contractor shall not intentionally cause any unplanned interruption of the operations of, or accessibility to the Solution or any component through any device, method or means including, without limitation, the use of any “virus”, “lockup”, “time bomb”, or “key lock”, “worm”, “back door” or “Trojan Horse” device or program, or any disabling code, which has the potential or capability of compromising the security of the LACDA’s confidential or proprietary information or of causing any unplanned interruption of the operations of, or accessibility of the Solution or any component to the LACDA or any User or which could alter, destroy, or inhibit the use of the Solution or any component, or the data contained therein (collectively referred to for purposes of this Appendix as “Disabling Device(s)”), which could block access to or prevent the use of the Solution or any component by the LACDA or Users. Contractor represents, warrants, and agrees that it has not purposely placed, nor is it aware of, any Disabling Device in any Solution component provided to the LACDA under this Agreement, nor shall Contractor knowingly permit any subsequently delivered or provided Solution component to contain any Disabling Device.
6. In addition, Contractor shall prevent viruses from being incorporated or introduced into the Solution or updates or enhancements thereto prior to the installation onto the Solution and shall prevent any viruses from being incorporated or introduced in the process of Contractor’s performance of on-line support.

1.0

6.2 Solution Warranties

Contractor also represents, warrants, covenants and agrees that throughout the term of this Agreement:

1. All Solution components shall interface and be compatible with each other.
2. The Solution shall be fully compatible with the rest of the Solution components and any enhancements or upgrades shall be backward compatible with the LACDA’s standard browser(s) and operating Solution version(s) operated on the LACDA workstations.
3. The Solution, including the Solution, shall be capable of delivering all of the functionality and meeting all requirements as set forth in this Agreement, including without limitation the Solution Requirements and the Specifications.

6.3 **Solution Performance Requirements**

Contractor represents, warrants, covenants and agrees that the Solution shall meet the Solution Performance Requirements within Contractor's control, including but not limited to those relating to Response Time and Solution Availability, as further specified in this Appendix. All Solution Performance Deficiencies shall be deemed at a minimum Priority Level 2 for the purpose of the correction of Deficiencies and other LACDA remedies. The Solution shall be subject to the Solution Performance Requirements specified below.

| Solution Performance Category | Solution Performance Requirement |
|--------------------------------------|--|
| Solution Availability | Ninety-nine point ninety-nine percent (99.99%) |
| Response Time | Response Time Baseline(s) shall be determined in accordance with Subtask 7.1 (Establish Response Time Baseline and Method) of Appendix B (Statement of Work) |
| Disaster Recovery | Pursuant to the provisions and requirements of Section 4.5 (Backup and Disaster Recovery). |

The following criteria shall be applied with regards to Solution Performance Requirements:

1. Solution Availability shall be calculated as follows:
$$\text{Solution Availability} = \frac{(\text{Total Monthly Time} - \text{Unscheduled Downtime})}{\text{Total Monthly Time}}$$
2. Response Time shall be established using the LACDA required and Contractor supplied Response Time measurement method, which is a component of the Solution. Response Time Baselines shall apply to all three (3) periods of Response Time measurement: Peak Period, Business Hours and Off-Business Hours.
3. Response Time measurement shall be calculated using a simple average method for each of the three (3) periods of Response Time measurement as provided below.
4. If the average Response Time is greater than the Response Time Baseline for any six (6) periods within a calendar month, The LACDA shall notify Contractor using the Customer Support trouble ticketing Solution.
5. Contractor shall keep the LACDA informed of the progress of the Response Time problem with the objective of providing a solution as quickly as possible.
6. Contractor will not be responsible for performance within the Los Angeles network (LANET).

7. Remedies

7.1 General

Credits shall accrue for Unscheduled Downtime, including Contractor's failure to meet the Solution Availability requirements and/or Response Time requirements (hereinafter "Service Credit(s)"). For purposes of assessing Service Credits and this Appendix, "Unscheduled Downtime" shall mean the total amount of time during any calendar month, measured in minutes, during which the Solution has a Major Deficiency that is unresolved by Contractor, excluding Scheduled Downtime.

7.2 Service Credits

Without limiting any other rights and remedies available to the LACDA, either pursuant to this Agreement, by law or in equity, the LACDA shall be entitled to Service Credits calculated based on the length of Unscheduled Downtime as provided below, subject to the Dispute Resolution Procedure. Service Credits will not be assessed for Scheduled Downtime.

| LENGTH OF CONTINUOUS UNSCHEDULED DOWNTIME | SERVICE CREDITS |
|--|---|
| 1 to 4 hours | 1 day of Service Credits equal to 1/30th of Monthly Fees |
| 4 to 48 hours | 2 days of Service Credits equal to 1/15th of Monthly Fees |
| 48 to 96 hours | 5 days of Service Credits equal to 1/6th of Monthly Fees |
| Each additional block of 96 hours thereafter | Additional 5 days of Service Credits equal to 1/6th of Monthly Fees |

Service Credits shall be calculated separately for each applicable incident of a Deficiency and shall be added up to be assessed at the end of each month of Solution Maintenance. Service Credits, in any amounts, are not and shall not be construed as penalties and, when assessed, will be deducted from the LACDA's payment due to Contractor.

7.3 Solution Response Time Deficiencies

A Response Time Deficiency that fits the definition of a Major Deficiency as a Priority Level 1 or Priority Level 2 shall be deemed to cause Unscheduled Downtime and shall entitle the LACDA to assess Service Credits as provided in Section 7.2 (Service Credits) above. In addition, the Solution shall be deemed to be experiencing Unscheduled Downtime after thirty (30) days of any Response Time Deficiency unresolved by Contractor, entitling the LACDA to assess Service Credits.

8. WITHHOLDING OF SERVICES

Contractor warrants that during the Term of the Agreement it will not withhold Services provided hereunder, for any reason, including but not limited to a dispute between the parties arising under this Agreement , except as may be specifically authorized herein.

9. DISASTER RECOVERY PLAN

Contractor shall maintain and implement disaster recovery and avoidance procedures to ensure that the Services are not interrupted during any disaster. Contractor shall provide the LACDA with a copy of its current disaster recovery plan and all updates thereto during the Term. All requirements of this Agreement, including those relating to security, personnel due diligence, and training, shall apply to the Contractor disaster recovery site.

10. RESPONSE TIME SERVICE LEVEL

The average download time for each page of the services, including all content contained therein, shall be within the lesser of (a) 0.5 seconds of the weekly Keynote Business 40 Internet Performance Index (KB40) or (b) two seconds. In the event the KB40 is discontinued, a successor index (such as average download times for all other customers of the Contractor) may be mutually agreed upon by the parties.

11. OEM SPECIFICATIONS

All furnished parts and work performed under the Required Contract shall meet or exceed Original Equipment Manufacturer (OEM) specifications and shall meet all local, state, and federal laws, regulations and statutes governing such work.



**Chief
Information
Office**

Peter Loo
ACTING CHIEF INFORMATION OFFICER

DRAFT

Attachment II

CIO

ANALYSIS

BOARD AGENDA DATE:

6/4/2024

SUBJECT: SUBJECT:

CONTRACT FOR LASERFICHE SOFTWARE SUPPORT PLAN SERVICES

CONTRACT TYPE:

New Contract Sole Source Amendment to Contract #:

SUMMARY:

The Los Angeles County Development Authority (LACDA) is requesting authorization to execute a five-year Contract with Compulink Management Center, Inc. dba Laserfiche (Laserfiche) in the amount of \$504,708.15, including \$50,470.82 of pool dollars, for a total Contract amount of \$555,178.97, for Laserfiche Software Plan Support Plan services. The LACDA is further requesting authorization to amend the Contract with Insight to add or delete services and utilize pool dollars, and if necessary, terminate for convenience. Finally, the LACDA is recommending the Board find the Contract is exempt from the California Environmental Quality Act.

The LACDA implemented the Laserfiche electronic document and records management system in 2016. The system allows the LACDA to capture documents digitally, securely store, search and retrieve them in a digital repository, and preserve documents in accordance with their retention periods. Also, the LACDA maintains system integrations with the Laserfiche system and its Oracle PeopleSoft Enterprise Resource Planning system and Yardi Public Housing Authority system.

The proposed Contract will enable continued software maintenance and support for electronic document and records management system. The Laserfiche system support plan includes:

- Rapid-response technical support for troubleshooting and problem resolution
- Access to their Knowledge Base and Support Site, Answer discussion forums, and other educational resources
- Access to new products, hotfixes, updates, and patches for all new software releases

Contract Amount: \$555,178.97

FINANCIAL ANALYSIS:

Laserfiche Contract costs:

| | | |
|--------------------------------------|-----------|------------------------------|
| Year 1 Software Support Fees | \$ | 98,883.54 |
| Year 2 Software Support Fees..... | \$ | 99,902.05 ¹ |
| Year 3 Software Support Fees..... | \$ | 100,931.03 ¹ |
| Year 4 Software Support Fees..... | \$ | 101,970.62 ¹ |
| Year 5 Software Support Fees..... | \$ | 103,020.91 ¹ |
| Total – Contract Sum | \$ | 504,708.15 |
| | | |
| Contract Pool Dollars | \$ | 50,470.82² |
| | | |
| Total – Contract Amount | \$ | 555,178.97 |

Notes:

¹ Reflects 3% annual increase

² Contract pool dollars for optional licenses and services

RISKS:

1. **Information Security** – The County’s Chief Information Security Officer (CISO) has reviewed LACDA’s contract and identified no risks. Laserfiche’s proposed Contract includes Errors & Omissions insurance coverage starting at \$10 million per occurrence. It also include Cyber Security insurance coverage starting at \$2 million per occurrence
2. **Contract Risks** – No Contract risks have been identified. County Counsel reviewed proposed Contract and had no concerns.

PREPARED BY:

 (NAME) DEPUTY CHIEF INFORMATION OFFICER

 DATE

APPROVED:

 PETER LOO, ACTING CHIEF INFORMATION OFFICER

 DATE

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

| | | |
|---|---|--|
| CLUSTER AGENDA REVIEW DATE | 5/22/2024 | |
| BOARD MEETING DATE | 6/4/2024 | |
| SUPERVISORIAL DISTRICT AFFECTED | <input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th | |
| DEPARTMENT(S) | Los Angeles County Development Authority (LACDA) | |
| SUBJECT | CONTRACT FOR MICROSOFT ENTERPRISE SERVER AND CLOUD AZURE SERVICES | |
| PROGRAM | Information Technology | |
| AUTHORIZES DELEGATED AUTHORITY TO DEPT | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| SOLE SOURCE CONTRACT | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| | If Yes, please explain why: | |
| SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable | |
| DEADLINES/ TIME CONSTRAINTS | The existing contract expires June 17, 2024. | |
| COST & FUNDING | Total cost: \$1,320,000 | Funding source: Program funds in the LACDA's operating budget |
| | TERMS (if applicable): | |
| | Explanation: No impact on the County General Fund. Funding for the contract is included LACDA's Fiscal Year 2023-2024 budget and will be included in future FY budgets. The three-year contract sum is \$1,200,000 plus up to \$120,000 (10%) in pool dollars for unforeseen costs. | |
| PURPOSE OF REQUEST | <p>The purpose of this action is to approve a Contract with Insight for Microsoft Enterprise Server and Cloud Azure Services, to enable the LACDA to maintain and to purchase as-needed additional Azure cloud server and storage services. These services support the LACDA with Azure cloud services and provide flexibility to scale services to meet LACDA needs for additional server, storage capacity and disaster recovery. The benefits of the Contract with Insight include streamlined license and compliance tracking, ability to add and remove Azure services as needed, and simplified budgetary planning and unlimited web support.</p> | |
| BACKGROUND (include internal/external issues that may exist including any related motions) | <p>LACDA is leveraging the same contract that ISD uses from the County of Riverside Microsoft Agreement #8084445, via California County Information Services Directors Association, available to California agencies statewide. The LACDA will utilize the services from Microsoft Corporation via Insight Public Sector, Inc. and execute Microsoft Enterprise Agreement Enrollment Forms with Microsoft Corporation to be included in the contract, as part of the Statement of Work.</p> | |
| EQUITY INDEX OR LENS WAS UTILIZED | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: | |
| SUPPORTS ONE OF THE NINE BOARD PRIORITIES | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how: | |
| DEPARTMENTAL CONTACTS | Name, Title, Phone # & Email: Cesar Delgado, Acting IT Manager, (626) 586-1707 Cesar.Delgado@lacda.org | |

June 4, 2024

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

Dear Commissioners:

**CONTRACT FOR MICROSOFT ENTERPRISE SERVER AND CLOUD AZURE
SERVICES
(ALL DISTRICTS) (3 VOTE)**

CIO RECOMMENDATION: (X) APPROVE

SUBJECT

This letter requests approval of a three-year Contract with Insight Public Sector, Inc. (Insight), to provide Microsoft Enterprise Server and Cloud Azure Services for the Los Angeles County Development Authority's (LACDA).

