

APPROVED

Sept 05 2021

BOARD OF RECREATION AND PARK COMMISSIONERS

BOARD REPORT

NO. 24-188

DATE September 05, 2024

C.D. 3

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RESEDA MULTIPURPOSE CENTER – APPROVAL OF PROPOSED AMENDMENT NO. 1 TO LEASE AGREEMENT NO. C-109008 WITH ONEGENERATION, AND AMENDED AND RESTATED MEMORANDUM OF LEASE; CATEGORICAL EXEMPTION FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE 19, SECTION 15301 [PERMITTING, LEASING, LICENSING, OR MINOR ALTERATION OF EXISTING PUBLIC OR PRIVATE STRUCTURES, FACILITIES, MECHANICAL EQUIPMENT, OR TOPOGRAPHICAL FEATURES, INVOLVING NEGLIGIBLE OR NO EXPANSION OF EXISTING OR FORMER USE] OF CALIFORNIA CEQA GUIDELINES AND ARTICLE III, SECTION 1, CLASS 1(14) OF CITY CEQA GUIDELINES

B. Aguirre	_____	M. Rudnick	_____
B. Jones	_____	for *C. Santo Domingo	<u>DF</u>
C. Stoneham	_____	N. Williams	_____

General Manager

Approved X Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Approve the First Amendment (Amendment No. 1) to Lease Agreement No. C-109008 (Lease) with ONEgeneration (ONE), substantially in the form on file in the Board Office and attached as Exhibit A to this Report, to, among other things, amend the term of the Reseda Multipurpose Center (Center) lease to 35 years in order for ONEgeneration to demonstrate the required site control and to continue its operation and use of the facility to provide various senior programs and services to the San Fernando Valley community. subject to approval of the Mayor, the City Council and the City Attorney as to form;
2. Approve the Amended and Restated Memorandum of Lease (Memo), substantially in the form on file in the Board Office and as attached to this Report as Exhibit B, subject to the approval of the Mayor, the City Council and the City Attorney as to form;
3. Authorize the Board President and Secretary to execute Amendment No. 1 and the Memo upon receipt of the necessary approvals;

BOARD REPORT

PG. 2 NO. 24-188

4. Direct the Board of Recreation and Park Commissioners (Board) Secretary to forward Amendment No. 1 and the Memo to the Mayor and, concurrently, to the City Council for approval and the City Attorney for review and approval as to form;
5. Determine that the proposed approval of Attachment 1 and the Memo (Project) is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15301 [Permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use] of California CEQA Guidelines and Article III, Section 1, Class 1(14) of City CEQA Guidelines and direct staff to file a Notice of Exemption (NOE) with the Los Angeles County Clerk and the California Office of Planning and Research;
6. Authorize RAP's Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of \$75.00 for the purpose of filing a NOE; and,
7. Authorize RAP staff to make technical corrections as necessary to carry out the intent of this Report.

SUMMARY

On August 11, 2004, the Board, through Report No. 04-230, approved a ten-year Lease (Exhibit C) with ONE. On July 12, 2005, City Council approved the Lease through Council File No. 05-1015, allowing ONE to continue its occupancy and use of the Reseda Multipurpose Center for providing various senior programs to the community.

The Lease included an option, subject to Board approval, to extend the term for an additional ten-year period. On March 16, 2016, the Board, through Report No. 16-073, approved the option to extend the term an additional ten years, to October 25, 2025.

On December 4, 2023, ONE contacted RAP (Exhibit D) with a request for an amendment to the Lease to extend the term an additional 15 years, for a total of 35 years. In addition, ONE shall be responsible for the day-to-day management of any security guard they should chose to employ, as well as any damages arising from that guard's presence. RAP may require the removal of such guards from the site at any time.

Since 1985, ONE has occupied and used the Reseda Multipurpose Center and has been successfully serving the San Fernando Valley senior population through its many services and programs. Over the years, ONE has expanded its operations with additional services and programs to better serve the needs of seniors in the community. ONE provides a place for seniors to congregate and socialize through the various classes and services related to adult daycare, health services, senior advocacy, support groups, volunteer opportunities, legal assistance, counseling, hot lunches, and other programs specifically designed to empower seniors and enhance their quality of life through recreation. In order to continue performing the

BOARD REPORT

PG. 3 NO. 24-188

excellent work that ONE does in providing these much-needed services, ONE is requesting to extend the term of the Lease in order to demonstrate the required site control to continue to seek grant funds from private donors and governmental agencies and to continue their successful operation and use of the facility to provide various senior programs and services to the San Fernando Valley community. The approval of Amendment No. 1 will allow ONE to pursue the necessary long-term funding to maintain their current operations and planning for future growth.

A Memorandum of Lease was executed and recorded concurrently with the original Lease. As previously mentioned, approval of Amendment No. 1 will extend the term of the Lease to 35 years. The Amended and Restated Memorandum of Lease (Memo) will be executed and recorded in order to reflect this change.

TREES AND SHADE

The approval of Amendment No. 1 and the Memo will have no impact on existing trees or shade at the Center.

ENVIRONMENTAL IMPACT

The proposed Project consists of the extension of a lease of an existing public structure, facility, involving negligible or no expansion of existing or former use.

According to the parcel profile report retrieved on August 8, 2024, this area resides in a liquefaction zone. The construction of this Project will not create conditions that could lead to liquefaction. This site is not within a coastal, methane, or historic zone, so there is no reasonable possibility that the proposed Project may impact an environmental resource of hazardous or critical concern or have a significant effect due to unusual circumstances. No other known projects would involve cumulatively significant impacts, and future projects that would result from the proposed Project will be brought to the Board or Recreation and Park Commissioners for approval with appropriate environmental analysis. As of August 8, 2024, the State Department of Toxic Substances Control (DTSC) (Envirostor at www.envirostor.dtsc.ca.gov) and the State Water Resources Control Board (SWRCB) (Geotracker at <https://geotracker.waterboards.ca.gov/>) have not listed the Project site. They listed RB Case # 913351016 near the Project area (within 1,000 feet); this case concerned the site of an automotive repair shop (previously a gasoline station). The Regional Water Quality Control Board closed the case in 2016, after the underground tanks were removed and soil and groundwater were tested. The Regional Water Quality Control Board concluded that the residual contamination would not cause significant human health or environmental risk. According to the Caltrans Scenic Highway Map, there is no scenic highway located within the vicinity of the proposed Project or within its site. Furthermore, the proposed Project is not located in proximity of a known historical resources and will not cause a substantial adverse change in the significance of any historical resource.

BOARD REPORT

PG. 4 NO. 24-188

Based on this information, staff recommends that the Board of Recreation and Park Commissioners (Board) determines that the proposed Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15301 of California CEQA Guidelines as well as to Article III, Section 1, Class 1(14) of City CEQA Guidelines. RAP Staff will file a Notice of Exemption with the Los Angeles County Clerk and the California Office of Planning and Research upon Board's approval.

FISCAL IMPACT

ONE operates and maintains the Reseda Multipurpose Center at its own expense, with no financial obligation to RAP. ONE shall continue to pay the costs and expenses and RAP shall continue to have no financial responsibility related to the operation and maintenance of the facility.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP's Strategic Plan by supporting:

Goal No. 2: Offer Affordable and Equitable Recreational Programming

Outcome No. 2: Park programs and amenities meet and reflect the needs of older adults

Result: The approval of Amendment No. 1 will allow ONE to continue providing much needed services to the Senior Community.

This Report was prepared by Bryan Miller, Management Analyst, Planning, Maintenance, and Construction Branch, Department of Recreation and Parks.

LIST OF ATTACHMENTS/EXHIBITS

- 1) Exhibit A – ONEgeneration Lease Agreement No. C-109008 – Amendment No. 1
- 2) Exhibit B – Amended and Restated Memorandum of Lease
- 3) Exhibit C – ONEgeneration Lease Agreement No. C-109008
- 4) Exhibit D – ONEgeneration Amendment Request

AMENDMENT NO. 1
TO
LEASE AGREEMENT BETWEEN
CITY OF LOS ANGELES
AND
ONEGENERATION
FOR
THE RESEDA MULTIPURPOSE CENTER

This Amendment ("Amendment") is entered into this _____ day of _____, 2024 by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners, as Landlord ("City"), and ONEGENERATION, a California non-profit corporation ("ONE"), with a principal mailing address at 17400 Victory Boulevard, Van Nuys, CA 91406, as Tenant, and amends that certain Lease by and between City and ONE entered into October 25, 2005 as described below.

1. Section 4.1 (Term) shall be amended in its entirety to read as follows:

4.1 **Term.** The Term of this Lease shall be thirty-five (35) years, commencing on the Lease Commencement Date as provided in Section 4.2 and terminating on the date which is the last day of the calendar month containing the thirty-fifth (35th) anniversary of the Lease Commencement Date ("Term"), unless terminated earlier or extended in accordance with the provisions of this Lease.

2. Section 4.4 (Option to Extend) is deleted in its entirety.

3. Section 8.5 (Security) shall be amended in its entirety to read as follows:

8.5 **Security.** City is not obligated under this Lease to provide any special security for the Premises or contents contained therein. ONE shall exercise reasonable precautions to ensure the security and safety of the Premises and all those who lawfully enter the Premises. ONE may re-key the Premises and install security alarm systems, and take other security measures on the Premises which it may deem necessary. ONE may hire a security guard at ONE's sole discretion and ONE shall be solely responsible for the oversight and management of any such security guard and for any claims or damages resulting from the security guard's presence. City shall have the right to require the removal of the security guard from the Premises at any time. On request, ONE shall provide City with keys to the outer doors of the Premises for use in case of emergency.

4. Article 20 (Ordinance Mandate Provisions) shall be amended to add the following sections to the Article:

20.9 **Disclosure of Border Wall Contracting Ordinance.** ONE shall comply with Los Angeles Administrative Code Section 10.50 *et seq.*, 'Disclosure of Border Wall Contracting'. City may terminate this Lease at any time if City determines that ONE failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

20.10 **Use of Criminal History for Consideration of Employment Applications.** This Lease is subject to LAAC sections 10.48 *et seq.*, which regards the use of criminal history for consideration of employment applications. ONE shall fully comply with LAAC sections 10.48 *et seq.* City shall have the right to terminate this Lease at any time if City determines that ONE failed to comply fully with LAAC sections 10.48 *et seq.*

IN WITNESS WHEREOF, CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners, Landlord herein, and ONEGENERATION, a California non-profit corporation, Tenant herein, have caused this Amendment to be executed as of the date of the attestation by the City Clerk.

Executed this _____ day
of _____, 2024

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners

By _____
PRESIDENT

By _____
SECRETARY

Executed this _____ day
of _____, 2024

ONEGENERATION,
a California non-profit corporation

By _____
PRESIDENT

By _____
SECRETARY

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO, City Attorney

By: _____
BRENDAN KEARNS, DEPUTY CITY ATTORNEY

Date: _____

ATTEST:

HOLLY WOLCOTT, City Clerk

By: _____
DEPUTY CITY CLERK

Date: _____

Council File Number: _____ Date of Approval: _____

Said Agreement is Number _____ of City Contracts

Recording Requested By:

Attention: _____

Space above this line for recorder's use only

AMENDED AND RESTATED MEMORANDUM OF LEASE

This **AMENDED AND RESTATED MEMORANDUM OF LEASE** (this "Memorandum"), dated as of _____, 2024, is entered into between **CITY OF LOS ANGELES**, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners ("Lessor"), and **ONEGENERATION**, a California non-profit corporation ("Lessee").

This Memorandum amends and restates that certain Memorandum of Lease executed by Lessor and Lessee, which was dated October 25, 2005 and recorded on December 8, 2005 as Instrument No. 2005-3017650 in the official real property records of Los Angeles County, California.

RECITALS

A. Lessor is the owner of certain real property located in the City of Los Angeles, County of Los Angeles, State of California, commonly known as the Reseda Multipurpose Center, 18255 Victory Boulevard, Los Angeles, California 91335, more particularly described in attached **Exhibit A**, attached hereto and incorporated herein by reference, together with all buildings and other improvements located thereon (the "Property").

B. Lessor and Lessee entered into a Lease, dated October 25, 2005 (as amended to date, the "Lease"), pursuant to which Lessor leased to Lessee and Lessee leased from Lessor the Property.

C. Lessor and Lessee desire to execute this Memorandum to provide constructive notice of Lessee's rights under the Lease to all third parties.

AGREEMENT

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term. Unless otherwise extended in accordance with its terms, the term of the Lease shall be for Thirty-Five (35) Years.

2. Provisions Binding on Lessee. The provisions of the Lease to be performed by Lessee, whether affirmative or negative in nature, are intended to and shall bind Lessee and its successors and assigns at any time, and shall inure to the benefit of Lessor and its successors and assigns.

3. Provisions Binding on Lessor. The provisions of the Lease to be performed by Lessor, whether affirmative or negative in nature, are intended to and shall bind Lessor and its successors and assigns at any time, and shall inure to the benefit of Lessee and its successors and assigns.

4. Lease Terms. The lease of the Property to Lessee is pursuant to the Lease, which is incorporated in this Memorandum by reference.

5. Successors and Assigns. This Memorandum and the Lease shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on transfer of the Property and Lessee's interest in the Lease.

6. Governing Law. This Memorandum and the Lease are governed by California law.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Executed as of the date first above written.

LESSOR:

CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS:

By: _____

Name: _____

President

By: _____

Name: _____

Secretary

LESSEE:

ONEGENERATION, a California nonprofit corporation

By: _____

Name: _____

President

By: _____

Name: _____

Secretary

ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me _____ (Notary Public),

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

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

WITNESS my hand and official seal.

