

29. Approve agreement with Abaxent Leasing LLC, in the amount of \$604,590, for upgraded Palo Alto Networks cybersecurity infrastructure, and take related actions
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County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Information Services Dept.

Subject: Approve lease agreement for upgraded Palo Alto Networks cybersecurity infrastructure

Meeting Date: January 28, 2025

Formal Title: Approve agreement with Abaxent Leasing LLC, in the amount of \$604,590, for upgraded Palo Alto Networks cybersecurity infrastructure, and take related actions

Recommended Actions

1. Approve lease agreement with Abaxent Leasing LLC in the amount of \$604,590 for Palo Alto Networks upgrade; and
2. Authorize the Director of Information Services or designee to sign the agreement; and
3. Authorize the Director of Information Services or designee to sign the certificate of incumbency.

Executive Summary

The County's current network security infrastructure is nearing the end of its lifecycle. This proposal outlines the upgrade of existing Palo Alto Networks hardware to ensure continued robust cybersecurity, operational efficiency, and cost savings over time. The upgrade will future-proof our network security infrastructure through enhanced features and higher performance, while also maintaining compliance with evolving regulatory requirements.

Discussion

The County's current Palo Alto Networks firewalls are approaching the end of their lifecycle and will require replacement within the next three years. By approving this upgrade now, the County can take advantage of the trade-in value of its existing units, which will help offset costs. Upgraded hardware will provide significant performance improvements, including double the compute power and throughput capability for general operations and nearly five times the throughput for the State firewall. These enhancements will ensure seamless performance for critical applications and operations.

In addition to increased capacity, the new hardware introduces advanced features such as SD-WAN, which will streamline network management across multiple sites, and Advanced DNS filtering, which enhances cybersecurity by preventing access to malicious domains. These features are vital to keeping the County's systems secure and efficient in an evolving threat landscape. Furthermore, this upgrade will save the County \$50,000 over the next five years compared to the costs associated with maintaining and upgrading the current hardware on an incremental basis. With the new equipment, the County's network security infrastructure will remain viable and effective until at least 2030, ensuring a strong return on investment.

The upgrade also includes vendor support to update the Palo Alto operating system

(PANOS) from version 10.1.x to 11.1. This update will unlock access to the latest security features and operational optimizations, further future-proofing the County's cybersecurity infrastructure. Taken together, these benefits make the proposed upgrade a critical and cost-effective investment for the County's continued operational success.

Financial Impact

The total cost of this agreement is \$604,590 (with installments in the amount of \$120,918 paid annually for five years). Sufficient appropriations are included in Information Services Department FY 2024-25 Adopted Budget under account 424200/62225 (Info Services-Data Processing/Non-PC Software), and will be included in Proposed Budgets for FY 2025-26, 2026-27, 2027-28, and 2028-29. This cost is supported by internal service fund charges that are assessed evenly across all County departments. No new County General Funds are needed nor requested.

Strategic Initiatives

Equity Framework - County Facilities & Infrastructure
Operational Plan - Operational Excellence

Submitted By:

Tammie Weigl

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

OpenAI ChatGPT 4o, an Artificial Intelligence (AI) large language model tool, significantly contributed to the development of this agenda item, including Staff Report, in compliance with the County of Santa Cruz AI Appropriate Use Policy.

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Thank you for your business! I have attached the documents or other items required to process your transaction with us.

- ☐ **Lease Schedule** – sign page
- ☐ **Lease Agreement** – sign last page (please include Federal Tax ID Number or provide W-9)
- ☐ **Certificate of Incumbency**
 - * Any document signer(s) for the lease documentation should add his/her name, title and signature to the document directly under the first paragraph.
 - * The witness to the Incumbency should write his/her name and title in the top paragraph where indicated. Additionally, the witness will need to date and sign at the bottom of the document.
- ☐ **Insurance** – forward request to your insurance carrier to provide proof of property/liability coverage naming Abaxent Leasing LLC as loss payee/additional insured

Please complete the following checklist and return with documents.

- ☐ **Sales Tax Exemption:** ☐ No ☐ Yes (if yes, please see below)
 - ☐ Is your company considered sales tax exempt? If so, please provide a copy of the tax exemption certificate.
 - ☐ Does your company have any special tax exemption certificates at a state or local level (i.e. manufacturer's tax, sales or property)? If so, please provide a copy of the certificate or other information required. Please specify if it is for sales tax, property tax or both.
- ☐ **Income Tax Exemption:** ☐ No ☐ Yes (if yes, please provide IRS correspondence approval or statute with the applicable information)
- ☐ **Email address for invoices:** _____

Complete items via DocuSign (except Insurance if not obtained yet).

Should any of the information on the enclosed documents be incorrect, please notify your Sales Executive or your Lease Administrator immediately to make the appropriate corrections. Thank you!



IMPORTANT INFORMATION ABOUT OPENING AN ACCOUNT

*On September 11, 2001, our lives changed forever. In an effort to protect you and our country, the **USA PATRIOT ACT** was signed into law. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.*

When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may ask to see your driver's license or other identifying documents.

We proudly support all efforts to protect and maintain the security of our customers and our country.



LEASE SCHEDULE 001

This Lease Schedule is issued pursuant to the Lease Agreement No. COU111824 dated November 18, 2024. The terms and conditions of the Lease Agreement and the terms and conditions of Certificates of Acceptance executed pursuant to Lease Schedule 001, including Installation Dates and descriptions and serial numbers of Equipment contained therein, are a part hereof and incorporated by reference herein.

LESSOR:

Abaxent Leasing LLC
N28W23050 Roundy Drive, Suite 200
Pewaukee, WI 53072

LESSEE:

County of Santa Cruz, California
701 Ocean Street
Santa Cruz, CA 95060-4003

SUPPLIER OF EQUIPMENT:

Step CG, LLC

LOCATION OF INSTALLATION:

Same as above.

Term of Lease from Commencement Date: 60 months

Monthly Lease Charge: \$10,076.50; due annually as \$120,918.00

Security Deposit: Lessee shall deliver a security deposit in the amount of \$10,076.50. If no Event of Default has occurred, this security deposit may be applied toward the total amounts due pursuant to the applicable Lease Schedule.

EQUIPMENT:

Palo Alto PA-3430, PA-440, PA-400 Racktray, GlobalProtect, and Premium Service and Core Security Bundles, to be fully described at a later date.

Lessee understands that Lessor's commitment to lease Equipment under this Lease Schedule 001 is contingent upon continuing credit approval by Lessor's credit committee and such credit approval shall be at Lessor's sole discretion.

The Monthly Lease Charge will be prorated and charged as interim rent between the date an item of Equipment is accepted and the Commencement Date. Lessee confirms that the Equipment listed on this Lease Schedule is business essential as part of the operation of Lessee.

Every Term is Agreed to and Accepted:
ABAXENT LEASING LLC
"LESSOR"

By: 
8234FE7F7FC74BF...

Print Name: Adonica Randall

Title: President

Date: 1/16/2025

Every Term is Agreed to and Accepted:
COUNTY OF SANTA CRUZ, CALIFORNIA
"LESSEE"

By: 
CB7FB7EF0F56453...

Print Name: Tammie weigl

Title: ISD Director

Date: 1/28/2025

The parties agree that this Lease Schedule, along with any riders and any documents or instruments issued or executed pursuant hereto, may be executed and delivered by electronic signatures and that the signatures appearing on such documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.