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Executive Director or designee to execute, amend, and if necessary, terminate a three-year Contract and all related documents with Insight for Microsoft Enterprise Server and Cloud Azure Services, in the amount of \$1,200,000, plus up to \$120,000 (10%) in pool dollars for unforeseen costs; the total maximum Contract sum for all three years will not exceed \$1,320,000.
2. Find that approval of a Contract for Microsoft Enterprise Server and Cloud Azure Services is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
3. Authorize the Executive Director or designee, upon his determination and as necessary and appropriate under terms of the contract, to amend the Contract to add or delete services and utilize pool dollars, and if necessary, to terminate for convenience the Contract with Insight.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve a Contract with Insight for Microsoft Enterprise Server and Cloud Azure Services, to enable the LACDA to maintain and to purchase as-needed additional Azure cloud server and storage services.

These services support the LACDA with Azure cloud services and provide flexibility to scale services to meet LACDA needs for additional server, storage capacity and disaster recovery. The benefits of the Contract with Insight include streamlined license and compliance tracking, ability to add and remove Azure services as needed, and simplified budgetary planning and unlimited web support.

The LACDA receives all licenses and rights immediately while being allowed to distribute payments over three years with no interest.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The three-year contract term will include \$1,200,000 to continue Microsoft Enterprise Server and Cloud Azure services, and \$120,000 in pool dollars for unforeseen costs. The LACDA will use up to \$400,000 in program funds included in the LACDA's approved Fiscal Year 2023-2024 and 2024-2025 budgets for the first year of the Contract. Funds for years two and three will be included through the LACDA's annual budget approval process. The maximum contract amount for all three years of the Contract will be \$1,320,000.00, including the pool dollars.

Insight confirms that no California sales or use taxes applies because all products for this purchase will be digitally downloaded.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Contract with Insight and the Microsoft Enterprise Agreement have been reviewed by County Counsel. The Microsoft Enterprise Agreement is attached as Exhibit A-1 to the LACDA contract with Insight. If there is any conflict between the terms and conditions of the LACDA Contract and the terms and conditions of the County of Riverside Contract and Microsoft Enterprise Agreement, the LACDA Contract shall govern.

In compliance with Board Policy 6.020 "Chief Information Office Board Letter Approval", the Chief Information Office reviewed the information technology (IT) components of this request and recommends approval. The Chief Information Office Analysis is attached (Attachment II)

ENVIRONMENTAL DOCUMENTATION

The proposed activities are exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves

administrative activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

The Microsoft Enterprise Agreement will be purchased through Insight under the County of Riverside Microsoft Agreement #8084445, via California County Information Services Directors Association (CCISDA). The CCISDA Enterprise Agreement was a formal Request for Proposals led by the County of Riverside in October 2019 to offer the lowest prices possible for State and local government customers in California statewide. Microsoft Corporation has only two selected Licensing Services Provider (LSP) partners who are qualified nationwide to resell the Microsoft Enterprise Server and Cloud Azure services for US Government licenses. The LACDA requested pricing utilizing the County of Riverside Microsoft Agreement. Insight agreed to the LACDA contract terms and conditions and is fully certified for all Azure services required for LACDA. Therefore, Insight has accepted to execute the LACDA contract without any deviations and is being recommended for the contract award.

The County of Riverside Microsoft Agreement allows government 2% pricing off of published reseller cost. The LA County Internal Service Department also leverages the County of Riverside Microsoft Agreement for all Microsoft software purchases for County Departments. The LACDA Procurement Unit has determined that the request for pricing amongst the County of Riverside Microsoft Agreement LSPs and purchase award process utilized by ISD was the most appropriate procurement process.

IMPACT ON CURRENT SERVICES AND PROJECTS

The Contract for Microsoft Enterprise Server and Cloud Azure Services will improve the efficiency and effectiveness of the LACDA's administrative processes and maximize the return on the LACDA's technology investments.

Respectfully submitted,

Reviewed by:

EMILIO SALAS
Executive Director
Los Angeles County Development Authority

PETER LOO
Acting Chief Information Officer
County of Los Angeles

ES:KT:mr

Enclosures



CONTRACT

BY AND BETWEEN

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

AND

INSIGHT PUBLIC SECTOR, INC.

FOR

**MICROSOFT ENTERPRISE SERVER AND
CLOUD AZURE SERVICES**

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CONTRACT BETWEEN
LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
AND
INSIGHT PUBLIC SECTOR, INC.
FOR
MICROSOFT ENTERPRISE SERVER AND CLOUD AZURE SERVICES

This Contract and Exhibits made and entered into this 18th day of June, 2024 by and between the Los Angeles County Development Authority, hereinafter referred to as the ("LACDA") and Insight Public Sector, Inc., hereinafter referred to as the ("Contractor"). The LACDA and Contractor are herein referred to as collectively the ("Parties").

RECITALS

WHEREAS, the LACDA may contract with private businesses for Microsoft Enterprise Server and Cloud Azure services when certain requirements are met;

WHEREAS, the Contractor is a private firm specializing in providing Microsoft Enterprise Server and Cloud Azure services;

WHEREAS, on October 22, 2019, the County of Riverside awarded eight statewide contracts, with Master Agreement No. 8084445 for Microsoft Enterprise Agreement software licenses for Riverside County and surrounding Government Agencies within California.

WHEREAS, on November 8, 2011, the Contractor is an authorized Microsoft reseller County of Riverside Agreement Number 8084445 and has the ability to sell products from Microsoft schedule to government entities.

WHEREAS, on June 4, 2024, the LACDA's Board of Commissioners ("Board") delegated authority for the LACDA's Executive Director, or duly authorized designee (hereinafter jointly referred to as the ("Executive Director")) to execute contracts for Microsoft Enterprise Server and Cloud Azure services;

WHEREAS, the Contractor agrees to comply with, submit to, and abide by all federal, State, and County rules, regulations, policies, procedures of the funding source, governing administration, and fiscal authorities; and all applicable law;

WHEREAS, the Contractor possesses the competence, financial ability, expertise, facilities, and personnel to provide the services contemplated hereunder;

WHEREAS, it is the intent of the Parties hereto to enter into Contract to provide Microsoft Enterprise Server and Cloud Azure services (“Services”), as set forth herein;

WHEREAS, the procurement performed by the County of Riverside was reviewed and in accordance with the LACDA’s procurement policy;

WHEREAS, if there is any conflict between the terms and conditions of this Contract and the terms and conditions of the County of Riverside Contract and Microsoft Enterprise Agreement, this Contract shall govern; and

WHEREAS, the Contractor is willing and able to provide the services described herein, in consideration of the payments under this Contract and under the terms and conditions hereafter set forth.

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

1.0 APPLICABLE DOCUMENTS

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

1.1 Standard Exhibits

- 1.1.1 Exhibit A - Statement of Work
- 1.1.2 Exhibit B - Fee Schedule
- 1.1.3 Exhibit C - LACDA’s Administration
- 1.1.4 Exhibit D - Contractor’s Administration
- 1.1.5 Exhibit E - Required Contract Forms and Certifications
 - Application for Exception and Certification Form for the Jury Service Program

- Compliance with Fair Chance Employment Hiring Practices Certification
- Attestation of Willingness to Consider GAIN/GROW
- Contractor's EEO Certification
- Defaulted Property Tax Reduction Program Certification
- Familiarity with the County Lobbyist Ordinance Certification
- Federal Lobbyist Requirements Certification
- Zero Tolerance Human Trafficking Policy Certification

1.1.6 Exhibit F - Required Contract Provisions

- Contractor Employee Jury Service Ordinance
- Defaulted Property Tax Reduction Program
- IRS Notice 1015 – Earned Income Credit (EIC)
- Lobbyist Ordinance
- Safely Surrendered Baby Law

1.1.7 Exhibit G - Required Forms at the Time of Contract Execution

- Contractor Acknowledgement and Confidentiality Agreement

1.1.8 Exhibit H - Intentionally Omitted

1.1.9 Exhibit I - Intentionally Omitted

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

2.0 DEFINITIONS

2.1 Standard Definitions

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

2.1.1 **Contract:** Agreement executed between the LACDA and Contractor.

It sets forth the terms and conditions for the issuance and performance of the Statement of Work in Exhibit A.

2.1.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the LACDA to perform or execute the work covered by the Statement of Work in Exhibit A.

3.0 WORK

3.1 Work Requirements

3.1.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in Exhibit A - Statement of Work, attached hereto and incorporated herein by reference.

3.1.2 The Contractor acknowledges that the quality of Service(s) provided under this Contract shall be at least equivalent to that which Contractor provides to all other clients it serves.

3.1.3 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the LACDA.

4.0 TERM OF CONTRACT

4.1 Term

4.1.1 The term of this Contract shall commence on May 23, 2024 and shall remain in full force and effect until May 22, 2027 after execution by the LACDA's Executive Director, or designee, unless sooner

terminated or extended, in whole or in part, as provided in this Contract.

4.1.2 The Contractor shall notify the LACDA's Project Manager when this Contract is within three (3) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the LACDA's Project Manager at the address herein provided in Exhibit C - LACDA's Administration.

5.0 CONTRACT SUM

5.1 Maximum Amount

The Maximum Amount of this Contract shall be One Million, Two Hundred Thousand and 0/100 Dollars (\$1,200,000.00) ("Maximum Amount") for the term of this Contract as set forth in Paragraph 4.1 - Term, above. Any costs incurred to complete this Service in excess of the maximum not-to-exceed cost will be borne by the Contractor.

5.2 Written Approval for Reimbursement

The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the LACDA's express prior written approval.

5.3 Notification of 75% of Total Contract Sum

The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the Maximum Amount under this Contract. Upon occurrence of this event,

the Contractor shall send written notification to Maryann Robles at the address herein provided in Exhibit C - LACDA's Administration.

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

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

5.5 Invoices and Payments

5.5.1 The Contractor shall invoice the LACDA only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the LACDA under the terms of this Contract. The Contractor's payments shall be as provided in Exhibit B - Fee Schedule, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the LACDA. If the LACDA does not approve work in writing no payment shall be due to the Contractor for that work.

5.5.2 The Contractor's invoices shall be priced in accordance with Exhibit B - Fee Schedule.

5.5.3 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.5.4 The Contractor shall submit the monthly invoices to the LACDA by the 1st calendar day of the month following the month of service.

5.5.5 All invoices under this Contract shall be submitted to the following address: 700 W. Main Street, Alhambra, California 91801.

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

5.6 Intentionally Omitted.

5.7 Intentionally Omitted.

6.0 ADMINISTRATION OF CONTRACT – LACDA

6.1 LACDA's Administration

A listing of all LACDA Administration referenced in the following subparagraphs is designated in Exhibit C - LACDA's Administration. The LACDA shall notify the Contractor in writing of any change in the names or addresses shown.

6.2 LACDA's Project Manager

Responsibilities of the LACDA's Project Manager include:

6.2.1 Ensuring that the objectives of this Contract are met;

6.2.2 Providing direction to the Contractor in the areas relating to LACDA policy, information requirements, and procedural requirements;

6.2.3 Meeting with the Contractor's Project Manager on a regular basis;
and

6.2.4 Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

7.1 Contractor's Project Manager

7.1.1 The Contractor's Project Manager is designated in Exhibit D - Contractor's Administration. The Contractor shall notify the LACDA in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Contract and shall coordinate with the LACDA's Project Manager on a regular basis.

7.1.3 The Contractor's Project Manager must have five years of experience.

7.2 Approval of Contractor's Staff

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

7.3 Contractor's Staff Identification

The Contractor shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge, which shall be visible when the Contractor or its staff is on LACDA's properties.

