



Board of Supervisors Operations Cluster Agenda Review Meeting

DATE: October 2, 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 522268816# or [Click here to join the meeting](#)

Teams Meeting ID: 237 250 878 670

Passcode: UoBQAE

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

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

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

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

1. CALL TO ORDER

2. GENERAL PUBLIC COMMENT

3. DISCUSSION ITEM(S):

- A) Board Letter:
THIRTEEN-YEAR AND SIX-MONTH LEASE
SHERIFF'S DEPARTMENT
100 UNIVERSAL CITY PLAZA, UNIVERSAL CITY
CEO/RE – Alexandra Nguyen-Rivera, Section Chief, Leasing

- B) Board Letter:
NINE YEAR LEASE
DEPARTMENT OF MENTAL HEALTH
39115 TRADE CENTER DRIVE, PALMDALE
CEO/RE – Alexandra Nguyen-Rivera, Section Chief, Leasing

- C) Board Letter:
RECOMMENDATION TO AWARD A CONTRACT FOR INVESTMENT
CUSTODY SERVICES TO STATE STREET BANK AND TRUST COMPANY
TTC – Elizabeth Buenrostro Ginsberg, Treasurer and Tax Collector,
Damia J. Johnson, Assistant Treasurer and Tax Collector, and
Jennifer Koai, Operations Chief

- D) Board Memo:
ADVANCE NOTIFICATION OF INTENT TO ENTER INTO NEGOTIATIONS FOR
A SOLE SOURCE CONTRACT WITH N. HARRIS COMPUTER CORPORATION
AND SYSCON JUSTICE SYSTEMS, INC. FOR AN INTEGRATED JAIL
INFORMATION SYSTEM
LASD/CIO – Alejandra Madera, Administrative Services Manager III

- E) Board Letter:
APPROVE USER AGREEMENT FOR SUBSCRIBERS WITH THE LOS
ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM (LA-
RICS) AUTHORITY FOR USE OF THE LAND MOBILE RADIO (LMR) SYSTEM
AND APPROVE AN APPROPRIATION ADJUSTMENT
LASD/CIO – Captain David Sum

- F) Board Letter:
APPROVAL OF USER AGREEMENT FOR SUBSCRIBERS WITH THE LOS
ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM
AUTHORITY FOR USE OF THE LAND MOBILE RADIO SYSTEM AND
APPROPRIATION ADJUSTMENT FOR FISCAL YEAR 2024-25
LACoFD/CIO - Nicholas Berkuta IV, Assistant Fire Chief

4. PRESENTATION ITEM(S):

None available.

5. ADJOURNMENT

UPCOMING ITEM(S) FOR OCTOBER 9, 2024:

- A) RRCC/CIO - VOTER REGISTRATION SYSTEM LICENSE AND SUPPORT SERVICES CONTRACT EXTENSION WITH RUNBECK ELECTION SYSTEMS
- B) TTC/CIO - APPROVAL FOR APPROPRIATION ADJUSTMENT TO USE FUNDS FROM THE COUNTY'S LEGACY SYSTEM MODERNIZATION FUND FOR THE IMPLEMENTATION OF A CLOUD-BASED CALL CENTER SYSTEM
- C) CEO/RE - NINE-YEAR LEASE
DEPARTMENT OF PUBLIC SOCIAL SERVICES
9188 GLENOAKS BOULEVARD, SUN VALLEY
- D) ISD - ACCEPT \$328.72 MILLION IN FUNDING AWARDED TO INTERNAL SERVICES DEPARTMENT ENERGY AND ENVIRONMENTAL SERVICES TO IMPLEMENT AND ADMINISTER THE CALIFORNIA ENERGY COMMISSION SOUTHERN CALIFORNIA EQUITABLE BUILD DECARBONIZATION PROGRAM FOR CALENDAR YEARS 2024 THROUGH 2029

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	10/2/2024		
BOARD MEETING DATE	10/22/2024		
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input checked="" type="checkbox"/> 5 th		
DEPARTMENT(S)	Sheriff's Department		
SUBJECT	A new 13-year and 6-month Lease for 12,992 SF at 100 Universal City Plaza, Universal City.		
PROGRAM	Universal City Substation		
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			
COST & FUNDING	Total cost:	\$320,000 for the low-voltage costs	Funding source:
			The Sheriff will be funded 100 percent by net County cost that is already included in Sheriff's existing budget.
	TERMS (if applicable): The proposed lease will have no monetary consideration. The Landlord is responsible for all operating and maintenance cost of the building and all utilities and janitorial costs. The County is responsible for maintenance and repair of restricted areas in the Premises and other items as outlined in the proposed lease.		
	Explanation: Sheriff will incur minimal expense due to project components such as the onsite emergency generator servicing the premises. These minimal expenses include fueling for the onsite generator, maintenance and repairs to permanent lock cores and low voltage items, and janitorial services to secure areas within the substation such as the detention and armory. Funding for these costs will be addressed through the annual budget process for the Sheriff.		
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and provide use of space for the Sheriff to use as its substation.		
BACKGROUND (include internal/external issues that may exist including any related motions)	The Landlord provided the substation at no cost to the Sheriff as required as part of its Mitigation Monitoring and Reporting Program to comply with the California Environmental Quality Act. The proposed 13-year and 6 month lease is for occupancy at the subject property for approximately 12,992 square feet of office space and 42 on-site parking spaces which will enable the Sheriff to use the space for Universal City substation.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
DEPARTMENTAL CONTACTS	Alexandra Nguyen-Rivera Section Chief, Leasing CEO Real Estate Division 213-974-4189 arivera@ceo.lacounty.gov		



Chief Executive Office.

COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 974-1101 ceo.lacounty.gov

CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

October 22, 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:

**THIRTEEN-YEAR AND SIX-MONTH LEASE
SHERIFF'S DEPARTMENT
100 UNIVERSAL CITY PLAZA, UNIVERSAL CITY
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed new 13-year and six-month lease for 12,992 square feet of office space, and 42 on-site parking spaces for the Sheriff's Department (Sheriff), Universal City Substation.

IT IS RECOMMENDED THAT THE BOARD:

1. Determine that the impacts of the recommended actions are within the scope of the project impacts analyzed in the EIR that was certified by the City of Los Angeles for the NBC Universal Evolution Plan previously considered by the Board as responsible agency under the California Environmental Quality Act (CEQA).
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with Universal Studios, LLC, a Delaware limited liability company (Landlord), for approximately 12,992 square feet of space, and 42 on-site parking spaces located at 100 Universal City Plaza, Building 7572, Universal City (Premises) to be occupied by the Sheriff. This proposes a lease for a term of more than ten years, to wit, for a term of 13 years and six months. This is a gratis lease throughout the lease term. The estimated total proposed lease cost, including low-voltage cost, is \$320,000 over the



13-year and six-month term. The cost will be funded 100 percent by net County cost (NCC) that is already included in Sheriff's existing budget. The Sheriff will not be requesting additional NCC for this action.

3. Authorize the Sheriff, or his designee, to acquire and install telephone, data, and low-voltage systems and vendor installation (Low-Voltage Items) at a total cost not to exceed \$320,000 if paid in lump sum.
4. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the proposed lease.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease for a substation will house the Sheriff's personnel at the Premises on the NBC Universal property adjacent to Donald O'Conner Drive and just north of WC Fields Drive and will continue to allow the Sheriff occupancy of space at the current Universal Studios CityWalk offices as requested by NBC Universal to meet the operational needs of the theme park. This facility will be a substation for the West Hollywood station and will provide operational effectiveness with improved response time in deploying law enforcement services within the unincorporated Los Angeles County areas between the West Hollywood station and Universal Studios CityWalk. Having the substation on the NBC Universal property will allow deputies to quickly address citizen's concerns, provide increased response times, and foster a safe environment for the public. The presence of the substation also enhances the Sheriff's' continued visibility at a worldwide attraction to deter on-site crime at the theme park and CityWalk attractions.

The proposed lease will house approximately 31 employees and will include 12 workstations, an armory, a temporary detention area, and other support spaces. The Sheriff provides general law enforcement services which requires deputies and personnel to be physically present on-site to provide services. Due to the direct services provided to the public within the unincorporated area, theme park, and CityWalk guests, teleworking for this requirement is not a suitable option.

The property is near public transportation and is accessible from the 101 freeway.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 3 – *“Realize Tomorrow’s Government Today”* – ensures we provide an increasingly dynamic and complex environment, challenges collective abilities to respond to public needs and expectations. LA County is an innovative, flexible, effective, and transparent partner focused on advancing the common good & being fiscally responsible.

The proposed lease is also consistent with the Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions; and Key Objective No. 4 – Guide Strategic Decision - Making.

The proposed lease supports the above goals and objective by providing the Universal City Sheriff's Substation with appropriate office space to provide public safety, improve response time, and improve operational effectiveness in a facility which is centrally located and accessible for employees and guests of the theme park and other CityWalk attractions.

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

FISCAL IMPACT/FINANCING

This is a gratis lease throughout the lease term. The aggregate cost associated with the proposed lease over the entire term, including low voltage costs, is \$320,000 as shown in Enclosure B. The proposed lease costs will be fully funded 100 percent by NCC. Sheriff will not be requesting additional NCC for this action.

Upon approval of the proposed lease, it is the Sheriff's intent to finalize equipment installation and testing, obtain final approval for occupancy from the Board of State and Community Corrections for the detention area, and operate the substation as cost-neutral. However, they may be one-time and ongoing costs to transition to, operate, and maintain the completed substation. All Sheriff personnel assigned to this substation are existing budgeted items, fully funded, and assigned to the West Hollywood Sheriff's Station or located within the existing storefront CityWalk offices.

At this time, it is anticipated that the Sheriff will incur minimal expense due to project components such as the onsite emergency generator servicing the premises. These minimal expenses include fueling for the onsite generator, maintenance and repairs to permanent lock cores and low voltage items, and janitorial services to secure areas within the substation such as the detention and armory. Funding for these costs will be addressed through the annual budget process for the Sheriff.

Upon approval of the proposed lease and occupancy of the newly constructed substation, there will be existing Sheriff's personnel located within the West Hollywood Sheriff's Station and the existing CityWalk offices moved into the newly constructed substation. During that transition period, the levels of services are not anticipated to change drastically. There are no additional operating costs associated with the planned move transition activities with Sheriff personnel from the existing CityWalk offices, the West Hollywood Sheriff's Station, into the newly constructed substation.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed lease also includes the following provisions:

- There is no monetary consideration for the proposed lease and rent will be gratis.
- There are no tenant improvement costs to the County. The Landlord constructed the building at no cost to the County.
- The County will pay an amount not-to-exceed \$320,000 for the lump sum cost of the Low-Voltage Items.
- The Landlord is responsible for all operating and maintenance costs of the building and all utilities and janitorial costs in public, non-secured areas. The County is responsible for maintenance and repair of restricted areas in the Premises, generators serving the Premises, telecommunication items, access controls for the secured parking lot, and other items as outlined in the proposed lease.
- There are 42 on-site parking spaces at the secured lot included at no additional cost.
- The Landlord shall maintain the electric vehicle chargers located on the secured lot and the County's employees and guests shall have the right to use such electric vehicle chargers subject to payment for charging at the rate charged to the Landlord's employees. The County, at its sole expense, shall have the right to replace and/or install its own electric vehicle chargers and install a sub-meter to monitor and reimburse the Landlord for its utility usage.
- The County does not have the right to terminate the proposed lease early. In the event the County ceases to be the law enforcement agency having primary authority over Universal City, the Landlord shall have the right to terminate the proposed lease at any time following such event by giving the County 180 days' prior written notice.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions and rent will remain at no cost.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease. The lease will commence on the first day of the first calendar month after the effective date and terminate on April 30, 2038.

The Chief Executive Office did not issue a flyer soliciting proposals for available space and did not conduct a market search of available space. The Landlord is providing the

substation at no cost to the Sheriff as required as part of its Mitigation Monitoring and Reporting Program (MMRP) to comply with the CEQA. The MMRP required the Landlord to provide a new facility for the shared use of the Sheriff and Universal CityWalk's corporate security. The Landlord presented the site to the Sheriff and the Sheriff determined the site meets their operational requirements. We recommend the Premises as the most suitable to meet the County's space requirements.

Co-working space is not suitable for the Sheriff to provide its public facing and law enforcement services.

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

Construction of the tenant improvements was completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act. The proposed lease is in unincorporated Los Angeles County and the required notification letter to the City in accordance with Government Code Section 25351 was not required.

County Counsel has reviewed the proposed lease and has approved it as to form. The proposed lease is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government.

The proposed lease will provide a suitable office location for Sheriff's Universal City Substation, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

On April 23, 2013, the Board adopted the County's CEQA Findings of Fact and Statement of Overriding Considerations and certified and adopted Certified County's Mitigation Monitoring and Reporting Program. The County acting as a responsible agency pursuant to the CEQA, considered the effects of the Project as shown in the Environmental Impact Report (EIR) (State Clearinghouse No. 2007071036) prepared for the Project by the City of Los Angeles as the lead agency and certified by the City on November 14, 2012; and made a finding that, on the basis of the whole record that the significant adverse impacts of the Project, as described in the certified EIR, have either been reduced to a level of less than significant, or for those impacts that are significant and unavoidable, have been reduced to an acceptable level and are outweighed by specific social, economic, legal, technological, or other considerations of the Project as stated in the County's CEQA Findings and SOC. The impacts of the recommended actions are within the scope of the project impacts analyzed in the EIR.

The Honorable Board of Supervisors

October 22, 2024

Page 6

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will adequately provide the necessary office space, and parking spaces for this County requirement. The Sheriff concurs with the proposed lease and recommendations.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

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

Enclosures

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

**SHERIFF'S DEPARTMENT
100 UNIVERSAL CITY PLAZA, UNIVERSAL CITY**

Asset Management Principles Compliance Form¹

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ² This is a proposed substation and does not have administrative functions.			X
B	Does lease co-locate with other functions to better serve clients? ² Due to safety reason other functions are not co-located.		X	
C	Does this lease centralize business support functions? ²	X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² The ratio is 419 sq. ft. per person due to holding cells, detention area, interview rooms. This is not office space and is a substation.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² Based on 42 spaces parking ratio is 3.23/1,000 RSF.		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? The Sheriff will be funded 100 percent by net County cost that is already included in Sheriff's existing budget.	X		
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report enclosed as Enclosure C?	X		
G	Was build-to-suit or capital project considered? ²			X
3. <u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. <u> X </u> The program clientele requires a "stand alone" facility.			
	2. <u> X </u> No suitable County occupied properties in project area.			
	3. <u> X </u> No County-owned facilities available for the project.			
	4. <u> </u> Could not get City clearance or approval.			
	5. <u> </u> The Program is being co-located.			
E	Is lease a full-service lease? ² County is responsible for certain maintenance responsibilities		X	
F	Has growth projection been considered in space request?		X	
G	¹ Has the Dept. of Public Works completed seismic review/approval?		X	
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

**SHERIFF'S DEPARTMENT
SPACE SEARCH – 5 MILE RADIUS
100 UNIVERSAL CITY PLAZA, UNIVERSAL CITY**

Property ID	Name	Address	Ownership Type	Gross Sq Ft	Net Sq Ft	Vacant
A137	Public Defender - Hollywood Office	6464 Sunset Blvd Los Angeles 90028	Leased	6000	5700	None
5873	PH - North Hollywood Public Health Center	5300 Tujunga Ave North Hollywood 91601	Owned	7511	4286	None
3969	Hollywood Bowl - Administration Building	2301 N Highland Ave Los Angeles 90068	Owned	5137	4369	None
A501	Burbank Adult Protective Services Reg I	2501 W Burbank Blvd Burbank 91502	Leased	5702	5132	None
X014	PH - Burbank Public Health Center	1101 W Magnolia Blvd Burbank 91502	Owned	5864	3570	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Sheriff's Department – 100 Universal City Plaza, Universal City – Fifth District.

A. Establish Service Function Category – Universal City Substation

B. Determination of the Service Area – The substation will provide improved response time in deploying officers within the areas between the West Hollywood Station and Universal City. Having the substation at Universal City Walk will allow deputies to quickly address citizen's concerns, increases response times, and ensure a safe environment for the public and international guests.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The substation will serve the communities between the West Hollywood Station and the areas around Universal City.
- Need for proximity to existing County facilities: **N/A**
- Need for proximity to Los Angeles Civic Center: **N/A**
- Economic Development Potential: **N/A**
- Proximity to public transportation: The location is adequately served by local transit services and is accessible from the 101 freeway.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Sheriff's service needs.
- Compatibility with local land use plans: The proposed County use is consistent with its use and zoning for space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the entire term is \$320,000.

D. Analyze results and identify location alternatives

CEO did not issue a flyer soliciting proposals for available space and did not conduct a market search of available space. The Landlord provided the substation at no cost to the Sheriff as required as part of its Mitigation Monitoring and Reporting Program (MMRP) to comply with the California Environmental Quality Act (CEQA). The MMRP required the Landlord to provide a new facility for the shared use of the Sheriff and the Universal CityWalk's corporate security. The Landlord presented the site to the Sheriff and the Sheriff determined the site meets their operational requirements. We recommend the Premises as the most suitable to meet the County's space requirements.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

The proposed lease will provide adequate and efficient office space for approximately 31 employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

LEASE AND AGREEMENT
(Sheriff's Substation)

THIS LEASE AND AGREEMENT (this "Lease") is made and entered into as of this _____ day of _____ (the "Effective Date") by and between UNIVERSAL STUDIOS LLC, a Delaware limited liability company (hereinafter referred to as "Universal"), and the COUNTY OF LOS ANGELES, a body corporate and politic (hereinafter referred to as "County").

1. DESCRIPTION OF PREMISES

Universal, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by County, upon the following terms and conditions, hereby leases to County, and County does hereby lease from Universal, those certain premises located within 100 Universal City Plaza, Building 7572 (the "Building"), Universal City, in the County of Los Angeles, State of California, as shown on Exhibit "A" as "LASD Priority", "LASD Restricted", and "LASD Exclusive" (the "Premises"). County and Universal acknowledge and agree that (a) for the avoidance of doubt, the Premises do not include the areas noted as "NBCU Exclusive" on Exhibit "A" (the "Universal Exclusive Space"); (b) the areas within the Building noted as "NBCU/LASD Shared" on Exhibit "A" constitute a part of the Common Areas (as hereinafter defined) used by both County and Universal; and (c) the areas within the Building noted as "LASD Priority" on Exhibit "A", and their respective appurtenant areas, while part of the Premises also constitute shared space for use by both County and Universal (the "Shared Space"), provided that County shall have a priority right to use the Shared Space and provided, further, that County shall permit Universal to use the Shared Space upon Universal's request so long as County is not using the requested Shared Space during the requested time. In conjunction with the Premises, County shall have exclusive use of the secured parking lot (the "Secured Lot"), as designated on Exhibit "B". Additionally, County shall have the non-exclusive right to use all areas and facilities outside the Premises in the immediate vicinity of the Building that are provided and designated by Universal from time to time for the general non-exclusive use by Universal, County, other occupants of the Building, and their respective employees, suppliers, shippers, customers, contractors and invitees, including, without limitation, the guest parking area, walkways, and landscaped areas (collectively, the "Common Areas").

2. TERM

The term of this Lease (the "Term") shall commence on the first day of the first calendar month following approval of this Lease by the Board of Supervisors (as defined below) and full execution of the Lease by both parties (the "Commencement Date") and terminate on April 30, 2038, subject to earlier termination as provided herein. County acknowledges and agrees that Universal shall have the right to use the Shared Space, and otherwise access the Premises for general maintenance purposes, until County takes possession thereof, which delivery of possession shall not occur until the later of (i) the Commencement Date, and (ii) the date the Board of State and Community Corrections ("BSCC") inspects and approves use of the areas designated as "LASD Restricted" (the "Possession Date"). County shall have access to the Premises after the Commencement Date but prior to the Possession Date for the sole purpose of installing any necessary network equipment. Such access shall be coordinated with Universal and be subject to the terms and conditions of this Lease. If the Possession Date does not occur within six (6) months of the Commencement Date, then Universal may terminate this Lease effective immediately upon written notice to County.

3. RENT

County shall have no obligation to pay rent during the Term.

4. EARLY TERMINATION

In the event that County ceases to be the law enforcement agency having primary authority over Universal City, Universal shall have the right to terminate this Lease at any time following such event by giving County One Hundred Eighty (180) days' prior written notice.

5. HOLDOVER

If County holds over beyond the end of the Term, such tenancy shall be from month-to-month only, subject to the terms and conditions of this Lease, and shall not be a renewal or extension of the Term (beyond such month-to-month tenancy). Either party may, during the holdover, cancel and terminate this Lease by giving the other party at least ninety (90) days' prior written notice.

6. USE

The Premises, together with the appurtenances thereto belonging or in any way appertaining, shall be used by County only as a Los Angeles County Sheriff's Department substation and for no other purposes. County agrees it will not use the Premises for the detention of any person until a certificate of occupancy for the areas designated as "LASD Restricted" on Exhibit "A" and their respective appurtenant areas is obtained. County acknowledges and agrees that the Universal Exclusive Space is exclusive to Universal and County has no rights related thereto.

7. COUNTY'S PROPERTY

Universal agrees that County may remove, at County's own expense, during or at the expiration of the Term or other termination of this Lease, all equipment and all other personal property purchased by County and placed or installed in or upon the Premises ("County Personality"). County agrees that County shall not remove from the Premises any of the equipment and personal property purchased by Universal and placed or installed in or upon the Premises, which equipment and personal property shall constitute "Universal Personality".

8. MAINTENANCE, TAXES AND UTILITIES

Universal shall keep and maintain the Building in good condition, ordinary wear and tear excepted, and pay for all utilities, taxes and provide all repair and maintenance service, including, without limitation, custodial service, within the Premises, the Common Areas and the Shared Space, at Universal's sole cost and expense, subject to the following exceptions and provisos:

8.1 County shall be solely responsible for all maintenance service (including, without limitation, custodial service) and repair of the "areas noted as "LASD Restricted" on Exhibit "A" and Universal shall have no responsibility for maintaining or repairing such areas except that Universal shall maintain, repair and, as necessary, replace the code signage, exit signs and fire extinguishers subject to obtaining access to such areas from County.

8.2 County shall be solely responsible to obtain and pay for its telecommunications

and internet services.

- 8.3 County shall be solely responsible to maintain, repair and, as necessary, replace the generator serving the Premises.
- 8.4 County shall be solely responsible to maintain, repair and, as necessary, replace the permanent lock cylinders and the low voltage cabling and conduit located within the Premises.
- 8.5 County shall be solely responsible to procure (to the extent not already provided as of the Commencement Date), maintain, repair and, as necessary, replace its security and surveillance, radio, and intercom systems and equipment.
- 8.6 County shall be solely responsible (subject to applicable manufacturer's warranties) to maintain, repair and, as necessary, replace all of the other County Personalty and Universal Personalty. County acknowledges and agrees that if it needs to repair any Universal Personalty, such Universal Personalty shall remain Universal Personalty. If County needs to replace any Universal Personalty, such replacement shall be County Personalty, provided that if Universal in its sole discretion elects to replace any Universal Personalty, then such replacement shall be Universal Personalty.
- 8.7 County shall be solely responsible to maintain, repair and, as necessary, replace the access control(s) for the Secured Lot. For the avoidance of doubt, Universal shall maintain the electric vehicle chargers located on the public lot outside of the Building and County's employees and guests shall have the right to use such electric vehicle chargers subject to payment for charging at the rate charged to Universal's employees. Subject to Universal's prior written consent and otherwise in accordance with Section 9 below, the County, at its sole expense, shall have the right to replace and/or install its own electric vehicle chargers on the Secured Lot and install a sub-meter to monitor and reimburse the Universal for its utility usage.
- 8.8 County shall cooperate with Universal in Universal's efforts to ensure that the property taxes with respect to the Premises are properly assessed.
- 8.9 If County or any person at the Premises as a result of County's use of the Premises causes damage to any one or more of the Premises, the Secured Lot, the Shared Space, the Common Areas, the Building structure or the Building systems, County shall reimburse Universal the cost of repairing such damage, within thirty (30) days of Universal submitting an invoice(s) evidencing the cost of such repair to County.

9. ALTERATIONS OR RENOVATION

County shall not make any modifications, improvements, additions, renovations or alterations (collectively, "Alterations") to the Premises or add any signage anywhere on the exterior of the Building or on the property on which the Building is located, in each case, without Universal's prior written consent, which Universal may grant or withhold in its sole discretion; provided that, the foregoing notwithstanding, (a) County may make non-structural Alterations to the interior of the Premises (excluding the roof) without Universal's prior written consent but with prior written notice to Universal, as long as such non-structural Alterations (i) are not visible from the outside of the Premises, (ii) do not involve puncturing, relocating or removing the roof or any existing walls, (iii)

will not affect the electrical, plumbing, HVAC and/or life safety systems, (iv) do not trigger the requirement for additional modifications and/or improvements to the Premises or the Building in order to comply with law (including, without limitation, accessibility laws), and (v) the cost of any such Alteration does not exceed Ten Thousand Dollars (\$10,000) individually and the cumulative cost of such Alterations does not exceed Fifty Thousand (\$50,000) in any twelve-month period, and (b) if any Alteration is required to cause the Premises to comply with applicable Federal, state or local laws regarding law enforcement facilities (such as, for example, laws regarding holding cells), Universal shall not unreasonably withhold, delay or condition its consent to such Alteration. All signage and any Alterations which require Universal's consent shall be presented to Universal in written form with detailed plans and consent shall be conditioned upon County's (i) acquiring all applicable governmental permits, (ii) furnishing Universal with copies of the permits and the final construction plans and specifications, all prior to commencing the constructions of the Alterations, (iii) compliance with all conditions of said permits and all other applicable laws, and (iv) upon Universal's request, providing payment and performance bonds in the amount of 150% of the estimated cost of the Alterations or signage, as applicable. Within thirty (30) days after completion of any Alterations, County shall deliver to Universal the as-built plans and specifications for such Alterations.

County shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for County at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises, the Building or any interest therein. County shall give Universal not less than ten (10) days' notice prior to the commencement of any work in, on or about the Premises, and Universal shall have the right to post notices of non-responsibility. If County shall contest the validity of any such lien, claim or demand, then County shall, at its sole expense, defend and protect itself, Universal and the Building against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Universal shall require, County shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Universal against liability for the same.

10. PARKING SPACES

Universal shall provide the Secured Lot for County's exclusive use during the Term.

11. ACCESS

Universal shall have free access to the Premises for any reasonable purpose, including, without limitation, inspection and maintenance or repair, provided when accessing the areas designated as "LASD Restricted" and "LASD Exclusive" on Exhibit "A", Universal shall provide at least forty-eight (48) hours prior written notice (which may be via email), and Universal and its vendors and contractors shall at all times be accompanied by a member of County's staff (except in the case of an emergency where a member of County's staff is not immediately available). Notwithstanding the foregoing or any language to the contrary contained within this Lease, all Universal vendors and contractors accessing the areas designated as "LASD Restricted" and "LASD Exclusive" on Exhibit "A" unaccompanied by a member of County's staff (except in the case of an emergency where a member of County's staff is not immediately available) shall be required to go through the Sheriff's background check process, which requires, but is not limited to, an interview, completion of forms/documentation, submittal of personal identification. Universal shall not be held liable for failing to timely perform its obligations under this Lease to the extent such delay is caused by the Sheriff's background check process. With respect to any background checks performed by or on behalf of County, County represents and warrants that County and its vendors

shall (i) only use data collected for the purpose of (a) determining eligibility to have access to the areas designated as "LASD Restricted" and "LASD Exclusive" on Exhibit "A", and (b) as otherwise required by law, (ii) restrict access to background check data to only those employees that have a need to know, and (iii) only retain background check data as required by law.

12. SURRENDER OF DEMISED PREMISES

Upon expiration or termination of this Lease, County shall surrender the Premises and remove from the Premises all of County's personnel and County Personalty and repair any damage resulting from such removal and leave the Premises and the Universal Personalty in substantially as good condition as when County took possession of the Premises, except for reasonable wear and tear. County shall not remove any Universal Personalty without the prior written consent of Universal.

13. INSURANCE

Commencing on the Effective Date and at all times during the Term, County shall maintain a program of insurance coverage as described below.

- 13.1 Commercial general liability insurance (and/or excess umbrella liability) written on an occurrence form with a combined single limit of not less than Five Million Dollars (\$5,000,000.00) per occurrence in the aggregate on a per location basis. Said policy must be written on the current ISO Commercial Liability occurrence form or broader, with no additional exclusions, and must include:
 - primary, not contributing coverage
 - blanket contractual liability
 - property damage
 - personal/advertising injury
- 13.2 Statutory workers' compensation, including employer's liability insurance, with a limit of not less than One Million Dollars (\$1,000,000) per accident.
- 13.3 Automobile liability insurance written on an occurrence form with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence covering for all owned, non-owned and hired vehicles.
- 13.4 Business interruption insurance covering County's anticipated continuing expenses (including Rent) for a period of at least twelve (12) months.
- 13.5 In the event that County will store, use, or otherwise introduce potential hazardous or toxic materials (including but not limited to pollutants such as solvents, cleaners, particulates, cooking oils, or hydraulic fluids) onto the Premises, County will first obtain Universal's written consent and County shall maintain pollution liability insurance with a limit not less than Five Million Dollars (\$5,000,000).
- 13.6 Universal may by notice to County given from time to time require additional types and/or higher limits of insurance coverage as Universal may reasonably specify as being appropriate that are commonly insured against in the case of business operations similar to those contemplated by this Lease.

County may cause any of the policies which it maintains to carry such deductibles as are commercially reasonable, which deductibles shall be disclosed to Universal and shall be subject to Universal's approval, which approval shall not be unreasonably withheld. County shall be responsible for the payment of any and all deductibles or self-insured retentions included in County's insurance policies. Insurance required herein shall be by companies licensed to do business in California and maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide". Each of County's liability insurance policies shall contain an endorsement naming Universal as an additional insured under such policy. County shall cause its liability insurance carriers to waive any right to subrogation that such carriers may have against Universal and such additional individuals or entities as Universal may from time to time designate.

No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Universal. County shall, at least ten (10) days prior to the expiration of such policies, furnish Universal with evidence of renewals or "insurance binders" evidencing renewal thereof. Such policies shall be for a term of at least one year, or the length of the remaining Term of this Lease, whichever is less.

Notwithstanding the foregoing or any language to the contrary contained within this Lease, the County at its sole option, may satisfy all or any part of the above insurance requirements through use of a program of self-insurance. County agrees to deliver to Universal upon execution of this Lease, original certificates of insurance evidencing the insurance coverages herein specified and/or a letter evidencing any self-funding satisfying those coverages.

14. INDEMNIFICATION: LIMITATION OF LIABILITY

14.1 County agrees to indemnify, defend, and hold harmless the Premises, Universal, its parent and subsidiary entities, and each of their respective officers, members, employees and agents (collectively, the "Indemnified Parties") from and against any and all liabilities, expenses (including, without limitation, defense costs and legal fees), claims, damages, liens, judgments and/or penalties (collectively, "Claims"), of any nature whatsoever, arising from, involving or connected with (a) County's use or occupancy of the Premises, the Secured Lot, the Common Areas and/or the Shared Space or (b) County's breach of this Lease. If any action or proceeding is brought against any one or more of the Indemnified Parties by reason of any of the foregoing matters, County shall upon notice defend the same at County's expense by counsel reasonably satisfactory to Universal and the Indemnified Parties shall cooperate with County in such defense. An Indemnified Party need not have first paid any such Claim in order to be defended or indemnified. This indemnification shall not apply where the Claim results solely from the gross negligence or willful misconduct of an Indemnified Party. The provisions of this Section 14 shall survive the expiration or earlier termination of this Lease.

14.2 Each party to this Lease acknowledges and agrees that exemplary or punitive damages shall not be recoverable under any circumstance for any claim arising from or relating to the Lease. County further acknowledges and agrees that its sole remedy for any breach of this Lease by Universal shall be monetary damages (i.e., the recovery of actual damages caused by that breach (if any)), which shall be limited solely to Universal's interest in the Building.

15. AS-IS

Universal endeavors to maintain its property and facilities in good and safe operating condition and repair, but Universal has not made and does not make, and specifically disclaims, any representations or warranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future of, as to, concerning or regarding the Premises or the Building or any portion thereof in any respect. By its execution of this Lease, County acknowledges, represents and agrees that it has accepted the Premises on an as-is, where-is basis and that the Premises are satisfactory to it. Universal shall not be liable, in damages or otherwise, for any discontinuance, failure or interruption of service to the Premises or the Common Areas of utilities, networks, or of any heating, air-conditioning or other building system. Notwithstanding any of the foregoing, County shall not be deemed to have accepted the Premises on an as-is, where-is basis and that the Premises are satisfactory to it, until such time as the BSCC inspects and approves use of the areas designated as "LASD Restricted."

16. OBSERVATION OF RULES, REGULATIONS AND LAWS

- 16.1 County agrees that County's action and conduct and use of the Premises will not violate the rules, regulations, laws, or ordinances of any Federal, state or local governmental agencies with jurisdiction over the Premises or County's activities or County's use of the Premises, including, without limitation, any state or Federal environmental, occupation safety and health acts, and the Universal Studios Specific Plan (County Code Section 22.46.2000 et seq.) to which the Building and Premises are subject.
- 16.2 County shall not permit any person or persons to enter or remain on the Premises, except in their capacity as employees, agents, representatives or invitees of County.
- 16.3 County shall ensure that it appropriately staffs the Premises at any time that individuals are being detained.

17. DEFAULT

17.1 County Default.

- (a) The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by County ("Default"):
 - (i) the failure by County to pay when due any sum required to be paid hereunder (except to the extent an offset is expressly permitted hereunder), where such failure continues for a period of ten (10) days after written notice to County;
 - (ii) the failure by County to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure continues for a period of thirty (30) days after written notice from Universal specifying in detail the nature of the failure; provided, however, if more than thirty (30) days are reasonably required for its cure then County shall not be deemed to be in Default if County commences such cure within said thirty (30)-day period and

thereafter diligently prosecutes such cure to completion.

- (b) County agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Universal to terminate this Lease immediately upon the giving of written notice to County. In addition thereto, Universal shall have such other rights or remedies as may be provided by law or in equity.
- (c) Nothing in this Section shall be deemed to affect either Universal or County's right to indemnification under any indemnification clause or clauses set forth in this Lease.

17.2 Universal Default. If Universal shall fail to observe or perform any of the covenants, conditions or provisions of this Lease, and such failure shall continue for a period of thirty (30) days after written notice from County specifying in detail the nature of the default (provided, however, if more than thirty (30) days are reasonably required for its cure then Universal shall not be deemed to be in default if Universal commences such cure within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion), then Universal shall be liable to County for damages sustained by County as a result of Universal's breach, exclusive of consequential, special, punitive or indirect damages and subject to any other limitations set forth herein.

18. INTERRUPTION: FORCE MAJEURE

The failure of either party hereto to comply with the terms and conditions hereof because of an act of God, strike, labor troubles, war, fire, riot, earthquake, act of public enemies, actions of governmental authorities (federal, state or local) other than County, unavailability of power, transportation, materials, or for any other reason beyond the reasonable control of such party, shall not be deemed a breach of this Lease. In any such event, such compliance shall be postponed for a period not longer than the aggregate periods of such contingencies. If any such contingency shall continue for more than sixty (60) days, either Universal or County shall have the right to terminate this Lease by giving written notice of such termination to the other party.

19. NON-WAIVER OF BREACH

A waiver by either Universal or County of any of the terms and conditions of this Lease, in any one instance, shall not be deemed or construed to be a waiver of such terms or conditions for the future, or any subsequent breach thereof.

20. NOTICES

All notices to be given hereunder shall be in writing and given by either Universal or County by prepaid certified or registered mail (return receipt requested), or by nationally recognized overnight courier, or by personal delivery to the following:

Universal: Universal Studios LLC
100 Universal City Plaza
Building 5511/6
Universal City, CA 91608-1002
Attention: Senior Vice President, Legal and Business Affairs

County: County of Los Angeles
Chief Executive Office - Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

With a copy to: County of Los Angeles
Office of the County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street, Suite 648
Los Angeles, CA 90012-2713
Attention: Property Division

Any notice shall be deemed given at the time of delivery (or when delivery is refused). Either party may change its said address by written notice to the other in accordance with the provisions of this paragraph.

21. **RELATIONSHIP OF PARTIES**

Nothing herein contained shall be construed as creating the relationship of joint venturers, principal and agent or employer and employee between Universal and County.

22. **ASSIGNMENT**

County shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "Assign") this Lease to anyone or sublet all or any part of County's interest in this Lease or in the Premises to anyone, in any case without Universal's prior written consent, which Universal may grant or withheld in Universal's sole discretion. If County Assigns this Lease or sublets its interest in this Lease or in the Premises without Universal's prior written consent, Universal may, at Universal's election, treat such breach of this Lease as a curable default subject to Section 17 above or as a non-curable default allowing Universal's to terminate this Lease and to exercise its other remedies at law or in equity. Subject to the foregoing, this Lease and its terms and conditions shall be binding upon and shall inure to the benefit of the successors in interest to the parties hereto to the extent permitted by applicable law.

23. **GOVERNING LAW**

This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

24. **SEPARABILITY**

A provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

25. **HEADINGS**

The headings of the Sections of this Lease are for the guidance of the reader only, and they shall not be deemed controlling in construing the contents of the respective paragraphs and subparagraphs.

26. **AUTHORITY**

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind County to the terms included herein. Universal understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Universal may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for County Alterations or other project costs of Universal which are subject to reimbursement by County. County shall not reimburse Universal for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of County hereunder which does not have the effect of increasing financial obligations of County under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual who executes this Lease on behalf of either party hereto expressly represents and warrants that he/she has full and complete authority to do so, knowing the other party intends to rely solely thereon.

27. **ENTIRE AGREEMENT**

This Lease shall be construed in accordance with the laws of the State of California. No provision hereof may be waived or modified except by a writing signed by both parties. This Lease represents the entire understanding of the parties and supersedes all prior written or oral agreements between them with respect to this matter.

28. **ACCESSIBILITY**

The Premises have undergone an inspection by a Certified Access Specialist (CASp). County acknowledges that it received a copy of the inspection report at least forty-eight (48) hours prior to executing this Lease and agrees to keep such report confidential. Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon the specific use of the Premises, Universal makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation.

29. **DAMAGE AND DESTRUCTION**

In the event that the Premises are damaged or destroyed to the extent of twenty-five percent (25%) or more of the physical area or the value of the Premises, unless caused by a willful or negligent act of County (in which event County shall make the repairs at County's expense), Universal may either (a) repair the damage as promptly as reasonably possible at Universal's expense, in which case this Lease shall continue in full force and effect or (b) terminate this Lease by giving written notice to County within thirty (30) days after Universal determines the scope of the damage, which termination shall be effective thirty (30) days following the date of such notice.

30. **CONDEMNATION**

If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than twenty-five percent (25%) of the Premises is taken by Condemnation, either of County or Universal may, at its option, to be exercised in writing prior to the condemning authority taking possession, terminate this Lease as of the date the condemning authority takes such possession. If neither party terminates this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining. Condemnation awards and/or payments shall be the property of Universal, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that County shall be entitled to any compensation paid by the condemner for County's relocation expenses and loss of County Personality affixed to the Premises, without regard to whether or not this Lease is terminated pursuant to the provisions of this paragraph. In the event that this Lease is not terminated by reason of the Condemnation, Universal shall repair any damage to the Premises caused by such Condemnation.

31. **QUIET ENJOYMENT**

Universal agrees that so long as County is not in Default under this Lease, Universal shall not interfere with County's quiet possession and enjoyment of the Premises during the Term of this Lease, subject to Universal's rights and obligations with respect to the Premises and the other terms and conditions under this Lease.

32. **COMMUNITY BUSINESS ENTERPRISE**

Universal will complete and deliver to County concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit "D" attached hereto.

33. **CONSIDERATION OF GAIN PROGRAM PARTICIPANTS**

Should Universal require additional or replacement personnel that regularly service the Premises after the Commencement Date, Universal shall give consideration for any such employment openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Universal's minimum qualifications for the open position. The County will refer GAIN participants by job category to Universal. Universal's failure to comply with this Section 33 shall not be considered a default under this Lease nor shall Universal incur any liability as a result thereof.

34. **SOLICITATION OF CONSIDERATION**

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Universal will immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Auditor-Controller's

Employee Fraud Hotline at (800) 544-6861.

Universal hereby represents and warrants that it has not provided, and will not provide, any financial benefits to any County official, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of this Lease. Universal hereby agrees that if it violates any of the terms of this Section, then the County may declare this Lease null and void, and the County reserves the right to exercise any and all other remedies available under applicable law.

[Signature Page Follows]

Exhibit A
(attached)

IN WITNESS WHEREOF, the parties have executed this Lease as of the day, month and year first written above.

UNIVERSAL STUDIOS LLC,
a Delaware limited liability company

By:  _____
DocuSigned by:
42BA5217A0824C6...
Scott Strobl
EVP and General Manager

COUNTY

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer


ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:






DAWYN R. HARRISON
County Counsel

By:  _____
Roberto Saldana
2024.09.03 08:50:41
-07'00'

Senior Deputy



LEGEND

-  NBCU/ LASD SHARED
-  NBCU EXCLUSIVE
-  LASD PRIORITY
-  LASD RESTRICTED
-  LASD EXCLUSIVE

1 FLOOR PLAN
SCALE: 1/16" = 1'-0"

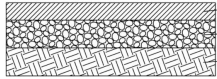
Exhibit B
(attached)

HOA.104675515.5

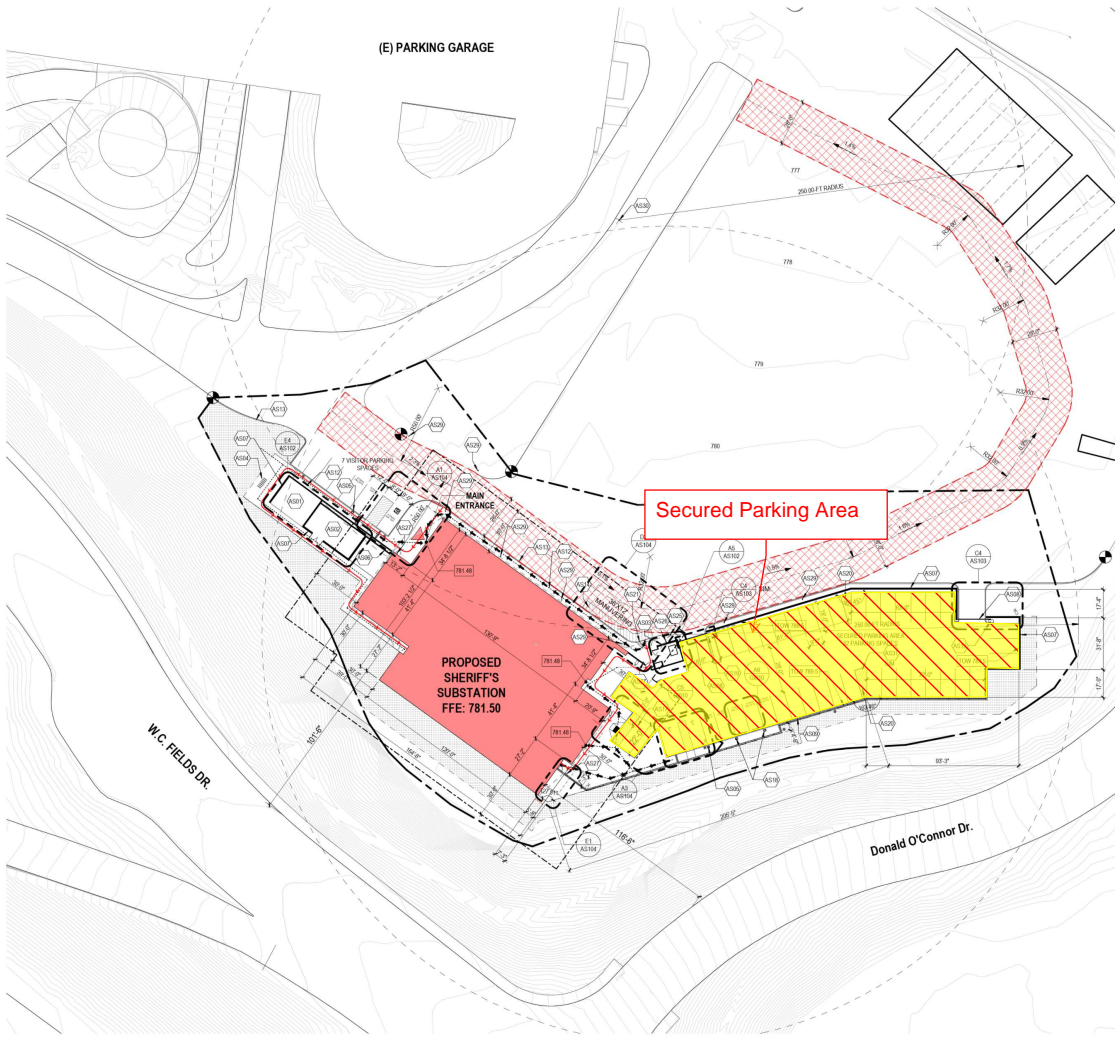
EXHIBIT B

NBCUniversal:8640544v13

PAVEMENT SECTION	AC THICKNESS (INCHES)	AB THICKNESS (INCHES)	FULL DEPTH ASPHALT (INCHES)
Asphalt Pavement @ Roadway (vehicular)	4.0	10.5	8.1



F1 ON-SITE ASPHALT PAVEMENT SECTION
SCALE: 1/2" = 1'-0"



A1 SITE PLAN - OVERALL REMODEL
SCALE: 1" = 30'-0"

Parking Type	Reference Code	Min. Code Req'd	Provided
Down-street parallel	County of Los Angeles Regulation	14/20	6
ADA (25' Vehicle Spaces Provided)	CDC 119.208	Space #	2
ADA Van Parking	CDC 119.208.2.4	Space #	1
Standard Parking		Space #	4
(15' Vehicle Spaces Provided)	CDC Title 5.306.3.2	Space #	0
(15' Van Spaces Provided)	CDC Title 5.306.3.3	Space #	3
ADA Van (Van Min)	CDC 119.208 & CDC Title 5.306.3.2.1	Space #	1

PARKING CALCULATION			
Parking Type	Reference Code	Min. Code Req'd	Provided
Down-street parallel	County of Los Angeles Regulation	14/20	31
ADA (25' Vehicle Spaces Provided)	CDC 119.208	Space #	2
ADA Van Parking	CDC 119.208.2.4	Space #	1
Standard Parking	CDC 119.208	Space #	28
(15' Vehicle Spaces Provided)	CDC Title 5.306.3.2	Space #	3
(15' Van Spaces Provided)	CDC Title 5.306.3.3	Space #	3
ADA Van (Van Min)	CDC 119.208 & CDC Title 5.306.3.2.1	Space #	1

Not required. Not accessible to public. CDC 119.208.2.2. Item 2. Three Van Spaces per CODE 5.306.3.2 & Title 5.306.3.3.
* ADA Van spaces is included as the 'Van' portion of required ADA spaces, no less than one Van space.
** Van spaces required.

- GENERAL NOTES**
1. CLEARANCE OF TREES AND VEGETATION SHALL BE MAINTAINED PER FIRE CODE 502.
 2. ALL RISKY COVERAGE SHALL BE MAINTAINED PER BUILDING CODE 905.11.
 3. PORTABLE FIRE EXTINGUISHER REQUIREMENTS SHALL BE DETERMINED BY FIRE DEPARTMENT FIELD INSPECTOR IN ACCORDANCE WITH FIRE CODE 1003.
 4. FIRE DEPARTMENT VEHICULAR ACCESS ROADS MUST BE MAINTAINED AS A REQUIREMENT NUMBER PRIOR TO AND DURING THE TIME OF CONSTRUCTION. FIRE CODE 502.4.
 5. FIRE DEPARTMENT (OR OTHER APPROVED) FIREWORKS OR MARKERS THAT INCLUDE THE WORDS NO PARKING, FIRE CODE 502.4 SHALL HAVE A MINIMUM WIDTH OF 36 INCHES WIDE BY 36 INCHES HIGH AND HAVE RED LETTERING ON IT. THESE MARKERS SHALL BE PROVIDED FOR FIRE DEPARTMENT ACCESS ROADS TO PREPARE THE FIRE DEPARTMENT TO PROCEED TO THE PROHIBITED AREA AT INTERLUDES, AS REQUIRED BY FIRE CODE 1003.2.
 6. THE REQUIRED FIRE FLOW IS BASED ON THE FOLLOWING: THE REQUIRED FIRE FLOW CALCULATION AND A FLOW ALLOCATION. THE FIRE FLOW ALLOCATION AND FLOW CALCULATION AREA IS 25000SF REDUCTION OF THE FIRE DEPARTMENT FLOW REQUIRED FOR FIRE FLOW REQUIRED. REQUIRED FIRE FLOW FOR C200 WILL BE 2000 GPM AT 150 PSI.
 7. THE REQUIRED FIRE FLOW FOR A SINGLE PRIVATE ON-SITE FIRE HYDRANT AT THE LOCATION OF THE FLOW IS 2500 GPM. THE REQUIRED FIRE FLOW IS BASED ON THE REQUIRED FIRE FLOW IS 2500 GPM. THE REQUIRED FIRE FLOW IS 2500 GPM. THE REQUIRED FIRE FLOW IS 2500 GPM.
 8. ALL FIRE HYDRANTS SHALL BE INSTALLED IN ACCORDANCE WITH APPENDIX TABLE 809.1 - FIRE CODE 509.
 9. ALL FRESH WATER SHALL BE INSTALLED IN ACCORDANCE WITH APPENDIX TABLE 809.1 - FIRE CODE 509.
 10. ALL REQUIRED PUBLIC FIRE HYDRANTS SHALL BE INSTALLED, TESTED AND ACCEPTED PRIOR TO BEGINNING CONSTRUCTION. FIRE CODE 504.4.
 11. ALL ON-SITE FIRE HYDRANTS SHALL BE INSTALLED, TESTED AND APPROVED PRIOR TO BUILDING OCCUPANCY. FIRE CODE 504.5.
 12. PLANS SHOWING UNDERGROUND PIPES FOR PRIVATE ON-SITE FIRE HYDRANTS SHALL BE SUBMITTED TO THE SPRINKLER PLAN CHECK UNIT FOR REVIEW AND APPROVAL PRIOR TO INSTALLATION. FIRE CODE 502.2 COUNTY OF LOS ANGELES FIRE DEPARTMENT NO. 154.
 13. PORTABLE FIRE EXTINGUISHER REQUIREMENTS SHALL BE DETERMINED BY FIRE DEPARTMENT FIELD INSPECTOR IN ACCORDANCE WITH FIRE CODE 1003.2.
 14. ALL RISKY COVERAGE SHALL BE MAINTAINED PER BUILDING CODE 905.11 (RESIDENTIAL CODE 905.2.4.2 AND) 905.11 (RESIDENTIAL CODE 905.2.4.2 AND) 905.11 (RESIDENTIAL CODE 905.2.4.2 AND) 905.11 (RESIDENTIAL CODE 905.2.4.2 AND).
 15. CLEARANCE OF TREES AND VEGETATION SHALL BE MAINTAINED PER FIRE CODE 502.
 16. APPROVED BUILDING ADDRESS NUMBERS, BUILDING NUMBER OR APPROVED BUILDING IDENTIFICATION SHALL BE PROVIDED AND MAINTAINED AS TO THE PLANS, VERBALLY AND LOCATED FROM THE STREET FRONTING THE PROPERTY. THE NUMBERS SHALL CONFORM WITH THE BACKGROUND, BE NUMBERED IN ALPHABET LETTERS AND IN A MINIMUM OF 4 INCHES HIGH WITH A MINIMUM STROKE WIDTH OF 1/8 INCH. FIRE CODE 506.1.