EXHIBIT A
PLOT PLAN

c-109008

LEASE AGREEMENT SUMMARY

For information purposes only - not part of Lease

COMMISSION
REPORT NO.: 04-230
Commission Approval Date: August 11, 2004
CF NO.: 05-1015
Council Approval Date: July 12, 2005

CITY ATTORNEY
SIGNATURE:

PREMISES' ADDRESS: Reseda Multipurpose Center
18255 Victory Boulevard
Reseda, California 91335 [Section 2.1, page 2]

SQ. FEET:

TENANT: ONEGENERATION, a California nonprofit corporation
17400 Victory Boulevard, Van Nuys, California 91406
California Corporate No.:1387137
Tenant's Representative for Improvements: Donna Deutchman, Executive Director
(818) 705-2345

LANDLORD: THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of
Recreation and Park Commissioners
Deputy City Attorney/Laura M. Cadogan
Department of Recreation and Parks/Eugene Dudley/Joel Alvarez
Client: Department of Recreation and Parks
Landlord's Representative for Improvements: Kevin Regan, Superintendent - Operations
West
(818) 705-2345

TERM: Ten years [Section 4.1, page 4]
Commencing on Execution Date [Paragraph 4.2, page 4]
One (1) option to extend for ten (10) years

RENT: Operation and maintenance of a multipurpose center to provide year-round senior citizen
programs on a nonprofit basis [Section 5.1, page 6]

LEASE
BETWEEN DEPARTMENT OF RECREATION AND PARKS OF THE CITY OF LOS ANGELES AND ONEGENERATION FOR THE USE OF RESEDA MULTIPURPOSE CENTER LOCATED AT 18255 VICTORY BOULEVARD, RESEDA 91335

TABLE OF CONTENTS

	Page
ARTICLE 1. BASIC LEASE PROVISIONS	
1.1. Parties	1
1.2. Definitions In Lease	1
1.2.1. Board	1
1.2.2. City	1
1.2.3. Department	1
1.2.4. Execution Date	1
1.2.5. General Manager	1
1.2.6. Reseda Multipurpose Center	1
1.2.7. ONE	2
1.2.8. Premises	2
ARTICLE 2. PREMISES	
2.1. Premises	2
2.2. Reservation Of Mineral Rights And Air Rights	2
2.3. Communication Sites	2
2.4. Acceptance Of Premises	2
ARTICLE 3. USE	
3.1. Use	3
3.2. Multipurpose Center Functions and Operations	3
3.3. Department Use of Premises.	3
3.4. Funding	3
3.5. No Domicile	3
3.6. Alcoholic Beverages	3
3.7. Ancillary Income	4
3.8. Filming	4
3.9. Authorized Fees and Charges	4
ARTICLE 4. TERM	
4.1. Term	4
4.2. Lease Commencement Date	4
4.3. Insurance Approval	5
4.4. Option To Extend.	5
4.5. Termination - Non-conforming Use	5
4.6. Early Termination By ONE	5
4.7. Holdover	5
4.8. Development of Reseda Multipurpose Center	5
ARTICLE 5. CONSIDERATION	

5.1.	Consideration	6
ARTICLE 6. REPORTS AND AUDITS		
6.1.	Report To City	6
6.2.	Business Records	6
6.3.	Inspection And Audit Of Records By City	6
ARTICLE 7. COMPLIANCE WITH LAWS AND REGULATIONS		
7.1.	Federal, State And Local Laws	6
7.2.	Compliance With American With Disabilities Act	6
7.3.	Right of Entry	7
7.4.	Operating Permits and Licenses	7
ARTICLE 8. MAINTENANCE, REPAIR, AND UTILITIES		
8.1.	Maintenance, Repair, And Utilities	7
8.2.	Exterior Walls, Roof, And Structural Members	7
8.3.	City Not Obligated To Repair	8
8.4.	Refuse And Trash; Recycling	8
8.5.	Security	8
8.6.	Safety Deficiencies	8
8.7.	Repairs By City	8
8.8.	Failure To Perform Maintenance	9
8.9.	Effect Of Inspections Or Approvals	9
ARTICLE 9. ALTERATIONS AND IMPROVEMENTS		
9.1.	Alterations	9
9.2.	"As Built" Drawings	10
9.3.	Removal Of Fixtures	10
9.4.	No Creation Of Liability	10
9.5.	Signs	11
9.6.	Waiver Of Landlord Lien	11
ARTICLE 10. INSURANCE		
10.1.	Insurance	11
10.1.1.	General Liability Insurance	11
10.1.2.	Property Coverage	12
10.1.3.	Builder's Risk Insurance	12
10.1.4.	Insurance On Collection	12
10.1.5.	Workers' Compensation	12
10.1.6.	Adjustment Of Insurance Levels	13
10.1.7.	Reduction Of Insurance Protection	13
10.1.8.	Third-Party Insurance	13
10.2.	Self-Insurance Programs	13
10.3.	Failure To Maintain Insurance	13
ARTICLE 11. BONDS		
11.1.	Bonds	13
11.2.	Insufficient Surety	14
ARTICLE 12. INDEMNIFICATION		
12.1.	Indemnification	14

ARTICLE 13. DEFAULT AND TERMINATION		
13.1.	Events Of Default	14
13.1.1.	Breach Of Lease	14
13.1.2.	Failure To Conform To Laws	14
13.1.3.	Failure To Follow Instructions	14
13.1.4.	Incapacity To Perform	14
13.2.	Default - City's Remedies	14
13.2.1.	Termination Of Lease	14
13.2.2.	Recovery At Law	15
13.2.3.	Self-help	15
13.3.	No Waiver	15
13.4.	Default By City	15
ARTICLE 14. SURRENDER OF PREMISES		
14.1.	Surrender Of Premises	15
14.2.	No Implied Surrender	15
14.3.	Failure To Surrender Premises	15
ARTICLE 15. ASSIGNMENT AND BANKRUPTCY		
15.1.	Assignment And Subletting	16
15.2.	Bankruptcy	16
ARTICLE 16. HAZARDOUS MATERIALS		
16.1.	Hazardous Materials	16
16.1.1.	Prohibition	16
16.1.2.	Compliance Cost	17
16.1.3.	"Hazardous Material" - Definition	17
16.1.4.	Disposal Of Hazardous Material	18
16.1.5.	Hazardous Material Test	18
16.2.	Notice of Hazardous Substances	18
ARTICLE 17. DAMAGE		
17.1.	Damage	19
17.2.	Repair Of Damage	19
ARTICLE 18. CONDEMNATION		
18.1.	Condemnation	19
ARTICLE 19. NOTICES		
19.1.	Notices	19
19.2.	Notices - Where Sent	19
ARTICLE 20. ORDINANCE MANDATED PROVISIONS		
20.1.	Child Support Assignment Orders	20
20.2.	Service Contract Worker Retention Ordinance	20
20.3.	Living Wage Ordinance	21
20.3.1.	General Provisions: Living Wage Policy	21
20.3.2.	Living Wage Coverage Determination	21
20.3.3.	Compliance; Termination Provisions And Other Remedies: Living Wage Policy	21
20.4.	Non-Discrimination	22
20.4.1.	Non-Discrimination In Use Of Premises	22
20.4.2.	Non-Discrimination In Employment	22

20.4.3.	Equal Employment Practices	22
20.4.4.	Equal Benefits Provisions	22
20.5.	Contractor Responsibility Ordinance.	22
20.5.1.	General Provisions; Contractor Responsibility Policy.	23
20.5.2.	Update of Information.	23
20.5.3.	Compliance; Termination Provisions and Other Remedies.	24
20.6.	Tax Registration Certificates And Tax Payments	24
20.7.	Slavery Disclosure Ordinance	25
20.8.	Ordinance Language Governs	25

ARTICLE 21. MISCELLANEOUS PROVISIONS

21.1.	Amendment Of Lease	25
21.2.	Entire Agreement	25
21.3.	Exhibits - Incorporation In Lease	25
21.4.	Force Majeure	25
21.5.	Gender	26
21.6.	Memorandum Of Lease	26
21.7.	No Relocation Assistance	26
21.8.	Possessory Interest Tax	26
21.9.	Quiet Enjoyment	26
21.10.	Severability	26
21.11.	Sole Discretion	26
21.12.	Successors In Interest	26
21.13.	Time	26

EXHIBIT A: PLOT PLAN

EXHIBIT B: FEE SCHEDULE

EXHIBIT C: CITY ORDINANCES

CHILD SUPPORT ASSIGNMENT ORDERS ORDINANCE	C-1
SERVICE CONTRACT WORKER RETENTION ORDINANCE	C-2
DEPARTMENTAL DETERMINATION OF COVERAGE UNDER THE LIVING WAGE ORDINANCE ..	C-6
DECLARATION OF COMPLIANCE	C-7
LIVING WAGE ORDINANCE	C-8
NON-DISCRIMINATION IN EMPLOYMENT	C-14
CONTRACTOR RESPONSIBILITY ORDINANCE	C-22
SLAVERY DISCLOSURE ORDINANCE	C-28

EXHIBIT D: MEMORANDUM OF LEASE

Defined Terms

Affirmative Action	
Ordinance	C-15
Assignment	
Non-discrimination clauses	22
Child Support	
Child Support Assignment Orders	20
Los Angeles Admin. Code § 10.10	20
City	1
Contractor Responsibility Ordinance	
Failure to comply	24
General Provisions and Policy	23
Non-responsible Contractors	23
Ordinance Language	C-23
Subcontractor's Pledge of Compliance	C-27
Tenant's Pledge of Compliance	23
Updating Questionnaire responses	24
Date	
Execution Date	21
Days	26
Defined term	
CRO	23
EITC	21
Equal Benefits Provisions	22
Equal Employment Practices	22
LAAC	23
LWO	21
POC	23
Questionnaire	23
SCWRO	20
SDO	25
Tax Ordinances	24
TRC	24
Department	1
Domestic partners	
Los Angeles Admin. Code § 10.8.2.1	22
Events of Default	14
Execution Date	1
Exhibits	
Exhibit C	20-22, 25
General Manager	1
Hazardous Material	17
Lease	1
Living Wage Ordinance	
Application of	21
Determination of status	21
Union organizing	21
Multipurpose Cultural Center	3
Non-discrimination	
Activities on Premises	22
Affirmative Action Program	C-15

Domestic partner benefits	22
Employment, in	22
Notice	
30 days - Termination - TRC	25
Termination - failure to have TRC	25
Termination - failure to pay business tax	25
Plaza	1
Possessory interest	26
Premises	2
Service Contract Worker Retention Ordinance	
Application of	20
Ordinance language	C-2
Slavery Disclosure Ordinance	
Application of	25
Sole discretion	26
Statutes	
Family Code § 5230	C-1
Family Code § 5230 et seq.	20
Los Angeles Admin. Code § 10.10	20
Los Angeles Admin. Code § 10.10.b	20
Los Angeles Admin. Code § 10.36	20, C-2
Los Angeles Admin. Code § 10.36.3(c)	20
Los Angeles Admin. Code § 10.37	21
Los Angeles Admin. Code § 10.37.6(c)	21
Los Angeles Admin. Code § 10.41	25, C-29
Los Angeles Admin. Code § 10.41.2(b)	25
Los Angeles Admin. Code § 10.8.2	C-15
Los Angeles Admin. Code § 10.8.2.1	22
Los Angeles Admin. Code § 10.8.2.1.c	22
Los Angeles Admin. Code § 10.8.4	C-20
Los Angeles Administrative Code § 10.8.3	22
Los Angeles Mun. Code § 21.00, et seq.	25
Los Angeles Mun. Code § 21.11.1, et seq.	25
Los Angeles Mun. Code § 21.15.1, et seq.	25
Los Angeles Mun. Code § 21.3.1, et seq.	25
Los Angeles Mun. Code § 21.7.1, et seq.	25
Taxes	
90 days - Termination - TRC	25
City business taxes	24
Term	4
Termination - Equal Benefits Provisions	22
Termination - Equal Employment Practices	22
Termination	
Child Support, failure to pay	20
Contractor Responsibility Ordinance	24
Equal Benefits Provisions	22
Equal Employment Practices	22
Living Wage Ordinance	21
Service Contract Worker Retention Ordinance	20
Slavery Disclosure Ordinance	25
Tax Certificates, failure to have	25

LEASE

BETWEEN DEPARTMENT OF RECREATION AND PARKS OF THE CITY OF LOS ANGELES AND ONEGENERATION FOR THE USE OF RESEDA MULTIPURPOSE CENTER LOCATED AT 18255 VICTORY BOULEVARD, RESEDA 91335

ARTICLE 1. BASIC LEASE PROVISIONS

1.1. **Parties.** This Lease ("Lease") is dated, for reference purposes only, _____, and is between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, as Landlord ("City"), and ONEGENERATION, a California nonprofit corporation, with a principal mailing address at 17400 Victory Boulevard, Van Nuys, California 91406, as Tenant ("ONE").

1.2. **Definitions In Lease.** When used in this Lease, or any Exhibits to this Lease, except where a different definition is clearly and expressly given, the following words or phrases, capitalized as shown, shall mean:

1.2.1. **Board.** The defined term "Board" shall mean the Board of Recreation and Park Commissioners of the City of Los Angeles, which is the citizen board that presides over the Department of Recreation and Parks.

1.2.2. **City.** The defined term "City" shall mean the City of Los Angeles, as Landlord of this Lease. Except where clearly and expressly provided otherwise in this Lease, any action to be taken for City by the Board as defined in Paragraph 1.2.1 and the General Manager as defined in Paragraph 1.2.5. Except where clearly and expressly provided otherwise in this Lease, the capacity of the City of Los Angeles in this Lease shall be as landlord, and any benefits, obligations, or restrictions conferred or imposed by this Lease on City shall be limited to that capacity, including, but not limited to, enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law.

1.2.3. **Department.** The defined term "Department" shall mean the Department of Recreation and Parks for the City of Los Angeles, as landlord of this Lease.

1.2.4. **Execution Date.** The defined term "Execution Date" shall mean the date the Office of the City Clerk of Los Angeles attests this Lease on page 27.

1.2.5. **General Manager.** The defined term "General Manager" shall mean the General Manager of the Department of Recreation and Parks of the City of Los Angeles, or such successor position as the City Council of the City of Los Angeles may designate. The defined term "General Manager" shall also include any person designated by the General Manager to act on behalf of the General Manager.

1.2.6. **Reseda Multipurpose Center.** The defined term "Reseda Multipurpose Center" shall mean the real property, including the Premises, in Los Angeles, owned by the City of Los Angeles as of the Execution Date of this Lease, located at 18255 Victory Boulevard, Reseda, California, 91335 and commonly known as the Reseda Multipurpose Center.

1 1.2.7. ONE. The defined term "ONE" shall mean the non-profit organization ONEgeneration, a California
2 nonprofit corporation.