7.4 Background and Security Investigations

7.4.1 Each of the Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by the LACDA in LACDA's sole discretion, shall undergo and pass a background investigation to the satisfaction of the LACDA as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of the Contractor's staff passes or fails the background investigation.

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

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

7.4.4 Disqualification of any member of the Contractor's staff pursuant to this Paragraph 7.4 shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.5 Confidentiality

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

7.5.2 The Contractor shall indemnify, defend, and hold harmless the LACDA, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by the Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.5, as determined by the LACDA in its sole judgment.

Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.5 shall be conducted by the Contractor and performed by counsel selected by the Contractor and approved by the LACDA. Notwithstanding the preceding sentence, the LACDA shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the LACDA with a full and adequate defense, as determined by the LACDA in its sole judgment, the LACDA shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by the LACDA in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of the LACDA without LACDA's prior written approval.

7.5.3 The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.5.4 The Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

8.1.1 For any change which affects the scope of work, term, Maximum Amount, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and Executive Director, or designee.

8.1.2 The LACDA's Board or Executive Director may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The LACDA reserves the right to add

and/or change such provisions as required by the LACDA's Board or Executive Director. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and Executive Director.

- 8.1.3 The Executive Director may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Contract. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor and Executive Director or designee.

8.2 Assignment and Delegation/Mergers or Acquisitions

- 8.2.1 The Contractor shall notify the LACDA of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the LACDA of pending acquisitions/mergers, then it should notify the LACDA of the actual acquisitions/mergers as soon as the law allows and provide to the LACDA the legal framework that restricted it from notifying the LACDA prior to the actual acquisitions/mergers.
- 8.2.2 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of the LACDA, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, the LACDA consent shall require a written amendment to the Contract, which is formally approved and executed by the Parties. Any payments by the LACDA to any approved delegate or assignee on any claim under this Contract shall be deductible, at the LACDA's sole discretion, against the claims, which the Contractor may have against the LACDA.

8.2.3 Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the LACDA in accordance with applicable provisions of this Contract.

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

8.3 Authorization Warranty

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

8.4 Budget Reductions

In the event that the LACDA's Board adopts, in any fiscal year, a LACDA Budget which provides for reductions in the salaries and benefits paid to the majority of the LACDA employees and imposes similar reductions with respect to LACDA Contracts, the LACDA reserves the right to reduce its

payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The LACDA's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract.

8.5 Compliance with Applicable Laws

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

8.6 Compliance with Civil Rights Laws

8.6.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000(e)(1) through 2000(e)(17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with the Contractor's EEO Certification, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.6.2 The Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or

be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Contract.

8.6.3 The Contractor shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

8.7 Compliance with the County Policy of Equity

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

8.8 Compliance with County's Zero Tolerance Policy on Human Trafficking

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

8.8.2 If a Contractor or member of the Contractor's staff is convicted of a human trafficking offense, the LACDA shall require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. The LACDA will not be

under any obligation to disclose confidential information regarding the offenses other than those required by law.

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

8.9 Compliance with Fair Chance Employment Practices

The Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, the LACDA may, in its sole discretion, terminate the Contract.

8.10 Compliance with Jury Service Program

8.10.1 Jury Service Program

This Contract is subject to the provisions of the County ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit F – Required Contract Provisions and incorporated by reference into and made a part of this Contract.

8.10.2 Written Employee Jury Service Policy

A. Unless the Contractor has demonstrated to the LACDA's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any

fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

- B. For purposes of this sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the LACDA or a subcontract with a Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more LACDA contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the LACDA, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the LACDA under the Contract, the Subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the subcontract agreement.
- C. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the LACDA if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the

Contractor shall immediately implement a written policy consistent with the Jury Service Program. The LACDA may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the LACDA's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Jury Service Program.

D. The Contractor's violation of this sub-paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, the LACDA may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future LACDA contracts for a period of time consistent with the seriousness of the breach.

8.11 Conflict of Interest

8.11.1 No LACDA employee whose position with the LACDA enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the LACDA's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the LACDA's approval or ongoing evaluation of such work.

8.11.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall

immediately make full written disclosure of such facts to the LACDA. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this subparagraph shall be a material breach of this Contract.

8.12 Consideration of Hiring LACDA Employees Targeted for Layoff or Re-Employment List

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

8.13 Consideration of Hiring GAIN-GROW Participants

8.13.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services ("DPSS") Greater Avenues for Independence ("GAIN") Program or General Relief Opportunity for Work ("GROW") Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The LACDA will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@DPSS.LACOUNTY.GOV and BSERVICES@WDACS.LACOUNTY.GOV and DPSS will refer qualified GAIN/GROW job candidates.

8.13.2 In the event that both laid-off LACDA and County employees and GAIN/GROW participants are available for hiring, the LACDA and County employees shall be given first priority.

8.14 Contractor's Acknowledgement of LACDA's Commitment to the Safely Surrendered Baby Law

8.14.1 The Contractor acknowledges that the LACDA places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the LACDA's policy to encourage all LACDA contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster, in Exhibit F – Required Contract Provisions, in a prominent position at the contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at www.babysafela.org.

8.14.2 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit F – Required Contract Provisions, Safely Surrendered Baby Law of this Contract. Additional information is available at www.babysafela.org.

8.15 Intentionally Omitted.

8.16 Contractor Responsibility and Debarment

8.16.1 Responsible Contractor

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

8.16.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the LACDA acquires information concerning the performance of the Contractor on this or other

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

8.16.3 Non-Responsible Contractor

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

8.16.4 Contractor Hearing Board

A. If there is evidence that the Contractor may be subject to debarment, the LACDA will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

B. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative

- proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the LACDA shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- C. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- D. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The LACDA may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the LACDA.
- E. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board

will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

F. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.16.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of the LACDA Contractors.

8.17 Contractor's Warranty of Adherence to LACDA's Child Support Compliance Program

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

8.17.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the

Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.18 Counterparts and Electronic Signatures

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

8.19 Damage to LACDA Facilities, Buildings or Grounds

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

8.19.2 If the Contractor fails to make timely repairs, the LACDA may make any necessary repairs. All costs incurred by the LACDA as determined by the LACDA, for such repairs shall be repaid by the Contractor by cash payment upon demand.

8.20 Employment Eligibility Verification

8.20.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all

verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.20.2 The Contractor shall indemnify, defend, and hold harmless, the LACDA, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the LACDA or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.21 Intentionally Omitted.

8.22 Facsimile Representations

The LACDA and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each Party, when appearing in appropriate places on the Amendments prepared pursuant to paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the Parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of “original” versions of such documents.

8.23 Fair Labor Standards

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

8.24 Intentionally Omitted.

8.25 Force Majeure

8.25.1 The Parties agree that COVID-19 pandemic is not a force majeure event. Neither Party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

8.25.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

8.25.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.26 Governing Law, Jurisdiction, and Venue

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes

regarding this Contract and further and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.27 Indemnification

The Contractor shall indemnify, defend and hold harmless the LACDA, County, and its Special Districts, elected and appointed officers, employees, agents and volunteers (“LACDA Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the LACDA Indemnitees. To the extent that the Contractor or Subcontractor thereof is a ‘design professional’ as defined in Civil Code section 2782.8 (c) the indemnity herein is to be interpreted to incorporate the Civil Code section 2782.8 and in such manner to require the Contractor to indemnify the LACDA Indemnitees to the maximum extent allowable by law, and not to invalidate the Indemnity duties but instead to limit those duties to those allowed by Civil Code section 2782.8 if applicable. Similarly the indemnity duties herein are to be interpreted to be limited in extent as set forth in any other applicable limitations on indemnity including Civil Code section 2782, and 2782.05, such that the indemnity required herein is not nullified, but limited to the maximum allowed under such codes. This method of interpretation of indemnification duties will apply to any and all duties of indemnity found within this contract, such that they will be interpreted to require the indemnification as indicated to the maximum extent allowed under any applicable code, or case law interpretation instead of operating to void such clauses or requirements entirely.

8.28 Independent Contractor Status

8.28.1 This Contract is by and between the LACDA and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the LACDA and the Contractor. The employees and agents of one party shall not be, or be construed to

be, the employees or agents of the other party for any purpose whatsoever.

8.28.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The LACDA shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.28.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the LACDA. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.28.4 The Contractor shall adhere to the provisions stated in subparagraph 7.5 - Confidentiality.

8.29 Liquidated Damages

8.29.1 If, in the judgment of the Executive Director, or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Executive Director, or designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the LACDA, will be forwarded to the Contractor by the Executive Director, or designee, in a written notice describing the reasons for said action.

8.29.2 If the Executive Director, or designee, determines that there are deficiencies in the performance of this Contract that the Executive Director, or designee, deems are correctable by the Contractor over a certain time span, the Executive Director, or designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Executive Director, or designee, may:

- A. Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or
- B. Deduct liquidated damages. The Parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The Parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred and 00/100 Dollars (\$100.00) per day per infraction, or as specified in the Performance Requirements Summary ("PRS") Chart, as defined in Appendix B (Statement of Work Exhibits), hereunder, and that the Contractor shall be liable to the LACDA for liquidated damages in said amount. Said amount shall be deducted from the LACDA's payment to the Contractor; and/or
- C. Upon giving five (5) days-notice to the Contractor for failure to correct the deficiencies, the LACDA may correct any and all deficiencies and the total costs incurred by the LACDA for completion of the work by an alternate source, whether it be LACDA forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the LACDA, as determined by the LACDA.

8.29.3 The action noted in sub-paragraph 8.29.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover

the LACDA cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.29.4 This sub-paragraph shall not, in any manner, restrict or limit the LACDA's right to damages for any breach of this Contract provided by law or as specified in the PRS or sub-paragraph 8.29.2, and shall not, in any manner, restrict or limit the LACDA's right to terminate this Contract as agreed to herein.

8.30 Most Favored Public Entity

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

8.31 Nondiscrimination and Affirmative Action

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

8.31.2 The Contractor shall certify to, and comply with, the provisions of the Contractor's EEO Certification, a copy which is attached in Exhibit E – Required Contract Forms and Certifications.

8.31.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer,

recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

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

8.31.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.31.6 The Contractor shall allow LACDA representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of Paragraph 8.31 when so requested by the LACDA.

8.31.7 If the LACDA finds that any provisions of this Paragraph 8.31 have been violated, such violation shall constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract. While the LACDA reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the LACDA that the Contractor has violated the anti-discrimination provisions of this Contract.

8.31.8 The Parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the LACDA shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.32 Non Exclusivity

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

8.33 Notice of Delays

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

8.34 Notice of Disputes

The Contractor shall bring to the attention of the LACDA's Project Manager any dispute between the LACDA and the Contractor regarding the performance of services as stated in this Contract. If the LACDA's Project Manager is not able to resolve the dispute, the Division Director, or designee shall resolve it.

8.35 Notice to Employees Regarding the Federal Earned Income Credit

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

8.36 Notices

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits C - LACDA's Administration and D - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Division Director, or designee shall have the authority to issue all notices or demands required or permitted by the LACDA under this Contract.

8.37 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the LACDA agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.38 Public Records Act

8.38.1 Any documents submitted by the Contractor; all information obtained in connection with the LACDA's right to audit and inspect the Contractor's documents, books, and accounting records pursuant Section 8.41 - Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the solicitation used for this Contract, become the exclusive property of the LACDA. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The LACDA shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

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

8.39 Publicity

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

- A. The Contractor shall develop all publicity material in a professional manner; and
- B. During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the LACDA without the prior written consent of the LACDA’s Project Manager. The LACDA shall not unreasonably withhold written consent.

8.39.2 The Contractor may, without the prior written consent of the LACDA, indicate in its bids and sales materials that it has been awarded this Contract with the LACDA, provided that the requirements of this Section 8.39 shall apply.

8.40 Quality Assurance Plan

8.40.1 The LACDA or its agent(s) will monitor the Contractor’s performance under this Contract on not less than an annual basis. Such monitoring will include assessing the Contractor’s compliance with all Contract terms and conditions and performance standards.