KEYNOTE LEGEND

- A001 IDENTIFY FIRE EXTINGUISHER
- A002 IDENTIFY GAMMA PACT COLOR
- A003 IDENTIFY AND RECTIFY FIRE EXTINGUISHER
- A004 BICYCLE RACKS. SEE DETAIL E540330
- A005 ELECTRIC VEHICLE CHARGING STATION
- A006 EXPOSED CONCRETE WALL. 4" TYP. BURNISHED FRESH.
- A007 EXPOSED CONCRETE WALL. 4" TYP. BURNISHED FRESH.
- A008 FLEXIBLE SECRECY CURTAIN
- A009 OPEN METAL MESH SECURITY FENCE. 8" IF HIGH REFER TO DETAIL E540330
- A010 CONCRETE SIDEWALK
- A011 CORE & DETERMINE PER CIVIL DRAWINGS
- A014 LOADING AREA. 12W X 24L
- A017 SMALL PORT PAVING
- A018 FUTURE ELECTRIC VEHICLE CHARGING STATION
- A019 SECURITY GATE OPERATOR HOUSING
- A020 PARTIAL EXTERIOR
- A021 DARK OIL. SEE CIVIL. DETECTABLE WARNING LOCATIONS ARE SHOWN IN RED AND CIVIL DRAWING.
- A022 FIRE HYDRANT. SEE CIVIL DRAWINGS.
- A023 FIRE HOSES. SEE CIVIL DRAWINGS.
- A027 HOSE BOX. FINAL LOCATION TO BE DETERMINED BY LOCAL FIRE DEPARTMENT.
- A028 10' HIGH FIRE FLOW. SEE CIVIL DRAWINGS.
- A030 5' TYP. HYDRANT. SEE CIVIL DRAWINGS.
- A031 PARTIAL EXTERIOR. SEE DETAIL C-030303



REVISIONS

NO.	DESCRIPTION	DATE
1	BUILDING OFF. BURNISHED	03-29-2022
2	BUILDING OFF. BURNISHED	03-29-2022
3	BUILDING OFF. BURNISHED	03-29-2022
4	BUILDING OFF. BURNISHED	03-29-2022
5	BUILDING OFF. BURNISHED	03-29-2022
6	BUILDING OFF. BURNISHED	03-29-2022
7	BUILDING OFF. BURNISHED	03-29-2022

FILE LOG

Activity	By
Drawn	Designer
Check	Architect
Issue	Checker

CONSTRUCTION DOCUMENTS
DRAFT IFC SET, 2022-10-28

Permit No. UNC-BLDC22010700029
Project No. 046-10100-000
JUNE 29, 2022

SITE PLAN - OVERALL REMODEL
AS101

PROJECT:
Universal City Sheriff Facility
3300 LANEKSHERILL BLDG 7532
UNIVERSAL CITY, LOS ANGELES
CA 91608

OWNER:
Universal City Studios LLC
100 Universal City Plaza 5511
Universal City, CA 91608

LEO A DALY
550 SOUTH HOPE ST, 27TH FLOOR
LOS ANGELES, CA 90071
(213) 629-0100

REVISIONS

NO.	DESCRIPTION	DATE
1	BUILDING OFF. BURNISHED	03-29-2022
2	BUILDING OFF. BURNISHED	03-29-2022
3	BUILDING OFF. BURNISHED	03-29-2022
4	BUILDING OFF. BURNISHED	03-29-2022
5	BUILDING OFF. BURNISHED	03-29-2022
6	BUILDING OFF. BURNISHED	03-29-2022
7	BUILDING OFF. BURNISHED	03-29-2022

FILE LOG

Activity	By
Drawn	Designer
Check	Architect
Issue	Checker

Construction Documents
DRAFT IFC SET, 2022-10-28



Permit No. UNC-BLDC22010700029
Project No. 046-10100-000
JUNE 29, 2022

SITE PLAN - OVERALL REMODEL
AS101

Copyright © 2022 LEO A DALY & ASSOCIATES

EXHIBIT C
COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain Lease Agreement ("Lease") dated _____, 2024, between County of Los Angeles, a body corporate and politic ("County"), and Universal Studios LLC, a Delaware limited liability company ("Universal"), whereby Universal leased to County and County leased from Universal certain premises in the building located at 100 Universal City Plaza, Building 7572, Universal City ("Premises"),

Universal and County hereby acknowledge as follow:

- 1) The Board of State and Community Corrections inspected and approved the use of the areas designated as "LASD Restricted" on _____.
- 2) Universal delivered possession of the Premises to County on _____ ("Possession Date");
- 3) County has accepted possession of the Premises and now occupies the same; and
- 4) The Lease commenced on _____ ("Commencement Date").

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this memorandum is executed this _____ day of _____, 2024.

COUNTY OF LOS ANGELES,
a body corporate and politic

Universal Studios LLC,
a Delaware limited liability company

By: _____
Name _____
Its _____

By: _____
Name _____
Its _____

EXHIBIT D

COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. The final analysis and consideration of the lease will be determined without regard to race, creed, color or gender. (Categories listed below are based on those described in 49 CFR Section 23.5)

I. Minority/Women Participation in Firm (Partners, Associate Partners, Managers, Staff, etc.)						
1. Firm Name: _____			3. Contact Person/Telephone Number: _____			
2. Address: _____						
			4. Total number of employees in the firm: _____			
5. Provide the number of all minority employees and women in each category.	Owners, Partners and Associate Partners		Managers		Staff	
	All O,P & AP	Women	All Managers	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others						
II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM						
1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____						
2. Total Number of Ownership/Partners, Etc.: _____			III. MINORITY/WOMEN- OWNED FIRM CERTIFICATION			
3. Provide the percentage of ownership in each category.	All Employees	Women	Is your firm currently certified as a minority owned business firm by the: State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No			
	Black/African American					
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others			Section D. OPTION TO PROVIDE REQUESTED INFORMATION <input type="checkbox"/> We do not wish to provide the information required in this form. Firm Name: _____ Signature/Title: _____ Date: _____			

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	10/2/2024	
BOARD MEETING DATE	10/22/2024	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input checked="" type="checkbox"/> 5 th	
DEPARTMENT(S)	Department of Mental Health	
SUBJECT	Nine year Lease for 8,781 SF at 39115 Trade Center Drive, Palmdale, CA 93551	
PROGRAM	The Antelope Valley Child and Adolescent Program (AVCAP)	
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		
COST & FUNDING	Total cost: \$4,784,000 which includes two-months rent abatement, TI costs, and low voltage costs.	Funding source: The proposed new lease costs will be fully funded by State and Federal funds that is already included in DMH's operating budget. DMH will not be requesting additional NCC for this action.
	TERMS (if applicable): The proposed new lease will have an annual rental cost of \$283,000 in the first year but with a two-month rent abatement of \$48,000 will equal \$235,000. County will be responsible for electric costs.	
	Explanation: Sufficient funding to cover the proposed rent for the first year of the proposed lease term will be included in the Fiscal Year 2024-25 Operating budget and will be billed back to DMH. Future funding for the costs associated with the proposed lease will be addressed through the annual budget process for DMH	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and provide use of office space for DMH.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The proposed lease at the Premises will serve as a replacement site for DMH's existing site at 2323 Palmdale Boulevard, Palmdale which is owned by a landlord of concern. The Board separately approved the first lease at 525 W. Avenue P-4 on June 25, 2024 for one of DMH's program. Upon completion of TIs and relocation for all three DMH programs from the current site, the County will terminate the existing lease.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Alexandra Nguyen-Rivera Section Chief, Leasing CEO Real Estate Division 213-974-4189 arivera@ceo.lacounty.gov	



**Chief
Executive
Office.**

COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 974-1101 ceo.lacounty.gov

CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

October 22, 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:

**NINE-YEAR LEASE
DEPARTMENT OF MENTAL HEALTH
39115 TRADE CENTER DRIVE, PALMDALE
FIFTH DISTRICT (3 VOTES)**

SUBJECT

Approval of a proposed new nine-year lease for 8,781 square feet of office space, and 35 on-site parking spaces for the Department of Mental Health (DMH) for the Antelope Valley Child and Adolescent Program (AVCAP).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with PALMDALE CA I SGF, LLC a Delaware limited liability company (Landlord), for approximately 8,781 square feet of office space, and 35 on-site parking spaces located at 39115 Trade Center Drive, Palmdale (Premises) to be occupied by DMH. This proposes a lease for a term of nine years. The estimated maximum first year base rental cost is \$283,000, but with a two-month rent abatement of approximately \$48,000, will equal \$235,000. The estimated total proposed lease cost including rent abatement, tenant improvements (TIs) costs, and low-voltage costs is \$4,784,000 over the nine-year term. DMH will also be responsible for electric costs. The rental costs will be 100 percent funded by State

and Federal funds is already included in DMH's budget. DMH will not be requesting additional net County cost (NCC) for this action.

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord \$1,281,000 for the County's TI contribution, if amortized over seven years at 7 percent interest per annum.
4. Authorize the Director of DMH to contract with and direct the Internal Services Department (ISD), in coordination with the Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (Low-Voltage Items) at a total cost not-to-exceed \$656,000 paid in a lump sum. The cost for the Low-Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
5. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the proposed lease, including, without limitation, exercising an early termination right.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

AVCAP was approved by the Board on January 10, 2023, and implemented at the current site leased at 2323 Palmdale Boulevard, Palmdale. DMH only has one directly operated child program in this area, the Antelope Valley Kids Connection, which is specifically for the Department of Children and Family Services' involved children and youth under DMH's Specialized Foster Care program. In addition, there are eleven contracted clinics to serve the children and youth population in this service area, however there is, and continues to be, a greater need to manage the demand for services. The proposed lease at the Premises will serve as a replacement site for DMH's existing site and will be the first County-operated child and family mental health center within this service area.

DMH currently occupies 9,255 square feet of office space at its existing site. The proposed Premises will be slightly smaller at 8,781 square feet. The proposed Premises will house 41 employees and 29 workstations. The primary service provided by AVCAP is face-to-face mental health services, including routine and crisis assessments, individual, group, and family psychotherapy, and related case management services. Most of these services are optimally provided in person. Although DMH has implemented telework where possible, on-site coverage is necessary for the direct services.

Implementation of Strategic Plan Goals

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

The proposed lease is also consistent with the Strategic Asset Management Goal – Prioritize needs to optimize highest and best use of assets and Key Objective No. 3 – Optimize Real Estate Portfolio.

The proposed lease supports the above goals and objective by enhancing the quality and capacity of mental health services and supports in partnerships with clients by providing integrated mental health, physical health and substance use services. The program provides a staff of a multidisciplinary treatment team including medical doctors, nurses, psychologists, social workers, marriage and family therapists, medical caseworkers and community health workers who is responsible for identifying the biological, psychological, and social needs of children and by extension, the family members responsible for the care of these children.

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

FISCAL IMPACT/FINANCING

The estimated maximum first year base rental cost is \$283,000 but with a two-month rent abatement of approximately \$48,000, will equal \$235,000 which includes parking at no additional cost. The aggregate cost associated with the proposed lease over the entire term, including rent abatement, TIs and low-voltage costs is \$4,784,000 as shown in Enclosure B. In addition, DMH will also be responsible for electric costs. The proposed lease costs will be fully funded by State and Federal funds that will be included in DMH's budget. DMH will not be requesting additional NCC for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year 2024-25 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its Fiscal Year 2024-25 Operating budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be addressed through the annual budget process for DMH.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed lease also includes the following provisions:

- The annual rental rate will be \$32.16 per square foot, per year and is subject to annual increases based on the fixed annual increases of 3 percent.
- The Landlord has agreed to two months of rent abatement.
- Total TI costs are expected to be around \$1,537,000. The Landlord will provide \$526,860 (\$60 per square foot) base TI allowance.
- The County will reimburse the Landlord up to \$1,009,815 (\$115 per square foot) as the County's lump sum TI contribution. If the Landlord advances the County's TI contribution, this amount will be amortized over seven years with an interest rate of 7 percent for a fully amortized amount not-to-exceed \$1,281,000.
- The Landlord is responsible for the operating and maintenance costs of the building, and the County is responsible for electric costs. The County has no responsibility for any operating and maintenance costs.
- The County will pay \$656,000 for the lump sum cost of the Low-Voltage Items.
- There are 35 on-site parking spaces included in the base rent at no additional cost.
- The proposed lease includes a nine-year initial term with no options to extend the proposed lease.
- The County has the right to terminate the proposed lease any time after the 84th month, with 180 days' prior written notice.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will be at the base rent at the time of the proposed lease expiration.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence 30 days after substantial completion of the TIs by the Landlord and acceptance of the Premises by the County.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through

the Board's Executive Office website and Real Estate's County website. No responses were received. The CEO conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$28.80 and \$38.40 per square foot, per year. The base annual rental rate of \$32.16 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the Premises as the most suitable to meet the County's space requirements.

Co-working space is not practical for DMH due to the mental health clinic use with a high volume of daily clients at the proposed Premises.

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

The Department of Public Works has inspected the facility and found it suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act. The required notification letter to the City of Palmdale has been sent in accordance with Government Code Section 25351.

County Counsel has reviewed the proposed lease and has approved it as to form. The proposed lease is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government.

The proposed lease will provide a suitable office location for DMH's program, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease, which involves the leasing of existing office space with minor TIs within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways,

The Honorable Board of Supervisors

October 22, 2024

Page 6

listing on hazardous waste site lists compiled, pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will adequately provide the necessary office space, and parking spaces for this County requirement. DMH concurs with the proposed lease and recommendations.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

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

Enclosures

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

**DEPARTMENT OF MENTAL HEALTH
39115 TRADE CENTER DRIVE, PALMDALE**

Asset Management Principles Compliance Form¹

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²	X		
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Based on 41 employees, ratio is 214 SF per person due to conference rooms, break rooms, offices, and interview rooms.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ²	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program?		X	
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report enclosed as Enclosure C?			X
G	Was build-to-suit or capital project considered? ²			X
3. <u>Portfolio Management</u>				
A	Did department use CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>x</u> No suitable County occupied properties in project area.			
	3. <u>x</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease? ² County is responsible for electrical costs		X	
F	Has growth projection been considered in space request?	X		
G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

39115 Trade Center Drive
Department of Mental Health

Basic Lease Assumptions

Leased Area (sq.ft.) 8,781

Per RSF Per Month (\$)	Per RSF Per Year (\$)
---------------------------	--------------------------

Base Rent \$2.68 \$32.16

Term 108 months/9 years

Annual Rent Adjustments CPI cap at 3%

Parking # of Spaces 35

Tenant Improvement Costs (Reimbursable)	Amortized Cost @ 7% IR,		
	Lump Sum	7 Yrs.	Difference
	\$1,009,815	\$1,280,228	\$270,413

Low Voltage Costs (TESMA Labor & Materials) Lump Sum \$ 656,000

	1 st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	Total 9 Years Rental Costs
Annual Base Rent Costs ⁽¹⁾	\$283,000	\$292,000	\$301,000	\$311,000	\$321,000	\$331,000	\$341,000	\$352,000	\$363,000	\$2,895,000
Rent Abatement ⁽²⁾	(\$48,000)									(\$48,000)
Rent Paid to Landlord	\$235,000	\$292,000	\$301,000	\$311,000	\$321,000	\$331,000	\$341,000	\$352,000	\$363,000	\$2,847,000
TI Allowance (Reimbursable)	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000			\$1,281,000
Total Costs Paid to Landlord	\$418,000	\$475,000	\$484,000	\$494,000	\$504,000	\$514,000	\$524,000	\$352,000	\$363,000	\$4,128,000
Low Voltage Costs	\$656,000									\$656,000
Total Annual Lease Costs	\$1,074,000	\$475,000	\$484,000	\$494,000	\$504,000	\$514,000	\$524,000	\$352,000	\$363,000	\$4,784,000

⁽¹⁾ County shall pay separately for its utility. This is a new lease and historical cost data is not available.

ENCLOSURE C

DEPARTMENT OF MENTAL HEALTH SPACE SEARCH – 5 MILE RADIUS 39115 TRADE CENTER DR., PALMDALE

LACO	Name	Address	Proprietor	SD	OwnershipType	PropertyUse	GrossSQFT	NetSQFT	Vacant
A443	Fire - Palmdale Fire Prevention Suboffice	710 E Palmdale Blvd Palmdale 93550	Fire Department	5	Gratis Use	Multiple Use Building - Office	30	30	NONE
A364	Sheriff - North Region Vehicle Theft Program	1713 E Palmdale Blvd Palmdale 93550	Sheriff	5	Permit	Multiple Use Building - Office	1050	998	NONE
X840	PW Road - Rmd 5 Palmdale District Survey Div Office	840 E Ave Q-12 Palmdale 93550	Public Works	5	Owned	Multiple Use Building - Office	1275	956	NONE
10297	BOS - 5th District Field Office	42455 10th St. West, suite 104 Lancaster 93534	Board of Supervisors	5	Leased	Multiple Use Building - Office	2053	1950	NONE
X232	PW Road - Palmdale Maintenance District #5 Building	38126 N Sierra Hwy Palmdale 93550	Public Works	5	Owned	Multiple Use Building - Office	7040	6336	NONE
A149	DMH - Adult Protective Services	2323 A E Palmdale Blvd Palmdale 93550	Mental Health	5	Leased	Multiple Use Building - Office	9255	8303	NONE
A255	Child Support Services - Div VI Reg Office	42281 10th St. W Lancaster 93534	Child Support Services	5	Leased	Multiple Use Building - Office	14600	13870	NONE
A380	DPSS - Antelope Valley Gain Reg II Sub - Office	1050 E Palmdale Blvd Palmdale 93550	Public Social Services	5	Leased	Multiple Use Building - Office	18795	17855	NONE
10433	DCFS - Palmdale Office	39115 Trade Center Dr Palmdale 93551	Children and Family Services	5	Leased	Multiple Use Building - Office	41674	39590	NONE
X537	Sheriff - Palmdale Station	750 E Ave Q Palmdale 93550	Sheriff	5	Owned	Multiple Use Building - Office	50186	46307	NONE
L622	Parking Lot (Antelope Valley Court Public Parking)	42011 4th St. W Lancaster 93534, 421 W Ave M Lancaster 93534	Chief Executive Office (CEO)	5	CA - Superior Courts	Multiple Use Building - Office	355450	355450	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Department of Mental Health – 39115 Trade Center Drive, Palmdale – 5th District.

- A. Establish Service Function Category** – The program will provide mental health services, medication management, targeted case management, psychological testing, and collateral services.
- B. Determination of the Service Area** – DMH to provide direct comprehensive mental health services for children at risk of entering the child welfare system.
- C. Apply Location Selection Criteria to Service Area Data**
- Need for proximity to service area and population: The proposed lease will provide DMH occupancy of 8,781 square feet of office space and 35 on-site parking spaces.
 - Need for proximity to existing County facilities: Close to several County departments including Departments of Public Social Services and Children and Family Services.
 - Need for proximity to Los Angeles Civic Center: N/A
 - Economic Development Potential: N/A
 - Proximity to public transportation: The location is adequately served by local transit services.
 - Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
 - Use of historic buildings: N/A
 - Availability and compatibility of existing buildings: The new location is available to lease and meets all of DMH's needs.
 - Compatibility with local land use plans: The City of Palmdale has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.

- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the nine-year term is \$4,784,000.

D. Analyze results and identify location alternatives

The CEO conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$28.80 and \$38.86 per square foot, per year. The base annual rental rate of \$32.16 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. We recommend the Premises as the most suitable to meet the County's space requirements.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

The proposed lease will provide adequate and efficient office space for 41 employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

**COUNTY OF LOS ANGELES - TENANT
PALMDALE CA | SGF, LLC – LANDLORD**

**39115 TRADE CENTER DRIVE,
SUITE 203, PALMDALE,
CALIFORNIA**

TABLE OF CONTENTS

	Page
1. BASIC LEASE INFORMATION	1
1.1 Terms	1
1.2 Defined Terms Relating to Landlord's Work Letter	3
1.3 Exhibits to Lease.....	4
1.4 Addendum No. 1	4
2. PREMISES.....	4
2.1 Lease of Premises	4
2.2 Measurement of Premises	4
3. COMMON AREAS.....	5
4. COMMENCEMENT AND EXPIRATION DATES	5
4.1 Term.....	5
4.2 Termination Right.....	6
4.3 Early Entry	6
4.4 Early Termination.....	6
5. RENT	7
5.1 Base Rent.....	7
6. USES	7
7. HOLDOVER	8
8. COMPLIANCE WITH LAW	8
9. DAMAGE OR DESTRUCTION.....	8
9.1 Damage	8
9.2 Tenant Termination Right.....	8
9.3 Damage In Last Year	9
9.4 Default By Landlord	9
10. REPAIRS AND MAINTENANCE	9
10.1 Landlord Representations	9
10.2 Landlord Obligations	11
10.3 Tenant Obligations.....	12
10.4 Tenant's Right to Repair	12
11. SERVICES AND UTILITIES	13
11.1 Services	13
11.2 Utilities	15
12. TAXES	15
13. LANDLORD ACCESS	15
14. TENANT DEFAULT	16
14.1 Default	16
14.2 Termination.....	16
14.3 No Effect on Indemnity.....	16
15. LANDLORD DEFAULT	16
15.1 Remedies	16
15.2 Waiver	17
15.3 Emergency.....	17
16. ASSIGNMENT AND SUBLETTING	17
16.1 Assignment and Subletting	17
16.2 Sale	17
17. ALTERATIONS AND ADDITIONS.....	18
17.1 Landlord Consent.....	18
17.2 End of Term	19

18.	CONDEMNATION	19
	18.1 Controlling Terms.....	19
	18.2 Total Taking	19
	18.3 Partial Taking.....	19
	18.4 Restoration	19
	18.5 Award	20
	18.6 Waiver of Statute	20
19.	INDEMNIFICATION.....	20
	19.1 Landlord's Indemnity.....	20
	19.2 Tenant's Indemnity.....	20
20.	INSURANCE	20
	20.1 Waiver	21
	20.2 General Insurance Provisions – Landlord Requirements.....	21
	20.3 Insurance Coverage Types And Limits.....	24
	20.4 Landlord Requirements.....	24
21.	PARKING	25
	21.1 Tenant's Rights	25
	21.2 Remedies	25
22.	ENVIRONMENTAL MATTERS.....	26
	22.1 Hazardous Materials	26
	22.2 Landlord Indemnity	26
23.	ESTOPPEL CERTIFICATES.....	27
24.	TENANT IMPROVEMENTS	27
25.	LIENS.....	27
26.	SUBORDINATION AND MORTGAGES	28
	26.1 Subordination and Non-Disturbance	28
	26.2 Existing Deeds of Trust.....	28
	26.3 Notice of Default	28
27.	SURRENDER OF POSSESSION.....	28
28.	SIGNAGE.....	28
29.	QUIET ENJOYMENT	29
30.	GENERAL	29
	30.1 Headings	29
	30.2 Successors and Assigns	29
	30.3 Brokers	29
	30.4 Entire Agreement.....	29
	30.5 Severability	29
	30.6 Notices.....	29
	30.7 Governing Law and Venue.....	30
	30.8 Waivers.....	30
	30.9 Time of Essence	30
	30.10 Consent	30
	30.11 Community Business Enterprises	30
	30.12 Memorandum of Lease	30
	30.13 Counterparts; Electronic Signatures.....	30
31.	AUTHORITY.....	31
32.	ACKNOWLEDGEMENT BY LANDLORD	32
	32.1 Consideration of GAIN Program Participants	32
	32.2 Solicitation of Consideration.....	32
	32.3 Landlord Assignment	32
	32.4 Smoking in County Facilities.	33

33. IRREVOCABLE OFFER.....34

EXHIBITS

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit C – Heating, Ventilation, and Air Conditioning Standards
- Exhibit D – Cleaning and Maintenance Schedule
- Exhibit E – Subordination, Non-disturbance and Attornment Agreement
- Exhibit F – Tenant Estoppel Certificate
- Exhibit G – Community Business Enterprises Form
- Exhibit H – Memorandum of Lease Terms
- Exhibit I – Landlord's Work Letter

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the _____ day of _____, 20__ between PALMDALE CA I SGF, LLC, a Delaware limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

<p>(a) Landlord's Address for Notices:</p>	<p>Palmdale CA I SGF, LLC One North Wacker Drive, Suite 4025 Chicago, Illinois 60606 Attn: Asset Management</p> <p>With a copy to:</p> <p>Palmdale CA I SGF, LLC c/o Boyd Watterson Asset Management 1301 East 9th Street, Suite 2900 Cleveland, Ohio 44114-3179 Attn: Thomas J. Tarantino, Esq.</p>
<p>(b) Tenant's Address for Notices:</p>	<p>County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate</p> <p>With a copy to:</p> <p>County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division</p>
<p>(c) Premises:</p>	<p>Approximately 8,781 rentable square feet in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.</p>

(d) Building:	The Building located at 39115 Trade Center Drive, Palmdale, California, which is currently assessed by the County Assessor as APN 3003-079-061 (collectively, the "Property");
(e) Term:	Nine (9) years, commencing thirty (30) days after the date of Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the ninth (9 th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
(f) Estimated Commencement Date:	The first day of the month following thirty (30) days after substantial completion of Tenant Improvements and Landlord's delivery of Premises to Tenant.
(g) Irrevocable Offer Expiration Date: (see Section 33)	October 22, 2024
(h) Base Rent:	\$2.68 per rentable square foot per month (i.e., \$23,533.08 per month or \$281,818.08 per year)
(i) Early Termination (see Section 4.4)	One hundred and eighty (180) days' notice on or after the 84 th month of the lease term.
(j) Rentable Square Feet in the Premises:	8,781 rentable square feet
(k) Initial Departmental Use:	Tenant may use and occupy the Premises for office space for the Antelope Valley Child Family Center and, for any other lawful use compatible with the office building containing the Premises. Tenant will be permitted to replace the initial tenant department with any County of Los Angeles Department or Division or associated agency at its sole discretion, subject to Landlord approval.

	Landlord may withhold or grant its consent to any sublease or assignment to a private sector tenant, subject to Section 6.
(l) Parking Spaces:	4 unreserved parking spaces per 1,000 SF (i.e., 35 spaces).
(m) Tenant's Hours of Operation:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays
(n) Asbestos Report:	Request Waiver due to recent age of building.
(o) Seismic Report	A report dated January 29, 2024, prepared by [the Department of Public Works].
(p) Disabled Access Survey	A report dated May 14, 2024, prepared by [Casper Development Resources].

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$60 per rentable square foot of the Premises (i.e, up to \$526,860 subject to remeasurement)
(b) Tenant's TI Contribution:	\$115 per rentable square foot of the Premises (i.e, up to \$1,009,815 subject to remeasurement)
(c) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:	Fixed seven percent (7%) per annum.
(d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	\$15,209.57 per month, ending on the Termination Date of the Original Term.
(e) Tenant's Work Letter Representative:	<u>An assigned staff person of the Chief Executive Office- Real Estate Division</u>
(f) Landlord's Work Letter Representative:	Nikki Jazvec
(g) Landlord's Address for Work Letter Notices:	Palmdale CA SGF, LLC One North Wacker Drive, Suite 4025 Chicago, Illinois 60606 Attn: Asset Management

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

2. PREMISES

2.1 Lease of Premises

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

2.2 Measurement of Premises

Landlord shall prior to Commence Date field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2010, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1.1 accomplished by the mutual execution of an amendment to this Lease. Landlord's TI Allowance and Tenant's TI Contribution shall be calculated based on such adjusted square footage. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants of the Building: the entrances, lobbies, corridors and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord. The Common Areas shall be exclusively managed and controlled by Landlord. Landlord shall have the right from time to time to eliminate or change the size, location and arrangement of the Common Areas to designate, relocate, close and limit the use of particular areas or portions of the Common Areas as Landlord deems necessary in its reasonable discretion in order to facilitate operation of the Building and satisfaction of its obligations under the Lease; provided, however, that no such action shall materially adversely affect access to or use of the Premises for the permitted use. Landlord shall also have the right to limit or control access to the Building by third parties other than Tenant or any employee, contractor, licensee, invitee, guest, agent or customer of Tenant (collectively, "Tenant Parties"). Such limitation or control upon access may include, without limitation, establishing reasonable procedures for deliveries by messengers or caterers and access to the Premises by Third Parties.

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are Substantially Complete, Tenant has inspected the Premises, and Tenant has accepted the Tenant Improvements and the Premises in writing; provided that such inspection or acceptance, or rejection by written notice setting forth in reasonable detail the reasons that the Premises are not Substantially Complete and the items necessary to achieve Substantial Completion, shall be completed by Tenant within twenty-one (21) days of Landlord's notice to Tenant of Substantial Completion. The terms "Substantial Completion" or "Substantially Complete" as used in this Lease shall mean compliance with all of the following:

- (a) The shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises;
- (b) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease and Landlord's Work Letter (if any), including the installation of modular furniture systems, if so required pursuant to Landlord's Work Letter (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises;

- (c) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or other local equivalent permitting Tenant's use and occupancy of the Premises;
- (d) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; and
- (e) If Landlord is responsible for the installation of telecommunications systems, then such systems shall be completely operational.

4.2 Termination Right

If the Commencement Date has not occurred within one hundred twenty (120) days after the Estimated Commencement Date, subject to Tenant Delays or Force Majeure Delays, as provided in Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference, then Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord, and the parties shall have no further rights or obligations to one another hereunder.

4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures, and equipment in the Premises, provided that: (a) Tenant shall not, and Tenant shall cause its employees, agents, contractors and invitees to not, (i) interfere with, interrupt or damage Landlord's work pursuant to Landlord's Work Letter or other work being conducted by Landlord in the Premises, (ii) damage the Premises or Building, any persons thereon, or the personal property thereon, or (iii) interfere with the use and enjoyment of the Property by other tenants thereof and their employees and invitees, (b) Tenant shall coordinate in advance and in writing all entries upon the Premises, and (c) Tenant shall, and Tenant shall cause its employees, agents, contractors and invitees to, comply with all of Landlord's rules and regulations governing the activities undertaken by or on behalf of Tenant. Such early entry shall be subject to all provisions hereof, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period.

4.4 Early Termination

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

4.5 Lease Expiration Notice

No later than six (6) months, nor earlier than twelve (12) months, prior to the expiration of the Lease Term, Landlord shall provide a written notice to Tenant notifying Tenant of the Termination Date.

5. RENT

5.1 Base Rent

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

5.2 Annual Base Rent Adjustments

From and after the 1st anniversary of the Commencement Date (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted as follows:

Term (Months)	Monthly Base Rent
1-12	\$23,533.08
13-24	\$24,239.07
25-36	\$24,966.24
37-48	\$25,715.23
49-60	\$26,486.69
61-72	\$27,281.29
73-84	\$28,099.73
85-96	\$28,942.72
97-108	\$29,811.00

5.3 Rent Abatement

Monthly Base Rent for months two (2) and three (3) of the Lease Term shall be abated.

6. USES

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

7. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a month-to-month tenancy which is terminable upon sixty (60) days written notice from Landlord or thirty (30) days written notice from Tenant's Chief Executive Officer or his/her designee at the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW

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

9. DAMAGE OR DESTRUCTION

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of substantially the same condition and layout that existed immediately prior to such casualty in less than one hundred eighty (180) days, then, subject to receipt of insurance proceeds, Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within 45 days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant.

9.2 Tenant Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the

Building or Premises, provided that insurance proceeds are available to repair the damages.

9.3 Damage In Last Year

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

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

9.4 Default By Landlord

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

- (a) Declare a default hereunder, or
- (b) Perform or cause to be performed the restoration work and deduct the cost thereof, plus interest thereon at ten percent (10%) per annum, from the next installment(s) of Base Rent due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- (a) Landlord represents to Tenant that, as of the date hereof and on the Commencement Date:
 - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in reasonably good working order and condition;
 - ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
 - iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined) in violation of applicable Laws; and

iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any Laws.

(b) Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report (as defined in Section 1.1) that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos-containing materials to the extent required by Law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(c) CASp Inspection:

In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas: *[Check the appropriate box]*

Have undergone inspection by a Certified Access Specialist (a "CASp") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord shall provide Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises within seven (7) days after the execution of this Lease.

Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report at least 48 hours prior to the execution of this Lease. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

Have not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the

arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease or any Work Letter.

- (d) Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 10.1.

10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair and promptly make repairs to and perform maintenance upon and replace as needed:
 - i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
 - iii. the Common Areas;
 - iv. exterior windows of the Building; and
 - v. elevators serving the Building.
- (b) Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations also include, without limitation, repairs to or replacements of:
 - i. the floor covering as needed;
 - ii. interior partitions;
 - iii. doors, door frames and hardware;
 - iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years);
 - v. signage;
 - vi. emergency exit signage and battery replacement;

- vii. HVAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment; and
 - viii. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.

10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, and (ii) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

- (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld, conditioned or delayed;
- (b) be at least equal in quality, value and utility to the original work or installation; and
- (c) be in accordance with all applicable laws.

10.4 Tenant's Right to Repair

- (a) If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than fourteen (14) days after the giving of such notice (or such longer period as is necessary under the circumstances, provided Landlord takes steps to commence such action within such 14-day period and thereafter diligently pursues such action to completion), then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within thirty (30) days after receipt of reasonable evidence of such costs, then Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease

the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.

- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the County's Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000, as part of a separate purchase order issued by the County on Tenant's behalf. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant's remedies found in said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein. This Section shall not apply to any Tenant Improvements as defined in Section 24.

11. SERVICES AND UTILITIES

11.1 Services

(a) Heating, Ventilation and Air Conditioning (HVAC)

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit C attached hereto. In addition, Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical rooms housing Tenant's computer servers and related equipment.

- (i) Landlord also shall provide HVAC services during hours other than Tenant's Hours of Operation ("After Hours HVAC"), subject to the following terms and conditions:

- (1) Landlord shall provide the After Hours HVAC if Tenant gives Landlord advance notice of its need for such service no later than 3:00 p.m. on Monday through Friday (except holidays referred to above) that Tenant requires the services, and no later than 1:00 p.m. on the last business day preceding the weekend or holiday that Tenant requires the service. In addition and notwithstanding the foregoing, Tenant may contact the Building manager or on-site Building engineer at any reasonable time to order After Hours HVAC, and Landlord shall, to the extent reasonably practicable, provide After Hours HVAC service as requested by Tenant, even if Tenant failed to give notice within the time periods specified above.
- (2) Landlord will provide the After Hours HVAC at "Actual Cost", defined herein as the actual costs incurred by Landlord in providing any particular service (including Landlord's

reasonable estimate of related administrative cost for the cost of such service (to the extent not duplicative of costs included in Operating Costs) and applicable depreciation related to the increased utilization of equipment used in providing the service). There shall be no start-up charges and minimum usage for After Hours HVAC service. The foregoing direct charges shall be payable by Tenant as Additional Rent. The rate for After Hours HVAC currently is Seventy-Five Dollars (\$75.00) per hour, which Landlord and Tenant acknowledge is appropriate in accordance with the foregoing. Landlord shall be entitled to increase such charge from time to time, upon at least thirty (30) days prior written notice to Tenant, but only to reflect increases in the cost of labor, electricity, water and water treatment in connection therewith.

(b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators

Landlord shall furnish freight and passenger elevator services to the Premises during Tenant's Hours of Operations. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

(d) Water

Landlord shall make available in the Premises warm and cold water for normal lavatory and kitchen purposes and potable water for drinking purposes, all of which shall meet applicable government standards.

(e) Janitorial

Landlord, at its sole cost and expense, shall provide janitorial services to the leased premises five (5) days per week.

(f) Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. If required, Landlord shall provide access cards or fobs to all Tenant employees for Building entry, elevators, and/or floor access, at Landlord's sole cost and

expense. Inoperative access cards or fobs shall be replaced at Landlord's sole cost and expense. Lost or stolen access cards or fobs shall be replaced at Tenant's sole cost and expense.

(g) Pest Control

Landlord at its sole cost and expense shall provide any and all pest control services to the Premises per the specifications set forth in Exhibit D attached hereto.

11.2 Utilities

Tenant shall pay for all electrical power used by Tenant, which is separately metered to the Premises, directly to the provider. Except as specified in the immediately preceding sentence, Landlord agrees to pay, at its sole cost, when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord.

12. TAXES

Landlord, at its sole cost and expense, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or the Building during the term of this Lease or any renewal or holdover period thereof, provided that Landlord may contest the amount or validity of any such taxes in Landlord's sole discretion.

In the event Landlord fails or refuses to pay any or all uncontested taxes or assessments when due, Tenant may, at its sole discretion, give Landlord thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and deduct the payments from the next installments of rent due as a charge against the Landlord.

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Tenant's Hours of Operations upon prior written notice only for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency and notify Tenant immediately thereafter.

14. TENANT DEFAULT

14.1 Default

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant ("Default"):

- (a) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;
- (b) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure, within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

14.2 Termination

Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

14.3 No Effect on Indemnity

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

15. LANDLORD DEFAULT

15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within fourteen (14) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such 14-day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- (a) to remedy such default or breach and deduct the costs thereof (including but not limited to attorney' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- (b) to pursue the remedy of specific performance;
- (c) if such Landlord Default is not susceptible to cure, to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or
- (d) to terminate this Lease.

15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any default where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. In such cases, Tenant may perform the necessary work through its Internal Services Department and deduct the cost of said work from the Base Rent next due.

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent; provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease. Tenant shall be permitted to assign this Lease or sublet all or any portion of the Premises to any County of Los Angeles Department or Division without Landlord's prior written consent, with the exception of the Probation Department, provided, however, that Tenant shall provide written notice thereof to Landlord promptly upon such assignment or sublet. With respect to assignment of this Lease or sublease of any portion of the Premises to a private sector tenant, Landlord's consent may be withheld in Landlord's sole discretion.

16.2 Sale

If Landlord sells or conveys the Property, then all liabilities and obligations of Landlord accruing under this Lease after the sale or conveyance shall be binding upon the new owner, and the transferor shall be released from all liability under this Lease accruing subsequent to such sale or conveyance, provided that the transferee assumes Landlord's remaining obligations hereunder in writing. Tenant

shall attach to any such new owner. Nothing in this Section 16.2 shall be deemed to release Landlord's successor in interest from responsibility for any condition (including but not limited to deferred maintenance) existing on the date of transfer.

Upon any sale or transfer of the Property by Landlord, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice (set forth in Section 1.1 hereof), as a condition of Tenant's obligation to pay Base Rent to the new owner:

- (a) A letter from the Landlord confirming that the Property was transferred to the new owner, along with written evidence of the transfer of the Property (e.g., a recorded deed).
- (b) A signed letter from the new owner including the following information:
 - i. Name and address of new owner or other party to whom Base Rent should be paid
 - ii. Federal tax ID number for new owner
 - iii. Name of contact person and contact information (including phone number) for new owner
 - iv. Proof of insurance
- (c) A W-9 form for new owner.

Tenant shall not be obligated to pay any rental amounts to any party other than the Landlord named herein until such time as all the requirements of this Section 16.2 are satisfied.

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

Tenant shall not make any alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") which affect the Building structure or Building systems without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within thirty (30) days after receipt of Tenant's request, then Landlord shall be deemed to have approved the requested Alterations. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- (a) complies with all Laws;
- (b) is not visible from the exterior of the Premises or Building;
- (c) will not materially affect the systems or structure of the Building; and
- (d) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

17.2 End of Term

Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

18. CONDEMNATION

18.1 Controlling Terms

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

18.2 Total Taking

If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

18.3 Partial Taking

If any portion, but not all, of the Premises or the Common Areas is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the termination date designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated in proportion to the degree to which Tenant's use of the Premises and the Common Areas is impaired by such Condemnation.

18.4 Restoration

Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord, at its sole cost, will add to the remaining Premises and/or the Common Areas so that the Premises and the space available for parking, will be substantially the same (as reasonably

determined by Tenant) after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within one hundred eighty (180) days after Landlord so notifies Tenant, then this Lease shall continue in effect. In such event, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

18.5 Award

Landlord shall be entitled to receive the entire Award (as defined below), except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, for Tenant's good will, and for moving expenses, so long as such claim does not diminish the award available to Landlord, its ground lessor with respect to the Property or its mortgagee, and such claim is payable separately to Tenant. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

18.6 Waiver of Statute

Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

19. INDEMNIFICATION

19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Landlord's repair, maintenance and other acts of omissions arising from and/or relating to the Landlord's ownership of the Premises. negligence or willful misconduct of Landlord or its employees, agents, contractors, and invitees.

19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from or connected with the Tenant's repair, maintenance and other acts and omissions arising from and/or relating to the Tenant's use of the Premises.

20. INSURANCE

During the term of this Lease, the following insurance requirements will be in effect:

20.1 Waiver

Both the Tenant and Landlord each 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).

20.2 General Insurance Provisions – Landlord Requirements

Without limiting the Landlord's indemnification of Tenant and during the term of this Lease, and until all of its 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. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Landlord pursuant to this Lease. The Tenant in no way warrants that the Required Insurance is sufficient to protect the Landlord for liabilities which may arise from or relate to this Lease.

(a) Evidence of Coverage and Notice to Tenant

- i. Certificate(s) of insurance coverage ("Certificate") reasonably satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) has been given insured status under the Landlord's General Liability policy as required hereinbelow, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than 10 days prior to Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies at any time.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars and list any Tenant-required endorsement forms.
- iv. Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- v. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

County of Los Angeles
Chief Executive Office - Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

Landlord also 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.

(b) Additional Insured Status and Scope of Coverage

The Tenant, which is the County of Los Angeles, its [Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers] (collectively, "Tenant and its Agents"), shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Landlord's operations on and/or its ownership of the premises. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

(c) Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation 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 the Tenant, upon which the Tenant may suspend or terminate this Lease.

(d) Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease, upon which County immediately may withhold payments due to Landlord, Landlord shall indemnify and hold Tenant harmless from all damages suffered by Tenant resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Landlord, deduct the premium cost from sums due to Landlord or pursue Landlord reimbursement.

(e) Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the Tenant, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Tenant.

(f) Landlord's Insurance Shall Be Primary

Subject to Tenant's waiver of subrogation pursuant to Section 20.5, 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 Landlord maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Tenant coverage.

(g) Waiver of Subrogation

To the fullest extent permitted by law, the Landlord hereby 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. The Landlord shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

(h) Deductibles and Self-Insured Retentions ("SIRs")

Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR. The Tenant retains the right to require Landlord to reduce or eliminate policy deductibles and SIRs as respects the 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.

(i) Claims Made Coverage

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

(j) Application of Excess Liability Coverage

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

(k) Separation of Insureds

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

(l) Tenant Review and Approval of Insurance Requirements

The Tenant reserves the right to review and adjust the Required Insurance provisions reasonably consistent with other similar buildings in the same metropolitan area, conditioned upon Tenant's good faith, reasonable determination of changes in risk exposures.

20.3 Insurance Coverage Types And Limits

(a) Tenant Requirements: During the term of this Lease, Tenant shall maintain a program of insurance coverage as described below:

i. Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Landlord and its Agents as an additional insured, with limits of not less than:

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

ii. Commercial Property Insurance. Such insurance shall:

(a) Provide coverage for Tenant's property and any tenant improvements and betterments to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

(b) 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 the Landlord and Tenant, as their interests may appear.

Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). A certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord after execution of this Lease at Landlord's request.

(b) Landlord Requirements: During the term of this Lease, Landlord shall provide and maintain the following programs of insurance coverage:

i. Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and Tenant's Agents as an additional insured, 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

20.4 Waiver of Subrogation

Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord agrees to use reasonable efforts to have its insurance company(ies) issuing property damage insurance waive any rights of subrogation that such company(ies) may have against Tenant, so long as the insurance carried by Landlord is not invalidated thereby.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of unreserved parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, at its sole expense, shall provide Tenant with at least one (1) parking access card or key fob for each unreserved parking space set forth in Section 1.1, if applicable.

21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever (except as a result of a casualty or condemnation, which shall be subject to the terms and conditions of Section 9 and 18, respectively), a material number (which for purposes hereof shall mean more than 20% of the parking spaces allotment to which Tenant is entitled under this Lease) of the parking spaces required above are not available to Tenant, then Landlord shall use best efforts to provide reasonable alternative parking arrangements to replace such unavailable parking spaces at Landlord's sole cost and expense. If Landlord fails to pursue such cure for longer than forty-five (45) days after Tenant's notice thereof to Landlord and Tenant in good faith determines that as a result thereof it cannot operate in the Premises for the permitted use, in addition to the rights given to Tenant under Section 15, then Tenant may:

- (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 180 days thereafter, provided that if Landlord cures such material delinquency in parking spaces within such 180-day period, then such termination notice shall be deemed automatically rescinded and of no further force and effect, or
- (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the monthly Base Rent times the percentage of parking spaces not so provided times the number 1.5, but such deduction from

Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%) of the Base Rent.

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

22.2 Tenant Indemnity

Tenant shall indemnify, project, defend (by counsel acceptable to Landlord) and hold harmless Landlord and its employees, principals, members, shareholders, equity owners, managers and agents from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of, or in connection with, the presence of Hazardous Materials on, under, or about the Premises, Building or Common Areas in violation of Section 22.1 or other violation of Environmental Laws by Tenant or the Tenant Parties. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Tenant's obligations

pursuant to the foregoing indemnity shall survive the expiration or earlier termination of this Lease.

22.3 Landlord Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of, or in connection with, the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas by Landlord or other violation of laws relating to Hazardous Materials by Landlord. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

23. ESTOPPEL CERTIFICATES

Tenant shall, within twenty (20) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit F attached hereto (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest in the Premises or a holder or prospective holder of any mortgage upon Landlord's interest in the Premises.

24. TENANT IMPROVEMENTS

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

25. LIENS

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Property, the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant covenants and agrees to cause it to be immediately released and removed of record. Notwithstanding anything to the contrary set forth in this Lease, in the event that such lien is not released and removed within thirty (30) days of the date notice of such lien is delivered by Landlord to Tenant, Landlord, at its sole option, may immediately take all action necessary to release

and remove such lien, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant.

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit E attached hereto and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase, or right of first offer to purchase the Property included herein.

26.2 Existing Deeds of Trust

Landlord shall use commercially reasonable efforts to cause the beneficiary under any existing deed of trust affecting the Building to provide a written agreement to Tenant in the form of Exhibit E attached hereto, within 30 days after the execution of this Lease.

26.3 Notice of Default

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail and requests copies of any notice of default that Tenant serves upon Landlord, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee or beneficiary a copy of any notice of default that Tenant serves upon Landlord which could permit Tenant to terminate this Lease, along with an additional ten days within which to cure such default.

27. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

28. SIGNAGE

Tenant shall be allowed building standard signage on the directory located in the ground floor lobby of the Building and elevator lobbies of the floors of the Premises and suite signage, all of which shall be at Landlord's expense. Tenant shall have the right to install, at Landlord's sole cost and expense, up to two (2) lines per 1,000 rentable square feet of the Premises on the Building's directory board in the main lobby of the Building. Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances. All signage shall conform to applicable Laws and shall be subject to Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed.

29. QUIET ENJOYMENT

So long as Tenant is not in default hereunder, Tenant shall have the right to the peaceful and quiet enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

30. GENERAL

30.1 Headings

Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

30.2 Successors and Assigns

All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

30.3 Brokers

Except for CBRE representing Tenant ("Tenant's Broker"), Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Landlord shall pay a commission to Tenant's Broker as set forth in a separate written agreement between Landlord and Tenant's Broker.

30.4 Entire Agreement

This Lease (including all exhibits hereto and the Landlord's Work Letter) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect, and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

30.5 Severability

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, or (iii) first-class registered or certified mail, postage prepaid, to the Landlord's Address for Notice and Tenant's Address for

Notice as set forth in Section 1.1. Without limiting the generality of the foregoing, Landlord's notices to Tenant shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1.1(b) hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

30.7 Governing Law and Venue

This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

30.8 Waivers

No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

30.9 Time of Essence

Time is of the essence for the performance of all of the obligations specified hereunder.

30.10 Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) business days after written request is made therefore, together with all necessary information.

30.11 Community Business Enterprises

Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit G attached hereto.

30.12 Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Exhibit H attached hereto, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30.13 Counterparts; Electronic Signatures

This Lease and any other documents necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form

of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

32.2 Solicitation of Consideration

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Landlord hereby represents and warrants that it has not provided, and will not provide, any financial benefits to any County official, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of this Lease. Landlord hereby agrees that if it violates any of the terms of this Section 32.2, then the County may declare this Lease null and void, and the County reserves the right to exercise any and all other remedies available under applicable law.

32.3 Landlord Assignment

- (a) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.
- (b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- (c) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a

fractional interest in this Lease or any portion thereof, without the prior written consent of the Tenant. Notwithstanding the foregoing, the Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

- (d) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the Tenant may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the Tenant during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- (e) Landlord shall give Tenant written notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least thirty (30) days prior to the effective date thereof.
- (f) Landlord shall not furnish any information concerning Tenant or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the Tenant) to any person or entity, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold Tenant and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section 32.3.
- (g) The provisions of this Section 32.3 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

32.4 Smoking in County Facilities.

The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to

establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, 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: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.)

33. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.1.

34. RIGHT OF FIRST OFFER

(a) Provided that no material Default has occurred and is continuing under the Lease, if at any time prior to the last twelve (12) months of the Term, Landlord intends to offer leasable space located in the Building (the "Additional Premises") for lease to third parties or to accept an offer of a third party to lease the Additional Premises, Landlord shall first give written notice to Tenant of the rental rate and other material terms upon which Landlord is willing to lease the Additional Premises ("Landlord's Lease Notice"). Landlord's Lease Notice shall constitute an offer to lease the Additional Premises to Tenant at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice and shall state the anticipated date of availability of the Additional Premises. Tenant shall have sixty (60) days after receipt of Landlord's Lease Notice to accept such offer. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the rental rate and

upon the terms and conditions contained in Landlord's Lease Notice (the "Expansion Commitment").

(b) If Tenant delivers to Landlord the Expansion Commitment within such 30-day period, all (but not part) of the Additional Premises shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) sixty (60) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease except that (i) the Base Rent for the Additional Premises shall be at the rate set forth in Landlord's Lease Notice, and (ii) any terms and conditions set forth in Landlord's Lease Notice that are inconsistent with the terms and conditions of the Lease shall control.

(c) Except as otherwise set forth in Landlord's Lease Notice, possession of the Additional Premises shall be delivered to Tenant on an "as-is" basis. Landlord shall prepare and Landlord and Tenant shall execute and deliver a written agreement modifying and supplementing the Lease and specifying that the Additional Premises are part of the Premises and, except as otherwise specified in Landlord's Lease Notice, subject to all of the terms and conditions of the Lease.