3 1.2.8. Premises. The defined term "Premises" shall mean real property, buildings, and other improvements
4 within that portion of Department's Reseda Multipurpose Center as described in Section 2.1 of this Lease.

5 ARTICLE 2. PREMISES

6 2.1. Premises. City leases to ONE and ONE leases from City the real property (together with all appurtenances,
7 easements, and rights of way applicable to the Premises) located at 18255 Victory Boulevard, Reseda, California 91335,
8 otherwise known as the Reseda Multipurpose Center, as shown as the areas demarcated on the plot plan attached to this Lease
9 as Exhibit A (by this reference incorporated into this Lease as though fully set forth).

10 2.2. Reservation Of Mineral Rights And Air Rights. City hereby reserves all right, title, and interest in any and
11 all gas, oil, minerals, and water beneath the Premises, below a plane five hundred (500) feet below the surface of the Premises,
12 but without the right to use the surface of the Premises, or any area above a plane five hundred (500) feet below the surface of
13 the Premises, for the extraction of such gas, oil, minerals, and water. City also reserves all right, title, and interest in any and
14 all air rights above the Premises; provided, however, that any use of air rights by City shall not interfere with the public's and
15 ONE's ingress and egress to the Premises.

16 2.3. Communication Sites. City shall retain the exclusive right without compensation to ONE to place, or to grant
17 a license for others to place, one or more cellular or other communications equipment systems anywhere upon the Premises.
18 City shall consult with ONE with respect to the location and appearance of such equipment, but final determination shall be
19 made by the City in its sole and absolute discretion; provided that any equipment shall not interfere with the public's and ONE's
20 ingress and egress to the Premises, or ONE's operation of the Premises. Nothing in this Section shall be construed to limit or
21 prohibit ONE's use of the Premises for ONE's communication equipment for ONE's personal use, and City shall require that
22 any subsequently installed cellular or other communications equipment systems to be installed and operated in a manner which
23 does not interfere with ONE's equipment. All such equipment shall be installed and operated in compliance with all applicable
24 laws and regulations. City shall have the sole and exclusive right to collect and use any revenue or fees generated from the
25 placement of such equipment. All costs related to the installation, maintenance, or operation of such equipment shall be the
26 responsibility of City or City's licensee, including without limitation electrical power and other necessary utilities. City or City's
27 licensee shall be financially responsible for and shall immediately commence and diligently pursue to completion any repair of
28 damage to the Premises or the areas adjoining the Premises, or any contents thereof, caused by the installation, maintenance,
29 or operation of such equipment. City or City's licensee shall have access to the Premises upon twenty-four (24) hour notice to
30 ONE for installation or maintenance purposes. In the event of an emergency requiring immediate access to the Premises, ONE
31 shall make every effort to accommodate the needs of City or City's licensee.

32 2.4. Acceptance Of Premises. ONE represents that ONE has inspected the Premises, and accepts the Premises in
33 the condition that existed as of the Execution Date of this Lease.

34 ARTICLE 3. USE

35 3.1. Use. The Premises shall be used by ONE exclusively for the purpose of operating and maintaining a multipurpose
36 center to provide year-round senior citizen programs ("Multipurpose Center"). Permitted uses include, without limitation,

1 educational and recreational programs; legal assistance; outreach, employment and career planning; hot lunches; volunteer
2 opportunities; health screening; physical fitness; mental health evaluation; inter-generational programs; information and
3 referrals; discount programs; trip services; in-home service; and other related multipurpose center activities. Related
4 multipurpose center activities may include offices, store rooms, work rooms, employee lunch rooms, and public food service.
5 Nothing in this Section shall be construed as limiting or mandating ONE to provide or maintain any specific activity at the
6 Premises, so long as the overall use of the Premises is reasonably consistent with this Section. Use of the Premises by ONE,
7 for any purposes not directly involving the provision of senior citizen services, intergenerational daycare, or the administration
8 thereof is prohibited unless specifically authorized in advance in writing by City. Nothing in this Section shall be construed as
9 limiting or mandating action by the City of Los Angeles in its governmental capacity (e.g. zoning, conditional use permits) (see
10 Paragraph 1.2.1).

11 3.2. **Multipurpose Center Functions and Operations.** As partial consideration for the use of City-owned
12 property, the Premises shall be open to the general public and ONE shall insure that its use of the Premises will not preclude
13 access by the general public. The Premises shall be open not less than five (5) days each week (excepting national holidays),
14 except for brief periods necessary to change or alter exhibitions. The days of the week and hours open to the general public shall
15 be selected in good faith by ONE. By mutual agreement, General Manager and ONE may amend the operating hours where such
16 change is determined to be in the public interest; provided, however, that any such amendments may not necessarily invalidate
17 or change more rigorous conditions imposed by other funding sources.

18 3.3. **Department Use of Premises.** The Department shall have the right to utilize portions of the Premises in
19 ONE's possession for Department-sponsored general community activities when the Premises are not in use by ONE. The
20 Department shall notify ONE of its intent to use the facility at least two weeks (14 days) prior to the proposed date of activity
21 and ONE's acceptance shall not be unreasonably withheld. ONE shall notify the Department of the availability and the
22 Department will not be charged for said use. The Department will be responsible for providing any special maintenance services
23 and supervision required for the proper conduct of said Department-sponsored community activities and will return the Premises
24 to its previous condition upon completion of the activities.

25 3.4. **Funding.** All funds including grants, donations, or any funds received by Lessee in connection with Premises
26 matters covered by this Lease or programs or activities conducted on the Premises shall be applied exclusively to the delivery
27 and management of programs and activities on the Premises and will be strictly accounted for as provided herein. Such funds
28 shall not be commingled with other funds of ONE unrelated to this Lease.

29 3.4.1. If for any reason ONE does not secure funding to carry out its comprehensive program for senior
30 citizens, the City may and can terminate this Lease.

31 3.5. **No Domicile.** ONE shall maintain and monitor the Premises to assure that no person or persons may live on
32 the Premises, or store their belongings on any outside areas of the Premises.

33 3.6. **Alcoholic Beverages.** The dispensing of beer, wine or other intoxicating liquors shall not be permitted, except
34 under such circumstances and conditions as may be approved in writing by the General Manager upon approval of the Board.
35 The General Manager may, at the General Manager's discretion, give blanket approval for the dispensing of beer and wine at
36 ONE functions of the type generally held by other non-profit organizations where alcohol is served (for example, without
37 limitation, fund-raising events).

1 4.3. **Insurance Approval.** Notwithstanding the provisions of Section 4.1 and Paragraph 4.2, ONE shall not take
2 possession or otherwise use the Premises until ONE has obtained all insurance required in Section 10 (page 11) and such
3 insurance has been approved by the City Attorney of Los Angeles.

4 4.4. **Option To Extend.** Provided that no Event of Default occurred under this Lease which remains uncured,
5 either at the time ONE exercises this Option To Extend or at the time the extension period is to commence, ONE shall have one
6 (1) option to extend the Term of this Lease ("**Option To Extend**") for an additional ten-year (10-year) period on the same
7 provisions and conditions subject to prior approval of the Board. Notification of the exercise of this Option To Extend shall be
8 done in writing, and ONE shall request said option at least six (6) months prior to the initial term expiration. Said request for
9 Option to Extend shall be submitted in writing to the General Manager at the address specified in Paragraph 19.2.

10 4.5 **Termination - Non-conforming Use.** Should the Premises cease to be used for the purpose as a Multipurpose
11 Center or should the operations conducted not be in accordance with the statutes of the United States, State of California, the
12 County of Los Angeles, or the City of Los Angeles, or should the Premises be determined, at the reasonable discretion of the
13 City, as not being used for the purposes of this Lease (Section 3.1), then City may terminate this Lease pursuant to Paragraph
14 13.2.1. ONE's right to cure pursuant to Paragraph 13.2.1 shall be applicable to this Section 4.5, and any inconsequential or
15 technical violation of any statute, which violation would not constitute a basis for termination, shall not in and of itself alone
16 result in termination of this Lease. Should termination be ordered, ONE will peaceably surrender the Premises and will comply
17 with all of the requirements of this Lease with regard to termination.

18 4.6 **Early Termination By ONE.** In the event that at any time ONE is no longer able to carry out the purposes
19 of this Lease as set forth in this Lease because of (i) corporate incapacity, (ii) lack of funds, or (iii) changed conditions in
20 general, then ONE shall have the right to terminate this Lease upon sixty (60) day's prior written notice to City. In the event
21 of the early termination of this Lease, the provisions of Section 14.1 (page 15) of this Lease shall pertain.

22 4.7 **Holdover.** If ONE, with City's written consent, remains in possession of the Premises after the expiration
23 or termination of this Lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty (30) days'
24 prior written notice given at any time by either party. All provisions of this Lease except those pertaining to Term (Section 4.1)
25 shall apply to the month-to-month tenancy. If ONE holds over without City's written consent, or after the date in any notice
26 given by City to ONE terminating this Lease, ONE shall be deemed to be a tenant at sufferance.

27 4.8 **Development of Reseda Multipurpose Center.** ONE acknowledges that the Premises are within or adjoin
28 areas which may be scheduled to be physically developed or are likely to be developed during the Term of this Lease. ONE
29 recognizes that due to the nature of the Premises, inconveniences, including, without limitation, vibration, noise, dust, and other
30 conditions associated with heavy construction may occur. Disruptions to access to the Premises, or portions of the Premises,
31 may also occur from time to time. ONE agrees to take those necessary steps at ONE's own expense to protect existing and future
32 exhibits and other important materials within the Premises from damage which may result from dust, vibration, or any condition
33 normally encountered during major building construction. ONE also waives any claims against the City, directly or indirectly,
34 for damages, including losses in revenue, associated with any standard construction practices in the development of the Premises.
35 ONE agrees to hold City harmless from all damages to ONE that may occur as a result of the development of the Premises by
36 City.

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ARTICLE 5. CONSIDERATION

5.1. **Consideration.** City Leases Premises to ONE in exchange for ONE's promise to use the Premises at no expense to City and for purposes set forth in Section 3.1 and for no other purposes and in exchange for ONE's promise to abide by the other provisions and conditions of this Lease.

ARTICLE 6. REPORTS AND AUDITS

6.1. **Report To City.** Not later than twelve (12) months following the Lease Commencement Date, and thereafter annually, ONE shall provide a report, which includes the financial, organizational, and programmatic activities of ONE, to the General Manager. ONE shall provide such additional information as the General Manager may reasonably request.

6.2. **Business Records.** City recognizes that ONE does not necessarily operate the Premises independently from other facilities operated by ONE. On the other hand, City maintains an interest in assuring that facilities that it provides at no rent are being operated in a manner consistent with the City's intent. Accordingly, ONE shall maintain a method of accounting of all the receipts and disbursements in connection with the Premises and other facilities operated by ONE jointly with the Premises which shall correctly and accurately reflect the gross receipts and disbursements received or made by ONE and which indicate the gross receipts and disbursements received or made by ONE from the operation of the Multipurpose Center and other activities on the Premises.

6.3. **Inspection And Audit Of Records By City.** All documents, books and accounting records required to be maintained or retained under this Article shall be open for inspection and reinspection by City with reasonable prior notice at a place mutually agreed upon between City and ONE or, otherwise, at a place designated by ONE within the City of Los Angeles during regular operating hours during the Term of this Lease and for a reasonable period, not to exceed two (2) years, thereafter. In addition, City may from time to time conduct, at City's sole cost and expense, an audit or reaudit of the books and business conducted by ONE with respect to ONE's operations from the Premises and observe the operation of business so that accuracy of the above records can be confirmed. In addition, whether or not in connection with any audit, City shall have the right to inspect ONE's federal and state income tax returns as filed along with any amendments or supplemental filings related thereto for the past two fiscal years.

ARTICLE 7. COMPLIANCE WITH LAWS AND REGULATIONS

7.1. **Federal, State And Local Laws.** ONE agrees that in achieving its goals set forth in this Lease, it will comply with all applicable laws, ordinances, rules and regulations enacted or promulgated by the City of Los Angeles, County of Los Angeles, the State of California and the Federal Government. ONE shall at all times abide by the rules and regulations heretofore adopted or that may hereafter be adopted by City and will cooperate fully with City employees in the performance of their duties.

7.2. **Compliance With American With Disabilities Act.** ONE agrees that, as between the ONE and City, ONE shall be responsible for compliance, including all costs of compliance, with the American With Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) and any other federal, state, and local laws related to the accessibility of the Premises to persons with disabilities.

1 7.3. **Right of Entry.** City and General Manager, their authorized representatives, agents and employees shall have
2 the right at their sole expense to enter upon the Premises at any reasonable times within operating hours for the purposes of
3 inspection and observation of ONE's operations. City shall endeavor to conduct such inspections and observations in a manner
4 calculated to minimize disruption to the use and enjoyment of the Premises by ONE, its employees, and patrons. Said
5 inspections may be made by persons identified to ONE as City employees or by independent contractors engaged by the City.
6 Inspection of areas not open to the general public shall be made available with reasonable prior notice (except in the case of
7 emergency, where no notice is required with respect to the facility).

8 7.4. **Operating Permits and Licenses.** ONE shall be required to obtain, at its sole expense, any and all permits
9 or licenses that may be required in connection with its operations including, but not limited to, tax permits, business licenses,
10 health permits, etc.

11 ARTICLE 8. MAINTENANCE, REPAIR, AND UTILITIES

12 8.1. **Maintenance, Repair, And Utilities.** ONE shall maintain the Premises in good condition and repair during
13 the entire Term of this Lease. ONE shall be responsible for providing and paying for all maintenance and utility services,
14 including custodial service, termite inspections and abatement, vermin and insect infestation, all maintenance and repair resulting
15 from vandalism and/or graffiti, and related repairs as needed, gas, water and electricity as required in the Premises. ONE will
16 pay cost of all such services. City shall grant such utility connections as may be necessary to provide any utility service,
17 provided that the granting of said connections shall be at no cost to City. Maintenance and utility services shall be maintained
18 at a customary and usual level for similar facilities in the Los Angeles area, except where specific levels of service are provided
19 in this Lease or other agreements applicable to Premises, in which case those provisions shall apply. ONE shall be responsible
20 for the maintenance of the interior of the building and equipment installed by City therein, which shall include all custodial
21 maintenance, repair work, and preventative maintenance. Preventative maintenance is understood to include, but not limited
22 to, periodic performance tasks needed to prolong the life and efficiency of mechanical systems within the building, such as the
23 replacement of air system filters, draining of water heaters, and the lubrication of various air conditioning and heating system
24 components. City shall provide ONE with written schedules and instructions for any required preventative maintenance work.
25 ONE shall also be responsible for the performance of major repair and reconditioning work required within the interior of the
26 building. Major work is understood to mean those refurbishment and corrective tasks needed to keep the building in a safe
27 condition and counteract the deteriorating effects of time and normal usage, such as the repair or replacement of major heating
28 and air conditioner system components. City shall be notified in writing at least ten (10) days prior to the performance of any
29 major repair or maintenance work being performed on the Premises and ONE shall at ONE's sole cost and expense, obtain the
30 written consent and approval of the plans by the General Manager, which approval shall not be unreasonably withheld or
31 delayed. City shall have the right to inspect the Premises for compliance under this Section pursuant to Section 7.3.