Contractor deficiencies which the LACDA determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board and listed in the appropriate LACDA reports. The report to the Board will include improvement/corrective action measures taken by the LACDA and the Contractor. If improvement does not occur consistent with the corrective action measures, the LACDA may terminate this Contract or impose other penalties as specified in this Contract.

8.40.2 A performance review will be conducted no later than ninety (90) days prior to the end of the first and second years of this Contract to evaluate the performance of the Contractor. Based on the assessment of the performance review, as determined by the LACDA in its sole discretion, written notification will be given to the Contractor whether this Contract will be terminated at the end of the current year or will be continued into the next contract year.

8.41 Record Retention and Inspection/Audit Settlement

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

the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the LACDA's option, the Contractor shall pay the LACDA for travel, per diem, and other costs incurred by the LACDA to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.41.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the LACDA within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the LACDA shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.41.2 Failure on the part of the Contractor to comply with any of the provisions of this Section 8.41 shall constitute a material breach of this Contract upon which the LACDA may terminate or suspend this Contract.

8.41.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the LACDA conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the LACDA's dollar liability for any such work is less than payments made by the LACDA to the Contractor, then the difference shall be either: a) repaid by the Contractor to the LACDA by cash payment upon demand or b) at the sole option of the LACDA, deducted from any amounts due to the Contractor from the LACDA, whether under this Contract or otherwise. If such audit finds that the LACDA's dollar liability for such work is more than the payments made by the LACDA to the Contractor, then the difference shall be paid to the Contractor by the LACDA by cash payment, provided that in no event shall the

LACDA's maximum obligation for this Contract exceed the funds appropriated by the LACDA for the purpose of this Contract.

8.42 Recycled Bond Paper

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

8.43 Intentionally Omitted.

8.43.1 The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

8.43.2 The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 75, which implements Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual obligation or other impediment that would prevent them from complying with Part 75 of the regulations.

8.43.3 The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under Section 3, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe Section 3, shall set forth the minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and

location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

8.43.4 The Contractor agrees to include this Section 3 contract language in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 contract language, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.

8.43.5 The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 75.

8.43.6 Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

8.44 Subcontracting

8.44.1 The requirements of this Contract may not be subcontracted by the Contractor without the advance approval of the LACDA. Any attempt by the Contractor to subcontract without the prior consent of the LACDA may be deemed a material breach of this Contract.

8.44.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the LACDA's request:

- A. A description of the work to be performed by the Subcontractor;
- B. A draft copy of the proposed subcontract; and
- C. Other pertinent information and/or certifications requested by the LACDA.

- 8.44.3 The Contractor shall indemnify and hold the LACDA harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.
- 8.44.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the LACDA's approval of the Contractor's proposed subcontract.
- 8.44.5 The LACDA's consent to subcontract shall not waive the LACDA's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this LACDA right.
- 8.44.6 The LACDA's Project Manager is authorized to act for and on behalf of the LACDA with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the LACDA, Contractor shall forward a fully executed subcontract to the LACDA for their files.
- 8.44.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the LACDA's consent to subcontract.
- 8.44.8 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the LACDA from each approved Subcontractor. The Contractor shall ensure delivery of all such documents to the individual identified in Paragraph 8.36 - Notices before any Subcontractor employee may perform any work hereunder.

8.45 Time Off For Voting

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

8.46 Validity

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

8.47 Waiver

No waiver by the LACDA of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the LACDA to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Paragraph 8.47 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.48 Warranty Against Contingent Fees

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

8.48.2 For breach of this warranty, the LACDA shall have the right to terminate this Contract and, at its sole discretion, deduct from the

Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.49 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

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

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

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

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.49 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this contract. Without limiting the rights and remedies available to the LACDA under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which the LACDA may terminate this Contract and/or pursue debarment of the Contractor, pursuant to County Code Chapter 2.206.

9.0 INSURANCE

Without limiting Contractor's indemnification of LACDA Indemnitees, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 9 of this Contract. These minimum insurance coverage terms, types and limits (the

“Required Insurance”) also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The LACDA in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

9.1 Insurance Coverage

9.1.1 Commercial General Liability Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents") as an additional insured, with limits of not less than:

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

9.1.2 Intentionally Omitted.

9.1.3 Intentionally Omitted.

9.2 Additional Unique Insurance Coverage

9.2.1 Intentionally Omitted.

9.2.2 Professional Liability/Errors and Omissions

Insurance covering Contractor’s liability arising from or related to this Contract, with limits appropriate to the Contractor’s profession and not less than \$2 million per occurrence or claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement’s expiration, termination or cancellation.

9.2.3 Intentionally Omitted.

9.2.4 Intentionally Omitted.

9.2.5 Technology Professional Liability Errors & Omissions Insurance

Insurance appropriate to the Contractor’s profession and work hereunder for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information

technology services and technology products. Insurance shall be sufficiently broad to respond to the duties and obligations as is undertaken by the Contractor in this Contract and shall include, but not be limited to, claims involving infringement of intellectual property, copyright, trademark, invasion of privacy violations, information theft, release of private information, extortion and network security, coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing including outsourcing development and design; (6) systems design, consulting, development and modification; (7) training services relating to computer software or hardware; (8) management, repair and maintenance of computer products, networks and systems; (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor with limits of not less than \$10 million per occurrence. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

- a. The Policy shall include, or be endorsed to include, **property damage liability coverage** for damage to, alteration of, loss of, or destruction of electronic data and/or information “property” of the LACDA in the care, custody, or control of the Contractor. If not covered under the Contractor’s liability policy, such “property” coverage of the LACDA may be endorsed onto the Contractor’s Cyber Liability Policy as covered property as follows:
- b. Cyber Liability coverage in an amount sufficient to cover the full replacement value of damage to, alteration of, loss of, or

destruction of electronic data and/or information “property” of the LACDA that will be in the care, custody, or control of Contractor.

- c. The Insurance obligations under this agreement shall be the greater of (1) all the Insurance coverage and limits carried by or available to the Vendor; or (2) the minimum Insurance requirements shown in this agreement. Any insurance proceeds in excess of the specified limits and coverage required, which are applicable to a given loss, shall be available to the LACDA. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the indemnity or other obligations of the Contractor under this Contract.

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the LACDA requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the LACDA..

9.2.6 Privacy/Network Security (Cyber) Liability

Insurance coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs]; (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or use of computer systems with limits of not less than \$2 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

9.2.7 Intentionally Omitted.

9.3 Certificate of Insurance Coverage:

- 9.3.1 Certificate(s) of Insurance Coverage ("Certificate") satisfactory to the LACDA, and a copy of an Additional Insured endorsement confirming

the LACDA and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to the LACDA at the address shown below and provided prior to commencing services under this Contract.

9.3.2 Renewal Certificates shall be provided to the LACDA not less than ten (10) days prior to Contractor's policy expiration dates. The LACDA reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.

9.3.3 Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract.

9.3.4 Certificates shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners ("NAIC") identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any LACDA required endorsement forms.

9.3.5 Neither the LACDA's failure to obtain, nor the LACDA's receipt of, or failure to object to a non-complying Certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

9.3.6 Certificates and copies of any required endorsements shall be sent to:

Los Angeles County Development Authority
Administrative Services Division/Procurement Unit
700 W. Main Street, Alhambra, CA 91801
Attention: Maryann Robles, IT Procurement Analyst

9.4 Notices of Injury or Damage or Destruction

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

9.5 Additional Insured Status and Scope of Coverage

The LACDA and its Agents shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the LACDA. The LACDA and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the LACDA. The full policy limits and scope of protection also shall apply to the LACDA and its Agents as an additional insured, even if they exceed the LACDA's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

9.6 Cancellation of or Change to Maintain Insurance

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

material breach of the Contract, in the sole discretion of the LACDA, upon which the LACDA may suspend or terminate this Contract.

9.7 Failure to Maintain Insurance

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

9.8 Contractor's Insurance Shall Be Primary

The Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any LACDA maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

9.9 Insurance Specifics

9.9.1 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against the LACDA under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

9.9.2 Sub-Contractor Insurance Coverage Requirements

The Contractor shall include all Sub-Contractors as insureds under the Contractor's own policies, or shall provide the LACDA with each Sub-Contractor's separate evidence of insurance coverage. The Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall

require that each Sub-Contractor name the LACDA and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain the LACDA's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

9.9.3 Deductibles and Self-Insured Retentions (SIRs)

The Contractor's policies shall not obligate the LACDA to pay any portion of any Contractor deductible or SIR. The LACDA retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs as respects the LACDA, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

9.9.4 Claims Made Coverage

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

9.9.5 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

9.9.6 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

9.9.7 Alternative Risk Financing Programs

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

9.10 LACDA Review and Approval of Insurance Requirements

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

10.0 TERMINATION

10.1 Termination for Convenience

10.1.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the LACDA, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

- A. After receipt of a notice of termination and except as otherwise directed by the LACDA, the Contractor shall:
- B. Stop work under this Contract on the date and to the extent specified in such notice, and
- C. Complete performance of such part of the work as shall not have been terminated by such notice.

10.1.2 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with Paragraph 8.41 - Record Retention and Inspection/Audit Settlement.

10.2 Termination for Default

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

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

10.2.2 In the event that the LACDA terminates this Contract in whole or in part as provided in sub-paragraph 10.2.1, the LACDA may procure, upon such terms and in such manner as the LACDA may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the LACDA for any and all excess costs incurred by the LACDA, as determined by the LACDA, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

10.2.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in sub-paragraph 10.2.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the LACDA in either its sovereign or contractual capacity, acts of Federal or State

governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this sub-paragraph 10.2.3, the terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.

10.2.4 If, after the LACDA has given notice of termination under the provisions of this Paragraph 10.2, it is determined by the LACDA that the Contractor was not in default under the provisions of this Paragraph 10.2, or that the default was excusable under the provisions of sub-paragraph 10.2.3, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 10.1 - Termination for Convenience.

10.2.5 The rights and remedies of the LACDA provided in this Paragraph 10.2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

10.3 Termination for Improper Consideration

10.3.1 The LACDA may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any LACDA officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award,

amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the LACDA shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

10.3.2 The Contractor shall immediately report any attempt by a LACDA officer or employee to solicit such improper consideration. The report shall be made either to the LACDA manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

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

10.4 Termination for Insolvency

10.4.1 The LACDA may terminate this Contract forthwith in the event of the occurrence of any of the following:

- A. Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- B. The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- C. The appointment of a Receiver or Trustee for the Contractor; or
- D. The execution by the Contractor of a general assignment for the benefit of creditors.

10.4.2 The rights and remedies of the LACDA provided in this Paragraph 10.4 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

10.5 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each LACDA Lobbyist or LACDA Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any LACDA Lobbyist or LACDA Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the LACDA may in its sole discretion, immediately terminate or suspend this Contract.

10.6 Termination for Non-Appropriation of Funds

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

11.0 UNIQUE TERMS AND CONDITIONS

11.1 Intentionally Omitted.

11.2 Intentionally Omitted.

11.3 Intentionally Omitted.

11.4 Data Destruction

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

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

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

11.4.3 The Vendor shall certify that any LACDA data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology ("NIST") Special Publication SP-800-88, Guidelines for Media Sanitization. The Vendor shall provide the LACDA with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all LACDA data was destroyed and is unusable, unreadable, and/or undecipherable.

11.5 Intentionally Omitted.

11.6 Intentionally Omitted.

11.7 Intentionally Omitted.

11.8 Ownership of Materials, Software and Copyright

11.8.1 The LACDA shall be the sole owner of all right, title and interest, in and to all plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through the Contractor's work pursuant to this Contract. The Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in the LACDA all of the Contractor's right,

title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to the Contractor's work under this Contract.

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

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

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

11.8.5 Notwithstanding any other provision of this Contract, the LACDA will not be obligated to the Contractor in any way under Paragraph 11.8 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by sub-paragraph 11.8.3 or for any disclosure which the LACDA is required to make under any state or federal law or order of court.

11.8.6 All the rights and obligations of this Paragraph 11.8 shall survive the expiration or termination of this Contract.

11.9 Patent, Copyright and Trade Secret Indemnification

11.9.1 The Contractor shall indemnify, hold harmless and defend the LACDA from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. The LACDA shall inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support the Contractor's defense and settlement thereof.