(d) Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the 60-day period prescribed above, all rights of Tenant to lease the Additional Premises shall terminate and Landlord shall have no further obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Additional Premises to third parties or to accept offers from third parties to lease the Additional Premises without further obligation to Tenant. The rights granted to Tenant under this Section 34 shall not apply to any sales or similar transfers of the Additional Premises.

IN WITNESS WHEREOF this Lease has been executed the day and year first set forth above.

LANDLORD:

PALMDALE CA I SGF, LLC
a Delaware limited liability company

By: Cori Helms
Name: Cori Helms
Its: Authorized Signor

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

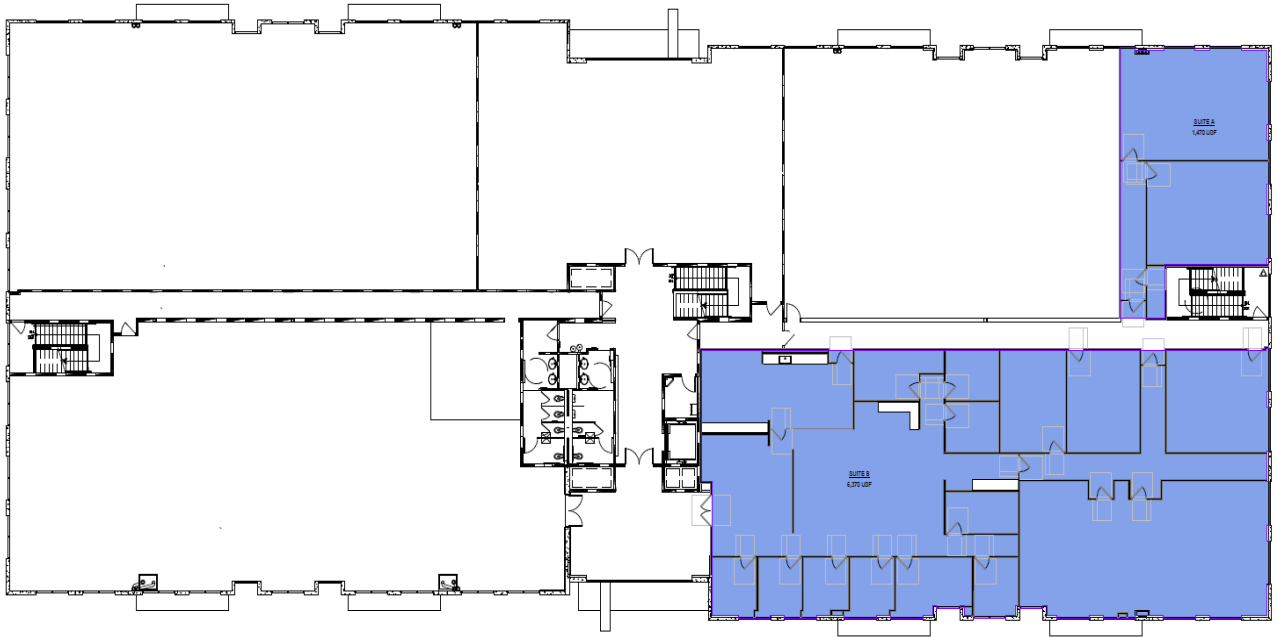
APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: Roberto Saldaña
Senior Deputy

EXHIBIT A

SITE PLAN OF PREMISES



39115 Trade Center Dr Palmdale - As Built
8/8/2024

BOMA - LEVEL 01
39115 Trade Center Dr
Palmdale, CA 93551



OTJ

EXHIBIT B

**COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS**

Reference is made to that certain Lease Agreement ("Lease") dated _____, 20__, between County of Los Angeles, a body corporate and politic ("Tenant"), and PALMDALE CA I SGF, LLC, a Delaware limited liability company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 39115 Trade Center Drive, Palmdale ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on _____ ("Commencement Date");
- 4) The Premises contain 8,781 rentable square feet of space; and

[For clarification and the purpose of calculating future rental rate adjustments:

- 5) Base Rent per month is \$23,533.08.
- 6) The Base Index month is _____.
- 7)The Base Index is _____.
- 8)The first New Index month is the thirteenth (13th) month of the lease.]

IN WITNESS WHEREOF, this memorandum is executed this _____ day of _____,
20____.

Tenant:

Landlord:

COUNTY OF LOS ANGELES,
a body corporate and politic

PALMDALE CA I SGF, LLC
a Delaware limited liability company

By: _____
Joyce Chang
Senior Manager

By: _____
Name _____
Its _____

EXHIBIT C

HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Tenant's Hours of Operation established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 68 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT D

CLEANING AND MAINTENANCE SCHEDULE

A. DAILY (Monday through Friday)

1. Carpets vacuumed.
2. Composition floors dust-mopped.
3. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
4. Waste baskets, other trash receptacles emptied.
5. Chairs and waste baskets returned to proper position.
6. Fingerprints removed from glass doors and partitions.
7. Drinking fountains cleaned, sanitized and polished.
8. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
9. Bulb and tube replacements, as required.
10. Emergency exit signage and egress battery replacement (if applicable)
11. Graffiti expunged as needed within two working days after notice by Tenant
12. Floors washed as needed.
13. Standard kitchen/lunchroom/restroom supplies replenished, including, but, not limited to, paper supplies and soap.
14. Exclusive day porter service from ___ a.m. to _____ p.m. [*Fill in if applicable. If not applicable, delete.*]

B. WEEKLY

15. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
16. Window sills, ledges and wood paneling and molding dusted.

C. MONTHLY

17. Floors washed and waxed in uncarpeted office area.
18. High-reach areas, door frames and tops of partitions dusted.
19. Upholstered furniture vacuumed, plastic and leather furniture wiped

20. Picture moldings and frames dusted.
21. Wall vents and ceiling vents vacuumed.
22. Carpet professionally spot cleaned as required to remove stains.
23. HVAC chiller water checked for bacteria, water conditioned as necessary.

D. QUARTERLY

24. Light fixtures cleaned and dusted, but not less frequently than quarterly.
25. Wood furniture polished.
26. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
27. HVAC units serviced for preventative maintenance purposes, all filters changed.

E. SEMI-ANNUALLY

28. Windows washed as required inside and outside but not less frequently than twice annually.
29. All painted wall and door surfaces washed and stains removed.
30. All walls treated with vinyl covering washed and stains removed.

F. ANNUALLY

31. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
32. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
33. Touch-up paint all interior painted surfaces in a color and finish to match existing.

G. AS NEEDED

34. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
35. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

36. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.
37. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
 - i. heavy traffic areas cleaned as needed, with a minimum frequency of bi-monthly [six (6) times per year];
 - ii. moderate traffic areas cleaned as needed, with a minimum of once every six (6) months [two (2) times per year]; and
 - iii. clean light traffic areas a minimum of once per year.

Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

38. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence") except for touch-up paint as provided in Paragraph 6.C. of this Exhibit E. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.
39. All HVAC ducts cleaned as needed, but no less than every five (5) years.

H. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT E

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

County of Los Angeles)	
Chief Executive Office)	
Real Estate Division)	
320 W. Temple Street, 7th Floor)	
Los Angeles, California 90012)	Space above for Recorder's Use

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

- A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.
- B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").
- C. Tenant and Borrower (as "Landlord") entered into a lease dated _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").
- D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a non-disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises or option to purchase the Property or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-disturbance. The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not:

(a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease, including Borrower, unless such act or omission continues after the date that Lender or Purchaser succeeds to the interest of such prior landlord; or

(b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease, unless resulting from a default or breach by such prior landlord which continues after Lender or Purchaser succeeds to the interest of such prior landlord; and provided that any offsets deducted by Tenant prior to the date that Lender or Purchaser succeeds to the interest of such prior landlord shall not be subject to challenge; or

(c) be bound by any prepayment by Tenant of more than one (1) month's installment of rent, unless the Lease expressly requires such prepayment; or

(d) be obligated for any security deposit not actually delivered to Purchaser; or

(e) be bound by any modification or amendment of or to the Lease which materially increases Landlord's obligations under the Lease or materially decreases Tenant's obligation under the Lease, unless Lender has approved such modification or amendment in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: _____

To Borrower: _____

To Tenant: County of Los Angeles
Chief Executive Office
Real Estate Division
320 W. Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

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

By: _____
Name: _____
Title: _____

BORROWER: *[Insert name of Landlord]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT F

TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

Attn: _____

Re: Date of Certificate: _____
Lease Dated: _____
Current Landlord: _____
Located at: _____
Premises: _____
Commencement Date of Term: _____
Expiration Date: _____
Current Rent: _____

County of Los Angeles ("Tenant") hereby certifies that, to its actual knowledge, as of the date hereof:

1. Tenant is the present holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

(b) The current Rent is set forth above.

(c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Tenant has no option or right to renew, extend or cancel the Lease, or to lease additional space in the Premises or Building, or to use any parking other than that specified in the Lease.

(d) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

(e) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified changed, altered or amended, except as set forth in Exhibit A, and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

[(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.]

(c) Tenant's interest in the Lease has not been assigned or encumbered.

(d) Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease, except as set forth in the Lease.

(e) No rental payments have been made more than one (1) month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full, and all of Landlord's obligations with respect to tenant improvements have been fully performed, except: _____.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. The final analysis and consideration of the lease will be determined without regard to race, creed, color or gender. (Categories listed below are based on those described in 49 CFR Section 23.5)

I. Minority/Women Participation in Firm (Partners, Associate Partners, Managers, Staff, etc.)

1. Firm Name: _____

2. Address: _____

3. Contact Person/Telephone Number: _____

4. Total number of employees in the firm: _____

5. Provide the number of all minority employees and women in each category.	Owners, Partners and Associate Partners		Managers		Staff	
	All O,P & AP	Women	All Managers	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others						

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____

2. Total Number of Ownership/Partners, Etc.: _____			<p>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</p> <p>Is your firm currently certified as a minority owned business firm by the:</p> <p>State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
3. Provide the percentage of ownership in each category.	All Employees	Women	
Black/African American			
Hispanic/Latin American			
Asian American			
Portuguese American			
American Indian/Alaskan Native			
All Others			
<p>Section D. OPTION TO PROVIDE REQUESTED INFORMATION</p> <p><input type="checkbox"/> We do not wish to provide the information required in this form.</p> <p>Firm Name: _____ Signature/Title: _____</p> <p>Date: _____</p>			

EXHIBIT H

MEMORANDUM OF LEASE

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

County of Los Angeles
Chief Executive Office
Real Estate Division
320 W. Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between PALMDALE CA I SGF, LLC, a Delaware limited liability company (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic, duly organized and existing under the laws of the State of California (the "Tenant"), who agree as follows:

Landlord and Tenant have entered into an unrecorded lease dated _____, 20__ (the "Lease") of certain real property located in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on _____, 20__, and ending on a date nine (9) years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: _____, 20__.

LANDLORD:

PALMDALE CA I SGF, LLC
a Delaware limited liability company

By: _____
Its: _____

By: _____
Its: _____

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Senior Deputy

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____, before me,

Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")
personally appeared _____,
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT I

LANDLORD'S WORK LETTER

LANDLORD'S WORK LETTER

For

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

COUNTY OF LOS ANGELES, as Tenant

LANDLORD: PALMDALE CA I SGF, LLC A DELAWARE LIMITED LIABILITY COMPANY

Property Address:

39115 TRADE CENTER DRIVE, PALMDALE, CA

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated _____, 20__, executed concurrently herewith, by and between PALMDALE CA I SGF, LLC a DELAWARE LIMITED LIABILITY COMPANY, as Landlord, and COUNTY OF LOS ANGELES, a body corporate and politic, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. Basic Work Letter Information. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- | | |
|--|--|
| (a) <u>Total TI Costs (Estimated)</u> | \$175 per rentable square foot of the Premises (i.e, up to \$1,536,675) subject to remeasurement) |
| (i) <u>Landlord's TI Allowance</u> | \$60 per rentable square foot of the Premises (i.e, up to \$526,860 subject to remeasurement) |
| (ii) <u>Tenant's TI Contribution</u> | \$115 per rentable square foot of the Premises (i.e, up to \$1,009,815 subject to remeasurement). Tenant shall have the option to pay for the Tenant's TI Contribution as a lump sum upon substantial completion of the tenant improvements. |
| (b) <u>Tenant's TI Amortization Rate and Change Authorization Amortization Rate:</u> | Fixed seven percent (7%) per annum for seven (7) years. |
| (c) <u>Tenant's Work Letter Representative</u> | An assigned staff An assigned staff person of the Chief Executive Office-Real Estate Division |
| (d) <u>Landlord's Work Letter Representative</u> | Nikki Javzec or an assigned staff person of the Landlord |
| (e) <u>Landlord's Address for Work Letter Notices</u> | Palmdale CA I SGF, LLC
One North Wacker Drive, Suite 4025
Chicago, Illinois 60606
Attn: Asset Management |

With a copy to:

Attn: Nikki Jazvec
Cushman & Wakefield

900 Willshire Blvd. Suite 2400
Los Angeles, CA 90017

(f) Tenant's Address for Work Letter
Notices

County of Los Angeles
Chief Executive Office - Real Estate
Division
320 West Temple Street, 7th Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

(g) Addenda

Addendum A: Base Building
Improvements
Addendum B: Tenant Improvements
Addendum C: Form of Preliminary and
Final TI Cost Summary

2. Construction of the Building.

2.1 Base Building Improvements. Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

2.2 Additional Costs Not Total TI Costs.

(a) If the applicable governmental authority issuing permits for the Tenant Improvements requires, as a condition to the issuance of permits for the construction of the Tenant Improvements, specific upgrades to the Building in order to comply with current life-fire safety codes, disabled access codes (including, without limitation, the Americans with Disabilities Act of 1990 (ADA)), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Total TI Costs (as defined below), and Tenant shall have no financial responsibility for such costs. If the applicable governmental authority issuing permits for the Tenant Improvements requires, as a condition to the issuance of permits for the construction of the Tenant Improvements, specific upgrades to the Premises in order to comply with current life-fire safety codes, disabled access codes (including, without limitation, the Americans with Disabilities Act of 1990 (ADA)), and/or earthquake safety codes that are required as a result of the Tenant Improvements, and Landlord incurs increased design and construction costs that it would not have incurred but for the Tenant Improvements, then such costs shall be included in the calculation of Total TI Costs (as defined below).

(b) Any work that Landlord must undertake to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense Total TI Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v)

costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase and / or maintain permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses up to 80 pounds per square foot. For live loads over 80 pounds per square foot, such costs shall be part of the Total TI Costs or paid by Tenant if such costs exceed the Total TI Costs.

(d) Prior to commencement of construction of the Tenant Improvements, Tenant, at its sole cost and expense, shall have a one-time right to field-measure and verify the exact footage of the Premises and/or the Building and deliver said measurement to Tenant. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1.1 of the Lease accomplished by the mutual execution of an amendment to the Lease. Landlord acknowledges the space has been marketed at the Lease indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2010, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement.

2.3 Base Building Plans. Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via USB flash drive and set-up of a web-based download link. If Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, then any delay caused thereby shall not be a Tenant Delay (as defined below), but shall be deemed to be a delay caused by Landlord, and Landlord shall pay for any increased costs caused by such delay.

2.4 Survey. Where 'as-built' plans are missing, Landlord must perform a survey of existing space, which shall include existing floor plans and mechanical, electrical, and plumbing systems. The survey shall be at Landlord's sole cost and expense. Landlord shall submit such survey to the Tenant such that the initial Space Plan (as defined in Section 5.1) can be modified to conform to the existing conditions.

3. Selection of Architect. Landlord shall not proceed with any bid solicitation for architectural services until final space plan is furnished to the Landlord. -Once Landlord receives the final space plan, Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall select an architect, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons specified in writing) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect"), and Tenant's written acceptance has been delivered to and received by Landlord.

4. Selection of Contractor. The Final Plans (as defined below) and a proposed construction contract accepted by Tenant shall be submitted to a sufficient number of

qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a fixed price contract bid price (on an American Institute of Architects (AIA) form) to construct the Tenant Improvements depicted on the Final Plans. Landlord shall select the most qualified bidder offering a combination of the lowest price after adjustments for inconsistent assumptions and the highest probability of on-time and on-budget completion as assessed by Landlord in its reasonable discretion, and Landlord shall submit all bids, along with Landlord's recommendation, to Tenant for Tenant's review and reasonable acceptance. Following Tenant's acceptance, Landlord shall enter into a construction contract (the "Construction Contract") with the selected contractor (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid.

5. Preparation of Plans and Specifications and Construction Schedule.

5.1 Preparation of Space Plan. Within thirty (30) days following the execution of this Lease by Tenant, Tenant shall submit to Landlord specifications for the Premises, which shall include a space plan, and when available, low voltage and furniture plans and shall depict, without limitation, all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively, the "Space Plan") and shall thereafter promptly respond to reasonable inquiries or requests for additional information from Landlord related thereto. The Space Plan shall be subject to Landlord's approval, not to be unreasonably withheld, conditioned or delayed. Landlord shall approve or disapprove the Space Plan (provided that such disapproval shall specify Landlord's reasonable reasons for disapproval) within five (5) business days).

5.2 Preparation and Review of Working Drawings. Within thirty (30) days after Lease Execution (the "Plan Submission Date") provided that (i) the Space plan shall have been approved by both parties, and (ii) the Architect shall have been selected, Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times provided that a schedule to submit the Working Drawings is provided to, and approved by, the Tenant. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and approval. Landlord shall be solely responsible for ensuring that the Working Drawings fully comply with all applicable building codes and cover any expenses that result from the errors, omissions or inconsistencies in the Architect's Instruments of Service.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and approval.

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

5.5 Tenant's Plan Review and Acceptance. Tenant shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within twenty-one (21) calendar days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within fourteen (14) calendar days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant. The costs of revisions requested by Tenant shall be part of the Total TI Costs. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Within twenty-one (21) calendar days of the Plan Submission Date, Landlord shall submit to Tenant a detailed baseline construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, interim schedule milestone dates, and the date of Substantial Completion. The schedule shall be apportioned by construction activity and include time required for the completion of each portion of the work. As the construction continues, Landlord shall amend the construction schedule at least once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. If the amended construction schedule identifies delays to the project's critical path, the Landlord shall provide a recovery schedule and/or request for a contract time extension.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements.

"Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

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

6.1 Cost Summary. Within fifteen (15) business days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the sum of Landlord's TI Allowance and Tenant's TI Contribution. The Preliminary TI Cost Summary shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Summary". Tenant shall have fourteen (14) calendar days after the date of receipt of the Final TI Cost Summary to accept or reject the Final TI Cost Summary, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein; provided, however, that any proposed increase to Tenant's TI Contribution shown on the Final TI Cost Summary shall not be effective unless approved in a separate written agreement executed by Landlord and Tenant. Tenant's failure to accept or reject the Final TI Cost Summary in writing within such period shall be deemed to be rejected. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Summary in writing. If Tenant rejects the Final TI Cost Summary due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements at Landlord's sole expense, to comply with the Preliminary TI Cost Summary, and any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. If Tenant rejects the Preliminary TI Cost Summary or the Final TI Cost Summary, the parties shall promptly confer to resolve all issues relating thereto. If after such consultation, the parties cannot agree on the Preliminary TI Cost Summary or the Final TI Cost Summary, then Tenant may elect to terminate the Lease and this Work Letter by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease or this Work Letter.

6.2 Landlord's TI Allowance and Tenant's TI Contribution. All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant (collectively "Total TI Costs"), all of which must not exceed the sum of Landlord's TI Allowance, Tenant's TI Contribution (unless otherwise agreed by Tenant in writing), and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Landlord shall be solely responsible for the Total TI Costs in an amount up to, but not exceeding, Landlord's TI Allowance; provided, however, Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements which result from the acts or omissions of Landlord. Tenant shall be responsible for Tenant's TI Contribution and any other costs which exceed the Total TI Costs. Except as otherwise provided herein, all Total TI Costs shall be paid by Landlord and deducted from Landlord's TI Allowance. If the Total TI Costs exceed Landlord's TI Allowance, then Tenant may

authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in Section 6.3 below.

6.3 Method of Payment. Tenant shall be obligated to pay Landlord for any Total TI Costs in excess of Landlord's TI Allowance' thirty (30) calendar days after all of the following conditions have been met: (i) Tenant Improvements are Substantially Complete (as defined in the Lease); (ii) Landlord has provided Tenant with all documentation substantiating all Tenant Improvements' expenses, including without limitation, receipts, invoices, proof of payment, unconditional lien releases and approved changed orders; and (iii) Tenant has reconciled all Tenant Improvements' costs to determine and confirm the total Tenant Improvements amount spent and the amount of Tenant's TI Contribution owed to Landlord. At Tenant's election, such payment may be made (a) in a lump sum, or (b) in equal monthly payments, amortized over the term of the Lease at the TI Amortization Rate. Tenant may, at any time during the Term, prepay all or any portion of the Total TI Costs in excess of the Landlord's TI Allowance and pay any remaining amount in equal monthly payments, amortized over the remaining term of the Lease at the TI Amortization Rate.

7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto, such work shall be considered a Base Building Improvement and shall be performed by Landlord at its own cost and expense and not included in the cost of Tenant Improvements.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

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

7.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within forty-five (45) calendar days after Tenant's acceptance of the Contractor pursuant to Section 4 hereof. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays (as defined below).

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

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

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

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and expense, shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

(d) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises or in other areas utilized by Landlord or its contractors, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of substandard work performed by Landlord's contractor or contractors (as reasonably determined by Tenant according to the usual standards of work in the Building) or as a result of inadequate clean-up.

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.**

(f) Access During Construction. Tenant shall have the right to conduct site visits to observe progress of the Tenant Improvements during the course of construction. All site visits shall be coordinated with Landlord's Representative in advance. Additionally, pursuant to

Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) calendar days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection. If Landlord fails to complete any of the punch-list items within such 30-day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, with the cost thereof plus ten percent (10%) for Tenant's overhead and supervision to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease.

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

8. Requests for Change. Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Request for Change"), provided that the requesting party must submit a written request to the other party and that Requests for Change will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"). Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Tenant shall be obligated to pay Landlord for the Request for Change as part of Tenant's portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance as defined in Section 6.3. Landlord shall be solely responsible for the cost of any Change Authorizations or other Requests for Change that are not Tenant-Requested Changes or approved by the Chief Executive Officer or his/her designee. Landlord shall submit to the Chief Executive Officer or his/her designee with each Request for Change: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Authorizations previously executed, and (iii) an estimate of the number of days by which the construction time will be increased or shortened if the Request for Change is approved. Each Change Authorization must be signed and dated by

tenant department, Landlord and the Chief Executive Officer or his/her designee in order to be effective. If Tenant makes a Request for Change that would directly or indirectly delay the Substantial Completion of the Tenant Improvements, such change shall be deemed a Tenant Delay.

9. Furniture System.

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

9.2 Alternatively, Tenant may elect to finance the cost of modular furniture through lease-purchase financing with a third-party lender ("Creditor"). If Tenant elects to enter into a lease-purchase financing of any furniture or telecommunications equipment (individually or collectively, "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage to the Building or the Premises caused by such removal shall be repaired by Creditor.

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building.

(c) This Section 9.2 shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord hereby waives any right to gain possession of any of Personal Property during the term of the Lease.

10. Total TI Costs Adjustment and Right to Audit.

Within fourteen (14) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail and sorted into the same line items as the Final TI Cost Summary, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time after the date of Tenant's Acceptance of the Premises. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary, and

inform Landlord if Tenant wants Landlord to pay Tenant the amount of any over-payment made by Tenant within thirty (30) calendar days or if Tenant will apply such amount as a credit against the next installment(s) of Base Rent due under the Lease, and any future payments owed by Tenant shall be adjusted as appropriate based upon the audit results. Landlord shall require the Contractor to include audit provisions in all subcontracts which allow Tenant to audit the subcontractors' books and records with respect to the Tenant Improvements.

11. Telephone/Computer Room and Equipment. Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan, Low-Voltage Plans and specifications provided by Tenant, at least thirty (30) calendar days prior to the Estimated Commencement Date. During this thirty (30) day period, the Landlord shall be responsible for the security and protection of any telephone/data equipment delivered to the site prior to the Estimated Commencement Date.

12. Delay.

12.1 Tenant Delays and Force Majeure Delays. Subject to the provisions of Section 12.2, the Estimated Commencement Date set forth in the Lease shall be extended one (1) day for each day that the commencement or completion of construction of the Tenant Improvements are delayed as a result of: (a) (i) Tenant's failure or refusal to give authorizations or approvals within the time periods required herein, (ii) a breach by Tenant of this Work Letter or the Lease, (iii) Tenant's Request for Change, (iv) Tenant's requirement for: (A) materials, components, finishes, or improvements which are different from, or not included in, Landlord's standard tenant improvement items for the Building (which have been provided to Tenant and of which Tenant acknowledges receipt); or (B) materials that are not available in a commercially reasonable time given the estimated date of Substantial Completion of the Tenant Improvements, or (iv) any other act or omission of Tenant or its agents, employees, contractors, or representatives that continues more than one (1) calendar day after written notice thereof by Landlord (collectively referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor shortage or disturbance, civil disturbance, riot, war, act of a public enemy, sabotage, unavailability of materials, governmental regulation, or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

12.2 Limitations.

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty eight (48) hours of the event giving rise to such claim, Landlord provides Tenant with written notice in compliance with the Lease specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction, or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord.

(b) **Mitigation.** Tenant Delays and Force Majeure Delays shall delay the Estimated Commencement Date only if Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, efforts which Landlord shall be obligated to make (provided that the additional cost incurred by Landlord due to such efforts does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to the excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

(d) Change Authorizations. Landlord may not claim that a Tenant-Requested Change was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the executed Change Authorization and affects the Critical Path of the Construction Schedule.

(e) Work Scope Precedence. In case of conflicts or discrepancies between or among this Landlord Work Letter, plans, and specifications, plans shall supersede specifications for quantity, specifications shall supersede plans for quality, and this Landlord Work Letter shall supersede both plans and specifications.

13. Tenant Remedies. If the Tenant Improvements have not been Substantially Completed within 120 calendar days after the Estimated Commencement Date, then Tenant may, at its option:

13.1 Cancel the Lease upon thirty (30) calendar days' written notice to Landlord; or

13.2 Upon thirty (30) calendar days' written notice to Landlord, assume the responsibility for constructing and/or completing the Tenant Improvements itself. If Tenant elects to construct or complete the Tenant Improvements itself, then:

(a) Tenant, its officers, employees, agents, contractors and assignees, shall have reasonable access to the Premises and the Building at all reasonable times for the purpose of constructing the Tenant Improvements and for any other purposes reasonably related thereto, provided all access by Tenant and its representatives shall be coordinated with Landlord in advance; and

(b) Base Rent shall be reduced by Tenant's total expense in constructing the Tenant Improvements, (not to exceed the remainder of Landlord's TI Allowance and other charges which Landlord would be obligated to pay pursuant to this Work Letter) including any financing charges for capital and a reasonable amount for Tenant's administrative costs, and including interest at the rate of six percent (6%) per annum ("Tenant's Total Expense"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's Total Expense shall be fully amortized in equal monthly amounts over five (5) years and deducted from the Base Rent payable under the Lease.

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

14. Representatives.

14.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter

who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

14.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

15. Elevator Usage During Move-In. In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements during the early entry period set forth in Section 4.3 of the Lease, Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment. Any elevator usage provided under this Section 15 shall be at no cost to Tenant.

16. Construction Meetings. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within seven (7) calendar days after the date the Contractor is selected. Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) calendar days after the date of the construction meeting.

17. Delivery. Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant.

18. Miscellaneous. This Landlord Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord Work Letter. This Landlord Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord Work Letter shall be construed as if jointly drafted by the parties. This Landlord Work Letter will not be effective unless and until signed by both Parties. Neither party may assign this Landlord Work Letter or its rights or obligations hereunder without the other party's prior written consent. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. Provisions contained in this Landlord Work Letter shall prevail in case of conflict over the terms of the Lease. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

LANDLORD:

PALMDALE CA I SGF, LLC
a Delaware limited liability company

By: Cori Helms
Name: Cori Helms
Title: Authorized Signor
Date Signed: 8/12/24

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
CHIEF EXECUTIVE OFFICER

By: _____
John T. Cooke
Assistant Chief Executive Officer

ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

Landlord has constructed (or will construct) the Building to include the following):

(a) the Building shell and exterior, including perimeter window systems and mullions in good condition.

(b) Must also include including mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;

(d) Drywall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows. Also included:

(e) public stairways;

(f) passenger and freight elevators;

(g) parking facilities;

(h) ground floor lobby;

(i) finished elevator lobbies (with carpet, lights, finished walls and ceiling);

(j) exterior plazas and landscaping;

(k) designated loading area in parking lot;

(l) water bottle filling stations/drinking fountains at the core;

(m) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;

(n) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on floor two in which case Landlord, at no cost to Tenant and without deduction from Landlord's TI Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) 120/208 Volt 3-Phase 4-Wire voltage;

(p) two (2) 208/120 Volt (VAC) panels connected to the Building power system

(q) mechanical equipment room with ducted mechanical exhaust system;

(r) concrete floors with troweled finish ready for tenants floor finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot, , and a partition load of twenty (20) pounds per square foot;

(s) standard window coverings;

(t) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;

(u) primary HVAC is VAV with hot water reheat for perimeter zones and DDC controls. Duct and pipe loops come from rooftop equipment;

(v) hot and cold air loops located within the Premises;

(w) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

(x) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(y) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and

(z) Drywall on the service core walls, columns and sills in the Premises.

(aa) Demolition and removal of any existing improvements or equipment situated within the Premises, unless the Final Plans show that such improvements and/or equipment will remain in the Premises.

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

- (a) Tenant improvements shall include: Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers; and
- (j) Additional and/or above standard electrical capacity; and
- (k) Fiber optic access.

ADDENDUM C To Landlord's Work Letter

PRELIMINARY AND FINAL TI COST SUMMARY

___ Preliminary TI Cost Summary
___ Final TI Cost Summary
Palmdale

Lease No. _____
Address 39115 Trade Center Drive,

Cost Category	
Architecture and Engineering Contract	\$
Plan Check Fees & Permits	\$
General Contractor	\$
(Profit)	\$
(Overhead)	\$
Furniture	\$
Other (Specify)	\$
Total TI Costs	\$

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	10/02/2024	
BOARD MEETING DATE	10/22/2024	
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)	Treasurer and Tax Collector (TTC)	
SUBJECT	Delegation of Authority to Award a Contract for Investment Custody Services to State Street Bank and Trust Company (State Street)	
PROGRAM	N/A	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXECUTIVE OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
DEADLINES/ TIME CONSTRAINTS	The recommended Contract replaces the existing contract with Citibank, N.A. for Investment Custody and Securities Lending Services, which is scheduled to expire on 05/31/2025.	
COST AND FUNDING	Total cost: \$1,752,086 for the Contract Term	Funding source: Departmental Budget
	TERMS (if applicable): The Contract Term is three years with three additional one-year and six month-to-month optional periods.	
	Explanation: N/A	
PURPOSE OF REQUEST	This request is to authorize the TTC to award and execute a Contract with State Street for Investment Custody Services.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The TTC is statutorily authorized and responsible for the investment and accountability of public funds within its control. These funds are collectively known as the "Treasury." The TTC requires Investment Custody Services to transact, safekeep, and manage the cashflow requirements of the Treasury's investments.	
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	<ul style="list-style-type: none"> • Elizabeth Buenrostro Ginsberg, Treasurer and Tax Collector, (213) 974-2101, eginsberg@ttc.lacounty.gov • Damia J. Johnson, Assistant Treasurer and Tax Collector, (213) 974-2139, djohnson@ttc.lacounty.gov • Jennifer Koai, Operations Chief, (213) 974-3385, jkoai@ttc.lacounty.gov 	



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

ELIZABETH BUENROSTRO GINSBERG
TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437
Los Angeles, California 90012
Telephone: (213) 974-2101 Fax: (213) 626-1812
ttc.lacounty.gov and propertytax.lacounty.gov

Board of Supervisors
HILDA L. SOLIS
First District
HOLLY J. MITCHELL
Second District
LINDSEY P. HORVATH
Third District
JANICE HAHN
Fourth District
KATHRYN BARGER
Fifth District

October 22, 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:

TREASURER AND TAX COLLECTOR RECOMMENDATION TO AWARD A CONTRACT FOR INVESTMENT CUSTODY SERVICES TO STATE STREET BANK AND TRUST COMPANY (ALL DISTRICTS) (3 VOTES)

SUBJECT

The recommended action is to authorize the Treasurer and Tax Collector to execute and administer a Contract with State Street Bank and Trust Company (State Street) for the provision of Investment Custody Services.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Treasurer and Tax Collector, or their designee, to execute and administer the attached Contract with State Street to provide Investment Custody Services to the County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) commencing upon execution of the Contract by the Treasurer and Tax Collector, or their designee, for a three-year term, with an option to extend the Contract for three one-year extensions and six month-to-month extensions, with a maximum Contract Sum not to exceed \$1,752,086, composed of (i) \$1,592,805 for service costs; and (ii) \$159,281 for Pool Dollars for Additional Work.
2. Delegate authority to the Treasurer and Tax Collector, or their designee, to execute Change Notices or Amendments to the Contract to: (1) exercise the optional three one-year extensions and six month-to-month extensions; (2) add, delete, and/or revise certain terms and conditions as mandated by federal, or state, or local law or

regulation, or as required by the Board and/or Chief Executive Office (CEO); (3) internally reallocate funds between budget pools within the Contract; (4) approve assignment or transfer of the Contract or of State Street's rights or obligations thereunder; (5) make changes to the Statement of Work as operationally necessary, with all actions subject to prior approval as to form by County Counsel; and (6) increase the Contract Sum by no more than 10% of the maximum Contract Sum for a particular year based on an increase in work volume.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The TTC, in its capacity as the County Treasurer, is responsible for the investment and accountability of public funds within its control. This includes County funds as well as funds of other depositors, including the Sanitation Districts, the Metropolitan Transportation Authority, the South Coast Air Quality Management District, and certain other municipal agencies. Collectively, these funds are known as the "Treasury." The Treasury invests excess funds on a daily basis to ensure the safety of principal, provide sufficient cash to meet disbursement needs, and achieve a return. The TTC requires Investment Custody Services to transact, safekeep, and manage the cashflow requirements of the Treasury's investments.

The recommended Contract will replace the existing contract with Citibank, N.A. for the provision of Investment Custody and Securities Lending Services, which expires on May 31, 2025.

Implementation of Strategic Plan Goals

The approval of this Contract is consistent with the County's Strategic Plan North Star 3 – Realize Tomorrow's Government Today, Focus Area Goal G, Strategy ii – Manage and Maximize County Assets.

FISCAL IMPACT/FINANCING

The total Contract sum for the maximum Contract term of six years and six months is \$1,752,086. There is no Net County Cost associated with this contract. Costs are offset from Treasury Management Expense, and is netted from interest earnings prior to distribution, as authorized per Government Code Section 27013. Therefore, TTC has sufficient funding to cover all contract costs for the maximum Contract term.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Government Code (CGC) Section 53608 grants to your Board the authority to deposit the Treasury's investments for safekeeping with permitted banks, and allows

your Board to delegate that authority to the County Treasurer. CGC Sections 31000, 53649, and 53682 allows your Board to contract for these special services.

The recommended contract includes adequate terms and conditions to protect the County. The recommended Contract includes your Board's required provisions, including the requirement for State Street to notify and assist its employees with the Federal Earned Income Tax Credit application process; consideration of qualified GAIN/START participants for employment openings; compliance with the Jury Service Program; Safely Surrendered Baby Law; Zero Tolerance Human Trafficking; and State Street's compliance with the Defaulted Property Tax Reduction Program.

The Contract expressly provides that the County does not have an obligation to pay State Street for expenditures that exceed the maximum Contract Sum. Additionally, the Contract contains performance standards, including a Key Performance Indicators Chart with fees to be assessed for substandard and/or non-performance.

CONTRACTING PROCESS

On July 21, 2023, the TTC released a Request for Proposals (RFP) for the provision of Investment Custody and Securities Lending Services and posted the RFP on the County's "Doing Business with Us" website (Attachment A) under the following four Commodity Codes:

- 94625 Banking Services
- 94629 Cash Management Services
- 94630 Cash/Securities and Bonding Services
- 94656 Investment Management Services

These Commodity Codes consisted of approximately 332 registered vendors. The TTC also posted the RFP on the TTC's website and emailed it to an additional seven vendors on the TTC's mailing list (Attachment B).

Subsequently, the TTC issued one RFP addendum which provided updated information related to the RFP's Timetable and responses to questions received from the Proposers.

The proposal submission due date was September 1, 2023. The TTC received one proposal by the due date, from State Street. The proposal was missing certain information; consequently, the TTC issued a Supplemental Data Request for this information and State Street complied by providing the requested information by November 2, 2023.

An Evaluation Committee composed of staff from the TTC's Banking Operations Branch, the TTC's Finance and Investments Branch, and the TTC's Internal Controls Branch, utilized the County's Informed Averaging scoring methodology to score the proposal. The proposal submitted by State Street demonstrated State Street's understanding of the Contract's service requirements. State Street also has verifiable experience providing Investment Custody Services for the County's Deferred Compensation Plans as well as the Los Angeles County Employee Retirement Association.

During the negotiation process, TTC worked closely with CEO Risk Management (RM) and County Counsel to negotiate the most advantageous and commercially responsible terms possible for the County. Specifically, the TTC consulted with CEO RM regarding certain exceptions to the general provisions for insurance coverage terms and conditions. CEO RM advised the TTC of the risks associated with acceptance of the exceptions, and the TTC found the level of risks to be acceptable.

The TTC also worked closely with County Counsel regarding State Street's requested exceptions and changes to contract provisions pertaining to indemnification and liquidated damages. Following negotiations, the Contract provides that State Street will indemnify the County from and against losses arising directly from third-party claims against the County as a direct result of negligence, breach of law, bad faith, fraud or willful misconduct related to State Street's obligations and duties under the Contract. With respect to liquidated damages, the Contract includes a Key Performance Indicators Chart that includes a notice and cure period with fees to be assessed for failure to meet performance standards outlined in the chart, with a reasonable limit on damages. Based on the services State Street will provide under the Contract and after consultation with County Counsel, the TTC determined that the negotiated exceptions are acceptable.

County Counsel has approved the recommended Contract as to form.

The TTC has evaluated and determined that the recommended Contract is exempt from Proposition A (County Code Chapter 2.121) and the Living Wage Program (County Code Chapter 2.201) does not apply.

A summary of the Community Business Enterprise Program Statistical Information for the recommended Contractor is included (Attachment C). On final analysis and consideration of award, the TTC selected the contractor without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation, or disability.

IMPACT ON CURRENT SERVICES

Approval of the recommended actions will ensure that TTC can continue fulfilling its responsibilities pertaining to safekeeping Treasury assets after the current contract expires.

Respectfully submitted,

ELIZABETH BUENROSTRO GINSBERG
Treasurer and Tax Collector

EBG:DJJ:VN:MV:iac

Enclosures

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

Home / Closed & Award Solicitations / Detail

Solicitation Information

Solicitation Number:	TTC RFP 2023-02 ICSL					
Title:	Investment Custody and Securities Lending Services					
Department:	Treasurer and Tax Collector					
Bid Type:	Service	Bid Amount:	N/A			
Commodity:	BANKING SERVICES					
Description:	<p>The County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) is issuing this Request for Proposals (RFP) for the provision of Investment Custody and Securities Lending Services.</p> <p>You may download the RFP from the Internet by accessing the County's website at https://camisvr.co.la.ca.us/lacobids/, selecting "Open Solicitations," and then searching by the solicitation title of Investment Custody and Securities Lending Services. You may also download the RFP by accessing the TTC's website https://ttc.lacounty.gov/contract-opportunities/. Potential Proposers are responsible for downloading and reviewing the entire RFP.</p> <p>The RFP contains the service requirements, proposal content and format requirements, a description of the proposal selection process, and a sample contract. Potential Proposers that meet the minimum requirements identified in Paragraph 3 (Proposer's Minimum Mandatory Requirements) are invited to submit a proposal to provide the services described in Exhibit A (Statement of Work) of Appendix A (Sample Contract) of the RFP. Potential Proposers should carefully review the RFP and ensure their proposal complies with all RFP requirements.</p> <p>Pursuant to Subparagraph 7.6.9 (Exceptions to Terms and Conditions of Sample Contract and/or Requirements of SOW and Attachments), Proposers must list all of their exceptions in their proposal submission. Proposers may not take exception to the Standard Terms and Conditions in their entirety and replace the County's Standard Terms and Conditions with the Proposer's. The TTC will consider such a proposal to be non responsive.</p> <p>The TTC will recommend approval of the contract to the most responsive and responsible Proposer. In general, the greater the number of exceptions to the terms and conditions the Proposer lists, and the more substantive the exceptions are, the less responsive the proposal will be deemed. Thus, a Proposer that lists large number of exceptions in quantity or quality will be scored accordingly. This practice reflects the fact that a Proposer that is able to accept the Standard Terms and Conditions as is, without any exception, is more responsive to the RFP than a Proposer that takes a number of exceptions to the Standard Terms and Conditions.</p> <p>During the negotiations process, the TTC limits the exceptions that can be negotiated to the exceptions listed in the proposal itself. The TTC would compromise the integrity of the RFP process if it were to negotiate an exception that the Proposer did not list in its proposal. If the Proposer had listed the exception in the proposal, the Proposer's score would likely have been less than originally calculated, thereby having a potential impact to the ranking of all proposals.</p> <p>Proposals must be prepared in accordance with Paragraph 7 (Business Proposal Requirements and Evaluation). Proposals are due no later than 5:00 p.m. Pacific Time on Friday, August 25, 2023, and must be emailed to: contracts@ttc.lacounty.gov. Proposals received after the scheduled deadline will not be accepted.</p>					
Open Day:	7/21/2023	Closed Date:	8/25/2023 5:00:00 PM			
Contact Name:	Marla Vadai	Contact Phone:	(213) 974-7360			
Contact Email:	contracts@ttc.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:	7/21/2023 12:26:57 PM					
Attachment File (3):	Click here to download attachment files.					
	File Name	Description	Type	Size	Last Update On	
	TTC_RFP_2023-02_ICSL.pdf	Investment Custody and Securities Lending Services RFP	.pdf	5647938	07-21-2023	Download
	ICSL_Reqd_Forms_Exh6.xlsx	Investment Custody and Securities Lending Services RFP (Exhibit 6)	.xlsx	31199	07-21-2023	Download
	ICSLAddendumOne.pdf	ICSL Addendum One	.pdf	795373	08-18-2023	Download

Less

Solicitation Information

Solicitation Number:	TTC RFP 2023-02 ICSL-A																										
Title:	Investment Custody and Securities Lending Services																										
Department:	Treasurer and Tax Collector																										
Bid Type:	Service	Bid Amount:	N/A																								
Commodity:	CASH MANAGEMENT SERVICES																										
Description:	<p>The County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) is issuing this Request for Proposals (RFP) for the provision of Investment Custody and Securities Lending Services.</p> <p>You may download the RFP from the Internet by accessing the County's website at https://camisvr.co.la.ca.us/iacobids/, selecting "Open Solicitations," and then searching by the solicitation title of Investment Custody and Securities Lending Services. You may also download the RFP by accessing the TTC's website https://ttc.lacounty.gov/contract-opportunities/. Potential Proposers are responsible for downloading and reviewing the entire RFP.</p> <p>The RFP contains the service requirements, proposal content and format requirements, a description of the proposal selection process, and a sample contract. Potential Proposers that meet the minimum requirements identified in Paragraph 3 (Proposer's Minimum Mandatory Requirements) are invited to submit a proposal to provide the services described in Exhibit A (Statement of Work) of Appendix A (Sample Contract) of the RFP. Potential Proposers should carefully review the RFP and ensure their proposal complies with all RFP requirements.</p> <p>Pursuant to Subparagraph 7.6.9 (Exceptions to Terms and Conditions of Sample Contract and/or Requirements of SOW and Attachments), Proposers must list all of their exceptions in their proposal submission. Proposers may not take exception to the Standard Terms and Conditions in their entirety and replace the County's Standard Terms and Conditions with the Proposer's. The TTC will consider such a proposal to be non responsive.</p> <p>The TTC will recommend approval of the contract to the most responsive and responsible Proposer. In general, the greater the number of exceptions to the terms and conditions the Proposer lists, and the more substantive the exceptions are, the less responsive the proposal will be deemed. Thus, a Proposer that lists large number of exceptions in quantity or quality will be scored accordingly. This practice reflects the fact that a Proposer that is able to accept the Standard Terms and Conditions as is, without any exception, is more responsive to the RFP than a Proposer that takes a number of exceptions to the Standard Terms and Conditions.</p> <p>During the negotiations process, the TTC limits the exceptions that can be negotiated to the exceptions listed in the proposal itself. The TTC would compromise the integrity of the RFP process if it were to negotiate an exception that the Proposer did not list in its proposal. If the Proposer had listed the exception in the proposal, the Proposer's score would likely have been less than originally calculated, thereby having a potential impact to the ranking of all proposals.</p> <p>Proposals must be prepared in accordance with Paragraph 7 (Business Proposal Requirements and Evaluation). Proposals are due no later than 5:00 p.m. Pacific Time on Friday, August 25, 2023, and must be emailed to: contracts@ttc.lacounty.gov. Proposals received after the scheduled deadline will not be accepted.</p>																										
Open Day:	7/21/2023	Closed Date:	8/25/2023 5:00:00 PM																								
Contact Name:	María Vadai	Contact Phone:	(213) 974-7360																								
Contact Email:	contracts@ttc.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:	7/21/2023 12:34:04 PM																										
Attachment File (3):	<p>Click here to download attachment files.</p> <table border="1"> <thead> <tr> <th>File Name</th> <th>Description</th> <th>Type</th> <th>Size</th> <th>Last Update On</th> <th></th> </tr> </thead> <tbody> <tr> <td>TTC_RFP_2023-02_ICSL.pdf</td> <td>Investment Custody and Securities Lending Services RFP</td> <td>.pdf</td> <td>5647938</td> <td>07-21-2023</td> <td>Download</td> </tr> <tr> <td>ICSL_Reqd_Forms_Exh6.xlsx</td> <td>Investment Custody and Securities Lending Services RFP (Exhibit 6)</td> <td>.xlsx</td> <td>31199</td> <td>07-21-2023</td> <td>Download</td> </tr> <tr> <td>ICSLAddendumOne.pdf</td> <td>ICSL Addendum One</td> <td>.pdf</td> <td>795373</td> <td>08-18-2023</td> <td>Download</td> </tr> </tbody> </table>			File Name	Description	Type	Size	Last Update On		TTC_RFP_2023-02_ICSL.pdf	Investment Custody and Securities Lending Services RFP	.pdf	5647938	07-21-2023	Download	ICSL_Reqd_Forms_Exh6.xlsx	Investment Custody and Securities Lending Services RFP (Exhibit 6)	.xlsx	31199	07-21-2023	Download	ICSLAddendumOne.pdf	ICSL Addendum One	.pdf	795373	08-18-2023	Download
File Name	Description	Type	Size	Last Update On																							
TTC_RFP_2023-02_ICSL.pdf	Investment Custody and Securities Lending Services RFP	.pdf	5647938	07-21-2023	Download																						
ICSL_Reqd_Forms_Exh6.xlsx	Investment Custody and Securities Lending Services RFP (Exhibit 6)	.xlsx	31199	07-21-2023	Download																						
ICSLAddendumOne.pdf	ICSL Addendum One	.pdf	795373	08-18-2023	Download																						

Solicitation Information

Solicitation Number:	TTC RFP 2023-02 ICSL-B																										
Title:	Investment Custody and Securities Lending Services																										
Department:	Treasurer and Tax Collector																										
Bid Type:	Service	Bid Amount:	N/A																								
Commodity:	CASH/SECURITIES AND BONDING SERVICES																										
Description:	<p>The County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) is issuing this Request for Proposals (RFP) for the provision of Investment Custody and Securities Lending Services.</p> <p>You may download the RFP from the Internet by accessing the County's website at https://camlsrv.co.la.ca.us/iacobids/, selecting "Open Solicitations," and then searching by the solicitation title of Investment Custody and Securities Lending Services. You may also download the RFP by accessing the TTC's website https://ttc.lacounty.gov/contract-opportunities/. Potential Proposers are responsible for downloading and reviewing the entire RFP.</p> <p>The RFP contains the service requirements, proposal content and format requirements, a description of the proposal selection process, and a sample contract. Potential Proposers that meet the minimum requirements identified in Paragraph 3 (Proposer's Minimum Mandatory Requirements) are invited to submit a proposal to provide the services described in Exhibit A (Statement of Work) of Appendix A (Sample Contract) of the RFP. Potential Proposers should carefully review the RFP and ensure their proposal complies with all RFP requirements.</p> <p>Pursuant to Subparagraph 7.6.9 (Exceptions to Terms and Conditions of Sample Contract and/or Requirements of SOW and Attachments), Proposers must list all of their exceptions in their proposal submission. Proposers may not take exception to the Standard Terms and Conditions in their entirety and replace the County's Standard Terms and Conditions with the Proposer's. The TTC will consider such a proposal to be non responsive.</p> <p>The TTC will recommend approval of the contract to the most responsive and responsible Proposer. In general, the greater the number of exceptions to the terms and conditions the Proposer lists, and the more substantive the exceptions are, the less responsive the proposal will be deemed. Thus, a Proposer that lists large number of exceptions in quantity or quality will be scored accordingly. This practice reflects the fact that a Proposer that is able to accept the Standard Terms and Conditions as is, without any exception, is more responsive to the RFP than a Proposer that takes a number of exceptions to the Standard Terms and Conditions.</p> <p>During the negotiations process, the TTC limits the exceptions that can be negotiated to the exceptions listed in the proposal itself. The TTC would compromise the integrity of the RFP process if it were to negotiate an exception that the Proposer did not list in its proposal. If the Proposer had listed the exception in the proposal, the Proposer's score would likely have been less than originally calculated, thereby having a potential impact to the ranking of all proposals.</p> <p>Proposals must be prepared in accordance with Paragraph 7 (Business Proposal Requirements and Evaluation). Proposals are due no later than 5:00 p.m. Pacific Time on Friday, August 25, 2023, and must be emailed to: contracts@ttc.lacounty.gov. Proposals received after the scheduled deadline will not be accepted.</p>																										
Open Day:	7/21/2023	Closed Date:	8/25/2023 5:00:00 PM																								
Contact Name:	María Vadal	Contact Phone:	(213) 974-7360																								
Contact Email:	contracts@ttc.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:	7/21/2023 12:39:22 PM																										
Attachment File (3):	Click here to download attachment files.																										
	<table border="1"> <thead> <tr> <th>File Name</th> <th>Description</th> <th>Type</th> <th>Size</th> <th>Last Update On</th> <th></th> </tr> </thead> <tbody> <tr> <td>TTC_RFP_2023-02_ICSL.pdf</td> <td>Investment Custody and Securities Lending Services RFP</td> <td>.pdf</td> <td>5647938</td> <td>07-21-2023</td> <td>Download</td> </tr> <tr> <td>ICSL_Reqd_Forms_Exh6.xlsx</td> <td>Investment Custody and Securities Lending Services RFP (Exhibit 6)</td> <td>.xlsx</td> <td>31199</td> <td>07-21-2023</td> <td>Download</td> </tr> <tr> <td>ICSLAddendumOne.pdf</td> <td>ICSL Addendum One</td> <td>.pdf</td> <td>795373</td> <td>08-18-2023</td> <td>Download</td> </tr> </tbody> </table>	File Name	Description	Type	Size	Last Update On		TTC_RFP_2023-02_ICSL.pdf	Investment Custody and Securities Lending Services RFP	.pdf	5647938	07-21-2023	Download	ICSL_Reqd_Forms_Exh6.xlsx	Investment Custody and Securities Lending Services RFP (Exhibit 6)	.xlsx	31199	07-21-2023	Download	ICSLAddendumOne.pdf	ICSL Addendum One	.pdf	795373	08-18-2023	Download		
File Name	Description	Type	Size	Last Update On																							
TTC_RFP_2023-02_ICSL.pdf	Investment Custody and Securities Lending Services RFP	.pdf	5647938	07-21-2023	Download																						
ICSL_Reqd_Forms_Exh6.xlsx	Investment Custody and Securities Lending Services RFP (Exhibit 6)	.xlsx	31199	07-21-2023	Download																						
ICSLAddendumOne.pdf	ICSL Addendum One	.pdf	795373	08-18-2023	Download																						