32 8.2. **Exterior Walls, Roof, And Structural Members.** By way of specification, without limitation, ONE shall
33 keep and maintain the exterior walls, roof and structural members of any buildings constructed on the Premises in good condition
34 and repair at ONE's sole cost and expense. City shall be notified in writing at least ten (10) days prior to the performance of
35 any major repairs to exterior walls, roofs, and structural members of any buildings on the Premises (except in the event of an
36 emergency where the repairs or work needs to be done and prior consent from City is not feasible) and ONE shall at ONE's sole
37 cost and expense, obtain the written consent and approval of the plans by the General Manager, which approval shall not be
38 unreasonably withheld or delayed. Furthermore, ONE shall, at its sole cost and expense, obtain all licenses, permits and
39 inspections necessary for said repairs of Premises. Copies of all plans, permits and licenses shall be provided to City.

1 8.3. City Not Obligated To Repair. Except as may be expressly provided in this Lease, in no event shall City
2 be required or obligated to perform any maintenance or to make any repairs, changes, alterations, additions, improvements or
3 replacements of any nature whatsoever, on the Premises or the improvements thereon, or any part thereof, at any time during
4 the Term. Moreover, nothing contained in this Lease shall be construed as requiring the City to make any repairs or to do any
5 maintenance necessitated by reason of the negligence of ONE or anyone claiming under ONE, or by reason of the failure of ONE
6 to observe or perform any conditions, covenants or agreements contained in this Lease, or by reason of any damage to or
7 destruction of other property caused by any improvements, alterations or additions made by ONE or anyone claiming through
8 ONE.

9 8.3.1. City will not provide any funding in connection with O.N.E.'s preparation to lease, or to improve,
10 maintain and operate the Premises. The cost of preparing plans, preparing environmental reports and obtaining all
11 necessary permits is the responsibility of ONE.

12 8.4. Refuse And Trash; Recycling. ONE shall keep the Premises clean and sanitary at all times. No refuse
13 matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public
14 health, shall be permitted or allowed to remain thereon, and ONE shall take all reasonable precautions to prevent any such matter
15 or material from being or accumulating upon the Premises. ONE shall provide for the collection and removal of all garbage
16 and/or refuse from the Premises as often as necessary and in no case less than twice weekly. ONE shall furnish all equipment
17 and materials therefor, including trash receptacles of a size, type and number approved by City for use by the public. Such
18 approval shall not be unreasonably withheld. ONE shall provide an enclosed area concealing trash storage from public view.
19 ONE shall, during the Term of this Lease or any extension thereof and at ONE's sole expense, conduct a recycling program on
20 the Premises in conjunction with the City Facilities Recycling Program of the City of Los Angeles, or any similar program
21 subsequently implemented. Such program will include all materials which may be reasonably recycled (e.g. white paper, mixed
22 paper, newspaper, aluminum cans, and plastic and glass containers).

23 8.5. Security. City is not obligated under this Lease to provide any special security for the Premises or contents
24 contained therein. ONE shall exercise reasonable precautions to ensure the security and safety of the Premises and all those who
25 lawfully enter the Premises. ONE may re-key the Premises and install security alarm systems, and take other security measures
26 on the Premises which it may deem necessary. On request, ONE shall provide City with keys to the outer doors of the Premises
27 for use in case of emergency.

28 8.6. Safety Deficiencies. ONE shall promptly correct all safety deficiencies and violations of safety practices of
29 which it has knowledge and shall cooperate fully with City in the investigation of accidents occurring on the Premises. In the
30 event of injury to a patron or customer, ONE shall use its best efforts to provide prompt and qualified medical attention to the
31 injured person; provided, however, that nothing in this Lease is intended to confer any third-party beneficiary status on any
32 person not a party to this Lease.

33 8.7. Repairs By City. If ONE requests City to provide any repairs, services or maintenance and City provides
34 such repairs, service or maintenance, ONE shall pay for such repairs, services or maintenance at actual cost, including indirect
35 costs incurred by City as determined by the Department of Recreation and Parks. City may require a cash deposit in advance
36 if the Department of Recreation and Parks so determines. It is not contemplated under this Lease that City will perform any such
37 repairs, services or maintenance, but rather that such will be provided by ONE's employees or by contract between ONE and
38 one or more non-City agencies, all at O.N.E.'s expense. The provisions of this Section are in addition to the "self-help" rights

1 of City contained in Paragraph 13.2.3 (page 15). As noted in Paragraph 8.1, City will not be held responsible for any infestations
2 or resulting problems or repairs emanating from termites, rodents, or other insect infestations or problems.

3 8.8. **Failure To Perform Maintenance.** In the event ONE does not perform maintenance or repairs such that any
4 of the buildings or improvements on the Premises, or any portion thereof, are no longer suitable for use by the public or other
5 occupancy, as determined by either the City or ONE, or that any of the buildings or improvements on the Premises, or any
6 portion thereof, are not in compliance, City may, at its sole discretion:

7 8.8.1. Perform or have performed the necessary remedial work at ONE's expense, with costs and payments
8 in accordance with Section 8.7;

9 8.8.2. Terminate this Lease in accordance with Paragraph 13.2.1 (page 12). ONE shall repair any damages
10 it has caused the Premises; or

11 8.8.3. Require the immediate vacation of the effected portion of the Premises until such time as such
12 maintenance or repairs are complete or such time as the Premises are in compliance with such laws, as the case may
13 be. The remedy provided in this Paragraph 8.8.3 may be used independently or in conjunction with the remedies
14 provided in either Paragraph 8.8.1 or Paragraph 8.8.2.

15 8.9. **Effect Of Inspections Or Approvals.** Wherever in this Lease inspections or approvals are required from
16 City in its role as Landlord under this Lease, including from the General Manager, such inspections or approvals are additional
17 to, and are not in lieu of, any inspections or approvals otherwise required under any applicable ordinance, regulation, or statute.
18 Such inspections or approvals by City are discretionary acts and shall not impose any liability on City to third persons nor to
19 ONE, and, in addition, shall not obligate City for any costs or expenses related to the construction, improvement, or maintenance
20 of any building or other structure at the Premises.

21 ARTICLE 9. ALTERATIONS AND IMPROVEMENTS

22 9.1. **Alterations.** ONE shall pay all costs for improvements to the Premises. All alterations or improvements
23 proposed for the Premises by ONE shall first be submitted to and approved by City. City is not obligated to approve any
24 alteration or improvement proposed by ONE.

25 9.1.1. Requests by ONE to construct capital improvements on the Premises shall be subject to the approval
26 of the Board of Recreation and Park Commissioners, which approval shall not be unreasonably withheld. Title to any
27 such approved improvements so placed upon said Premises shall vest with City upon acceptance by City of the
28 completed improvements and termination of this Lease. ONE expressly covenants and agrees not to permit any claims
29 or liens to be established against said Premises on account of any labor or material furnished in connection with any
30 such construction work and hold City free and harmless from any such claim.

31 9.1.2. ONE is authorized to perform decorative interior work, which includes painting, carpet installation
32 and other similar cosmetic changes. With prior written approval from City, ONE may make non-structural and
33 cosmetic repair changes to the Premises including, but not limited to, installing or relocating electrical outlets, and
34 modifying plumbing, air conditioning and heating systems.

1 9.1.3. ONE shall repair the interior of the Premises in a safe and clean manner, in conformance with all
2 applicable federal, state and local laws and regulations. The appearance of the Premises shall be maintained to the
3 satisfaction of City. In the event ONE fails to repair or maintain the Premises as required, City may give thirty (30)
4 days written notice for ONE to correct such default, provided, however, that if such repairs cannot be completed within
5 the thirty (30) days, ONE shall have commenced repairs and shall have made reasonable progress in correcting such
6 default and shall diligently pursue such repair until completed. If ONE fails to correct the default within any extended
7 time, in addition to any other remedy City may have, City may enter the Premises and cause such repair or maintenance
8 to be completed; and the reasonable costs thereof (including labor, materials, equipment and administrative overhead)
9 shall be charged to ONE. ONE agrees to pay such costs upon demand.

10 9.1.4. Before starting any work, ONE or ONE's contractor shall obtain a bond or other security satisfactory
11 to the City Attorney in compliance with Section 11.1 (page 13).

12 9.2. **"As Built" Drawings.** For any Alterations requiring building plans to be prepared and approved, after
13 completion thereof, ONE shall submit to City reproducible "as built" drawings of all Alterations constructed on the Premises.

14 9.3. **Removal Of Fixtures.** Subject to Section 9.6, all Alterations and fixtures installed by ONE which are not
15 to be removed from the Premises shall become the property of City upon the surrendering of the Premises upon termination of
16 this Lease (other than improvements which reasonably were expected to be removed during this Term or at the termination of
17 this Lease, such as display cases and cabinets for ONE's property, ONE's computers and other office equipment, and other
18 personal property, all of which shall remain the property of ONE and may be removed from the Premises from time to time and
19 upon termination of the Lease, provided ONE repairs any and all damage to Premises caused by such removal). Any fixtures
20 installed by ONE without the consent of City shall be removed within thirty (30) days of notice by City, no later than the
21 termination of this Lease. Should ONE fail to remove such Alterations or fixtures after the termination of this Lease, City may,
22 at City's option: (.1) retain all or any of such property, and title thereto shall thereupon vest in City; or (.2) remove the same,
23 in which event ONE shall pay City upon demand the reasonable costs of such removal, plus the cost to restore the Premises to
24 an acceptable condition as approved by the Department of Recreation and Parks.

25 9.4. **No Creation Of Liability.** Nothing contained herein shall be construed or deemed to create any obligation
26 or liability, including without limitation liability as a guarantor or surety, on the part of the City with respect to any other
27 Alterations constructed from time to time on the Premises, or any plans or specifications, construction contracts, financing or
28 other matter, instrument or document of any nature whatsoever relating to such Alterations. City is not and shall at no time be
29 liable to any creditor of ONE or any other persons occupying any part of the Premises or the Alterations thereon as a sublessee,
30 licensee or otherwise or to any claimant against the estate or property of ONE or such other occupants for any of their debts,
31 losses, contracts or other obligations. The relationship between the City and ONE is solely that of landlord and tenant and is
32 not and shall not be deemed a partnership or joint venture. Nothing in this Section shall be construed to prevent or limit City
33 from entering into any joint responsibility agreements with ONE regarding the development and maintenance of the Premises,
34 and the creation of such agreements, except to the extent specified in such agreements, shall not limit or expand the applicability
35 of the provisions of this Section.

36 9.5. **Signs.** ONE shall have the right to place, construct, and maintain in, on, or about the Premises one or more
37 signs and graphics installations, advertising ONE's name or any other matter germane to ONE's use of the Premises. No signs
38 or other graphics shall be installed in public view without the advance written approval of the General Manager, which approval
39 shall not be unreasonably withheld or delayed.

1 9.6. **Waiver Of Landlord Lien.** City, within ten (10) business days after receipt of a written demand from ONE,
2 shall execute and deliver any reasonable document required by any supplier, lessor, or lender in connection with the installation
3 of ONE’s personal property or trade fixtures in the Premises in which City waives any rights it might have or acquire with
4 respect to such personal property or trade fixtures, if such supplier, lessor, or lender agrees in writing that:

5 9.6.1. Supplier, lessor, or lender will remove such property or trade fixtures from the Premises before the
6 expiration of the Term or within thirty (30) days after termination of the Term. Where supplier, lessor, or lender does
7 not remove the property or trade fixture within such period, such supplier, lessor, or lender shall have waived any rights
8 it may have had to the property or trade fixture.

9 9.6.2. Supplier, lessor, or lender will make whatever restoration to the Premises that is required by the
10 removal, provided that such restoration is approved by City.

11 **ARTICLE 10. INSURANCE**

12 10.1. **Insurance.** Prior to the occupancy of the Premises, under the provisions and conditions of this Lease, ONE
13 shall furnish the City with evidence of insurance from insurers (i) reasonably acceptable to City, and (ii) licensed to write
14 insurance in the State of California or licensed to do business in the State of California, on a form reasonably acceptable to the
15 Los Angeles City Attorney for the following coverages and minimum limits of insurance which shall be maintained by ONE
16 at its sole cost and expense throughout the Term of this Lease, and any extensions or options:

17 10.1.1. **General Liability Insurance.** ONE shall obtain Commercial General Liability insurance with
18 coverage for Premises and Operations, Products and Completed Operations, Blanket Contractual Liability, Broad Form
19 Property Damage, and Personal Injury coverages included and shall provide for total limits of not less than ONE
20 MILLION DOLLARS (\$1,000,000) Combined Single Limit for bodily injury and property damage. Umbrella or
21 Excess Liability coverages may be used to supplement primary coverages to meet required limits. Evidence of such
22 coverage shall be on the City’s Additional Insured endorsement form provided to ONE by City or on an endorsement
23 to the policy reasonably acceptable to the Los Angeles City Attorney and provide for the following:

24 10.1.1.1. Include City, its boards, officers, agents and employees as additional insureds with ONE
25 for the development and operation of the Multipurpose Center and all activities and insured risks related
26 thereto, including , without limitation, insurance for any loss or damage to works of art.

27 10.1.1.2. That the insurance is primary and not contributing with any other insurance maintained
28 by the City of Los Angeles.