Lease Agreement Number COU111824 Lease Agreement

This Lease Agreement dated November 18, 2024, is by and between **ABAXENT LEASING LLC** (the "Lessor") with an office located at N28W23050 Roundy Drive, Suite 200, Pewaukee, Wisconsin 53072 and **COUNTY OF SANTA CRUZ, CALIFORNIA** (the "Lessee") with an office located at 701 Ocean Street, Santa Cruz, California 95060-4003.

Lessor hereby leases or grants to the Lessee the right to use, and Lessee hereby rents and accepts the right to use, the tangible property and the equipment whether or not listed by serial number, and software and related services, on the Lease Schedule(s) attached hereto or incorporated herein by reference from time to time (collectively, the equipment, software and all related services are the "Equipment"), subject to the terms and conditions hereof, as supplemented with respect to each item of Equipment by the terms and conditions set forth in the appropriate Lease Schedule. The term "Lease Agreement" shall include this Lease Agreement and the various Lease Schedule(s) identifying each item of Equipment or the appropriate Lease Schedule(s) identifying one or more particular items of Equipment.

1. Term

This Lease Agreement is effective from the date it is executed by both parties. The term of this Lease Agreement, as to all Equipment designated on any particular Lease Schedule, shall commence on the Installation Date for all Equipment on such Lease Schedule and shall continue for an initial period ending that number of months from the Commencement Date as set forth in such Lease Schedule (the "Initial Term") and shall continue from year to year thereafter at the Monthly Charges last in effect, until terminated. The term of this Lease Agreement as to all Equipment designated on any particular Lease Schedule may be terminated without cause at the end of the Initial Term or the end of any year thereafter by either party mailing written notice of its termination to the other party not less than one-hundred twenty (120) days prior to such termination date. All such terminations are effective only with respect to not less than all Equipment under the applicable Lease Schedule. Notice of termination by Lessee may not be revoked without Lessor's written consent.

2. Credit Review

For each Lease Schedule, Lessee agrees that Lessor may conduct a credit investigation and review based on publicly available information. If during the Installation Period the Lessee's financial condition changes in any material respect (as determined by the Lessor in its sole discretion), then Lessor shall be entitled to stop purchasing equipment to be leased to Lessee and commence the applicable Lease Schedule(s).

3. Licensed Software

Any software listed in a Lease Schedule will be subject to Lessee's separate software license agreement with the owner or distributor ("Licensor") except as such agreement may conflict with the terms and conditions of the Lease Schedule. Lessee shall comply with all non-conflicting terms and look solely to the Licensor for satisfaction of all claims and warranties relating to the software. Lessee's obligations under a Lease Schedule will not be affected by any termination of a software license agreement or any defect in or loss of the software. Lessee is responsible for arranging delivery and installation of the software.

4. Commencement Date

The Installation Date for each item of Equipment shall be the day said item of Equipment is installed at the Location of Installation, ready for use, and accepted in writing by the Lessee. The Commencement Date for any Lease Schedule is the first day of the month following installation of all the Equipment of the Lease Schedule, unless the latest Installation Date for any Equipment on the Lease Schedule falls on the first day of the month, in which case that is the Commencement Date. The Lessee shall complete, execute and deliver to Lessor a Certificate of Acceptance listing the specific items of Equipment to be leased upon installation of the Equipment.

5. Lease Charge

The lease charges for the Equipment leased pursuant to this Lease Agreement shall be the aggregate "Monthly Lease Charge(s)" as set forth on each and every Lease Schedule executed pursuant hereto (the aggregate "Monthly Lease Charge(s)" are the "Lease Charges"). Lessee agrees to pay to Lessor the Lease Charges in accordance with the Lease Schedule(s), and the payments shall be made at Lessor's address indicated thereon. The Lease Charges shall be paid by Lessee monthly in advance with the first full month's payment due on the Commencement Date. The Lease Charge for the period from the Installation Date to the Commencement Date (the "Installation Period") shall be an amount equal to the "Monthly Lease Charge" divided by thirty (30) and multiplied by the number of days from and including the Installation Date to the Commencement Date, and such amount shall be due and payable upon receipt of an invoice from Lessor. Charges for taxes made in accordance with Section 6 below, and all other charges made under any other provision of this Lease Agreement and payable by Lessee, shall be paid to Lessor at Lessor's address specified on the Lease Schedule(s) on the date specified in invoices delivered to Lessee. If payment as specified above is not received by Lessor on the due date, Lessee agrees to and shall, to the fullest extent permitted by law, pay on demand, as a late charge, an amount equal to five percent (5%), or the maximum percentage allowed by law if less, of the amount past due ("Late Charges"). The parties agree that Late Charges will accrue until billed by Lessor. Late Charges shall be charged and added to any past due amount(s) on the date such payment is due and every thirty (30) days thereafter until all past due amounts are paid in full to Lessor.

6. Taxes

In addition to the Lease Charges and Late Charges (if any) set forth in Section 5 above, Lessee shall reimburse Lessor for all license or registration fees, assessments, charges, sales and use taxes, rental taxes, recycling, administrative or environmental fees, gross receipts taxes, personal property taxes and other taxes or fees now or hereafter imposed by any government, agency, province or otherwise upon the Equipment, the Lease Charges or upon the ownership, leasing, renting, purchase, possession, use, recycling or disposal of the Equipment, whether the same be assessed to Lessor or Lessee (the "Taxes"). Lessee's obligation to remit taxes and other non-rent related charges shall be due and payable upon invoice from Lessor in accordance with the terms of such invoice. Lessor shall file all property tax returns and pay all Taxes when due. Lessee, upon written notice to Lessor, may, in Lessee's own name, contest or protest any Taxes, and Lessor shall honor any such notice except when in Lessor's sole opinion such contest is futile or will cause a levy or lien to arise on the Equipment or cloud Lessor's title thereto. In addition, Lessee shall be responsible to Lessor for the payment and discharge of any penalties or interest as a result of Lessee's actions or inactions. Nothing herein shall be construed to require Lessee to be responsible for any federal or state taxes or payments in lieu thereof, imposed upon or measured by the net income

of Lessor, or state franchise taxes of Lessor, or except as provided hereinabove, any penalties or interest resulting from Lessor's failure to timely remit such tax payments.

7. Delivery and Freight Costs

All transportation charges upon the Equipment for delivery to Lessee's designated Location of Installation shall be paid by Lessee. All rigging, drayage charges, structural alterations, rental of heavy equipment and/or other expense necessary to place the Equipment at the Location of Installation are to be promptly paid by Lessee. Lessee shall accept delivery of the Equipment and allow the Equipment to be installed within five (5) days after delivery.

8. Installation

Lessee agrees to pay for the actual installation of the Equipment at the Location of Installation or any other location authorized under this Agreement. Lessee shall make available and agrees to pay for all costs associated with providing a suitable place of installation and necessary electrical power, outlets and air conditioning required for operating the Equipment as defined in the Equipment manufacturer's installation manual or instructions, or as otherwise required by the Equipment manufacturer. All supplies consumed or required by the Equipment shall be furnished and paid for by Lessee.

9. Return to Lessor

On the day following the last day of the lease term associated with a Lease Schedule (the "Return Date"), Lessee shall cause and pay for the Equipment listed on that Lease Schedule to be deinstalled, packed using the manufacturer's standard packing materials and shipped to a location designated in writing by Lessor (the "Return Location"). If the Equipment listed on the applicable Lease Schedule is not at the Return Location within ten (10) days of the Return Date, or Lessee fails to deinstall and ship the Equipment on the Return Date, then any written notice of termination delivered by Lessee shall become void, and the Lease Schedule shall continue in accordance with this Lease Agreement. In no event may Lessee avoid the effect of the preceding sentence by returning less than all of the Equipment listed on the applicable Lease Schedule or by returning substituted Equipment unless Lessor, in its sole discretion, shall expressly agree in writing. Irrespective of any other provision hereof, Lessee will bear the risk of damage from fire, the elements or otherwise until delivery of the Equipment to the Return Location. At such time as the Equipment is delivered to the Lessor at the Return Location, the Equipment will be at the risk of the Lessor.