11.9.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that the LACDA's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that the LACDA's continued use of the system is not materially impeded, shall either:

- A. Procure for the LACDA all rights to continued use of the questioned equipment, part, or software product; or
- B. Replace the questioned equipment, part, or software product with a non-questioned item; or
- C. Modify the questioned equipment, part, or software so that it is free of claims.

11.9.3 The Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

SIGNATURES

IN WITNESS WHEREOF, the LACDA and the Contractor, through their duly authorized officers, have executed this Contract as of the date first above written.

CONTRACTOR: INSIGHT PUBLIC SECTOR, INC.

By _____
Name
Title

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

By _____
Emilio Salas
Executive Director

APPROVED AS TO FORM:
DAWYN R. HARRISON
County Counsel

APPROVED AS TO PROGRAM:
ADMINISTRATIVE SERVICES DIVISION

By _____
Behnaz Tashakorian
Principal Deputy County Counsel

By _____
Kathy Thomas
Chief of Operations

EXHIBIT A

STATEMENT OF WORK

STATEMENT OF WORK FOR MICROSOFT ENTERPRISE SERVER AND CLOUD AZURE SERVICES

1.0 SCOPE OF WORK

The Los Angeles County Development Authority (LACDA) is the County's affordable housing and community development agency. The LACDA helps strengthen neighborhoods, empower families, support local economies, and promote individual achievement. The LACDA maintains many administrative buildings and 68 housing developments that include over 3,229 residential units within the County of Los Angeles.

The LACDC is seeking a Microsoft Large Account Reseller contractor to provide Microsoft Enterprise Volume Licensing services.

2.0 GENERAL REQUIREMENTS

- 2.1** The Contractor shall be a Microsoft Large Account Reseller for Microsoft.
- 2.2** The Contractor shall be the Microsoft reseller to the Commission, to provide the Commission a Server and Cloud Enrollment (SCE) for all products ordered and referenced in Exhibit A-1, Microsoft Enterprise Enrollment Forms and in Section 3.0, Specific Work Requirements. The Agreement structure shall include an Enterprise Enrollment.
- 2.3** The Contractor shall provide lead personnel that can communicate in English.

3.0 SPECIFIC WORK REQUIREMENTS

- 3.1** The contractor shall provide the LACDA with a Microsoft Server and Cloud enrollment that includes the following:
 - Azure Monetary Commission Provision
 - Azure Storage Account
 - Pay only for the resources used and availability for LACDA cancel anytime
- 3.2** The Contractor shall provide the products and services referenced in Exhibit B, Fee Schedule.
- 3.3** The Contractor shall provide the LACDA with automatic access to the Microsoft website portal for the latest software and technologies via Microsoft Enterprise Agreement.
- 3.4** The Contractor shall allow the LACDA to track purchases centrally and manage licenses with online management tools via the Microsoft website portal.

- 3.5** The Contractor shall allow the LACDA to manage the licensing throughout the life of the agreement with the help of a Microsoft Certified Partner or representative.
- 3.6** The Contractor shall provide the products and services referenced in Exhibit B, Fee Schedule.
- 3.7** The LACDA shall have automatically access to the Microsoft website portal for the latest software and technologies with Software Assurance (SA).
- 3.8** The LACDA shall track purchases centrally and manage licenses with online management tools via the Microsoft website portal.
- 3.9** The LACDA shall manage licensing throughout the life of the agreement with the help of a Microsoft Certified Partner or representative.
- 3.10 Basis Terms**
- 3.10.1 The LACDA shall have a three (3) year term and structure period, which will allow the LACDA to take greater flexibility in managing technology expenditures with pay as you go.
- 3.10.2 The LACDA shall true-up, given the flexibility to add cloud services, software, users, and devices to the EA when needed, at pre-agreed terms and pricing, without having to report or order each time. The True-up is an annual inventory of products, services, users and devices added during the year.
- 3.10.3 The LACDA shall automatically gain access to new software versions of licensed products as soon as they are released, and for no additional cost through the SA benefits.
- 3.10.4 The LACDA shall have Step-ups, to upgrade from a lower- to a higher-level edition at a low cost. Rather than pay full costs for the higher-level software edition, Step-ups allows the LACDA to pay only the pricing difference and still take advantage of enhanced features and technologies with premium editions.
- 3.11 Enrollments**
- 3.11.1 Enterprise Enrollment**
- The Contractor shall provide the LACDA with the following EA Subscription Enrollment services
- 3.11.1.1** Subscription Enrollment option to subscribe to, rather than buy, Microsoft product licenses.
- 3.11.1.2** The LACDA shall receive a range of benefits, including best pricing and terms, user/device or hybrid licensing options, and simplified license management.
- 3.11.1.3** The LACDA shall have the option to choose to deploy cloud services and/or on-premises software across the LACDA.
- 3.11.1.4** The LACDA shall have the flexibility to maintain a mix of on-premises and online services to suit user needs, and can move from on-premises licensing to equivalent online services such as the Enterprise Cloud Suite as organization priorities change.
- 3.11.2 EA Subscription Enrollment**

3.11.2.1 The LACDA shall have Subscription Enrollment option to subscribe to, rather than buy, Microsoft product licenses. The LACDA will gain access to Microsoft software only for as long as the LACDA maintains its subscription. If the LACDA decides not to renew, the LACDA will relinquish its rights to run the software, unless it chooses to acquire perpetual licenses through the Enrollment's buy out option.

3.11.2.2 Cloud Services

The LACDA may add to the EA using the standard purchasing process.

- Additional Online Services
 - These are services in the Microsoft Product List, <http://www.microsoft.com/licensing/>.
 - Additional Online Services include an array of cloud platform and services which the LACDA may buy through the Enrolments as needed.

3.12 Managing EA

3.12.1 The LACDA shall have option to adding cloud services and products throughout the EA term and may adjust Microsoft on-premises software and cloud services licenses in two ways:

- If add new users or devices, the LACDA can equip them with software and cloud services that are already using and then account for these changes at the next agreement anniversary through an annual reconciliation process – True-up.
- If the LACDA wants new products or cloud services, the LACDA can order these through the Microsoft Reseller at any time during the agreement.

3.12.2 Product fulfillment through the Volume Licensing Service Center (VLSC) or Microsoft Administration Center (MAC)

- Primary location for Microsoft Volume Licensing to view licensing information, download Microsoft software and manage Volume License benefits and subscriptions.
- Includes a notification area for site alerts, a Volume Licensing news and announcement section, and links to key tasks
- Helps to manage EA purchases with
 - Licensing Summary – use VLSC or MAC to view current and past Microsoft License Statements across programs and agreements.
 - Relationship Summary – includes a reports that shows all Volume Licensing agreements associated to a user's profile, and can also view further details about offerings, contacts, licenses, and purchase orders. The Relationship Summary provides a consolidated summary of all Volume Licensing IDs associated with the user's Windows Live ID when accessing VLSC or MAC.

- 3.12.3 Downloads – Secure user interface to use VLSC or MAC to find the product, based on licensing entitlements or MAC
- 3.12.4 Product Keys
- Request product keys for the Windows OS.
 - Enables retrieval of volume license keys for all Microsoft licensed products.
 - Access to technical support.
- 3.12.5 SA Benefits Summary
- View the SA benefits across all agreements associated to a user's profile.
 - Includes the total eligible quantity of benefits across all agreements, benefits that have not yet been used, and benefits that have not yet been activated.
- 3.12.6 Online Services – Access details about Microsoft Online Services subscriptions and how to manage them.
- 3.12.7 Subscriptions – Access details and management tools for Microsoft Developer Network (MSDN) subscriptions.
- 3.12.8 Help – Access information about the VLSC or MAC site, an FAX, and contact details for the Support Center.
- 3.12.9 The LACDA can manage Cloud Services by using the following:
- Microsoft Account for Organizations Portal to administer Office 365, Microsoft Intune, EMS, and Dynamics CRM subscriptions. This consolidated portal allows viewing online services subscriptions license as well as provision and manage individual user accounts and administrative privileges (for example manage domain re-delegation, directory synchronization, and single sign-on).
 - Microsoft Azure Enterprise Portal to manage accounts, configure rules and settings for various Microsoft Azure services, and generate reports.
 - Microsoft System Center to manage both public and private Microsoft cloud implementations. System Center's comprehensive management capabilities enable to monitor and manage the entire IT infrastructure stack from traditional physical servers, virtualized servers, virtual machines, running workloads, and all the way up to service-based cloud components.
- 3.12.10 The LACDA shall manage its EA by using SA referenced in Section 3.12.5.
- 3.12.11 The LACDA shall manage its EA over its life term to equip additional hardware, devices, or users with software and online services already licensed, and then account for these changes through an annual **True-up** reconciliation process. Enterprise Subscription Enrollment annual reconciliation process is through an Annual Order, which can have increase or decrease of license subscription counts.

- Once a year, the LACDA will be asked to reconcile EA licenses to account for the total number of licenses added in the previous 12 months.
 - An order will be placed (or an Update Statement submitted) that reconciles all the qualified devices, users, and processor units added or used by the LACDA organization over the course of the year.
 - Annual reconciliation order (update Statement) is due 30 to 60 days prior to Enrollment anniversary, which helps Microsoft ensure the LACDA is taking advantage of allowable license transitions or license reductions before issuing annual invoice.
 - Work with Microsoft Account Representative or Partner to submit renewal order 30 days before agreement term ends in order to avoid losing valuable licensing rights, continuity of cloud services, and other benefits.
- 3.12.12 The LACDA shall manage its EA by reviewing options for renewing enrollments at the end of the last year enrollment term.
- Option to renew for another cycle.
 - Beyond initial agreement, renewal pricing for on-premises software license is based on SA only – a moderate percentage of Enterprise Pricing for on-premises licenses.
 - Enterprise Subscription Enrollment differs in that renewal pricing for on-premises software licenses is based on license plus SA .
 - Buyout option exists for customer who want to retain perpetual rights to previously licensed on-premises software.

3.13 Resources

- 3.13.1 The LACDA shall have access to online management tools and information via the Microsoft website VLSC or MAC (reference Section 3.12.2) and SA (reference Section 3.9)
- 3.13.2 The LACDA shall have access in buying, renewing, or adding products and services to the EA, by contacting Microsoft Authorized Enterprise Software Advisor (ESA) or Licensing Solutions Provider (LSP).
- 3.13.3 The LACDA as a government organization shall have additional Volume Licensing programs available, which may include additional partner and pricing advantages on the Microsoft Volume Licensing website.
- 3.13.4 The LACDA shall learn more information on the Microsoft website for the following:
- Microsoft Volume Licensing,
 - Microsoft Online Services
 - SA
 - Microsoft Volume Licensing Service Center
 - Payment Solutions

4.0 RESPONSIBILITIES

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

LACDA

4.1 LACDA Contract Administrator

- 4.1.1 The LACDA Contract Administrator shall prepare amendments to the Contract in accordance with Section 8.1 (Amendments) in the Contract.
- 4.1.2 The LACDA shall monitor the Contractor's performance in the daily operation of this Contract.
- 4.1.3 The LACDA shall provide direction to the Contractor in areas relating to policy, information and procedural requirements.

Contractor

- 4.2 The Contractor to provide reports showing year to date annual spend according to Enrolled Affiliate's specifications. Frequency will be determined by each Enrolled Affiliate (ie: monthly, quarterly, etc.).
- 4.3 The Contractor to provide at the LACDA's request, provide a licensing portal that allows the tracking of licenses beyond the capabilities of the Microsoft VLSC or MAC. This portal will show, but not be limited to, all licenses on the current enrollment, quantities of said licenses, track licenses at department/agency levels, transfer licenses to and from each department/agency, and have reporting functionalities.
- 4.4 The Contractor to provide documentation to the Enrolled Affiliate within 90 days of when Microsoft has made a change to a license and advise of any grandfather or conversion rights within that same timeframe.

4.5 Project Manager

- 4.5.1 The Contractor's Project Manager shall act as a central point of contact with the LACDA, and shall have full authority to act for the Contractor on all matters relating to the daily tasks specified in Section 3.0 – Specific Work Requirements in this Statement of Work. Project Manager shall be able to effectively communicate, in English, both orally and in writing.
- 4.5.2 The Contractor shall provide a Microsoft Enterprise contact support number to get 24x7 technical support, planning services, end-user and technical training with SA.

