

Memorandum of Understanding

For

**Santa Ana Workforce Development Board
and the
County of Orange Social Services Agency**

MEMORANDUM OF UNDERSTANDING

1. LEGAL AUTHORITY

The Workforce Innovation and Opportunity Act (“WIOA”) sec. 121(c)(1) requires that each Local Workforce Development Area develop and enter into a Memorandum of Understanding (“MOU”) with each America’s Job Center of California (“AJCC”) Partner, consistent with WIOA Sec. 121(c)(2). This requirement is further described in the WIOA; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the AJCC System Joint Provisions: Final Rule at 20 Code of Federal Regulations (CFR) 678.500, 34 CFR 361.500, and 34 CFR 463.500, and in Federal guidance.

Additionally, the sharing and allocation of infrastructure costs among AJCC Partners is governed by WIOA sec. 121(h), its implementing regulations, and the Federal Cost Principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR part 200.

2. PARTIES

The parties to this MOU are the City Council of the City of Santa Ana, the Santa Ana Workforce Development Board (“SAWDB”), and the County of Orange Social Services Agency (“SSA”), a collocated one-stop AJCC Partner located at the Santa Ana WORK Center, 801 W. Civic Center Drive, Suite 200, Santa Ana, CA 92701.

3. PURPOSE

The purpose of the MOU is consistent with the provisions of WIOA sec. 121(c)(1), to establish a cooperative working relationship between the SAWDB and SSA, the collocated AJCC Partner, and to define their respective roles and responsibilities concerning the operation of the AJCC as it relates to shared services and customers. It serves to establish the framework for providing services to employers, employees, job seekers and others needing workforce services. It also serves to establish a framework to support the established service delivery through the sharing of resources and costs.

4. DURATION

The term of this MOU shall commence on July 1, 2023, and end on June 30, 2025, unless earlier terminated pursuant to the provisions of Paragraph 32 of this MOU; however, the Parties shall be obligated to perform such duties as would normally extend beyond this term, including, but not limited to, obligations with respect to indemnification, reporting and confidentiality.

This MOU will be reviewed not less than once every two years to ensure appropriate funding and delivery of services and to identify any substantial changes that require modification of this MOU. This MOU will remain in effect until the termination date, unless one of the conditions in Paragraph 32 occurs.

5. MODIFICATIONS AND REVISIONS

This MOU and its Attachments 1, 2, 3, 3-1, 4, and 5 constitute the entire agreement between the parties, and no oral understanding not incorporated herein shall be binding on any of the parties hereto. This MOU may be modified, altered, or revised, as necessary, by mutual consent of the parties, by the issuance of a written amendment, signed and dated by the parties, which may require approval by the governing body of each Party. Assignment of responsibilities under this MOU by any of the parties shall require prior written notice and preapproval of all parties. Any assignee shall also commit in writing to the terms of this MOU.

6. SANTA ANA WORKFORCE DEVELOPMENT STRATEGIES

Santa Ana's vision rests on integrating current and future resources through its SAWDB Partners. Integration suggests more than partnering or assembling multiple funding sources. It means making certain that all elements of the workforce support system work together to create inviting and seamless services wherever a client enters the system. Santa Ana's vision is sensitive to the needs of its unique demographics. The SAWDB's overall strategies include:

- a) Identifying regional industry clusters (e.g., manufacturing cluster, medical cluster, etc.) to create new jobs in which Santa Ana's workforce can participate;
- b) Expanding small business development support as a creator of new jobs and method for growing the local tax base;
- c) Educating Santa Ana's current and future workforce through classroom pre-training and training activities, plus on-the-job training and workforce skill enhancement activities;
- d) Offering career pathway programs for both unemployed and employed adults and youth;
- e) Increasing access to jobs for disconnected and underserved populations, especially youth;
- f) Organizing, integrating and supporting social and other services through the SAWDB's network of partnerships, volunteer organizations, and established institutional resources; and,
- g) Assuring funding from all public, private, and other sources in support of its programs.

7. ONE-STOP SYSTEM & SERVICES

A. LOCATION

The AJCC is currently located in Santa Ana as follows:

American Job Center (Comprehensive AJCC)
 Santa Ana WORK CENTER
 801 W. Civic Center Drive, Suite 200
 Santa Ana, CA 92701
 (714) 565-2600
 Open to the Public: Monday – Friday 8:00 am-5:00 pm

The AJCC is currently located at the Santa Ana WORK Center (“SAWC”) as described in the Location of AJCC and all Partners, attached herein as Attachment 1 and incorporated herein by reference. Santa Ana ranks as the fourth densest city in the entire nation. SAWC, through its central location in downtown Santa Ana, shall provide and/or coordinate WIOA services to individuals, providing them with the necessary skills to participate in building a world-class workforce in Santa Ana. The SAWC offers the community a variety of informational, employment and training services based on individual needs. Those needs are met by the combined efforts of the SAWC Partners as described by the Santa Ana AJCC Partner Services, included herein as Attachment 2 and incorporated herein by reference.

B. SERVICES PROVIDED AT THE SANTA ANA WORK CENTER

Services and referrals provided at the SAWC by AJCC Partners may include, but are not limited to, the following:

1. Basic Career Services:

- a. Eligibility determination;
- b. Outreach, intake, and orientation to information and services;
- c. Initial assessment of skill levels, including: literacy, numeracy, and English proficiency; and, aptitudes, abilities, and support service needs;
- d. Labor exchange services, including:
 - i. Job vacancy listings in labor market areas;
 - ii. Information on job skills needed to obtain the vacant jobs; and,
 - iii. Information relating to in-demand occupations, including earnings and opportunities for advancement;
- e. Provision of performance and program cost information on the Eligible Training Provider List eligible programs by program and type of provider;
- f. Provision of information in acceptable formats and languages that identify actual performance against performance accountability measures;
- g. Provision of information related to support services;
- h. Provision of information and assistance in filing Unemployment Insurance claims; and
- i. Assistance in establishing eligibility for programs of financial aid assistance for training and education programs not funded through WIOA.

2. Individualized Career Services:

- a. Comprehensive and specialized assessment of skill levels and service needs including: Diagnostic testing; and, other assessment tools;
- b. In-depth interview and evaluation to determine barriers and goals;
- c. Development of Individual Employment Plan to identify goals, objectives, and services;
- d. Group counseling;
- e. Individual counseling;
- f. Career planning;
- g. Short-term pre-vocational services, including: development of learning skills; communication skills; and, other soft skills to prepare individuals for employment or training;

- h. Workforce preparation activities, including basic academic; and, obtaining other skills necessary for successful transition into postsecondary education, training or employment;
- i. Financial literacy services; and,
- j. Out-of-area job search assistance and relocation assistance.

3. Training Services:

- a. Occupational skills training;
- b. On-the-Job training;
- c. Incumbent worker training;
- d. Programs that combine workplace training with related instruction, which may include cooperative education programs;
- e. Training programs operated by the private sector;
- f. Skill upgrading and retraining;
- g. Entrepreneurial training programs;
- h. Transitional jobs;
- i. Job readiness training provided in combination with any of the aforementioned training Services;
- j. Adult education and literacy activities, including: activities of English language acquisition; and, integrated education and training programs provided concurrently or in combination with any of the aforementioned training services;
- k. Customized training;
- l. Internships and work experiences that are linked to careers; and,
- m. English language acquisition and integrated education and training program.

4. Employer Services:

- a. Recruitment and other business services on behalf of employers.

C. SYSTEM STRUCTURE

1. AJCC ONE-STOP OPERATOR PROCUREMENT

The SAWDB will procure the AJCC Operator through a competitive process in accordance with the Uniform Guidance Cost Principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR part 200 (Uniform Guidance), including the Office of Management and Budget's (OMB) approved exceptions for the U.S. Department of Labor at 2 CFR part 2900, WIOA and its implementing regulations, and local procurement laws and regulations. All documentation for the competitive AJCC operator procurement will be available for public inspection. The State requires that the AJCC operator is re-competed at least every three years and no later than every four years.

2. ROLES AND RESPONSIBILITIES OF PARTIES

a. Provision of Applicable Career Services and Participation in Planning and Development:

The parties to this MOU will work closely together to ensure that the AJCC is a high-performing workplace with staff that ensure quality of service. The AJCC Partner has indicated they shall

provide an array of applicable career services to clients as set forth in Attachment 2. The AJCC Partner agrees to the responsibilities required of all Partners under WIOA Section 121(b). In addition, the AJCC Partners will participate in joint planning, plan development, and modification of activities to accomplish the following:

- i. Continuous partnership building;
- ii. Continuous planning in response to state and federal requirements; and,
- iii. Responsiveness to local and economic conditions, including employer needs.

Parties agree to the co-enrollment of mutual customers in case management to better leverage the resources available for the benefit of the participant and enhance successful outcomes and participate in the operation of the one-stop system consistent with the terms of the MOU and requirements of authorized laws.

Parties agree to collaborate and reasonably assist each other in the development of necessary service delivery protocols for the services outlined in this MOU.

Parties agree that the provisions contained herein are made subject to all applicable federal and state laws, implementing regulations, and guidelines imposed on either or all the parties relating to privacy rights of customers, maintenance of records, and other confidential information relating to customers.

Parties agree that all equipment and furniture purchased by any party for purposes described herein shall remain the property of the purchaser after the termination of this MOU.

b. Parties shall comply with:

- i. Section 188 of the WIOA Nondiscrimination and Equal Opportunity Regulations (29 CFR Part 38; Final Rule, published December 2, 2016);
- ii. Title VI and VII of the Civil Rights Act of 1964 (Public Law 88-352), as amended;
- iii. Section 504 of the Rehabilitation Act of 1973, as amended;
- iv. The Americans with Disabilities Act of 1990, as amended;
- v. The Jobs for Veterans Act (Public Law 107-288) pertaining to priority of service in programs funded by the U.S. Department of Labor;
- vi. Training and Employment Guidance Letter (TEGL) 37-14, Update on Complying with Nondiscrimination Requirements: Discrimination Based on Gender Identity, Gender Expression and Sex Stereotyping are Prohibited Forms of Sex Discrimination in the Workforce Development System and other guidance related to implementing WIOA sec. 188;
- vii. The Non-traditional Employment for Women Act of 1991;
- viii. The Age Discrimination Act of 1967, as amended;

- ix. The Age Discrimination Act of 1975, as amended;
- x. Title IX of the Education Amendments of 1972, as amended;
- xi. The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR part 99);
- xii. Title IX of the Education Amendments of 1972, as amended;
- xiii. Confidentiality requirements governing the protection and use of personal information held by the VR agency (34 CFR 361.38);
- xiv. The confidentiality requirements governing the use of confidential information held by the State UI agency (20 CFR part 603); and,
- xv. All amendments to each, and all requirements imposed by the regulations issued pursuant to these acts.

The Parties agree to inform each other immediately when a customer violates an established policy that would require them to be banned from the center or activity that requires police intervention.