10. Maintenance

Lessee, at its sole expense, shall maintain the Equipment in good repair, working order and condition. Lessee shall enter into, pay for and maintain in force during the entire term of any Lease Schedule, a maintenance agreement with the manufacturer of the Equipment providing for continuous uninterrupted maintenance of the Equipment (the "Maintenance Agreement"). Upon Lessor's request, Lessee shall provide a copy of each such Maintenance Agreement to Lessor. Lessee will cause the manufacturer to keep the Equipment in good working order in accordance with the provisions of the Maintenance Agreement and make all necessary adjustments and repairs to the Equipment. The manufacturer is hereby authorized to accept the directions of Lessee with respect thereto. Lessee agrees to allow the manufacturer full and free access to the Equipment. All maintenance and service charges, whether under the Maintenance Agreement or otherwise, and all expenses, if any, of the manufacturer's customer engineers incurred in connection with maintenance and repair services, shall be promptly paid by Lessee. Lessee warrants that all of the Equipment shall be in good working order operating according to manufacturer's specification and eligible for the manufacturer's standard maintenance agreement upon delivery to and inspection and testing by the Lessor. If the Equipment is not free of physical defect or damage, operating according to manufacturer's specification, in good working order and/or eligible for the manufacturer's standard maintenance agreement, then Lessee agrees to reimburse Lessor for all costs, losses, expenses and fees associated with such equipment and the repair or replacement thereof. Upon the termination of any Lease Schedule or this Lease Agreement, Lessee warrants that the Equipment shall be eligible for the manufacturer's standard maintenance agreement. Lessee agrees to reimburse Lessor for any costs it incurs in making the Equipment eligible for such standard maintenance.

11. Location, Ownership and Use

The Equipment shall, at all times, be the sole and exclusive property of Lessor. Lessee shall have no right or property interest therein, except for the right to use the Equipment in the normal operation of its business at the Location of Installation or as otherwise provided herein. The Equipment is and shall remain personal property of the Lessor even if installed in or attached to real property. Lessor shall be permitted to display notice of its ownership on the Equipment by means of a suitable stencil, label or plaque affixed thereto.

Lessee shall keep the Equipment at all times free and clear from all liens, claims, levies, encumbrances, security interests and processes, of any nature whatsoever. Lessee shall give Lessor immediate notice of any such attachment or other judicial process affecting any of the Equipment. Without Lessor's written permission, Lessee shall not attempt to or actually: (i) pledge, lend, create a security interest in, sublet, exchange, trade, assign, swap, use for an allowance or credit or otherwise; (ii) allow another to use; (iii) part with possession; (iv) dispose of; or (v) remove from the Location of Installation, any item of Equipment. If any item of Equipment is exchanged, assigned, traded, swapped, used for an allowance or credit or otherwise to acquire new or different equipment (the "New Equipment") without Lessor's prior written consent, then all of the New Equipment shall become Equipment owned by Lessor subject to this Lease Agreement and the applicable Lease Schedule.

Any feature(s) installed on the Equipment at the time of delivery which are not specified on the Lease Schedule(s) are and shall remain the sole property of the Lessor. Lessee shall cause the Equipment to be operated in accordance with the applicable vendor's or manufacturer's manual of instructions by competent and qualified personnel.

12. Financing Statement

Lessor is hereby authorized by Lessee to cause this Lease Agreement or other instruments, including Uniform Commercial Code Financing Statements, to be filed or recorded for the purposes of showing Lessor's interest in the Equipment. Lessee agrees to execute any such instruments as Lessor may request from time to time.

13. Alterations and Attachments

Upon prior written notice to Lessor, Lessee may, at its own expense, make minor alterations in or add attachments to the Equipment, provided such alterations and attachments shall not interfere with the normal operation of the Equipment and do not otherwise involve the pledge, assignment, exchange, trade or substitution of the Equipment or any component or part thereof. All such alterations and attachments to the Equipment shall become part of the Equipment leased to Lessee and owned by Lessor. If, in Lessor's sole determination, the alteration or attachment reduces the value of the Equipment or interferes with the normal and satisfactory operation or maintenance of any of the Equipment, or creates a safety hazard, Lessee shall, upon notice from Lessor to that effect, promptly remove the alteration or attachment at Lessee's expense and restore the Equipment to the condition the Equipment was in just prior to the alteration or attachment.

14. Loss and Damage

Lessee shall assume and bear the risk of loss, theft and damage (including any government requisition, condemnation or confiscation) to the Equipment and all component parts hereof from any and every cause whatsoever, whether or not covered by insurance. No loss or damage to the Equipment or any component part thereof shall impair any obligation of Lessee under this Lease Agreement, which shall continue in full force and effect except as hereinafter expressly provided. Lessee shall repair or cause to be repaired all damage to the Equipment. In the event that all or part of the Equipment shall, as a result of any cause whatsoever, become lost, stolen, destroyed or otherwise rendered irreparably unusable or damaged (collectively, the "Loss") then Lessee shall, within ten (10) days after the Loss, fully inform Lessor in writing of such a Loss and shall pay to Lessor the following amounts: (i) the Monthly Lease Charges (and other amounts) due and owing under this Lease Agreement at the time of the Loss (or Event of Default, as defined hereinafter), plus (ii) the original cost of the Equipment subject to the Loss (or Event of Default, as defined hereinafter) multiplied by the "Percent of Original Cost." The Original Cost of a particular item of Equipment shall be Lessee's original purchase price of such item at the

time of its purchase or payment to the applicable vendor by Lessor, plus additional or related charges such as taxes, delivery and freight, installation, maintenance, etc. The Percent of Original Cost shall be the Per Payment Factor multiplied by the number of lease payments Lessor has received from Lessee during the Initial Term subtracted from 112 and then divided by 100. The Per Payment Factor is the sum of 112 multiplied by 0.7 divided by the number of Monthly Lease Charges that are due during the Initial Term (collectively, the sum of (i) plus (ii) shall be the "Casualty Loss Value"). Upon receipt by Lessor of the Casualty Loss Value: (i) the applicable Equipment shall be removed from the Lease Schedule; and (ii) Lessee's obligation to pay Lease Charges associated with the applicable Equipment shall cease. Lessor may request, and Lessee shall complete, an affidavit(s), which swears out the facts supporting the Loss of any item of Equipment.

15. Insurance

Until the Equipment is returned to Lessor or as otherwise herein provided, whether or not this Lease Agreement has terminated as to the Equipment, Lessee at its expense, shall maintain: (i) property and casualty insurance insuring the Equipment for its Casualty Loss Value naming Lessor and/or its assigns as sole loss payee; and (ii) comprehensive public liability and third-party property insurance naming Lessor and/or its assigns as additional insureds. The insurance shall cover the interest of both the Lessor and Lessee in the Equipment, or as the case may be, shall protect both the Lessor and Lessee in respect to all risks arising out of the condition, delivery, installation, maintenance, use or operation of the Equipment.