4.6 Assigned Staff

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

4.7 Uniform

The Contractor's employees assigned to the Contract shall wear an appropriate uniform at all times. The uniform must display the Contractor's company name.

4.8 Staff Identification

4.6.1 The Contractor shall ensure their employees are appropriately identified as set forth in sub-paragraph 7.3 – Contractor's Staff Identification, of the Contract.

4.6.2 The Contractor's employees must wear visible identification when working under the Contract on LACDA property.

4.6.3 The Contractor's employees must sign in and out at the receptionist desk at the beginning and ending of each workday.

4.7 Material and Equipment

The Contractor is responsible for the purchase of all materials/equipment to provide the needed services. The Contractor shall use materials and equipment that are safe for the environment and safe for use by the Contractor's employee.

4.8 Training

The Contractor shall provide training programs for all new employees and continuing in-service training for all employees. All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to Cal-OSHA standards.

4.9 Contractor's Office

The Contractor shall maintain an office with a telephone in the company's name where the Contractor conducts business. At least one employee who can respond to inquiries and complaints that may be received about the Contractor's performance of the Contract shall staff the office during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday. When the office is closed, an answering service shall be provided to receive calls. **The Contractor shall answer calls received by the answering service within two (2) hours of receipt of the call.**

4.10 Periodic Meetings

Contractor is required to attend a periodically scheduled meeting. Failure to attend will cause an assessment of fifty dollars (\$50.00).

5.0 HOURS / DAYS OF WORK

The LACDA office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. The LACDA offices are closed on the following Holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Cesar E. Chavez Day
- Memorial Day
- Independence Day
- Labor Day
- Indigenous Peoples' Day
- Veterans Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day

Note: Holidays that fall on a Saturday are observed on the previous Friday and holidays that fall on a Sunday are observed on the following Monday.

6.0 WORK SCHEDULES

The Contractor shall submit for review and approval a work schedule for each facility to the LACDA within ten (10) days prior to starting work. The work schedules shall be set on an annual calendar identifying all the required on-going maintenance tasks and task frequencies. The schedules shall list the time frames by day of the week, morning, and afternoon, and the tasks to be performed.

The Contractor shall submit revised schedules when actual performance differs substantially from planned performance. The revisions shall be submitted to the LACDA for review and approval within five (5) working days prior to scheduled time for work.

7.0 QUALITY CONTROL PLAN

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the LACDA a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the LACDA for review. The plan shall include, but not be limited to the following:

- Method of monitoring to ensure that Contract requirements are being met;
- A record of all inspections conducted by the Contractor;
 - any corrective action taken,
 - the time a problem was first identified,
 - a clear description of the problem,

- and the time elapsed between identification and completed corrective action,
- The record shall be provided to the LACDA upon request.

8.0 QUALITY ASSURANCE PLAN

As specified in Section 8.40 (Quality Assurance Plan) of the Contract, the LACDA will evaluate the Contractor's performance under this Contract and the Plan, specified in 7.0 of this Statement of Work, using the following quality assurance procedures:

9.1 Performance Requirements Summary (Exhibit A-2)

The LACDA shall use a Performance Requirements Summary (PRS) chart, Exhibit A-2, to monitor the Contractor's work performance and efforts to remedy any and all deficiencies throughout the term of this Contract. The chart shall contain, at a minimum, the following:

- Each section of the Contract/SOW referenced and identified;
- The standard of performance (description of the work requirement)
- The method to be used to monitor work performance
- The fees/deductions to be assessed for each service that is not satisfactory

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

When the Contractor's performance does not conform to the requirements of this Contract, the LACDA will have the option to apply the following non-performance remedies:

- Require the Contractor to implement a formal corrective action plan, subject to approval by the LACDA. In the plan, the Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.
- Reduce payment to the Contractor by a computed amount based on the penalty fee(s) in the PRS.
- Reduce, suspend or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.

- Failure of the Contractor to comply with or satisfy the request(s) for improvement of performance or to perform the neglected work specified within ten (10) days shall constitute authorization for the LACDA to have the service(s) performed by others. The entire cost of such work performed by others as a consequence of the Contractor's failure to perform said service(s), as determined by the LACDA, shall be credited to the LACDA on the Contractor's future invoice.

This section does not preclude the LACDA's right to terminate the contract upon thirty (30) days written notice with or without cause, as provided for in the Contract, Paragraph 10.1 (Termination for Convenience).

9.2 Periodic Performance Reviews

The LACDA will conduct periodic reviews to evaluate the Contractor's performance. *(A customized evaluation report must be developed for the work required under the Contract.)*

9.3 Contract Deficiency Notice

The LACDA will make verbal notification to the Contractor of a Contract deficiency as soon as the deficiency is identified. The problem should be resolved within a time period mutually agreed upon by the LACDA and the Contractor.

If resolution of the deficiency does not result from the verbal notification, the LACDA will determine whether a formal Contract Deficiency Notice shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the LACDA within five (5) workdays, acknowledging the reported deficiencies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the LACDA within ten (10) workdays.

9.4 LACDA Observations

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

10.0 ADDITION/DELETION OF SERVICES

The LACDA reserves the right to add or delete services during the term of the Contract. The Contractor's fees will be adjusted by negotiation between the LACDA and the Contractor.

EXHIBIT A-1

MICROSOFT ENTERPRISE AGREEMENT ENROLLMENT FORMS

EXHIBIT A-2

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

| REFERENCE/ REQUIRED SERVICE | STANDARD OF PERFORMANCE | MONITORING METHOD | DEDUCTIONS/FEEES TO BE ASSESSED |
|---|---|---|--|
| SOW Section 2.0 General Requirements | 100% Completion of Required Services. | Observation of Attendance by LACDA Staff | \$50 per occurrence |
| SOW Section 3.0 Specific Work Requirements | 100 % Completion of Required Services. | Acceptance and Inspection by LACDA Staff | \$50 per occurrence |

EXHIBIT A-3
CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES:

Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY: _____

Signature of LACDA Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

LACDA EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

LACDA Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

EXHIBIT B

FEE SCHEDULE

**EXHIBIT B
FEE SCHEDULE**

The Contractor shall provide Microsoft Enterprise Server and Cloud Azure commodity and services as stated in Exhibit A, Statement of Work. The Contractor shall provide committed maximum markup percentage as indicated per year. The contract award will be awarded to the lowest markup percentage proposal for Sections 1 and hourly rate for Section 2. All other proposals will be compared to the lowest markup percentage and hourly rate.

| Section 1 License Cost | | | | | |
|-----------------------------------|--------------------|-------------------------------------|----------------------------|----------------------------|----------------------------|
| Part Number | Price Level | Item Name | Markup % Year 1 | Markup % Year 2 | Markup % Year 3 |
| AAA-35418 | Level D | Azure Monetary Commission Provision | 0.75 | 0.75 | 0.75 |

| Section 2 LSP Skills and Rates | | |
|---|--|--------------------|
| | Certified Competency (Yes/No) | Hourly Rate |
| Data and Artificial Intelligent | YES | \$275 |
| Build Intelligent Apps | YES | \$275 |
| Build Intelligent Agents | YES | \$275 |
| Machine Learning | YES | \$275 |
| Internet of Things | YES | \$275 |
| Globally distributed data | YES | \$275 |
| OSS Databases | YES | \$275 |
| Cloud Scale Analytics | YES | \$275 |
| Data Platform Modernization to Azure | YES | \$225 |
| Windows Server on Azure | YES | \$225 |
| Security & Management | YES | \$225 |
| Datacenter Migration | YES | \$285 |
| Modern Business Intelligence | YES | \$275 |
| | | |
| Biz Apps | | |
| Customer Service | YES | \$265 |
| Field Service | YES | \$265 |
| Marketing | YES | \$265 |

| | | |
|---|-----|-------|
| Talent | YES | \$265 |
| Finance and Operations | YES | \$265 |
| Business Central | YES | \$265 |
| Power Apps | YES | \$265 |
| Power BI | YES | \$265 |
| | | |
| Apps and Infrastructure | | |
| Azure Stack | YES | \$235 |
| High Performance Compute | YES | \$235 |
| Cloud Native Apps using Serverless | YES | \$235 |
| Modernize Apps | YES | \$235 |
| SAP on Azure | YES | \$235 |
| Linux on Azure | YES | \$235 |
| Dev Ops | YES | \$235 |
| Business Continuity & Disaster Recovery | YES | \$235 |
| Windows Server on Azure | YES | \$235 |
| Security & Management | YES | \$235 |
| Datacenter Migration | YES | \$225 |
| | | |
| Modern Workplace | | |
| User Adoption & Change Management | YES | \$210 |
| Security | YES | \$222 |
| GDPR & Compliance | YES | \$222 |
| Teamwork | YES | \$215 |
| Calling & Meetings | YES | \$222 |
| Modern Desktop | YES | \$215 |
| Office 365 Migration Assistance | YES | \$215 |
| Mail | YES | \$215 |
| Teams | YES | \$215 |
| SharePoint | YES | \$215 |
| OneDrive | YES | \$215 |

SECTION 2

In Section 2, the LACDA includes the pool of dollars ("Pool Dollars") available under this Agreement Exhibit B, Fee Schedule, for the purchase of additional commodity and services for ongoing support, upgrades, unrelated to the scope of services of \$120,000.00, at the discretion of the LACDA, using the LACDA Contract Amendment under Paragraph 8.1 (Amendments). The total amount of available Pool Dollars shall be decreased by each Amendment under Paragraph 8.1 (Amendments) and may only be increased by executing an Amendment in accordance with Paragraph 8.1 (Amendments), for the Maximum Amount of this Contract shall be \$1,320,00.00 ("Maximum Amount") for the term of this Contract, including Pool Dollars.

EXHIBIT C

LACDA'S ADMINISTRATION

Exhibit C
LACDA's Administration

SERVICES: Microsoft Enterprise Server And Cloud Azure Services

LACDA PROJECT DIRECTOR:

Name: Kathy Thomas
Title: Chief of Operations
Address: 700 W. Main Street, Alhambra, CA 91801
Telephone: (626)586-1844
E-Mail Address: Kathy.Thomas@lacda.org

LACDA PROJECT MANAGER:

Name: Cesar Delgado
Title: Information Technology Manager
Address: 700 W. Main Street, Alhambra, CA 91801
Telephone: (626)586-1707
E-Mail Address: Cesar.Delgado@lacda.org

LACDA SUPERVISOR:

Name: Cesar Delgado
Title: Information Technology Manager
Address: 700 W. Main Street, Alhambra, CA 91801
Telephone: (626)586-1707
E-Mail Address: Cesar.Delgado@lacda.org

Name: Steve Lo
Title: Information Technology eServices Supervisor
Address: 700 W. Main Street, Alhambra, CA 91801
Telephone: (626)586-1715
E-Mail Address: Steve.Lo@lacda.org

LACDA NETWORK ADMINISTRATOR:

Name: Mikhail Gusarev
Title: Information Technology Network Administrator
Address: 700 W. Main Street, Alhambra, CA 91801
Telephone: (626)586-1710
E-Mail Address: Mikhail.Gusarev@lacda.org

LACDA CONTRACT ADMINISTRATOR:

Name: Maryann Raygoza-Robles
Title: Information Technology Procurement Analyst
Address: 700 W. Main Street, Alhambra, CA 91801
Telephone: (626)586-1725
E-Mail Address: Maryann.Robles@lacda.org

EXHIBIT D

CONTRACTOR'S ADMINISTRATION

EXHIBIT E

REQUIRED CONTRACT FORMS

AND CERTIFICATIONS

EXHIBIT F

REQUIRED CONTRACT PROVISIONS

EXHIBIT G

REQUIRED FORMS AT THE TIME OF CONTRACT EXECUTION

EXHIBIT H

INTENTIONALLY OMITTED

EXHIBIT I

INTENTIONALLY OMITTED



**Chief
Information
Office**

Peter Loo
ACTING CHIEF INFORMATION OFFICER

DRAFT

Attachment II

CIO

ANALYSIS

BOARD AGENDA DATE:

6/4/2024

SUBJECT: SUBJECT:

CONTRACT FOR MICROSOFT ENTERPRISE SERVER AND CLOUD AZURE SERVICES

CONTRACT TYPE:

New Contract Sole Source Amendment to Contract #:

SUMMARY:

The Los Angeles County Development Authority (LACDA) is requesting authorization to execute a three-year Contract with Insight Public Sector, Inc. (Insight) in the amount of \$1,200,000, including \$120,000 of pool dollars, for a total Contract amount of \$1,320,000, to purchase Microsoft Azure cloud services. The LACDA is further requesting authorization to amend the Contract with Insight to to add or delete services and utilize pool dollars, and if necessary, terminate for convenience. Finally, the LACDA is recommending the Board find the Contract is exempt from the California Environmental Quality Act.