29 10.1.1.3. That the policy include a Severability of Interest or Cross-Liability clause such as “The
30 policy to which this endorsement is attached shall apply separately to each insured against whom a claim is
31 brought, except with respect to the limits of the company’s liability.”

32 10.1.1.4. With respect to the interests of City, if an insurance company elects to cancel insurance
33 before the stated expiration date, or declines to renew in the case of a continuous policy, or materially reduces
34 the coverage period by changing the retroactive date (if any), or the extended discovery period (if any), or
35 reduces the stated limits other than by impairment of an aggregate limit, or materially reduces the scope of

1 coverage which affects City's interest, the company will provide City at least thirty (30) days prior written
2 notice of such election. In addition to the persons and addresses required notice pursuant to Section 19.2
3 (page 19), notice will be made by receipted delivery addressed as follows: City Attorney, Bonds and
4 Insurance Section, City Hall, Room 1225, 200 North Spring Street, Los Angeles, California 90012, or at such
5 address as City may, from time to time, specify by written notice. It is understood, however, that such notice
6 to City shall not affect the company's right to give a lesser notice to ONE in the event of nonpayment of
7 premium.

8 10.1.2. **Property Coverage.** At all times during the Term of the Lease or any extension of the Lease, with
9 respect to any improvements on the Premises, ONE shall, at its sole cost and expense, cause to be provided and kept
10 in force and effect insurance policies, protecting City and ONE as their interests appear, against loss or damage to the
11 improvements on the Premises, in amount consistent with what a prudent operator of a comparable building would
12 carry providing replacement cost coverage for perils typically insured against in a California standard form fire
13 insurance policy. The replacement cost of the improvements shall be determined in accordance with the standard
14 practices of the insurance industry and evidenced by the certificate of the insurance company or companies issuing such
15 insurance at the time the policy or policies are obtained. The General Manager shall have the ability, from time to time,
16 to redetermine the valuation of the building on the Premises. ONE further covenants and agrees, at its sole cost and
17 expense, to provide and keep in full force and effect Boiler and Machinery insurance on all air conditioning equipment,
18 boilers, and other pressure vessels and systems, whether fired or unfired, serving the improvements on the Premises.

19 10.1.3. **Builder's Risk Insurance.** Prior to the commencement of any construction or expansion of the
20 Premises, ONE shall, at its sole cost and expense, cause to be provided and kept in full force and effect "All Risks
21 Builder's Risk" insurance, including vandalism and malicious mischief, covering improvements in place, and all
22 materials and equipment at the job site. Said insurance shall remain in full force and effect until the improvements shall
23 have been completed and fully insured as provided in this Article.

24 10.1.4. **Insurance On Collection.** ONE may obtain insurance covering its artifacts, memorabilia, and other
25 personal property in its sole discretion. City, as Landlord, shall have no right to require such insurance nor shall City
26 be deemed a beneficiary thereof. Nothing in this Paragraph, however, shall be construed to restrict the right of the City
27 of Los Angeles, or any of its Departments, Boards, Commissions, or officers, or any other person or organization, to
28 require ONE to obtain insurance on any artifacts or other property loaned or otherwise provided to the Multipurpose
29 Center or ONE by the City of Los Angeles for display or other purposes.

30 10.1.5. **Workers' Compensation.** ONE shall comply with the provisions of section 3700, et seq., of the
31 California Labor Code and shall be insured (and shall require that each of its contractors and subcontractors comply
32 with such Code and be insured) against liability for workers' compensation and employers' risk in accordance with the
33 provisions of such Code before commencing the performance of any work on or about the Premises or otherwise in
34 relation to this Lease. A Waiver of Subrogation in favor of City is required.

35 10.1.6. **Adjustment Of Insurance Levels.** City reserves the right at any time during the Term of this Lease,
36 at its sole discretion applying generally accepted Risk Management principles, to change the amounts and types of
37 insurance required hereunder effective at the renewal date of insurance then in effect (in no case more than one year
38 from the written notice) by giving ONE ninety (90) days written notice provided that such amounts and/or types shall
39 be reasonably available to ONE at commercially reasonable premiums.

1 10.1.7. **Reduction Of Insurance Protection.** If any of the required insurance coverages contain aggregate
 2 limits, or apply to other operations or tenancies of ONE outside this Lease, ONE shall give City prompt, written notice
 3 of any incident, occurrence, claim, settlement, or judgment against such insurance in which ONE's best judgment may
 4 diminish the protection such insurance affords City. ONE shall further take immediate steps to restore such aggregate
 5 limits or shall provide other insurance protection for such aggregate limits.

6 10.1.8. **Third-Party Insurance.** ONE shall be responsible for requiring indemnification and insurance as
 7 it deems appropriate from its employees receiving mileage allowance, consultants, and agents, if any, to protect ONE's
 8 and City's interests, and for ensuring that they comply with any applicable insurance statutes. ONE is encouraged to
 9 seek professional advice in this regard.

10 10.2. **Self-Insurance Programs.** Self-insurance programs and self-insured retention in insurance policies are
 11 subject to separate approval by City upon review of evidence of financial capacity to respond. Additionally, such programs or
 12 retention must provide City with at least the same protection from liability and defense of suits as would be afforded by first-
 13 dollar insurance.

14 10.3. **Failure To Maintain Insurance.** ONE's failure to procure or maintain required insurance or self-insurance
 15 program shall constitute a material breach of this Lease under which City may immediately terminate this Lease, or, at its
 16 discretion, procure or renew such insurance to protect City's interest and pay any and all premiums in connection therewith, and
 17 recover all monies so paid from ONE. If City elects to terminate this Lease, ONE agrees to immediately cease all operations
 18 and activities under this Lease and to peacefully surrender the Premises.

19 **ARTICLE 11. BONDS**

20 11.1. **Bonds.** With respect to any construction or development project for which the General Manager reasonably
 21 has concerns about ONE's ability to complete such a project, the General Manager may require, prior to the initiation of
 22 construction for any phase of development, expansion, internal or external improvements, or any other work associated with
 23 the development of the Premises, that ONE file with City a surety bond reasonably satisfactory to City in amounts and for the
 24 purposes noted herein. The surety bond shall be duly executed by a responsible corporate Surety, authorized to issue such bonds
 25 in the State of California and secured through an authorized agent with an office in California. ONE or any contractor of ONE
 26 shall pay all surety bond premiums, costs and incidentals. The bond shall be signed by both ONE or ONE's contractor and the
 27 Surety and the signature of the authorized agent of the Surety shall be notarized. ONE shall provide sufficient surety, in an
 28 amount equal to one hundred percent (100%) of the construction contract price, to satisfy claims of material suppliers and of
 29 mechanics and laborers employed by the construction firm on the work. The surety bond shall be maintained in full force and
 30 effect until the work as shown on the approved plans is substantially completed and accepted by ONE and City, and until all
 31 claims for materials and labor are paid, and shall otherwise comply with the California Civil Code.

32 11.2. **Insufficient Surety.** Where a surety bond is required by the General Manager pursuant to Section 11.1,
 33 should any such surety bond become insufficient, ONE or ONE's contractor shall make such surety bond sufficient within ten
 34 (10) days after receiving notice from City. Should any Surety at any time be unsatisfactory to City, notice will be given ONE
 35 to that effect. Changes in the work, or extensions of time, made pursuant to any construction contract, shall in no way release
 36 ONE or ONE's contractor from their obligations. Notice of such changes or extensions shall be waived by any Surety.

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ARTICLE 12. INDEMNIFICATION

12.1. **Indemnification.** During the Term of this Lease, ONE agrees to indemnify and hold City, its officers, agents and employees harmless from and against any and all loss, liability, claim or damage, including damage to ONE's property, that may arise out of or result from the activities or negligent acts or omissions of ONE, and its officers, agents, employees, contractors, and invitees, or the use of the Premises for the development and operation of the Multipurpose Center or related activities. ONE shall, at its own cost, expense and risk, pay all legal costs and reasonable attorney fees connected with defending any and all legal proceedings that may be brought against City, its officers, agents and employees, on any liability, claim or demand and satisfy any and all settlements and judgements that may be made by or rendered against any of them arising from activities or negligent acts or omissions of ONE, and its officers, agents, employees, contractors, and invitees, or from the use of property; provided that City shall promptly notify ONE in writing of any such liability, claims, or demands and provide ONE the opportunity to participate in any litigation and/or settlements. ONE's indemnification under this Lease shall not be applicable to any loss, liability, claim or damage, including damage to ONE's property, which may arise out of willful or negligent acts of City's officers, agents, or employees.

ARTICLE 13. DEFAULT AND TERMINATION

13.1. **Events Of Default.** The following occurrences are "Events of Default":

13.1.1. **Breach Of Lease.** ONE materially breaches or fails in the performance of any of the provisions of conditions of this Lease.

13.1.2. **Failure To Conform To Laws.** ONE fails to conform to applicable laws, rules or regulations.

13.1.3. **Failure To Follow Instructions.** ONE fails to substantially follow or substantially conform to any of the directions or instructions that may be properly made by the City.

13.1.4. **Incapacity To Perform.** ONE becomes unable through corporate or personal incapacity to fulfill its obligations under this Lease.

13.2. **Default - City's Remedies.** If any one or more Events of Default set forth in Section 13.1 occurs, then City may, at its election, without any further notice to or authorization from ONE, and without waiving its rights at any time to select any other remedy provided in this Section, elsewhere in this Lease, or under law, do any one or more of the following:

13.2.1. **Termination Of Lease.** City may give ONE written notice of such Event of Default. If ONE does not cure such Event of Default within thirty (30) days after notice (within three (3) days for an Event of Default involving sanitary or safety conditions) or, if the Event of Default cannot reasonably be cured within such time period, if ONE fails to commence to cure such Event of Default within the applicable time period and diligently and in good faith continue to cure the Event of Default to completion, City may, by delivering an additional five (5) calendar day written notice to ONE, terminate this Lease and ONE shall vacate the Premises. The language of the previous sentence notwithstanding, City may terminate this Lease if ONE fails to cure within sixty (60) days, or such additional period as City may, in its sole discretion, grant.

13.2.2. **Recovery At Law.** City may recover at law any and all claims which may be due City.

1 13.2.3.. Self-help. City may perform such work as it deems necessary to cure said Event of Default and
2 charge ONE for the full cost of labor and materials expended, plus thirty percent (30%) of said cost for administrative
3 overhead. The General Manager may exercise this option immediately for an Event of Default involving sanitary or
4 safety considerations. Otherwise, the General Manager may exercise this option within thirty (30) days after giving
5 ONE written notice of the Event of Default involving Premises' maintenance. City's rights under this Paragraph are
6 in addition to the maintenance and repairs provided in Section 8.7 (page 8).

7 The specified remedies to which City may resort under the provisions of this Lease are cumulative and not intended to be
8 exclusive of any other remedies afforded by law.

9 13.3. No Waiver. The conduct of either party for any period after an Event of Default shall not be deemed a waiver
10 of any rights and remedies, nor a waiver of an Event of Default of the same or any other provision, covenant or condition. Any
11 waiver by one party of an Event of Default on the part of the other party shall not be construed as, or constitute, a waiver of any
12 subsequent Event of Default of the same or any other provision, covenant or condition.

13 13.4. Default By City. In the event City defaults in the performance of any of the provisions or conditions of this
14 Lease, and if a written notice of such default is issued to City by ONE, and if City does not commence to cure said default within
15 sixty (60) days of receipt of said notice, ONE may immediately terminate this Lease and/or obtain specific performance.

16 ARTICLE 14. SURRENDER OF PREMISES

17 14.1. Surrender Of Premises. Upon termination of this Lease, ONE shall quit and surrender possession of the
18 Premises to City in good and usable condition, subject to normal wear and tear. Except as provided in Section 9.3 (page 10),
19 any improvements which have been constructed or erected on the Premises shall, upon termination of this Lease, become the
20 property of City. ONE's collections and all personal property and fixtures related thereto shall remain the property of ONE or
21 its assigns and may be removed by ONE from the Premises upon termination of this Lease, along with such property as may be
22 removed by ONE pursuant to Section 9.3.

23 14.2. No Implied Surrender. No act or thing done by City during the Term shall be deemed an acceptance of a
24 surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by the City.

25 14.3. Failure To Surrender Premises. If ONE fails to surrender the Premises, together with the improvements
26 thereon, upon the termination of this Lease, ONE agrees to indemnify and hold harmless City from and against any loss or
27 liability, including costs and reasonable attorney's fees, resulting from such failure to surrender, including, but not limited to,
28 any claims made by any succeeding tenant based on or resulting from such failure to surrender. Nothing herein contained shall
29 be construed as a consent to any occupancy or possession of any portion of the Premises and the improvements thereon by ONE
30 beyond the expiration of the Term or earlier termination of this Lease.

31 ARTICLE 15. ASSIGNMENT AND BANKRUPTCY

32 15.1. Assignment And Subletting. ONE shall not sublet the Premises or any part thereof or allow the same to be
33 used or occupied by any other person, group or organization for any other use than that herein specified, nor assign this Lease,
34 nor transfer, assign or in any manner convey any of the rights or privileges herein granted without the consent of the City, which
35 may give or deny consent at its sole discretion (provided that ONE shall have the right to sublease or contract for the operation

1 of a food service enterprise, gift shop, or other related undertaking with the prior consent of City, and such consent or approval
2 shall not be unreasonably withheld or delayed). Short term and occasional use of the Premises for activities such as location
3 filming, special events, and projects with artists or other non-profit or governmental agencies shall not be considered as
4 assignments or subletting and ONE may allow such use without the need for the prior consent of City (however, net income,
5 if any, from such activities is subject to the provisions of Section 3.7, 3.8, 3.8, 3.9, 3.9.1, page 4). ONE shall not rent, lease,
6 or offer any space for storing any article or articles unrelated to ONE within or on the Premises, without the prior written consent
7 of the General Manager (which consent shall not be unreasonably withheld or delayed). Any attempt to sublease, assign, or
8 transfer without the consent required by this Section shall be void and shall transfer no rights to the Premises. If ONE believes
9 that City has abused its discretion in denying consent, ONE's sole remedy will be to seek a declaratory judgment that City has
10 abused its discretion or an order of specific performance. ONE will not have any right to damages.