All such insurance shall provide for thirty (30) days prior written notice to Lessor of cancellation, restriction, or reduction of coverage and shall have a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirements hereof. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of and execute and endorse all documents, checks or drafts for loss or damage or return premium under any insurance policy issued on the Equipment. Prior to installation of the Equipment, all policies or certificates of insurance shall be delivered to Lessor by Lessee. Lessee agrees to keep the Equipment insured with an insurance company which is at least "A" rated by A.M. Best and in such form, including a maximum deductible, as may be satisfactory to Lessor. The proceeds of any loss or damage insurance shall be payable to Lessor, but Lessor shall remit all such insurance proceeds to Lessee at such time as Lessee either (i) provides Lessor satisfactory proof that the damage has been repaired and the Equipment has been restored to good working order and condition or (ii) pays to Lessor the Casualty Loss Value. It is understood and agreed that any payments made by Lessee or its insurance carrier for loss or damage of any kind whatsoever to the Equipment are not made as accelerated rental payments or adjustments of rental, but are made solely as indemnity to Lessor for loss or damage of its Equipment.

Proof of such insurance must be provided to us at Lease inception and thereafter upon our written request. If you do not, we may obtain property loss insurance to protect our interests in the Equipment. If we do, you agree that: (i) you will reimburse the premium, which may be higher than you might pay if you obtained the insurance, (ii) the premium may include a profit to us and/or one of our affiliates, and (iii) we will not name you as an insured party and your interests may not be fully protected. We may apply any insurance proceeds received to repair or replace the Equipment, or to the remaining payments due or that become due under this Agreement, discounted at 3%.

16. Enforcement of Warranties

Lessee, in its own name, shall, so long as this Lease Agreement is in force, enforce any manufacturer's Equipment warranty.

17. Warranties, Disclaimers and Indemnity

Lessor warrants that at the time the Equipment is delivered to Lessee, Lessor will have full right, power and authority to lease the Equipment to Lessee. EXCEPT FOR THE WARRANTY IN THE SENTENCE DIRECTLY PRECEDING THIS ONE, LESSOR DOES NOT MAKE ANY WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT IT IS NOT RELYING ON LESSOR'S SKILL OR JUDGMENT TO SELECT OR FURNISH GOODS SUITABLE FOR ANY PARTICULAR

PURPOSE; THAT LESSOR HAS NOT SELECTED, MANUFACTURED, SOLD OR SUPPLIED ANY OF THE EQUIPMENT; THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES CONTAINED IN THIS LEASE AGREEMENT; AND THAT NEITHER LESSOR NOR SUPPLIER IS AN AGENT FOR THE OTHER AND LESSOR WILL NOT BE BOUND BY OR LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER. NO DEFECT, UNMERCHANTABILITY OR UNFITNESS OF THE EQUIPMENT SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR PERFORM OTHER OBLIGATIONS UNDER THIS LEASE. LESSEE REPRESENTS AND WARRANTS THAT IT IS NOT A FOREIGN "FINANCIAL INSTITUTION" OR ACTING ON BEHALF OF A FOREIGN "FINANCIAL INSTITUTION" AS THAT TERM IS DEFINED IN THE BANK SECRECY ACT, 31 U.S.C. 5318, AS AMENDED. LESSEE ACKNOWLEDGES THAT LESSOR, IN COMPLIANCE WITH SECTION 326 OF THE USA PATRIOT ACT, WILL BE VERIFYING CERTAIN INFORMATION ABOUT LESSEE. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT LESSOR AND ITS REPRESENTATIVES AND EMPLOYEES HAVE NOT MADE ANY STATEMENT, REPRESENTATION OR WARRANTY RELATIVE TO THE ACCOUNTING OR TAX ENTRIES, TREATMENT, BENEFIT, USE OR CLASSIFICATION OF THE LEASE AGREEMENT, OR ASSOCIATED LEASE SCHEDULES. LESSEE ACKNOWLEDGES THAT IT AND/OR ITS INDEPENDENT ACCOUNTANTS ARE SOLELY RESPONSIBLE FOR (I) ANY AND ALL OF LESSEE'S ACCOUNTING AND TAX ENTRIES ASSOCIATED WITH THE LEASE AGREEMENT AND/OR THE LEASE SCHEDULES AND (II) THE ACCOUNTING AND TAX TREATMENT, BENEFITS, USES AND CLASSIFICATION OF THE LEASE AGREEMENT OR ANY LEASE SCHEDULE. LESSOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER FOR ANY INFORMATION, INCLUDING BUT NOT LIMITED TO CONSUMER OR PATIENT INFORMATION, THAT IS AT ANY TIME ENTERED, STORED, TRANSFERRED TO, CONTAINED OR RETAINED ON ANY EQUIPMENT, WHETHER OR NOT SUCH INFORMATION IS SUBJECT TO FEDERAL, STATE OR OTHER LAW, INCLUDING BY WAY OF EXAMPLE ONLY AND NOT OF LIMITATION, THE HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT OF 1996 (HIPAA), FINANCIAL MODERNIZATION ACT (GRAMM-LEACH-BLILEY ACT), ETC. LESSOR SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE RELATIONSHIP BETWEEN THE LESSOR AND LESSEE, THIS LEASE AGREEMENT OR THE PERFORMANCE, POSSESSION, LEASE OR USE OF THE EQUIPMENT. THIS LEASE AGREEMENT IS A "FINANCE LEASE" AS THAT TERM IS DEFINED AND USED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. NO RIGHTS OR REMEDIES REFERRED TO IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE WILL BE CONFERRED ON LESSEE.

Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify, defend and hold Lessor harmless with respect to, any claim from a third party for any liability, claim, loss, damage, cost or expense of any kind or nature, whether based upon a theory of strict liability or otherwise, caused, directly or indirectly, by: (i) the inadequacy of any item of Equipment, including software, for any purpose; (ii) any deficiency or any latent or other defects in any Equipment, including software, whether or not detectable by Lessee; (iii) the selection, manufacture, purchase, acceptance, rejection, ownership, delivery, installation, lease, possession, maintenance, operation, use or performance of any item of Equipment, including software; (iv) any interruption or loss of service, use or performance of any item of Equipment, including software; (v) patent, trademark or copyright or other intellectual property infringement; (vi) any information whatsoever or the loss, release, unauthorized access, transfer, theft, use or misuse thereof, or (vii) any loss of business or other special, incidental or consequential damages whether or not resulting from any of the foregoing. Lessee's duty to defend and indemnify Lessor shall survive the expiration, termination, cancellation or assignment of this Lease Agreement or a Lease Schedule and shall be binding upon Lessee's successors and permitted assigns.

18. Event of Default

The occurrence of any of the following events shall constitute an Event of Default under this Lease Agreement and/or any Lease Schedule:

(1) the nonpayment by Lessee of any Lease Charges when due, or the nonpayment by Lessee of any other sum required hereunder

to be paid by Lessee which non-payment continues for a period of ten (10) days from the date when due;

(2) the failure of Lessee to perform any other term, covenant or condition of this Lease Agreement, any Lease Schedule or any other document, agreement or instrument executed pursuant hereto or in connection herewith which is not cured within ten (10) days after written notice thereof from Lessor;

(3) Lessee attempts to or does remove, transfer, sell, swap, assign, sublease, trade, exchange, encumber, receive an allowance or credit for, or part with possession of, any item of Equipment;

(4) Lessee ceases doing business as a going concern, is insolvent, makes an assignment for the benefit of creditors, fails to pay its debts as they become due, offers a settlement to creditors or calls a meeting of creditors for any such purposes, files a voluntary petition in bankruptcy, is subject to an involuntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or has filed against it a petition seeking any reorganization, arrangement or composition, under any present or future statute, law or regulation;

(5) any of Lessee's representations or warranties made herein or in any oral or written statement or certificate at any time given in writing pursuant hereto or in connection herewith shall be false or misleading in any material respect;

(6) Lessee defaults under or otherwise has accelerated any material obligation, credit agreement, loan agreement, conditional sales contract, lease, indenture or debentures; or Lessee defaults under any other agreement now existing or hereafter made with Lessor;

(7) the breach or repudiation by any party thereto of any guaranty, subordination agreement or other agreement running in favor of Lessor obtained in connection with this Lease Agreement; or

(8) Lessee (i) enters into any merger or consolidation with, or sells or transfers all or any substantial portion of its assets to, or enters into any partnership or joint venture other than in the ordinary course of business with, any entity, (ii) dissolves, liquidates or ceases or suspends the conduct of business, or ceases to maintain its existence, (iii) if Lessee is a privately held entity, enters into or suffers any transaction or series of transactions as a result of which Lessee is directly or indirectly controlled by persons or entities not directly or indirectly controlling Lessee as of the date hereof, or (iv) if Lessee is a publicly held entity, there shall be a change in the ownership of Lessee's stock or other equivalent ownership interest such that Lessee is no longer subject to the reporting requirements of, or no longer has a class of equity securities registered under, the Securities Act of 1933 or the Securities Exchange Act of 1934.