The proposed Contract will support the LACDA's hybrid cloud environment that was fully implemented in December 2022. The hybrid cloud environment combines the LACDA's on-premises data center computing infrastructure with the Microsoft Azure Cloud, allowing data and applications to be shared between them. It will enable continued support for the LACDA's existing compute workloads (virtual servers, applications, data, and storage) in Microsoft Azure and will support the migration of existing workloads (applications and test and development environments). Also, it provides flexibility to scale data storage and computing resources (up or down) on as-needed basis to meet the LACDA business needs.

Contract Amount: \$1,320,000

FINANCIAL ANALYSIS:

Insight Contract costs:

| | | |
|---|-----------|------------------|
| Year 1 Microsoft Azure Cloud Fees | \$ | 400,000 |
| Year 2 Microsoft Azure Cloud Fees | \$ | 400,000 |
| Year 3 Microsoft Azure Cloud Fees | \$ | 400,000 |
| Total – Contract Sum | \$ | 1,200,000 |

Contract Pool Dollars \$ **120,000¹**

Total – Contract Amount \$ **1,320,000**

Notes:

¹ Contract pool dollars for optional services approved by LACDA.

RISKS:

1. **Accuracy of License Levels** – Accurate software license counts are needed to ensure that the LACDA does not overpay/underpay for license components (e.g., server licensing, Microsoft Azure subscriptions and software assurance services). Any variances from the initial license counts are accounted for in annual true up during the term of the Contract.
2. **Information Security** – The County’s Chief Information Security Officer (CISO) has reviewed the contract and discussed information security safeguards with LACDA IT. The LACDA indicated that they store Personally Identifiable Information in their Microsoft Azure Cloud. To further reduce potential information risks, the CIO recommended that the LACDA include in the proposed Contract a privacy and security exhibit similar to the County that addresses minimum information security standards. Also, we recommend that the LACDA conduct periodic information security risk assessments to ensure the adequacy of information security controls that are in place. The proposed Contract includes Errors & Omissions insurance coverage starting at \$10 million per occurrence and Cyber Security insurance coverage starting at \$2 million per occurrence
3. **Contract Risks** – No Contract risks have been identified. County Counsel reviewed proposed Contract and had no concerns.

PREPARED BY:

 (NAME) DEPUTY CHIEF INFORMATION OFFICER

 DATE

APPROVED:

 PETER LOO, ACTING CHIEF INFORMATION OFFICER

 DATE

**BOARD LETTER/MEMO
CLUSTER FACT SHEET**

X Board Letter

Board Memo

Other

| | | |
|---|--|---|
| CLUSTER AGENDA | 5/22/2024 | |
| BOARD MEETING | 6/4/2024 | |
| SUPERVISORIAL DISTRICT AFFECTED | X All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th | |
| DEPARTMENT(S) | Internal Services Department (ISD) | |
| SUBJECT | REQUEST FOR APPROVAL TO AWARD AND EXECUTE ELEVEN (11) EQUIPMENT MAINTENANCE SERVICE CONTRACTS | |
| PROGRAM | N/A | |
| AUTHORIZES DELEGATED AUTHORITY TO DEPT | X Yes <input type="checkbox"/> No | |
| SOLE SOURCE CONTRACT | <input type="checkbox"/> Yes X No | |
| | If Yes, please explain why: N/A | |
| SB 1439 FORM REVIEW COMPLETED BY EXEC OFFICE | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable | |
| DEADLINES | Yes - The current contracts expire on June 30, 2024. | |
| COST & FUNDING | Total cost: The aggregate total annual contract costs are estimated to be approximately \$7.6 million. | Funding source: Sufficient appropriation for the recommended contracts is included in ISD's Fiscal Year 2024-25. Future fiscal year funding will be requested in ISD and department budgets for each annual term and any extensions. Expenditures in any given year will remain within each department's budgeted appropriation for such services. |
| | TERMS (if applicable): The contracts would have an effective date of July 1, 2024, for an initial period of three years, with three one-year renewal options and twelve month-to-month extensions. | |
| | Explanation: Approval of the recommendations will allow ISD to award and execute the contracts and in turn allow the County to continue receiving equipment maintenance services without interruption at various County facilities. The recommended contractors are not guaranteed a fixed workload and the contract pricing is fixed for the initial term of the contracts, including the extension options. Departments will only be charged for maintenance (and repair) costs as they are required and incurred. | |
| PURPOSE OF REQUEST | 1.) Authorize the Director of Internal Services Department (ISD), or their designee, to award and execute 11 equipment maintenance and repair services contracts listed on Attachment 1, effective July 1, 2024, for an initial term of three years with three one-year extension options and 12 month-to-month extensions that may be exercised by the Director of ISD, or their designee. 2.) Authorize the Director of ISD, or their designee, to exercise the renewal options and month-to-month extensions in accordance with the contracts; add/delete equipment items, brands, and manufacturers in each contract and make resultant cost modifications; execute applicable contract amendments should the original contracting entity merge, be acquired, or otherwise have a change of entity; and upon review by County Counsel, approve necessary changes to the contracts service levels based on County departments' needs. | |
| BACKGROUND (include internal/external issues that may exist including any related motions) | On June 12, 2018, the Board awarded ISD's current equipment maintenance contracts. ISD currently administers the equipment maintenance (and repair) services contracts which provide preventive maintenance and repairs of large multi-function printers, mail processing equipment, servers, and other major equipment for all County departments in various locations throughout the County, including the County Data Center and Local Recovery Center. These are replacement equipment maintenance contracts that provide Countywide services. | |
| EQUITY INDEX OR LENS WAS UTILIZED | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| SUPPORTS BOARD PRIORITIES | <input type="checkbox"/> Yes X No If Yes, please state which one(s) and explain how: N/A | |
| DEPARTMENT | Christie Carr, ISD Contract Manager, 323-267-3101, ccarr@isd.lacountygov . | |



County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

MICHAEL OWH
Director

Speed. Reliability. Value.

Telephone: (323) 267-2101
FAX: (323) 264-7135

June 4, 2024

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

Dear Supervisors:

**REQUEST FOR APPROVAL TO AWARD AND EXECUTE ELEVEN EQUIPMENT
MAINTENANCE SERVICE CONTRACTS
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

The Internal Services Department (ISD) is requesting authority to award and execute 11 contracts in order to provide equipment maintenance services for various County departments.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of ISD, or their designee, to award and execute 11 equipment maintenance and repair services contracts listed on Attachment 1, effective July 1, 2024, for an initial term of 3 years with 3 one-year extension options and 12 month-to-month extensions that may be exercised by the Director of ISD, or their designee, for an aggregate not-to-exceed amount of \$12.5 million per contract year.
2. Authorize the Director of ISD, or their designee, to exercise the renewal options and month-to-month extensions in accordance with the contracts; add/delete equipment items, brands, and manufacturers in each contract and make resultant cost modifications; execute applicable contract amendments should the original contracting entity merge, be acquired, or otherwise have a change of entity; and upon review by County Counsel, approve necessary changes to the contracts service levels based on County departments' needs.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

On June 12, 2018, the Board awarded ISD's current equipment maintenance contracts. ISD currently administers the equipment maintenance (and repair) services contracts which provide preventive maintenance and repairs of large multi-function printers, mail processing equipment, servers, and other major equipment for all County departments in various locations throughout the County, including the County Data Center and Local Recovery Center. The current contracts expire on June 30, 2024.

Approval of the recommendation number one will allow ISD to award and execute the contracts and in turn allow the County to continue receiving equipment maintenance services without interruption.

Approval of recommendation number two will allow ISD to effectively manage the contracts through their terms.

Implementation of Strategic Plan Goals

The recommended contract supports the County's Strategic Plan, Goal North Star 3, G III.2 (Manage and Maximize County Assets) by establishing centralized, cost-effective contracts for providing maintenance and repair services for high end equipment at lower cost since services were solicited for several County departments at once; and E, Data-Driven Decision Making, using data as a tool to continually assess and strengthen our efficiency and effectiveness, maximize and leverage resources, and ensure fiscal responsibility and accountability through the contracted services.

FISCAL IMPACT/FINANCING

The recommended contractors are not guaranteed a fixed workload and the contract pricing is fixed for the initial term of the contracts, including the extension options. This approach is deemed to be in the County's best interest as departments will only be charged for maintenance (and repair) costs as they are required and incurred.

Based on historical data, anticipated first year contract costs are approximately \$7.6 million; however, expenditures under these contracts vary from year to year based on the needs of County departments. For Fiscal Year (FY) 2024-25, the services provided under the recommended contracts are estimated at \$7.6 million in the aggregate (see Attachment 1 for individual contract estimated annual costs). These services will continue to have an aggregate not-to-exceed amount of \$12.5 million per contract year. If the aggregate value of the services during a contract year is expected to exceed the annual cap, ISD will return to your Board for approval and authorization to increase the cap to an appropriate amount.

Funding for these services is included in the FY 2024-25 Recommended Budget for ISD and user departments. Future FY funding will be requested in ISD and department budgets for each annual term and any extensions. Expenditures in any given year will remain within each department's budgeted appropriation for such services.

Pursuant to Board Policy 5.030 (Low-Cost Labor Resource Program), departments are required to consider low-cost County resource options in lieu of, or as supplements to any future contracts, which include outreach to various departments with low-cost labor programs that could potentially provide similar services. To this end, ISD took into consideration other low-cost resource options as required by the Policy and found that the low-cost labor resource providers/programs do not provide the required equipment maintenance services. As such, it has been determined that services can be more economically performed by the recommended contractors.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

ISD is seeking approval of 11 contracts for different types of high-end equipment categorized and referred to as Classes. Attachment 1 lists the Classes, types of equipment in each Class, and estimated annual costs for each recommended contract.

Ten of the new contracts include the County's standard terms and conditions. One of the recommended new contracts include terms and conditions that vary slightly from the County's standard language but have no material alteration of the County's requirements. Further, the negotiated language was in the current contracts, which were previously approved by your Board. ISD worked closely with CEO Risk Management and County Counsel to negotiate the most advantageous terms possible for the County.

The recommended contracts have been approved as to form by County Counsel. Further, they contain the Board's required provisions, including those pertaining to consideration of qualified county employees targeted for layoff as well as qualified GAIN/START participants for employment openings, and compliance with the Jury Duty Ordinance, Safely Surrender Baby Law, Child Support Program, and Zero Tolerance Human Trafficking.

Due to the technical nature of the contracted services, ISD has determined that the proposed contracts are not subject to the County's Living Wage Program. Los Angeles County Code, Chapter 2.201 does not apply to the contracted work as it is temporary and intermittent, and highly technical in nature.

CONTRACTING PROCESS

On August 31, 2023, ISD released an Invitation for Bid (IFB) for the County's different Classes of equipment for maintenance and repair services of large multi-function printers, servers, and other major equipment, some of which support the County Data Center and

Local Recovery Center. The IFB contracting opportunity announcement was posted on the County's "Doing Business with Us" website (Attachment 2). Additionally, ISD also held a virtual bidders' conference on October 4, 2023 and presented the IFB requirements, bid submittal process, key dates, and provided a Statement of Work overview.

To increase opportunities for County Preference Programs (Local Small Business Enterprise (LSBE), Disabled Veteran Business Enterprises (DVBE), and/or Social Enterprise (SE) and the Community Based Enterprise (CBE) programs, ISD regularly hosts outreach efforts such as vendor events with the Office of Small Business and other County departments to advertise contracting opportunities, during which this solicitation was advertised.