Solicitation Information

Solicitation Number:	TTC RFP 2023-02 ICSL-C																										
Title:	Investment Custody and Securities Lending Services																										
Department:	Treasurer and Tax Collector																										
Bid Type:	Service	Bid Amount:	N/A																								
Commodity:	INVESTMENT MANAGEMENT SERVICES																										
Description:	<p>The County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) is issuing this Request for Proposals (RFP) for the provision of Investment Custody and Securities Lending Services.</p> <p>You may download the RFP from the Internet by accessing the County's website at https://camisvr.co.la.ca.us/lacobids/, selecting "Open Solicitations," and then searching by the solicitation title of Investment Custody and Securities Lending Services. You may also download the RFP by accessing the TTC's website https://ttc.lacounty.gov/contract-opportunities/. Potential Proposers are responsible for downloading and reviewing the entire RFP.</p> <p>The RFP contains the service requirements, proposal content and format requirements, a description of the proposal selection process, and a sample contract. Potential Proposers that meet the minimum requirements identified in Paragraph 3 (Proposer's Minimum Mandatory Requirements) are invited to submit a proposal to provide the services described in Exhibit A (Statement of Work) of Appendix A (Sample Contract) of the RFP. Potential Proposers should carefully review the RFP and ensure their proposal complies with all RFP requirements.</p> <p>Pursuant to Subparagraph 7.6.9 (Exceptions to Terms and Conditions of Sample Contract and/or Requirements of SOW and Attachments), Proposers must list all of their exceptions in their proposal submission. Proposers may not take exception to the Standard Terms and Conditions in their entirety and replace the County's Standard Terms and Conditions with the Proposer's. The TTC will consider such a proposal to be non responsive.</p> <p>The TTC will recommend approval of the contract to the most responsive and responsible Proposer. In general, the greater the number of exceptions to the terms and conditions the Proposer lists, and the more substantive the exceptions are, the less responsive the proposal will be deemed. Thus, a Proposer that lists large number of exceptions in quantity or quality will be scored accordingly. This practice reflects the fact that a Proposer that is able to accept the Standard Terms and Conditions as is, without any exception, is more responsive to the RFP than a Proposer that takes a number of exceptions to the Standard Terms and Conditions.</p> <p>During the negotiations process, the TTC limits the exceptions that can be negotiated to the exceptions listed in the proposal itself. The TTC would compromise the integrity of the RFP process if it were to negotiate an exception that the Proposer did not list in its proposal. If the Proposer had listed the exception in the proposal, the Proposer's score would likely have been less than originally calculated, thereby having a potential impact to the ranking of all proposals.</p> <p>Proposals must be prepared in accordance with Paragraph 7 (Business Proposal Requirements and Evaluation). Proposals are due no later than 5:00 p.m. Pacific Time on Friday, August 25, 2023, and must be emailed to: contracts@ttc.lacounty.gov. Proposals received after the scheduled deadline will not be accepted.</p>																										
Open Day:	7/21/2023	Closed Date:	8/25/2023 5:00:00 PM																								
Contact Name:	María Vadai	Contact Phone:	(213) 974-7360																								
Contact Email:	contracts@ttc.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:	7/21/2023 12:42:24 PM																										
Attachment File (3):	Click here to download attachment files.																										
	<table border="1"> <thead> <tr> <th>File Name</th> <th>Description</th> <th>Type</th> <th>Size</th> <th>Last Update On</th> <th></th> </tr> </thead> <tbody> <tr> <td>TTC_RFP_2023-02_ICSL.pdf</td> <td>Investment Custody and Securities Lending Services RFP</td> <td>.pdf</td> <td>5647938</td> <td>07-21-2023</td> <td>Download</td> </tr> <tr> <td>ICSL_Reqd_Forms_Exh6.xlsx</td> <td>Investment Custody and Securities Lending Services RFP (Exhibit 6)</td> <td>.xlsx</td> <td>31199</td> <td>07-21-2023</td> <td>Download</td> </tr> <tr> <td>ICSLAddendumOne.pdf</td> <td>ICSL Addendum One</td> <td>.pdf</td> <td>795373</td> <td>08-18-2023</td> <td>Download</td> </tr> </tbody> </table>	File Name	Description	Type	Size	Last Update On		TTC_RFP_2023-02_ICSL.pdf	Investment Custody and Securities Lending Services RFP	.pdf	5647938	07-21-2023	Download	ICSL_Reqd_Forms_Exh6.xlsx	Investment Custody and Securities Lending Services RFP (Exhibit 6)	.xlsx	31199	07-21-2023	Download	ICSLAddendumOne.pdf	ICSL Addendum One	.pdf	795373	08-18-2023	Download		
File Name	Description	Type	Size	Last Update On																							
TTC_RFP_2023-02_ICSL.pdf	Investment Custody and Securities Lending Services RFP	.pdf	5647938	07-21-2023	Download																						
ICSL_Reqd_Forms_Exh6.xlsx	Investment Custody and Securities Lending Services RFP (Exhibit 6)	.xlsx	31199	07-21-2023	Download																						
ICSLAddendumOne.pdf	ICSL Addendum One	.pdf	795373	08-18-2023	Download																						

**COUNTY OF LOS ANGELES
DEPARTMENT OF TREASURER AND TAX COLLECTOR
INVESTMENT CUSTODY SERVICES
REQUEST FOR PROPOSALS – TTC RFP 2023-02 ICSL
MAILING LIST**

<p>BNY Mellon Joanne Whooley joanne.whooley@bnymellon.com</p>	<p>BNY Mellon Jennifer O'Neill Client Executive Jennifer.O'Neill@bnymellon.com</p>
<p>CITIGROUP Erin Means-Reynoso, Vice President Account Manager, Citibank Public Sector Group 710 Riverpoint Ct., Suite 200, Office 402 West Sacramento, CA 95605 Phone: (916) 341-2355 Cell: (347) 510-7610 Fax: (866) 570-6185 erin.meansreynoso@citi.com</p>	<p>J.P. MORGAN Billy Kacyem Platform Sales and Consultant Relations – Securities Services 383 Madison Avenue, 11th Floor New York, NY 10179 Phone: (212) 270-7298 Cell: (646) 326-4155 billy.k.kacyem@jpmchase.com</p>
<p>NORTHERN TRUST Brian P. Nadeau Vice President, Corporate & Institutional Services 400 California Street, Suite 1800 San Francisco, CA 94104 Phone: (415) 765-7551 Cell: (415) 351-8259 bn5@ntrs.com</p>	<p>NORTHERN TRUST Tom Eichenberger, Senior Vice President, Corporate & Institutional Services 300 Atlantic Street – Suite 400 Stamford, CT 06901 Phone: (203) 363-7465 Fax: (203) 356-9341 TomEEichenbergertree2@ntrs.com</p>
<p>NORTHERN TRUST Gerald P. Gallagher, CFP® Vice President, Wealth Strategies Group 10877 Wilshire Blvd., 10th floor Los Angeles, CA 90024 Phone: (310) 824-8209 Fax: (310) 824-8381 gerald_gallagher@ntrs.com</p>	

**REQUIRED FORMS – EXHIBIT 6
COMMUNITY BUSINESS ENTERPRISE (CBE) INFORMATION**

TITLE		REFERENCE			
1 FIRM/ORGANIZATION INFORMATION		The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.			
Total Number of Employees in California:		651			
Total Number of Employees (including owners):		42696			
Race/Ethnic Composition of Firm. Enter the make-up of Owners/Partners/Associate Partners into the following categories: State Street is a publicly held company. Our common stock is listed on the New York Stock Exchange (NYSE) under the ticker symbol STT.					
Race/Ethnic Composition	Owners/Partners/Associate Partners		Percentage of how ownership of the firm is distributed		
	Male	Female	Male	Female	
Black/African American			%	%	
Hispanic/Latino			%	%	
Asian or Pacific Islander			%	%	
Native Americans			%	%	
Subcontinent Asian			%	%	
White			%	%	

TITLE		REFERENCE				
2 CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, DISABLED VETERAN, AND LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ) BUSINESS ENTERPRISE		If your firm is currently certified as a minority, women, disadvantaged, disabled veteran or lesbian, gay, bisexual, transgender, queer, and questioning-owned business enterprise by a public agency, complete the following.				
		<input checked="" type="checkbox"/> Check if not applicable				
Agency Name	Minority	Women	Disadvantaged	Disabled Veteran	LGBTQQ	



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

TREASURER AND TAX COLLECTOR

AND

STATE STREET BANK AND TRUST COMPANY

FOR

INVESTMENT CUSTODY SERVICES

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
RECITALS	1
1 APPLICABLE DOCUMENTS	2
2 DEFINITIONS	2
3 SERVICES	6
4 TERM OF CONTRACT	7
5 CONTRACT SUM	7
5.1 TOTAL CONTRACT SUM.....	7
5.2 WRITTEN APPROVAL FOR REIMBURSEMENT.....	8
5.3 NOTIFICATION OF 75% OF TOTAL CONTRACT SUM.....	8
5.4 MISCELLANEOUS COMPENSATION.....	8
5.5 TRANSITION PERIOD FEE.....	8
5.6 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT.....	8
5.7 INVOICES AND PAYMENTS.....	9
5.8 INTENTIONALLY OMITTED.....	10
5.9 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER.....	10
6 ADMINISTRATION OF CONTRACT – COUNTY	11
6.1 COUNTY’S ADMINISTRATION.....	11
6.2 COUNTY’S CONTRACT ADMINISTRATOR.....	11
6.3 COUNTY’S CONTRACT MANAGER.....	12
6.4 COUNTY’S CONTRACT MONITOR.....	12
6.5 COUNTY’S CONTRACTS’ SECTION – CONTRACT MONITOR.....	12
6.6 COUNTY’S DEPARTMENTAL CHIEF INFORMATION OFFICER (DCIO).....	12
6.7 COUNTY’S DEPARTMENTAL INFORMATION SECURITY OFFICER (DISO).....	12
7 ADMINISTRATION OF CONTRACT – CUSTODIAN	12
7.1 CUSTODIAN’S CONTRACT ADMINISTRATOR.....	13
7.2 CUSTODIAN’S CONTRACT MANAGER/CUSTODIAN’S ALTERNATE CONTRACT MANAGER.....	13
7.3 CUSTODIAN’S FINANCIAL MANAGER.....	14

TABLE OF CONTENTS

<u>PARAGRAPH</u>		<u>PAGE</u>
7.4	CUSTODIAN'S EMPLOYEES	14
7.5	INTENTIONALLY OMITTED	15
7.6	BACKGROUND AND SECURITY INVESTIGATIONS	15
7.7	CONFIDENTIALITY	17
8	STANDARD TERMS AND CONDITIONS	18
8.1	CHANGE NOTICES AND AMENDMENTS	18
8.2	ASSIGNMENT AND DELEGATION/MERGERS OR ACQUISITIONS	19
8.3	WARRANTIES	20
8.4	BUDGET REDUCTIONS.....	21
8.5	INTENTIONALLY OMITTED	21
8.6	COMPLIANCE WITH APPLICABLE LAW.....	21
8.7	COMPLIANCE WITH CIVIL RIGHTS LAWS.....	21
8.8	COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM.....	22
8.9	CONFLICT OF INTEREST.....	23
8.10	CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS OR ARE ON A COUNTY RE-EMPLOYMENT LIST.....	23
8.11	CONSIDERATION OF HIRING GAIN/START PARTICIPANTS	24
8.12	CONTRACTOR RESPONSIBILITY AND DEBARMENT.....	24
8.13	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO SAFELY SURRENDERED BABY LAW	26
8.14	CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM.....	26
8.15	COUNTY'S QUALITY ASSURANCE PLAN	27
8.16	DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS.....	27
8.17	EMPLOYMENT ELIGIBILITY VERIFICATION	27
8.18	COUNTERPARTS AND ELECTRONIC SIGNATURES AND REPRESENTATIONS	28
8.19	FAIR LABOR STANDARDS.....	28
8.20	FORCE MAJEURE AND BUSINESS CONTINUITY	28
8.21	GOVERNING LAW, JURISDICTION, AND VENUE.....	29
8.22	INDEPENDENT CONTRACTOR STATUS	29

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
8.23 INDEMNIFICATION	29
8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE.....	31
8.25 INSURANCE COVERAGE	34
8.26 INTENTIONALLY OMITTED	35
8.27 INTENTIONALLY OMITTED	35
8.28 NONDISCRIMINATION AND AFFIRMATIVE ACTION	35
8.29 NON EXCLUSIVITY	36
8.30 NOTICE OF DELAYS	36
8.31 DISPUTE RESOLUTION PROCEDURE.....	37
8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT.....	38
8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW	39
8.34 NOTICES	39
8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION.....	39
8.36 CALIFORNIA PUBLIC RECORDS ACT	39
8.37 PUBLICITY	40
8.38 RECORD RETENTION AND INSPECTION-AUDIT SETTLEMENT	40
8.39 RECYCLED BOND PAPER	42
8.40 DELEGATION	42
8.41 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM.....	43
8.42 TERMINATION FOR CONVENIENCE.....	43
8.43 TERMINATION FOR DEFAULT.....	43
8.44 TERMINATION FOR IMPROPER CONSIDERATION	45
8.45 TERMINATION FOR INSOLVENCY	46
8.46 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE.....	46
8.47 TERMINATION FOR NON-APPROPRIATION OF FUNDS	46
8.48 EFFECT OF TERMINATION.....	46
8.49 VALIDITY	48

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
8.50 USE OF COUNTY SEAL AND/OR TTC LOGOS	48
8.51 WAIVER.....	49
8.52 WARRANTY AGAINST CONTINGENT FEES	49
8.53 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM.....	49
8.54 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM	49
8.55 TIME OFF FOR VOTING	50
8.56 INTENTIONALLY OMITTED	50
8.57 INTENTIONALLY OMITTED	50
8.58 INTENTIONALLY OMITTED	50
8.59 NO OFFSHORE SERVERS.....	50
8.60 SEVERABILITY.....	50
8.61 CONTRACT DRAFTED BY ALL PARTIES	50
8.62 NO THIRD-PARTY BENEFICIARIES	50
8.63 GREEN INITIATIVES.....	50
8.64 INTENTIONALLY OMITTED	50
8.65 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING	51
8.66 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES.....	51
8.67 COMPLIANCE WITH THE COUNTY POLICY OF EQUITY	51
8.68 LICENSES, PERMITS, AND REGULATORY AUTHORIZATIONS.....	51
8.69 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S).....	51
8.70 INJURY AND ILLNESS PREVENTION PROGRAM	52
8.71 CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING	52
9 UNIQUE TERMS AND CONDITIONS	52
9.1 CUSTODIAN BUSINESS REQUIREMENTS	52
9.2 CUSTODIAN WORKING PAPERS AND PROPRIETARY MATERIALS.....	52
9.3 INFORMATION SECURITY AND PRIVACY REQUIREMENTS	53

TABLE OF CONTENTS

PARAGRAPH

PAGE

10 SURVIVAL.....53

STANDARD EXHIBITS

- A** Statement of Work
- B** Pricing Schedule
- C** Intentionally Omitted
- D** County's Administration
- E** Custodian's Administration
- F** Form(s) Required at the Time of Contract Execution
 - F1 Contractor Employee Acknowledgement and Confidentiality Agreement
- G** Safely Surrendered Baby Law
- H** Defaulted Property Tax Reduction Program

UNIQUE EXHIBITS

- I** Information Security and Privacy Requirements

**CONTRACT BETWEEN COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR AND
STATE STREET BANK AND TRUST COMPANY
FOR
INVESTMENT CUSTODY SERVICES**

This Contract ("Contract") has been made and entered into by and between the County of Los Angeles ("County") and State Street Bank and Trust Company ("Custodian" or "Contractor") with an effective date of the _____ day of _____, 2024 ("Effective Date"). Custodian is located at One Congress Street, Boston, MA 02114. County and Custodian are referred to herein collectively as the "parties" and each individually as a "party."

RECITALS

WHEREAS, pursuant to [California Government Code Section 31000](#), the Board of Supervisors of the County (Board) is authorized to contract for special services on behalf of the County or any County officer or department; and

WHEREAS, the Board has determined that the Investment Custody Services to be provided under this Contract must be performed by specially trained and experienced persons; and

WHEREAS, the Custodian is a duly organized and validly existing trust company under the laws of the Commonwealth of Massachusetts specializing in providing investment custody services; and

WHEREAS, California Government Code Section 53608 authorizes the Board to deposit investment securities for safekeeping with qualified financial institutions and to delegate that authority to the Treasurer and Tax Collector; and

WHEREAS, the County and Custodian desire to establish a custody account(s) to provide for the safekeeping and recordkeeping of certain property beneficially owned by the County; and

WHEREAS, California Government Code Section 53682 authorizes the County to enter into a contract with a qualified financial institution setting forth the conditions for services to be rendered; and

WHEREAS, the Board has authorized the Treasurer and Tax Collector to execute and administer this Contract.

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

1 APPLICABLE DOCUMENTS

Exhibits A through 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 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
Exhibit B	Pricing Schedule
Exhibit C	Intentionally Omitted
Exhibit D	County's Administration
Exhibit E	Custodian's Administration
Exhibit F	Forms Required at the Time of Contract Execution
Exhibit G	Safely Surrendered Baby Law
Exhibit H	Defaulted Property Tax Reduction Program

Unique Exhibits:

Exhibit I	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 Subparagraph 8.1 (Change Notices and Amendments) of this Contract and signed by both parties.

2 DEFINITIONS

The headings used throughout the Contract and the Statement of Work are for convenience and reference only and are not intended to define the scope of any provision thereof. The following terms as used in the Contract and the Statement of Work must be construed to have the following meanings, unless otherwise apparent from the context in which they are used. NOTE: Refer to Exhibit I (Information Security and Privacy Requirements) for additional technology-related terms and conditions.

2.1 Account: The custody account established and maintained by the Custodian which (1) is intended for the safekeeping of Property of the County, (2) collectively comprises individual sub-accounts to hold such Property for the County and (3) is not a custodial account which is treated as a trust under Section 401(f) of the Internal Revenue Code.

- 2.2 Additional Work:** Service enhancements and/or additional Services, which may be provided by the Custodian to the County upon County's request and Custodian's agreement in accordance with Subparagraph 8.1 (Change Notices and Amendments).
- 2.3 Affiliate:** Means an affiliate of Custodian having the same direct or indirect parent corporation as Custodian.
- 2.4 Authentication Procedures:** Means the use of security codes, passwords, tested communications or other authentication procedures as may be agreed upon in writing by County and Custodian from time to time for purposes of enabling the Custodian to verify that purported Authorized Account Instructions have been originated by an Authorized Account Person.
- 2.5 Authorized Account Instructions:** Means all directions and instructions to Custodian from any Authorized Account Person which will be in writing and transmitted by first class mail, facsimile, or other electronic transmission in accordance with Authentication Procedures.
- 2.6 Authorized Account Person:** Means any employee or agent of the County who is authorized to issue Authorized Account Instructions.
- 2.7 Board of Supervisors (Board):** The Board of Supervisors of the County of Los Angeles acting as governing body.
- 2.8 Business Days:** Any day when the Federal Reserve is open for business.
- 2.9 Calendar Days:** Monday through Sunday, including County and Custodian observed holidays, unless otherwise stated.
- 2.10 Contract:** This agreement executed between the County and Custodian. 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 including the (Statement of Work) Exhibit A.
- 2.11 Contract Discrepancy Report:** A document utilized by the TTC to document discrepancies or deficiencies with Custodian's performance and record explanations of unsatisfactory performance identified as Exhibit A (SOW), Attachment A.1.
- 2.12 Contract Term:** The period of the Contract, commencing upon the Effective Date, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 2.13 Custodian:** State Street Bank and Trust Company as set forth in the introductory clause of this Contract, acting as the financial institution that has entered into this Contract with the County to provide the Services specified herein. References to "Custodian" herein are interchangeable with references to "Contractor."
- 2.14 Custodian's Authorized Official(s):** The individual(s) authorized by the

Custodian, that the Custodian represents and warrants has actual authority to execute documents under this Contract on behalf of the Custodian.

- 2.15 Custodian’s Contract Administrator:** The individual authorized by the Custodian as principal officer to oversee contractual or administrative matters relating to this Contract that cannot be resolved by the Custodian’s Contract Manager. Additionally, Custodian’s Contract Administrator must oversee all projects and serve as a point of escalation, as needed.
- 2.16 Custodian’s Contract Manager/Custodian’s Alternate Contract Manager:** The individual authorized by the Custodian to administer the Contract operations under this Contract.
- 2.17 Custodian’s Employees/Staff:** Any person designated by the Custodian to perform services under this Contract.
- 2.18 Custodian’s Financial Manager:** The individual authorized by the Custodian to have full authority to act on behalf of the Custodian in all matters relating to invoicing under this Contract.
- 2.19 County:** The County of Los Angeles.
- 2.20 County’s Contract Administrator:** The individual authorized by the TTC with authority for the County to oversee contractual or administrative matters relating to this Contract that cannot be resolved by the County’s Contract Manager. Additionally, County’s Contract Administrator must oversee all projects and serve as a point of escalation, as needed.
- 2.21 County’s Contract Manager:** The individual authorized by the County’s Contract Administrator to manage the operations under this Contract.
- 2.22 County’s Contract Monitor:** Person with responsibility to oversee the day-to-day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, services, and other work provided by the Custodian.
- 2.23 Data:** Any Confidential Information of the County relating to its holdings, transactions or other information that the Custodian obtains with respect to the County in connection with the provision of the Services under this Contract or any other agreement.
- 2.24 Day(s):** Calendar Day(s), unless otherwise specified.
- 2.25 Delegate(s):** Any agent, subcontractor, consultant or other third party, whether affiliated or unaffiliated with the Custodian. The term Delegate does not include Subcustodians, central securities depositories, authorized data sources, suppliers of information technology or related services, or financial market utilities.
- 2.26 Effective Date:** The date set forth in the introductory clause of this Contract.
- 2.27 External Investment Pool (Treasury Pool):** The investment portfolio the Treasurer and Tax Collector manages on behalf of the Treasury Pool participants that include the County, other entities that are required by State of

California statutes, and voluntary local agencies.

- 2.28 Fiscal Year:** The 12-month period beginning July 1st and ending the following June 30th.
- 2.29 Other Specific Investments (OSI):** The investment portfolio that consists of assets held by the Treasury on behalf of the County's Community Health Plan pursuant to the California Code of Regulations.
- 2.30 Performance Requirements Summary (PRS) Chart/Key Performance Indicator (KPI) Chart:** Identifies key performance indicators of the Contract and SOW that the TTC will evaluate to ensure the Custodian meets performance standards, as specified in this Contract and SOW.
- 2.31 Proposal:** A Contractor's response to a Request for Proposals detailing the Contractor's proposed work specifications and pricing for performing the work requested in the County's solicitation.
- 2.32 Property:** Collectively includes cash in any currency, any securities, and any other property.
- 2.33 Pool Dollars:** The maximum amount allocated under this Contract for the provision of Additional Work mutually agreed to in accordance with the terms of this Contract.
- 2.34 Quality Control Plan:** All necessary measures taken by the Custodian to ensure that the quality of Services will meet the Contract requirements regarding timelines, security, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in Exhibit A (SOW).
- 2.35 Sanctions:** Any and all economic sanctions, trade sanctions, financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes, anti-terrorism laws and other sanctions laws, regulations or embargoes, including those imposed, administered or enforced from time to time by the United States of America, including those administered by the Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order.
- 2.36 Services:** Collectively, all functions, responsibilities, tasks, subtasks, deliverables, trainings, customizations, consulting services, and other services: (a) specifically identified in the SOW; (b) identified in this Contract as being Custodian's responsibility; and (c) otherwise necessary to comply with the terms of this Contract. Without increasing the scope of the Services, if any component task, subtask, service, or function is: (i) an inherent or necessary part of the Services defined in subparts (a), (b), or (c) of this Subparagraph; or (ii) a customary part of the Services defined in subparts (a), (b), or (c) of this Subparagraph, and not in conflict with Custodian's established methods of providing services and as to a service(s) within either subpart (i) and (ii) of this sentence above, is not specifically described in this Contract, then such service or function will be deemed to be part of the Services. Access to any software provided to the County by the Custodian pursuant to this Contract will

be deemed part of the Services.

- 2.37 Specific Purpose Investment (SPI):** The investment portfolio the Treasurer manages which consists of specific investments requested by certain local agencies approved by the TTC.
- 2.38 Standard of Care:** Means the standard governing the Custodian's performance under this Contract, which standard requires Custodian to discharge each of its duties and exercise each of its powers with the reasonable skill, care, and diligence expected of a professional provider of custody services to institutional investors and act in good faith and in accordance with generally applicable industry standards and practices in the performance of its duties under this Contract.
- 2.39 Statement of Work (SOW):** A written description of tasks, deliverables, and/or other work required by the County pursuant to this Contract, in the form attached as Exhibit A hereto.
- 2.40 Subcustodian:** Any qualified bank, credit institution, trust company or other entity appointed by the Custodian to perform safekeeping, processing and other elements of the Services, including Affiliates or non-Affiliates of the Custodian.
- 2.41 Treasurer and Tax Collector:** The director of the County of Los Angeles Department of Treasurer and Tax Collector.
- 2.42 Treasury:** The public funds that the TTC, in its capacity as the County's Treasurer, is statutorily authorized and responsible for banking, investing, and accounting. This includes the Treasury Pool, SPI, and OSI investment portfolios.
- 2.43 TTC:** The County of Los Angeles Department of Treasurer and Tax Collector.

3 SERVICES

Custodian agrees to provide the Services to the County in the manner and form described in the body of this Contract and as set forth in the SOW, attached hereto as Exhibit A.

3.1 GRATUITOUS EFFORTS

Should Custodian perform custodial services outside the scope of the SOW, such services will be deemed to be a gratuitous effort on the part of the Custodian. Custodian will have no claim against the County to any compensation for such work nor will Custodian incur any liability regarding the provision of such services. Notwithstanding any other provision of this Contract and the SOW, the County acknowledges that Custodian will have no duty or responsibility to provide such services, nor will Custodian incur any liability regarding the provision of such services outside the scope of the SOW, unless mutually agreed to in writing.

3.2 ADDITIONAL WORK

Upon County's written request and mutual approval pursuant to the terms of this Contract, Custodian must provide Additional Work, including customizations, enhancements, additional programming, and/or additional Services, in accordance with this Subparagraph and Exhibit A (SOW), at the applicable pricing terms set forth in Exhibit B (Pricing Schedule).

4 TERM OF CONTRACT

- 4.1** The Contract Term will commence on the Effective Date, and will continue for three years, unless sooner terminated or extended in whole or in part, as provided in this Contract.
- 4.2** After the initial term, the TTC will have the sole option to extend the Contract Term for up to three additional one-year periods and six month-to-month extensions, for a maximum total Contract Term of six years and six months. The TTC may exercise each such extension option at its sole discretion. In the event the TTC desires to renew the Contract by exercising an extension option, the TTC will notify Custodian in writing or by email of its intent to renew the Contract at least 30 Calendar Days prior to the expiration of the then current Contract Term. To exercise the option to renew, an amendment to the Contract will be prepared, as provided in Subparagraph 8.1 (Change Notices and Amendments) of this Contract.
- 4.3** The County maintains a database that tracks/monitors Custodian 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.

5 CONTRACT SUM

5.1 TOTAL CONTRACT SUM

- 5.1.1** The total Contract Sum under the terms of this Contract will be the total monetary amount payable by the County to the Custodian for provision of the Services specified herein in accordance with Exhibit B (Pricing Schedule) and must not exceed \$1,752,086. Any adjustments to the Contract Sum must be in accordance with Subparagraph 8.1 (Change Notices and Amendments).
- 5.1.2** Contract rates specified in Exhibit B (Pricing Schedule), must remain firm and fixed for the Contract Term, including all optional extensions.
- 5.1.3** The total Contract Sum in Subparagraph 5.1.1 must be deemed to include all amounts necessary for County to reimburse Custodian for all applicable California and other state and local sales/use taxes on the Services provided by the Custodian to the County pursuant to or

otherwise due as a result of this Contract. All California sales/use taxes must be paid directly by the Custodian to the State or other taxing authority.

5.1.4 The County and Custodian acknowledge that as part of Custodian's compensation, Custodian may earn interest on balances, including disbursement balances, if any, and balances arising from purchase and sale transactions. Such interest will not be considered an amount payable by the County to the Custodian as part of the maximum Contract Sum.

5.2 WRITTEN APPROVAL FOR REIMBURSEMENT

The Custodian 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 or otherwise as agreed to in writing between the Parties.

5.3 NOTIFICATION OF 75% OF TOTAL CONTRACT SUM

The Custodian must maintain a system of record keeping that will allow the Custodian to determine when it has incurred 75% of the total contract sum under this Contract. Upon occurrence of this event, the Custodian must notify the County's Contract Administrator in writing or by email to the addresses provided in Exhibit D (County's Administration).

5.4 MISCELLANEOUS COMPENSATION

To the extent Custodian advances funds to the Account to effect the settlement of purchase transactions on behalf of the County, Custodian will be entitled to interest in accordance with Exhibit A (SOW), Subparagraph 3.1.4 (Advances).

5.5 TRANSITION PERIOD FEE

County and Custodian may agree on a transition period to address expiration or termination of this Contract. Custodian will continue to provide the Services during the transition period at the compensation set forth in the then current Pricing Schedule and subject to all of the terms and conditions of this Contract, except as otherwise mutually agreed to by the parties. This provision will survive the expiration or other termination of this Contract.

5.6 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT

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

termination of this Contract.

5.7 INVOICES AND PAYMENTS

- 5.7.1** The Custodian must invoice the County only for providing the deliverables and Services specified in Exhibit A (SOW), and elsewhere hereunder. The Custodian must prepare invoices, which will include the charges owed to the Custodian by the County under the terms of this Contract. The Custodian's payments will be as provided in Exhibit B (Pricing Schedule) and the Custodian will be paid only for the deliverables and services contemplated hereunder.
- 5.7.2** The Custodian's invoices must be priced in accordance with Exhibit B (Pricing Schedule).
- 5.7.3** TTC will pay all invoices via Direct Deposit (Electronic Funds Transfer). The Custodian is responsible for registering for Direct Deposit and updating banking information timely if there are any changes. The registration and account updates for Direct Deposit should be completed at <https://directdeposit.lacounty.gov>.
- 5.7.4** The Custodian must submit monthly invoices to the County within 30 Calendar Days of the end of each month in which Services were rendered as specified in Exhibit A (SOW) and elsewhere hereunder.
- 5.7.5** The Custodian's invoices must be reasonably legible and contain the information set forth in Exhibit A (SOW), describing the deliverables and services for which payment is claimed. Each monthly invoice must include the following information:
- Custodian's name and address
 - TTC's name and address
 - Invoice date
 - Unique invoice number
 - Month/Year when service was delivered
 - Custodian's Tax Identification Number
 - Custodian's Vendor Identification Number that the County assigns
 - Remittance Address
 - Contract Name and Number
 - Deliverables and Services as described in Exhibit A (SOW), and Exhibit B (Pricing Schedule), for which payment is claimed
 - Each line item on the invoice should be numbered sequentially
- 5.7.6** All invoices and supporting documentation must be submitted via email to:

5.7.7 The Custodian must not invoice the County in advance, nor will the Custodian be entitled to advance payment for any deliverables or services.

5.7.8 COUNTY APPROVAL OF INVOICES

All invoices submitted by the Custodian for payment must have the written approval of the County’s Contract 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, conditioned or delayed. The County will authorize payment and such payment must be made within 60 Calendar Days following receipt of any undisputed invoice.

5.7.9 DISPUTED FEES/INVOICES

County will review each invoice promptly. The County’s Contract Manager may, in writing or by email, request Custodian to provide a revised, annotated invoice based on an identified discrepancy within 15 Business Days from receipt of an invoice. Revised or corrected invoices must be properly marked. Revised invoices must indicate “Revised” if using the same invoice number, or “Cancel/Supersede” and reference the original invoice number, if using a new invoice number.

Within 45 Calendar Days after the Custodian receives County notification of any discrepancies or disputed fees, the Custodian must provide County a written justification detailing the basis for such fees. If County does not hear from the Custodian within the 45-Calendar Day period, the discrepancies noted, and charges approved by County will be deemed accepted and agreed to by the Custodian. County must authorize payment of disputed fees promptly upon resolution of such dispute to the reasonable satisfaction of County and the Custodian.

5.7.10 OVERPAYMENT OF INVOICES

Any overpayment received by the Custodian must be returned to County within 45 Calendar Days of discovery by the Custodian or notification by the County’s Contract Manager, whichever occurs first.

5.8 INTENTIONALLY OMITTED

5.9 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

5.9.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for deliverables 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).

- 5.9.2** 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.
- 5.9.3** 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.
- 5.9.4** 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 ADMINISTRATION OF CONTRACT - COUNTY

6.1 COUNTY'S ADMINISTRATION

A listing of all County's Administration referenced in the following Subparagraphs are designated in Exhibit D (County's Administration). The County will notify the Custodian in writing of any change in the names or addresses shown.

The TTC will assign a County Contract Administrator, a County Contract Manager and a County Contract Monitor to provide, among other things, overall management and coordination of the Contract and to act as liaisons for the TTC.

6.2 COUNTY'S CONTRACT ADMINISTRATOR

- 6.2.1** The County's Contract Administrator is responsible for ensuring that the Custodian meets the objectives of this Contract and leads the County in determining the Contractor's compliance with this Contract. This includes inspecting all deliverables and services provided by or on behalf of the Custodian.
- 6.2.2** The County's Contract Administrator is responsible for providing, among other things, overall direction to the Custodian in the areas relating to County and TTC policy, information requirements, and procedural requirements. Additionally, County's Contract Administrator must serve as a point of escalation, as needed.
- 6.2.3** The County's Contract Administrator is not authorized to make any changes in any of the terms and conditions of this Contract, except as permitted in accordance with Subparagraph 8.1 (Change Notices and

Amendments), of this Contract, and is not authorized to further obligate the County in any respect whatsoever.

6.3 COUNTY'S CONTRACT MANAGER

6.3.1 The County's Contract Manager is responsible for managing all operational matters under the Contract; requesting meetings as needed with the Custodian's Contract Manager; and inspecting any and all tasks, deliverables, services, or other work provided by or on behalf of the Custodian.

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

6.4 COUNTY'S CONTRACT MONITOR

The County's Contract Monitor is responsible for overseeing the day-to-day administration of this Contract. The Contract Monitor reports to the County's Contract Manager.

6.5 COUNTY'S CONTRACTS' SECTION – CONTRACT MONITOR

The County's Contracts' Section – Contract Monitor is responsible for ensuring annual requirements and Contract deliverables (e.g., financial statements, insurance certificates, pending litigation statement, etc.) are received timely from the Contractor in accordance with the Contract provisions.

6.6 COUNTY'S DEPARTMENTAL CHIEF INFORMATION OFFICER (DCIO)

The DCIO is responsible for managing the planning, design, coordination, development, implementation, and maintenance of the TTC's information systems.

6.7 COUNTY'S DEPARTMENTAL INFORMATION SECURITY OFFICER (DISO)

The DISO develops and implements departmental Information Technology (IT) security application, policies, standards, and procedures intended to prevent the unauthorized use, release, modification, loss, or destruction of Data and to ensure the integrity and security of the TTC's IT infrastructure.

7 ADMINISTRATION OF CONTRACT - CUSTODIAN

The Custodian must assign a sufficient number of employees to perform the required Services under this Contract. The Custodian must appoint at least one authorized employee, determined and agreed upon between the Custodian and the TTC, to act for the Custodian in every detail and that employee must speak and read fluently in English.

A listing of all of Custodian's Administration referenced in the following Subparagraphs is designated in Exhibit E (Custodian's Administration). The Custodian will notify the County's Contract Administrator and County's Contract Manager in writing of any

changes as they occur.

7.1 CUSTODIAN'S CONTRACT ADMINISTRATOR

- 7.1.1** The Custodian's Contract Administrator must be a full-time employee of the Custodian. The Custodian's Contract Administrator must be a principal officer in the Custodian's office to service this Contract and to act as a liaison for the Custodian in coordinating the performance of services under the Contract. The Custodian must provide the County's Contract Administrator and County's Contract Manager with the information specified on Exhibit E (Custodian's Administration), for the individual designated to act as the Custodian's Contract Administrator at the time this Contract is implemented and as changes occur during the Contract Term. Such notification must be made by the Custodian no later than five Business Days after a change occurs and will include a description of the new Custodian's Contract Administrator's relevant experience.
- 7.1.2** The Custodian's Contract Administrator must be responsible for the Custodian's performance of all deliverables and services provided by or on behalf of the Custodian and, on behalf of the Custodian, ensure the Custodian's compliance with the Contract. Additionally, Custodian's Contract Administrator must serve as a point of escalation, as needed.
- 7.1.3** The Custodian's Contract Administrator must be available to meet and confer with the County's Contract Administrator on an as-needed basis either in person or by telephone as mutually agreed upon by the parties, to review Contract performance and discuss Contract coordination. Such meetings will be conducted at a time and place as mutually agreed upon by the parties.

7.2 CUSTODIAN'S CONTRACT MANAGER/CUSTODIAN'S ALTERNATE CONTRACT MANAGER

- 7.2.1** The Custodian's Contract Manager, and a designated Alternate Contract Manager, must be a full-time employee of the Custodian. The Custodian must provide the County's Contract Administrator and County's Contract Manager with the information specified on Exhibit E (Custodian's Administration), for the individual designated to act as the Custodian's Contract Manager and Custodian's Alternate Contract Manager at the time this Contract is implemented and as changes occur during the Contract Term. Such notification must be made by the Custodian no later than five Business Days after a change occurs and will include for a description of the relevant experience for the new Custodian's Contract Manager and Custodian's Alternate Contract Manager. The Custodian's Contract Manager and Custodian's Alternate Custodian's Contract Manager must have full authority to act on behalf of the Custodian on all matters related to the

Custodian's day-to-day activities as related to the Contract and must coordinate with County's Contract Manager on a regular basis.

- 7.2.2** The Custodian's Contract Manager/Custodian's Alternate Contract Manager must be available during regular business hours of 8:00 a.m. to 5:00 p.m. Pacific Time (PT), Monday through Friday, for telephone and email contact and to meet as needed with the County's Contract Manager to discuss the Contract.

7.3 CUSTODIAN'S FINANCIAL MANAGER

The Custodian's Financial Manager must be a full-time employee of the Custodian. The Custodian must provide the County's Contract Administrator and County's Contract Manager with the information specified on Exhibit E (Custodian's Administration), for the individual designated to act as the Custodian's Financial Manager at the time this Contract is implemented and as changes occur during the Contract Term. Such notification must be made by the Custodian no later than five Business Days after a change occurs and will include a current resume for the new Custodian's Financial Manager.

The Custodian must assign a Financial Manager to act as liaison for the Custodian and have full authority to act on behalf of Custodian in all matters related to payments and fees under this Contract. The Custodian's Financial Manager must be available during the hours of 8:00 a.m. to 5:00 p.m. PT, Monday through Friday, for telephone and email contact and to meet with County personnel regarding any invoices issued under this Contract.

7.4 CUSTODIAN'S EMPLOYEES

- 7.4.1** The Custodian is responsible for training and supervising employees assigned to perform services under this Contract. All employees assigned by the Custodian to perform these services must at all times be employees of the Custodian; and the Custodian must have the sole right to hire, suspend, discipline, or discharge them.

- 7.4.2** The Custodian must ensure a high standard of conduct of the Custodian's employees, including compliance at all times with all applicable local, State, and Federal laws and regulations related to investment custody services, and the specific requirements of this Contract.

- 7.4.3** The Custodian must supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Custodian agrees that training at a minimum must include, but may not be limited to, the following topics:

- 1. Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.

2. **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
3. **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County information.
4. **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.
5. **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
6. **Privacy:** The Custodian's Privacy Policies and procedures as described in Exhibit I (Information Security and Privacy Requirements), Section 2d, Privacy Program.

7.4.4 The Custodian must have an established set of procedures to ensure the Custodian's employees promptly report actual and/or suspected breaches of confidentiality.

7.4.5 The Custodian's employees assigned to provide services under this Contract must:

- a. Communicate effectively using good judgment and discretion;
- b. Be trained sufficiently in performing the services; and
- c. Comply with the requirements of this Contract.

7.4.6 At the request of the County, the Custodian will meet and confer with the County's Contract Administrator to discuss and address concerns with Custodian's staff and will consider requests from the County regarding the removal and replacement of critical Custodian staff, which will include Custodian Contract Administrator and Custodian Contract Manager.

7.5 INTENTIONALLY OMITTED

7.6 BACKGROUND AND SECURITY INVESTIGATIONS

7.6.1 Each of the Custodian's staff performing Services under this Contract, who is in a designated sensitive position, which, for purposes of this Contract are those members of Custodian's staff designated in Exhibit E (Custodian's Administration), must undergo and pass, to the satisfaction of County, a California Department of Justice (DOJ) background investigation as a condition of beginning and continuing to perform Services under this Contract. Such background investigation must be obtained through fingerprints submitted to the DOJ to include State, local, and federal-level

review, which may include, but will not be limited to, criminal conviction information. Examples of disqualifying factors may include, but are not limited to: bribery; robbery; theft; fraud; embezzlement; forgery; extortion; perjury; convictions involving stolen property; any felony conviction; a misdemeanor conviction involving moral turpitude, or any job-related misdemeanor conviction. The fees associated with the background investigation will be at the expense of the Custodian, regardless of whether the member of Custodian's staff passes or fails the background investigation.

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

- 7.6.2** The Custodian must provide to the County the legal name of each person in a designated sensitive position and the dates on which said persons submitted fingerprints to the California DOJ. The Custodian must provide such information in writing within five Calendar Days of the date on which the fingerprinting occurred.
- 7.6.3** A member of Custodian's staff will not begin to perform services under the Contract until they have successfully passed a background investigation to the satisfaction of the County.
- 7.6.4** During the Contract Term, if the County identifies a subsequent disqualifying factor for a member of the Custodian's staff, the County will request that the member of the Custodian's staff be immediately removed from performing services under the Contract. Custodian must promptly comply with the County's request.
- 7.6.5** The County will notify the Custodian when Custodian's staff member does not pass the background investigation or receives a subsequent disqualifying factor.
- 7.6.6** The County may request that Custodian's staff be immediately removed from working on this Contract at any time during the Contract Term.
- 7.6.7** The County, in its sole discretion, may immediately deny or terminate facility access to any member of Custodian'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.
- 7.6.8** Disqualification of any member of Custodian's staff pursuant to this Subparagraph 7.6 will not relieve Custodian of its obligation to provide

all Services in accordance with the terms and conditions of this Contract.

7.7 CONFIDENTIALITY

- 7.7.1** The Custodian must maintain the confidentiality of all records and information received, obtained and/or produced under the provisions of this Contract in accordance with all applicable Federal, State or 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. The Custodian is not authorized to release any information listed above without express approval from the County.
- 7.7.2** Except as otherwise provided herein, or as may be required under the Public Records Act, all information provided under this Contract by the Custodian regarding the Custodian's business and operations will be treated as confidential and proprietary and will be used solely by the County in receiving the services under the Contract.
- 7.7.3** The foregoing will not apply to any information (a) that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Contract; (b) that is independently derived by the receiving party without the use of any information provided by the disclosing party in connection with this Contract; (c) that is disclosed to comply with any legal or regulatory proceeding, investigation, audit, examination, subpoena, civil investigate demand or other similar process; (d) that is disclosed as required by operation of law or regulation, to satisfy any legal requirement (including, but not limited to, in response to court-issued orders, investigative demands, subpoenas or similar processes or to satisfy the requirements of any applicable regulatory authority), or as required to comply with the requirements of any market infrastructure that the disclosing party or its agents direct the Custodian or its Affiliates to employ (or which is required in connection with the holding or settlement of instruments included in the assets subject to this Contract); (e) that is disclosed to its attorneys, accountants, auditors, consultants and other similar advisors that have a reasonable need to know such information ("Representatives"), provided such information is disclosed under obligations of confidentiality that prohibit the disclosure or use of such information by the Representatives for any purpose other than the specific engagement with the Custodian for which the Representative has been retained and that are otherwise no less restrictive than the confidentiality obligations contained in this Contract; or (f) where the party seeking to disclose has received the prior written consent of the party providing the information, which consent will not be unreasonably withheld.

- 7.7.4** In connection with the provision of the services and the discharge of its other obligations under this Contract, the Custodian (which term for purposes of this Subparagraph 7.7 includes each of its parent company, branches and affiliates) may collect and store information regarding the Account or the County and share such information with its Affiliates, Delegates and Subcustodians in order and to the extent reasonably necessary to perform Services as defined by this Contract, as well as financial and operational management and reporting, risk management, legal and regulatory compliance and client service management.
- 7.7.5** Except as expressly contemplated by this Contract, nothing in this Subparagraph 7.7 will limit the confidentiality and data-protection obligations of the Custodian and its Affiliates, Delegates, and Subcustodians under this Contract and applicable law. The Custodian will cause any Affiliate, Delegate, Subcustodian, agent or service provider to which it has disclosed Data pursuant to this Subparagraph 7.7 to comply at all times with confidentiality and data-protection obligations as if it were a party to this Contract.
- 7.7.6** Access to Data received from the County must be restricted only to Custodian's employees, Delegates, and Subcustodians who need the Data to perform their official duties in the performance of this Contract.
- 7.7.7** The Custodian's employees, Delegates, and Subcustodians who access, disclose or use the Data for a purpose not authorized by this Contract may be subject to civil and criminal sanctions contained in applicable Federal and State statutes.
- 7.7.8** The Custodian must inform all of its officers, employees, agents, Delegates and Subcustodians providing services hereunder of the confidentiality provisions of this Contract.
- 7.7.9** The Contractor's staff identified in Exhibit E (Custodian's Administration) must sign and provide Exhibit F1 (Contractor Employee Acknowledgement and Confidentiality Agreement) to the Contracts' Section – Contract Monitor, as indicated on Exhibit D (County's Administration), within three Business Days of providing services under this Contract and adhere to the provisions of Exhibit F1.

8 STANDARD TERMS AND CONDITIONS

8.1 CHANGE NOTICES AND AMENDMENTS

- 8.1.1** The County reserves the right to initiate Change Notices (i) that either **do not affect** the Contract Sum, fees or payments, SOW, and/or Contract Term, or (ii) for any expenditure of Pool Dollars for Additional

Work under the Contract, or (iii) that do not materially alter the Contract. All such changes will be agreed upon by the Custodian and accomplished with an executed Change Notice signed by the Custodian and by the County's Contract Administrator. For any Additional Work requested by the County, following agreement on the scope of such Additional Work, a Change Notice must be prepared and executed by each of: (a) the County's Contract Administrator, or designee, and (b) Custodian's authorized representative(s). Any requests for the expenditure of Pool Dollars must be approved in writing by the County's Contract Administrator.

8.1.2 For any change which **affects** the Contract Sum, fees or payments, SOW, and/or Contract Term, an Amendment to this Contract must be prepared and executed by Custodian's Authorized Official and by the Treasurer and Tax Collector, except that the TTC is expressly authorized to increase the Contract Sum set forth in Paragraph 5 (Contract Sum) not to exceed 10% of the maximum Contract Sum for a particular contract year based on an increase in work volume. Any such change must be in writing and signed by Custodian's Authorized Official and the Treasurer and Tax Collector, or their authorized designee, provided County Counsel approval is obtained prior to execution of such Amendment(s) as applicable.

8.1.3 The Board or Chief Executive Officer (CEO), or designee, may require the addition and/or change of certain terms and conditions in the Contract during the Contract Term in response to changes in law or regulatory requirements applicable to the County or changes in County policy necessitating such changes. The County reserves the right to request the addition and/or change of such provisions as required by the Board or CEO. To implement such changes, the Custodian's Authorized Official and the Treasurer and Tax Collector, or their authorized designee, must negotiate in good faith with the aim of effecting an Amendment to the Contract.

8.1.4 The Treasurer and Tax Collector, or their designee may, at their sole discretion, authorize extensions of the Contract Term as defined in Paragraph 4 (Term of Contract). To exercise the TTC's option to extend the Contract Term, an Amendment to the Contract will be prepared and executed by the Custodian's Authorized Official and the Treasurer and Tax Collector, or their designee, prior to the expiration of the then current Contract Term.

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; *provided, however*, that notwithstanding the foregoing, the Contractor may complete a merger or acquisition without prior

notice to the County so long as such merger or acquisition is in furtherance of its recovery or resolution plan in accordance with U.S. regulatory requirements under the Dodd Frank Act. 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, or transfer its rights or duties under this Contract, whether in whole or in part, without the prior written consent of County, in its reasonable discretion, and any attempted assignment or otherwise transfer of its rights or duties, without such consent will be null and void; *provided, however*, that notwithstanding the foregoing, the Contractor may assign this Contract to a successor of all or a substantial portion of its business, or to an Affiliate of the Contractor, in each case, without the consent of the County so long as the transfer of business is in furtherance of its recovery or resolution plan in accordance with U.S. regulatory requirements under the Dodd Frank Act. For purposes of this Subparagraph, 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 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. For the avoidance of doubt, Contractor's use of Delegates and Subcustodians, will not constitute an assignment of its rights or duties under the Contract.

8.2.3 Any assignment or transfer 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, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval or otherwise as permitted pursuant to Subparagraph 8.2.2 hereof, 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 Custodian.

8.3 WARRANTIES

The Custodian represents and warrants that the person executing this Contract for the Custodian is an authorized agent who has actual authority to bind the Custodian to each and every term, condition, and obligation of this Contract and that all requirements of the Custodian 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 Contract Term (including any extensions), and the services to be provided by the Custodian under this Contract will also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation will be provided promptly following the Board's approval of such actions and the County and the Custodian agree to engage in good faith negotiations to amend the Contract as needed to address such reduction in payment obligations and corresponding reduction in services. 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 INTENTIONALLY OMITTED

8.6 COMPLIANCE WITH APPLICABLE LAW

In the performance of this Contract, Custodian 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.