19. Remedies

Should any Event of Default occur, Lessor may, in order to protect its interests and reasonably expected profits, with or without notice or demand upon Lessee, retain any and all security deposits and pursue and enforce, alternatively, successively and/or concurrently, any one or more of the following remedies:

(1) recover from Lessee all accrued and unpaid Lease Charges and other amounts due and owing on the date of the default;

(2) recover from Lessee from time to time all Lease Charges and other amounts as and when becoming due hereunder;

(3) accelerate, cause to become immediately due and recover the present value of all Lease Charges and other amounts due and/or likely to become due hereunder from the date of the default to the end of the lease term using a discount rate of two percent (2%);

(4) cause to become immediately due and payable and recover from Lessee the Casualty Loss Value of the Equipment, which Lessee agrees is not a penalty but rather the fair measure of Lessor's loss in or damage to Lessor's interests in the Equipment and Lease caused by Lessee's default hereunder;

(5) terminate any or all of the Lessee's rights, but not its obligations, associated with the lease of the Equipment under this Lease Agreement;

(6) retake (by Lessor, independent contractor, or by requiring Lessee to assemble and surrender the Equipment in accordance with the provisions of Section 9 hereinabove) possession of the Equipment without terminating the Lease Schedule or the Lease Agreement free from claims by Lessee which claims are hereby expressly waived by Lessee;

(7) require Lessee to deliver the Equipment to a location designated by Lessor;

(8) proceed by court action to enforce performance by Lessee of its obligations associated with any Lease Schedule and/or this Lease Agreement; and/or

(9) pursue any other remedy Lessor may otherwise have, at law, equity or under any statute and recover damages and expenses (including attorneys' fees) incurred by Lessor by reason of the Event of Default.

Upon repossession of the Equipment, Lessor shall have the right to lease, sell or otherwise dispose of such Equipment in a commercially reasonable manner, with or without notice, at a public or private sale. Lessor's pursuit and enforcement of any one or more remedies shall not be deemed an election or waiver by Lessor of any other remedy. Lessor shall not be obligated to sell or re-lease the Equipment. Any sale or re-lease, may be held at such place or places as are selected by Lessor, with or without having the Equipment present. Any such sale or re-lease may be at wholesale or retail, in bulk or in parcels. Time and exactitude of each of the terms and conditions of this Lease Agreement are hereby declared to be of the essence. Lessor may accept past due payments in any amount without modifying the terms of this Lease Agreement and without waiving any rights of Lessor hereunder.

20. Costs and Attorneys' Fees

In the event of any default, claim, proceeding, including a bankruptcy proceeding, arbitration, mediation, counter-claim, action (whether legal or equitable), appeal or otherwise, whether initiated by Lessor or Lessee (or a debtor-in-possession or bankruptcy trustee), which arises out of, under, or is related in any way to this Lease Agreement, any Lease Schedule, or any other document, agreement or instrument executed pursuant thereto or in connection therewith, or any governmental examination or investigation of Lessee, which requires Lessor's participation (individually and collectively, the "Claim"), Lessee, in addition to all other sums which Lessee may be called upon to pay under the provisions of this Lease Agreement, shall pay to Lessor, on demand, all costs, expenses and fees paid or payable in connection with the Claim, including, but not limited to, attorneys' fees and out-of-pocket costs, including travel and related expenses incurred by Lessor or its attorneys.

21. Lessor's Performance Option

Should Lessee fail to make any payment or to do any act as provided by this Lease Agreement, then Lessor shall have the right (but not the obligation), without notice to Lessee of its intention to do so and without releasing Lessee from any obligation hereunder to make or to do the same, to make advances to preserve the Equipment or Lessor's title thereto, and to pay, purchase, contest or compromise any insurance premium, encumbrance, charge, tax, lien or other sum which in the judgment of Lessor appears to affect the Equipment, and in exercising any such rights, Lessor may incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor. All sums so incurred or expended by Lessor shall be due and payable by Lessee within ten (10) days of notice thereof.

22. Quiet Possession and Inspection

Lessor hereby covenants with Lessee that Lessee shall quietly possess the Equipment subject to and in accordance with the provisions hereof so long as Lessee is not in default hereunder; provided, however, that Lessor or its designated agent may, at any and all reasonable times during business hours, enter Lessee's premises for the purposes of inspecting the Equipment and the manner in which it is being used.

23. Assignments

This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Lessee, however, shall not assign, transfer, pledge, mortgage, hypothecate or otherwise dispose of this Lease Agreement, the Lease Schedule(s), the Equipment, or any interest therein or sublet any of the Equipment without first obtaining the prior written consent of Lessor and its assigns, if any. Lessee acknowledges that the terms and conditions of this Lease Agreement have been fixed in anticipation of the possible assignment of Lessor's rights under this Lease Agreement and in and to the Equipment as collateral security to a third party ("Assignee") which will rely upon and be entitled to the benefit of the provisions of this Lease Agreement. Lessee agrees to provide Lessor or its assigns with Lessee's most recent audited and its most current financial statements. Lessee agrees with Lessor and such Assignee to recognize in writing

any such assignment within fifteen (15) days after receipt of written notice thereof and to pay thereafter all sums due to Lessor hereunder directly to such Assignee if directed by Lessor, notwithstanding any defense, set-off or counterclaim whatsoever (whether arising from a breach of this Lease Agreement or not) that Lessee may from time to time have against Lessor. Upon such assignment, the Lessor shall remain obligated to perform any obligations it may have under this Lease Agreement and the Assignee shall (unless otherwise expressly agreed to in writing by the Assignee) have no obligation to perform such obligations. Any such assignment shall be subject to Lessee's rights to use and possess the Equipment so long as Lessee is not in default hereunder.

24. **Survival of Obligations**

All covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall be for the benefit of Lessor and Lessee and their respective successors, any assignee or secured party. Further, all covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall survive the execution and delivery of this Lease Agreement and the expiration or other termination of this Lease Agreement.

25. **Corporate Authority**

The parties hereto covenant and warrant that the persons executing this Lease Agreement and each Lease Schedule on their behalf have been duly authorized to do so, and this Lease Agreement and any Lease Schedule constitute a valid and binding obligation of the parties hereto. The Lessee will, if requested by Lessor, provide to Lessor, Certificates of Authority naming the officers of the Lessee who have the authority to execute this Lease Agreement and any Lease Schedules attached thereto.

26. **Landlords' and Mortgagees' Waiver**

If requested, Lessee shall furnish waivers, in form and substance satisfactory to Lessor, from all landlords and mortgagees of any premises upon which any Equipment is located.