8. SSA RESPONSIBILITIES AS COLLOCATED AJCC PARTNER

SSA commits to collocation of staff, as appropriate, and to providing other professional learning opportunities that promote continuous quality improvement. SSA will further promote system integration to the maximum extent feasible and as authorized by applicable state and federal law through:

- a. Effective communication, information sharing as authorized by law, and collaboration with the AJCC operator;
- b. Joint planning, policy development, and system design processes;
- c. Commitment to the joint mission, vision, goals, strategies, and performance measures;
- d. The design and use of common intake, assessment, referral, and case management processes;
- e. As authorized by law, the use of common and/or linked data management systems and data sharing methods, as appropriate;
- f. Leveraging of resources, including other public agency and non-profit organization services;
- g. Participation in a continuous improvement process designed to boost outcomes and increase customer satisfaction; and

- h. Participation in regularly scheduled Partner meetings to exchange information in support of the above and encourage program and staff integration.

SSA shall provide applicable career services to clients as set forth in the Santa Ana AJCC Partner Services.

9. REFERRALS

The primary principle of the referral system is to provide integrated and seamless delivery of services to workers, job seekers, and employers. In order to facilitate such a system, Partners will ensure and agree to:

- a. Familiarize themselves with the basic eligibility and participation requirements, as well as with the available services and benefits offered, for each of the Partners' programs represented in the AJCC network;
- b. Develop materials summarizing their program requirements and making them available for Partners and customers;
- c. Develop and utilize common intake, eligibility determination, assessment, and registration forms, as appropriate;
- d. Provide substantive referrals to customers who are eligible for supplemental and complementary services and benefits under Partner programs;
- e. Regularly evaluate ways to improve the referral process, including the use of customer satisfaction surveys;
- f. Commit to robust and ongoing communication required for an effective referral process;
- g. Commit to actively follow up on the results of referrals and assuring that Partner resources are being leveraged at an optimal level;
- h. Ensure that intake and referral processes are customer-centered with the intent to provide high quality customer service;
- i. Ensure that general information regarding AJCC programs, services, activities, and resources shall be made available to all customers as appropriate;
- j. Ensure that referrals will be made via CalJOBS, email, or other means;
- k. Ensure that referrals will include a direct link or access to other AJCC Partner staff that can provide meaningful information or service, through the use of collocation, or real-time technology (two-way communication and interaction with AJCC Partners that results in services needed by the customer); and,

- l. Ensure that the referral process will include specific staff name, the activity required,

desired outcome and a method for communicating back to the referring agency that the service need was addressed.

10. SUPERVISION/DAY-TO-DAY OPERATIONS

a. Day-to-Day Supervision

The day-to-day supervision of staff assigned to the AJCCs will be the responsibility of the site supervisor(s). SSA will continue to set the priorities of its staff assigned to the AJCC. Any change in work assignments or any concerns involving the responsibilities of the parties which occur at the worksite will be handled by the site supervisor(s) and SSA management.

b. Santa Ana WORK Center Hours of Operation

The SAWC is open for business: Monday through Friday from 8:00 am until 5:00 pm.

c. SSA Staff Office Hours

The office hours for SSA staff at the AJCC will be established by SSA. All SSA staff will comply with the County of Orange holiday schedule and will provide a copy of their holiday schedule to the SAWDB and SAWC at the beginning of each fiscal year.

d. Building Accessibility

All Partner staff assigned to the SAWC will be issued an access card to SAWC suite 200 and a parking lot pass that allows them to enter and exit the parking lot. It is all individual staff's responsibility to keep them secure. Should they damage or lose them they can be replaced by the SAWDB at the expense of the individual agency staff.

e. Benefits

Each party shall be solely liable and responsible for providing to, or on behalf of, its employee(s), all legally required employee benefits. In addition, each party shall be solely responsive and hold all other parties harmless from all matters relating to payment of each party's employee(s), including compliance with social security withholding, workers' compensation, and all other regulations governing such matters.

11. AJCC OPERATING BUDGET

The purpose of Paragraph 11 is to establish a financial plan, including terms and conditions, to fund the services and operating costs of the local AJCC. The parties to this MOU agree that joint funding is a necessary foundation for an integrated service delivery system. The goal of the operating budget is to develop a funding mechanism that:

- a. Establishes and maintains the Local workforce delivery system at a level that meets the needs of the job seekers and businesses in the Local area;

- b. Reduces duplication and maximizes program impact through the sharing of services, resources, and technologies among Partners (thereby improving each program's effectiveness);
- c. Reduces overhead costs for any one Partner by streamlining and sharing financial, procurement, and facility costs;
- d. Ensures that costs are appropriately shared by AJCC Partners by determining contributions based on the proportionate use of the AJCC centers and relative benefits received, and requiring that all funds are spent solely for allowable purposes in a manner consistent with the applicable authorizing statutes and all other applicable legal requirements, including the Uniform Guidance; and,
- e. All parties will meet and confer regarding replacement, acquisition, cleaning and maintenance of furnishings.

The parties consider this AJCC operating budget the master budget that is necessary to maintain the SAWDB's high-standard AJCC. It includes the following cost categories, as required by WIOA and its implementing regulations:

- a. Infrastructure costs (also separately outlined below in the Infrastructure Funding Agreement);
- b. Career services; and
- c. Shared services.

All costs must be included in the MOU, allocated according to the AJCC Partner's proportionate use and relative benefits received, reconciled every six (6) months against actual costs incurred, and adjusted accordingly. The AJCC operating budget is expected to be transparent and negotiated among Partners on an equitable basis to ensure costs are shared appropriately. All Partners must negotiate in good faith and seek to establish outcomes that are reasonable and fair. All Partners must adhere and reference the rules and regulations included in the executed Office Lease, attached hereto as Attachment 5 and incorporated herein by reference. SSA may be allocated additional space, with mutual consent of both parties, at which time the Office Lease may be amended.

12. INFRASTRUCTURE FUNDING AGREEMENT

The Infrastructure Funding Agreement ("IFA") contains the infrastructure costs budget that is an integral component of the overall AJCC operating budget. The IFA is a mandatory component of the local MOU, described in WIOA sec. 121(c) and 20 CFR 678.500 and 678.755. The IFA contains the AJCC Comprehensive Infrastructure Budget, and Other System Cost Budget, included herein as Attachment 3 and incorporated herein by reference, that is an integral component of the overall AJCC operating budget. The other component of the IFA is the Applicable Career Services, attached herein as Attachment 3-1 and incorporated herein by reference, which includes the shared operating costs and shared services. The overall AJCC operating budget includes the Comprehensive Cost Allocation and Partner Contributions, attached herein as Attachment 4 and

incorporated herein by reference.

AJCC infrastructure costs are defined as non-personnel costs that are necessary for the general operation of the AJCC, including, but not limited to:

- a. Rental of the facilities;
- b. Utilities and maintenance;
- c. Equipment, including assessment-related products and assistive technology for individuals with disabilities; and,
- d. Technology to facilitate access to the AJCC, including technology used for the center's planning and outreach activities.

Changes in the AJCC Partners or an appeal by an AJCC Partner's infrastructure cost contributions will require an amendment of the MOU.

13. COST ALLOCATION METHODOLOGY

The purpose of this infrastructure cost sharing methodology is to summarize, in writing, the methods and procedures that the SAWDB will use to share costs with the AJCC Partner. The AJCC Partner agrees that it will be charged on a monthly basis according to the following cost sharing methodology, and that monthly payment will be submitted within the first ten (10) calendar days of each month.

14. INFRASTRUCTURE COST ALLOCATION METHODOLOGY

- a. Rent Costs: Rent costs shall be based only on the base rent. The base rent is derived from the total assigned square footage, calculating the percentage of usage by each AJCC Partner and applying that percentage to the common area square footage. Assigned square footage plus the percentage of common area square footage equals total square footage for each AJCC Partner. Total square footage for each AJCC Partner multiplied by the base rent per square foot equals total base rent for each AJCC Partner as indicated in the AJCC Comprehensive Infrastructure Budget, and Other System Cost Budget and the Comprehensive Cost Allocation and Partner Contributions. The base rent has an annual increase of 3% over the ten (10)-year life of the Office Lease document (Attachment 5 attached herewith and incorporated herein by reference).
- b. Utilities and Maintenance: This Paragraph includes only telephone services, which includes voicemail on AJCC Partners' phones. Costs for staff phones are charged based on the AJCC Partner's assigned space. Common area phones will be charged according to space allocation.
- c. Telephones:. Telephone costs are based on the actual cost for telephones in assigned spaces. Common area telephones are allocated based on percentage of space allocation.

- d. Technology and Internet Access Costs: Maintenance of Network Wireless Bridge will be a monthly charge based on costs from the vendors. The cost per AJCC Partner is derived from the calculation of total percentage of space used by each AJCC Partner. Recurring monthly charges for Internet, Wi-Fi and other technology charges are allocated based on the percentage of total space allocated.

15. INFRASTRUCTURE CONTRIBUTIONS

The AJCC Partner may provide cash, non-cash (in-kind), and third-party in-kind contributions to cover its share of infrastructure costs. In-kind contributions cannot be used to fund non-infrastructure costs (such as personnel), and must be valued consistent with Uniform Guidance Section 200.306 to ensure such contributions are fairly evaluated and qualify for the AJCC Partner's proportionate share.

If third-party in-kind contributions are made to support the AJCC as a whole (such as facility space), that contribution will not count toward the AJCC Partner's proportionate share of the infrastructure. Rather, the value of the contribution will be applied to the overall infrastructure budget prior to determining proportionate amounts and thereby reduce the contribution required for all AJCC Partners.

- a. Cash: Cash funds provided to the SAWDB, or its designee, by AJCC Partners, either directly or by an interagency transfer, or by a third party.
- b. Non-Cash: Expenditures incurred by AJCC Partners on behalf of the AJCC; and Non-cash contributions or goods or services contributed by a Partner program and used by the AJCC.
- c. Third-party In-kind: Contributions of space, equipment, technology, non-personnel services, or other like items to support the infrastructure costs associated with AJCC operations, by a non-AJCC Partner to: support the AJCC in general or support the proportionate share of AJCC infrastructure costs of a specific Partner [20 CFR 678.720; 20 CFR 678.760; 34 CFR 361.720; 34 CFR 361.760; 34 CFR 463.720; and 34 CFR 463.760].

16. OTHER AJCC DELIVERY SYSTEM COSTS

In compliance with WIOA Joint Rule Section 678.760, the AJCC Partners will use a portion of funds made available under their authorizing federal statute (or fairly evaluated in-kind contributions) to share the additional costs relating to the operation of the One-Stop delivery system. These costs may be shared through cash, non-cash, or third-party in-kind contributions.

As required by Workforce Services Directive (WSD) 16-09, the amount of funds that the AJCC Partner has budgeted to expend on applicable career services and other shared services, which cumulatively with the other AJCC Partners budgeted amounts shall form the Comprehensive Cost Allocation and Partner Contributions.

- a. Career Services Applicable to the AJCC Partner: The AJCC Partner shall provide applicable career services to clients as set forth in the Santa Ana AJCC Partner Services. The agreed upon Applicable Career Services Budget is set forth in Attachment 3-1 attached hereto and

incorporated herein by reference. This budget consists of the AJCC Partner's costs for the service delivery of each applicable career service indicated in the Santa Ana AJCC Partner Services.

- b. Required Consolidated Budget for the Delivery of "Applicable Career Services": The other system costs budget must be a consolidated budget for applicable career services. This budget must include each of the Partner's costs for the service delivery of each applicable career service and a consolidated system budget for career services applicable to more than one Partner as indicated in the Comprehensive Cost Allocation and Partner Contributions.