8.7 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

1. Unless the Contractor has demonstrated to the County's reasonable 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.
2. For purposes of this Subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Custodian uses any Delegate to perform services for the County under the Contract, the Delegate will also be subject to the provisions of this Subparagraph. The provisions of this Subparagraph will be inserted into any such Subcontract agreement and a copy of the Jury Service Program must be attached to the Contract.
3. 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 Custodian 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.

4. Contractor's violation of this Subparagraph 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 Subparagraph 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. Contractor must report all job openings with job requirements to: Gainstart@dpss.lacounty.gov and bservices@opportunity.lacounty.gov and DPSS will refer qualified GAIN/START job candidates.

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

8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.12.1 RESPONSIBLE CONTRACTOR

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

8.12.2 CHAPTER 2.202 OF THE COUNTY CODE

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

8.12.3 NON-RESPONSIBLE CONTRACTOR

The County may debar a Contractor if the Board finds, in its discretion, that the Contractor has done any of the following: 1) violated a term of a contract with the County or a nonprofit corporation created by the County, 2) committed an act or omission which negatively reflects on

the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against the County or any other public entity.

8.12.4 CONTRACTOR HEARING BOARD

1. 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.
2. 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.
3. 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.
4. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five 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.
5. 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 years; 2) the debarment has been in effect for at least five 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.

6. 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 DELEGATES OF CUSTODIAN

These terms will also apply to Delegates of the Custodian.

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 within the County. The Contractor will also encourage its Delegates, if any, to post this poster in a prominent position in the Delegate'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 Contract Manager 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 reasonably 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 reasonably 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 Custodian will repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds to the extent caused by the Custodian or employees or agents of the Custodian. Such repairs must be made promptly after the Custodian has become aware of such damage, but in no event later than 30 days after such notice.

8.16.2 If the Custodian fails to make timely repairs, County may make any necessary repairs. All costs incurred by County that are attributable to the Custodian, as reasonably determined by County, for such repairs must be repaid by the Custodian by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

The Custodian 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 Custodian 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 Custodian must retain all such documentation for all covered employees for the period prescribed by law.

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

8.19 FAIR LABOR STANDARDS

The Custodian must comply with all applicable provisions of the Federal Fair Labor Standards Act

8.20 FORCE MAJEURE AND BUSINESS CONTINUITY

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 Delegates), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be beyond the reasonable control and subject to the business continuity obligations of such party (such events are referred to in this Subparagraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a Delegate of Custodian will not constitute a force majeure event, unless such default arises out of causes beyond the reasonable control of both Custodian and such Delegate, and without any failure of the Custodian to meet its business continuity obligations hereunder. In such case, Custodian will not be liable for failure to perform. As used in this Subparagraph, the term "Delegate" and "Delegates" mean Delegates at any tier.

8.20.3 In the event Custodian's failure to perform arises out of a force majeure event, Custodian agrees to fulfill its business continuity obligations set forth in this Subparagraph 8.20.

8.20.4 Business Continuity Plan. The Custodian must at all times maintain a business continuity plan and a disaster recovery plan and will take commercially reasonable measures to maintain and periodically test such plans. The Custodian will implement such plans following the occurrence of an event which results in an interruption or suspension

of the Services to be provided by the Custodian. Custodian must notify the TTC in writing within two Business Days when such a plan implementation occurs. The Custodian will present plan updates to TTC within ten Business Days upon request for such presentation.

8.20.5 Internal Controls Review and Report. The Custodian will retain a firm of independent auditors to perform an annual review of certain internal controls and procedures employed by the Custodian in the provision of the Services and issue a standard System and Organization Controls 1 or equivalent report based on such review. The Custodian will provide a copy of the report to the County upon request.

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 Custodian agrees and consents to the jurisdiction of the state or federal courts, as appropriate, located in 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 of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS

8.22.1 This Contract is by and between the County and the Custodian 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 Custodian. 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 Custodian 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 Custodian.

8.22.3 The Custodian understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Custodian and not employees of the County. The Custodian 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 Custodian pursuant to this Contract.

8.23 INDEMNIFICATION

8.23.1 The Custodian must indemnify, defend and hold harmless the County,

its officers and employees (each, a “County Indemnitee”) from and against any and all direct loss, damages, liability, claims, actions, costs and expenses (including reasonable and documented attorneys’ fees) (“Indemnification Losses”), arising directly from a claim against a County Indemnitee brought by a third party as a direct result, and to the extent, of the Custodian’s, or any Delegate’s, or Subcustodian’s negligent acts or omissions, failure to exercise the Standard of Care, breach of applicable law, bad faith, fraud or willful misconduct in connection with the performance of its obligations or failure to perform its duties under this Contract; *provided, however*, that such indemnity will not apply to any Indemnification Losses to the extent that they arise out of a County Indemnitee’s or its agents’ (other than Custodian, any Delegate or Subcustodian) action or omission.

- 8.23.2** The County will use reasonable efforts to mitigate any Indemnification Losses in respect of which it claims indemnification under this Contract.
- 8.23.3** The Custodian will be without liability to the County for any Indemnification Losses to the extent they arise from or are caused by: (i) the Custodian acting upon any Authorized Account Instructions or, if Authorized Account Instructions are not required in a particular circumstance, any other instruction, information, notice, request, consent, certificate, instrument or other writing given by an Authorized Account Person; (ii) a delay in processing or any failure to process any Authorized Account Instructions to the extent permitted under Subparagraph 5.3 (Authorized Account Instructions) of the SOW, subject to the satisfaction of the conditions set out in that Subparagraph, as applicable; (iii) the failure of the County or any person authorized by it to comply with the County’s obligations under this Contract; (iv) any other acts or omissions of the County, any person authorized by it or any third party, including any third party agent, market participant, authorized data source, central securities depository, financial market utility or securities system; or (v) error in the online data access provided pursuant to Paragraph 4 (Accounting and Reporting) of the SOW that are caused by the contents of data from third parties. For avoidance of doubt, any actions or omissions of the County, including without limitation any Authorized Account Instructions, that are the result of erroneous reports or work product from the Custodian will not absolve the Custodian from its indemnification obligations under this Subparagraph.
- 8.23.4** Notwithstanding any express provision to the contrary the Custodian will not be liable for any (i) indirect, consequential, incidental, punitive, special or exemplary damages, or (ii) loss of profit, revenue, business, anticipated savings, goodwill or damage to reputation, except as otherwise provided in the SOW, in each case whether or not Custodian has been apprised of the likelihood of such damages occurring.

Any legal defense pursuant to the Custodian indemnification and hold harmless obligations under this Subparagraph 8.23 will be conducted by the Custodian and performed by the counsel selected by the Custodian and approved by the County, as applicable, which such approval will not be unreasonably withheld. Notwithstanding the preceding sentence, the County will have the right to participate in any such defense at its sole cost and expense, except that in the event the Custodian fails to provide the County with a full and adequate defense, as determined by the County, in its sole judgment, the County will be entitled to retain its own counsel (including, without limitation, County Counsel) and reimbursement from the Custodian for all such costs and expenses incurred by the County in doing so. The Custodian 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 the County without the County's prior written approval.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

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

8.24.2 EVIDENCE OF COVERAGE AND NOTICE TO COUNTY

- 1.** An ACORD Certificate of Insurance Coverage ("Certificate of Insurance" or "COI") must be delivered to County to the email address shown below and provided prior to commencing services under this Contract.
- 2.** Renewal COIs must be provided to County within ten Business Days following a request from the County, subject to renewal availability on commercially reasonable terms.
- 3.** COIs must identify all Required Insurance coverage types and limits specified herein, as well as the lead insurer, broker, policy number and term of each insurer providing coverage, and its National Association of Insurance Commissioners (NAIC) identification number.
- 4.** COIs must be attached to a cover memo, signed by an authorized representative of Custodian, that references this Contract by name or number and the relationship of the insured

party named on the COI to the Custodian identified as the contracting party in this Contract.

5. Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying COI will be construed as a waiver of any of the Required Insurance provisions.

COIs must be sent to: contracts@ttc.lacounty.gov.

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

8.24.3 ADDITIONAL INSURED STATUS AND SCOPE OF COVERAGE

The County of Los Angeles, its Special Districts, Elected Officials, Officers, agents, employees and volunteers (collectively County and its agents) must be provided additional insured status under Custodian's General Liability policy with respect to liability arising out of Custodian's ongoing and completed operations performed on behalf of the County. County and its agents additional insured status must apply with respect to liability and defense of suits arising out of the Custodian's acts or omissions, where such liability is attributable to the Custodian. The scope of protection also must apply to the County and its agents as an additional insured. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 CANCELLATION OF INSURANCE

The Custodian must provide County with written notice within 30 Business Days of cancellation upon receipt of such notice. Failure to provide written notice of cancellation of, or of an election to self-insure with respect to, 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

The Custodian's failure to maintain the Required Insurance will constitute a material breach of the Contract, upon which County immediately may suspend or terminate this Contract.

8.24.6 INSURER FINANCIAL RATINGS

Coverage must be placed with insurers with A.M. Best ratings of A-VII

or better.

8.24.7 CUSTODIAN'S INSURANCE MUST BE PRIMARY

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

8.24.8 WAIVERS OF SUBROGATION

To the fullest extent permitted by law, the Custodian hereby waives its rights and its insurer(s)' rights of recovery against County under the Commercial General Liability Policy only for any loss arising from or relating to this Contract. The Custodian must require its Commercial General Liability insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.9 SUBCUSTODIAN INSURANCE COVERAGE REQUIREMENTS

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

8.24.10 DEDUCTIBLES AND SELF-INSURED RETENTIONS

The Custodian's policies will not obligate the County to pay any portion of any Custodian deductible or Self-Insured Retention.

8.24.11 CLAIMS MADE COVERAGE

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date will precede the Effective Date of this Contract. Custodian understands and agrees that, subject to availability on commercially reasonable terms, it will maintain such coverage for a period of not less than three years following Contract expiration, termination or cancellation.

8.24.12 APPLICATION OF EXCESS LIABILITY COVERAGE

The Custodians may use a combination of primary and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.13 MUTUAL REVIEW AND APPROVAL OF INSURANCE REQUIREMENTS

The County and the Custodian agree to engage in a good faith review of the Required Insurance provisions, and to engage in good faith negotiations to adjust such Required Insurance provisions, provided that both the County and the Custodian mutually agree that there have been 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 WORKERS COMPENSATION AND EMPLOYERS' LIABILITY

Custodian will provide workers' compensation benefits, as required by the Labor Code of the State of California or by any other state to Custodian employees for injuries arising from or connected with services provided to the County under this Contract, and for which the Custodian is responsible. Custodian will provide and maintain a program of Workers' Compensation insurance in an amount and form to meet all applicable statutory requirements, including Employers' Liability coverage for all of Custodian's employees.

8.25.3 CRIME COVERAGE

A Fidelity Bond or Crime Insurance policy with limits of not less than \$150 million per occurrence and in the aggregate to cover the following:

Employee Dishonesty	\$150 million
Forgery or Alteration	\$150 million
Theft, Disappearance and Destruction	\$150 million
Burglary and Robbery	\$150 million
Electronic and Computer Crime	\$150 million

8.25.4 BANKERS PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS

Insurance covering Custodian's liability arising from any error, omission, negligent or wrongful act, breach of the Standard of Care, misstatement, or misleading statement by the Custodian, its officers

or employees, or agents resulting in losses arising under this Contract, subject to policy terms and conditions, with limits of not less than \$100 million per claim and aggregate. Further, Contractor understands and agrees that, subject to availability on commercially reasonable terms, it must maintain such coverage for a period of not less than three years following the Contract Term.

8.25.5 CYBER LIABILITY INSURANCE

The Custodian will secure and maintain cyber/network security and privacy liability insurance with limits of at least \$15 million in the aggregate extending coverage for loss arising from a failure of network security or failure to protect Data.

8.26 INTENTIONALLY OMITTED

8.27 INTENTIONALLY OMITTED

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 The Contractor certifies to the County each of the following:

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

8.28.3 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 Delegates, 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 Subparagraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.
- 8.28.7** If the County finds that any provisions of this Subparagraph 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 \$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 Custodian. This Contract will not restrict County from acquiring similar, equal or like deliverables 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 Business

Day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 DISPUTE RESOLUTION PROCEDURE

It is the intent of the parties that all disputes arising under this Contract be resolved expeditiously, amicably, and at the level within each party's organization that is most knowledgeable about the disputed issue. The parties understand and agree that the procedures outlined in this Subparagraph are not intended to supplant the routine handling of inquiries and complaints through informal contact with their respective managers. Accordingly, for purposes of the procedures set forth in this Subparagraph, a "dispute" will mean any action, dispute, claim, or controversy of any kind, whether in contract or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to this Contract.

- 8.31.1** Custodian and County agree to act promptly and diligently to mutually resolve any disputes, which may arise with respect to this Contract. All such disputes must be subject to the provisions of this Subparagraph 8.31 (Dispute Resolution Procedure), (such provisions must be collectively referred to as the "Dispute Resolution Procedure"). Time is of the essence in the resolution of disputes.
- 8.31.2** Custodian and County agree that the existence and details of a dispute notwithstanding, both parties must continue without delay their performance hereunder.
- 8.31.3** If Custodian fails to continue without delay its performance hereunder which the County reasonably determines should not be delayed as a result of such dispute, then any reasonable additional costs, which may be incurred by the Custodian or County as a result of Custodian's failure to continue to so perform must be borne by the Custodian, and Custodian must make no claim whatsoever against the County for such costs. Custodian must promptly reimburse the County for such reasonable costs of the County, or County may deduct all such additional reasonable costs from any amounts due to the Custodian from the County. Notwithstanding the foregoing, the County will use reasonable efforts to mitigate any such additional costs in respect of which it claims reimbursement under this Subparagraph 8.31.3, and any failure to so mitigate will reduce the additional costs to be reimbursed by an amount that would reasonably have been saved by such mitigation efforts.
- 8.31.4** If County fails to continue without delay to perform its responsibilities under this Contract, which the Parties, by mutual agreement, should not be delayed as a result of such dispute, then any reasonable additional costs incurred by the Custodian or the County as a result of County's failure to continue to so perform must be borne by the County, and County will make no claim whatsoever against the Custodian for such

costs. County must promptly reimburse Custodian for all such reasonable additional Custodian costs. Notwithstanding the foregoing, the Custodian will use reasonable efforts to mitigate any such additional costs in respect of which it claims reimbursement under this Subparagraph 8.31.4, and any failure to so mitigate will reduce the additional costs to be reimbursed by an amount that would reasonably have been saved by such mitigation efforts.

- 8.31.5** In the event of any dispute between the parties with respect to this Contract, Custodian and County must submit the matter to their respective Contract Managers for the purpose of endeavoring to resolve such dispute.
- 8.31.6** In the event that the Contract Managers are unable to resolve the dispute within a reasonable time not to exceed ten days from the date of submission of the dispute to them, then the matter must be immediately submitted to the parties' respective Contract Administrators for further consideration and discussion to attempt to resolve the dispute.
- 8.31.7** In the event that the Contract Administrators are unable to resolve the dispute within a reasonable time not to exceed ten days from the date of submission of the dispute to them, then the matter must be immediately submitted to Custodian's Senior Vice President, Head of Public Funds and the Treasurer and Tax Collector, or their designee. These persons must have ten days to attempt to resolve the dispute.
- 8.31.8** In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under this Contract and/or its rights and remedies as provided by law or at equity.
- 8.31.9** All disputes utilizing this dispute resolution procedure must be documented in writing by each party and must state the specifics of each alleged dispute and all actions taken. The parties must act in good faith to resolve all disputes. At all three levels described in this Subparagraph 8.31 (Dispute Resolution Procedure), the efforts to resolve a dispute must be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence, which correspondence may be in electronic form, including via e-mail.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor must notify its employees, and will require each Delegate 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 in the County and will require each Delegate to notify and provide to its employees in Los Angeles County, 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 made electronically or in writing and if in writing 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 Exhibit D (County's Administration) and Exhibit E (Custodian's Administration) or via facsimile or electronic copy representation pursuant to Subparagraph 8.18 (Counterparts and Electronic Signatures and Representations). Addresses may be changed by either party giving ten days' prior written notice thereof to the other party. The Treasurer and Tax Collector, or their 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 Custodian 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 CALIFORNIA 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 Subparagraph 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 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 7921.000 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. In the event a Public Records Act request is made for Contractor documents marked as "trade secret," "confidential," or "proprietary" relating to the Contract, or if disclosure of documents marked as "trade secret," "confidential," or "proprietary" relating to the Contract is required by law, or by an order issued by a court of competent jurisdiction, the County will provide reasonable notice to Contractor prior to releasing any such documents and will cooperate with the Contractor in objecting to any such disclosure to the extent the Contractor asserts a reasonable basis for exemption under the Public Records Act.

- 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 Custodian 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 Custodian's need to identify its services and related clients to sustain itself, the County will not inhibit the Custodian from publishing its role under this Contract within the following conditions:
1. The Custodian must develop all publicity material in a professional manner; and
 2. During the term of this Contract, the Custodian 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 Contract Administrator. The County will not unreasonably withhold written consent.
- 8.37.2** The Custodian 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 Subparagraph 8.37 (Publicity) will apply.

8.38 RECORD RETENTION AND INSPECTION-AUDIT SETTLEMENT

- 8.38.1** The Custodian must maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Custodian must also maintain accurate and complete employment and other records relating to its performance of this Contract. The Custodian 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, and proprietary data and Information, will be kept and maintained by the Custodian and will be made available to the County during the term of this Contract and for a period of five 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 Custodian either at a location in Los Angeles County, or accessible to County representatives within Los Angeles County following reasonable prior notice.

- 8.38.2** Subject to confidentiality restrictions, Custodian agrees to notify the County in the event that an audit of the Custodian is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Custodian or otherwise, and the Custodian must provide a copy of such audit report to the County within 30 days of the receipt thereof by the Custodian Contract Administrator.
- 8.38.3** Failure on the part of the Custodian to comply with any of the provisions of this Subparagraph 8.38 (Record Retention and Inspection-Audit Settlement) 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 years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Custodian 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 Custodian, then the difference must be repaid by the Custodian to the County by cash payment upon demand. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Custodian, then the difference will be paid to the Custodian 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.
- 8.38.5** **Financial Statements:** Beginning one year after the Effective Date of this Contract, and every year thereafter until the expiration of this Contract, Custodian, at the request of the County, must submit to the Contracts' Section – Contract Monitor, as indicated on Exhibit D (County's Administration), a complete set of audited financial statements submitted to the Federal Reserve for the preceding 12-month period. Such statements must, at a minimum, include a Balance Sheet (Statement of Financial Position) and Income Statement (Statement of Operations). The County reserves the right to request

these financial statements on a more frequent basis and will so notify Custodian in writing. All financial statements will be kept confidential, only if stamped or marked as confidential on each page of the financial statement.

8.38.6 Pending Litigation: Custodian must submit to the County an annual statement regarding any pending litigation that would have a material adverse impact on its performance under the Contract since the Custodian last reported same to the County. The Custodian's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this provision.

8.39 RECYCLED BOND PAPER

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

8.40 DELEGATION

8.40.1 Use of Delegates. The Custodian will have the right, without prior notice to or the consent of the County, to employ Delegates to provide or assist it in the provision of any part of the Services other than Services required by local, State or federal law applicable to either party to be performed by a qualified custodian or central securities depository. Unless otherwise agreed in a fee schedule, the Custodian will be responsible for the compensation of its Delegates.

8.40.2 Provision of Information Regarding Delegates. The Custodian will provide or make available to the County on a quarterly or other periodic basis information regarding its global operating model for the delivery of the Services, which information will include the identities of Delegates affiliated with the Custodian that perform or may perform any part of the Services, and the locations from which such Delegates perform Services, as well as such other information about its Delegates as the County may reasonably request from time to time.

8.40.3 Third Parties. Nothing in this Subparagraph limits or restricts the Custodian's right to use Affiliates or third parties to perform or discharge, or assist it in the performance or discharge of, any obligations or duties under this Contract other than the provision of the Services.

8.40.4 Sanctions. The Custodian will not employ Delegates who are located in a country or territory that is a target of Sanctions, including a target of any country sanctions program administered and enforced by the United States Office of Foreign Assets Control.

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 Subparagraph 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 90 Calendar Days of written notice will be grounds upon which the County may terminate this Contract pursuant to Subparagraph 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 Custodian 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 30 Calendar Days after the notice is sent. In no event will County’s termination of this Contract pursuant to this Subparagraph 8.42 (Termination for Convenience) be deemed a waiver of County’s right to make a claim against the Custodian for damages resulting from any default by the Custodian or its Delegates which occurred prior to the effective termination date.

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

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

8.42.3 Custodian may terminate this Contract in whole or in part for convenience, by delivery to the County of a written Notice of Termination for Convenience specifying the date upon which such termination becomes effective, which will not be less than 730 Calendar Days after the notice is sent.

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

8.43 TERMINATION FOR DEFAULT

8.43.1 The County may, by written notice to the Custodian, terminate

the whole or any part of this Contract, if in the judgment of County's Contract Administrator:

1. The Custodian or any of its Delegates has materially failed to perform the Services described in the SOW and subsequently fails to cure such default within 30 Calendar Days of receipt of notice from the County of such default; or
2. The Custodian or any of its Delegates materially fails to perform or cause to be performed any of the other provisions of this Contract and fails to cure such default within 30 Calendar Days (or such longer period as the County may authorize in writing) of receipt of notice from the County specifying such default; or
3. Upon notice, but without further cure period, if Custodian or any of its Delegates repeatedly fails to perform according to this Contract following notice and failure to cure pursuant to Sections (1) and (2) of this Subparagraph 8.43.1.

8.43.2 The County may, without prior notice or opportunity to cure given to the Custodian, terminate the whole or any part of this Contract, if in the judgment of County's Contract Administrator:

1. The Custodian or any of its Delegates materially breaches any of the warranties, representations and covenants made in Subparagraph 8.3 (Warranties) so as to materially adversely affect the County; or
2. The Custodian is subject to criminal investigation, indictment or conviction, or is found civilly or criminally liable by a trial court, judge or administrative panel in connection with any matter involving breach of trust or fiduciary duty, fraud, theft, or moral turpitude; or
3. The Custodian attempts or purports to assign this Contract, or any portion thereof, or any of its rights or obligations hereunder, except in accordance with Subparagraph 8.2 (Assignment and Delegation/Mergers or Acquisitions).

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

8.43.4 The rights and remedies of the County provided in this Subparagraph 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.

- 8.43.5** The Custodian may, by written notice to the County, terminate this Contract in whole or in part, if in the reasonable judgement of the Custodian's Contract Administrator:
1. The County has materially failed to perform its obligations under this Contract and subsequently fails to cure such default within 30 Calendar Days of receipt of notice from the Custodian of such default after following the Dispute Resolution Procedure set forth in Subparagraph 8.31 hereof; or
 2. Upon notice, but without further cure period, if the County repeatedly fails to perform according to this Contract following notice and failure to cure pursuant to Section (1) of this Subparagraph 8.43.7.
- 8.43.6** If, after the Custodian has given notice of termination under the provisions of this Subparagraph 8.43 (Termination for Default), it is determined by the Custodian that the County was not in default under the provisions of this Subparagraph 8.43 (Termination for Default), or that the default was excusable, the rights and obligations of the parties will be the same as if the notice of termination had been issued pursuant to Subparagraph 8.42 (Termination for Convenience).
- 8.43.7** The rights and remedies of the Custodian provided in this Subparagraph 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 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 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:

1. Insolvency of the Custodian. The Custodian will be deemed to be insolvent if it has ceased to pay its debts for at least 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 Custodian is insolvent within the meaning of the Federal Bankruptcy Code;
2. The filing of a voluntary or involuntary petition regarding the Custodian under the Federal Bankruptcy Code;
3. The appointment of a receiver or trustee for the Custodian; or
4. The execution by the Custodian of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the County provided in this Subparagraph 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 Custodian, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#) retained by the Custodian, must fully comply with the County's Lobbyist Ordinance, [County Code Chapter 2.160](#). Failure on the part of the Custodian or any County Lobbyist or County Lobbying firm retained by the Custodian 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 Custodian'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 Custodian in writing of any such non-allocation of funds at the earliest possible date, but in no event later than 30 Calendar Days prior to the termination date.

8.48 EFFECT OF TERMINATION

8.48.1 In the event County terminates this Contract in whole or in part as provided hereunder or upon the expiration of the Contract, as

applicable, then, unless otherwise specified by County in writing:
(a) Custodian must continue the performance of this Contract to the extent not terminated; (b) Custodian must cease to perform the Services being terminated on the date and to the extent specified in such notice and provide to the County all completed Services and Services in progress, in a media reasonably requested by the County; (c) County will pay to the Custodian all sums due and payable to Custodian for Services properly performed through the effective date of such expiration or termination (prorated as appropriate); (d) Custodian must return to the County all monies paid by the County, yet unearned by the Custodian, including any prepaid fees if applicable; (e) Custodian must promptly return to the County any and all of the County's Information that relates to the portion of the Contract or Services terminated by the County, including all County Information, in a media reasonably requested by the County.

8.48.2 Expiration or termination of this Contract for any reason will not release either party from any liabilities or obligations set forth in this Contract which (i) the parties have expressly agreed upon in writing will survive any such expiration or termination, or (ii) remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

8.48.3 Custodian understands and agrees that County has obligations that it cannot satisfy without use of the Services provided to the County hereunder, and that a failure to satisfy such obligations could result in irreparable damage to the County and the entities it serves. Therefore, Custodian agrees that in the event of any expiration or termination of this Contract, Custodian must fully cooperate with the County in the transition of the County to a successor vendor, toward the end that there be no interruption of County's day-to-day operations during such transition.

8.48.4 For 90 days prior to the expiration date of this Contract, or upon notice of termination of this Contract ("Transition Period"), Custodian must assist the County in extracting and/or transitioning all County Information in the format determined by the County. The Transition Period may be modified as agreed upon in writing by the parties in a Change Notice. In addition, upon the expiration or termination of this Contract, County may require Custodian to provide services in the form of Additional Work to assist County to transition system operations from Custodian to County or County's designated third party ("Transition Services"). Upon County's request for Transition Services, County and Custodian agree to negotiate in good faith the scope of work and the price for such Transition Services. Custodian agrees that in the event that County terminates the Contract for default by the Custodian pursuant to Subparagraph 8.43 (Termination for

Default) hereof, Contractor must perform Transition Services at no cost to the County. Custodian must provide the County with all of the Transition Services as provided in this Subparagraph 8.48.4.

If, after the County issues a notice of termination for default pursuant to Subparagraph 8.43, it is determined pursuant to Subparagraph 8.12.4, Contractor Hearing Board, for any reason that Custodian and its Delegates was/were not in default, or that such default was excusable, then the rights and obligations of the parties will be the same as if the County had issued a notice of termination for convenience pursuant to Subparagraph 8.42.

The duty of Custodian to provide such Transition Services must be conditioned on the County continuing to comply with its obligations under the Contract, including payment of all applicable fees. Custodian will have no right to withhold or limit its performance or any of such Transition Services on the basis of any alleged breach of this Contract by the County, other than a failure by the County to timely pay the amounts due and payable hereunder. County will have the right to seek specific performance of this Subparagraph 8.48.4 in any court of competent jurisdiction and Custodian hereby waives any defense that damages are an adequate remedy. Compliance with this Subparagraph 8.48.4 by either party will not constitute a waiver or estoppel with regard to any rights or remedies available to the parties.

8.48.5 Contractor must promptly return to the County any and all County Information, including County Information that relate to that portion of the Contract and Services terminated by the County.

8.48.6 County must have the rights to access any County Information, without limitation.

8.49 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.

8.50 USE OF COUNTY SEAL AND/OR TTC LOGOS

The County claims right, title and interest in and to certain intellectual property, including, but not limited to, the current and former County Seals and TTC logos (collectively, "County Seals"). Except as expressly authorized herein, the Custodian must not reproduce, copy, distribute, republish, download, display, post, transmit or make any other use of any kind whatsoever of the County Seals, in any format or by any means whatsoever. At no time will the Custodian in any manner (i) modify the County Seals or (ii) create derivative works of the County Seals. The Custodian must not in any manner sublicense, transfer or

assign its rights, or delegate its duties, with respect to use of the County Seals, whether in whole or in part, without the prior written consent of the County, in its discretion, and any attempted sublicense, transfer, assignment or delegation without such consent will be null and void.

8.51 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 Subparagraph will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.52 WARRANTY AGAINST CONTINGENT FEES

8.52.1 The Custodian 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 Custodian for the purpose of securing business.

8.52.2 For breach of this warranty, the County will have the right to terminate this Contract.

8.53 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

The Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through the 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, 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, set forth in Exhibit H (Defaulted Property Tax Reduction Program).

8.54 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 Subparagraph 8.53 (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 the County under any other provision of this Contract, failure of the Contractor to cure such default within ten days of notice will be grounds upon which the County may terminate this contract and/or pursue debarment of Contractor, pursuant to [Los Angeles County Code](#)

[Chapter 2.206.](#)

8.55 TIME OFF FOR VOTING

The Contractor must notify its employees and must require each relevant Delegate to notify and provide to its employees, information regarding the time off for voting law ([Elections Code Section 14000](#)). Not less than ten days before every statewide election, every Contractor and relevant Delegates 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](#).

8.56 INTENTIONALLY OMITTED

8.57 INTENTIONALLY OMITTED

8.58 INTENTIONALLY OMITTED

8.59 NO OFFSHORE SERVERS

Custodian will not host any County Information on servers located outside the United States. Custodian's and any Delegate's employees located outside of the United States may have secure remote access to County Information hosted only on servers in the United States for purposes contemplated under the SOW of this Contract.

8.60 SEVERABILITY

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.

8.61 CONTRACT DRAFTED BY ALL PARTIES

This Contract is the result of arm's length negotiations between the parties. Consequently, each party has had the opportunity to receive advice from independent or in-house counsel of its own choosing. This Contract will be construed to have been drafted by all parties such that any ambiguities in this Contract will not be construed against either party.

8.62 NO THIRD-PARTY BENEFICIARIES

Notwithstanding any other provision of this Contract, the Custodian and County do not in any way intend that any person or entity will acquire any rights as a third-party beneficiary of this Contract, except that this provision will not be construed to diminish the Custodian's indemnification obligations hereunder.

8.63 GREEN INITIATIVES

The Custodian must use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits. The Custodian must notify County's Contract Manager of Custodian's green initiatives prior to the Contract's commencement.

8.64 INTENTIONALLY OMITTED

8.65 COMPLIANCE WITH COUNTY’S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

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

If the 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. The 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 the Contractor’s staff pursuant to this Subparagraph will not relieve Custodian of its obligation to complete all work in accordance with the terms and conditions of this Contract.

8.66 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES

Contractor, and its Delegates, must comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#). Contractor’s violation of this Subparagraph 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.

8.67 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 Delegates acknowledge and certify receipt and understanding of the CPOE. Failure of the Contractor, its employees or its Delegates 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.

8.68 LICENSES, PERMITS, AND REGULATORY AUTHORIZATIONS

The Custodian represents and warrants to the County that: (i) it holds such licenses, permits, and regulatory authorizations as are necessary to perform the Services under the Contract, and (ii) it will seek to maintain all such licenses, permits, registrations, and professional certifications throughout the Contract Term and any term extensions and/or option periods exercised by the County.

8.69 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)

A Proposer, or a Contractor or its subsidiary or Delegate ("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.

8.70 INJURY AND ILLNESS PREVENTION PROGRAM

The Custodian 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.

8.71 CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING

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

9 UNIQUE TERMS AND CONDITIONS

9.1 CUSTODIAN BUSINESS REQUIREMENTS

The Custodian must be qualified to do business in the State of California.

9.2 CUSTODIAN WORKING PAPERS AND PROPRIETARY MATERIALS

- 9.2.1** County retains all right, title, and interest in all County Information. Custodian may not use any County Information except to the extent necessary to fulfill the express purposes of this Contract.
- 9.2.2** During the term of this Contract and for five years thereafter, the Custodian must maintain and provide security for all of the Custodian's working papers prepared under this Contract. The 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 County Information contained therein.
- 9.2.3** Any and all materials, software and tools which the Custodian considers to be proprietary or confidential, must be specifically identified by the Custodian to the County's Contract Manager as proprietary or confidential, and must be plainly and prominently marked by the Custodian 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 Custodian’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 Custodian.

9.2.5 Notwithstanding any other provision of this Contract, the County will not be obligated to the Custodian in any way under Subparagraph 9.2.4 for any of the Custodian’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 INFORMATION SECURITY AND PRIVACY REQUIREMENTS

Custodian must comply with Exhibit I (Information Security and Privacy Requirements) of this Contract. The Information Security and Privacy Requirements apply to Custodians and their Delegates. Custodian will be required to maintain compliance during the term of this Contract. Failure to maintain material compliance, or to timely cure material defects, may be cause for termination of the Contract or initiation of debarment proceedings against the non-compliant Contractor (Los Angeles County Code, Chapter 2.202).

10 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:

- Subparagraph 5.5 Transition Period Fee
- Subparagraph 5.6 No Payment for Services Provided Following Expiration/Termination of Contract
- Subparagraph 7.7 Confidentiality
- Subparagraph 8.6 Compliance with Applicable Law
- Subparagraph 8.21 Governing Law, Jurisdiction, and Venue
- Subparagraph 8.23 Indemnification
- Subparagraph 8.24 General Provisions for All Insurance Coverage
- Subparagraph 8.25 Insurance Coverage
- Subparagraph 8.38 Record Retention and Inspection-Audit Settlement
- Subparagraph 8.48 Effect of Termination
- Subparagraph 8.62 No Third-Party Beneficiaries
- Paragraph 10 Survival

IN WITNESS WHEREOF, Custodian 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 Treasurer and Tax Collector, on the day and year first above written.

STATE STREET BANK AND TRUST COMPANY

()

By

Name

Title

COUNTY OF LOS ANGELES

By

Treasurer and Tax Collector

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By _____
Senior Deputy County Counsel

**CONTRACT FOR
INVESTMENT CUSTODY SERVICES**

TABLE OF CONTENTS OF EXHIBITS

STANDARD EXHIBITS

- A STATEMENT OF WORK
- B PRICING SCHEDULE
- C INTENTIONALLY OMITTED
- D COUNTY'S ADMINISTRATION
- E CUSTODIAN'S ADMINISTRATION
- F **FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION**
 - F1 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND
CONFIDENTIALITY AGREEMENT
- G SAFELY SURRENDERED BABY LAW
- H DEFAULTED PROPERTY TAX REDUCTION PROGRAM

UNIQUE EXHIBITS

- I INFORMATION SECURITY AND PRIVACY REQUIREMENTS

EXHIBIT A

STATEMENT OF WORK

INVESTMENT CUSTODY SERVICES

**STATEMENT OF WORK
INVESTMENT CUSTODY SERVICES**

TABLE OF CONTENTS

PARAGRAPH	TITLE	PAGE
1.	INTRODUCTION	1
2.	INTENTIONALLY OMITTED	2
3.	SCOPE OF WORK.....	3
4.	ACCOUNTING AND REPORTING.....	13
5.	GENERAL ADMINISTRATION.....	16
6.	INFORMATION SECURITY AND PRIVACY REQUIREMENTS	16
7.	QUALITY CONTROL PLAN/SERVICE LEVEL AGREEMENT	17
8.	BUSINESS CONTINUITY PLAN	17
9.	QUALITY ASSURANCE PLAN.....	17
10.	DAYS OF OPERATION/HOURS/WORKDAY	18
11.	PERFORMANCE REQUIREMENTS SUMMARY CHART/KEY PERFORMANCE INDICATORS CHART	19
12.	GENERAL CRITERIA FOR SATISFACTORY AND UNSATISFACTORY PERFORMANCE.....	20

**STATEMENT OF WORK
INVESTMENT CUSTODY SERVICES**

STATEMENT OF WORK ATTACHMENTS

A.1 CONTRACT DISCREPANCY REPORT

A.2 PERFORMANCE REQUIREMENTS SUMMARY CHART/KEY PERFORMANCE INDICATORS CHART

A.3 ACCOUNT STRUCTURE

1 INTRODUCTION

The Custodian will provide all the work detailed in this Exhibit A, Statement of Work (SOW), which incorporates all attachments hereto, and execute Services in accordance with all tax and securities laws and regulations applicable to the Custodian.

The Custodian will assume the responsibility for the custody and safekeeping of the County of Los Angeles Treasury (Treasury) assets to the extent expressly agreed to in the Contract.

1.1 The County of Los Angeles Treasury

The Treasurer and Tax Collector (TTC), acting in its capacity as the County's Treasurer, is statutorily authorized and responsible for the banking, investment, and accountability of public funds within its control. Collectively, these funds are known as the "Treasury." The Treasury consists of three investment portfolios, the External Investment Pool (Treasury Pool) portfolio, the Specific Purpose Investments portfolio, and Other Specific Investments, with approximately \$52.3 billion, \$283.6 million, and \$302,000, respectively, in total net position as of the June 30, 2023, annual audited financial statements.

1.1.1 Treasury Pool

The Treasurer manages a Treasury Pool on behalf of the Treasury Pool participants that include the County and other entities that are required by the State of California (State) statutes to participate in the Treasury Pool, such as local school districts, community colleges, and the superior courts. Voluntary participants in the Treasury Pool consist of the Sanitation Districts, the Metropolitan Transportation Authority, the South Coast Air Quality Management District, and certain other local agencies.

The Treasury Pool's investment strategy is based on the following three prioritized objectives to:

1. Ensure the safety of principal,
2. Provide liquidity to Treasury Pool participants, and
3. Achieve a return.

The Treasury Pool's basic investment strategy is to buy and hold, to a designated maturity, high quality fixed income investments. On an annual basis, the TTC requests delegated investment authority from the Los Angeles County Board of Supervisors (Board) in accordance with Section 53607 of the California Government Code (Government Code).

1.1.2 Specific Purpose Investments

The Treasurer maintains the Specific Purpose Investments (SPI) portfolio to manage specific investments requested by certain entities approved by the Treasurer. The Treasurer provides this service to Treasury Pool participants and external local agencies; however, the related investment activity occurs separately from the Treasury Pool. The individual investment strategies are targeted for the needs of the requesting entity.

1.1.3 Other Specific Investments

Other Specific Investments (OSI) represent assets held by the Treasurer pursuant to Section 1300.76.1, Title 28, California Code of Regulations (Code of Regulations). The Treasurer maintains these assets in the Special Safekeeping Account on behalf of the County's Community Health Plan (CHP). The Treasurer assigns these investments to the California Commission of Corporations to meet CHP deposit requirements imposed by the Code of Regulations.

The OSI investment activity occurs separately from the Treasury Pool and the Code of Regulations governs the related investment strategies.

1.1.4 Authorized Investments

As permitted by the Government Code, the Treasurer developed, and the Board adopted, an investment policy that defines the authorized investments and establishes the limits within which the Treasurer may invest. The Treasurer manages these investments and reports the related investment activity to the Board on a monthly basis. The Treasurer's Investment Policy is available on the TTC website at <https://ttc.lacounty.gov/investor-information/>, under Investments.

1.1.5 County Treasury Investment Information

Fund balances and investment asset categories for the Treasury Pool and SPI are available in the County's Monthly Report of Investments to the Board. This report is available on the TTC website at <https://ttc.lacounty.gov/investor-information/>, under Investments.

2 INTENTIONALLY OMITTED

3 SCOPE OF WORK

3.1 Accounts and Cash Management

3.1.1 Custodial Accounts

The Custodian will establish and maintain accounts to manage the daily investment activity of the Treasury. The Custodian will establish all accounts and maintain assets within the accounts pursuant to Attachment A.3, Account Structure, of this SOW.

3.1.2 Daily Cash Activities

For each Business Day, the daily cash movement process will consist of the following:

- 3.1.2.1** Each afternoon before 2:00 p.m. Pacific Time (PT), the TTC will compare its projected income and maturities with the Custodian's report to balance the next Business Day's maturities and income receipts.
- 3.1.2.2** In case there are any discrepancies, the TTC will notify the Custodian, using an agreed upon communication method, of any differences noted.
- 3.1.2.3** The Custodian will provide a status of the discrepancies identified no later than 3:00 p.m. PT.
- 3.1.2.4** The TTC will initiate a wire transfer, in a secure manner as agreed to by the TTC and the Custodian, indicating the amount to be wired from the Custodian to the TTC the following Business Day.
- 3.1.2.5** The Custodian will process the directed wire by no later than 6:00 a.m. PT on the next Business Day. The wire will be sent to the TTC's designated concentration account.
- 3.1.2.6** The TTC will send an initial wire to partially clear the day's purchases by no later than 9:00 a.m. PT.
- 3.1.2.7** The TTC will wire the remaining funds necessary to clear the day's purchases by no later than 11:00 a.m. PT.

3.1.3 Daily Investment Process

The TTC will provide daily trade instructions to the Custodian. The Custodian will confirm receipt of the instructions and process the trades as directed by TTC.

The TTC will purchase securities before all TTC's funds are immediately available for transfer to the seller of such securities. When this occurs, the process is as follows:

- 3.1.3.1** The TTC and Custodian will follow the procedures set forth in Subparagraph 3.1.2 (Daily Cash Activities), for the morning cash movement process that includes an initial balancing wire to/from the TTC's concentration account, subsequent true up wires where appropriate, and support for investment activity, income, and maturity proceeds associated with the daily forecasted activities.
- 3.1.3.2** The TTC agrees to provide all funds necessary to complete such purchases no later than the Custodian's close of business on the same Business Day that all such securities are purchased.
- 3.1.3.3** The TTC and the Custodian will mutually notify each other and partner toward resolution as soon as possible if cash movement discrepancies may result in overdraft on any given day. Nothing in this Subparagraph will be construed as a commitment to lend.
- 3.1.3.4** In the event the TTC fails to provide immediately available funds to consummate any securities purchased by the end of the contractual settlement date, the amount of the deficiency will constitute and be deemed an Advance under Subparagraph 3.1.4 (Advances) of this SOW.

3.1.4 Advances

The TTC and the Custodian will agree upon procedures designed to prevent any overnight overdrafts from occurring in any of the accounts. Nonetheless, if Custodian should advance funds to or on behalf of the accounts which result in an overnight overdraft to the accounts, the amount of the overnight overdraft will constitute an advance, hereunder an "Advance." The procedures will consist of at least the following:

- 3.1.4.1** Any such Advance is at the sole discretion of Custodian on an uncommitted case-by-case basis and will be payable on demand and may be repaid by the Custodian's application of such funds as are next received or otherwise are available in the accounts. Any Advance not repaid by the Custodian's close of business on any day will bear interest for such day and thereafter until payment in full based on the overdraft language detailed in Exhibit B (Pricing Schedule) of the Contract.
- 3.1.4.2** In order to secure each Advance made by the Custodian to or for the benefit or on behalf of or otherwise with respect to an account for purpose of funding purchases of securities, the TTC hereby transfers and assigns over to

the Custodian all rights in and to any funds held in the accounts for which such purchases were made and the securities acquired by such accounts with the proceeds of such Advance and all rights arising therefrom, including:

- (1) The right to receive and collect payments and prepayments with respect to such securities;
- (2) The right to receive and collect any proceeds of insurance or proceeds of the sale of such securities;
- (3) Proceeds of such securities, including any and all dividends, interest, cash, instruments, and other Property received, or otherwise receivable; and
- (4) The right to exercise such rights and remedies conferred on the TTC pursuant to the terms of such securities as may be necessary or convenient to enforce payment of the same or to otherwise protect the interests of the Custodian.

3.1.5 Fund Transfers

Authorized Account Persons will request wire transfers of funds between and from the accounts by providing the Custodian with Authorized Account Instructions in a secure manner as agreed to by the TTC and the Custodian.

The Custodian will provide the TTC, or its designee, pursuant to Paragraph 3 (Scope of Work) of this SOW with confirmation without undue delay upon receipt of the TTC's, or its designee's, Authorized Account Instructions.

The TTC or its designee may authorize the Custodian to transfer funds between/among the accounts via Authorized Account Instructions.

3.2 Custody

3.2.1 Appointment, Acceptance, and Authorization

The County hereby appoints the Custodian as its agent to preserve, control, and safekeep any Property deposited or otherwise entrusted to it on behalf of the TTC. The Custodian hereby agrees to act in such capacity and accepts the appointment as Custodian subject to the terms and conditions set forth in this Contract. The Custodian agrees to preserve, control and safekeep any and all Property, through itself or through a Subcustodian, which Custodian may accept and receive from time to time for deposit to the Account.

The TTC authorizes the Custodian to hold such securities in the

Account, which the Custodian has established with one of its branches or a branch of a qualified financial institution, as specified in California Government Code Section 53608. The Custodian will hold the Treasury's securities that are registered in the name of the Custodian or its Subcustodian's nominee, in bearer form, book entry form, a clearinghouse corporation or a depository, so long as the Custodian's records clearly indicate at all times that the assets held are part of the Account of the Treasury. The Custodian may hold securities in the TTC's name upon receipt of instructions by Authorized Account Persons.

3.2.2 Receipt of Property

Custodian must take all reasonable steps to ensure receipt of all Property, which the County delivers to Custodian or its Subcustodians.

3.2.3 Safekeeping / Holding of Property

Any securities deposited to the Account will be held in a Custodial vault, or where available to the Custodian, in "book entry" accounts with domestic central securities depositories.

3.2.3.1 If the Custodian or its Delegates or Subcustodians retain physical possession of such securities, the Custodian or its Delegates or Subcustodians will ensure that the securities are, at all times, properly identified as belonging solely to the Treasury.

3.2.3.2 If the Custodian or its Delegates or Subcustodians deposit securities with domestic depositories, the Custodian will maintain records, which specify the location and the Treasury's ownership of such securities.

Subject to the Custodian's Standard of Care, Custodian will have no responsibility for any Property owned by the County until it is received by Custodian or a Subcustodian. Custodian or its Subcustodians will hold all Property free and clear of any rights, charges, security interests, liens or claims of any kind not authorized by the County (including but not limited to those arising through Custodian or a Subcustodian), or otherwise existing at the time such Property is delivered to Custodian or its Subcustodians.

3.2.4 Custodial Account Transactions

The Custodian or its Subcustodians will release, transfer, exchange or deliver the securities in the Accounts upon receipt of Authorized Account Instructions under the following circumstances:

3.2.4.1 Upon sale of such securities by the TTC and receipt by the Custodian or its Delegates or Subcustodians of

payment therefore, each such payment will be in an amount confirmed by Authorized Account Instructions, unless otherwise directed by such Authorized Account Persons:

- (1) in accordance with the customary or established practices in the jurisdiction or market where delivering securities to the purchaser thereof, or to a dealer or other agent therefore, against expectation of receiving later payment for such assets; or
- (2) in the case of a sale effected through securities depositories, clearing agencies and book entry systems, in accordance with rules governing such operations.

- 3.2.4.2** When securities are called, redeemed, retired, or otherwise become payable, in return for delivery of cash or other consideration to the Custodian, or its Delegates or Subcustodians, unless Authorized Account Instructions provide otherwise.
- 3.2.4.3** Upon receipt of payment in connection with any repurchase agreement related to such securities.
- 3.2.4.4** In exchange for or upon conversion into other securities alone or other securities and cash pursuant to any securities issuer's plan, merger, consolidation, reorganization, recapitalization, or readjustment.
- 3.2.4.5** Upon conversion of the original securities, into other securities, pursuant to the terms of the original securities.
- 3.2.4.6** Upon exercise of subscription, purchase or other similar rights represented by securities.
- 3.2.4.7** For the purpose of exchanging interim receipts or temporary securities for definitive securities.
- 3.2.4.8** In connection with investments in options and futures contracts, including delivery as original and/or variation margin, and in foreign exchange or foreign exchange contracts, swaps, and other derivative investments with third parties.
- 3.2.4.9** For other proper purposes of the Treasury.
- 3.2.4.10** Upon the termination of the Contract and in accordance with any Authorized Account Instructions.

3.2.5 Custodial Account Payment

Upon receipt of Authorized Account Instructions, the Custodian or its Subcustodians will make payment of funds from an Account for the following purposes:

- 3.2.5.1** In connection with the purchase of securities for the Treasury and the delivery of such securities to, or the crediting of such securities to, the account of the Custodian or its Delegates or Subcustodians.
- 3.2.5.2** In connection with the conversion, exchange or surrender of securities.
- 3.2.5.3** In exchange for or in connection with investments in options and futures contracts, including delivery as original and/or variation margin.
- 3.2.5.4** For any other purposes which the Treasury may deem necessary and proper.

In making payments to service providers pursuant to Authorized Account Instructions, the County acknowledges that Custodian is acting as paying agent, and not as the payer, for tax information reporting and withholding purposes.

3.3 Settlement

3.3.1 Communication of Trade Information

The TTC will provide Authorized Account Instructions to the Custodian in a manner and form agreed to by the TTC, including but not limited to electronic, written, or facsimile daily trade communications.

- 3.3.1.1** The TTC will provide to the Custodian a data file from the TTC, in method and format agreed upon by both the TTC and the Custodian, for the purpose of communicating trade information to the Custodian.
- 3.3.1.2** If the TTC agrees to use the Custodian's system or electronic processing method to communicate trade information, the Custodian will provide access and training to all users identified by the TTC.

3.3.2 Approved Brokers

The TTC's Authorized Account Persons will notify the Custodian, in writing, of specific broker/dealers which the TTC has authorized for trades.

3.3.3 Affirmations

The Custodian will obtain written representation from the TTC, which provides that the broker/dealers will be responsible for affirming trades made through the DTC-ID affirmation process.

3.3.4 Confirmations

The Custodian will check the transaction data received against the broker trade confirmations (electronic or otherwise) and inform the TTC, in writing, of any discrepancies, or confirmations received but not listed on the daily trade reports, by the end of the Business Day.

3.3.5 Payment of Securities

Settlement and payment for securities deposited to and withdrawn from the Accounts will be effected on a delivery versus payment basis whenever possible unless the Custodian is otherwise instructed by Authorized Account Persons.

3.3.5.1 In absence of such Authorized Account Instructions, and in the event that delivery versus payment is not possible, settlement may be effected in accordance with the customary or established securities processing practices and procedures in the jurisdiction or market in which the transaction occurs, including free delivery.

3.3.6 Settlement Procedures

Settlement will be made on a contractual settlement basis in all markets supported. In providing contractual settlement, Custodian will credit TTC's cash account for eligible security sales and debit TTC's cash account for eligible security purchases on intended settlement date, regardless of when the transaction actually settles in the marketplace. Share availability is contingent on actual settlement.

3.3.6.1 Custodian trade notifications for purchases and sales comply with the standards as provided by the Custodian.

3.3.6.2 Securities for sale transactions must be available in good deliverable form (i.e., shares out for registration would not be considered in good deliverable form).

3.3.6.3 The Custodian will provide near real-time data to TTC to allow for monitoring of all market trade activity. This would include views that would show if a contractually settled trade failed to actually settle within a reasonable time as determined by the Custodian in its sole discretion. If a contractually settled trade fails to settle, Custodian:

- (1) Will pull funding back after 30 days for a contractually funded sell.
- (2) Will not pull funding back on a buy until the trade is either canceled or settled.