27. **Miscellaneous**

This Lease Agreement, the Lease Schedule(s), attached riders and any documents or instruments issued or executed pursuant hereto will have been made, executed and delivered in and shall be governed by the internal laws (as opposed to conflicts of law provisions) and decisions of the State of California. Lessee and Lessor consent to jurisdiction of any federal court located within California. Venue shall be in California and Lessee hereby waives local venue and any objection relating to California being an improper venue to conduct any proceeding relating to this Lease Agreement.

This Lease Agreement was jointly drafted by the parties, and the parties hereby agree that neither should be favored in the construction, interpretation or application of any provision or any ambiguity. There are no unwritten or oral agreements between the parties. This Lease Agreement and associated Lease Schedule(s) constitute the entire understanding and agreement between Lessor and Lessee with respect to the lease of the Equipment, superseding all prior understandings, agreements, negotiations, discussions, proposals, representations, promises, commitments and offers between the parties, whether oral or written. This Lease Agreement and associated Lease Schedule(s) constitute a single unitary agreement. No provision of this Lease Agreement or any Lease Schedule shall be deemed waived, amended, discharged or modified orally or by custom, usage or course of conduct unless such waiver, amendment or modification is in writing and signed by an officer of each of the parties hereto. If any one or more of the provisions of this Lease Agreement or any Lease Schedule is for any reason held invalid, illegal or unenforceable, the remaining provisions of this Lease Agreement and any such Lease Schedule will be unimpaired, and the invalid, illegal or unenforceable provisions shall be replaced by a mutually acceptable valid, legal and enforceable provision that is closest to the original intention of the parties. Lessee agrees that neither the manufacturer, nor the supplier, nor any of their salespersons, employees or agents are agents of Lessor.

Any notice provided for herein shall be in writing and sent by certified or registered mail to the parties at the addresses stated on page 1 of this Lease Agreement.

The Lease Charge is intended to be fixed from the Commencement Date to the end of the term.

If, as part of a budget approved for Lessee for a fiscal year, sufficient funds are not appropriated to make payments required under a Lease Schedule, such Lease Schedule shall terminate as of the end of the last fiscal year for which funds have been appropriated provided that (1) Lessee does not acquire any substitute equipment which is functionally similar to the Equipment; (2) Lessee's operating funds are not otherwise available to Lessee to pay the Lease Charges; (3) there is no other legal procedure or available funds by or with which payment can be made to Lessor; and (4) the non-appropriation of funds did not result from any act or omission by Lessee. Lessee shall have the right to return the Equipment to Lessor as allowed hereunder and terminate by written notice to Lessor not less than ninety (90) days prior to the end of Lessee's fiscal year. Upon such termination, Lessee shall not thereafter acquire, lease or finance functionally similar equipment for a period of twelve (12) months. In the event subsequent to such termination funds are made available to Lessee for equipment which is functionally similar to the Equipment, Lessee agrees, at Lessor's option, to purchase, lease and / or otherwise acquire such equipment from Lessor. Lessee represents and warrants that it has appropriated and budgeted the necessary funds to pay all amounts due under a Lease Schedule for the remainder of the fiscal year in which the term for the applicable Lease Schedule commences. For each Lease Schedule created hereunder, Lessee shall provide Lessor with an opinion of counsel and other documentation as required by Lessor.

This Lease Agreement shall not become effective until delivered to Lessor at its offices at Pewaukee, Wisconsin and executed by Lessor. If this Lease Agreement shall be executed by Lessor prior to being executed by Lessee, it shall become void at Lessor's option five (5) days after the date of Lessor's execution hereof, unless Lessor shall have received by such date a copy hereof executed by a duly authorized representative of Lessee.

This Lease Agreement is made subject to the terms and conditions included herein and Lessee's acceptance is effective only to the extent that such terms and conditions are consistent with the terms and conditions herein. Any acceptance that contains terms and conditions that are in addition to or inconsistent with the terms and conditions herein will be a counter-offer and will not be binding unless agreed to in writing by Lessor.

If contrary to the parties' intentions a court of competent jurisdiction determines that this Lease is not a true "lease" under the UCC or other applicable law but rather another form of indebtedness secured by the Equipment, then Lessee shall be deemed to have granted and hereby grants to Lessor, a first priority security interest in: (1) the Equipment and all additions, attachments, accessories and accessions thereto; (2) all subleases, chattel paper, accounts, security deposits, and general intangibles relating thereto, and any and all substitutions, replacements or exchanges for any such item of Equipment, in each such case in which Lessee shall from time to time acquire an interest; and (3) any and all insurance and/or other proceeds of the property and other collateral in and against which a security interest is granted hereunder. Lessee hereby authorizes Lessor to file financing statements and/or any other appropriate document of public record in the applicable jurisdictions in order to perfect the security interest granted hereunder (for precautionary purposes only). Upon a default by Lessee under this Lease, in addition to all other remedies set forth herein, Lessor shall be entitled to exercise all other rights and remedies available to a secured party.

The parties agree that this Lease Agreement, the Lease Schedule(s), attached riders and any documents or instruments issued or executed pursuant hereto may be executed and delivered by electronic signatures and that the signatures appearing on such documents are the same as handwritten signatures for the purposes of validity, enforceability and admissibility.

The terms used in this Lease Agreement, unless otherwise defined, shall have the meanings ascribed to them in the Lease Schedule(s).

28. **REPOSSESSION AND JURY TRIAL WAIVER**

LESSEE ACKNOWLEDGES THAT, PURSUANT TO SECTION 19 HEREOF, LESSOR HAS BEEN GIVEN THE RIGHT TO REPOSSESS THE EQUIPMENT SHOULD LESSEE BECOME IN DEFAULT OF ITS OBLIGATIONS HEREUNDER. LESSEE HEREBY WAIVES THE RIGHT, IF ANY, TO REQUIRE LESSOR TO GIVE LESSEE NOTICE AND A JUDICIAL HEARING PRIOR TO EXERCISING SUCH RIGHT OF REPOSSESSION.

LESSEE HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION BY OR AGAINST LESSOR IN CONNECTION WITH THIS LEASE AGREEMENT.

29. **Net Lease**

This Lease Agreement is a net lease and Lessee's obligations to pay all Lease Charges and other amounts payable hereunder shall be absolute and unconditional and, except as expressly provided herein, shall not be subject to any: (i) delay, abatement, reduction, defense, counterclaim, set-off or recoupment; (ii) discontinuance or termination of any license; (iii) Equipment failure, defect or deficiency; (iv) damage to or destruction of the Equipment; or (v) dissatisfaction with the Equipment or otherwise, including any present or future claim against Lessor or the manufacturer, supplier, reseller or vendor of the Equipment. To the extent that the Equipment includes intangible (or intellectual) property, Lessee understands and agrees that: (i) Lessor is not a party to and does not have any responsibility under any software license and/or other agreement with respect to any software; and (ii) Lessee will be

responsible to pay all of the Lease Charges and perform all its other obligations under this Lease Agreement despite any defect, deficiency, failure, termination, dissatisfaction, damage or destruction of any software or software license. Further, Lessee agrees that it has an unconditional, irrevocable and absolute obligation to pay all Lease Charges and other amounts payable hereunder to the Lessor although (i) the Lessor does not hold title to any Software (or intellectual or intangible property), (ii) Lessor is not a party to any Software license (or intellectual or intangible property license) that is listed among the Equipment on any Lease Schedule and (iii) any license to Software is exclusively between the licensor of the Software ("Licensor") and the Lessee. Except as expressly provided herein, this Lease Agreement shall not terminate for any reason, including any defect in the Equipment or Lessor's title thereto or any destruction or loss of use of any item of Equipment.