AJCC Partners understand that while only collocated Partners share infrastructure costs, at this time, all AJCC Partners must share in other System costs through non-cash (in-kind) contributions as set forth herein.

17. DATA SHARING

Parties agree that the use of high-quality, integrated data is essential to inform decisions made by policymakers, employers, and job seekers. Additionally, it is vital to develop and maintain an integrated case management system, as appropriate, that informs customer service throughout customers' interaction with the integrated system and allows information collected from customers at intake to be captured once.

Parties further agree that the collection, use, and disclosure of customers' Personally Identifiable Information (PII) is subject to various requirements set forth in Federal and State privacy laws. Partners acknowledge that the execution of this MOU, by itself, does not function to satisfy all of these requirements, nor that disclosure of such data is legally authorized under Federal and State privacy laws.

For all data that is legally authorized to be shared, including customer PII, collected, used, and disclosed by Partners will be subject to the following:

- a. Customer PII will be properly secured in accordance with the SAWDB's policies and procedures regarding the safeguarding of PII;
- b. The collection, use, and disclosure of customer education records, and the PII contained therein, as defined under FERPA, shall comply with FERPA and applicable State privacy laws;
- c. All confidential data contained in Unemployment Insurance wage records must be protected in accordance with the requirements set forth in 20 CFR part 603;
- d. All personal information contained in Vocational Rehabilitation records must be protected in accordance with the requirements set forth in 34 CFR 361.38;
- e. Customer data may be shared with other programs, for those programs' purposes, within the AJCC network only after the informed written consent of the individual has been obtained, where required;

- f Customer data will be kept confidential, consistent with Federal and State privacy laws and regulations; and,
- g All data exchange activity will be conducted in machine readable format, such as HTML or PDF, for example, and in compliance with Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794 (d)).

All AJCC and Partner staff will be trained in the protection, use, and disclosure requirements governing PII and any other confidential data for all applicable programs, including FERPA-protected education records, confidential information in UI records, and personal information in VR records.

18. CONFIDENTIALITY

All parties expressly agree to abide by all applicable Federal, State, and local laws and regulations regarding confidential information, including PII from educational records, such as but not limited to 20 CFR Part 603, 45 CFR Section 205.50, 20 United States Code (U.S.C.) 1232g and 34 CFR part 99, and 34 CFR 361.38, as well as any applicable State and local laws and regulations.

Each party will ensure that the collection and use of any information, systems, or records that contain PII and other personal or confidential information will be limited to purposes that support the programs and activities described in this MOU and will comply with applicable law.

Each party will ensure that access to software systems and files under its control that contain PII or other personal or confidential information will be limited to authorized staff members who are assigned responsibilities in support of the services and activities described herein and will comply with applicable law. Each party expressly agrees to take measures to ensure that no PII or other personal or confidential information is accessible by unauthorized individuals.

To the extent that confidential, private, or otherwise protected information needs to be shared amongst the parties for the parties' performance of their obligations under this MOU, and to the extent that such sharing is permitted by applicable law, the appropriate data sharing agreements will be created and required confidentiality and ethical certifications will be signed by authorized individuals. With respect to confidential unemployment insurance information, any such data sharing must comply with all of the requirements in 20 CFR Part 603, including but not limited to requirements for an agreement consistent with 20 CFR 603.10, payments of costs, and permissible disclosures.

With respect to the use and disclosure of FERPA-protected customer education records and the PII contained therein, any such data sharing agreement must comply with all of the requirements set forth in 20 U.S.C. § 1232g and 34 CFR Part 99.

With respect to the use and disclosure of personal information contained in VR records, any such data sharing agreement must comply with all of the requirements set forth in 34 CFR 361.38.

19. PRESS RELEASES AND COMMUNICATIONS

All parties shall be consulted and notified prior to communicating with the press, television, radio or any other form of media regarding its duties or performance under this MOU. Participation of each party in press/media presentations will be determined by each party's public relations policies.

The parties agree to utilize the AJCC logo developed by the State of California and the SAWDB on buildings identified for AJCC usage.

20. ACCESSIBILITY

Accessibility to the services provided by the AJCCs and all Partner agencies is essential to meeting the requirements and goals of the local AJCC network. Job seekers and businesses must be able to access all information relevant to them via visits to physical locations as well as in virtual spaces, regardless of gender, age, race, religion, national origin, disability, veteran's status, or on the basis of any other classification protected under state or federal law.

21. NON-DISCRIMINATION AND EQUAL OPPORTUNITY

All parties to this MOU certify that they prohibit, and will continue to prohibit, discrimination, and they certify that no person, otherwise qualified, is denied employment, services, or other benefits on the basis of: (i) political or religious opinion or affiliation, marital status, sexual orientation, gender, gender identification and/or expression, race, color, creed, or national origin; (ii) sex or age, except when age or sex constitutes a bona fide occupational qualification; or (iii) the physical or mental disability of a qualified individual with a disability.

22. GRIEVANCES AND COMPLAINTS PROCEDURE

The AJCC Partner agrees to establish and maintain a procedure for grievance and complaints as outlined in WIOA. The process for handling grievances and complaints is applicable to customers and Partners. These procedures will allow the customer or entity filing the complaint to exhaust every administrative level in receiving a fair and complete hearing and resolution of their grievance. The Partner further agrees to communicate openly and directly to resolve any problems or disputes related to the provision of services in a cooperative manner and at the lowest level of intervention possible. All Partners agree to inform each other immediately when a customer violates an established policy that would require them to be banned from the center or involves police authorities.

23. AMERICAN'S WITH DISABILITIES ACT AND AMENDMENTS COMPLIANCE

The AJCC Partner agrees to ensure that the policies and procedures as well as the programs and services provided at the AJCC are in compliance with the Americans with Disabilities Act ("ADA") and its amendments. Additionally, the SAWDB and the AJCC Partners will ensure that policies and procedures established by the SAWDB and the AJCC Partners are in compliance with the ADA.

24. HOLD HARMLESS/INDEMNIFICATION/LIABILITY

In accordance with provisions of Section 895.4 of the California Government Code, each signatory hereby agrees to indemnify, defend and hold harmless all other signatories identified in this MOU from and against any and all claims, demands, damages and costs arising out of or resulting from any negligent acts or omissions which arise from the performance of the obligations by such indemnifying party pursuant to this MOU. In addition, except for Departments of the State of California which cannot provide for indemnification of court costs and attorney's fees under the indemnification policy of the State of California, all signatories to this MOU agree to indemnify, defend and hold harmless each other from and against all court costs and attorney's fees arising out of or resulting from any negligent acts or omissions which arise from the performance of the obligations by such indemnifying party pursuant to this MOU. It is understood and agreed that all indemnity provided herein shall survive the termination of this MOU.

25. SEVERABILITY

If any part of this MOU is found to be null and void or is otherwise stricken, the rest of this MOU shall remain in force.

26. DRUG AND ALCOHOL-FREE WORKPLACE

All parties to this MOU certify they will comply with the Drug-Free Workplace Act of 1988, 41 U.S.C. 702 et seq., and 2 CFR part 182 which require that all organizations receiving grants from any Federal agency maintain a drug-free workplace. The recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for suspension or debarment under 2 CFR part 180, as adopted by the U.S. Department of Education at 2 CFR 3485, and the U.S. Department of Labor regulations at 29 CFR part 94.

27. CERTIFICATION REGARDING LOBBYING

All parties shall comply with the Byrd Anti-Lobbying Amendment (31 U.S.C. Section 1352), 29 C.F.R. Part 93, and 34 CFR part 82, as well as the requirements in the Uniform Guidance at 2 CFR 200.450. The parties shall not lobby federal entities using federal funds and will disclose lobbying activities as required by law and regulations.

28. DEBARMENT AND SUSPENSION

All parties shall comply with the debarment and suspension requirements (E.O. 12549 and 12689) and 2 CFR part 180 and as adopted by the U.S. Department of Labor at 29 CFR part 2998 and by the U.S. Department of Education at 2 CFR 3485.

29. PRIORITY OF SERVICE

All parties certify that they will adhere to all statutes, regulations, policies, and plans regarding priority of service, including, but not limited to, priority of service for veterans and their eligible spouses, and priority of service for the WIOA title I Adult program, as required by 38 U.S.C. sec. 4215 and its implementing regulations and guidance, and WIOA sec. 134(c)(3)(E) and its implementing regulations and guidance. Partners will target recruitment of special populations that

receive a focus for services under WIOA, such as individuals with disabilities, low-income individuals, basic skills deficient youth, and English language learners.

30. BUY AMERICAN PROVISION

Each party that receives funds made available under title I or II of WIOA or under the Wagner-Peyser Act (29 U.S.C. Section 49, et. seq.) certifies that it will comply with Sections 8301 through 8303 of title 41 of the United States Code (commonly known as the "Buy American Act.") and as referenced in WIOA Section 502 and 20 CFR 683.200(f).

31. SALARY COMPENSATION AND BONUS LIMITATIONS

Each party certifies that, when operating grants funded by the U.S. Department of Labor, it complies with TEGL 05-06, Implementing the Salary and Bonus Limitations in Public Law 109-234, TEGL 17-15, Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2017; Final PY 2017 Allotments for the Wagner-Peyser Act Employment Service (ES) Program Allotments; and Workforce Information Grants to States Allotments for PY 2017, Public Laws 114-113 (Division H, title I, Section 105) and 114-223, and WIOA section 194(15)(A), restricting the use of federal grant funds for compensation and bonuses of an individual, whether charged to either direct or indirect, at a rate in excess of the Federal Office of Personnel Management Executive Level II.

32. TERMINATION

This MOU will remain in effect until the end date specified in Paragraph 4 above, unless:

- a. Federal oversight agencies charged with the administration of WIOA are unable to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this MOU succeeding the first fiscal period. Any party unable to perform pursuant to MOU due to lack of funding shall notify the other parties as soon as the party has knowledge that funds may be unavailable for the continuation of activities under this MOU;
- b. WIOA is repealed or superseded by subsequent federal law;
- c. Local area designation is changed under WIOA; and,
- d. A party breaches any provision of this MOU and such breach is not cured within thirty (30) days after receiving written notice from the SAWDB Chair (or designee) specifying such breach in reasonable detail. In such event, the non-breaching party(s) shall have the right to terminate this MOU by giving written notice thereof to the party in breach, upon which termination will go into effect immediately.

In the event of termination, the parties to the MOU must convene within thirty (30) calendar days after the breach of the MOU to discuss the formation of the successor MOU. At that time, allocated costs must be addressed.

This MOU is of no force or effect until signed by authorized representatives of the participating parties, and approved by the Chief Local Elected Official or his/her designee. The MOU, once signed, becomes part of the local WIOA Plan. Any party may withdraw from this MOU by giving written notice of intent to withdraw at least thirty (30) calendar days in advance of the effective withdrawal date. If agreed to by all parties, the timeframes for notice may be reduced or extended. Notice of withdrawal shall be given to the SAWDB at the address listed in the signed attachments of this MOU, and to the contact person so listed, considering any information updates received by the parties, a courtesy notification shall be made to all parties of this MOU in a timely manner.