As a result of the competitive IFB, eighteen (18) bids were received by the November 6, 2023 and were reviewed for compliance with the minimum requirement criteria stated in the IFB. After a careful analysis and review, seven (7) bids were disqualified for not meeting the minimum requirements set forth in the IFB, one of which was a bid received for Class 08. Subsequent to the disqualification, ISD re-released the IFB for Class 08 only on March 14, 2024 and received a responsive bid by the due date. All bids were reviewed in accordance with the bid review process identified in the IFB and ISD received no protests. At the completion of the IFB process, the recommended contractors listed on Attachment 1 were determined to be in compliance with the minimum requirements and the lowest-bids and therefore recommended for a contract award.

The proposed contracts represent minimal risk exposure to the County as services are provided to perform preventive maintenance and repair services only for the specific piece of equipment that fails.

A summary of the CBE information collected from all bidders that submitted bids is attached (Attachment 3). The recommended contractors were selected without regard to gender, race, creed, color, or national origin.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these recommendations will ensure that ISD and County departments continue to receive equipment maintenance and repair services without disruption and provide a streamlined contracting process for departments to acquire such services.

CONCLUSION

Upon approval by the Board, the Executive Office of the Board of Supervisors is requested to return one stamped copy of the approved Board Letter to the Director of ISD.

The Honorable Board of Supervisors

June 4, 2024

Page 5 of 5

Respectfully submitted,

MICHAEL OWH
Director

MO:LG:CC:nv

Attachments

c:

Chief Executive Office, Board of Supervisors

Executive Officer

County Counsel

EQUIPMENT MAINTENANCE & REPAIR SERVICES CONTRACTS
RECOMMENDED VENDORS

| CLASS | TYPE OF EQUIPMENT | CONTRACTOR | ESTIMATED ANNUAL COSTS |
|-------------------------------------|----------------------------------|---|-------------------------------|
| 01 | Multi-function devices | LogixService Inc. (dba Amtek Computer Services) | \$210,836.00 |
| 02 | Plotters | LogixService Inc. (dba Amtek Computer Services) | \$31,776.00 |
| 03 | Library Book Security | Bibliotheca, Inc. | \$334,111.00 |
| 04 | Uninterrupted Power Supply- 1 | UPSCO Powersafe Systems, Inc. | \$235,920.00 |
| 05 | Uninterrupted Power Supply- 2 | LogixService Inc. (dba Amtek Computer Services) | \$281,580.00 |
| 06 | Printing Press | Mark Andy, Inc. | \$780,076.00 |
| 07 | Miscellaneous Computers | LogixService Inc. (dba Amtek Computer Services) | \$56,941.00 |
| 08 | Hewlett Packard Equipment | Hewlett Packard Enterprise | \$1,749,383.00 |
| 09 | IBM Equipment | International Business Machines Corporation | \$1,392,581.00 |
| 10 | Storage Equipment (Dell EMC) | Dell Marketing L.P. | \$2,005,709.00 |
| 11 | Storage Equipment (Pure Storage) | Enterprise Vision Technologies, Inc. | \$537,639.00 |
| ESTIMATED TOTAL ANNUAL COSTS | | | \$7,620,552.00 |



lacounty.gov

Home (/LACoBids/)

+ Solicitation Information

| | | | |
|--|--|-----------------------|----------------------|
| Solicitation Number: | RFBC-IS-CMS24000008 | | |
| Title: | Equipment Maintenance Services IFB# GCS-10623-S | | |
| Department: | Internal Services Department | | |
| Bid Type: | Commodity / Service | Bid Amount: | N/A |
| Commodity: | MAINT & REPAIR - COMPUTERS, DATA PROCESSING EQUIPMENT AND AC | | |
| Description: | Equipment Maintenance Services IFB# GCS-10623-S | | |
| Open Day: | 10/23/2023 | Closed Date: | 11/6/2023 5:00:00 PM |
| Contact Name: | CARLOS RUBIO | Contact Phone: | (323) 267-2483 |
| Contact Email: | crubio@isd.lacounty.gov | | |
| Notice of Intent to Award (0) : | + Click here to view notice intent to award list. | | |
| Solicitation Award (0) : | + Click here to view award list. | | |
| Last Changed On: | 10/24/2023 3:45:15 AM | | |
| Attachment File (46) : | + Click here to download attachment files. | | |

Community Business Enterprise (CBE) Program Information

| | | | | | | | | |
|--|---|--|-------------------------------|-----------------------|---|---|-----------------------|-------------------------------------|
| FIRM/ORGANIZATION INFORMATION* | LogixService Inc. dba AMTEK Computer Services | Bibliotheca Library Solutions LLC (Bibliotheca, LLC) | UPSCO Powersafe Systems, Inc. | Mark Andy, Inc | Hewlett Packard Enterprise Company (HP) | International Business Machines (IBM) Corporation | Dell Marketing L.P. | Enterprise Vision Technologies, Inc |
| BUSINESS STRUCTURE | Corporation | LLC | Corporation | Corporation | Corporation | Corporation | Limited Partnership | Corporation |
| RACE/ETHNIC COMPOSITION | | | | | | | | |
| OWNERS/PARTNERS/ ASSOCIATE PARTNERS | Black/African American | 1 | 13 | | | | | |
| | Hispanic/Latino | | 5 | | | | | |
| | Asian or Pacific Islander | | 7 | | | | | |
| | Native Americans | | | | | | | |
| | Subcontinent Asian | | | | | | | |
| | White | | 81 | 1 | | | | 2 |
| | | | | N/A Shareholder owned | N/A Shareholder owned | N/A Shareholder owned | N/A Shareholder owned | |
| Total # of Employees in California | 3 | 2 | 4 | 12 | 5,676 | 1,800 | 8,250 | 30 |
| Total # of Employees (including owners) | 4 | 125 | 4 | 420 | 58,600 | 288,300 | 120,000 | 70 |
| COUNTY CERTIFICATION | | | | | | | | |
| CBE | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| LSBE/DVBE/SE | Yes- LSBE | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| OTHER CERTIFYING AGENCY | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

On final analysis and consideration of the award, vendors were selected without regard to race, creed, or color.

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

| | | |
|---|---|--|
| CLUSTER AGENDA REVIEW DATE | 5/22/2024 | |
| BOARD MEETING DATE | 6/4/2024 | |
| SUPERVISORIAL DISTRICT AFFECTED | <input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th | |
| DEPARTMENT(S) | Department of Consumer and Business Affairs (DCBA) | |
| SUBJECT | Request Authorization to Extend Subawards for Dispute Resolution Programs | |
| PROGRAM | Dispute Resolution Program (DRP) | |
| AUTHORIZES DELEGATED AUTHORITY TO DEPT | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| SOLE SOURCE CONTRACT | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: | |
| SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable | |
| DEADLINES/ TIME CONSTRAINTS | The current agreements expire on June 30, 2024. This authorization to extend is needed by early June to allow sufficient time for the Department, County Counsel, and the contracted partners to review and execute amendments for up to 6 months, maintaining services seamless. | |
| COST & FUNDING | Total cost: \$892,000 | Funding source: Special Funds Collected from Court Fees |
| | TERMS (if applicable): Up to 6 months through December 2024 | |
| | Explanation: The six (6) month extension will allow services to continue through December 2024 while the Department completes the solicitation for a new term. | |
| PURPOSE OF REQUEST | The DCBA requests the Board's approval to extend current Dispute Resolution Program subawards while it finalizes the solicitation of new providers. This will allow continued DRP services. | |
| BACKGROUND (include internal/external issues that may exist including any related motions) | The Department is currently in the middle of completing and releasing a Request for Proposals to procure new providers for the County's Dispute Resolution Program. This is expected to be completed by November 2024. However, there may be possible unexpected protests that could potentially delay the execution of new agreements. | |
| EQUITY INDEX OR LENS WAS UTILIZED | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: | |
| SUPPORTS ONE OF THE NINE BOARD PRIORITIES | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: This will support the Board's Homeless Initiative as many of the mediations conducted through the program are for tenant and landlord disputes. The outcomes of these mediations allow tenants to continue residing in their residence, reducing homelessness. | |
| DEPARTMENTAL CONTACTS | Name, Title, Phone # & Email: Name, Title, Phone # & Email: Rigoberto Reyes, Deputy Director 213.712.5492 Rreyes@dcba.lacounty.gov | |



LOS ANGELES COUNTY
CONSUMER & BUSINESS AFFAIRS

Board of Supervisors

June 4, 2024

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

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:

Director
Rafael Carbajal

Chief Deputy
Joel Ayala

**AUTHORIZE THE DEPARTMENT OF CONSUMER AND BUSINESS
AFFAIRS TO EXTEND SUBAWARDS FOR DISPUTE RESOLUTION
PROGRAM (DRP) SERVICES
(ALL SUPERVISORIAL DISTRICTS)**

SUBJECT

The Department of Consumer and Business Affairs (DCBA) requests the Board’s approval to extend Subawards to six (6) non-profit organizations and one (1) government entity (City of Los Angeles) while it finalizes the solicitation of new providers. This will allow continued Dispute Resolution Program (DRP) services.

IT IS RECOMMENDED THAT YOUR BOARD:

Delegate authority to the Director of DCBA or his designee to have the sole option to extend the current DRP subawards for up to six (6) months, for a maximum total Subaward term of five (5) years and six (6) months, not to extend beyond December 2024.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In 1986, the California Dispute Resolution Programs Act (DRPA) was signed into law. This law allows Los Angeles County DCBA to fund alternative dispute resolution services from a portion of the filing fees collected in civil court actions. Currently, seven (7) agencies are contracted to train and supervise mediators and volunteers who provide conciliation and mediation services, at little or no cost, to individuals, businesses, and organizations involved in various types of disputes throughout Los Angeles County. This reduces and/or eliminates the need to go through full court proceedings.



dcba.lacounty.gov
info@dcba.lacounty.gov

320 W. Temple St., Room G-10, Los Angeles CA, 90012-2706
(213) 974-1452 • (800) 593-8222 • Fax: (213) 687-1137

The current DRP subawards sunset on June 30, 2024. The DCBA is in the midst of a full solicitation that includes changes to the existing program design. The redesign will improve services being rendered in a more accessible, efficient, and effective manner. New DRP partners will be identified and contracted to provide services no later than January 1, 2025. The recommended actions will ensure continuous DRP services and allow DCBA to complete a Request for Proposal (RFP) solicitation.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended action is consistent with the County's Strategic Plan Goal I, Make Investments That Transform Lives.

FISCAL IMPACT/FINANCING

The DRP program is funded through civil court filing fees, pursuant to the California Dispute Resolution Program Act of 1986, that are collected in the DRP Special Fund established by the County. The estimated cost for this program for Fiscal Years 2019-20 through 2023-24 is \$9,059,000. The requested six-month extension will increase the cost by \$892,000, bringing the total program cost to approximately \$9,951,000.

There is no impact on the County General fund, as the DRP program is fully financed by the DRP Special Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Dispute Resolution Programs Act has designated the California Department of Consumer Affairs ("State") to oversee the statewide administration of all dispute resolution programs, and it has also authorized Los Angeles County DCBA to allocate a portion of the court filing fees it collects to implement and provide funding for the County's DRP.

The DRP assists people who live, work, or operate in Los Angeles County to resolve disputes using alternative means to formal judicial proceedings with the help of one (1) or more trained persons. DRP is essential in providing dispute resolution services that are less costly, less time consuming, and less complex than the traditional judge or jury system. It is also crucial in affording the diverse residents of Los Angeles County a process that is less formal, less intimidating, and more accessible than the traditional court system. A key difference from the traditional court system is that the disputants, rather than a judge or jury, are the primary decision makers in the outcome of their disputes.

The term of the current Subaward commenced on July 1, 2019, upon execution by the parties, and continued through June 30, 2020. Following the initial term as set forth above, County had the sole option to extend the Subaward term for up to four (4) additional one (1) year periods for a maximum total Subaward term of five (5) years. With the requested Board's delegated authority, DCBA may authorize an extension of up to six (6) months to allow for continued DRP services.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

A continuation of the recommended action will allow DCBA to continue provisions of DRP services to individuals, businesses, and organizations involved in various types of disputes throughout Los Angeles County. As such, it is in the County's best interest to extend the Subawards and provide sufficient time for executing the new RFP.

Respectfully submitted,

Rafael Carbajal
Director

RC:AB:DL:ae

c: Executive Office, Board of Supervisors
County Counsel