3.3.7 Termination of Contractual Settlement

The Custodian will notify the TTC in writing if the Custodian determines that due to any material change in market conditions or government regulations, it is necessary to temporarily or permanently suspend contractual settlement in the relevant market. The Custodian will send such a notification to the TTC as soon as possible, but at the latest, by the end of the Business Day in which the contractual settlement suspension begins or takes place.

The Custodian agrees that any such market or regulatory change will apply to all of its global custody customers.

3.3.8 Trade Settlement Problems

The Custodian will provide a suite of reporting and near real-time data that will allow TTC transparency into their trade settlements status. The Custodian will provide access to trade settlement professionals who will support TTC in understanding settlement issues incurred. The Custodian will support resolution with the appropriate actions upon Authorized Account Instructions from TTC to do so.

3.3.9 Contractual Income

The Custodian will credit the Accounts with income and maturity proceeds net of any taxes, if any, on securities on the date of contractual payment or upon the date of actual receipt as agreed upon between the Custodian and the TTC.

To the extent the TTC and the Custodian have agreed to credit income on the contractual payment date, the Custodian may reverse such accounting entries with back value to the contractual payment date if the Custodian reasonably believes that it will not receive such amount.

3.3.10 Contractual Settlement

Custodian will attend to the settlement of securities transactions on the basis of either contractual settlement date accounting or actual settlement date accounting as agreed upon between the TTC and the Custodian.

To the extent the TTC and the Custodian have agreed to settle certain securities transactions on the basis of contractual settlement date, any entry relating to such contractual settlement

where the related transaction remains unsettled, will be addressed in accordance with established procedures.

3.3.11 Contractual Settlement Failure Reporting and Remittance

Custodian will provide the TTC, or its designee, with a comprehensive report for both purchase and sale settlement failures within 15 Business Days of the monthly trust statement in file formats specified by the TTC, such as CSV, delimited, Excel, and PDF.

Both parties agree to make a good faith effort to resolve any disputed items in the purchase and sale settlement failure report within 30 Calendar Days after the TTC, or its designee, notifies the Custodian of such disputed items and to promptly remit the amount due to the appropriate party upon resolution of such disputed items to the reasonable satisfaction of the TTC and the Custodian.

3.3.12 Corporate Action/Capital Change Notifications

The Custodian will notify the TTC of any corporate actions which may affect the securities custodied.

The TTC will notify the Custodian electronically or in writing of its decision no later than the date specified in the Custodian's notice.

Custodian will not act on voluntary corporate actions without Authorized Account Instructions.

Custodian will act on involuntary corporate actions without Authorized Account Instructions.

3.3.13 Discretion

With respect to custodial services, Custodian has no discretionary authority with respect to investment management of the Account nor reporting nor disclosure responsibilities to governmental regulatory agencies. Custodian will be under no duty to question any direction of an Authorized Account Person with respect to the portion of the Account over which such Authorized Account Person has authority, to review any Property held in the Account, to make any suggestions with respect to the investment and reinvestment of the assets in the Accounts, or to evaluate or question the performance of any Authorized Account Person. Except with respect to claims arising from, connected with, or related in any manner to a breach of this Contract by Custodian, or any Subcustodian, subject, in each case, to the Standard of Care and other limitations of liability contained in the Contract, Custodian will not be responsible or liable for any diminution of value of any securities or other Property held by the Custodian or any Subcustodian.

3.4 Income and Collection

3.4.1 Income Collection

Custodian, or its Subcustodians, will determine and collect all income, interest, dividends, refunds, reclamations, or other Property payable in connection with the securities held in the Accounts, and credit such income to the Accounts.

3.4.2 Late Posting of Income

Custodian will compensate the Treasury for failure to credit the Accounts on the income payment date at the Federal Funds rate on the dollar amount due to the County, calculated from the payment date to the date funds were credited to the Accounts.

3.4.3 Uncollectable Income

If the Custodian causes the Accounts to be credited on the payable date for interest, dividends, or redemptions, the TTC, or its designee, will promptly return to the Custodian any such Property so credited upon written notification from the Custodian that the Custodian or its Subcustodians cannot collect such Property in the ordinary course of business.

Custodian or its Subcustodians will have no duty or obligation to take any action with respect to collection of such Property beyond the Custodian's or its Subcustodian's ordinary collection procedures; provided, however, the Custodian will cooperate with the TTC and will cause its Subcustodians or nominees to cooperate with the TTC to facilitate any reasonable action by the TTC to protect the TTC's interests.

3.4.4 Income Reinvestment

Securities purchased through an income reinvestment program will be posted to the Accounts upon receipt of electronic or written instructions from Authorized Account Persons.

3.5 Custodian Responsibilities

Until or unless the Custodian or its Subcustodians receive Authorized Account Instructions from Authorized Account Persons to the contrary, the Custodian or its Subcustodians will:

- 3.5.1** Present for payment any securities in the Accounts that are called, redeemed, retired or otherwise become payable, and all coupons and other income items that are called for payment upon presentation, to the extent that the Custodian, or its Delegates or Subcustodians, are aware of such opportunities for payment, and credit cash received upon presentation of such securities.

- 3.5.2** If registered in a shared nominee name, Custodian can execute in the name of the Treasury such ownership and other certificates as may be required to obtain payments in respect thereof for the securities in the Accounts. If the registration is in TTC's name Custodian will require TTC intervention, which Custodian can assist in supporting.
- 3.5.3** Exchange interim receipts or temporary securities in the Accounts for definitive securities as long as the market announces the event to initiate the change.
- 3.5.4** Execute assignment documentation necessary to meet CHP requirements imposed by the Code of Regulations.
- 3.5.5** Make a reasonable and timely effort to forward to the TTC such communications relative to any securities in the Accounts which require specific action, to the extent that such communications are received by the Custodian or its Delegates or Subcustodians in time for forwarding.
- 3.5.6** Custodian will provide corporate action servicing for TTC, including providing access to information in time to make investment decisions via Custodian's web-based corporate action platform.

Through this platform, Custodian will track, provide notifications for, and process corporate actions for both simple and complex investment types, in the markets where TTC invests. Custodian will regularly communicate with depositories, Subcustodians and other market agents to gather event information and use industry standard technology to communicate with TTC and market agents.
- 3.5.7** With respect to Treasury's Property held by others, the Custodian's or its Delegates' or Subcustodians' sole responsibility shall be to accurately reflect information which it has received from Authorized Account Persons on its books.

4 ACCOUNTING AND REPORTING

4.1 Accounting Services

The Custodian will provide trade date, full accrual accounting services for the transactions of the Accounts.

4.2 Account Reconciliation

The Custodian will provide the TTC, or its authorized designee(s), with online access to the Accounts via secure online information delivery technology to facilitate the "auto-reconciliation" process and implement such processes for the Accounts.

4.3 Standard Reports

4.3.1 The Custodian will make available to the TTC, or its authorized designee(s), all reports in the Custodian's report library through the Custodian's secure online website or electronically as specified by the TTC in file formats specified by the TTC, such as CSV, delimited, Excel, and PDF.

4.3.2 At a minimum, the Custodian will provide the following reports for TTC use on a daily basis:

- (1) Position Report: Report of all securities held in custody by account including the par value, book value, and CUSIP number.
- (2) Investment Transaction Report: Report of all investment transactions made for the day.
- (3) Investment Purchase Report: Report of all securities purchased for the day, including any purchases that were traded, but not settled.
- (4) Settlement Status Report: Report that identifies all securities that were purchased, sold, or transferred and the related settlement status for each security.
- (5) Maturities and Income Projection Report: Report that identifies the maturities and interest income expected for the next five Business Days.
- (6) Account Statement Report: Report that identifies the cash transactions, including the balances per account for a specific day or time period.

4.3.3 At a minimum, the Custodian will provide a monthly trust statement to TTC within five Business Days of the end of the monthly reporting period.

4.3.3.1 If, within 60 Days after the Custodian delivers the monthly trust statement to the TTC, the TTC or its authorized designee has not given the Custodian written notice of any exception or objection thereto, the monthly trust report will be deemed to have been approved.

4.3.4 From time to time, the TTC may request reports from the Custodian to assist the TTC in complying with applicable laws, Governmental Accounting Standards Board (GASB) pronouncements, and audit requirements. The Custodian will make such reports available to the TTC within a timeframe and in a format agreed upon by the TTC and the Custodian. These reports may include, but are not limited to:

- (1) Service Organization Controls (SOC) Reports.
- (2) GASB 72 Report: Report that identifies the measurements used by the Custodian, or its Delegate, to determine the fair value of each asset held in the Accounts pursuant to the pricing service required in Subparagraph 4.6 (Pricing of the Custodial Accounts).

4.3.5 Any changes to the formats or frequency of the reports will be provided to the Custodian in writing by the TTC. From time to time, the TTC may request additional reports or one-time only reports created from the Custodian's existing data fields. The Custodian will make such reports available to the TTC within one week from the TTC's request in file formats specified by the TTC, such as CSV, delimited, Excel, and PDF.

4.4 Online Daily Access

The TTC, or its designee, will have daily access via a secure web interface to all online information for all Property held by the Custodian.

4.5 Online Daily Flexible Report Creator

The Custodian will make available an on-line flexible report created for use by the TTC, or its authorized designee(s).

4.6 Pricing of the Custodial Accounts

The Custodian will determine the fair market value of the Accounts on a daily basis in accordance with market industry practice, or as appropriate, depending on the security type.

In determining fair market value of the Accounts, the Custodian will be protected in relying on values reported by reputable external pricing sources, which are customarily used in the custodial services industry.

The Custodian will deliver to the TTC a daily data file, in a format agreed upon by the TTC and the Custodian, listing all securities held in custody by the Custodian, its market price, and extended market values.

4.7 Data

Upon receipt of Authorized Account Instructions from Authorized Account Persons, the Custodian will provide the TTC, or its designee, with Account data in the format agreed to by the Custodian and the TTC.

The TTC or its designee may request such information be provided on a daily, monthly, quarterly or annual basis. Custodian shall comply with any such information request.

4.8 Proxy Voting Materials

Custodian will deliver all proxy voting materials it receives to the TTC, or

its designee. Proxy voting materials will include, but not be limited to, meeting notices, voting instruction forms, and proxy statements related to a proxy voting program in file formats specified by the TTC such as CSV, delimited, Excel, and PDF.

5 GENERAL ADMINISTRATION

5.1 Appointment of Authorized Persons

The County will provide the Custodian with a list of the names and (if applicable) signatures, of Authorized Account Persons in a form agreed by the parties from time to time. The Custodian may rely upon the authority of each Authorized Account Person until it receives written notice to the contrary from the County and has had a reasonable time to act on such notice.

5.2 Authentication Procedures

The Custodian will implement Authentication Procedures. County acknowledges that the Authentication Procedures are intended to provide a commercially reasonable degree of protection against unauthorized transactions of certain types and are not designed to detect errors. Any purported Authorized Account Instruction received by the Custodian in accordance with an Authentication Procedure will be taken to have originated from an Authorized Account Person and will constitute an Authorized Account Instruction under this Contract for all purposes.

5.3 Authorized Account Instructions

Authorized Account Instructions must be in writing from an Authorized Account Person. All Authorized Account Instructions will be confirmed by Custodian in writing within 48 hours and will bind Custodian upon receipt.

County will fully protect Custodian against all loss, liability, claims and demands which result from Custodian acting in accordance with Authorized Account Instructions, or from misrepresentations made by any Authorized Account Person; provided, however, Custodian will not receive such protection where any Authorized Account Instructions result in violations of Custodian's internal policies or applicable law. If Custodian receives instructions from a source other than an Authorized Account Person, Custodian will not comply with such instructions and will immediately notify the County in writing of such unauthorized instructions.

6 INFORMATION SECURITY AND PRIVACY REQUIREMENTS

The Custodian must adhere to physical and/or computer security safeguards as identified in Exhibit I (Information Security and Privacy Requirements) of the Contract.

7 QUALITY CONTROL PLAN/SERVICE LEVEL AGREEMENT

Custodian must establish and maintain a comprehensive Quality Control Plan, also referred to as “Service Level Agreement (SLA)” to ensure the Custodian meets the requirements of the Contract and provides a consistently high level of service throughout the Contract Term. Custodian will provide the SLA to the County’s Contract Administrator within ten Business Days following the Effective Date of this Contract. The SLA is subject to mutual agreement between County and Custodian and will be amended accordingly as changes occur during the Contract Term.

The SLA must include the following:

- a) The method of monitoring to ensure that all Contract requirements are being met. It must specify the activities the Custodian will monitor, including activities monitored on either a scheduled or an unscheduled basis; how often the monitoring will be performed; and the title of the individual(s) who will perform the monitoring;
- b) The methods used by the Custodian to identify and prevent deficiencies in the quality of service performed before the level of performance becomes unacceptable and not in compliance with the Contract;
- c) A record of all inspections conducted by the Custodian, any corrective action taken, the date a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, which must be provided to the TTC upon request;
- d) The method for ensuring the Custodian maintains confidentiality; and
- e) On an ongoing basis, the Custodian’s performance will be compared to the Contract performance standards identified herein.

8 BUSINESS CONTINUITY PLAN

The Custodian must at all times maintain a business continuity plan and a disaster recovery plan and will take commercially reasonable measures to maintain and periodically test such plans. The Custodian will implement such plans following the occurrence of an event which results in an interruption or suspension of the Services to be provided by the Custodian. Custodian must notify TTC in writing within two Business Days when such a plan implementation occurs. The Custodian will present plan updates to TTC within ten Business Days upon request for such presentation.

9 QUALITY ASSURANCE PLAN

The County will evaluate the Custodian’s performance under the Contract using the quality assurance procedures as defined in Subparagraph 8.15 (County’s Quality Assurance Plan) of the Contract.

9.1 Contract Discrepancy Report

If the County reasonably determines that a formal Contract Discrepancy Report (CDR), attached hereto as Attachment A.1, should be issued, the County will issue such CDR to the Custodian following the notice requirements set forth in the Contract. Promptly following receipt of this document, the Custodian will respond in writing to the County within three Business Days, acknowledging the reported discrepancies or presenting contrary evidence. The County will evaluate the evidence presented and determine in its reasonable discretion whether the discrepancy is valid. The Custodian will submit a plan for correction of all deficiencies identified in the CDR to the County within five Business Days and resolve the discrepancy within a reasonable time period mutually agreed upon by the County and the Custodian.

9.2 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 regular business hours. However, these personnel may not unreasonably interfere with the Custodian's performance.

9.3 Custodian Complaint Log

The Custodian will maintain a log of all material complaints received from the County arising from or in relation to the Contract. The Custodian must promptly investigate all such material complaints and provide a written report to the County regarding the disposition of each complaint within five Business Days of receiving the complaint. Each report will include a summary of the complaint, results of the Custodian's investigation, and a statement regarding the corrective action taken to avoid or mitigate the recurrence of such a complaint.

The County retains the right to terminate this Contract if the Custodian does not take any action to respond to said complaint(s).

10 DAYS OF OPERATION/HOURS/WORKDAY

The Custodian will maintain days and hours of operation and staffing sufficient to complete all Services within the timeframes directed by the TTC. TTC's regular business hours are from Monday through Friday, during the hours of 8:00 a.m. to 5:00 p.m. PT. The Treasury begins operations at 5:00 a.m. PT.

Any Services that require access to County facilities may only be performed on Business Days during regular business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m. PT), unless specified otherwise in the Contract, or requested by the County.

However, Custodian will provide any necessary Services, including, but not

limited to, those Services described in the Contract and Exhibit A (SOW), including any Attachments thereto, that do not require access to County facilities, regardless of the County's regular business hours. Custodian will be available to provide such services on Business Days.

11 PERFORMANCE REQUIREMENTS SUMMARY CHART/KEY PERFORMANCE INDICATORS CHART

The Performance Requirements Summary Chart, also referred to as "Key Performance Indicators (KPI) Chart," (Attachment A.2) lists the required services monitored by the County during the Contract Term:

- 11.1** All listings of services used in the KPI Chart are intended to be completely consistent with this Contract and are not meant in any case to create, extend, revise, or expand any obligation of the Custodian beyond that defined in this Contract. In any case of apparent inconsistency between services or deliverables as stated in this Contract and the KPI Chart, the meaning apparent in this Contract will prevail. If any service or deliverable seems to be created in the KPI, which is not clearly and forthrightly set forth in this Contract, that apparent service will be null and void and will place no requirement on the Custodian.
- 11.2** At the County's sole discretion, when the Custodian's performance does not conform to the requirements of this Contract, the County will have the option to apply nonperformance remedies that may include, but are not limited to, the following:
 - a)** Require the Custodian to implement a Corrective Action Plan (CAP), subject to approval by the County. In the CAP, the Custodian must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.
 - b)** Issue an assessment of Fees-At-Risk to the Custodian based on the KPI Chart. Any Fees-At-Risk assessed are limited to an aggregate of 5% of the maximum Contract Sum for any given Contract year. The Custodian will credit the County no later than 30 Calendar Days after the assessment is issued.
 - c)** Reduce, suspend, or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.
 - d)** Initiate the Dispute Resolution Procedure identified in Contract Subparagraph 8.31.
- 11.3** Nothing within this Subparagraph precludes the County's right to terminate this Contract upon ten Days' written notice with or without cause as provided in this Contract.

12 GENERAL CRITERIA FOR SATISFACTORY AND UNSATISFACTORY PERFORMANCE

Performance of the services listed in the KPI Chart is considered satisfactory when no discrepancies are found by the TTC through Contract monitoring or other means. When performance is unsatisfactory, the TTC may provide a CDR to the Custodian. The Custodian is required to respond to the CDR in writing within ten Business Days explaining why performance was unsatisfactory, how performance will be returned to satisfactory levels, and how a reoccurrence will be prevented.

The County's Contract Administrator will evaluate the written response and, at their sole discretion, determine whether the Custodian will be responsible for full payment, partial payment, or if the Contract termination process is applicable.

EXHIBIT A

STATEMENT OF WORK

ATTACHMENTS

- A.1 Contract Discrepancy Report
- A.2 Performance Requirements Summary/Key Performance Indicators Chart
- A.3 Account Structure

CONTRACT DISCREPANCY REPORT (CDR)

TO:

FROM:

DATES:

Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY or PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

**PERFORMANCE REQUIREMENTS SUMMARY/
KEY PERFORMANCE INDICATORS CHART**

1 Governance

1.1 Monthly

Custodian will record and report to County all performance achievement measurements relative to Key Performance Indicators (KPI) and performance standards on a monthly basis via a scorecard. County and Custodian will work together to provide information and reports, calculate certain designated metrics, and maintain documentation supporting the measurements upon mutual agreement.

1.2 Quarterly

County and Custodian will conduct quarterly meetings to review Custodian's responsiveness and service delivery relative to KPIs.

1.3 Annually

KPIs and performance standards may be changed upon mutual agreement annually.

2 Operation

2.1 Initial Burn-In Period

This will be six months for each new KPI. This burn-in period is a test in which KPIs are made to run for a period of time to detect problems without penalty. Burn-in periods will be conducted to ensure that a KPI functions properly and as intended by both parties; should shortcomings be detected the KPI will be revised or repaired upon mutual agreement. For Year 1 of the contract, the burn-in period will be limited to the implementation phase.

2.2 Event Cure Period

In the event that a KPI is not met in any calendar month (each, a "Deficiency"), Custodian shall promptly remedy or cure the Deficiency within ten Business Days, or as otherwise mutually agreed in writing, measured from the date Custodian becomes aware of the occurrence of the Deficiency, or from notification by County of such Deficiency, whichever occurs first (the "Cure Period"). If the Deficiency cannot be remedied without the active cooperation of a third party, then the Cure Period may, upon mutual agreement between County and Custodian, be extended beyond the initial ten Business Days. During the Cure Period, Custodian will be required to identify the root cause of the Deficiency and establish, to the reasonable satisfaction of the County, that

**PERFORMANCE REQUIREMENTS SUMMARY/
KEY PERFORMANCE INDICATORS CHART**

it has implemented (or has commenced and is diligently pursuing) corrective measures that will:

2.2.1 To the extent reasonably possible, place the County in a position similar to the position it would be in had such Deficiency not occurred, and

2.2.2 Prevent a reoccurrence of such Deficiency.

Custodian will communicate, in writing, to County the root cause and corrective action of Deficiencies.

2.3 Assessment of Fees-At-Risk

In the event that Custodian fails to meet the required KPI and Custodian has not resolved such Deficiency during the applicable Cure Period for such Deficiency, County may assess Fees-At-Risk in accordance with this KPI Chart.

2.4 Root Cause/Double Jeopardy

All items will be measured based on the single root cause of the issue. A single root cause covering more than one KPI or across multiple accounts are counted as one incident.

2.5 Department of Treasurer and Tax Collector (TTC) or TTC Vendor/Third Party Dependencies

Custodian's dependencies on County or County vendors/third parties will be taken into consideration during root cause analysis of KPI breaches. If the root cause of a KPI breach stems from County or a County vendor/third party issue, the incident will not count as a Deficiency.

2.6 Market Dependencies

Custodian's market dependencies will be taken into consideration during root cause analysis of KPI breaches. If the root cause of the KPI breach is a market event and/or outside of Custodian's control, then the incident will not count as a Deficiency.

**PERFORMANCE REQUIREMENTS SUMMARY/
KEY PERFORMANCE INDICATORS CHART**

KPI #	KPI Name	Contract Reference	Performance Standards	Monitoring Method	Fees-At-Risk/Fees to be Assessed
1	Notification of 75% of Total Contract Sum	Contract Subparagraph 5.3 Notification of 75% of Total Contract Sum	The Custodian must maintain a system of record keeping that will allow the Custodian to determine when it has incurred 75% of the total contract sum under this Contract. Upon occurrence of this event, the Custodian must send written notification to the County's Contract Administrator at the address provided in Contract Exhibit D (County's Administration).	Review of documents	\$100 per incident of non-compliance.
2	Billing Accuracy	Contract Subparagraph 5.7 Invoices and Payments	Custodian to provide complete and accurate invoices.	Review of documents	\$100 per incident of non-compliance.
3	Billing Timeliness	Contract Subparagraph 5.7 Invoices and Payments	Submission of invoices and any supporting documentation by the 30th Calendar Day of the month following the month of service.	Review of documents	\$100 per incident of non-compliance.
4	Billing Revision Accuracy	Contract Subparagraph 5.7 Invoices and Payments	Custodian to issue revised invoices based on agreed upon identified discrepancies within 45 Calendar Days.	Review of documents	\$100 per incident of non-compliance.
5	Contract Contact Information Accuracy	Contract Subparagraph 7.1 Custodian's Contract Administrator Subparagraph 7.2 Custodian's Contract Manager/Custodian's Alternate Contract Manager Subparagraph 7.3 Custodian's Financial Manager	Custodian to notify the County's Contract Administrator and County's Contract Manager in writing of any changes to Contract Exhibit E (Custodian's Administration) and provide description of relevant experience within five Business Days.	Inspection, Observation and Complaints	\$50 per occurrence of failure to notify or if notification is late.

**PERFORMANCE REQUIREMENTS SUMMARY/
KEY PERFORMANCE INDICATORS CHART**

KPI #	KPI Name	Contract Reference	Performance Standards	Monitoring Method	Fees-At-Risk/Fees to be Assessed
6	Notice of Contract Staff Consideration	Contract Subparagraph 7.4.6 Consideration of Custodian's Employees	Custodian to consider and provide written responses to requests for removal and replacement of critical Custodian staff within five Business Days.	Inspection, Observation and Complaints	\$100 per employee per occurrence of non-consideration/failure to provide written response.
7	Custodian Personnel Background Checks	Contract Subparagraph 7.6 Background and Security Investigations	Custodian personnel identified in Contract Exhibit E (Custodian's Administration) to complete background investigations.	Receipt of background investigation clearances prior to providing services on this Contract, complaints, and spot checks of assigned personnel	\$1,000 per incident of non-compliance.
8	Custodian Confidentiality	Contract Subparagraph 7.7 Confidentiality	Custodian personnel identified in Exhibit E (Custodian's Administration) to sign and return <i>Contractor Acknowledgement and Confidentiality Agreement</i> within three Business Days of providing Services on this Contract.	Receipt and review of documents	\$100 per day for Contractor if form is not signed and submitted as required.
9	Insurance Maintenance	Contract Subparagraph 8.24 General Provisions for All Insurance Coverage Contract Subparagraph 8.25 Insurance Coverage	Custodian to maintain required insurance policies, subject to availability on commercially reasonable terms and mutual review and approval of insurance requirements.	Receipt and review of insurance information	\$1,000 per day per policy for non-renewal of policy after expiration; \$1,000 per day per policy for failure to maintain coverage.

**PERFORMANCE REQUIREMENTS SUMMARY/
KEY PERFORMANCE INDICATORS CHART**

KPI #	KPI Name	Contract Reference	Performance Standards	Monitoring Method	Fees-At-Risk/Fees to be Assessed
10	Insurance Documentation Provision	Contract Subparagraph 8.24 General Provisions for All Insurance Coverage Contract Subparagraph 8.25 Insurance Coverage	Custodian to provide evidence of such coverage, subject to availability on commercially reasonable terms, to the TTC within ten Business Days upon receipt of a request.	Receipt and review of insurance information	\$100 per day per policy for each day that the certificates of insurance coverage and/or renewal certificates remain outstanding beyond the designated timeframe.
11	Record Maintenance	Contract Subparagraph 8.38 Record Retention and Inspection-Audit Settlement	Custodian to maintain all required documents relating to this Contract during the Contract Term and for a period of five years following the expiration or termination of the Contract.	Inspection of files	\$50 per occurrence upon notification of incomplete/missing records, and/or failure to provide stated documents upon demand; \$500 per occurrence if requested documents are not received within 48 hours.
12	Financial Statement Timeliness	Contract Subparagraph 8.38.5 Financial Statements	Custodian to provide required financial statements to the TTC within ten Business Days upon receipt a request.	Review of reports	\$50 per each day that Financial Statements remain outstanding beyond the designated timeframe. Incomplete/inaccurate Financial Statements will be considered late.
13	Pending Litigation Notification	Contract Subparagraph 8.38.6 Pending Litigation	Custodian to notify the TTC annually of pending litigation that would have a material adverse impact on its performance under the Contract within ten Business Days upon receipt of request.	Review of reports	\$50 per each day that pending litigation notifications remain outstanding beyond the designated timeframe.

**PERFORMANCE REQUIREMENTS SUMMARY/
KEY PERFORMANCE INDICATORS CHART**

KPI #	KPI Name	Contract Reference	Performance Standards	Monitoring Method	Fees-At-Risk/Fees to be Assessed
14	Delegation	Contract Subparagraph 8.40.2 Provision of Information Regarding Delegates	Custodian to provide or make available to the County on a quarterly, or other periodic basis, mutually agreed to by County and Custodian, information regarding its global operating model for the delivery of the Services.	Inspection and Observation	\$500 per occurrence for failure to notify County timely as stated.
15	Timely Availability of Funds	Statement of Work (SOW) Subparagraph 3.1.2 Daily Cash Activities	Custodian to make funds available for the total maturities and income receipts from the previous Business Day to the TTC by no later than 6:00 a.m. Pacific Time.	Observation and review of bank account	For funds made available within the Business Day, \$2,000 per occurrence for failure to make funds available. For funds made available on the following Business Day, interest, calculated at the Federal Funds rate on the dollar amount due to the County from the originally scheduled payment date to the date funds are made available.
16	Timely Credit to Accounts	SOW Subparagraph 3.4 Income and Collection	Custodian to determine and collect all income, interest, dividends, refunds, reclamations, or other Property payable in connection with the securities held in the Accounts, and credit such income to the Accounts as described in Subparagraph 3.4 of the SOW.	Observation and review of investment reports	Interest, calculated at the federal funds rate on the dollar amount due to the County for each Calendar Day beyond the Business Day the funds were due.

**PERFORMANCE REQUIREMENTS SUMMARY/
KEY PERFORMANCE INDICATORS CHART**

KPI #	KPI Name	Contract Reference	Performance Standards	Monitoring Method	Fees-At-Risk/Fees to be Assessed
17	Accuracy and Timeliness of Reporting	SOW Paragraph 4 Accounting and Reporting	Custodian to provide accurate and timely reporting related to investment transactions.	Review of investment reports	\$50 per occurrence of failure to provide accurate and/or timely reporting, per reporting period. Daily report deadlines are the end of each Business Day.
18	Quality Control Plan Maintenance	SOW Paragraph 7 Quality Control Plan/Service Level Agreement (SLA)	Custodian to provide a written SLA to TTC within ten Business Days following the Effective Date of the Contract. Custodian to provide a revised SLA within ten Business Days following any agreed-upon updates to the SLA.	Receipt and review of SLA	\$100 per each day that the SLA is provided past the stated deadline.
19	Business Continuity Plan Maintenance	Contract Subparagraph 8.20.4 Business Continuity Plan (BCP) SOW Paragraph 8 Business Continuity Plan	Custodian to maintain a written BCP and present updates to the TTC within ten Business Days upon request for such presentation.	Receipt of presentation and review of BCP	\$100 per each day that the BCP is presented past the stated deadline.

ACCOUNT STRUCTURE

Account Name	Description
Non-Trading/Trading (Pool)	Account used to safekeep investments and process transactions related to the Pool.
Specific Purpose Investments (SPI)	Account used to safekeep investments and process transactions related to the SPI.
Special Safekeeping	Account used to safekeep investments pursuant to court orders and/or state or local government statutes.

**INVESTMENT CUSTODY SERVICES
PRICING SCHEDULE**

EXHIBIT B

NOTE: PRICING IS FIRM AND FIXED FOR THE TERM OF THE CONTRACT

Service Costs		Maximum Contract Sum (1)
Year 1		\$ 125,000
Year 2		\$ 255,000
Year 3		\$ 260,100
Option Year 1		\$ 265,302
Option Year 2		\$ 270,609
Option Year 3		\$ 276,022
Option Month 1		\$ 23,462
Option Month 2		\$ 23,462
Option Month 3		\$ 23,462
Option Month 4		\$ 23,462
Option Month 5		\$ 23,462
Option Month 6		\$ 23,462
TOTAL SERVICE COSTS		\$ 1,592,805
including optional renewal periods:		
Additional Work Pricing	Rate Basis	Rate
Transition Management Administration Services	Per Portfolio	\$ 10,000.00
SWIFT Messages	Per Message	\$ 0.30
Custom Report Development	Per Hour	\$ 150.00
Custom Programming	Per Hour	\$ 150.00
Custom Programming Maintenance	Per Year	\$ 4,000.00
Standard Data Extracts	Per Hour	\$ 150.00
Non-Standard Data Extracts	Per Hour	\$ 150.00
Tax Certifications and Form Filing	Per Filing	\$ 185.00
Deconversion Fee	Per Deconversion	\$ 10,000.00
Overdrafts	Overdraft amounts >\$50,000	USD Prime Rate
Pool Dollars	Amount	
TOTAL POOL DOLLARS	\$ 159,281	
TOTAL PRICE	\$ 1,752,086	
<u>Notes:</u>		
(1) This amount includes a 2% increase from year to year.		

INTENTIONALLY OMITTED

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY'S CONTRACT ADMINISTRATOR:

Name: Damia J. Johnson
Title: Assistant Treasurer and Tax Collector
Address: 500 West Temple Street, Room 462
Los Angeles, CA 90012
Telephone: (213) 974-2139
Facsimile: (213) 626-1701
Email Address: djohnson@ttc.lacounty.gov

COUNTY'S CONTRACT MANAGER:

Name: Jennifer Koai
Title: Operations Chief
Address: 500 West Temple Street, Room 462
Los Angeles, CA 90012
Telephone: (213) 974-3385
Facsimile: (213) 626-1701
Email Address: jkoai@ttc.lacounty.gov

COUNTY'S CONTRACT MONITOR:

Name: Marivic Liwag
Title: Assistant Operations Chief
Address: 500 West Temple Street, Room 462
Los Angeles, CA 90012
Telephone: (213) 584-1252
Facsimile: (213) 626-1701
Email Address: mliwag@ttc.lacounty.gov

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

CONTRACTS' SECTION – CONTRACT MONITOR:

Name: Alyssa Lavalle
Title: Contract Monitor
Address: 500 West Temple Street, Room 464
Los Angeles, CA 90012
Telephone: (213) 584-1547
Facsimile: (213) 687-4857
Email Address: alavalle@ttc.lacounty.gov

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

CHIEF INFORMATION SECURITY OFFICER:

Name: Jeffrey Aguilar
Title: Chief Information Security Officer
Address: 320 West Temple, 7th Floor
Los Angeles, CA 90012
Telephone: (213) 253-5659
Email Address: CISO-CPO_Notify@lacounty.gov

CHIEF PRIVACY OFFICER:

Name: Lillian Russell
Title: Chief Privacy Officer
Address: 320 West Temple, 7th Floor
Los Angeles, CA 90012
Telephone: (213) 351-5363
Email Address: CISO-CPO_Notify@lacounty.gov

COUNTY'S DEPARTMENTAL CHIEF INFORMATION OFFICER (DCIO):

Name: Matthew Der
Title: Departmental Chief Information Officer
Address: 500 West Temple Street, Room 409
Los Angeles, CA 90012
Telephone: (213) 974-7618
Email Address: mder@ttc.lacounty.gov

COUNTY'S DEPARTMENTAL INFORMATION SECURITY OFFICER (DISO):

Name: Chamnan So
Title: Departmental Information Security Officer
Address: 500 West Temple Street, Room 409
Los Angeles, CA 90012
Telephone: (213) 584-1484
Email Address: cso@ttc.lacounty.gov

CUSTODIAN'S ADMINISTRATION

CUSTODIAN'S NAME: State Street Bank and Trust Company

CONTRACT NO. _____

CUSTODIAN'S CONTRACT ADMINISTRATOR:

Name: Brenda Dulger-Sheikin

Title: Senior Vice President

Address: 2495 Natomas Park Dr, Suite 400
Sacramento, CA 95833

Telephone: 916-319-6665

Facsimile: 916-341-1430

Email Address: brenda.dulger-sheikin@statestreet.com

CUSTODIAN'S CONTRACT MANAGER:

Name: Travis Johnson

Title: Vice President

Address: 2495 Natomas Park Dr, Suite 400
Sacramento, CA 95833

Telephone: 916-425-8169

Facsimile: 916-341-1430

Email Address: tmjohnson@statestreet.com

CUSTODIAN'S ALTERNATE CONTRACT MANAGER:

Name: Sarbjit Dulai

Title: Vice President

Address: 2495 Natomas Park Dr, Suite 400
Sacramento, CA 95833

Telephone: 916-319-6371

Facsimile: 916-341-1430

Email Address: sarbjit.dulai@statestreet.com

CUSTODIAN'S ADMINISTRATION

CUSTODIAN'S NAME: State Street Bank and Trust Company

CONTRACT NO. _____

CUSTODIAN'S FINANCIAL MANAGER

Name: Travis Johnson

Title: Vice President

Address: 2495 Natomas Park Dr, Suite 400

Sacramento, CA 95833

Telephone: 916-425-8169

Facsimile: 916-341-1430

Email Address: tmjohnson@statestreet.com

CUSTODIAN'S AUTHORIZED OFFICIAL(S)

Name: Brenda Dulger-Sheikin

Title: Senior Vice President

Address: 2495 Natomas Park Dr, Suite 400

Sacramento, CA 95833

Telephone: 916-319-6665

Facsimile: 916-341-1430

Email Address: brenda.dulger-sheikin@statestreet.com

Name: Travis Johnson

Title: Vice President

Address: 2495 Natomas Park Dr, Suite 400

Sacramento, CA 95833

Telephone: 916-425-8169

Facsimile: 916-341-1430

Email Address: tmjohnson@statestreet.com

CUSTODIAN'S ADMINISTRATION

CUSTODIAN'S NAME: State Street Bank and Trust Company

CONTRACT NO. _____

Notices to Custodian will be sent to the following:

Name: Sarbjit Dulai

Title: Vice President

Address: 2495 Natomas Park Dr, Suite 400
Sacramento, CA 95833

Telephone: 916-319-6371

Facsimile: 916-341-1430

Email Address: sarbjit.dulai@statestreet.com

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

NON-IT CONTRACTS

F1 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name: Click or tap here to enter text. Contract No Click or tap here to enter text.

Employee Name: Click or tap here to enter text.

GENERAL INFORMATION:

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

EMPLOYEE ACKNOWLEDGEMENT:

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

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

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

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

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

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

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____ DATE: Click or tap here to enter text.

PRINTED NAME: Click or tap here to enter text.

POSITION: Click or tap here to enter text.

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

Any fire station. Any hospital. Any time.



1.877.222.9723

BabySafeLA.org

No shame | No blame | No names



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

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

FIVE THINGS YOU NEED TO KNOW ABOUT BABY SAFE SURRENDER

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

No shame | No blame | No names



ABOUT THE BABY SAFE SURRENDER PROGRAM

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

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

No shame | No blame | No names

ANY FIRE STATION.
ANY HOSPITAL.
ANY TIME.

1.877.222.9723
BabySafeLA.org

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



BabySafeLA.org

No shame | No blame | No names





FROM SURRENDER TO ADOPTION: ONE BABY'S STORY

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

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

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

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

ANSWERS TO YOUR QUESTIONS

Who is legally allowed to surrender the baby?

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

Do you need to call ahead before surrendering a baby?

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

What information needs to be provided?

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

What happens to the baby?

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

What happens to the parent or surrendering adult?

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

How can a parent get a baby back?

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

If you're unsure of what to do:

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

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

English, Spanish and 140 other languages spoken.

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 2.206.010 Findings and declarations.**
- 2.206.020 Definitions.**
- 2.206.030 Applicability.**
- 2.206.040 Required solicitation and contract language.**
- 2.206.050 Administration and compliance certification.**
- 2.206.060 Exclusions/Exemptions.**
- 2.206.070 Enforcement and remedies.**
- 2.206.080 Severability.**

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to [California Revenue and Taxation Code section 3436](#); or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to [California Revenue and Taxation Code section 2922](#); except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within ten days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
- B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

- A. This chapter shall not apply to the following contracts:

Contract Exhibits
Investment Custody Services
October 2024

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

1. Chief Executive Office delegated authority agreements under \$50,000;
 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
 3. A purchase made through a state or federal contract;
 4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
 5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
 6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
 7. Program agreements that utilize Board of Supervisors' discretionary funds;
 8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
 9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
 10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
 11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
 12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
 14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

2.206.070 Enforcement and remedies.

- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
- C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
 - 1. Recommend to the Board of Supervisors the termination of the contract; and/or,
 - 2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or
 - 3. Recommend to the Board of Supervisors that an exemption is justified pursuant to [Section 2.206.060.A.14](#) of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

INFORMATION SECURITY AND PRIVACY REQUIREMENTS



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 Exhibit to the Contract “Information Security, and Privacy Requirements Exhibit,” (“Exhibit I”) sets forth in detail the County and the Custodian’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 Custodian maintains Information Security, and Privacy Requirements that have existed at least ten business days prior to the Effective Date of the Contract and maintain all Information Security and Privacy Requirements throughout the entire Contract term.

These requirements and procedures contained in this “Exhibit I” are incorporated by reference into that certain Contract by and between the County Treasurer and Tax Collector and State Street Bank and Trust Company (the “Custodian”), executed on October 8, 2024, (the “Contract”) and constitute a minimum standard for Information Security and Privacy Requirements in conjunction with the requirements of the Contract. It is the Custodian’s sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external reasonably foreseeable Threats and Risks; and (ii) regularly review and revise all measures pertaining to any ongoing Threats and Risks. Failure to materially comply with the minimum Information Security and Privacy Requirements set forth in this “Exhibit I” herein incorporated by reference into the Contract shall constitute a material breach of Contract by the Custodian, 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. The Contract shall govern and control unless stated otherwise in the Contract.

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 confirmed event of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of County Information; interference with Information Technology operations that impacts access to or the availability of County

Information; 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 materially 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, and is the responsibility 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 Custodian will maintain commercially reasonable information security systems and controls, which include administrative, technical, and physical safeguards that are designed to: (i) maintain the security and confidentiality of the County's data; (ii) protect against anticipated threats or hazards to the security or integrity of the County's data, including appropriate measures designed to meet legal and regulatory requirements applying to the Custodian; and (iii) protect against unauthorized access to or use of the County's data.
- b. The Custodian implements data security measures consistent in all material respects with applicable prevailing industry practices and standards as well as laws, rules and regulations applicable to the Custodian. As of the Effective Date, the Custodian aligns with the National Institute for Standards and Technology (NIST) cybersecurity framework. However, as information security is a highly dynamic space where threats are constantly changing, the Custodian reserves the right to make changes to its information security controls and/or to align with one or more recognized industry standards, other than NIST, at any time in a manner that does not materially reduce its protection of County Information.
- c. **Virus Detection.** The Custodian will at all times employ a current version of one of the leading commercially available virus detection software programs to test the hardware and software applications used by it to deliver the Services for the presence of any computer code designed to disrupt, disable, harm, or otherwise impede operation.
- d. **Privacy Program.** The Custodian shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations designed to provide safeguards for Information, including County Information. The Custodian'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 shall be provided to all Custodian employees, agents, and volunteers. The Custodian'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 Custodian's Privacy Program shall be subject to ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

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

The Custodian's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Custodian 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 Custodian 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 Custodian, or commercially exploited or otherwise used by, or on behalf of, the Custodian, its officers, directors, employees, or agents. The Custodian 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 Custodian may aggregate, compile, and use County Information (a) for the purposes, and subject to the limitations, specified in Section 7 of this Exhibit I and (b) in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Custodian, 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 Custodian specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Custodian owns, leases or possesses].

4. CUSTODIAN'S USE OF COUNTY INFORMATION

Subject to Section 7 of this Exhibit I, the Custodian may use County Information only as necessary to carry out its obligations under this Contract. The Custodian shall collect, maintain, or use County Information only for the purposes specified or permitted 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

Subject to Section 7 of this Exhibit I, the Custodian 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 Custodian 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 Custodian 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 Custodian 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 Custodian 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 Custodian 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 Custodian 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 Custodian 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 calendar days. If an individual makes a request directly to the Custodian involving County Information, the Custodian shall notify the County within five calendar days and the County will coordinate an appropriate response, which may include instructing the Custodian to assist in fulfilling the request. Similarly, if the Custodian receives a privacy or security complaint from an individual regarding County Information, the Custodian 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 Custodian shall not retain any County Information for any period longer than necessary for the Custodian to fulfill its obligations under the Contract and to comply with law and regulatory requirements applicable to the Custodian, whichever is longest.

7. USE OF DATA

- a. **Development of Indicators:** Notwithstanding anything herein or in the Contract to the contrary, the Custodian and its Affiliates may use Data to develop, publish or otherwise distribute to third parties certain investor behavior “indicators” or “indices” that represent broad trends in the flow of investment funds into various markets, sectors or investment instruments (collectively, the “Indicators”), but only so long as (i) the Data is combined or aggregated with (A) information relating to other.
- b. Customers of the Custodian and/or (B) information derived from other sources, in each case such that the Indicators do not allow for attribution to or identification of such Data with the County, (ii) the Data represents less than a statistically meaningful portion of all of the data used to create the Indicators and (iii) the Custodian publishes or otherwise distributes to third parties only the Indicators and under no circumstance publishes, makes available, distributes or otherwise discloses any of the Data to any third party, whether aggregated, anonymized or otherwise, except as expressly permitted under this Contract.
- c. **Economic Benefit:** The County acknowledges that the Custodian may seek and realize economic benefit from the publication or distribution of the Indicators.
- d. **All Other Use of Data:** Any other use or disclosure of data received requires the express approval in writing from the County. No work shall duplicate, disseminate or disclose any data except as allowed in the Contract, including this Exhibit I.

8. SUBCONTRACTORS AND THIRD PARTIES

The Custodian will use commercially reasonable efforts to cause any delegates and other third parties to whom the Custodian provides County Information to implement and maintain security measures that are at least as protective as those described in this Security Schedule. For delegates or other third parties who collect, transmit, share, store, control, process or manage County Information. The Custodian is responsible for assessing their control environments. Notwithstanding the foregoing, the Custodian shall be responsible for any such delegate’s or other third party’s protection of County Information, which if done by the Custodian, would be a breach of its commitment under this Security Schedule.

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 Custodian 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. The Custodian will encrypt County Information transmitted on networks outside of the Custodian’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.

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.

The Custodian must maintain a Vulnerability management and patch management program that applies to devices that store or process County Information.

10. DESTRUCTION OF COUNTY INFORMATION

Custodian(s) and Vendor(s) that have maintained, processed, or stored the County Data and/or Information, implied or expressed, have the sole responsibility to certify that the Data and Information have been appropriately destroyed [consistent with the NIST Special Publication SP 800-88 titled Guidelines for Media Sanitization. Available at:

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

The Data and/or Information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten Business Days, a signed document from Custodian(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.

Custodian must certify that any County Information 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 NIST Special Publication SP-800-88, Guidelines for Media Sanitization. Custodian must provide County with written certification, within 60 Calendar Days after the end of the engagement that validates that any and all County Data was destroyed and is unusable, unreadable, and/or undecipherable.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

All Custodian 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 are designed to provide a physically secure environment from unauthorized access, damage, and interference.

All Custodian 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 Custodian 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 Custodian 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 Custodian makes back-ups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such back-ups 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 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 Custodian and approved by the County's Chief Information Security Officer in writing, which approval will not be unreasonably withheld, conditioned or delayed. [The foregoing requirements shall apply to back-up media stored by the Custodian at off-site facilities.]

The Custodian shall implement formal procedures designed to control access to County 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 Custodian will conduct regular, no less often than annually, user access reviews to confirm 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; and
- e. All systems will be monitored to detect suspicious activity. The Custodian shall record, review and act upon all events in accordance with Incident response policies set forth in

Section 14 SECURITY AND PRIVACY INCIDENTS.

14. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Custodian 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 24 hours of confirmation by the Custodian's Contract Administrator or Custodian's Contract Manager, or their designated alternatives, of the Incident. Such confirmation will not be unreasonably delayed by the Custodian. Custodian will provide all notifications telephonically to the individuals listed on Exhibit D, County's Administration.
- 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,
 - 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, and
 - 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 Custodian, and unless prohibited by law, the Custodian 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, the County, law firms, 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.

Notwithstanding any other provisions in this Exhibit and subject to the limitations of liability set forth in the Contract, the Custodian shall be (i) liable for damages and fines, (ii) responsible for corrective action, and (iii) responsible for notifications arising from an Incident involving County Information; in each case to the extent directly caused by the Custodian's negligent acts or omissions, failure to exercise the Standard of Care (as defined in the Contract), breach

of applicable law, bad faith, fraud or willful misconduct in connection with the performance of its obligations or failure to perform its duties under the Contract, including the obligations and duties contained in this Exhibit I.

15. NON-EXCLUSIVE EQUITABLE REMEDY

The Custodian acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any material breach of its obligations hereunder, that any such material 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.

16. AUDIT AND INSPECTION

- a. **Self-Audits.** The Custodian 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 at Custodian's sole cost.
- b. The Custodian 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.
- c. For the avoidance of doubt, notwithstanding any other provisions in the Contract or this Exhibit, the Custodian will not be required to disclose information that it reasonably determines would compromise the security of its technology or premises or that would impact other clients.
- d. Custodian shall provide to Client, upon client's request, a copy of its SOC2 report for cybersecurity and a copy of its latest Standard Information Gathering (SIG) document. Custodian also agrees to meet with Client on an annual basis to discuss its cybersecurity program.

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	10/2/2024	
BOARD MEETING DATE	N/A	
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)	Sheriff	
SUBJECT	Advance notification of intent to negotiate a sole source contract with N. Harris Computer Corporation and Syscon Justice Systems Inc.	
PROGRAM	Integrated Jail Information System (IJIS)	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: Syscon does not authorize or license third parties to modify or provide support for its proprietary Elite V5 software.	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable	
DEADLINES/ TIME CONSTRAINTS	None.	
COST & FUNDING	Total cost: TBD	Funding source: Legacy Modernization Fund
	TERMS (if applicable):	
	Explanation:	
PURPOSE OF REQUEST	Notify the Board of the Department's intent to negotiate a sole source contract with N. Harris Computer Corporation and Syscon Justice Systems Inc. to implement IJIS.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The proposed IJIS will replace the legacy Automated Justice Information System which has been in service since 1981. After conducting marketplace research, Syscon's Elite V5 suite was determined to be the best fit for the Department's business needs. A Fit/Gap Analysis of Syscon's product was completed in early 2024. The County's Information Technology Investment Board concurs with the Department's approach and will fund this project using the Legacy Modernization Fund.	
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: Alex Madera, Contracts Manager, 213-229-3276, amadera@lasd.org Scott Goodwin, I.T. Manager III, 562-345-4149, srgoodwi@lasd.org	

October 2, 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:

**ADVANCE NOTIFICATION OF INTENT TO ENTER INTO NEGOTIATIONS
FOR A SOLE SOURCE CONTRACT WITH
N. HARRIS COMPUTER CORPORATION AND SYSCON JUSTICE SYSTEMS, INC.
FOR AN INTEGRATED JAIL INFORMATION SYSTEM**

SUBJECT

This letter provides advance notification to the Board, in accordance with Board Policy 5.100, Sole Source Contracts and Amendments, that the Los Angeles County (County) Sheriff's Department (Department) intends to begin negotiations for a sole source contract with N. Harris Computer Corporation (Harris) and Syscon Justice Systems, Inc. (Syscon) to provide an Integrated Jail Information System (IJIS) for the Department's Custody Services Division.

PURPOSE

The Department currently uses a legacy IBM COBOL IMS mainframe system known as the Automated Justice Information System (AJIS), which supports the initial booking and intake process of inmates for law enforcement agencies throughout the County. AJIS was custom developed "in-house" over 40 years ago and is the Department's primary jail management application. Since the implementation of AJIS in 1981, the Department has developed over 30 ancillary systems to support custody operations that

were not included in AJIS and the Department has also built interfaces between systems and various databases within this framework. The Jail Information Management System (JIMS) is one example of such an ancillary system.

In accordance with recommendations provided by the Office of the Chief Information Officer (OCIO), the Department engaged an outside consultant to perform a custody operations business process review, followed by marketplace research of various jail management solution providers. The Department has determined that the Syscon Elite V5 suite best meets the goal of modernizing the County's jail information technology landscape, including the replacement of AJIS and the consolidation of several ancillary systems.

BACKGROUND

In Fiscal Year 2001/02, the Department sought a commercial off-the-shelf software solution through the County's Internal Services Department (ISD) to update the Department's inmate management system. The Department and ISD then conducted a detailed evaluation of five vendors that responded regarding their products and associated costs. Syscon Justice Systems Limited (Syscon Limited) offered the lowest cost product with the best functional and technical fit of all the jail management software vendors that responded and was the only vendor that offered a complete web-based product. Syscon Limited was selected as the highest-rated vendor, resulting in ISD issuing a purchase order to acquire licenses to the then-current version of Syscon Limited's inmate management software (Elite).