11 15.2. **Bankruptcy.** To the extent permitted by law, neither this Lease nor the rights herein granted shall be
12 assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceedings in insolvency
13 or bankruptcy either voluntarily or involuntarily, or receivership proceedings. To the extent the previous sentence is not
14 permitted by law, in the event that ONE shall be adjudicated a bankrupt, or become involved in any proceedings under the
15 bankruptcy laws of the United States or receivership laws of the State of California, or if the leasehold interest created by this
16 Lease or any improvements constructed pursuant to this Lease are transferred due to operations of law, including, without
17 limitation, the enforcement of a judgment, the trustee in bankruptcy, the receiver, the assignee, or the judgment purchaser shall
18 be bound by all provisions of this Lease, including, without limitation, the requirement that the Premises be operated as a
19 Multipurpose Center (Section 3.1, page 3).

20 ARTICLE 16. HAZARDOUS MATERIALS

21 16.1. **Hazardous Materials.** City and ONE agree as follows with respect to the existence or use of Hazardous
22 Materials (as defined in Paragraph 16.1.3) on the Premises:

23 16.1.1. **Prohibition.** ONE shall not cause or permit any Hazardous Material to be brought upon, kept or
24 used in or about the Premises by ONE, its agents, employees, contractors or invitee in violation of law or in quantities
25 which would require reporting to a governmental entity, without the prior written consent of City, which consent shall
26 not be unreasonably withheld. If ONE breaches the obligations stated in the preceding sentence, or if the presence of
27 Hazardous Material on the Premises caused or permitted by ONE results in contamination of the Premises, or if
28 contamination of the Premises by Hazardous Material otherwise occurs for which ONE is legally liable to City for
29 damage resulting therefrom, then, ONE shall indemnify, hold City harmless, and defend City (with counsel reasonably
30 acceptable to City) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including
31 without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable
32 space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the
33 Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during
34 or after the Lease Term as a result of such contamination. This indemnification of City by ONE includes, without
35 limitation, cost incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or
36 restoration work required by any federal, state or local governmental agency or political subdivision because of
37 Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if
38 the presence of any Hazardous Material on the Premises caused or permitted by ONE results in any contamination of
39 the Premises, ONE shall promptly take all actions at its sole expense as are necessary to return the Premises to the
40 condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that City's

1 approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such
2 actions would not potentially have any material adverse long-term or short-term effect on the Premises. However, the
3 foregoing provisions shall not prohibit ONE from transportation to and from, and the use, storage, maintenance, and
4 handling within, the Premises of substances customarily used in connection with normal office or center use provided:
5 (1) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted
6 use of the Premises set forth in Section 3.1 (page 3) of this Lease, strictly in accordance with applicable laws and
7 manufacturers' instructions therefor; (2) such substances shall not be disposed of, released, or discharged at the
8 Premises, and shall be transported to and from the Premises in compliance with all applicable laws, and as City shall
9 reasonably require; (3) if any applicable law or the trash removal contractor requires that any such substances be
10 disposed of separately from ordinary trash, ONE shall make arrangements at ONE's expense for such disposal directly
11 with a qualified and licensed disposal company at a lawful disposal site, and shall ensure that disposal occurs frequently
12 enough to prevent unnecessary storage of such substances on or around the Premises; and (4) any remaining such
13 substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier
14 termination of this Lease.

15 16.1.2. **Compliance Cost.** City and ONE acknowledge that City may become legally liable for the costs
16 of complying with laws relating to Hazardous Material which are not the responsibility of ONE pursuant to
17 Paragraph 16.1.1, including the following: (1) Hazardous Material present in the soil or ground water; (2) a change
18 in Laws which relate to Hazardous Material which make such Hazardous Material which is present on the Premises
19 as of the Lease Commencement Date, whether known or unknown to City, a violation of such new laws; (3) Hazardous
20 Material that migrates, flows, percolates, diffuses or in any way moves on to or under the land; (4) Hazardous Material
21 present on or under the land as a result of discharge, dumping or spilling (whether accidental or otherwise) on the land
22 by other owners of the Premises or their agents, employees, contractors or invitee, or by others. Accordingly, City and
23 ONE agree that the cost of complying with the laws relating to Hazardous Material on the Premises for which City may
24 be legally liable shall be borne by City unless cost of such compliance, between City and ONE, is made the
25 responsibility of ONE pursuant to this Article.

26 16.1.3. **"Hazardous Material" - Definition.** As used herein, the defined term "Hazardous Material"
27 means any chemical, substance, material, or waste or component thereof the presence of which requires investigation
28 or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law,
29 or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or
30 toxic chemical, substance, material or waste component thereof (whether injurious by themselves or in conjunction with
31 other materials) by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger
32 any employee or community "right-to-know" requirements adopted by such body, or for which such body has adopted
33 any requirements for the preparation or distribution of a material safety data sheet. "Hazardous Material" includes,
34 without limitation, any material or substance which is: (1) defined as a "hazardous waste," "extremely hazardous waste"
35 or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the
36 California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as a
37 "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8
38 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, et
39 seq.); (3) defined as a "hazardous material," hazardous substance," or "hazardous waste" under Section 25501 of the
40 California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and
41 Inventory, California Health and Safety Code Section 25500, et seq.); (4) defined as a "hazardous substance" under
42 Section 25282 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous

1 Substances, California Health and Safety Code Section 25280, et seq.); (5) petroleum; (6) asbestos; (7) defined as
2 "hazardous constituent," "hazardous material," "hazardous waste," or "toxic waste" under Article 2 of Chapter 10
3 (Section 66260.10) or defined as a "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of
4 the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous
5 Waste, 22 C.C.R. Section 66001, et seq.); (8) designated as a "hazardous substance" pursuant to Section 311 (33
6 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251,
7 et seq.); (9) defined as a "hazardous waste" pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource
8 Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, et seq.); (10) defined as a "hazardous
9 substance" pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation
10 and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, et seq.); (11) defined as "hazardous material"
11 under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, et seq.), as
12 such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to
13 such laws.

14 16.1.4. **Disposal Of Hazardous Material.** If ONE disposes of any soil, material or groundwater
15 contaminated with hazardous material, ONE shall provide City copies of all records including a copy of each uniform
16 hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation
17 of the material to the disposal site and the location of the disposal site. City shall not appear on any manifest document
18 as a generator of such material disposed of by ONE.

19 16.1.5. **Hazardous Material Test.** Any tests required of ONE by this Article shall be performed by a State
20 of California Department of Health Services certified testing laboratory satisfactory to City. By signing this Lease,
21 ONE hereby irrevocably directs any such laboratory to provide City, upon written request from City, copies of all of
22 its reports, test results, and data gathered. As used in this Article, the defined term "ONE" includes agents, employees,
23 contractors, subcontractors, and/or invitees of ONE.

24 16.2. **Notice of Hazardous Substances.** California Health and Safety Code section 25359.7(a) requires any owner
25 of nonresidential property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to
26 be located on or beneath that real property, prior to the lease or rental of that real property or when the presence of such release
27 is actually known, give written notice of that condition to the lessee or renter. California Health and Safety Code section
28 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of hazardous
29 substance has come to be located on or beneath that real property to give written notice of such condition to the owners. ONE
30 and City shall comply with the requirements of section 25359.7 and any successor statute thereto and with all other statutes, laws,
31 ordinances, rules, regulations and order of governmental authorities with respect to hazardous substances.

32 ARTICLE 17. DAMAGE

33 17.1. **Damage.** Except as otherwise provided in this Lease, if the buildings and other improvements located on the
34 Premises are damaged and such damage was caused by fire or other peril covered by ONE's insurance, ONE agrees to repair
35 such damage to the extent set forth hereafter, and this Lease shall continue in full force and effect. If (17.1.1.) such buildings
36 and other improvements are damaged as the result of any cause other than perils covered by ONE's insurance, or (17.1.2.) such
37 buildings and other improvements are damaged as the result of fire or other perils covered by ONE's insurance, and the cost
38 to repair such damages (as determined by ONE in good faith) shall exceed thirty-five percent (35%) of the full replacement cost
39 of the buildings and other improvements, then ONE may, at ONE's option, either (A) repair such damage as soon as reasonably

1 practicable at ONE's sole cost and expense, in which event this Lease shall continue in force and effect, or (B) give written
2 notice to City within ninety (90) days after the date of occurrence of such damage. Upon such termination, ONE shall, if
3 requested by City, and if covered by ONE's insurance, complete demolition of the damaged building or improvement at ONE's
4 sole cost and expense and shall transfer any remaining proceeds received from ONE's insurance that are attributable to damage
5 to the real property underlying the Premises, if any, to City.

6 17.2. **Repair Of Damage.** If this Lease is not terminated pursuant to any of the provisions of this Article 17, ONE
7 shall, as soon as reasonably practicable and to the extent of available insurance proceeds, restore and repair the buildings and
8 other improvements to the same condition, to the extent possible, they were in immediately prior to the occurrence of the
9 damage.

10 **ARTICLE 18. CONDEMNATION**

11 18.1. **Condemnation.** Should any or all of the Premises be acquired for public use under the power of eminent
12 domain or by purchase in lieu thereof, City shall be entitled to all compensation attributable to the buildings, land and severance
13 damages. ONE shall receive any compensation which may be paid for damage or loss of personal property.

14 **ARTICLE 19. NOTICES**

15 19.1. **Notices.** All notices and demands which may or are to be required or permitted to be given by either party
16 to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of
17 professional messenger service), sent by United States registered or certified mail, postage prepaid, return receipt requested,
18 or transmitted by telecopier (e.g. Fax), in which case the receiving party shall immediately confirm receipt of such notice. All
19 notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 20.2
20 below. In the event City is unable to give notice to ONE at the address(es) provided to City by ONE, notice shall be deemed
21 effective when addressed to ONE at the Premises. Either party may from time to time designate another person or place in a
22 notice.

23 19.2. **Notices - Where Sent.** All notices given under this Lease which are mailed or telecopied shall be addressed
24 to the respective parties as follows:

25 **To Department:**
26 General Manager
27 Department of Recreation and Parks
28 City of Los Angeles
29 1200 W. Seventh Street, 7th Floor
30 Los Angeles, California 90017
31 Telecopier: (213) 617-0439
32 Attn: Real Estate and Asset Management Division

with a copy of all notices to:
Office of the Los Angeles City Attorney
Real Property Division
Room 700 City Hall East,
200 N. Main Street
Los Angeles, California 90012
Telecopier: (213) 978-8090

1 **To ONE:**

2 ONEgeneration
3 The Mark Taper Intergenerational Center
4 17400 Victory Boulevard
5 Van Nuys, California 91406
6 Telecopier: (818) 708-6620

7 **ARTICLE 20. ORDINANCE MANDATED PROVISIONS**

8 20.1. **Child Support Assignment Orders.** This Lease is subject to Section 10.10, Article 1, Chapter 1, Division 10
9 of the Los Angeles Administrative Code related to Child Support Assignment Orders, a copy of which is attached hereto
10 beginning on page C-1 in Exhibit C and by this reference incorporated herein. Pursuant to this Section, ONE (and any
11 subcontractor of ONE providing services to City under this Lease shall (.1) fully comply with all State and Federal employment
12 reporting requirements for ONE's or ONE's subcontractor's employees applicable to Child Support Assignment Orders; (.2)
13 certify that the principal owner(s) of ONE and applicable subcontractors are in compliance with any Wage and Earnings
14 Assignment Orders and Notices of Assignment applicable to them personally; (.3) fully comply with all lawfully served Wage
15 and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, et seq.;
16 and (.4) maintain such compliance throughout the Term of this Lease. Pursuant to Section 10.10.b of the Los Angeles
17 Administrative Code, failure of ONE or an applicable subcontractor to comply with all applicable reporting requirements or to
18 implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal
19 owner(s) of ONE or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of
20 Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where such
21 failure shall continue for more than ninety (90) days after notice of such failure to ONE by City (in lieu of any time for cure
22 provided in Section 13.1 (page 14)).

23 20.2. **Service Contract Worker Retention Ordinance.** This Lease is subject to the Service Contract Worker
24 Retention Ordinance ("SCWRO") (Section 10.36, et seq, of the Los Angeles Administrative Code), a copy of which is attached
25 hereto starting on page C-2 in Exhibit C. The SCWRO requires that, unless specific exemptions apply, all employers (as
26 defined) under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an
27 expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor
28 contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12)
29 months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of
30 Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate
31 this Lease and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the
32 provisions of the SCWRO.

33 20.3. **Living Wage Ordinance.**

34 20.3.1. **General Provisions: Living Wage Policy.** This Lease is subject to the Living Wage Ordinance
35 ("LWO") (Section 10.37, et seq, of the Los Angeles Administrative Code), a copy of which is attached hereto starting
36 on page C-9 in Exhibit C. The LWO requires that, unless specific exemptions apply, any employees of tenants or
37 licensees of City property who render services on the leased or licensed premises are covered by the LWO if any of
38 the following applies: (1) the services are rendered on premises at least of portion of which are visited by substantial
39 numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City employees if the

1 awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of
2 the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of
3 Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as
4 adjusted each year (July 1, 2003, levels: \$8.53 per hour with health benefits of at least \$1.25 per hour or otherwise
5 \$9.78 per hour). The LWO also requires that employees be provided with at least twelve (12) compensated days off
6 per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days
7 per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees
8 making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit
9 ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to
10 Section 10.37.4. ONE shall permit access to work sites for authorized City representatives to review the operation,
11 payroll, and related documents, and to provide certified copies of the relevant records upon request by the City.
12 Whether or not subject to the LWO, ONE shall not retaliate against any employee claiming non-compliance with the
13 provisions of the LWO, and, in addition, pursuant to section 10.37.6(c), ONE agrees to comply with federal law
14 prohibiting retaliation for union organizing.

15 20.3.2. Living Wage Coverage Determination. The Department of Recreation and Parks has made the
16 initial determination that this Lease, as a public lease or a public license, is subject to the LWO and the Living Wage
17 Coverage Determination Form reflecting that determination is attached to this Lease on page C-6 in Exhibit C. ONE,
18 although subject to the LWO, may be exempt from most of the requirements of the LWO if ONE qualifies for such
19 exemption under the provisions of the LWO. Determinations as to whether an employer or employee is exempt from
20 coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or
21 other interpretations of the law are considered. Applications for exemption must be renewed two (2) years. To the
22 extent ONE claims non-coverage or exemption from the provisions of the LWO, the burden shall be on ONE to prove
23 such non-coverage or exemption, and, where applicable, renew such exemption.