33. NOTICES

All notices, requests, claims, correspondence, reports, statements authorized or required by this Agreement, and/or other communications shall be addressed as follows:

City of Santa Ana: City of Santa Ana
 Administration Services
 801 W. Civic Center Dr., Suite 200
 Santa Ana, CA 92701

COUNTY: County of Orange Social Services Agency
 Contracts Services 500 N. State
 College Blvd, Suite #100
 Orange, CA 92868

34. INSURANCE

The AJCC Partners agree that their current in force insurance or self-insurance coverage programs shall apply to their operations performed under the Workforce Innovation Opportunity Act and at the SAWC, including commercial general liability, property damage liability, business personal property, workers' compensation and employee dishonesty/crime coverages. The City of Santa Ana shall be named as additional insured for such insurance and the coverage shall be primary and non-contributory with regard to the City.

35. AUTHORITY AND SIGNATURES

The individuals signing this MOU and its attachments, which are incorporated herein by reference, have the authority to commit the party they represent to the terms of this MOU, and do so commit by signing.

ATTACHMENTS

Attachment 1: AJCC Partners Location and Map

Attachment 2: Santa Ana AJCC Partner Services

Attachment 3: AJCC Comprehensive Infrastructure Budget, and Other System Cost Budget

Attachment 3-1: Applicable Career Services

Attachment 4: Comprehensive Cost Allocation and Partner Contributions

Attachment 5: Office Lease

WHEREFORE, the parties hereto have executed this Agreement in the County of Orange, California.

FOR THE CITY OF SANTA ANA

Attest:

City of Santa Ana:

Jennifer L. Hall
City Clerk

Kristine Ridge
City Manager

Dated: _____

Dated: _____

Recommended for Approval:

Approved as to Form:

Michael Garcia
Executive Director
Community Development Agency



Jose Montoya
Assistant City Attorney

Dated: _____

Dated: _____

FOR SANTA ANA WORKFORCE DEVELOPMENT BOARD

Chair

[Space left intentionally blank]

[Signatures continued on the following page]

WHEREFORE, the parties hereto have executed this Agreement in the County of Orange, California.

COUNTY OF ORANGE
A Political Subdivision of the State of California

By: _____
CHAIRMAN
OF THE BOARD OF SUPERVISORS
COUNTY OF ORANGE, CALIFORNIA

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS
AGREEMENT HAS BEEN DELIVERED TO THE CHAIR
OF THE BOARD PER G.C. SEC. 25103, RESO 79-1535
ATTEST:

ROBIN STIELER
Clerk of the Board
County of Orange, California

APPROVED AS TO FORM
COUNTY COUNSEL
COUNTY OF ORANGE, CALIFORNIA

By: _____
DEPUTY

Dated: _____

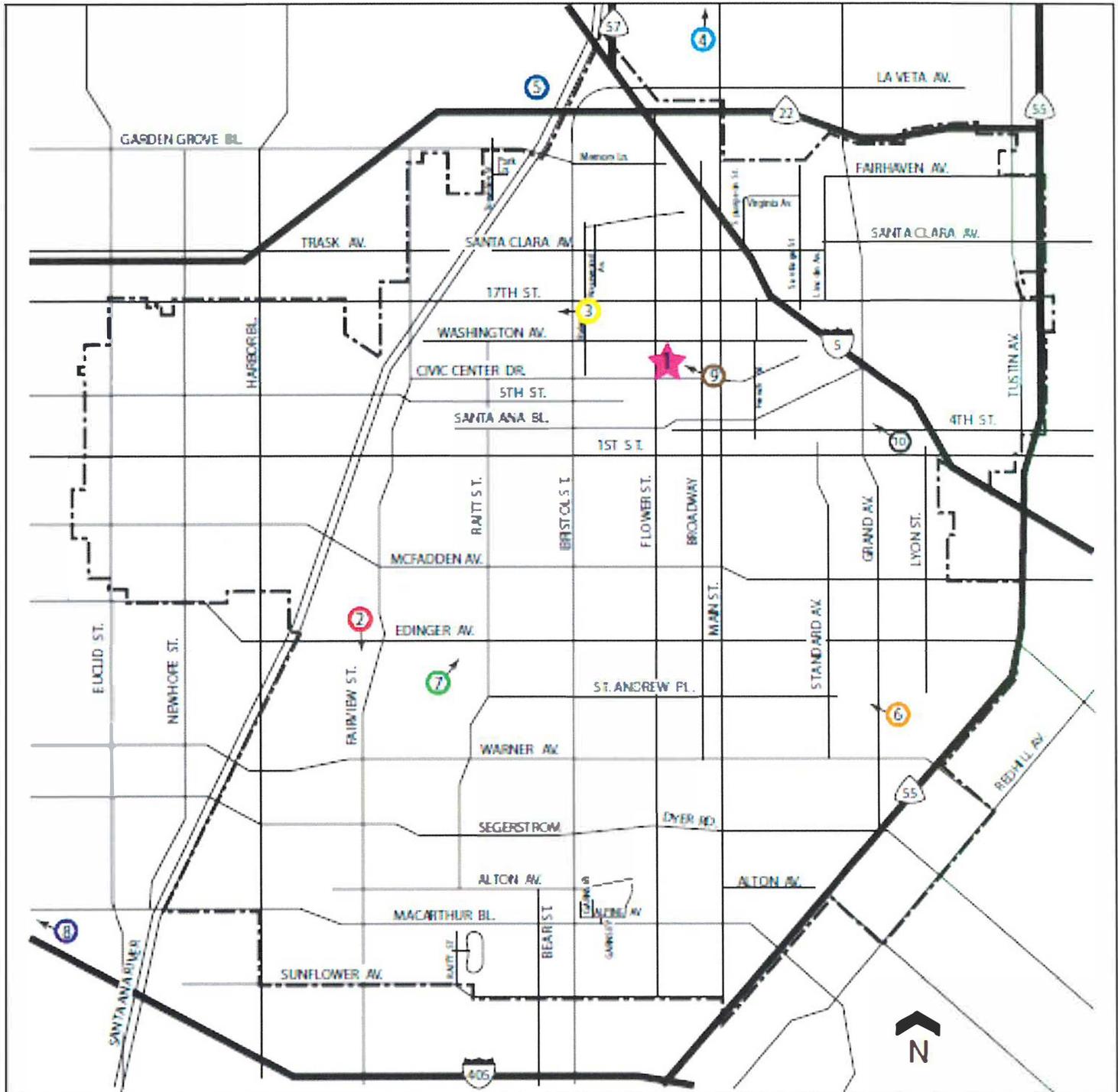
AJCC Partners Location and Map

| Partner Program | Partner Organization | Authorization/Category | Physically Co-Located |
|---|--|--|-----------------------|
| Title I Adult, Dislocated Workers and Youth programs | City of Santa Ana | WIOA Title I Adult, Dislocated Workers, Youth Programs | Yes |
| Adult Education/Literacy and Carl Perkins Career Technical Education | Rancho Santiago Community College District | WIOA title II Adult Education and Family Literacy Act (AEFLA) program | No |
| | | Career and technical education (CTE) programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.) | |
| Wagner-Peyser | Employment Development Department (EDD) | WIOA title III Wagner-Peyser Employment Services, authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), also providing the state's public labor exchange. | Yes |
| Veterans | Employment Development Department (EDD) | Jobs for Veterans State Grants (JVSG), authorized under chapter 41 of title 38, U.S.C. | Yes |
| Trade Act | Employment Development Department (EDD) | Trade Adjustment Assistance (TAA), authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) | Yes |
| Unemployment Insurance (UI) | Employment Development Department (EDD) | Unemployment Insurance (UI) programs under state unemployment compensation laws. | No |
| Vocational Rehabilitation Services | State Department of Rehabilitation | WIOA title IV State Vocational Rehabilitation program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) | Yes |
| Temporary Assistance for Needy Families (TANF) | Social Services Agency, Family Self Sufficiency | Temporary Assistance for Needy Families (TANF), authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) | Yes |
| CalFresh Employment & Training/General Relief Work Program | Social Services Agency, Assistance Programs | 7 CFR parts 271, 272, 273, 274, 275, 276, 277, 281, and 282/ General Relief Work Program (GRWP), authorized under the County of Orange, General Relief Regulations. | Yes |
| Senior Aid Program | Senior Aid Program Regions II & III SER-Jobs for Progress, Inc. | Senior Community Service Employment Program (SCSEP), authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.) | Yes |
| Job Corps | Long Beach Job Corps | WIOA Title I C, Job Corps | No |
| Native American Programs | Southern California Indian Center | Indian and Native American Programs (Section 166) | No |
| Housing & Urban Development | Santa Ana Housing Authority | Housing & Urban Development (HUD) | Yes |

AJCC Partners Location and Map

| Partner Program | Partner Organization | Authorization/Category | Physically Co-Located |
|---------------------|------------------------------------|---|-----------------------|
| Adult Demonstration | Orange County Sheriff's Department | Reentry Employment Opportunities (EO) programs authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169 | No |

AJCC Partners Location and Map



- | | | | |
|---|---|--|--|
| <p>★ Santa Ana WORK Center America's Job Center of California 801 W. Civic Center Dr. Santa Ana, CA 92701</p> | <p>② Centennial Adult Education 2900 W. Edinger Ave. Santa Ana, CA 92704</p> | <p>⑤ State Department of Rehabilitation 709 The City Drive, Suite 110 Orange, CA 92868</p> | <p>⑧ Long Beach Job Corps 1903 Santa Fe Ave. Long Beach, CA 90810</p> |
| <p>Partners: Employment Development Department State Department of Rehabilitation O.C. Social Services Agency Goodwill Industries SER/Senior Aid Program Learn4Life</p> | <p>③ Santa Ana College 1530 W. 17th St. Santa Ana, CA 92706</p> | <p>⑥ Social Services Agency 1928 S. Grand Ave. Santa Ana, CA 92706</p> | <p>⑨ Asian American Senior Center 850 N. Birch St. Santa Ana, CA 92701</p> |
| | <p>④ College & Workforce Preparation Center 1572 N. Main St. Orange, CA 92867</p> | <p>⑦ CTE/ROP Valley High School 1801 S. Greenville Santa Ana, CA 92704</p> | <p>⑩ Remington Education Center 1325 E. 4th St Santa Ana, CA 92701</p> |