30. **Headings**


Section headings herein are used for convenience only and shall not otherwise affect the provisions of this Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed by their respective duly authorized representative.

Every Term is Agreed to and Accepted:

ABAXENT LEASING LLC


"LESSOR"

By: 
 8234FE7F7FC74BF...
 Print Name: Adonica Randall
 Title: President
 Date: 1/16/2025

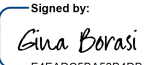
Every Term is Agreed to and Accepted:

COUNTY OF SANTA CRUZ, CALIFORNIA

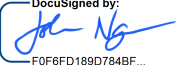
"LESSEE"

By: 
 CB7FB7E0F0F58453...
 Print Name: Tammie weigl
 Title: ISD Director
 Date: 1/28/2025
 Federal Tax ID No.: 946000534

APPROVED AS TO INSURANCE:

Signed by: 
 E4EADC5BA53B4DB...
 1/16/2025
 Risk Management

APPROVED AS TO FORM:

DocuSigned by: 
 F0F6FD189D784BF...
 1/16/2025
 Office of the County Counsel

Certificate of Incumbency

I, Tammie Weigl, Director of Information Services, have been authorized by the County of Santa Cruz Board of Supervisor on ~~1/28/25~~ ^{1/28/25} pursuant to the Board of Supervisor's approval of the Recommended Action to transact any business with Abaxent Leasing LLC (the "Secured Party") as such Authorized Person for the County of Santa Cruz, a political subdivision of the State of California, (the "Borrower") as it relates to the Equipment Agreement including without limitation:

- (a) To lease, rent, or purchase Equipment, to borrow money from Secured Party from time to time on terms, with or without security, as such Authorized Person believes to be proper;
- (b) To sign and deliver to Secured Party from time to time lease agreements, rental agreements, finance agreements, including all schedules to such agreements, notes or loan agreements and amendments to such documents, and any and all other transaction documents necessary and incidental thereto, on the terms as such Authorized Person believes to be proper;
- (c) To pledge or create any lien or security interest upon or with respect to any real or personal property assets as it relates to the Equipment Agreement, to sign and deliver to Secured Party, as security for any agreements or credit and for all present or future obligations to Secured Party, all documents the Authorized Person believes proper, and to perform such acts required to create and perfect such security interests; and
- (d) To execute and deliver guaranties to Secured Party.

Secured Party or any lessor, seller or lender to whom this Certificate is delivered may rely on this Certificate until Secured Party receives written notice that any such person listed above is no longer an Authorized Person. The authority hereby granted applies to successors of the positions set forth above. The execution of any of the above described documents by any one of the Authorized Persons may be relied upon as conclusive evidence of approval by the Borrower.

Borrower agrees that Secured Party may accept an electronic transmission of this Certificate as an original, and that electronically transmitted copies of any and all signatures herein will be treated as an original for all purposes.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 28 day of January, 2025.

Signature:

DocuSigned by:
Tammie Weigl
CB7FB7E0F56453

Printed Name:

Tammie Weigl

Title:

ISD Director



Insurance Certificate Request

Abaxent Leasing LLC has entered into Agreement No. COU111824 with County of Santa Cruz, California. The contract calls for insurance coverage described below:

Insured:	County of Santa Cruz, California
Insured Property:	Palo Alto PA-3430 Servers and Accessories
Location:	701 Ocean Street Santa Cruz, CA 95060-4003
Additional Insured and Loss Payee:	Abaxent Leasing LLC and/or its Assigns N28W23050 Roundy Drive, Suite 200 Pewaukee, WI 53072
Coverage Amount:	\$90,000.00

Section 15 of the Agreement requires the following coverage:

- PROPERTY AND CASUALTY INSURANCE NAMING **ABAXENT LEASING LLC AND/OR ITS ASSIGNS AS SOLE LOSS PAYEE**
- COMPREHENSIVE PUBLIC LIABILITY AND THIRD-PARTY PROPERTY INSURANCE NAMING **ABAXENT LEASING LLC AND/OR ITS ASSIGNS AS ADDITIONAL INSURED**

A maximum deductible of \$10,000.00 is allowed. The insurance shall provide for thirty (30) days prior written notice to Abaxent Leasing LLC of CANCELLATION, restriction, or reduction of coverage and shall have a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. **Please reference the above lease agreement number on the certificate.**

Upon issuance of the coverage outlined above, please email certificate to admin@docsadmin.com. Your courtesy in issuing and forwarding the requested instrument at your earliest convenience will be greatly appreciated. Please contact me at (952) 353-9863 if you have any questions.

Sincerely,

Tracy Rivers

Tracy Rivers
Abaxent Leasing LLC



COU111824.001

Compounding Period: Annual

Cash Flow Data - Leases and Lease Payments

	Event	Date	Amount	Number	Period	End Date
1	Lease	01/01/2025	539,355.55	1		
2	Lease Payment	01/01/2025	120,918.00	5	Annual	01/01/2029

TValue Amortization Schedule - Normal, 365 Day Year

	Date	Lease Payment	Interest	Principal	Balance
Lease	01/01/2025				539,355.55
1	01/01/2025	120,918.00	0.00	120,918.00	418,437.55
2025 Totals		120,918.00	0.00	120,918.00	
2	01/01/2026	120,918.00	25,349.04	95,568.96	322,868.59
2026 Totals		120,918.00	25,349.04	95,568.96	
3	01/01/2027	120,918.00	19,559.45	101,358.55	221,510.04
2027 Totals		120,918.00	19,559.45	101,358.55	
4	01/01/2028	120,918.00	13,419.13	107,498.87	114,011.17
2028 Totals		120,918.00	13,419.13	107,498.87	
5	01/01/2029	120,918.00	6,906.83	114,011.17	0.00
2029 Totals		120,918.00	6,906.83	114,011.17	
Grand Totals		604,590.00	65,234.45	539,355.55	



Lease Proposal
November 12, 2024

Lessee
County of Santa Cruz
701 Ocean St
Santa Cruz, CA 95060

Lessor
Abaxent, LLC
N28W23050 Roundy Drive, Suite 2A
Pewaukee, WI 53072

Equipment Description	Total Equipment Cost	Term	End of Term	Payment
PaloAlto Refresh 5 Year Per Quote Q-31566	\$539,355.55	60 Months	FMV	\$120,918.00/Annually

Flex Lease:
Lessee may add, substitute or delete equipment at any time during the lease term.

Refundable Security Deposit
Lessee shall pay the equivalent of one month’s payment as a refundable security deposit.

Anticipated Delivery
During the installation period, rent will be charged only on the Equipment accepted by Lessee. Once all of the Equipment is installed and accepted, the lease schedule will commence.

Fees
Lessor will not charge any documentation, administration or legal fees.

End of Lease Options
FMV: At the end of the lease term, Lessee may at its option extend the lease, purchase the equipment, or return the equipment based on Lessee’s needs at that time.

Contingencies
This proposal, pricing and the Lease Agreement are subject to final credit, equipment, and pricing approval by Lessor and are subject to change. This proposal is not intended to address all of the legal matters relating to the lease. The lease documentation will represent the final legal agreement.

Proposal Expiration:
January 31, 2025

We appreciate your consideration of Abaxent, LLC and look forward to partnering with you. Please do not hesitate to reach out to me directly with any questions regarding this proposal.

Sincerely,

Chris J. Lipski, Jr.