24 20.3.3. Compliance; Termination Provisions And Other Remedies: Living Wage Policy. If ONE is not
25 initially exempt from the LWO, ONE shall comply with all of the provisions of the LWO, including payment to
26 employees at the minimum wage rates, effective on the Execution Date of this Lease, and shall execute the Declaration
27 of Compliance Form attached to this Lease on page C-8 in Exhibit C contemporaneously with the execution of this
28 Lease. If ONE is initially exempt from the LWO, but later no longer qualifies for any exemption, ONE shall, at such
29 time as ONE is no longer exempt, comply with the provisions of the LWO and execute the then currently used
30 Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of
31 the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Lease and City
32 shall be entitled to terminate this Lease and otherwise pursue legal remedies that may be available, including those set
33 forth in the LWO, if City determines that ONE violated the provisions of the LWO. The procedures and time periods
34 provided in the LWO are in lieu of the procedures and time periods provided in Section 13.1 (page 14) of this Lease.
35 Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the LWO.

36 20.4. Non-Discrimination.

37 20.4.1. Non-Discrimination In Use Of Premises. There shall be no discrimination against or segregation
38 of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age,
39 physical handicap, marital status, domestic partner status, or medical condition in the lease, sublease, transfer, use,
40 occupancy, tenure, or enjoyment of the Premises or any part of the Premises or any operations or activities conducted

1 on the Premises or any part of the Premises, nor shall ONE or any person claiming under or through ONE establish
2 or permit any such practice or practices of discrimination or segregation with reference to the selection, location,
3 number, use of occupancy of tenants, subtenants, or vendees of the Premises. Any sublease or assignment which may
4 be permitted under this Lease shall also be subject to the non-discrimination clauses contained in this Section 20.4.

5 20.4.2. **Non-Discrimination In Employment** ONE agrees and obligates itself in the performance of this
6 Lease not to discriminate against any employee or applicant for employment because of the employee's or applicant's
7 race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner
8 status, or medical condition.

9 20.4.3. **Equal Employment Practices**. This Lease is a contract with or on behalf of the City of Los Angeles
10 for which the consideration is \$1000.00 or more. Accordingly, during the performance of this Lease, ONE further
11 agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("**Equal Employment Practices**"), a
12 copy of which is attached hereto beginning on page C-18 in Exhibit C and by this reference incorporated herein. By
13 way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative
14 Code, the failure of ONE to comply with the Equal Employment Practices provisions of this Lease may be deemed to
15 be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair
16 hearing after notice and an opportunity to be heard has been given to ONE. Upon a finding duly made that ONE has
17 failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

18 20.4.4. **Equal Benefits Provisions**. This Lease is subject to Section 10.8.2.1, Article 1, Chapter 1,
19 Division 10 of the Los Angeles Administrative Code ("**Equal Benefits Provisions**") related to equal benefits to
20 employees, a copy of which is attached hereto beginning on page C-15 in Exhibit C and by this reference incorporated
21 herein. ONE agrees to comply with the provisions of Section 10.8.2.1. By way of specification but not limitation,
22 pursuant to Section 10.8.2.1.c of the Los Angeles Administrative Code, the failure of ONE to comply with the Equal
23 Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding
24 shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has
25 been given to ONE. Upon a finding duly made that ONE has failed to comply with the Equal Employment Practices
26 provisions of this Lease, this Lease may be forthwith terminated.

27 20.5. **Contractor Responsibility Ordinance**.

28 20.5.1. **General Provisions; Contractor Responsibility Policy**. This Lease is subject to the Contractor
29 Responsibility Ordinance ("CRO") (Section 10.40, et seq, of the Los Angeles Administrative Code "LAAC"), a copy
30 of which is attached hereto starting on page 23 in Exhibit C and the rules and regulations promulgated pursuant thereto
31 as they may be updated. The CRO requires that, unless specific exemptions apply as specified in LAAC 10.40.4(a),
32 lessees or licensees of City property who render services on the leased or licensed premises are covered by the CRO
33 if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by
34 substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City
35 employees if the awarding authority had the requisite financial and staffing resources, or (3) designated administrative
36 agency of the City has determined in writing that coverage would further the proprietary interests of the City. Lessees
37 or licensees of City property who are not exempt pursuant to LAAC 10.40.4 (a) or (b), unless subject to the CRO solely
38 due to an amendment to an existing lease or license, are required to have completed a questionnaire ("**Questionnaire**")
39 signed under penalty of perjury designed to assist the City in determination that the lessee or licensee is one that has

1 the necessary quality, fitness and capacity to perform the work set forth in the contract. All lessees or licensees of City
2 property who are covered by the CRO, including those subject to the CRO due to an amendment, are required to
3 complete the following Pledge of Compliance ("POC"):

4 (1) comply with all applicable federal state, and local laws and regulations in the performance of the contract,
5 including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws
6 which affect employees;

7 (2) notify the awarding authority within thirty (30) calendar days after receiving notification that any
8 government agency has initiated an investigation that may result in a finding that the lessee or licensee did not comply
9 with subparagraph (1) above in the performance of the lease or license;

10 (3) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or
11 court of competent jurisdiction that the lessee or licensee has violated subparagraph (1) above in the performance of
12 the lease or license;

13 (4) ensure within thirty (30) days (or such shorter time as may be required by the awarding authority) that
14 subcontractors working on the lease or license submit a POC to the awarding authority signed under penalty of perjury;
15 and

16 (5) ensure that subcontractors working on the lease or license abide by the requirements of the POC and the
17 requirement to notify the awarding authority within thirty (30) calendar days that any government agency or court of
18 competent jurisdiction has initiated an investigation or has found that the subcontractor has violated subparagraph (1)
19 above in the performance of the lease or license.

20 ONE shall ensure that their subcontractors meet the criteria for responsibility set forth in the CRO and any rules and regulations
21 promulgated thereto. ONE may not use any subcontractor that has been determined or found to be a non-responsible contractor
22 by City. The listing of non-responsible contractors may be accessed on the internet at: <http://www.lacity.org/bidresp>. Subject
23 to approval by the awarding authority, ONE may substitute a non-responsible subcontractor with another subcontractor with
24 no change in the consideration for this Lease. ONE shall submit to City a Pledge of Compliance, as attached hereto on page 27
25 of Exhibit 1, for each subcontractor listed by the ONE in its Questionnaire, as performing work on this Lease within thirty (30)
26 calendar days of execution of this Lease, unless the Department of General Services requires in its discretion the submission
27 of a Pledge of Compliance within a shorter time period. The signature of ONE on page 27 of this Lease shall constitute a
28 declaration under penalty of perjury that ONE shall comply with the POC.

29 **20.5.2. Update of Information.** ONE shall:

30 (1) notify the awarding authority within thirty (30) calendar days after receiving notification that any
31 governmental agency has initiated an investigation that may result in a finding that ONE did not comply with any
32 applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding
33 health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

34 (2) notify the awarding authority within thirty (30) calendar days of receiving notice of any findings by a
35 government agency or court of competent jurisdiction that ONE violated any applicable federal, state, or local law in
36 the performance of this Lease including but not limited to laws regarding health and safety, labor and employment,
37 wage and hour, and licensing laws which affect employees; and

38 (3) notify the awarding authority within thirty (30) calendar days of becoming aware of any information
39 regarding its subcontractors and investigations or findings regarding the subcontractor's violations of any applicable

1 federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and
2 safety, labor and employment, wage and hour, and licensing laws which affect employees.

3 Updates of information contained in ONE's responses to the Questionnaire must be submitted to the awarding authority within
4 thirty (30) days of any changes to the responses if the change would affect ONE's fitness and ability to continue performing this
5 Lease. Notwithstanding the above, ONE shall not be required to provide updates to the Questionnaire if ONE became subject
6 to the CRO solely because of an amendment to the original lease or license. ONE shall cooperate in any investigation pursuant
7 to CRO by providing such information as shall be requested by City. ONE agrees that City may keep the identity of any
8 complainant confidential. ONE shall ensure that subcontractors who perform work on this Lease abide by these same updating
9 requirements including the requirement to:

- 10 (1) notify the awarding authority within thirty (30) calendar days after receiving notification that any
11 government agency has initiated an investigation which may result in a finding that the subcontractor did not comply
12 with any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws
13 regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and
14 (2) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or
15 court of competent jurisdiction that the subcontractor violated any applicable federal, state, or local law in the
16 performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage
17 and hour, and licensing laws which affect employees.

18 The requirement that ONE provide Questionnaires and updates to Questionnaire responses does not apply to subcontractors.

19 **20.5.3. Compliance; Termination Provisions and Other Remedies.** If ONE is not exempt from the CRO,
20 ONE shall comply with all of the provisions of the CRO and this Lease. Failure to comply with the provisions of the
21 CRO, including without limitation the requirements that all responses to the Questionnaire are complete and accurate,
22 to provide updates as provided therein and to correct any deficiencies within ten (10) days of notice by City, or failure
23 to comply with the provisions of this Lease shall constitute a material breach of this Lease and City shall be entitled
24 to terminate this Lease and otherwise pursue any legal remedies that may be available, including those set forth in the
25 CRO. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the CRO.

26 **20.6. Tax Registration Certificates And Tax Payments.** This Section is applicable where ONE is engaged in
27 business within the City of Los Angeles and ONE is required to obtain a Tax Registration Certificate ("TRC") pursuant to one
28 or more of the following articles (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1
29 (Business Tax Ordinance) [section 21.00, et seq.], Article 1.3 (Commercial ONE's Occupancy Tax) [section 21.3.1, et seq.],
30 Article 1.7 (Transient Occupancy Tax) [section 21.7.1, et seq.], Article 1.11 (Payroll Expense Tax) [section 21.11.1, et seq.],
31 or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, et seq.]. Prior to the execution of this Lease, or the effective date
32 of any extension of the Term or renewal of this Lease, ONE shall provide to the Department of Recreation and Parks proof
33 satisfactory to the General Manager of the Department of Recreation and Parks that ONE has the required TRCs and that ONE
34 is not then currently delinquent in any tax payment required under the Tax Ordinances. City may terminate this Lease upon
35 thirty (30) days' prior written notice to ONE if City determines that ONE failed to have the required TRCs or was delinquent
36 in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this
37 Lease. City may also terminate this Lease upon ninety (90) days prior written notice to ONE at any time during the Term of
38 this Lease if ONE fails to maintain required TRCs or becomes delinquent in tax payments required under the Tax Ordinances

1 and ONE fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided in Section 13.1
2 (page 14)).

3 20.7. **Slavery Disclosure Ordinance.** This Lease is subject to the applicable provisions of the Slavery Disclosure
4 Ordinance. ("SDO") (Section 10.41, et seq, of the Los Angeles Administrative Code), a copy of which is attached hereto
5 starting on page C-29 in Exhibit C. Unless otherwise exempt in accordance with the provision of this Ordinance, ONE certifies
6 that it has complied with the applicable provisions of the Ordinance. Under the provisions of Section 10.41.2(b) of the
7 Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Lease and otherwise
8 pursue legal remedies that may be available to City if City determines that the ONE failed to fully and accurately complete the
9 SDO affidavit or otherwise violated any provision of the SDO.

10 20.8. **Ordinance Language Governs.** Exhibit C is provided as a convenience to the parties only; in the event of
11 a discrepancy between Exhibit C and the applicable ordinance language, as amended, the language of the ordinance shall govern.

12 ARTICLE 21. MISCELLANEOUS PROVISIONS

13 21.1. **Amendment Of Lease.** No amendment, modification, supplement or mutual termination of any provision
14 of this Lease shall in any event be effective unless the same shall be in writing and signed by City and ONE

15 21.2. **Entire Agreement.** This Lease contains all of the agreements of the parties hereto with respect to the matters
16 covered hereby, and no prior agreements, oral or written, or understandings or representations of any nature whatsoever
17 pertaining to any such matters shall be effective for any purpose unless expressly incorporated in the provisions of this Lease.

18 21.3. **Exhibits - Incorporation In Lease.** All exhibits referred to are attached to this Lease and incorporated by
19 reference.

20 21.4. **Force Majeure.** Whenever either party hereto shall be required by the provisions of this Lease or by law to
21 perform any contract, act, work, construction, labor or services (excepting only the obligation to pay rent due hereunder), or to
22 discharge any lien against the Premises, or to perform and comply with any laws, rules, orders, ordinances, regulations or zoning
23 regulations, said party shall not be deemed to be in default herein and the other party shall not enforce or exercise any of its right
24 under this Lease, if and so long as nonperformance or default herein shall be directly caused by strikes, non-availability of
25 materials, war or national defense preemptions, governmental restrictions, acts of God or other similar causes beyond the
26 reasonable control of the nonperforming party; provided, however, that notwithstanding any of the provisions of the foregoing,
27 the nonperforming party shall commence such performance and continue the same with diligence and continuity immediately
28 after the removal of any of the causes herein above specified.

29 21.5. **Gender.** As used herein, the neuter gender includes the feminine and masculine, the masculine includes the
30 feminine and the neuter and feminine includes the masculine and the neuter, and each includes corporations, partnerships or
31 other legal entities when the context so requires.

32 21.6. **Memorandum Of Lease.** A Memorandum of Lease, substantially in the form as that attached to this Lease
33 as Exhibit D, shall be completed and executed by both parties concurrently with the execution of this Lease. City may record
34 such Memorandum of Lease. ONE understands that this Lease may be considered a public document and, therefore, may be
35 made available to members of the general public.

1 21.7. **No Relocation Assistance.** ONE acknowledges that it is not entitled to relocation assistance or any other
2 benefits under the California Relocation Assistance Act (Government Code section 7260, et seq.), the Uniform Relocation
3 Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. § 4601, et seq.), or any other
4 provisions of law upon termination of this Lease.

5 21.8. **Possessory Interest Tax.** The execution of this Lease and the acceptance of the benefits of this Lease may
6 create a property interest known as "possessory interest" and such property interest will be subject to property taxation. ONE,
7 as the party in whom the possessory interest is vested, shall be responsible for the payment of all property taxes, if any, levied
8 upon such interest. ONE acknowledges that the notice required under California Revenue and Taxation Code section 107.6 has
9 been provided. ONE shall include such possessory interest in its existing property tax exemption.