SANTA ANA AJCC Partner Services

Attachment 2

| Partner Name | Entity/Program | SANTA ANA AJCC Partner Services | | | Service Delivery Method |
|--|---|---|--|-------------------------------|-------------------------|
| | | Career | Training | Employer | |
| Title I Adult, DW, Youth | City of Santa Ana | 1, 2, 3, 4, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17 | 1, 2, 5, 7, 9 | 1,2,3,4,5,6,7,8 | FT, T, B, P, O |
| Adult Education/ Literacy | Rancho Santiago Community College District | 2, 3, 12, 14-15, 17 | 1, 8 | | B, P, O |
| Wagner-Peyser | Employment Development Department (EDD) | 1,2,3,4,5,6,8,9,10,17, | | 1,2,3,4,6,7,8 | FT, PT,T, A, B,P |
| Veterans (Jobs for Veterans State Grant) | Employment Development Department (EDD) | 1,2,3,4,5,6,8,9,10,11, 12,13,14,15,16,17 | | 1,2,3,4,6,7, | FT, T, A, B, P |
| Trade Act (Trade Adjustment Assistance) | Employment Development Department (EDD) | 1,2,3,4,5,6,8,9,10,11,12,13,14,15,16,17 | 1,4,5,8,9 | 1,2,3,4,6,7,8 | PT, T, A, B |
| Unemployment Compensation | Employment Development Department (EDD) | 1,9 | | 8 | PT, T, A, B |
| Vocational Rehabilitation | State Department of Rehabilitation | 1, 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17 | DOR Eligible: 1, 2, 3, 4, 5, 6, 7, 8, 9, | 1, 2, 4 DOR Eligible: 3, 5, 8 | PT, FT |
| Temporary Assistance for Needy Families | Social Services Agency, Family Self Sufficiency | 1,2,3,4,7,8,10,11,12,13, | 1,3, 4,7,8 | | FT, T, A, B, P |
| CalFresh Employment & Training/General Relief Work Program | Social Services Agency, Assistance Programs | 2, 3, 4, 7, 8, 10, 13 | | | FT, T, A, B, P |
| Carl Perkins Career Technical Education | Rancho Santiago Community College District | 2, 3, 12, 14-15, 17 | 1, 8 | | B, P, O |
| Title V Older Americans Act | Senior Aid Program Regions II & III SER-Jobs for Progress, Inc. | 1,2,3,4,5,8,11,12,13,16 | 1,2,3,7 | 1,2,3,4,6, 7 | PT, T, B |
| Job Corps | Long Beach Job Corps | 2 | 1, 3, 7 | | T, B, P, O |

| | | | | | |
|---|--------------------------------------|---|---|--|-----------|
| Native American Programs (Section 166) | Southern California Indian Center | Eligible Federal state recognized Tribes: 2, 4, 10 | Eligible Federal state recognized Tribes: 1, 7 | | O, P, B,T |
| Housing & Urban Development | Housing Authority | 2, 3, 4, 8, 10, 15 | | | B, P, O |

CAREER SERVICES: Basic Career Services (BCS) include self-help service services requiring minimal staff assistance and Individualized Career Services (ICS) requiring more staff involvement generally provided to individuals unable to find employment through basic career services, and deemed to be in need of more concentrated services to obtain employment; or who are employed but deemed to be in need of more concentrated services to obtain or retain employment that allows for self-sufficiency.

Basic Career Services

- 1. Eligibility Determination:** This is the process of obtaining and documenting information about an individual's circumstances and comparing that information with the criteria set by an agency or program to decide if the individual qualifies for participation.
- 2. Outreach, Intake and Orientation:** Outreach activities involve the collection, publication, and dissemination of information on program services available and directed toward jobless, economically disadvantaged, and other individuals. Intake is the process of collecting basic information, e.g., name, address, phone number, SSN, and all other required information to determine eligibility or ineligibility for an individual's program. Orientation, whether offered in a group setting, one-on-one, or electronically, is the process of providing broad information to customers in order to acquaint them with the services, programs, staff, and other resources at the Santa Ana Work Center, or its partner agencies.
- 3. Initial Assessment:** For individuals new to the workforce system, initial assessment involves the gathering of basic information about skill levels, aptitudes, abilities, barriers, and supportive service needs in order to recommend next steps and determine potential referrals to partners or community resources.
- 4. Job Search, Placement Assistance, and Career Counseling:** Job Search helps an individual seek, locate, apply for, and obtain a job. It may include but is not limited to: job finding skills, orientation to the labor market, resume preparation assistance, referrals to job openings, placement services, job search workshops, vocational exploration, and re-employment services such as orientation, skills determination, and pre-layoff assistance. Placement Assistance is a service that helps people to identify and secure paid employment. Career Counseling is a facilitated exploration of occupational and industrial information.
- 5. Employment statistics-Labor Market Information:** Collect and report data about employment levels, unemployment rates, wages and earnings, employment projections, jobs, training resources and careers; (LMI)

- 6. Eligible Provider performance and program Cost Information:** Collect and provide information on:
- A. Eligible training service providers (described in WIOA Section 122)
 - B. Eligible youth activity providers (described in WIOA Section 123)
 - C. Eligible adult education providers (described in WIOA Title II).
 - D. Eligible postsecondary vocational educational activities and vocational educational activities available to school dropouts under the Carl Perkins Act (20 USC 2301).
 - E. Eligible vocational rehabilitation program activities (described in Title I of the Rehabilitation Act of 1973).
- 7. Local Performance Information:** Collect and provide information on the local area's recent performance measure outcomes.
- 8. Supportive Services' Information:** Collect and provide information on services such as transportation, child care, dependent care, housing, and needs-related payments that are necessary to enable an individual to participate in employment and training activities.
- 9. Unemployment Compensation:** ~~Collect and~~ provide information on filing claims for state benefit payments that protect individuals from economic insecurity while they look for work. Claims may be filed on-line or via telephone available in the Santa Ana Work Center.
- 10. Eligibility Assistance:** Provide guidance to individuals on eligibility for other programs and on financial aid assistance for training and education programs that are available in the local area.
- 11. Follow-Up Services:** Services provided to participants who are placed in unsubsidized employment, for not less than 12 months after the first day of the employment. These services assist those individuals to maintain employment or qualify for promotions with that employment.

Individualized Career Services

- 12. Comprehensive and Specialized Assessments:** A closer look at the skills levels and service needs that may include:
- A. Diagnostic Testing and use of other assessment tools; and
 - B. In-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

13. Individual Employment Plan Development: Working with individuals to identify their employment goals, the appropriate achievement objectives, and the appropriate combination of services that will help the individual achieve those goals.

14. Group Counseling

15. Individual Counseling and Career Planning

16. Case Management: For participants who receive training services under WIOA Section 134(d)(4).

17. Short-Term Prevocational Services: Can include development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training.

Training Services: Services offered through a training provider to help individuals upgrade their skills, earn degrees and certifications, or otherwise enhance their employability through learning and education. Types of training services include:

1. **Occupational Skills Training:** An organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by certain occupational fields at entry, intermediate or advanced levels.
2. **On-the-Job Training (OJT):** Training by an employer that is provided to a paid participant while engaged in productive work that is limited in duration, provides knowledge or skills essential to the full and adequate performance of the job, and reimburses the employer for the costs associated with training the OJT trainee often calculated based on a percentage of the trainee's wages.
3. **Workplace and cooperative education:** Programs that combine workplace training with related instruction which may include cooperative education programs
4. **Training programs operated by the private sector**
5. **Skills upgrading and retraining:** Courses that prepare persons for entrance into a new occupation through instruction in new and different skills demanded by technological changes. These courses train incumbent workers in specific skills needed by that business or industry and that lead to potential career growth and increased wages. This includes courses that develop professional competencies that are particularly relevant to a vocational/occupational goal. It must be demonstrated that the training will result in the workers' acquisition of transferable skills or an industry-recognized certification or credential.
6. **Entrepreneurial training**

7. **Job-readiness training**
8. **Adult Education and Literacy programs:** Services or instruction below the postsecondary level for individuals who are not enrolled or required to be enrolled in secondary school under state law and lack basic educational skills to enable the individuals to function effectively in society and on a job. Services include, but are not limited to, one-on-one instruction, coursework, or workshops that provide direction for the development and ability to read, write, and speak in English, compute, and solve problems, at levels of proficiency necessary to function in society or on the job,
9. **Customized training:** Training that is designed to meet the special requirements of an employer or group of employers and that is conducted with a commitment by the employer to employ an individual upon successful completion of the training and for which the employer pays for a portion of the cost of training.

Employer Services: Santa Ana Work Center services offered to employers include:

1. **Employer needs assessment:** Evaluation of employer needs, particularly future hiring and talent needs.
2. **Job posting:** Receiving and filling of job openings; searching resumes; providing access to a diverse labor pool.
3. **Applicant pre-screening:** Assessing candidates according to the employer's requirements and hiring needs; referring candidates based on their knowledge, skills, and abilities relative to the employer requirements.
4. **Recruitment assistance:** Raising awareness of employers and job openings and attracting individuals to apply for employment at a hiring organization. Specific activities may include posting of employer announcements, provision of job applications, and hosting job fairs and mass recruitment.
5. **Training assistance:** Providing training resources to enable employers to upgrade employee skills, introduce workers to new technology, or to help employees transition into new positions.
6. **Labor Market Information:** Access to information on labor market trends, statistics, and other data related to the economy, wages, industries, etc.
7. **Employer information and referral:** Provision of information on topics of interest to employers such as services available in the community, local training providers, federal laws and requirements, tax information, apprenticeship
8. programs, human resource practices, alien labor certification, incentive programs such as WOTC or the federal bonding program, etc.

9. **Rapid Response and Layoff Aversion:** Provision of services to prevent downsizing or closure, or to assist during layoff events, Strategies may include incumbent worker training to avert lay-offs, financing options, employee ownership options, placement assistance, worker assessments, establishment of transition centers, labor-management committees, peer counseling, etc.

Service Delivery Codes: How will your agency provide the services indicated?

| Code | Method Description |
|-------------|-----------------------------|
| FT | On-Site Staff Full Time |
| PT | On-Site Staff Part Time |
| T | Access Via Telephone |
| A | Access Via Automated System |
| B | Brochure/Handout |
| P | Posting at One-Stop Center |
| O | Other |
| NA | Not Applicable |

Attachment 3

Santa Ana Workforce Development Board

AJCC Comprehensive Infrastructure and Other Costs Budget

2023-2024

| | | SSA 6.61% | | |
|---------------------------------------|--|-----------------|-----------------------|---------------------------------------|
| Cost Category/ Line Item | Cost Details | Monthly Cost | Monthly Property Rent | Total Monthly Rent and Equipment Cost |
| Rent | | | | |
| Base Rent | Incl. Janitorial, Maint and Utilities | | \$2,800.26 | \$2,800.26 |
| | Total Rent | | \$2,800.26 | \$2,800.26 |
| Utilities/Maint/Service | | | | |
| Telephone Services Per Person | Monthly costs of Dial Tone and Voice Mail Assigned | | | \$0.00 |
| Security Guard | 1040 hrs x \$27.50 1040 x \$28.74 | \$295.32 | | \$295.32 |
| | Total Utilities/Maintenance | \$295.32 | \$0.00 | \$295.32 |
| *Equipment | | | | |
| Phone System | Annual Support Cost | | | |
| | Total Equipment | \$0.00 | | \$0.00 |
| **Tech and Access Costs | | | | |
| Information Technology Cost Per Month | Wireless Network Bridge Maintenance | \$7.50 | | \$7.50 |
| | Total Tech and Access | \$7.50 | \$0.00 | \$7.50 |
| Infrastructure Total | | \$302.82 | \$2,800.26 | \$3,103.08 |

Revised

4/12/2023 11:00

***Copiers are leased equipment and are charged by percentage. Additional charge for usage will be calculated and charged