On December 2, 2003, the County entered into sole source Agreement Number 74666 (Agreement) with Syscon Limited to provide additional modules to the core product, as well as, continued maintenance of the solution, known as JIMS. The Agreement has been amended 13 times to, among other things, extend the term of the Agreement, increase contingency funds, and add or revise certain County-mandated provisions.

In 2017, Harris added Syscon Limited to its portfolio of companies. Harris is in the business of acquiring, managing, and building providers of enterprise software solutions, such as Syscon Limited. The County consented to and memorialized such acquisition under Amendment Number 11 to the Agreement.

On September 27, 2019, the County's Information Technology Investment Board (ITIB) approved the Department's request for funds for a Business Process Review (BPR) to review current business processes, propose target state processes and assess technology for custody operations. The Department subsequently executed an Enterprise Services Master Agreement work order with Gartner Solutions, Inc. (Gartner) to conduct the BPR. Gartner completed the BPR in late 2021.

On March 29, 2022, the Department published a Request for Information to research current inmate management solutions from the vendor community. Eight vendors responded and demonstrated their solutions to Department subject matter experts (SME). The Syscon Elite V5 suite was determined to be the best fit for the Department's business needs.

In 2023, the Department engaged Syscon to perform a Fit/Gap Analysis to identify gaps in functionality between the Syscon Elite V5 suite and the Department's Business Capabilities Model that Gartner produced as part of its BPR report. Fit/gap sessions were conducted between Syscon and Department SME from July through November 2023. The Fit/Gap Analysis was finalized in early 2024 and Syscon presented its report to the Department.

On April 24, 2024, the Department presented its findings to ITIB and requested funding to proceed with the replacement of AJIS with a modern IJIS using the Syscon Elite V5 suite as the baseline software. ITIB concurred with the Department's approach to this project.

SOLE SOURCE JUSTIFICATION

Syscon is the sole provider of the Elite V5 suite. Syscon does not authorize, license, or otherwise certify any third party to maintain, support, and/or modify its proprietary software. In addition, the County already owns licenses to Syscon Elite V5, acquired in Fiscal Year 2001/02 as described above.

The replacement of AJIS with a modern IJIS will allow the Department to manage the County's jail facilities and meet its legally mandated responsibilities with greater efficiency, accuracy, and security.

The Department's Office of Technology Planning, OCIO, and County Counsel have all reviewed and concur that this sole source approach is in the best interest of the County.

CONCLUSION

Pursuant to Board Policy, the Department will proceed with sole source negotiations in four weeks, unless otherwise instructed by the Board.

The Honorable Board of Supervisors -4-

October 2, 2024

Should you have any questions, please contact Contracts Manager Alex Madera, Fiscal Administration Bureau's Contracts Unit, at (213) 229-3276.

Sincerely,

ROBERT G. LUNA
SHERIFF

RGL:TL:tl

(Fiscal Administration Bureau/Contracts Unit)

- c: Board of Supervisors, Justice Deputies
 - Edward Yen, Executive Officer, Board of Supervisors
 - Fesia Davenport, Chief Executive Officer
 - Rene Phillips, Manager, Chief Executive Office (CEO)
 - Jocelyn Ventilacion, Principal Analyst, CEO
 - Anna Petrosyan, Senior Analyst, CEO
 - Michael Xie, Senior Budget Analyst, CEO
 - Dawyn R. Harrison, County Counsel
 - Peter Loo, Acting Chief Information Officer, Office of the Chief Information Officer
 - Elizabeth D. Miller, Chief Legal Advisor, Legal Advisory Unit
 - Cammy C. DuPont, Principal Deputy County Counsel, Legal Advisory Unit
 - April L. Tardy, Undersheriff
 - Paula L. Tokar, Acting Assistant Sheriff
 - Jill Torres, Assistant Sheriff, CFAO
 - Jason A. Skeen, Chief of Staff, Office of the Sheriff
 - Conrad Meredith, Division Director, Administrative Services Division (ASD)
 - Margarita Velazquez, Chief, Custody Services Division (CSD), Specialized Programs
 - Brian Yanagi, Chief, Technology and Support Division (TSD)
 - Glen Joe, Assistant Division Director, ASD
 - Chris Kovac, Commander, TSD
 - Richard F. Martinez, Assistant Division Director, ASD
 - Tania E. Plunkett, Commander, CSD
 - David E. Culver, Director, Financial Programs Bureau
 - James C. Peterson, Captain, Data Systems Bureau (DSB)
 - Scott Goodwin, Information Technology Manager III, CSD, DSB
 - Mohamed Sufi-Ismail, Information Systems Manager I, DSB
 - Rene A. Garcia, Lieutenant, ASD
 - Lewis N. Lim, Lieutenant, TSD
 - Alex Madera, Administrative Services Manager (ASM) III, Fiscal Administration Bureau (FAB), Contracts Unit (CU)
 - Erica M. Nunes, Sergeant, ASD
 - Kristine D. Corrales, Deputy, ASD
 - Tony Liu, ASM II, FAB, CU

SOLE SOURCE CHECKLIST

Department Name: _____

New Sole Source Contract

Existing Sole Source Contract Date Sole Source Contract Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Chief Executive Office

Date

QUESTIONNAIRE FOR SOLE SOURCE CONTRACT
FOR AN INTEGRATED JAIL INFORMATION SYSTEM WITH
N. HARRIS COMPUTER CORPORATION AND SYSCON JUSTICE SYSTEMS, INC.

It is the policy of the County to solicit the maximum number of bids/proposals for a commodity or service from the largest relevant market and to select vendors on a competitive basis.

There are certain acquisitions which when in the best interest of the County, can only be obtained from a sole source. Sole source acquisitions must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process.

NOTE: Please refer to Procedure P-3700 of the ISD Purchasing Policies on Procedures Manual.

DOCUMENTATION FOR SOLE SOURCE JUSTIFICATION MUST INCLUDE RESPONSES TO THE FOLLOWING QUESTIONS:

- 1. What is being requested?**
A new sole source contract with N. Harris Computer Corporation (Harris) and Syscon Justice Systems, Inc. (Syscon) to provide an Integrated Jail Information System for the Sheriff's Department. Syscon is the developer of the Elite V5 software; Harris is a holding company that acquires and manages a portfolio of software businesses.
- 2. Why is the product needed – how will it be used?**
The Syscon Elite V5 suite will be customized to manage and track inmate information related to booking, release, housing, movement, banking, property, etc. as well as the assigning/reassigning of alerts and events.
- 3. Is this "brand" of product the only one that meets the user's requirements? If yes, what is unique about the product?**
The Syscon Elite V5 suite is proprietary to Syscon. Syscon does not authorize or license third parties to modify or provide support for its technology.
- 4. Have other products/vendors been considered? If yes, which products/vendors have been considered and how did they fail to meet the user's requirements?**
Yes, the Department reviewed seven other COTS solutions from ATIMS, Black Creek, DXC, Global Public Safety, Mi-Case, TechShare, and Tyler after publishing an RFI. Syscon's jail management solution was the product that most closely aligned with the technical and functional recommendations contained within the Gartner BPR report.
- 5. Will purchase of this product avoid other costs, e.g. data conversion, etc? Or will it incur additional costs, e.g. training, conversion, etc?**
Yes, the County already owns a license to the Syscon Elite V5 suite acquired back in 2002-2003. The proposed contract will customize the Elite V5 suite to provide the Department with an Integrated Jail Information System.
- 6. Is the product proprietary or is it available from various dealers? Have you verified this?**
The Department has verified that the Elite V5 software is proprietary to Syscon and is only available through them.

7. **Reasonableness of Price. Does the County obtain a percentage discount or special discount not available to the private sector?**

Not applicable.

8. **What is the dollar value of existing equipment and the Purchase Order No. for the existing equipment?**

Not applicable to software.

**BOARD LETTER/MEMO
CLUSTER FACT SHEET**

Board Letter

Board Memo

Other

CLUSTER AGENDA REVIEW DATE	10/2/2024	
BOARD MEETING DATE	10/22/2024	
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)	Sheriff	
SUBJECT	APPROVE USER AGREEMENT FOR SUBSCRIBERS WITH THE LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM (LA-RICS) AUTHORITY FOR USE OF THE LAND MOBILE RADIO (LMR) SYSTEM AND APPROVE AN APPROPRIATION ADJUSTMENT (ALL DISTRICTS) (FY 2024-25, 4-VOTES)	
PROGRAM	Communications	
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: \$3,680,000	Funding source: Net County Cost
	TERMS (if applicable): N/A	
	Explanation: The estimated first-year licensing cost is \$5,340,000. This amount represents the monthly LMR subscription cost for 22,250 devices at \$20 per unit for one year. It is estimated that these costs will be offset by \$682,000 in legacy savings resulting from the decommissioning of conventional base radio base stations and \$978,000 in cost recovery from charges for services, resulting in a net cost impact to the Sheriff's budget of \$3,680,000.	
PURPOSE OF REQUEST	The Los Angeles County (County) Sheriff's Department (Department) is seeking Board approval and delegation of authority to the Sheriff, or his authorized designee, to execute and enter into a User Agreement for Subscribers with the Los Angeles Regional Interoperable Communications System (LA-RICS) Authority for use of the Land Mobile Radio (LMR) system and approve an appropriation adjustment.	
BACKGROUND (include internal/external issues that may exist including any related motions)	Approval of the recommended actions will allow the Department, as well as other County departments, to utilize the LA-RICS LMR system for a monthly fee of \$20 per device. The LA-RICS Authority is a California Joint-Powers Authority (JPA) consisting of 24 member agencies who have focused on designing, building, implementing, and operating the LMR system, of which the County is the largest member agency in the JPA. The LMR system was completed and achieved final acceptance in November 2023, and is currently in its final year of warranty. Beginning July 1, 2024, payment for usage of the LMR System is required on a per device basis.	

	<p>The \$20 per-device cost allows the Department to operate radios, consoles, consolettes, modems, smartphones with push-to-talk functionality, and other equipment on the LMR system.</p> <p>The Department is in the process of transition from its legacy system to the LA-RICS LMR system. The LA-RICS LMR system is a robust Public Safety Grade (PSG) system network consisting of 58 existing transmission sites, many of which are located on County owned or controlled property. The LMR system was designed for County-wide coverage and a generous capacity for interoperability, while withstanding environmental and man-made threats. Each LMR site was built to withstand high winds and earthquakes and utilizes an emergency generator with sufficient capacity to support the full equipment load should the delivered electric power fail.</p>
<p>EQUITY INDEX OR LENS WAS UTILIZED</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:</p>
<p>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:</p>
<p>DEPARTMENTAL CONTACTS</p>	<p>David Sum, A/Commander, 562-345-4314, dcsum@lasd.org</p>

October 22, 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:

**APPROVE USER AGREEMENT FOR SUBSCRIBERS WITH THE LOS ANGELES
REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM (LA-RICS)
AUTHORITY FOR USE OF THE LAND MOBILE RADIO (LMR) SYSTEM
AND APPROVE AN APPROPRIATION ADJUSTMENT
(ALL DISTRICTS) (FY 2024-25, 4-VOTES)**

SUBJECT

The Los Angeles County (County) Sheriff's Department (Department) is seeking Board approval and delegation of authority to the Sheriff, or his authorized designee, to execute and enter into a User Agreement for Subscribers with the Los Angeles Regional Interoperable Communications System (LA-RICS) Authority for use of the Land Mobile Radio (LMR) system and approve an appropriation adjustment. The LA-RICS LMR system is a countywide trunked and conventional radio system designed to provide local, state, and federal public safety-first responders with seamless intra-agency and inter-agency radio communication across Los Angeles County. Upon the recommendation of the Office of the Chief Information Officer (ICIO), the Department is also seeking Board approval and delegation of authority for other County department heads, or their designees, to execute and enter into their own user agreements with LA-RICS, should those County departments desire to use the LMR system.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and delegate authority to the Sheriff, or his designee, to finalize and

execute in substantially similar form, the attached User Agreement for Subscribers for use of the LMR System with the LA-RICS Authority.

2. Delegate authority to the Sheriff, or his authorized designee, to execute amendments to the User Agreement for Subscribers in order to (1) effectuate any needed changes, modifications, or amendments to this agreement, including to update the exhibits; (2) effectuate any increases or decreases to the monthly rate per device, provided the Department has funding in its budget to cover any changes in cost, (3) add or revise agreement provisions, and (4) to terminate the agreement, either in whole or in part, by the provision of a 90-day written notice; all with approval as to form by County Counsel.
3. Approve and delegate authority to other County department heads, or their designees, to finalize and execute in substantially similar form, the attached User Agreement for Subscribers for use of the LMR System.
4. Delegate authority to other County department heads, or their authorized designees, to execute amendments to the User Agreement for Subscribers in order to (1) effectuate any needed changes, modifications, or amendments to this agreement, including to update the exhibits; (2) effectuate any increases or decreases to the monthly rate per device, provided the County departments have funding in their budgets to cover any changes in cost; (3) add or revise agreement provisions; and (4) to terminate the agreement, either in whole or in part, by the provision of a 90-day written notice; all with approval as to form by County Counsel.
5. Approve an appropriation adjustment to increase the Department's Services and Supplies in the amount of \$4,658,000, offset by the increase in revenue of \$978,000 from Other Charges for Services and \$3,680,000 from Provisional Financing Uses.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the Department, as well as other County departments, to utilize the LA-RICS LMR system for a monthly fee of \$20 per device. The LA-RICS Authority is a California Joint-Powers Authority (JPA) consisting of 24 member agencies who have focused on designing, building, implementing, and operating the LMR system, of which the County is the largest member agency in the JPA. The LMR system was completed and achieved final acceptance in November 2023, and is currently in its final year of warranty. Beginning July 1, 2024, payment for usage of the LMR System is required on a per device basis.

The \$20 per-device cost allows the Department to operate radios, consoles, consolettes, modems, smartphones with push-to-talk functionality, and other equipment on the LMR system.

The Department is in the process of transition from its legacy system to the LA-RICS LMR system. The LA-RICS LMR system is a robust Public Safety Grade (PSG) system network consisting of 58 existing transmission sites, many of which are located on County owned or controlled property. The LMR system was designed for Countywide coverage and a generous capacity for interoperability, while withstanding environmental and man-made threats. Each LMR site was built to withstand high winds and earthquakes and utilizes an emergency generator with sufficient capacity to support the full equipment load should the delivered electric power fail.

Operating on the LMR system will maximize the effectiveness of the Department's field operations by supporting the efficient delivery of customer oriented public safety services and allow timely communication with other public safety agencies as well as with schools, universities, city/county public works, federal, state, and local partners, all while serving more than ten million residents of the County.

The Department, along with hundreds of local, state, and federal users, operated flawlessly on the LA-RICS LMR system during the 2022 Super Bowl at SoFi Stadium. The Department expects to continue operating on the LMR system network during the 2026 Soccer World Cup, the 2027 Super Bowl, and the 2028 Summer Olympics. For day-to-day operations, the LMR system is interoperable with other public safety agencies via the P25 Standard Inter-RF Subsystem Interface (ISSI) and Los Angeles Regional Tactical Communications Subsystem (LARTCS). The LMR system is already connected to the Interagency Communications Interoperability (ICI) system, and plans are in place to connect with the Los Angeles Police Department, the Port Police, Los Angeles International Airport Police, and the Long Beach Police Department in the near future. Additionally, the LMR system will connect to the State of California via the Motorola Solutions Critical Connect System.

The LA-RICS LMR system is composed of subsystems, including the following that offer enhanced functionality to the Department:

1. Analog Conventional Voice Radio Subsystem (ACVRS) – There are more analog radio sites over the current Department's analog radio system, improving coverage from outdoor to indoor, as well as new coverage areas in wildland and forest areas in support of interoperability during fires.

2. LARTCS - This communication system is used for interoperability within the region and is the primary interoperability gateway with law enforcement from outside of the County and with our federal partners.
3. Digital Trunked Voice Radio Subsystem (DTVRS) – This is a new UHF/700MHz P25 digital radio system that is the primary system for the Department and for interoperability with local law enforcement and fire agencies. Several hundred channels are now available to the Department, whereas only 59 channels were available in the legacy system. DTVRS also provides new cellular Push-to-Talk applications, Console Sub System Interface (CSSI) to the Zetron Radio Console system, and ISSI connection to other agency P25 radio systems for interoperability.

Implementation of Strategic Plan Goals

The Services provided under the User Agreement support the County's Strategic Plan North Star 2: Foster vibrant and resilient communities, Focus Area Goal C, Public Safety: Enhance the safety of the public and our communities by addressing the risks, danger, harm, and conditions that cause, drive, or can help mitigate unlawful activity and crime, and supports law enforcement accountability and transparency.

Specifically, this ensures the Department and other County departments have access to a state-of-the art interoperable radio communication system built entirely by grant funding and which allows Department personnel and other County personnel to perform their public safety duties effectively and efficiently.

FISCAL IMPACT/FINANCING

The estimated first-year cost is \$5,340,000. This amount represents the monthly LMR subscription cost for 22,250 devices at \$20 per unit for one year. It is estimated that these costs will be offset by \$682,000 in legacy savings resulting from the decommissioning of conventional base radio base stations and \$978,000 in cost recovery from Other Charges for Services, resulting in a net cost impact to the Sheriff's budget of \$3,680,000. Approval of the attached appropriation adjustment will transfer \$3,680,000 from Provisional Financing Uses to the Department's budget to cover these costs. Subscriptions required by other County departments that desire to use the LA-RICS LMR system will be addressed individually through their respective annual budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENT

The Department is presently operating on the LA-RICS network, and the Agreement

reflects an effective payment date commencing on July 1, 2024. Approval of the recommended actions will ensure uninterrupted radio communication services for the Department. County Counsel has reviewed and approved as to form the User Agreement for Subscribers.

In compliance with Board Policy 6.020, "Chief Information Office Board Letter Approval," the OCIO reviewed the information technology (IT) components (management, design, development, acquisition, expansion, or purchase of IT systems and/or related services) of this request and recommends approval. The OCIO determined this recommended action does not include any new IT items that would necessitate a formal written CIO analysis.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this action will ensure the Department's continued use of the LMR system and uninterrupted public safety communications throughout the region that are critical to the Department's day-to-day operations, including rendering and receiving mutual aid. Approval of this action will also afford the opportunity for other County departments to seamlessly communicate with the Sheriff's Department and others through the LMR system.

CONCLUSION

Upon Board approval, please return two adopted copies of this Board letter to the Department's Contracts Unit.

Sincerely,

Reviewed by:

ROBERT G. LUNA
SHERIFF

PETER LOO
CHIEF INFORMATION OFFICER



LA-RICS

**LOS ANGELES REGIONAL INTEROPERABLE
COMMUNICATIONS SYSTEM (LA-RICS)
AUTHORITY**

**USER AGREEMENT
FOR
SUBSCRIBERS**

**COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT**

AGREEMENT NO.: LA-RICS-SUB-20

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
1. AUTHORITY RESPONSIBILITIES.....	2
2. USER RESPONSIBILITIES.....	2
3. BILLING	4
4. RIGHT TO SUSPEND AND/OR REVOKE USE OF LMR SYSTEM	5
5. RADIO PROGRAMMING	5
6. COVERAGE	6
7. TALKGROUP PRIORITY	6
8. WARRANTIES	7
9. AGREEMENT TERM – AUTOMATIC RENEWAL.....	7
10. INTERRUPTION OF SERVICE	7
11. DESIGNATED ADMINISTRATORS.....	8
12. NOTICES.....	9
13. DISCLAIMERS.....	10
14. INDEPENDENT STATUS.....	10
15. ASSIGNMENT.....	10
16. DEFAULT.....	11
17. WAIVER	11
18. INTERPRETATION	11
29. GOVERNING LAW, JURISDICTION, AND VENUE	11
20. SEVERABILITY	12

<u>PARAGRAPH</u>	<u>PAGE</u>
21. FACSIMILE REPRESENTATIONS.....	12
22. AMENDMENTS.....	12
23. ENTIRE AGREEMENT.....	12

EXHIBITS

- EXHIBIT A: LA-RICS RADIO USE PROTOCOLS
- EXHIBIT B: TALKGROUP DETAILS
- EXHIBIT C: LMR SYSTEM RATE SCHEDULE
- EXHIBIT D: LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR
AUTHORIZATION FOR AUTOMATED CLEARING HOUSE (ACH)
CREDITS FORM
- EXHIBIT E: NOTIFICATION CONTACT LIST

DRAFT

**LOS ANGELES REGIONAL INTEROPERABLE
COMMUNICATIONS SYSTEM (LA-RICS)
SUBSCRIBER USER AGREEMENT**

This User Agreement ("**Agreement**") is hereby entered into on _____ by and between the Los Angeles Regional Interoperable Communications System (LA-RICS) Authority, referred to herein as "**Authority**" and the **County of Los Angeles Sheriff's Department**, referred to herein as "**User**." Together, Authority and User shall collectively be referred to as the "Parties."

RECITALS

WHEREAS, the LA-RICS Land Mobile Radio System (**LMR System**) is a countywide trunked and conventional radio system designed to provide local, state, and federal public-safety first-responders the ability to seamlessly communicate intra-agency and inter-agency across the County of Los Angeles.

WHEREAS, the LMR System operates in multiple frequency bands utilizing Project 25 digital and conventional analog technology to provide portable-on-the-hip outdoor radio coverage throughout the County of Los Angeles as depicted in coverage maps.

WHEREAS, to allow other standalone and/or "regional" systems to expand and enhance their existing coverage when roaming outside those systems coverage footprint, the LMR System is capable of linking with other P25 trunked radio systems.

WHEREAS, the LMR System is managed by the Authority and Authority is responsible for engineering, maintaining, and operating the LMR System.

WHEREAS, certain agencies like User, would like to utilize the LMR System either as subscribers who desire to utilize the LMR System for their primary radio communications ("**Subscriber(s)**"), or affiliates who desire to utilize the LMR System only for mutual or automatic aid ("**Affiliate(s)**"), and shall do so by entering into this Agreement with Authority.

WHEREAS, Authority wishes to enter into this Agreement to provide use of its LMR System for operational usage to Subscribers and Affiliates, and other LMR System users as authorized by Authority, for operational purposes.

WHEREAS, User desires to enter into this Agreement to use the LMR System, as a **Subscriber**, to support its mission and operations.

NOW, THEREFORE, it is mutually agreed between the Parties hereto as follows:

AGREEMENT

Under this Agreement, Authority shall provide radio communications to User through the LMR System. Such services shall be provided based solely on the terms and conditions set forth herein.

1. AUTHORITY RESPONSIBILITIES

User will be using the LMR System as a Subscriber. Given User is a Subscriber, Authority hereby agrees:

- 1.1. To provide public safety LMR System radio communications service 24 hours a day, 7 days a week, 365/366 days a year to Subscriber.
- 1.2. To minimize system infrastructure down time while LMR System maintenance is performed. Planned outages for scheduled maintenance for LMR System will be addressed pursuant to Exhibit A (LA-RICS Radio Use Protocols), in particular, Section 2 (Service Impact Outage Notifications).
- 1.3. To provide to Subscriber a minimum of one (1) dedicated trunked radio Talkgroup. Please refer to Exhibit B (Talkgroup Details) of this Agreement.
- 1.4. To charge a monthly Subscriber fee per device that has access or utilizes the LMR System, which can include radios, consoles, consolettes, modems, and other equipment (collectively hereinafter "Radio(s)"). Additionally, this includes devices that utilize the LMR System either directly or indirectly, such as smartphones with Push-to-Talk (PTT) functionality. The total monthly cost to Subscriber will be based on the number of Radios subscribed on the LMR System by the Subscriber at the beginning of each monthly billing period pursuant to Section 3 (Billing). Please refer to Exhibit C (LMR System Rate Schedule).
- 1.5. Cache units are activated units on the LMR System but used as spare units by Subscriber. Subscriber's cache units will only be charged when such cache units are brought into use on the LMR System and charged in accordance with Section 1.4.

Authority will perform periodic audits of Radios used on the LMR System and will confirm with Subscriber when cache Radios have become active Radios.

2. USER RESPONSIBILITIES

User is a Subscriber and hereby agrees:

- 2.1. To pay Authority all fees for the LMR System services in the agreed upon timeframe defined in Section 3 (Billing) of this Agreement.
- 2.2. To keep Authority apprised as to the number of Subscriber Radios utilizing the LMR System. Activated Radios not removed from the LMR System by Subscriber shall continue to be charged to Subscriber at the agreed upon service rate.

- 2.2.1. Subscriber shall notify Authority within fifteen (15) days if there is a change to the number of Subscriber radios set forth in Exhibit C (LMR System Rate Schedule) as referenced in Section 1.4 of this Agreement.
- 2.3. To program and maintain equipment operating on the LMR System to applicable FCC Title 47 Part 90 Code of Federal Regulations at:

<https://www.fcc.gov/wireless/bureau-divisions/technologies-systems-and-innovation-division/rules-regulations-title-47>
- 2.3.1. Subscriber shall be responsible for the installation, maintenance, repairs, and software upgrades required of Subscriber-owned radio equipment including dispatch consoles, base stations, mobile radios, and portable radios. If a Subscriber does not have the resources for installing, maintaining, or repairing the Subscriber-owned equipment, then Subscriber may enter into a separate agreement for required services with Authority.
- 2.3.2. Subscriber is responsible for ensuring that Federal Communications Commission (FCC) licensing is maintained for Subscriber's fixed equipment operating on the LMR System frequencies.
- 2.4. Subscriber enters into this Agreement with the understanding and acknowledgement that Subscriber is responsible for training and educating its users regarding the proper use of Radios on the LMR System.
 - 2.4.1. Subscriber enters into this Agreement with the understanding and acknowledgement that radio conversations conducted on the LMR System may be recorded by Authority. However, Subscriber understands and acknowledges that recording of the Subscriber's Radio audio for Subscriber's use is the responsibility of the Subscriber. For additional information regarding recording, please refer to Exhibit A (LA-RICS Radio Use Protocols), Section 3 (Audio Logging Recorders) of this Agreement.
 - 2.4.2. Subscriber must provide copies of Subscriber's Radio codeplugs for Authority to reference for troubleshooting purposes. Updated codeplugs shall be submitted to Authority prior to distribution of Subscriber's Radios.
 - 2.4.3. It is Subscriber's responsibility to provide written notice to Authority Designated Administrator and/or its Designee as set forth in Section 11.2 of this Agreement, identifying any lost or stolen Radios (type of radio, serial/asset number, description of circumstances related to loss/damage) as soon as possible.

- 2.4.4. It is the responsibility of Subscriber to test radio functions including, but not limited to, emergency alert, roaming, console patch, and other functions deemed necessary and critical to Subscriber's operations.
- 2.5. Subscriber enters into this Agreement with the understanding and acknowledgement that in order to use the trunked voice subsystem of the LMR System, Subscriber will need and use Authority approved and compatible Project 25 (P25) subscriber equipment. In addition, for 700 MHz trunked operation, Subscriber's subscriber equipment must operate in P25 Phase 2 (TDMA) mode.
- 2.6. Not to lease, loan, give or provide in any form Subscriber-owned equipment (i.e. Radios, dispatch consoles, consolettes, modems, and other equipment) operating on the LMR System to any third-party for their use on the LMR System without prior approval from Authority.
- 2.7. To observe and abide by all applicable statutes, laws, ordinances, rules, and regulations, including but not limited to those of the FCC, and to operate the equipment in a reasonable manner so as not to cause undue interference with any other agency participants using the LMR System.
- 2.8. To keep all radio communication brief and to the point. Radio system traffic shall be limited to official business only. Subscriber is responsible for the appropriate use of the system in accordance with the Exhibit A (LA-RICS Radio Use Protocols) to this Agreement.
- 2.9. Subscriber enters into this Agreement with the understanding and acknowledgment that it shall comply with and abide by all applicable operational guidelines, technical specifications, and technical requirements, including cybersecurity, pursuant to the Exhibit A (LA-RICS Radio Use Protocols) to this Agreement, which may be updated from time to time.
- 2.10. Subscriber enters into this Agreement with the understanding and acknowledgment that it shall comply with and abide by all applicable LA-RICS policies related to the use of the LMR System as they are implemented. Authority will notify and provide copies to Subscriber of all such policies.

3. BILLING

- 3.1. If User is a Subscriber, Subscriber agrees to pay Authority monthly starting July 1, 2024 ("Commencement Date") for the use of the LMR System ("**Monthly Fee(s)**"). The actual amount of Monthly Fees will be determined by the number of active Radios and/or radio equipment registered on the LMR System in accordance with Section 1.4 and Exhibit C (LMR System Rate Schedule) of this Agreement.

- 3.2. Payment of Monthly Fees for Subscribers using the LMR System will be electronically transferred from Subscriber to Authority. The Subscriber is required to complete Section 2 of Exhibit D (County of Los Angeles Treasurer and Tax Collector Authorization for Automated Clearing House (ACH) Credits Form) and share a copy of the confirmation letter from Treasurer and Tax Collector (TTC) for account establishment for this Agreement.
- 3.3. Subscriber will be billed monthly in arrears. Subscriber shall schedule the payment of invoices to Authority no later than thirty (30) days after receipt of said invoice. If errors are found in the invoice or Subscriber disputes the invoice charges or services rendered, Subscriber shall immediately notify Authority in writing. Partial payment of an invoice without Authority's approval is prohibited. Subscriber's failure to make timely payments in compliance with this section may result in action as defined in Section 4 (Right to Suspend and/or Revoke Use of LMR System).
- 3.4. It is Subscriber's responsibility to inform Authority of any changes in service, Radio counts, etc. in accordance with Section 2.2 of this Agreement.

4. RIGHT TO SUSPEND AND/OR REVOKE USE OF LMR SYSTEM

- 4.1. If User is a Subscriber, Authority reserves the right to suspend and/or revoke Subscriber's ability to add/remove equipment, modify existing service or add a new service should Subscriber fail to make timely payment to Authority for the services rendered. If Subscriber fails to make any payment or fails to perform as required by any other provision hereunder, Subscriber will be notified in writing of the violation. Subscriber must correct the violation within 30 days of notice, or Authority may suspend and/or revoke Subscriber's service.
- 4.2. Notwithstanding the above, regardless of whether User is a Subscriber or Affiliate, Authority shall have the right to immediately suspend and/or revoke User's ability to use the LMR System, add/remove Radios, modify existing service or add a new service at any time if User fails to use the LMR System in accordance with rules and regulations of the FCC or if User fails to use the LMR System in accordance with applicable laws and regulations, including the terms of this Agreement, Authority policies or attachments thereto.

5. RADIO PROGRAMMING

- 5.1. All User's Radios shall be programmed for use on the LMR System in accordance with Section 2.3 of this Agreement.

System-soft keys may be provided, in the Authority's sole discretion, to User or independent private service shops providing a programming service to Users for radio programming of the LMR System frequencies into Users

owned equipment (i.e. Radios, dispatch consoles, consolettes, modems, and other equipment). System-soft key requests must be made in writing to Authority. User hereby agrees that system-soft keys will be surrendered immediately, if requested by Authority.

6. COVERAGE

- 6.1. The LMR System operates in multiple frequency spectrum utilizing Project 25 Phase I and II, and conventional analog technology to provide portable-on-the-hip outdoor radio coverage throughout the County of Los Angeles as depicted in coverage maps. User understands and agrees that 100 percent coverage of any area at all times is unrealistic and improbable. Testing and experience with actual field conditions indicate adverse propagation conditions can occur from both natural and man-made conditions. User understands and agrees that such events are beyond the reasonable control of Authority.
- 6.2. User further understands and agrees that Authority is not providing a warranty of coverage for the LMR System.

7. TALKGROUP PRIORITY

User understands and agrees that it may experience limited or no access to the LMR System during an emergency Talkgroup activation. To ensure that first responders have access to the LMR System during normal and emergency situations, Talkgroup access has been prioritized as follows, where User can confer with Authority on Talkgroup priority, but it will be ultimately determined by Authority and the Authority may change priorities during an unusual occurrence, emergency, or disaster:

7.1. Priority One – Emergency

Used only for Emergency Alert/Trigger calls given Priority 1 status automatically by the LMR System's controllers.

7.2. Priority Two – Life Safety and Protection of Life and Property

Used for Talkgroups that have an impact on the delivery of services that involve the safety and the protection of life and property, including those Talkgroups used by personnel involved in high risk and mission critical field operations, inclusive of mutual aid Talkgroups.

7.3. Priority Three – Extraordinary/Temporary

Used for temporary re-prioritization (via system manager terminal) of a lower priority Talkgroup for critical operations (i.e., presidential motorcade, major incident command). In addition, Priority 3 is assigned to dedicated "EMERGENCY ALARM" Talkgroups for agencies such as transit that do not use the Emergency Alert (emergency button) function.

7.4. Priority Four – Medical Priority

Used exclusively for Emergency Medical Services (EMS) providers to communicate with hospitals and/or the Medical Alert Center (MAC) for coordination of patient care and destinations.

7.5. Priority Five – Non-Mission Critical

Used for all other "secondary", "administrative", "non-essential" or "non-mission critical" Talkgroups used by Subscriber agencies, both public safety and general government.

7.6. Additional Priority Levels As Needed – Unassigned

Additional priority levels will be assigned by the Authority, in its sole discretion, as needed.

8. WARRANTIES

Authority warrants that its management and operation of the LMR System will comply with reasonable and standard industry practices.

9. AGREEMENT TERM – AUTOMATIC RENEWAL

9.1. The term of this Agreement shall be for one year or for the portion of the year commencing on the Effective Date of this Agreement and shall automatically renew on July 1st each year thereafter. This Agreement shall automatically extend under the terms and conditions, rates, and charges then in effect for successive one (1) year periods.

9.2. Either party may terminate this Agreement at any time by giving to the other party written notice at least ninety (90) days prior to the desired termination date.

9.3. If User is a Subscriber, the rates, charges, and fees due and payable by Subscriber for any annual extension shall be the same as those during the preceding term unless Authority notifies Subscriber of any changes in the rates, charges, or fees. If, after such notification, Subscriber does not terminate this Agreement and allows it to automatically renew, charges for the next term shall be at the new rates, charges, and fees set out by Authority in its notification prior to the automatic renewal date.

10. INTERRUPTION OF SERVICE

Authority shall not be liable to User, whether a Subscriber or Affiliate, or any other person for any loss of service or damage resulting therefrom, regardless of the cause. Authority does not assume and shall have no liability under this Agreement for failure to provide, or delay in providing, service due directly or indirectly to

causes beyond the control of Authority or its contractors and subcontractors, including, but not limited to, acts of God, acts of Governmental entities, acts of the public enemy, strikes, or severe weather conditions.

11. DESIGNATED ADMINISTRATORS

11.1. The User official specified in this Section 11 (Designated Administrators) is hereby designated as the contact officer for all matters relating to the User's performance of its obligations under this Agreement. Authority shall not take direction from any User's employee or official other than the contact officer (or his/her designee).

- User Designated Administrator:

Agency Name
Administrator Name
Address
Email
Phone number

- User Designated Administrator Designee:

Agency Name
Administrator Designee Name
Address
Email
Phone number

11.2. The contact officer for all matters relating to Authority's performance of its obligations under this Agreement shall be the Executive Director (or his/her designee) as outlined in this Section 11.2.

- Authority Designated Administrator:

LA-RICS
Scott Edson, LA-RICS Executive Director
2525 Corporate Place, Suite 100
Monterey Park, CA 91754
scott.edson@la-rics.org
(323) 881-8281

- Authority Designated Administrator Designee:

LA-RICS
Ronald Watson, Deputy Executive Director
2525 Corporate Place, Suite 100
Monterey Park, CA 91754
ronald.watson@la-rics.org
(323) 881-8296

- LMR System Manager

LA-RICS
Ted Pao
2525 Corporate Place, Suite 200
Monterey Park, CA 91754
tpao@lasd.org
(323) 881-8028

- 11.3. In the event of a dispute between the Parties to this Agreement as to the extent of the duties and functions to be rendered hereunder, or the minimum level or manner of performance of such deployment, the User shall be consulted and a mutual determination thereof shall be made by both the User and Authority.
- 11.4. Authority, in an unresolved dispute, shall have final and conclusive determination as between the Parties hereto.

12. NOTICES

- 12.1. Notices desired or required to be given pursuant to this Agreement or by any law shall be provided in the manner pursuant to this Section 12 (Notices), which may be updated from time to time.
- 12.2. Unless otherwise specified herein, all notices, requests, demands, or other communications required or permitted to be given or made under this Agreement shall be in writing, unless otherwise specified in Exhibit E (Notification Contact List). Notice will be sufficiently given for all purposes as follows:
- a. Personal delivery. When personally delivered to the recipient, notice is effective on delivery.
 - b. First Class mail. When mailed first class to the last known address of the recipient, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
 - c. Certified mail. When mailed certified, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.
 - d. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
 - e. Facsimile transmission. When sent by fax to the last known fax number of the recipient, notice is effective on receipt. Any notice given

by fax will be deemed received on the next business day if it is received after 5:00 p.m. or on a non-business day.

- f. Email. When sent by email, notice is effective on receipt. Any notice given by email will be deemed received on the next business day if it is received after 5:00 p.m. or on a non-business day.
- 12.3. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the Party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- 12.4. Addresses and persons to be notified may be changed by either Party by giving ten (10) calendar days prior written notice thereof to the other Party.

13. DISCLAIMERS

- 13.1 User accepts the LMR System as-is, and assumes all risks and resulting liabilities, both known or unknown to User, arising from or connected with use of the LMR System, or as it relates to any obligations, terms or conditions in this Agreement.
- 13.2 Authority and its member agencies in the JPA, disclaims any and all express and implied warranties, including but not limited to warranties of merchantability and fitness for a particular purpose, for the LMR System provided by this Agreement. The Authority and its member agencies in the JPA, expressly disclaims and shall not be liable to the User for any and all losses or liabilities resulting from use of the LMR System or arising from or related to any obligations, terms or conditions in this Agreement, and User hereby waives all claims and recourse against the Authority and its member agencies in the JPA, except from claims arising from, and to the extent of, the sole gross negligence or willful misconduct of the Authority, its member agencies in the JPA, its directors, officers, contractors, subcontractors, staff and agents.

14. INDEPENDENT STATUS

This Agreement is by and between User and Authority and is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between User and Authority.

15. ASSIGNMENT

This Agreement is personal to Authority and the User, and, in the event the User shall attempt to assign or transfer the same in whole or in part, all rights hereunder shall immediately terminate. Authority, may however, assign this Agreement to any

one of its member agencies in the JPA without prior consent of User, so long as such member agency agrees to perform and fulfill Authority's obligations herein.

16. DEFAULT

Parties agree that if there is any default by either Party of the terms or conditions herein contained, the non-defaulting Party may forthwith revoke and terminate this Agreement.

17. WAIVER

17.1. Any waiver by either Party of the breach of any one or more of the covenants, conditions, terms and Agreement's herein contained shall not be construed to be a waiver of any other breach of the same or of any other covenant, condition, term or Agreement herein contained, nor shall failure on the part of either Party to require exact, full, and complete compliance with any of the covenants, conditions, terms, or Agreements herein contained be construed as in any manner changing the terms of this Agreement or stopping either Party from enforcing the full provisions thereof.

17.2. No option, right, power, remedy, or privilege of either Party shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options, and remedies given either Party by this Agreement shall be cumulative.

18. INTERPRETATION

Unless the context of this Agreement 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. Further, captions and section headings used in this Agreement are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement. Finally, this Agreement is the product of arm's length negotiation between User and Authority, where each Party has had the opportunity to receive advice from independent counsel of its own choosing. This Agreement is to be interpreted as if both Parties participated equally in its drafting and shall not be construed against either Party.

19. GOVERNING LAW, JURISDICTION, AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Parties agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agree and consent that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

20. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

21. FACSIMILE REPRESENTATIONS

User and Authority hereby agree to regard facsimile representations of original signatures of authorized officers of each Party, when appearing in appropriate places on the Agreement and/or amendments to the Agreement, and received via electronic mail transmission or communications facilities, as legally sufficient evidence that such original signatures have been affixed to the Agreement and/or any amendments to this Agreement, such that the Parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

22. AMENDMENTS

All changes, modifications, or amendments to this Agreement must be in the form of a written Amendment duly executed by authorized representatives of Authority and User.

23. ENTIRE AGREEMENT

This Agreement, Exhibit A (LA-RICS Radio Use Protocols), Exhibit B (Talkgroup Details), Exhibit C (LMR System Rate Schedule), Exhibit D (Los Angeles County Treasurer and Tax Collector Authorization for Automated Clearing House (ACH) Credits Form), Exhibit E (Notification Contact List), and any executed Amendments, between the Parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both User and Authority.

(Signature Page – following page)

WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of date written below:

**LOS ANGELES
REGIONAL INTEROPERABLE
COMMUNICATIONS SYSTEM
AUTHORITY**

**COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT**

Name and Title

Name and Title

Signature

Date

Signature

Date

DRAFT

LA-RICS RADIO USE PROTOCOLS

This purpose of this exhibit is to set forth the protocols the User will adhere to when using the LMR System.

1. GENERAL USE PROTOCOLS

- 1.1 Misuse of the LMR System will be reported to Authority's LMR System Manager to handle directly with the User department head, or his/her designee. The reporting party's contact information should be provided in the notification. Profanity, playing music, personal conversations, intentional jamming, activities not directly related to public safety operations or any violation of the rules of the United States Federal Communications Commission (FCC) will not be permitted on the LMR System.
- 1.2 While using the LMR System, Users' users should follow proper radio etiquette by keeping conversations concise, brief, and clear.
- 1.3 Users utilizing the LMR System must abide by all FCC regulations as codified in the US Code Title 47, Part 90 (47CFR90), Land Mobile Communications.

2. SERVICE IMPACT OUTAGE NOTIFICATIONS

2.1 Purpose or Objective

Establishes the notification procedure prior to system upgrades.

2.2 Protocol/Standard

System software upgrades will be performed based on the LA-RICS System Upgrade Agreement (SUA) with service provider and when determined by LA-RICS to best implement the upgrade(s). System services patches are performed per service provider recommendation.

All Users using the System will be notified at least thirty (30) days prior to a major system upgrade that will cause a system or site outage. Any User must notify LA-RICS in writing within ten (10) days of notification if this would interfere with any major planned events or exercises.

Scheduled system repairs, and patches impacting services to Users shall be coordinated 72 hours prior to the start of work by LMR System Manager's written notification. Unplanned outages impacting services shall be notified by the LA-RICS LMR NOC to impacted user agencies in accordance with the established Emergency Change process.

All Users using the System must have governance agreements in place to address the timing of system upgrades.

2.3 Recommended Procedure

The LA-RICS NOC shall be responsible for distributing a written notification or email to all Users contacts listed in Exhibit E (Notification Contact List) that may be impacted by the upgrade.

3. AUDIO LOGGING RECORDERS

3.1 Purpose or Objective

Establishes the procedure for the use and access of system audio logging devices.

3.2 Technical Background

A System Audio Logging Recorder allows all voice radio traffic to be recorded and stored for future reference.

All Talkgroups are recorded and maintained by LA-RICS for a period of not less than ninety (90) days. A Talkgroup does not need to be selected or active at a console position to be recorded.

Advanced Encryption Standard (AES) Encrypted calls are recorded, however, if the encryption key is not installed into the system, those recordings are unusable until the key is provided.

3.3 Protocol/Standard

User understands and acknowledges that recording of the User's radio audio for User's use is the responsibility of the User. The LA-RICS recording system will record all voice traffic. User will have access to those recordings for a period of ninety (90) days. After ninety (90) days, the recordings may be overwritten. If a User needs access to their Talkgroup recordings for a period longer than ninety (90) days, the User must download and store their own recordings.

Users directly requesting a copy, or if requesting a copy on behalf of a Public Records Access request, of any LA-RICS logged radio traffic for a Talkgroup, or channel other than their own should make their request to their respective agency Administrator managing the logging system. The agency Administrator can forward the request to the LMR System Manager as appropriate. The request should include specific information detailing the Talkgroup/channel, radio user(s), radio ID, time of day, and any other information that would help in processing the request.

Users shall operate their own logging recorders that meet their business and recording retention policy requirements.

Each User utilizing logging recorders to record audio from their agency's Talkgroups is responsible for adhering to their internal procedures with regard to:

- Retention schedule for radio system recordings in compliance with State Records Retention requirements
- Responding to public records requests for copies of audio recordings for radio traffic on **THEIR** agency-owned Talkgroups or channels
- Providing radio system recordings as requested by the judicial system
- Providing duplicate recordings upon request for internal User use, investigative purposes, training, etc.
- Establishing a data storage and backup system for radio system audio recordings

3.4 **Procedure**

Requests for audio records should be directed to the specific agency Administrator managing the logging system.

3.5 **Management**

The LMR System Manager is responsible for this policy. Each User is responsible for the operation and data back-up of their agency-owned logging system for their agency-owned Talkgroups or interoperability Talkgroups on their radio console. Shared, non-owned Talkgroups are the responsibility of any User that uses it for a resource on their dispatch console.

TALKGROUP DETAILS

(Talkgroup Details to be negotiated with Subscriber prior to execution of Agreement)

Parties shall agree on the specific Subscriber Talkgroup details prior to execution of the Agreement. Such Talkgroup details shall be consistent with the Exhibit A (LA-RICS Radio Use Protocols) as follows:

1. Talkgroups will be assigned, activated, and deactivated by the Authority based on Subscriber need and available system resources.
2. Such Talkgroups shall adhere to standardized and common naming conventions pursuant to Exhibit A (LA-RICS Radio Use Protocols).
3. Subscribers may only use the Talkgroup IDs assigned by Authority staff for use on the LMR System.
4. In the event that Subscriber requires additional Talkgroups beyond those allocated, Subscriber must submit a written request to the LA-RICS Help Desk set forth in this Exhibit E (Notification Contact List). Subscriber should provide reasonable justification in the written request for individual Talkgroups, along with any requires such as encryption or special functions. The request will be reviewed and Authority staff with work with Subscriber to provide additional Talkgroups if such request is approved.
5. Authority staff will monitor use of the Talkgroups allocated to Subscriber. If a Talkgroup has shown no usage in a minimum of 180 days, written notification will be sent to the Subscriber and the Talkgroup may be reclaimed.

LMR SYSTEM RATE SCHEDULE

SUBSCRIBER	
Monthly Rate per Device (i.e. Radios, consoles, consolettes, modems, other equipment, including smartphones with PTT functionality)	\$20
Number of Subscriber's Radios (portables, mobiles, and fixed)	
Number of Subscriber's Consoles	
Number of Subscriber's Consolettes	
Number of Subscriber's Modems (Narrowband Mobile Data Network)	
Number of Subscriber's Other Equipment	
TOTAL MONTHLY FEES: (\$20 x Each Device, Radio, Console, Consolette, Cache Radio, Modem, Other Equipment, including smartphones with PTT functionality)	

Note: This information is being collected for billing purposes. Additional information regarding Subscriber Devices will be required at the time of provisioning.

CACHE RADIOS	
Monthly Rate per Device (i.e. Radios, consoles, consolettes, modems, other equipment, including smartphones with PTT functionality)	\$20
Number of Subscriber's Cache Radios (portables, mobiles, and fixed)	
TOTAL POTENTIAL MONTHLY FEES (IF USED): (\$20 x Each Device, Radio, Console, Consolette, Cache Radio, Modem, Other Equipment, including smartphones with PTT functionality)	

Note: Cache radios will be billed pursuant to Section 1.5 of the User Agreement and only be charged when such cache units are brought into use on the LMR System pursuant to Section 1.4 of the User Agreement.



**LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR
AUTHORIZATION FOR AUTOMATED CLEARING HOUSE (ACH) CREDITS**

SECTION 1 (TO BE COMPLETED BY DEPARTMENT/COURT/AGENCY/DISTRICT)

DEPARTMENT/COURT/AGENCY/DISTRICT INFORMATION	
NAME:	TAX ID NUMBER:
ADDRESS:	
CONTACT NAME:	TELEPHONE NUMBER:
EMAIL ADDRESS:	
DESCRIBE THE SERVICE, PRODUCT OR OBLIGATION THAT IS BEING COLLECTED OR RECEIVED:	
e-CAPS INFORMATION TO RECORD PAYMENTS	
DEPARTMENT CODE:	UNIT CODE:
Is this a payment for an accounts receivable in eCAPS? <input type="radio"/> Yes <input checked="" type="radio"/> No	
If you answered "Yes," you must provide the information in Option 2 below. If you answered "No," complete Option 1 or 2 to record this payment.	
Option 1 – Revenue Source:	
<input type="radio"/> Countywide Revenue Code: _____ or <input checked="" type="radio"/> Department Revenue Code: _____	
Option 2 – Trust Fund:	
Fund: _____ Balance Sheet Account: _____	
AUTHORIZED SIGNATURE & ACKNOWLEDGMENT	
NAME OF DEPARTMENT HEAD/COURT OR AGENCY ADMINISTRATOR/DISTRICT HEAD (PLEASE PRINT):	
SIGNATURE:	DATE:

SECTION 2 (TO BE COMPLETED BY VENDOR/COMPANY)

VENDOR/COMPANY INFORMATION			
Your signature below acknowledges that you are a duly authorized representative of your Company and further acknowledges on behalf of your Company that this form is an Authorization for ACH Credits (Authorization). You must furnish all information requested in this Section to ensure that our Bank can identify your Company's ACH Credit Entry (or applicable ACH Credit Reversal).			
PLEASE CHECK THE APPROPRIATE BOX:			
<input checked="" type="radio"/> NEW ENROLLMENT <input type="radio"/> CHANGE BANKING INFORMATION <input type="radio"/> CHANGE IN OTHER INFORMATION			
VENDOR/COMPANY NAME:			
VENDOR/COMPANY ADDRESS:			
NAME OF ORIGINATING DEPOSITORY FINANCIAL INSTITUTION:	ROUTING TRANSIT/ABA NUMBER:	COMPANY IDENTIFICATION:	
VENDOR/COMPANY REPRESENTATIVE NAME:	SIGNATURE OF REPRESENTATIVE:	TELEPHONE NUMBER:	DATE:



LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR
AUTHORIZATION FOR AUTOMATED CLEARING HOUSE (ACH) CREDITS

SECTION 3 (TO BE COMPLETED BY LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR)

FINANCIAL INSTITUTION INFORMATION	
NAME OF RECEIVING DEPOSITORY FINANCIAL INSTITUTION:	TELEPHONE NUMBER:
ADDRESS:	
ROUTING TRANSIT/ABA NUMBER:	TYPE OF DEPOSITOR ACCOUNT: <input type="radio"/> CHECKING <input type="radio"/> SAVINGS
DEPOSITOR ACCOUNT TITLE:	DEPOSITOR ACCOUNT NUMBER:
<p>The Los Angeles County Treasurer and Tax Collector (TTC) hereby authorizes your Company to initiate ACH Credit Entries, as defined by the National Automated Clearing House Association Rules and Guidelines (Rules and Guidelines) to the designated bank account. The TTC may revoke this Authorization at any time by notifying your Company in writing. As defined by the Rules and Guidelines, your Company is the Originator and the TTC is the Receiver. Both your Company and the TTC agree to be bound by the Rules and Guidelines in effect at any given time for purposes of your Company's Origination of ACH Credit Entries for the Department/Court/Agency/District shown in Section 1.</p>	
<hr/> Office of the Treasurer and Tax Collector	

DRAFT

NOTIFICATION CONTACT LIST

1. LMR SYSTEM HELP DESK

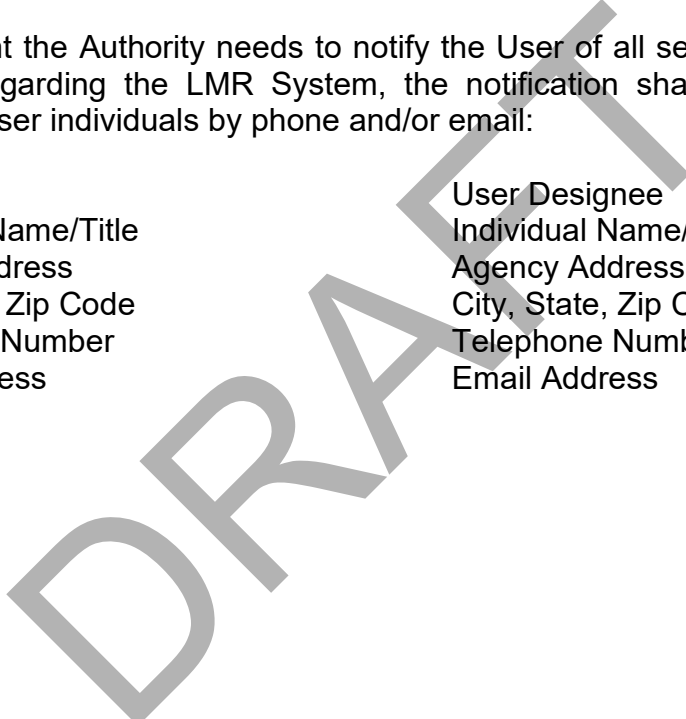
In the event User requires assistance User may contact the LMR System Help Desk by phone and/or email as follows:

Phone No.: (323) 881-8260
Email: larics.incidents@la-rics.org

2. SERVICE AND EMERGENCY NOTIFICATIONS

In the event the Authority needs to notify the User of all service and emergency outages regarding the LMR System, the notification shall be directed to the following User individuals by phone and/or email:

User	User Designee
Individual Name/Title	Individual Name/Title
Agency Address	Agency Address
City, State, Zip Code	City, State, Zip Code
Telephone Number	Telephone Number
Email Address	Email Address



October 02, 2024

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

SHERIFF'S DEPARTMENT

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 2024-25

4 - VOTES

SOURCES

USES

SHERIFF - GENERAL SUPPORT SERVICES

A01-SH-92-9461-15681-15687

OTHER CHARGES FOR SERVICES

INCREASE REVENUE

978,000

SHERIFF - GENERAL SUPPORT SERVICES

A01-SH-2000-15681-15687

SERVICES & SUPPLIES

INCREASE APPROPRIATION

4,658,000

PFU-SHERIFF

A01-CB-2000-13749-13752

SERVICES & SUPPLIES

DECREASE APPROPRIATION

3,680,000

SOURCES TOTAL

\$ 4,658,000

USES TOTAL

\$ 4,658,000

JUSTIFICATION

Reflects an increase in appropriation in the amount of \$4,658,000, offset by the increase in revenue of \$978,000 from Charges for Services and \$3,680,000 from Provisional Financing Uses. The adjustment will be used to fund the subscription cost for the use of the LA-RIC's Land Mobile Radio System.