262-357-1013 - mobile



QUOTE

Q-31566

Date Created Nov 6, 2024
Quote Stage Budgetary
Valid Until Dec 28, 2024
Sales Executive Nick Hughes
Contact Tom Daskaloff

Bill To
County of Santa Cruz
701 Ocean St
Santa Cruz, CA 95060

Ship To
County of Santa Cruz
701 Ocean St
Santa Cruz, CA 95060

Line	Item & Description	Qty	Unit List Price	Discounted Unit Price	Extended Total
1	PAN-PA-3430	1	\$ 55,650.00	\$ 42,294.00	\$ 42,294.00
2	PaloAlto PAN-SVC-PREM-3430-5YR Premium support 5 year prepaid, PA-3430	2	\$ 50,100.00	\$ 47,595.00	\$ 95,190.00
3	PaloAlto PAN-PA-3430-BND-CORESEC-5YR PA-3430, Precision AI Network Security Subscription Bundle (Advanced Threat Prevention, Advanced URL Filtering, Advanced Wildfire, Advanced DNS Security and SD-WAN), 5 years (60 months) term	2	\$ 187,820.00	\$ 159,647.00	\$ 319,294.00
4	PaloAlto PAN-PA-440 Palo Alto Networks PA-440	1	\$ 1,420.00	\$ 1,022.40	\$ 1,022.40
5	PaloAlto PAN-PA-400-RACKTRAY Rack mountable tray for up to two PA-440, PA-450, or PA-460 firewalls and 4 power adapters mounted in a 19 in equipment rack - DO NOT use with PA-410	1	\$ 210.00	\$ 151.20	\$ 151.20
6	PaloAlto PAN-SVC-PREM-440-5YR PA-440, Premium support, 5 years (60 months), term.	1	\$ 1,280.00	\$ 1,216.00	\$ 1,216.00
7	PaloAlto PAN-PA-440-BND-CORESEC-5YR PA-440, Precision AI Network Security Subscription Bundle (Advanced Threat Prevention, Advanced URL Filtering, Advanced Wildfire, Advanced DNS Security and SD-WAN), 5 years (60 months) term	1	\$ 3,660.00	\$ 3,184.20	\$ 3,184.20
8	PaloAlto PAN-PA-440-GP-5YR PA-440, GlobalProtect subscription, 5 years (60 months), term.	1	\$ 1,285.00	\$ 1,092.25	\$ 1,092.25
9	PaloAlto PAN-PA-3430-GP-5YR-HA2 PA-3430, GlobalProtect subscription, for one (1) device in an HA pair, 5 years (60 months) term.	2	\$ 47,150.00	\$ 37,955.75	\$ 75,911.50
10	PaloAlto PAN-SFP-PLUS-CU-5M SFP+ form factor, 10Gb direct attach twin-ax passive cable with 2 transceiver ends and 5m of cable permanently bonded as an assembly, IEEE 802.3ae 10GBASE-CR compliant	1	\$ 500.00	\$ 0.00	\$ 0.00

Purchasing Contract: Omnia 01-170 Synnex Hardware

Quote Total: \$ 539,355.55

Shipping and state/local sales tax may apply.

Certificate Of Completion

Envelope Id: D555F1CF-8B59-444A-A288-B275BCBCFF6D

Status: Completed

Subject: Complete with Docusign: Contract 25Cxxxx Abaxent Leasing LLC.pdf

Source Envelope:

Document Pages: 15

Signatures: 7

Envelope Originator:

Certificate Pages: 5

Initials: 0

Trevor MacGruer

AutoNav: Enabled

Stamps: 1

701 Ocean Street

Envelopeld Stamping: Enabled

Santa Cruz, CA 95060

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Trevor.MacGruer@santacruzcountyca.gov

IP Address: 63.194.190.100

Record Tracking

Status: Original

Holder: Trevor MacGruer

Location: DocuSign

1/15/2025 3:07:24 PM

Trevor.MacGruer@santacruzcountyca.gov

Security Appliance Status: Connected

Pool: FedRamp

Storage Appliance Status: Connected

Pool: County of Santa Cruz

Location: DocuSign

Signer Events

John Nguyen

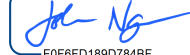
John.Nguyen@santacruzcountyca.gov

Lead Assistant County County Counsel

Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:


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Timestamp

Sent: 1/15/2025 3:11:37 PM

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Signed: 1/16/2025 8:09:25 AM

Signature Adoption: Uploaded Signature Image

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Electronic Record and Signature Disclosure:

Accepted: 6/12/2024 8:53:19 AM

ID: cff2bd5b-d3a4-40f2-aa61-cc2de5bbd9e3

Adonica Randall

arandall@abaxent.com

President

Abaxent LLC

Security Level: Email, Account Authentication (None)

DocuSigned by:


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Accepted: 1/16/2025 8:15:24 AM

ID: 148d1bff-8a11-4923-b3a7-a3329f643d7b

Gina Borasi

gina.borasi@santacruzcountyca.gov

Risk Manager

County of Santa Cruz

Security Level: Email, Account Authentication (None)

Signed by:


E4EADC5BA53B4DB...

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Signed: 1/16/2025 9:04:12 AM

Signature Adoption: Pre-selected Style

Using IP Address: 63.194.190.100

Electronic Record and Signature Disclosure:

Accepted: 12/18/2023 9:38:58 AM

ID: 5f1392e5-7eb7-47e8-b6a6-baa8d5c3b8c6

Tammie Weigl

tammie.weigl@santacruzcountyca.gov

ISD Director

County of Santa Cruz

Security Level: Email, Account Authentication (None)

DocuSigned by:


CB7FB7EF0F56453...

Sent: 1/28/2025 2:16:40 PM


Viewed: 1/28/2025 2:19:45 PM

Signed: 1/28/2025 2:22:27 PM

Signature Adoption: Pre-selected Style

Using IP Address: 63.194.190.100

Electronic Record and Signature Disclosure:

Signer Events	Signature	Timestamp
Accepted: 9/10/2024 9:20:58 AM ID: abfbf6a1-034c-4433-92d4-eb3ab0b6fdaf		
Clerk of the Board cbd.esignature@santacruzcountycal.gov County of Santa Cruz Security Level: Email, Account Authentication (None)	Signed 	Sent: 1/28/2025 2:22:30 PM Viewed: 1/31/2025 4:40:49 PM Signed: 1/31/2025 4:43:15 PM Freeform Signing

Using IP Address: 63.194.190.100

Electronic Record and Signature Disclosure:
Accepted: 6/20/2024 3:08:48 PM
ID: 4b7794de-1393-406f-a9a3-56a92d4b90d7

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Trevor MacGruel trevor.macgruel@santacruzcountycal.gov Administrative Services Manager County of Santa Cruz Security Level: Email, Account Authentication (None)	VIEWED Using IP Address: 63.194.190.100	Sent: 1/16/2025 9:04:15 AM Viewed: 1/28/2025 2:13:57 PM Completed: 1/28/2025 2:16:39 PM
Electronic Record and Signature Disclosure: Accepted: 3/1/2022 11:58:58 AM ID: cc335709-ee41-430b-bd54-96a463e073d5		

Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	1/15/2025 3:11:37 PM
Envelope Updated	Security Checked	1/16/2025 8:31:35 AM
Envelope Updated	Security Checked	1/28/2025 2:16:39 PM
Envelope Updated	Security Checked	1/28/2025 2:16:39 PM
Envelope Updated	Security Checked	1/28/2025 2:16:39 PM
Envelope Updated	Security Checked	1/28/2025 2:16:39 PM
Certified Delivered	Security Checked	1/31/2025 4:40:49 PM
Signing Complete	Security Checked	1/31/2025 4:43:15 PM
Completed	Security Checked	1/31/2025 4:43:15 PM

Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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