APPLICABLE CAREER SERVICES

| Sharing Other One-Stop Delivery System Costs | |
|---|---------------------|
| <p>The budget must include "applicable career services" as well as any other shared costs agreed upon by the AJCC partners. While only co-located partners share infrastructure costs, all One-Stop partners must share in other system costs, including applicable career services.</p> | |
| Required Consolidated System Budget for "Applicable Career Services" | |
| <p>Summary of Career Services Applicable to Each AJCC Partner The MOU requires identification of the career services that are applicable to each partner program (Attachment 2). Accordingly, this budget includes each of the partner's costs for the service delivery of each applicable career service.</p> <p>Unlike infrastructure cost sharing, other system costs, including "Applicable Career Services" are not limited to the non-personnel costs and should include all costs related to the administration and delivery of those services.</p> | |
| AJCC Applicable Career Services | SSA |
| <p>Career Services:</p> <ul style="list-style-type: none"> • Eligibility Determination (1) • Outreach, Intake and Orientation (2) • Initial Assessment (3) • Job Search, Placement Assistance, and Career Counseling (4) • Employment Statistics-Labor Market Information (5) • Eligible Provider performance and program Cost Information (6) • Local Performance Information (7) • Supportive Services' Information (8) • Unemployment Compensation (9) • Eligibility Assistance (10) • Follow-Up Services (11) • Comprehensive and Specialized Assessments (12) • Individual Employment Plan Development (13) • Group Counseling (14) • Individual Counseling and Career Planning (15) • Case Management (16) • Short-Term Prevocational Services (17) | <p>\$345,646.29</p> |
| <p>Training</p> <ul style="list-style-type: none"> • Occupational Skills Training (1) • On-the-Job Training (OJT) (2) • Workplace and cooperative education (3) • Training programs operated by the private sector (4) • Skills upgrading and retraining (5) • Entrepreneurial training (6) • Job-readiness training (7) • Adult Education and Literacy programs (8) • Customized training (9) | <p>\$534,353.71</p> |

APPLICABLE CAREER SERVICES

| | |
|---|-----------|
| Employer Services <ul style="list-style-type: none">• Employer needs assessment (1)• Job posting (2)• Applicant pre-screening (3)• Recruitment assistance (4)• Training assistance (5)• Labor Market Information (6)• Employer information and referral (7)• Rapid Response and Layoff Aversion (8) | \$0 |
| Total Career Service Cost | \$880,000 |

Comprehensive Cost Allocation and Partner Contributions

AJCC (Comprehensive)

| Partner Program | Square Footage Paid for Based on Office Sharing / Payment Ratio | % of Total Square Footage | Monthly Property Rent* | CAM Charges | Operational Cost and Management Fees | Monthly Charges for Equipment | Monthly Rent + Equipment usage | Amount : In-Kind | Partner Contributions Yearly Career Services** |
|--|---|---------------------------|------------------------|------------------|--------------------------------------|-------------------------------|--------------------------------|------------------|--|
| EDD | 9548.00 | 50.88% | \$ 22,437.80 | | \$ 843.66 | \$ 5,436.51 | \$ 28,717.97 | | \$ 1,493,317.04 |
| Santa Ana WORK Center (City of Santa Ana) | 7705.28 | 38.43% | \$ 18,107.41 | \$ 490.87 | \$ - | \$ 4,067.82 | \$ 22,666.10 | \$ - | \$ 1,235,907.20 |
| Department of Rehabilitation | 219.03 | 1.13% | \$ 514.72 | \$ 12.08 | | \$ 138.70 | \$ 665.50 | \$ - | \$ 2,945,349.48 |
| Social Services Agency-Family Self-Sufficiency | 1191.60 | 6.17% | \$ 2,800.26 | | | \$ 302.82 | \$ 3,103.08 | | \$ 800,000.00 |
| Santa Ana Housing Authority | 438.06 | 2.26% | \$ 1,029.44 | \$ 24.17 | | \$ 277.40 | \$ 1,331.02 | | \$ 82,290.00 |
| SER Jobs for Progress | 219.03 | 1.13% | \$ 514.72 | \$ 12.08 | | \$ 138.70 | \$ 665.50 | | \$ 2,945,349.48 |
| Community Action Partnership of OC | | | | | | | | | \$ 225,000.00 |
| Rancho Santiago Community College District | | | | | | | | | \$ 1,511,191.70 |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total Rentable Space | 19321.00 | 100.00% | \$ 45,404.35 | \$ 539.21 | \$ 843.66 | \$ 10,361.95 | \$ 57,149.17 | \$ - | \$ 6,556,863.72 |

Revised 4/12/23 11:33:35 AM

* Rent is \$2.35 per Square foot with 3% increase annually

** Yearly Career Services is reported by respective partners listed and may include but is not limited to partners payroll, client training expenses, client services expense, etc.

**FIRST AMENDMENT TO OFFICE LEASE BETWEEN
SANTA ANA CA I SGF, LLC AND THE CITY OF SANTA ANA**

THIS FIRST AMENDMENT TO OFFICE LEASE (this "First Amendment") is entered into as of _____, 2023 (the "Effective Date") by and between **SANTA ANA CA I SGF, LLC**, a Delaware limited liability company ("Landlord"), and **THE CITY OF SANTA ANA**, a charter city and municipal corporation ("Tenant").

WITNESSETH:

WHEREAS, Landlord, as successor-in-interest to CF SANTANA, LLC, a Delaware limited liability company, and Tenant entered into that certain Office Lease No. A-2017-264 dated October 7, 2017, Tenant Estoppel Certificate No. A-2017-264-01 dated February 8, 2018, and Exhibit B Notice of Lease Term Dates No. A-2017-264-02 dated February 16, 2018 (hereinafter collectively referred to as the "Lease"), pursuant to which Landlord leased to Tenant and Tenant leased from Landlord that certain premises identified as Suite 200 containing approximately 19,321 rentable square feet of office space (the "Premises") in the building located at 801 Civic Center Drive, Santa Ana, CA 92701 (the "Building");

WHEREAS, Landlord and Tenant desire to amend the Lease to set a new Term of the Lease, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the aforesaid premises and the other agreements and covenants hereafter set forth and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows:

1. Incorporation of Recitals. The above recitals are hereby incorporated into this First Amendment as if fully set forth herein. As used herein the term "Lease" shall mean the Lease as amended by this First Amendment.

2. Definitions. All capitalized terms used in this First Amendment shall have the meanings assigned to them in the Lease unless otherwise specified herein.

3. Term. The Initial Term as defined by Section 3, Basic Lease Provisions, of the Lease is hereby for a period of One Hundred Twenty (120) full calendar months, commencing on July 1, 2023 and expiring on June 30, 2033 (the "Term").

Tenant shall have the right to extend the Term for two (2) sixty (60) month periods, in accordance with Section 3.2.2, Standard Lease Provisions, of the Lease.

4. Base Rent. Commencing on July 1, 2023, Tenant shall pay Base Rent in the following amounts:

| <u>Dates</u> | <u>Annual Base Rent</u> | <u>Monthly Installment of Base Rent</u> | <u>Annual Rental Rate per RSF</u> |
|----------------------|-------------------------|---|-----------------------------------|
| 7/1/2023 – 6/30/2024 | \$544,852.20 | \$45,404.35 | \$2.35 |

| | | | |
|----------------------|--------------|-------------|--------|
| 7/1/2024 – 6/30/2025 | \$561,197.77 | \$46,766.48 | \$2.42 |
| 7/1/2025 – 6/30/2026 | \$578,033.70 | \$48,169.47 | \$2.49 |
| 7/1/2026 – 6/30/2027 | \$595,374.71 | \$49,614.56 | \$2.57 |
| 7/1/2027 – 6/30/2028 | \$613,235.95 | \$51,103.00 | \$2.64 |
| 7/1/2028 – 6/30/2029 | \$631,633.03 | \$52,636.09 | \$2.72 |
| 7/1/2029 – 6/30/2030 | \$650,582.02 | \$54,215.17 | \$2.81 |
| 7/1/2030 – 6/30/2031 | \$670,099.48 | \$55,841.62 | \$2.89 |
| 7/1/2031 – 6/30/2032 | \$690,202.47 | \$57,516.87 | \$2.98 |
| 7/1/2032 – 6/30/2033 | \$710,908.54 | \$59,242.38 | \$3.07 |

5. Base Year. The “Base Year” is hereby amended to reflect calendar year 2023.
6. Subsection 14.1, Waiver of Liability and Indemnification, of the Standard Lease Provisions, is hereby amended as follows:

Except to the extent caused by the gross negligence of Landlord or its agents, contractors or employees, Tenant hereby waives all claims and causes of action against Landlord and all of the other Landlord Parties for any damage to persons or property (including, without limitation, loss of profits and intangible, property) in any way relating to Tenant's use and occupancy of the Premises from any cause whatsoever, including, without limitation fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part the Building or from the pipes, appliances, equipment or plumbing works or from the roof, street or sub-surface or from any other place or caused by dampness, vandalism, malicious mischief. Tenant shall indemnify, defend, protect and hold harmless Landlord and each of the Landlord Parties from and against any and all Claims that arise out of, are occasioned by or are in any way attributable to: (a) the use or occupancy of the Premises or any portion of the Project by Tenant, (b) the acts or omissions of Tenant or any Tenant Party, (c) any default of this Lease by Tenant, or (d) any litigation or other proceedings between Tenant and any third party; provided that Tenant shall not be required to so indemnify, defend or hold Landlord or any of the other Landlord Parties harmless to the extent that any such Claims arise out of the gross negligence or willful misconduct of Landlord, its agents or employees.

7. Tenant Improvements. Landlord consents to (but does not require) Tenant's completion of certain improvements to the Premises (collectively, the “Tenant Improvements”), subject to the terms and conditions of Exhibit A attached hereto and made a part hereof.

8. As-Is Condition. Tenant accepts the Premises in its “AS-IS, WHERE-IS” condition as of the Effective Date, and Landlord makes no representation or warranty concerning the condition of the Leased Premises and has no obligation to construct, remodel, improve, repair, decorate or paint the Premises or any improvement on or a part of the Premises, except as may be otherwise set forth in the Lease. Tenant represents that (a) it has been in possession of the Premises pursuant to the Lease, (b) it has inspected the Premises prior to execution of this First Amendment, (c) it is not relying on any statement, representation or warranty of Landlord, its employees or agents, and (d) is fully satisfied with the condition of the Premises.

9. Parking. Section 2.3.2(c)(ii) is hereby deleted in its entirety and replaced with the following:

“Notwithstanding the foregoing, each calendar month during the Term, Landlord shall provide to Tenant, without charge: (A) a number of Short Term Project Parking Validations (defined below) equal to the product of thirty (30) and the number of days in such calendar month (during the Term) and (B) a number of Long Term Project Parking Validations (defined below) equal to the product of one hundred eighty (180) and the number of days in such calendar month (during the Term), in each case to be used only by Tenant's Business Customers for parking in the Parking Facilities without charge; provided that (x) Landlord shall not, at any time during the Term, be required under this Section 2.3.2(c)(ii) to provide a number of Project Parking Validations in any calendar month in excess of a number equal to the product of two hundred ten (210) and the number of days in such calendar month (during the Term) and (y) any Project Parking Validations provided by Landlord with respect to any particular calendar month that are not used during such calendar month shall, at the election of Landlord, either: (1) become null and void (and be returned to Landlord) or (2) be credited against Landlord's obligations to provide Project Parking Validations under this Section 2.3.2(c)(ii) for subsequent calendar months. No Project Parking Validations provided by Landlord to Tenant under this Section 2.3.2(c)(E) shall be used to accommodate parking, without charge, by any particular Tenant's Business Customer(s), for a period in excess of three (3) hours on any day without Landlord's prior approval (and Tenant shall not provide any particular Tenant's Business Customer more than one Project Parking Validation on any particular day). "Short Term Project Parking Validations" means Project Parking Validations permitting Persons using such Project Parking Validations to park in the Parking Facilities for up to twenty (20) minutes without charge. "Long Term Project Parking Validations" means Project Parking Validations permitting Persons using such Project Parking Validations to park in the Parking Facilities for up to one (1) hour without charge.”