AUTHORIZED SIGNATURE

DAVID E. CULVER, BUREAU DIRECTOR

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 _____

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	10/2/2024		
BOARD MEETING DATE	10/22/2024		
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)	FIRE		
SUBJECT	Approval Of User Agreement For Subscribers With The Los Angeles Regional Interoperable Communications System (LA-RICS) Authority For Use Of The Land Mobile Radio (LMR) System		
PROGRAM	LA-RICS System with neighboring counties and cities.		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable		
DEADLINES/ TIME CONSTRAINTS	Obligation to pay monthly subscriber fees is effective July 1, 2024.		
COST & FUNDING	Total cost:	\$1,790,000.00	Funding source:
			SVCS - 40431
	TERMS (if applicable): The subscriber fees will be charged on monthly basis.		
	Explanation: The District has calculated the total number of devices that will utilize the LMR system to determine the monthly and total annual subscriber fees cost.		
PURPOSE OF REQUEST	To authorize the Fire Chief to execute and amend the User Agreement for subscribers for the use of the LMR System with the LA-RICS Authority.		
BACKGROUND (include internal/external issues that may exist including any related motions)	The LA-RICS LMR System was completed and achieved final acceptance in November 2023. Approval of the User Agreement will allow the District to operate hand-held and mobile radios, consoles, consolettes, modems, mobile data computers, smartphones with Push-to-Talk (PTT) functionality, and other equipment on the LMR System. As a self-funded Special District, the District, is requesting Board approval of its User Agreement separately from County General Fund departments, which are submitting for Board approval of their User Agreements under separate cover.		
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: County's Strategic Plan North Star 3.G. Internal Controls and Processes, by continually maximizing revenue, managing, and maximizing County assets, measuring impact and effectiveness of our collective efforts, and enhancing County's fiscal strength through long-term planning.		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Marissa Martin Jensen, Administrative Services Manager II Phone: (323) 881-6173, Marissa.MartinJensen@fire.lacounty.gov		



COUNTY OF LOS ANGELES FIRE DEPARTMENT



ANTHONY C. MARRONE
FIRE CHIEF
FORESTER & FIRE WARDEN

*"Proud Protectors of Life,
the Environment, and Property"*

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401
www.fire.lacounty.gov

BOARD OF SUPERVISORS
LINDSEY P. HORVATH, CHAIR
THIRD DISTRICT

HILDA L. SOLIS
FIRST DISTRICT
JANICE HAHN
FOURTH DISTRICT
HOLLY J. MITCHELL
SECOND DISTRICT
KATHRYN BARGER
FIFTH DISTRICT

October 22, 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:

**APPROVAL OF USER AGREEMENT FOR SUBSCRIBERS WITH THE
LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM
AUTHORITY FOR USE OF THE
LAND MOBILE RADIO SYSTEM AND APPROPRIATION ADJUSTMENT FOR FISCAL
YEAR 2024-25
(ALL DISTRICTS) (4 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Consolidated Fire Protection District of Los Angeles County (District) is requesting Board of Supervisors' (Board) approval of the enclosed User Agreement for subscribers with the Los Angeles Regional Interoperable Communications System (LA-RICS) Authority for use of the Land Mobile Radio system (LMR System). The user agreement allows the District to utilize the LMR System built by the LA-RICS Authority as its radio and data communication system for a monthly fee of \$20 per device.

The District also requests Board approval of an appropriation adjustment to reallocate \$1,790,000 from the District's Appropriation for Contingencies to the District's Special Services Budget Unit's Services & Supplies (S&S) appropriation for LA-RICS subscription fee costs.

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF
THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY**

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS
ARTESIA
AZUSA
BALDWIN PARK
BELL
BELL GARDENS
BELLFLOWER
BRADBURY
CALABASAS

CARSON
CERRITOS
CLAREMONT
COMMERCE
COVINA
CUDAHY
DIAMOND BAR
DUARTE

EL MONTE
GARDENA
GLEN DORA
HAWAIIAN GARDENS
HAWTHORNE
HERMOSA BEACH
HIDDEN HILLS
HUNTINGTON PARK
INDUSTRY

INGLEWOOD
IRVINDALE
LA CANADA-FLINTRIDGE
LA HABRA
LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER

LAWNDALE
LOMITA
LYNWOOD
MALIBU
MAYWOOD
NORWALK
PALMDALE
PALOS VERDES ESTATES
PARAMOUNT

PICO RIVERA
POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
VERNON
WALNUT
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

1. Approve and delegate authority to the Fire Chief, or his designee, to finalize and execute in substantially similar form, the enclosed User Agreement for subscribers for use of the LMR System with the LA-RICS Authority, at the monthly rate of \$20 per device.
2. Approve a Fiscal Year 2024-25 Appropriation Adjustment to reallocate \$1,790,000 from the District's Appropriation for Contingencies to the District's Special Services Budget Unit's S&S appropriation to pay the monthly subscription fee.
3. Delegate authority to the Fire Chief, or his authorized designee, to execute amendments to the User Agreement for subscribers in order to effectuate any needed changes, modifications, or amendments to this agreement, including to update the exhibits; effectuate any increases or decreases to the monthly rate per device, provided the District has funding in its budget to cover any changes in cost; add or revise agreement provisions; and to terminate the agreement, either in whole or in part, by the provision of a 90-day written notice; all with approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The LA-RICS' LMR System is a County-wide trunked and conventional radio system designed to provide local, state, and federal public-safety first-responders the ability to seamlessly communicate intra-agency and inter-agency across the County. The LMR System was completed and achieved final acceptance in November 2023 and is currently in its final year of warranty. The District has been testing and using the LA-RICS Authority's LMR System network since that time. Beginning July 1, 2024, payment for usage of the LMR System is required on a per device basis. The \$20 cost allows the District to operate hand-held and mobile radios, consoles, consolettes, modems, mobile data computers, smartphones with Push-to-Talk (PTT) functionality, and other equipment on the LMR System. The District has replaced primary use of its end-of-life legacy system with the LA-RICS' LMR System. The LA-RICS' LMR System is a robust Public Safety Grade system made up of a 58-site network, of which many are located on County owned and/or controlled property. The LMR System was designed for County-wide coverage and has a huge capacity for interoperability, while withstanding environmental and artificial threats. Each LMR site location is designed to withstand high winds and earthquakes and utilizes an emergency generator sized to support the full equipment load and a future growth factor as well as battery backup, in the event permanent power goes out because of a weather or fire event.

Operating on the LMR System maximizes the District's effectiveness of field operations to support the timely delivery of customer-oriented public safety services that allow interoperability with emergency medical services (hospitals, ambulances, etc.), other fire, safety, and mutual-aid agencies in the region as well as with schools, universities, city/county public works, federal, State and other local partners, all while serving the 10 million residents in Los Angeles County. The District's firefighting communications and interoperability mutual aid in the region has significantly improved since the District has transitioned to the LA-RICS' LMR System.

The District, along with hundreds of local, State, and federal users, operated flawlessly on the LA-RICS LMR System during the 2022 Super Bowl at Sofi Stadium. The District expects to continue operating on the LMR System network during the 2026 World Cup, the 2027 Super Bowl, and the 2028 Summer Olympics. For day-to-day operations, the LMR System is interoperable with other public safety and mutual-aid agencies via the P25 Standard Inter-RF Subsystem Interface (ISSI) and the Los Angeles Regional Tactical Communications Subsystem (LARTCS). The LMR System is already connected to the Interagency Communications Interoperability (ICI) system, and plans are in place to connect with the Los Angeles Police Department, the Los Angeles Port Police, Los Angeles World Airport Police, and the Long Beach Police Department, in the near future. Additionally, the LMR System will connect to the State of California via the Motorola Solutions Critical Connect System.

The LA-RICS LMR System is made up of several subsystems, including the following subsystems that offer greater and/or more unique functionality to the District:

1. ACVRS (Analog Conventional Voice Radio Subsystem) – District went from 12 channels to 33 new analog channels, which are used for primary voice dispatch and command channel operations. This included additional communication sites improving the coverage from outdoor to indoor as well as new coverage areas in the wildland and forest areas in support of interoperability during fires.
2. LARTCS - This communication system is used for interoperability for the region. Over 102 fire agencies participate in regional tactical operations since 2008 and have signed an interoperable MOU between them. With the LARICS LMR System, the interoperability has significantly improved from gateway patching channels together to a full regional communication system in every frequency band. The LMR System also expands coverage from 13 sites to 28 sites, improving wildfire radio coverage in the wildland areas. The LMR System has also improved existing mutual aid channels with two new County-wide Low Band channels, five new countywide UHF channels, and five new County-wide 800MHz channels that are managed and assigned through the District and the Los Angeles County Sheriff's Department dispatch centers.
3. NBDN (Narrowband Data Network) - This system is used as the primary data dispatching system for every fire vehicle and fire station. It provides backup to cellular data systems when the cellular systems go down during wildfires and provides fill in coverage in wildland areas that have no cellular coverage. The District's existing data coverage went from 11 channels to 22 new channels with the LMR System implementation, with increased capacity.
4. DTVRS (Digital Trunked Voice Radio Subsystem) – This is a new UHF/700MHz P25 digital radio system that provides the District with 100 new talk group radio channels for general dispatch, Lifeguard Dispatch, SoFi Stadium Dispatch, and general purpose radio traffic. DVTRS also provides new Cellular PTT applications, Console Sub System Interface with the Zetron Radio Console system, and ISSI connection to other agency P25 radio systems for interoperability (e.g., ICI, LA City, Long Beach, CWIRS, CHRIS, and STARS).

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with the County’s Strategic Plan North Star 3.G. Internal Controls and Processes, by continually maximizing revenue, managing, and maximizing County assets, measuring impact and effectiveness of our collective efforts, and enhancing County’s fiscal strength through long-term planning. The User Agreement ensures the District has access to interoperable communications via a state-of-the-art radio communications system built entirely by grants while allowing District personnel to perform their duties in a reliable and secure manner.

FISCAL IMPACT/FINANCING

The District, as a Special District, is funded independently from the County’s General Fund, and relies primarily on property tax revenue to provide essential fire protection and life safety services.

The estimated first-year cost is \$1,790,000, which consists of a monthly rate of \$20 per device for an estimated total of 7,456 devices transmitting on the LA-RICS LMR System.

SUBSCRIBER	
Monthly Rate per Device (i.e. Radios, consoles, consolettes, modems, other equipment, including smartphones with PTT functionality)	\$20
Number of Subscriber's Radios (portables, mobiles, and fixed)	6,539
Number of Subscriber's Consoles	1
Number of Subscriber's Consolettes	6
Number of Subscribers Modems (Narrowband Mobile Data Network)	800
Number of Subscriber's Other Equipment	0
SUB-TOTAL MONTHLY FEES: (\$20 x Each Device, Radio, Console, Consolette, Modems, and Other Equipment including smartphones with PTT functionality)	\$146,920

CACHE RADIOS	
Monthly Rate per Device (i.e. Radios, consoles, consolettes, modems, and other equipment including smartphones with PTT functionality)	\$20
Number of Subscriber's Cache Radios (portables, mobiles, and fixed)	110
TOTAL POTENTIAL MONTHLY FEES (IF USED): (\$20 x Each Device, Radio, Console, Consolette, Cache Radio, Modem, Other Equipment, including smartphones with PTT functionality)	\$149,120

Approval of the attached appropriation adjustment will reallocate \$1,790,000 from the District's Appropriation for Contingencies to the District's Special Services Budget Unit's S&S appropriation to pay the estimated annual LA-RICS subscription costs. The District will continue to allocate the funds required to continue using the LMR System services throughout the duration of the User Agreement for subscribers.

There is no impact to net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Currently, the District is operating on the LA-RICS network and thus the User Agreement reflects an effective date of payment commencing July 1, 2024. Approval of the recommended actions will ensure uninterrupted radio and data communications services for District. County Counsel has reviewed the recommended User Agreement for subscribers and approves as to form.

In compliance with Board Policy 6.020, "Chief Information Office Board Letter Approval," the OCIO reviewed the information technology (IT) components (management, design, development, acquisition, expansion, or purchase of IT systems and/or related services) of this request and recommends approval. The OCIO determined this recommended action does not include any new IT items that would necessitate a formal written CIO analysis.

ENVIRONMENTAL DOCUMENTATION

This acquisition is exempt from CEQA as it will not result in a direct or reasonably foreseeable impact on the environment in accordance with Section 15061(b)(3) of the State of California CEQA guidelines.

CONTRACTING PROCESS

The LA-RICS Authority and the District will enter into Agreement Number: LA-RICS-SUB-19 for the LMR System User Agreement for subscribers.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this action will ensure District's continued use of the LMR System and the uninterrupted public-safety communications in the region that are critical in allowing the District to conduct its day-to-day operations, respond to members of the public, and for mutual-aid.

CONCLUSION

Upon approval by your Honorable Board, please instruct the Executive Officer to return the adopted stamped copy of the letter and attachment to the following office:

Consolidated Fire Protection District of Los Angeles County
Executive Office, Business Operations
Attention: Marissa Martin Jensen, Administrative Services Manager II
1320 North Eastern Avenue
Los Angeles, CA 90063
Marissa.MartinJensen@fire.lacounty.gov

The District's contact can be reached at (323) 881-6173.

Respectfully submitted,

ANTHONY C. MARRONE, FIRE CHIEF

REVIEWED BY:

PETER LOO
CHIEF INFORMATION OFFICER

ACM:pa

Enclosures

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel
LA-RICS Authority



**LOS ANGELES REGIONAL INTEROPERABLE
COMMUNICATIONS SYSTEM (LA-RICS)
AUTHORITY**

**USER AGREEMENT
FOR
SUBSCRIBERS**

**CONSOLIDATED FIRE PROTECTION DISTRICT
OF LOS ANGELES COUNTY**

AGREEMENT NO.: LA-RICS-SUB-19

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
1. AUTHORITY RESPONSIBILITIES.....	2
2. USER RESPONSIBILITIES.....	2
3. BILLING	4
4. RIGHT TO SUSPEND AND/OR REVOKE USE OF LMR SYSTEM	5
5. RADIO PROGRAMMING	5
6. COVERAGE	6
7. TALKGROUP PRIORITY	6
8. WARRANTIES	7
9. AGREEMENT TERM – AUTOMATIC RENEWAL	7
10. INTERRUPTION OF SERVICE	7
11. DESIGNATED ADMINISTRATORS.....	8
12. NOTICES.....	9
13. DISCLAIMERS	10
14. INDEPENDENT STATUS.....	10
15. ASSIGNMENT.....	10
16. DEFAULT.....	11
17. WAIVER	11
18. INTERPRETATION	11
29. GOVERNING LAW, JURISDICTION, AND VENUE	11
20. SEVERABILITY	12

<u>PARAGRAPH</u>	<u>PAGE</u>
21. FACSIMILE REPRESENTATIONS.....	12
22. AMENDMENTS.....	12
23. ENTIRE AGREEMENT.....	12

EXHIBITS

- EXHIBIT A: LA-RICS RADIO USE PROTOCOLS
- EXHIBIT B: TALKGROUP DETAILS
- EXHIBIT C: LMR SYSTEM RATE SCHEDULE
- EXHIBIT D: LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR
AUTHORIZATION FOR AUTOMATED CLEARING HOUSE (ACH)
CREDITS FORM
- EXHIBIT E: NOTIFICATION CONTACT LIST

**LOS ANGELES REGIONAL INTEROPERABLE
COMMUNICATIONS SYSTEM (LA-RICS)
SUBSCRIBER USER AGREEMENT**

This User Agreement ("**Agreement**") is hereby entered into on _____ by and between the Los Angeles Regional Interoperable Communications System (LA-RICS) Authority, referred to herein as "**Authority**" and the **Consolidated Fire Protection District of Los Angeles County**, referred to herein as "**User**." Together, Authority and User shall collectively be referred to as the "Parties."

RECITALS

WHEREAS, the LA-RICS Land Mobile Radio System (**LMR System**) is a countywide trunked and conventional radio system designed to provide local, state, and federal public-safety first-responders the ability to seamlessly communicate intra-agency and inter-agency across the County of Los Angeles.

WHEREAS, the LMR System operates in multiple frequency bands utilizing Project 25 digital and conventional analog technology to provide portable-on-the-hip outdoor radio coverage throughout the County of Los Angeles as depicted in coverage maps.

WHEREAS, to allow other standalone and/or "regional" systems to expand and enhance their existing coverage when roaming outside those systems coverage footprint, the LMR System is capable of linking with other P25 trunked radio systems.

WHEREAS, the LMR System is managed by the Authority and Authority is responsible for engineering, maintaining, and operating the LMR System.

WHEREAS, certain agencies like User, would like to utilize the LMR System either as subscribers who desire to utilize the LMR System for their primary radio communications ("**Subscriber(s)**"), or affiliates who desire to utilize the LMR System only for mutual or automatic aid ("**Affiliate(s)**"), and shall do so by entering into this Agreement with Authority.

WHEREAS, Authority wishes to enter into this Agreement to provide use of its LMR System for operational usage to Subscribers and Affiliates, and other LMR System users as authorized by Authority, for operational purposes.

WHEREAS, User desires to enter into this Agreement to use the LMR System, as a **Subscriber**, to support its mission and operations.

NOW, THEREFORE, it is mutually agreed between the Parties hereto as follows:

AGREEMENT

Under this Agreement, Authority shall provide radio communications to User through the LMR System. Such services shall be provided based solely on the terms and conditions set forth herein.

1. AUTHORITY RESPONSIBILITIES

User will be using the LMR System as a Subscriber. Given User is a Subscriber, Authority hereby agrees:

- 1.1. To provide public safety LMR System radio communications service 24 hours a day, 7 days a week, 365/366 days a year to Subscriber.
- 1.2. To minimize system infrastructure down time while LMR System maintenance is performed. Planned outages for scheduled maintenance for LMR System will be addressed pursuant to Exhibit A (LA-RICS Radio Use Protocols), in particular, Section 2 (Service Impact Outage Notifications).
- 1.3. To provide to Subscriber a minimum of one (1) dedicated trunked radio Talkgroup. Please refer to Exhibit B (Talkgroup Details) of this Agreement.
- 1.4. To charge a monthly Subscriber fee per device that has access or utilizes the LMR System, which can include radios, consoles, consolettes, modems, and other equipment (collectively hereinafter "Radio(s)"). Additionally, this includes devices that utilize the LMR System either directly or indirectly, such as smartphones with Push-to-Talk (PTT) functionality. The total monthly cost to Subscriber will be based on the number of Radios subscribed on the LMR System by the Subscriber at the beginning of each monthly billing period pursuant to Section 3 (Billing). Please refer to Exhibit C (LMR System Rate Schedule).
- 1.5. Cache units are activated units on the LMR System but used as spare units by Subscriber. Subscriber's cache units will only be charged when such cache units are brought into use on the LMR System and charged in accordance with Section 1.4.

Authority will perform periodic audits of Radios used on the LMR System and will confirm with Subscriber when cache Radios have become active Radios.

2. USER RESPONSIBILITIES

User is a Subscriber and hereby agrees:

- 2.1. To pay Authority all fees for the LMR System services in the agreed upon timeframe defined in Section 3 (Billing) of this Agreement.
- 2.2. To keep Authority apprised as to the number of Subscriber Radios utilizing the LMR System. Activated Radios not removed from the LMR System by Subscriber shall continue to be charged to Subscriber at the agreed upon service rate.

- 2.2.1. Subscriber shall notify Authority within fifteen (15) days if there is a change to the number of Subscriber radios set forth in Exhibit C (LMR System Rate Schedule) as referenced in Section 1.4 of this Agreement.
- 2.3. To program and maintain equipment operating on the LMR System to applicable FCC Title 47 Part 90 Code of Federal Regulations at:

<https://www.fcc.gov/wireless/bureau-divisions/technologies-systems-and-innovation-division/rules-regulations-title-47>
 - 2.3.1. Subscriber shall be responsible for the installation, maintenance, repairs, and software upgrades required of Subscriber-owned radio equipment including dispatch consoles, base stations, mobile radios, and portable radios. If a Subscriber does not have the resources for installing, maintaining, or repairing the Subscriber-owned equipment, then Subscriber may enter into a separate agreement for required services with Authority.
 - 2.3.2. Subscriber is responsible for ensuring that Federal Communications Commission (FCC) licensing is maintained for Subscriber's fixed equipment operating on the LMR System frequencies.
- 2.4. Subscriber enters into this Agreement with the understanding and acknowledgement that Subscriber is responsible for training and educating its users regarding the proper use of Radios on the LMR System.
 - 2.4.1. Subscriber enters into this Agreement with the understanding and acknowledgement that radio conversations conducted on the LMR System may be recorded by Authority. However, Subscriber understands and acknowledges that recording of the Subscriber's Radio audio for Subscriber's use is the responsibility of the Subscriber. For additional information regarding recording, please refer to Exhibit A (LA-RICS Radio Use Protocols), Section 3 (Audio Logging Recorders) of this Agreement.
 - 2.4.2. Subscriber must provide copies of Subscriber's Radio codeplugs for Authority to reference for troubleshooting purposes. Updated codeplugs shall be submitted to Authority prior to distribution of Subscriber's Radios.
 - 2.4.3. It is Subscriber's responsibility to provide written notice to Authority Designated Administrator and/or its Designee as set forth in Section 11.2 of this Agreement, identifying any lost or stolen Radios (type of radio, serial/asset number, description of circumstances related to loss/damage) as soon as possible.

- 2.4.4. It is the responsibility of Subscriber to test radio functions including, but not limited to, emergency alert, roaming, console patch, and other functions deemed necessary and critical to Subscriber's operations.
- 2.5. Subscriber enters into this Agreement with the understanding and acknowledgement that in order to use the trunked voice subsystem of the LMR System, Subscriber will need and use Authority approved and compatible Project 25 (P25) subscriber equipment. In addition, for 700 MHz trunked operation, Subscriber's subscriber equipment must operate in P25 Phase 2 (TDMA) mode.
- 2.6. Not to lease, loan, give or provide in any form Subscriber-owned equipment (i.e. Radios, dispatch consoles, consolettes, modems, and other equipment) operating on the LMR System to any third-party for their use on the LMR System without prior approval from Authority.
- 2.7. To observe and abide by all applicable statutes, laws, ordinances, rules, and regulations, including but not limited to those of the FCC, and to operate the equipment in a reasonable manner so as not to cause undue interference with any other agency participants using the LMR System.
- 2.8. To keep all radio communication brief and to the point. Radio system traffic shall be limited to official business only. Subscriber is responsible for the appropriate use of the system in accordance with the Exhibit A (LA-RICS Radio Use Protocols) to this Agreement.
- 2.9. Subscriber enters into this Agreement with the understanding and acknowledgment that it shall comply with and abide by all applicable operational guidelines, technical specifications, and technical requirements, including cybersecurity, pursuant to the Exhibit A (LA-RICS Radio Use Protocols) to this Agreement, which may be updated from time to time.
- 2.10. Subscriber enters into this Agreement with the understanding and acknowledgment that it shall comply with and abide by all applicable LA-RICS policies related to the use of the LMR System as they are implemented. Authority will notify and provide copies to Subscriber of all such policies.

3. BILLING

- 3.1. If User is a Subscriber, Subscriber agrees to pay Authority monthly starting July 1, 2024 ("Commencement Date") for the use of the LMR System ("**Monthly Fee(s)**"). The actual amount of Monthly Fees will be determined by the number of active Radios and/or radio equipment registered on the LMR System in accordance with Section 1.4 and Exhibit C (LMR System Rate Schedule) of this Agreement.

- 3.2. Payment of Monthly Fees for Subscribers using the LMR System will be electronically transferred from Subscriber to Authority. The Subscriber is required to complete Section 2 of Exhibit D (County of Los Angeles Treasurer and Tax Collector Authorization for Automated Clearing House (ACH) Credits Form) and share a copy of the confirmation letter from Treasurer and Tax Collector (TTC) for account establishment for this Agreement.
- 3.3. Subscriber will be billed monthly in arrears. Subscriber shall schedule the payment of invoices to Authority no later than thirty (30) days after receipt of said invoice. If errors are found in the invoice or Subscriber disputes the invoice charges or services rendered, Subscriber shall immediately notify Authority in writing. Partial payment of an invoice without Authority's approval is prohibited. Subscriber's failure to make timely payments in compliance with this section may result in action as defined in Section 4 (Right to Suspend and/or Revoke Use of LMR System).
- 3.4. It is Subscriber's responsibility to inform Authority of any changes in service, Radio counts, etc. in accordance with Section 2.2 of this Agreement.

4. RIGHT TO SUSPEND AND/OR REVOKE USE OF LMR SYSTEM

- 4.1. If User is a Subscriber, Authority reserves the right to suspend and/or revoke Subscriber's ability to add/remove equipment, modify existing service or add a new service should Subscriber fail to make timely payment to Authority for the services rendered. If Subscriber fails to make any payment or fails to perform as required by any other provision hereunder, Subscriber will be notified in writing of the violation. Subscriber must correct the violation within 30 days of notice, or Authority may suspend and/or revoke Subscriber's service.
- 4.2. Notwithstanding the above, regardless of whether User is a Subscriber or Affiliate, Authority shall have the right to immediately suspend and/or revoke User's ability to use the LMR System, add/remove Radios, modify existing service or add a new service at any time if User fails to use the LMR System in accordance with rules and regulations of the FCC or if User fails to use the LMR System in accordance with applicable laws and regulations, including the terms of this Agreement, Authority policies or attachments thereto.

5. RADIO PROGRAMMING

- 5.1. All User's Radios shall be programmed for use on the LMR System in accordance with Section 2.3 of this Agreement.

System-soft keys may be provided, in the Authority's sole discretion, to User or independent private service shops providing a programming service to Users for radio programming of the LMR System frequencies into Users

owned equipment (i.e. Radios, dispatch consoles, consolettes, modems, and other equipment). System-soft key requests must be made in writing to Authority. User hereby agrees that system-soft keys will be surrendered immediately, if requested by Authority.

6. COVERAGE

- 6.1. The LMR System operates in multiple frequency spectrum utilizing Project 25 Phase I and II, and conventional analog technology to provide portable-on-the-hip outdoor radio coverage throughout the County of Los Angeles as depicted in coverage maps. User understands and agrees that 100 percent coverage of any area at all times is unrealistic and improbable. Testing and experience with actual field conditions indicate adverse propagation conditions can occur from both natural and man-made conditions. User understands and agrees that such events are beyond the reasonable control of Authority.
- 6.2 User further understands and agrees that Authority is not providing a warranty of coverage for the LMR System.

7. TALKGROUP PRIORITY

User understands and agrees that it may experience limited or no access to the LMR System during an emergency Talkgroup activation. To ensure that first responders have access to the LMR System during normal and emergency situations, Talkgroup access has been prioritized as follows, where User can confer with Authority on Talkgroup priority, but it will be ultimately determined by Authority and the Authority may change priorities during an unusual occurrence, emergency, or disaster:

7.1. Priority One – Emergency

Used only for Emergency Alert/Trigger calls given Priority 1 status automatically by the LMR System's controllers.

7.2. Priority Two – Life Safety and Protection of Life and Property

Used for Talkgroups that have an impact on the delivery of services that involve the safety and the protection of life and property, including those Talkgroups used by personnel involved in high risk and mission critical field operations, inclusive of mutual aid Talkgroups.

7.3. Priority Three – Extraordinary/Temporary

Used for temporary re-prioritization (via system manager terminal) of a lower priority Talkgroup for critical operations (i.e., presidential motorcade, major incident command). In addition, Priority 3 is assigned to dedicated "EMERGENCY ALARM" Talkgroups for agencies such as transit that do not use the Emergency Alert (emergency button) function.

7.4. Priority Four – Medical Priority

Used exclusively for Emergency Medical Services (EMS) providers to communicate with hospitals and/or the Medical Alert Center (MAC) for coordination of patient care and destinations.

7.5. Priority Five – Non-Mission Critical

Used for all other "secondary", "administrative", "non-essential" or "non-mission critical" Talkgroups used by Subscriber agencies, both public safety and general government.

7.6. Additional Priority Levels As Needed – Unassigned

Additional priority levels will be assigned by the Authority, in its sole discretion, as needed.

8. WARRANTIES

Authority warrants that its management and operation of the LMR System will comply with reasonable and standard industry practices.

9. AGREEMENT TERM – AUTOMATIC RENEWAL

9.1. The term of this Agreement shall be for one year or for the portion of the year commencing on the Effective Date of this Agreement and shall automatically renew on July 1st each year thereafter. This Agreement shall automatically extend under the terms and conditions, rates, and charges then in effect for successive one (1) year periods.

9.2. Either party may terminate this Agreement at any time by giving to the other party written notice at least ninety (90) days prior to the desired termination date.

9.3. If User is a Subscriber, the rates, charges, and fees due and payable by Subscriber for any annual extension shall be the same as those during the preceding term unless Authority notifies Subscriber of any changes in the rates, charges, or fees. If, after such notification, Subscriber does not terminate this Agreement and allows it to automatically renew, charges for the next term shall be at the new rates, charges, and fees set out by Authority in its notification prior to the automatic renewal date.

10. INTERRUPTION OF SERVICE

Authority shall not be liable to User, whether a Subscriber or Affiliate, or any other person for any loss of service or damage resulting therefrom, regardless of the cause. Authority does not assume and shall have no liability under this Agreement for failure to provide, or delay in providing, service due directly or indirectly to

causes beyond the control of Authority or its contractors and subcontractors, including, but not limited to, acts of God, acts of Governmental entities, acts of the public enemy, strikes, or severe weather conditions.

11. DESIGNATED ADMINISTRATORS

11.1. The User official specified in this Section 11 (Designated Administrators) is hereby designated as the contact officer for all matters relating to the User's performance of its obligations under this Agreement. Authority shall not take direction from any User's employee or official other than the contact officer (or his/her designee).

- User Designated Administrator:

Agency Name
Administrator Name
Address
Email
Phone number

- User Designated Administrator Designee:

Agency Name
Administrator Designee Name
Address
Email
Phone number

11.2. The contact officer for all matters relating to Authority's performance of its obligations under this Agreement shall be the Executive Director (or his/her designee) as outlined in this Section 11.2.

- Authority Designated Administrator:

LA-RICS
Scott Edson, LA-RICS Executive Director
2525 Corporate Place, Suite 100
Monterey Park, CA 91754
scott.edson@la-rics.org
(323) 881-8281

- Authority Designated Administrator Designee:

LA-RICS
Ronald Watson, Deputy Executive Director
2525 Corporate Place, Suite 100
Monterey Park, CA 91754
ronald.watson@la-rics.org
(323) 881-8296

- LMR System Manager

LA-RICS
Ted Pao
2525 Corporate Place, Suite 200
Monterey Park, CA 91754
tpao@lasd.org
(323) 881-8028

- 11.3. In the event of a dispute between the Parties to this Agreement as to the extent of the duties and functions to be rendered hereunder, or the minimum level or manner of performance of such deployment, the User shall be consulted and a mutual determination thereof shall be made by both the User and Authority.
- 11.4. Authority, in an unresolved dispute, shall have final and conclusive determination as between the Parties hereto.

12. NOTICES

- 12.1. Notices desired or required to be given pursuant to this Agreement or by any law shall be provided in the manner pursuant to this Section 12 (Notices), which may be updated from time to time.
- 12.2. Unless otherwise specified herein, all notices, requests, demands, or other communications required or permitted to be given or made under this Agreement shall be in writing, unless otherwise specified in Exhibit E (Notification Contact List). Notice will be sufficiently given for all purposes as follows:
- a. Personal delivery. When personally delivered to the recipient, notice is effective on delivery.
 - b. First Class mail. When mailed first class to the last known address of the recipient, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
 - c. Certified mail. When mailed certified, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.
 - d. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
 - e. Facsimile transmission. When sent by fax to the last known fax number of the recipient, notice is effective on receipt. Any notice given

by fax will be deemed received on the next business day if it is received after 5:00 p.m. or on a non-business day.

- f. Email. When sent by email, notice is effective on receipt. Any notice given by email will be deemed received on the next business day if it is received after 5:00 p.m. or on a non-business day.
- 12.3. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the Party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- 12.4. Addresses and persons to be notified may be changed by either Party by giving ten (10) calendar days prior written notice thereof to the other Party.

13. DISCLAIMERS

- 13.1 User accepts the LMR System as-is, and assumes all risks and resulting liabilities, both known or unknown to User, arising from or connected with use of the LMR System, or as it relates to any obligations, terms or conditions in this Agreement.
- 13.2 Authority and its member agencies in the JPA, disclaims any and all express and implied warranties, including but not limited to warranties of merchantability and fitness for a particular purpose, for the LMR System provided by this Agreement. The Authority and its member agencies in the JPA, expressly disclaims and shall not be liable to the User for any and all losses or liabilities resulting from use of the LMR System or arising from or related to any obligations, terms or conditions in this Agreement, and User hereby waives all claims and recourse against the Authority and its member agencies in the JPA, except from claims arising from, and to the extent of, the sole gross negligence or willful misconduct of the Authority, its member agencies in the JPA, its directors, officers, contractors, subcontractors, staff and agents.

14. INDEPENDENT STATUS

This Agreement is by and between User and Authority and is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between User and Authority.

15. ASSIGNMENT

This Agreement is personal to Authority and the User, and, in the event the User shall attempt to assign or transfer the same in whole or in part, all rights hereunder shall immediately terminate. Authority, may however, assign this Agreement to any

one of its member agencies in the JPA without prior consent of User, so long as such member agency agrees to perform and fulfill Authority's obligations herein.

16. DEFAULT

Parties agree that if there is any default by either Party of the terms or conditions herein contained, the non-defaulting Party may forthwith revoke and terminate this Agreement.

17. WAIVER

17.1. Any waiver by either Party of the breach of any one or more of the covenants, conditions, terms and Agreement's herein contained shall not be construed to be a waiver of any other breach of the same or of any other covenant, condition, term or Agreement herein contained, nor shall failure on the part of either Party to require exact, full, and complete compliance with any of the covenants, conditions, terms, or Agreements herein contained be construed as in any manner changing the terms of this Agreement or stopping either Party from enforcing the full provisions thereof.

17.2. No option, right, power, remedy, or privilege of either Party shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options, and remedies given either Party by this Agreement shall be cumulative.

18. INTERPRETATION

Unless the context of this Agreement 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. Further, captions and section headings used in this Agreement are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement. Finally, this Agreement is the product of arm's length negotiation between User and Authority, where each Party has had the opportunity to receive advice from independent counsel of its own choosing. This Agreement is to be interpreted as if both Parties participated equally in its drafting and shall not be construed against either Party.

19. GOVERNING LAW, JURISDICTION, AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Parties agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agree and consent that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

20. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

21. FACSIMILE REPRESENTATIONS

User and Authority hereby agree to regard facsimile representations of original signatures of authorized officers of each Party, when appearing in appropriate places on the Agreement and/or amendments to the Agreement, and received via electronic mail transmission or communications facilities, as legally sufficient evidence that such original signatures have been affixed to the Agreement and/or any amendments to this Agreement, such that the Parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

22. AMENDMENTS

All changes, modifications, or amendments to this Agreement must be in the form of a written Amendment duly executed by authorized representatives of Authority and User.

23. ENTIRE AGREEMENT

This Agreement, Exhibit A (LA-RICS Radio Use Protocols), Exhibit B (Talkgroup Details), Exhibit C (LMR System Rate Schedule), Exhibit D (Los Angeles County Treasurer and Tax Collector Authorization for Automated Clearing House (ACH) Credits Form), Exhibit E (Notification Contact List), and any executed Amendments, between the Parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both User and Authority.

(Signature Page – following page)

WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of date written below:

**LOS ANGELES
REGIONAL INTEROPERABLE
COMMUNICATIONS SYSTEM
AUTHORITY**

**CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY**

Name and Title

Name and Title

Signature

Date

Signature

Date

LA-RICS RADIO USE PROTOCOLS

This purpose of this exhibit is to set forth the protocols the User will adhere to when using the LMR System.

1. GENERAL USE PROTOCOLS

- 1.1 Misuse of the LMR System will be reported to Authority's LMR System Manager to handle directly with the User department head, or his/her designee. The reporting party's contact information should be provided in the notification. Profanity, playing music, personal conversations, intentional jamming, activities not directly related to public safety operations or any violation of the rules of the United States Federal Communications Commission (FCC) will not be permitted on the LMR System.
- 1.2 While using the LMR System, Users' users should follow proper radio etiquette by keeping conversations concise, brief, and clear.
- 1.3 Users utilizing the LMR System must abide by all FCC regulations as codified in the US Code Title 47, Part 90 (47CFR90), Land Mobile Communications.

2. SERVICE IMPACT OUTAGE NOTIFICATIONS

2.1 Purpose or Objective

Establishes the notification procedure prior to system upgrades.

2.2 Protocol/Standard

System software upgrades will be performed based on the LA-RICS System Upgrade Agreement (SUA) with service provider and when determined by LA-RICS to best implement the upgrade(s). System services patches are performed per service provider recommendation.

All Users using the System will be notified at least thirty (30) days prior to a major system upgrade that will cause a system or site outage. Any User must notify LA-RICS in writing within ten (10) days of notification if this would interfere with any major planned events or exercises.

Scheduled system repairs, and patches impacting services to Users shall be coordinated 72 hours prior to the start of work by LMR System Manager's written notification. Unplanned outages impacting services shall be notified by the LA-RICS LMR NOC to impacted user agencies in accordance with the established Emergency Change process.

All Users using the System must have governance agreements in place to address the timing of system upgrades.

2.3 Recommended Procedure

The LA-RICS NOC shall be responsible for distributing a written notification or email to all Users contacts listed in Exhibit E (Notification Contact List) that may be impacted by the upgrade.

3. AUDIO LOGGING RECORDERS

3.1 Purpose or Objective

Establishes the procedure for the use and access of system audio logging devices.

3.2 Technical Background

A System Audio Logging Recorder allows all voice radio traffic to be recorded and stored for future reference.

All Talkgroups are recorded and maintained by LA-RICS for a period of not less than ninety (90) days. A Talkgroup does not need to be selected or active at a console position to be recorded.

Advanced Encryption Standard (AES) Encrypted calls are recorded, however, if the encryption key is not installed into the system, those recordings are unusable until the key is provided.

3.3 Protocol/Standard

User understands and acknowledges that recording of the User's radio audio for User's use is the responsibility of the User. The LA-RICS recording system will record all voice traffic. User will have access to those recordings for a period of ninety (90) days. After ninety (90) days, the recordings may be overwritten. If a User needs access to their Talkgroup recordings for a period longer than ninety (90) days, the User must download and store their own recordings.

Users directly requesting a copy, or if requesting a copy on behalf of a Public Records Access request, of any LA-RICS logged radio traffic for a Talkgroup, or channel other than their own should make their request to their respective agency Administrator managing the logging system. The agency Administrator can forward the request to the LMR System Manager as appropriate. The request should include specific information detailing the Talkgroup/channel, radio user(s), radio ID, time of day, and any other information that would help in processing the request.

Users shall operate their own logging recorders that meet their business and recording retention policy requirements.

Each User utilizing logging recorders to record audio from their agency's Talkgroups is responsible for adhering to their internal procedures with regard to:

- Retention schedule for radio system recordings in compliance with State Records Retention requirements
- Responding to public records requests for copies of audio recordings for radio traffic on **THEIR** agency-owned Talkgroups or channels
- Providing radio system recordings as requested by the judicial system
- Providing duplicate recordings upon request for internal User use, investigative purposes, training, etc.
- Establishing a data storage and backup system for radio system audio recordings

3.4 **Procedure**

Requests for audio records should be directed to the specific agency Administrator managing the logging system.

3.5 **Management**

The LMR System Manager is responsible for this policy. Each User is responsible for the operation and data back-up of their agency-owned logging system for their agency-owned Talkgroups or interoperability Talkgroups on their radio console. Shared, non-owned Talkgroups are the responsibility of any User that uses it for a resource on their dispatch console.

TALKGROUP DETAILS

(Talkgroup Details to be negotiated with Subscriber prior to execution of Agreement)

Parties shall agree on the specific Subscriber Talkgroup details prior to execution of the Agreement. Such Talkgroup details shall be consistent with the Exhibit A (LA-RICS Radio Use Protocols) as follows:

1. Talkgroups will be assigned, activated, and deactivated by the Authority based on Subscriber need and available system resources.
2. Such Talkgroups shall adhere to standardized and common naming conventions pursuant to Exhibit A (LA-RICS Radio Use Protocols).
3. Subscribers may only use the Talkgroup IDs assigned by Authority staff for use on the LMR System.
4. In the event that Subscriber requires additional Talkgroups beyond those allocated, Subscriber must submit a written request to the LA-RICS Help Desk set forth in this Exhibit E (Notification Contact List). Subscriber should provide reasonable justification in the written request for individual Talkgroups, along with any requires such as encryption or special functions. The request will be reviewed and Authority staff with work with Subscriber to provide additional Talkgroups if such request is approved.
5. Authority staff will monitor use of the Talkgroups allocated to Subscriber. If a Talkgroup has shown no usage in a minimum of 180 days, written notification will be sent to the Subscriber and the Talkgroup may be reclaimed.

LMR SYSTEM RATE SCHEDULE

SUBSCRIBER	
Monthly Rate per Device (i.e. Radios, consoles, consolettes, modems, other equipment, including smartphones with PTT functionality)	\$20
Number of Subscriber's Radios (portables, mobiles, and fixed)	6539
Number of Subscriber's Consoles	1
Number of Subscriber's Consolettes	6
Number of Subscriber's Modems (Narrowband Mobile Data Network)	800
Number of Subscriber's Other Equipment	0
TOTAL MONTHLY FEES: (\$20 x Each Device, Radio, Console, Consolette, Cache Radio, Modem, Other Equipment, including smartphones with PTT functionality)	\$146,920.00

Note: This information is being collected for billing purposes. Additional information regarding Subscriber Devices will be required at the time of provisioning.

CACHE RADIOS	
Monthly Rate per Device (i.e. Radios, consoles, consolettes, modems, other equipment, including smartphones with PTT functionality)	\$20
Number of Subscriber's Cache Radios (portables, mobiles, and fixed)	110
TOTAL POTENTIAL MONTHLY FEES (IF USED): (\$20 x Each Device, Radio, Console, Consolette, Cache Radio, Modem, Other Equipment, including smartphones with PTT functionality)	\$149,120.00

Note: Cache radios will be billed pursuant to Section 1.5 of the User Agreement and only be charged when such cache units are brought into use on the LMR System pursuant to Section 1.4 of the User Agreement.



**LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR
AUTHORIZATION FOR AUTOMATED CLEARING HOUSE (ACH) CREDITS**

SECTION 1 (TO BE COMPLETED BY DEPARTMENT/COURT/AGENCY/DISTRICT)

DEPARTMENT/COURT/AGENCY/DISTRICT INFORMATION	
NAME:	TAX ID NUMBER:
ADDRESS:	
CONTACT NAME:	TELEPHONE NUMBER:
EMAIL ADDRESS:	
DESCRIBE THE SERVICE, PRODUCT OR OBLIGATION THAT IS BEING COLLECTED OR RECEIVED:	
e-CAPS INFORMATION TO RECORD PAYMENTS	
DEPARTMENT CODE:	UNIT CODE:
Is this a payment for an accounts receivable in eCAPS? <input type="radio"/> Yes <input checked="" type="radio"/> No	
If you answered "Yes," you must provide the information in Option 2 below. If you answered "No," complete Option 1 or 2 to record this payment.	
Option 1 – Revenue Source:	
<input type="radio"/> Countywide Revenue Code: _____ or <input checked="" type="radio"/> Department Revenue Code: _____	
Option 2 – Trust Fund:	
Fund: _____ Balance Sheet Account: _____	
AUTHORIZED SIGNATURE & ACKNOWLEDGMENT	
NAME OF DEPARTMENT HEAD/COURT OR AGENCY ADMINISTRATOR/DISTRICT HEAD (PLEASE PRINT):	
SIGNATURE:	DATE:

SECTION 2 (TO BE COMPLETED BY VENDOR/COMPANY)

VENDOR/COMPANY INFORMATION			
Your signature below acknowledges that you are a duly authorized representative of your Company and further acknowledges on behalf of your Company that this form is an Authorization for ACH Credits (Authorization). You must furnish all information requested in this Section to ensure that our Bank can identify your Company's ACH Credit Entry (or applicable ACH Credit Reversal).			
PLEASE CHECK THE APPROPRIATE BOX:			
<input checked="" type="radio"/> NEW ENROLLMENT <input type="radio"/> CHANGE BANKING INFORMATION <input type="radio"/> CHANGE IN OTHER INFORMATION			
VENDOR/COMPANY NAME:			
VENDOR/COMPANY ADDRESS:			
NAME OF ORIGINATING DEPOSITORY FINANCIAL INSTITUTION:	ROUTING TRANSIT/ABA NUMBER:	COMPANY IDENTIFICATION:	
VENDOR/COMPANY REPRESENTATIVE NAME:	SIGNATURE OF REPRESENTATIVE:	TELEPHONE NUMBER:	DATE:



**LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR
AUTHORIZATION FOR AUTOMATED CLEARING HOUSE (ACH) CREDITS**

SECTION 3 (TO BE COMPLETED BY LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR)

FINANCIAL INSTITUTION INFORMATION	
NAME OF RECEIVING DEPOSITORY FINANCIAL INSTITUTION:	TELEPHONE NUMBER:
ADDRESS:	
ROUTING TRANSIT/ABA NUMBER:	TYPE OF DEPOSITOR ACCOUNT: <input type="radio"/> CHECKING <input type="radio"/> SAVINGS
DEPOSITOR ACCOUNT TITLE:	DEPOSITOR ACCOUNT NUMBER:
<p>The Los Angeles County Treasurer and Tax Collector (TTC) hereby authorizes your Company to initiate ACH Credit Entries, as defined by the National Automated Clearing House Association Rules and Guidelines (Rules and Guidelines) to the designated bank account. The TTC may revoke this Authorization at any time by notifying your Company in writing. As defined by the Rules and Guidelines, your Company is the Originator and the TTC is the Receiver. Both your Company and the TTC agree to be bound by the Rules and Guidelines in effect at any given time for purposes of your Company's Origination of ACH Credit Entries for the Department/Court/Agency/District shown in Section 1.</p>	
<p>_____ Office of the Treasurer and Tax Collector</p>	

NOTIFICATION CONTACT LIST

1. LMR SYSTEM HELP DESK

In the event User requires assistance User may contact the LMR System Help Desk by phone and/or email as follows:

Phone No.: (323) 881-8260
Email: larics.incidents@la-rics.org

2. SERVICE AND EMERGENCY NOTIFICATIONS

In the event the Authority needs to notify the User of all service and emergency outages regarding the LMR System, the notification shall be directed to the following User individuals by phone and/or email:

User
Hugo J. Ballesteros
Sr. Electronics Communications Tech.
Command and Control Division
1320 N. Eastern Avenue
Los Angeles, CA 90063
(323) 881-6124
HBallesteros2@isd.lacounty.gov

User Designee
Command and Control Dispatch
Battalion Chief
Command and Control Division
1320 N. Eastern Avenue
Los Angeles, CA 90063
(323) 881-6015
EDL-FIRE_CCBC@fire.lacounty.gov

August 28, 2024

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

FIRE DEPARTMENT

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 2024-25

4 - VOTES

SOURCES

USES

FIRE DEPARTMENT

DA1-3303

APPROPRIATIONS FOR CONTINGENCIES

DECREASE APPROPRIATION

1,790,000

FIRE DEPARTMENT - SPECIAL SERVICES BUDGET UNIT

DA1-FR-2000-40100-40191

SERVICES & SUPPLIES

INCREASE APPROPRIATION

1,790,000

SOURCES TOTAL

\$ 1,790,000

USES TOTAL

\$ 1,790,000

JUSTIFICATION

This budget adjustment reflects a transfer of appropriation from Appropriation for Contingencies to Special Services Bureau Budget Unit's Services and Supplies appropriation – Equipment to pay the estimated annual subscription cost of LA-RICS.

AUTHORIZED SIGNATURE

JESSICA LINDSEY, ASM III, FMD

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