10. No Default. Each of Landlord and Tenant hereby affirm to each other that as of the Effective Date no breach, default, event of default, or other act, error, or omission which, with the giving of notice or passage of time or both would constitute a breach, default, or event of default by such party has occurred and is continuing under the Lease beyond any applicable notice or cure period.

11. Affirmation of Lease Terms. Except as modified by this First Amendment, Landlord and Tenant hereby ratify the Lease and agree that the Lease shall remain unchanged and shall continue in full force and effect. In the event there is any conflict between the terms of the Lease and the terms set forth in this First Amendment, the terms specifically set out in this First Amendment shall control. From and after the Effective Date, any and all references to “the Lease” or “this Lease” in the Lease shall mean the Lease as modified by this First Amendment.

12. Mutual Authorization Representation. Each of Landlord and Tenant hereby represent and warrant to each other that: (a) this First Amendment (and each term and provision hereof) has been duly and appropriately authorized and executed by such party through proper written corporate or limited liability company action and approval; and (b) no additional consent, agreement, or approval is required with respect hereto.

13. Brokerage. Landlord and Tenant each represent that they had no dealings with any real estate broker, finder, or other person with respect to this First Amendment in any manner, other than Lee & Associates Newport Beach, Inc. representing Tenant ("Tenant's Broker") and Newmark representing Landlord ("Landlord's Broker" and collectively with Tenant's Broker, the "Brokers"). Landlord shall pay Brokers a leasing commission in connection with this First Amendment pursuant to separate agreement. Tenant shall indemnify and hold Landlord harmless from any cost, expense or liability (including costs of suit and reasonable attorney's fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this First Amendment or its negotiation by reason of the act of Tenant. Landlord shall indemnify Tenant and hold Tenant harmless from any cost, expense or liability (including costs of suit and reasonable attorney's fees) for any compensation, commission or fees claimed by any real estate broker or agent in connection with this First Amendment or its negotiation by reason of the act of Landlord.

14. Miscellaneous. The submission of an unsigned copy of this First Amendment to Tenant shall not constitute an offer. This First Amendment (a) shall be binding upon an inure to the benefit of the parties hereto and their respective successors, heirs, legal representatives and assigns, (b) may be executed in two or more counterparts, all of which together shall constitute but one and the same agreement, (c) shall be governed by and construed in accordance with the laws of the State of California and both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement, (d) shall constitute the entire agreement between the parties relating to the subject matter hereof, all prior negotiations, agreements, and understandings (not including the Lease, as amended), whether oral or written, being hereby superseded and terminated, and (e) shall become effective and binding only upon execution and delivery by both Landlord and Tenant. The execution of facsimiles, including the use of electronic signatures, of this First Amendment shall be binding on the parties hereto.

17. E-SIGN and Counterparts. Landlord and Tenant agree: (a) that a party's electronic signature with respect to this Lease has been executed or adopted by the signatory with the intent to sign, and be bound by, this Lease; (b) delivery of this Lease via electronic transmission or other electronic means shall be valid delivery for all purposes; (c) this Lease and any additional information incidental hereto may be maintained as electronic records; (d) photocopies, facsimile transmissions, electronic images and other copies of this Lease and/or its signature pages, shall be valid, binding, effective and enforceable the same as originals for all purposes, and may be so admitted in any judicial proceeding, regulatory proceeding or arbitration, and in making proof of this Lease it shall be unnecessary to produce the original hereof or any or all original signature pages; and (e) each party agrees to take any and all reasonable actions, if any, as may be necessary or as may be reasonably requested by any other party to this Lease to further evidence such party's intent to be bound by the provisions of this Lease and to ensure compliance with the provisions of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001, et seq., the Uniform Electronic Transactions Act as incorporated into applicable law, and any other applicable law pertaining to electronic signatures.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to be effective as of the date first set forth above.

ATTEST:

CITY OF SANTA ANA (TENANT):

Jennifer L. Hall
City Clerk

Kristine Ridge
City Manager

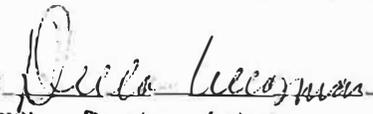
APPROVED AS TO FORM:

LANDLORD:

SONIA R. CARVALHO
City Attorney

SANTA ANA CA I SGF, LLC,
a Delaware limited liability company



By: 
Name: Della Weigman
Title: Authorized Signatory

By: Jose Montoya, Assistant City Attorney

RECOMMENDED FOR APPROVAL:

Mike Garcia
Executive Director
Community Development Agency

Mike Garcia - Executive Director Community Development Agency

[SIGNATURE PAGE TO FIRST AMENDMENT TO OFFICE LEASE]

EXHIBIT A
WORK LETTER

THIS WORK LETTER (this "Work Letter") is attached to and incorporated into the First Amendment. Supplementing the provisions of the Lease (as amended by the First Amendment), but without limiting those provisions, Landlord and Tenant agree as follows with respect to the Tenant Improvements to be installed in the Premises.

1. **Purpose.** This Work Letter establishes responsibilities for the design and construction of the Tenant Improvements as well as the allocation of the costs of the Tenant Improvements. The terms, conditions, and requirements of the Lease, except where clearly inconsistent or inapplicable to this Work Letter, are incorporated into this Work Letter.

2. **Definitions.** The following defined terms used in this Work Letter shall have the meanings set forth below. Unless provided to the contrary herein, any other capitalized term that is not defined in this Work Letter shall have the meaning given to that term in the Lease.

- (a) **"Approved Working Drawings"** is defined in Section 3(c) hereof.
- (b) **"Building Systems"** means the structural portions of the Building, the common area restrooms, elevators, the Building's HVAC, mechanical, electrical, plumbing, and fire and life safety systems and equipment (including, but not limited to, the fire alarm and fire sprinklers).
- (c) **"Contractor"** means the general contractor engaged by Landlord for performance of the Landlord Work pursuant to Section 4 hereof.
- (d) **"Cost Proposal"** is defined in Section 5(a) hereof.
- (e) **"Days"** means, unless otherwise indicated, calendar days.
- (f) **"Landlord Coordination Fee"** means a fee equal to five percent (5%) of the hard and soft costs of the Landlord Work charged by Landlord for its services in managing the design and construction of the Tenant Improvements, and such fee will be included in the cost of the Landlord Work and deducted from the Tenant Allowance.
- (g) **"Landlord's Representative"** means Dana Duarte as the only person authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other communication from or on behalf of Landlord in connection with this Work Letter unless such communication is in writing from Landlord's Representative. Landlord may change the Landlord's Representative at any time upon not less than five (5) days' advance written notice to Tenant.
- (h) **"Landlord Work"** means all work necessary and appropriate to complete the Tenant Improvements in accordance with this Work Letter and the Lease.

(i) **"Over-Allowance Amount"** is defined in Section 10(d) hereof.

(j) **"Permits"** is defined in Section 6(a) hereof.

(k) **"Punch List Work"** means those minor corrections of construction or decoration details, and minor mechanical adjustments, that are required to cause any applicable portion of the Tenant Improvements as constructed to conform to the Approved Plans in all material respects and that do not materially interfere with Tenant's use or occupancy of the Building and the Premises.

(l) **"Space Plan"** is defined in Section 3(a) hereof.

(m) **"Space Plan Allowance"** shall be Zero and 15/100 Dollars (\$0.15) per rentable square foot of the Premises (i.e., up to \$2,898.15), based on 19,321 rentable square feet of the Premises, and shall be included in the Tenant Allowance and deducted therefrom.

(n) **"Substantial Completion"** of the Tenant Improvements shall be deemed to have occurred on the date that: (i) all Landlord Work has been performed in accordance with the terms of this Work Letter, other than any Punch List Work; and (ii) if required, Landlord has obtained and delivered to Tenant a permanent or temporary certificate of occupancy ("COO") with respect to the Premises, except to the extent the same cannot be obtained by reason of the incompleteness of installations or other work that is the responsibility of Tenant (such as, but not limited to, the installation and making operational of Tenant's systems and telecommunications equipment), in which case Landlord shall obtain the same within a reasonable time after the same can be obtained.

(o) **"Tenant Allowance"** shall be Twenty-Eight and 00/100 Dollars (\$28.00) per rentable square foot of the Premises (i.e., up to \$540,988.00), based on 19,321 rentable square feet of the Premises.

(p) **"Tenant Contractor"** or **"Tenant Contractors"** means any employees, agents, contractors, consultants, subcontractors, mechanics, suppliers and invitees of Tenant, whether or not directly employed by Tenant, each of whom shall be reasonably approved by Landlord before they may work in the Building.

(q) **"Tenant Delay"** means a delay caused by any of the following:

(i) Tenant's failure to timely approve the Working Drawings or any other matter requiring Tenant's approval;

(ii) a breach by Tenant of the terms of this Work Letter or the Lease;

(iii) Tenant's request for changes in any of the Working Drawings, but only if such a request actually causes a delay to Substantial Completion of the Premises;

(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 Premises, but only to the extent that such a requirement actually causes a delay to Substantial Completion of the Premises; or

(v) any other acts or omissions of Tenant, or of any of the Tenant Contractors, their agents, or employees that continue more than one (1) day after written notice thereof by Landlord.

(r) **"Tenant FF&E Allowance:** means a portion of the Tenant Allowance in the amount of up to Ten and 00/100 Dollars (\$10.00) per rentable square foot of the Premises (i.e., up to \$193,210.00), which Tenant may use for Tenant's furniture, fixtures and equipment to be purchased and installed in the Premises and any costs of data cabling and IT infrastructure in connection with Tenant's furniture, fixtures and equipment.

(s) **"Tenant's Representative"** means the Executive Director, Community Development, or the Economic Development Manager or their designee (either such individual acting alone) as the only person[s] authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry, or other communication from or on behalf of Tenant in connection with this Work Letter unless such communication is in writing from Tenant's Representative. Tenant may change the Tenant's Representative[s] at any time upon not less than five (5) days' advance written notice to Landlord.

(t) **"Working Drawings"** is defined in Section 3(b) hereof.

3. Plan Approval.

(a) Prior to commencement of the Landlord Work, Landlord and Tenant shall approve detailed space plans (collectively, the **"Space Plan"**) for the construction of the Tenant Improvements, which space plans shall be prepared by Landlord's architect and subject to Tenant's reasonable approval within ten (10) days after receipt thereof.

(b) Promptly following Tenant's approval of the Space Plan, Landlord shall cause its architect and engineers to prepare and deliver to Tenant detailed specifications and engineered working drawings for the Tenant Improvements shown on the Space Plan, with such modifications to the Space Plan as shall be necessary to comply with the requirements of the Building Systems of the Building (the **"Working Drawings"**).

(c) Tenant shall approve or disapprove the Working Drawings in writing within fourteen (14) business days after receipt. Tenant may only disapprove the Working Drawings to the extent such Working Drawings are inconsistent with the Space Plan and only if Tenant delivers to Landlord, within such fourteen (14) business day period, specific changes proposed by Tenant which are consistent with the Space Plan. If any such revisions are timely and properly proposed by Tenant, Landlord shall cause its architect and

engineers to revise the Working Drawings to incorporate such revisions and submit the same for Tenant's approval in accordance with the foregoing provisions, and the parties shall follow the foregoing procedures for approving the Working Drawings until the same are finally approved by Landlord and Tenant. Upon Landlord's and Tenant's written approval of the Working Drawings, including any agreed changes pursuant to Sections 5 and 6, the same shall be known as the "**Approved Working Drawings**".

4. **Construction Contracts.** Landlord shall enter into a construction contract for the performance of the Landlord Work with the Contractor. Landlord shall use commercially reasonable efforts to obtain at least three (3) bids from each trade (other than mechanical, electrical, plumbing, and fire/life safety, for each of which Landlord shall require all work to be performed by Landlord's approved subcontractor for such trade) and shall select the lowest qualified bidder unless otherwise approved by Tenant in writing. Landlord shall require its Contractor to exercise reasonable efforts to avoid disruption of Tenant's business and to protect the health & safety of Tenant, its employees and its guests. This shall include, at a minimum, using all feasible methods to minimize danger, noise, vibration, fumes, dust and other pollution, and to the extent practicable, perform work outside of normal business hours.

5. **Cost Estimate.**

(a) Landlord shall provide Tenant with a cost proposal in accordance with the Approved Working Drawings, which cost proposal shall include, as nearly as possible, the cost of the Tenant Improvements (the "**Cost Proposal**"). The Cost Proposal shall be provided to Tenant on an open book basis (i.e., Landlord shall make available to Tenant the economic terms of the construction agreement with the Contractor (including, without limitation, the cost of labor and materials, contractor fees and permit fees), as well as all bids received by Landlord for the Landlord Work, and reasonable documentation supporting Landlord's estimate of plan preparation costs and all other costs of the Landlord Work).

(b) Within ten (10) days of the receipt of the same, Tenant shall either: (i) approve the Cost Proposal; or (ii) have a one-time right to propose modifications to the Working Drawings so that the Cost Proposal does not exceed the amount of the Tenant Allowance. With the exception of the City's one-time right to modify as provided in this section, any proposed changes to the Working Drawings (other than changes that make the Working Drawings conform to the Space Plan) shall be subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed. If Landlord approves the proposed revisions: (A) Landlord shall have the Working Drawings revised in accordance with the approved revisions; and (B) Landlord shall submit a revised Cost Proposal to Tenant. Tenant shall notify Landlord in writing within ten (10) days whether it desires to proceed with such revisions. If Tenant fails to approve such revisions and revised Cost Proposal within such ten (10) day period; such failure shall be deemed to be a Tenant Delay. Any delays arising from further changes to the Working Drawings requested by Tenant shall be deemed to be Tenant Delays.

(c) Tenant's final written approval of the Cost Proposal and the Approved Working Drawings shall be authorization by Tenant for Landlord to purchase all materials

set forth in the Cost Proposal and to promptly commence the construction of the Tenant Improvements in accordance with the Approved Working Drawings.

6. **Performance of the Landlord Work.**

(a) Landlord shall cause the Contractor to obtain all applicable building permits for construction of the Landlord Work (collectively, the "Permits"), and to perform the Landlord Work in a good and workmanlike manner and in compliance with the Permits and all applicable Laws in effect at the time of construction. All costs associated with obtaining Permits will be deducted from the Tenant Allowance.

(b) If any local governmental agency requires revisions to the Approved Working Drawings, Tenant shall be deemed to have approved any adjustments to the Approved Working Drawings and the Cost Proposal resulting therefrom. If any Authority issuing Permits for the construction of the Tenant Improvements shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Landlord's obligations hereunder; (ii) increase the cost of constructing the Tenant Improvements; or (iii) will materially delay the construction of the Tenant Improvements, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

7. **Change Requests.** No changes to the Approved Working Drawings or the agreed Cost Proposal may be made without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. If Tenant requests a change that would directly or indirectly delay the Substantial Completion of the Tenant Improvements, Landlord shall not be obligated to make such change unless Tenant agrees in writing that such delay (in the amount reasonably determined by Landlord) is a Tenant Delay. If Tenant requests a change to the Approved Working Drawings that increases the agreed Cost Proposal, Landlord shall not be obligated to make such change unless Tenant agrees in writing to pay any such increase in costs in accordance with Section 10.

8. **Substantial Completion.** When Landlord's architect certifies that the Landlord Work is Substantially Complete, Landlord shall notify Tenant thereof in writing. Tenant's Representative and Landlord's Representative shall at a mutually convenient date and time [but in no event later than ten (10) days after such notice] conduct a joint walk-through of the Premises in order to review the Tenant Improvements. Based upon said walk-through, Landlord's Representative and Tenant's Representative shall prepare a list of Punch List Work and, subject to Force Majeure, Tenant Delays and other causes beyond Landlord's reasonable control, Landlord shall complete the Punch List Work items within thirty (30) days after such joint walk-through. In the event of any dispute as to whether Landlord has Substantially Completed the Tenant Improvements, the City will be afforded an opportunity to provide input before the Landlord's architect renders a final decision on the dispute. The decision of Landlord's architect shall be final and binding on the parties. Tenant agrees that, at the request of Landlord from time to time after the initial inspection, Tenant shall initial such punch list or execute revised lists of Punch List Work to reflect completion or partial completion of prior Punch List Work.

9. **Access by Tenant.** Subject to the terms hereof and provided that Tenant and its agents do not interfere with the Contractor's work in the Building and the Premises, Landlord shall allow Tenant and any of the Tenant Contractors access to the applicable portions of the Premises at least ten (10) days prior to the Substantial Completion of the Landlord Work for the purpose of installing equipment and/or fixtures (including Tenant's data and telephone equipment) and Tenant's furniture in the Premises. Prior to Tenant's entry into the Premises, Tenant shall submit a schedule to Landlord and the Contractor, for their approval, which schedule shall detail the Tenant Contractors accessing the Premises and the timing and purpose of such entry. In connection with any such entry, Tenant acknowledges and agrees that all Tenant Contractors shall fully cooperate, work in harmony with and not, in any manner, materially interfere with Landlord or Landlord's contractors (including the Contractor), agents, or representatives in performing work in the Building and the Premises, or in performing any inspections, or interfere with the general operation of the Building. If at any time any of the Tenant Contractors shall not be cooperative or shall otherwise cause or threaten to cause any such disharmony or interference, including, without limitation, labor disharmony, and Tenant fails to immediately institute and maintain corrective actions as directed by Landlord, then Landlord may revoke Tenant's entry rights (as to an individual Tenant Contractor, or as to all Tenant Contractors, as Landlord shall deem appropriate). Tenant acknowledges and agrees that any such entry into and occupancy of the Premises or any portion thereof by Tenant or any Tenant Contractor shall be deemed to be subject to all the terms, covenants, conditions, and provisions of the Lease, excluding only the covenant to pay Rent (until the occurrence of the Lease Commencement Date).

10. **Cost Allocation.**

(a) Provided this Lease is in full force and effect, and Tenant is not in default thereunder beyond any applicable notice and cure period, Landlord shall pay (i) the costs of Space Plan in an amount up to, but not exceeding, the Space Plan Allowance, and (ii) the costs of the Tenant Work in an amount up to, but not exceeding, the Tenant Allowance. Landlord shall deduct the Landlord Coordination Fee of the Tenant Improvements from the Tenant Allowance.

(b) In no event shall Landlord be obligated to pay for the costs of any of Tenant's furniture, computer systems, telephone systems, equipment, or other personal property (whether or not such items may be depicted on the Approved Working Drawings) that exceed the Tenant FF&E Allowance. Eligible costs that exceed the Tenant FF&E Allowance shall be borne by Tenant.

(c) In the event that all costs associated with the Space Plan and design, permitting, and construction of the Tenant Improvements, including the Landlord Coordination Fee, exceeds the Space Plan Allowance and/or the Tenant Allowance, as applicable, the amount of such excess (the "**Over-Allowance Amount**") shall be paid by Tenant to Landlord within thirty (30) days following delivery of an invoice by Landlord. Tenant shall not be responsible for the Over-Allowance Amount if caused by Landlord or Landlord Contractor's own negligence, willful misconduct, or delay.

(d) Tenant shall not be entitled to receive (in cash or as a credit against any rental or otherwise) any portion of the Tenant Allowance not used to pay for the costs of the design, permitting, and construction of the Tenant Improvements.

11. **Miscellaneous.**

(a) All Tenant Improvements to be performed by Landlord (and any installations in the Premises as set forth in the Approved Working Drawings, or otherwise) shall use Building-standard specifications, materials, finishes, and supplies, unless otherwise specified in the Approved Working Drawings. Landlord, in its sole discretion, may substitute items, materials, or finishes with other items, materials, or finishes of comparable kind and quality. Landlord, at its sole option, may also change mechanical plans and specifications where necessary for the installation or modification of the Building Systems to accommodate the Tenant Improvements, provided that any such changes shall not materially and adversely affect Tenant's use and occupancy of the Demised Premises for the Permitted Use.

(b) Tenant acknowledges that the timely completion of the Tenant Improvements is of the utmost importance to Landlord and Tenant. Accordingly, Tenant hereby agrees to fully and diligently cooperate with all reasonable requests by Landlord in connection with or related to the design and construction of the Tenant Improvements and the completion of the permitting process and, in connection therewith, Tenant shall respond to Landlord's requests for information and/or approvals, except as specifically set forth herein to the contrary, within two (2) days following request by Landlord. Landlord and Tenant, and such other parties as may be useful or appropriate, shall meet on a scheduled basis to be determined by Landlord's Representative and Tenant's Representative, to discuss progress in connection with the same.

(c) If at any time on or before the Substantial Completion of the Landlord Work, Tenant is in default under this Work Letter or under the Lease, which default remains uncured after the expiration of applicable notice and cure periods, then: (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to instruct the Contractor to cease the construction of the Landlord Work (in which case, Tenant shall be responsible for the Tenant Delay caused by such work stoppage); and (ii) all other obligations of Landlord under the terms of this Work Letter shall be suspended until such time as such default is fully and finally cured.

(d) Landlord hereby assigns to Tenant all warranties by Contractor relating to the Tenant Improvements, which assignment shall be on a non-exclusive basis such that the warranties may be enforced by Landlord and/or Tenant; such warranties shall be for a twelve (12) month period.

(e) Any portion of the Tenant Allowance not used within thirty-six (36) months of the Effective Date of this First Amendment shall be forfeited with no further obligation by Landlord with respect thereto. In no event shall Tenant be entitled to apply any unused portion of the Tenant Allowance towards future payments of Base Rent and/or, except as expressly set forth herein, purchase of Tenant's furniture, fixtures and equipment.