10 21.9. **Quiet Enjoyment.** If ONE is not in default as provided herein, ONE shall and may peaceably and quietly
11 have, hold, and enjoy the Premises with necessary ingress and egress in accordance with the provisions hereof.

12 21.10. **Severability.** If any provision of this Lease or the application thereof to any person or circumstance shall to
13 any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or
14 circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and
15 provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. This Lease shall be governed by
16 and construed under the laws of the State of California.

17 21.11. **Sole Discretion.** In those instances in this Lease where it is provided that City may approve a request in City's
18 "sole discretion" or words of like import, the parties expressly agree that City has the absolute unfettered discretion to grant
19 or withhold approval, either arbitrarily or otherwise, and with or without reason, and neither ONE nor any other party or tribunal
20 shall have any right or power to inquire into or review the granting or withholding of such approval or the reasons or lack of
21 reasons therefor.

22 21.12. **Successors In Interest.** Subject to the provisions hereof relative to assignment, this Lease shall be binding
23 upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns of the respective parties
24 hereto.

25 21.13. **Time.** Time is of the essence with respect to the performance or observance of each of the obligations,
26 covenants and agreements under this Lease. Except where expressly stated to be "business days" or "working days," the word
27 "days" shall mean "calendar days."

IN WITNESS WHEREOF, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board
of Recreation and Park Commissioners, Landlord herein, and ONEGENERATION, a California nonprofit corporation, Tenant
herein, have caused this Lease to be executed as of the date of signature by the Board President and Secretary. If the space
provided in Section 1.1 (page 1) of this Lease is blank, such date shall be entered in such space, although such date shall be
deemed to be the date of this Lease in any case.

APPROVED AS TO FORM:
ROCKARD J. DELGADILLO, City Attorney

By: *Laura M. Cadogan*
Laura M. Cadogan
Deputy City Attorney

DATE: 10-25-05

ATTEST:
FRANK MARTINEZ, City Clerk

By: *Vera Mendez*
Deputy

DATE: 10-25-05

C-109608



Board Report No: 04-230
Approved: 8/11/04
(09/02/5)

CITY (LANDLORD):
CITY OF LOS ANGELES, a municipal corporation, acting
by and through its Board of Recreation and Parks
Commissioners

[Signature]

Board President

By: *[Signature]*
Board Secretary

DATE: 10/20/05

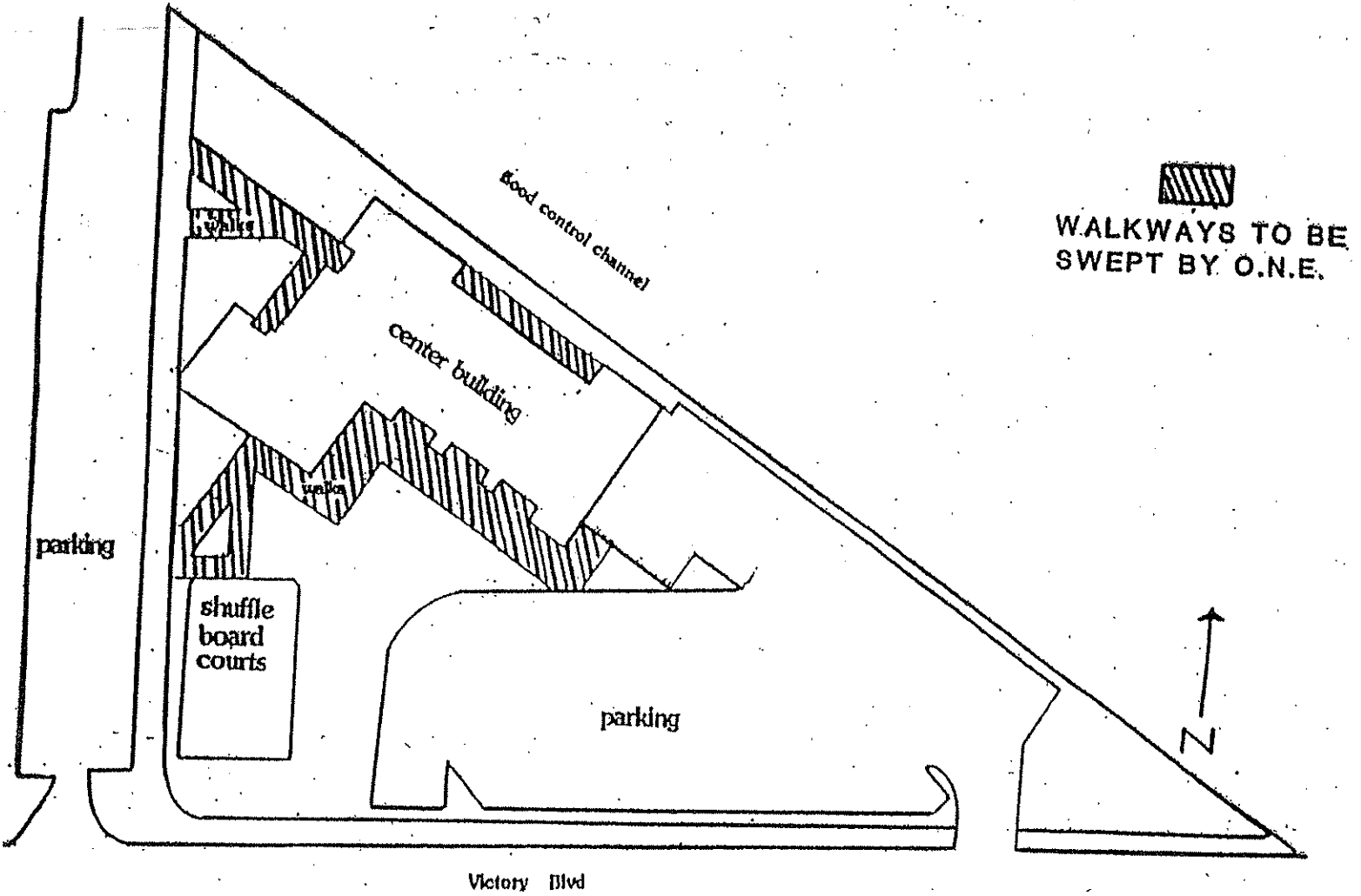
ONEGENERATION (TENANT):
ONEGENERATION, a California nonprofit corporation

By: *[Signature]*
IRWIN HUMAN
Board President

By: *[Signature]*
DAVID LUTT
Treasurer

DATE: 9-22-05

EXHIBIT A: PLOT PLAN



FEE SCHEDULE

EXHIBIT B: FEE SCHEDULE

No current Fee Schedule.

EXHIBIT C: CITY ORDINANCES

CHILD SUPPORT ASSIGNMENT ORDERS ORDINANCE

Los Angeles Administrative Code
(Applicable portions)

Sec. 10.10 Child Support Assignment Orders.

a. Definitions.

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded, or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

b. Mandatory Contract Provisions.

Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family

Code Section 5230 et seq. and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

c. Notice to Bidders.

Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

d. Current Contractor Compliance.

Within 30 days of the operative date of this ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code Sec. 5230 et seq. and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

ARTICLE HISTORY

Added by Ord. No. 172,401, eff. 2-13-99

LAAC SEC. 10.36 - WORKER RETENTION

SERVICE CONTRACT WORKER RETENTION ORDINANCE

LOS ANGELES ADMINISTRATIVE CODE

ARTICLE 10 SERVICE CONTRACT WORKER RETENTION

Article added by Ord. No. 170,784, Eff. 1-13-96; amended by Ord. No. 171,004, Eff. 5-18-96; amended by Ord. No. 172,337, Eff. 1-14-99; amended by Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36 Findings and Statement of Policy.

The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the City or with those receiving financial assistance from the City, competition results in the awarding of a service contract to what may be a different contractor. These new contracts often involve anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the City that reasons for change do not necessarily include a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to City and City financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the City or by City financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of City funds should have any potential effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts with the City or by those receiving financial assistance from the City. The retention of existing workers benefits that interest.

SECTION HISTORY

Article and Section Added by Ord. No. 170,784, Eff. 1-13-96. Article and Section Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.1. Definitions.

The following definitions shall apply throughout this article:

(a) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or, if none, then the City or the City financial assistance recipient.

(b) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles.

(c) "City financial assistance recipient" means any person that receives from the City in any twelve-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least one hundred thousand dollars (\$100,000); provided, however, that corporations organized under Section § 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 501(c)(3), with annual operating budgets of less than five million dollars (\$5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for the purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees. Service contracts for economic development or

WORKER RETENTION ORDINANCE

LAAC SEC. 10.36 - WORKER RETENTION

job growth shall be deemed such assistance once the \$100,000 threshold is reached.

(d) "Contractor" means any person that enters into a service contract with the City or a City financial assistance recipient.

(e) "Employee" means any person employed as a service employee of a contractor or subcontractor earning less than fifteen dollars (\$15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a service contract and including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employees, or (2) required to possess an occupational license.

(f) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(g) "Service contract" means a contract let to a contractor by the City or a City financial assistance recipient primarily for the furnishing of services to or for the City or financial assistance recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months.

(h) "Subcontractor" means any person not an employee that enters into a contract with a contractor to assist the contractor in performing a service contract and that employs employees for such purpose.

(i) "Successor service contract" means a service contract where the services to be performed are substantially similar to a service contract that has been recently terminated.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96. Subsec. (c) Amended by: Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.2. Transition Employment Period.

(a) Where an awarding authority has given notice that a service contract has been terminated, or where a service contractor has given notice of such termination, upon receiving or giving such notice, as the case may be, the terminated contractor shall within ten (10) days thereafter provide to the successor contractor the name, address, date of hire, and employment occupation classification of each employee in employment, of itself or subcontractors, at the time of contract termination. If the terminated contractor has not learned the identity of the successor contractor, if any, by

the time that notice was given of contract termination, the terminated contractor shall obtain such information from the awarding authority. If a successor service contract has not been awarded by the end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the awarding authority at such time. Where a subcontract of a service contract has been terminated prior to the termination of the service contract, the terminated subcontractor shall for purposes of this article be deemed a terminated contractor.

(1) Where a service contract or contracts are being let where the same or similar services were rendered by under multiple service contracts, the City or City financial aid recipient shall pool the employees, ordered by seniority within job classification, under such prior contracts.

(2) Where the use of subcontractors has occurred under the terminated contract or where the use of subcontractors is to be permitted under the successor contract, or where both circumstances arise, the City or City financial assistance recipient shall pool, when applicable, the employees, ordered by seniority within job classification, under such prior contracts or subcontracts where required by and in accordance with rules authorized by this article.

(b) A successor contractor shall retain, for a ninety (90)-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding twelve (12) months or longer. Where pooling of employees has occurred, the successor contractor shall draw from such pools in accordance with rules established under this article. During such ninety (90)-day period, employees so hired shall be employed under the terms and conditions established by the successor contractor (or subcontractor) or as required by law.

(c) If at anytime the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor (and subcontractors, if any), the successor contractor shall retain employees by seniority within job classification.

(d) During such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor (or subcontractor) from which the successor contractor (or subcontractor) shall hire additional employees.

(e) Except as provided in Subsection (c) of this section, during such ninety (90)-day period the successor contractor (or subcontractor, where applicable) shall not discharge without cause an employee retained pursuant to this article. "Cause" for this purpose shall include, but not be limited to,

WORKER RETENTION ORDINANCE

LAAC SEC. 10.36 - WORKER RETENTION

the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor from which the successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this Section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this Section and Section 10.36.3.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added, Ord. No. 172,349, Eff. 1-29-99.

Sec. 10.36.3. Enforcement.

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor's Prior Employees.

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for wrongful termination.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.6. Expenditures Covered by this Article.

This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City financial assistance recipients shall apply this article to

WORKER RETENTION ORDINANCE

EXHIBIT C

LAAC SEC. 10.36 - WORKER RETENTION

the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor from which the successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this Section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this Section and Section 10.36.3.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added, Ord. No. 172,349, Eff. 1-29-99.

Sec. 10.36.3. Enforcement.

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor's Prior Employees.

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

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SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

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This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City financial assistance recipients shall apply this article to

WORKER RETENTION ORDINANCE

EXHIBIT C

Page C-4 of C-29

LAAC SEC. 10.36 - WORKER RETENTION

the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor from which the successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this Section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this Section and Section 10.36.3.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added, Ord. No. 172,349, Eff. 1-29-99.

Sec. 10.36.3. Enforcement.

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor's Prior Employees.

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for wrongful termination.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.6. Expenditures Covered by this Article.

This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City financial assistance recipients shall apply this article to

WORKER RETENTION ORDINANCE

EXHIBIT C

LAAC SEC. 10.36 - WORKER RETENTION

expenditure of non-City funds for service contracts to be performed in the City by complying themselves with § 10.36.2(g) and by contractually requiring their service contractors to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96. Amended by: Ord. No. 172,337, Eff. 1-14-99. Amended by: Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.7. Timing of Application of Ordinances Adding and then Amending this Article.

The provisions of this article as set forth in City Ordinance No. 171,004 shall apply to contracts consummated and financial assistance provided after May 18, 1996 (the effective date of City Ordinance No. 171,004). As for contracts consummated and financial assistance provided after the original version of this article took effect on January 13, 1996 (by City Ordinance No. 170,784) and through May 18, 1996, the City directs its appointing authorities and urges others affected to use their best efforts to work cooperatively so as to allow application City Ordinance No. 171,004 rather than City Ordinance No. 170,784 to service contracts let during such period. No abrogation of contract or other rights created by City Ordinance No. 170,784, absent consent to do so, shall be effected by the retroactive application of City Ordinance No. 171,004.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96; Ord. No. 172,337, Eff. 1-14-99.

Sec. 10.36.8. Promulgation of Implementing Rules.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.9. Severability.

If any severable provision or provisions of this article or any application thereof is held invalid, such invalidity shall not affect other provisions or applications of the article that can be given effect notwithstanding such invalidity.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

WORKER RETENTION ORDINANCE

LAAC SEC. 10.36 - WORKER RETENTION

expenditure of non-City funds for service contracts to be performed in the City by complying themselves with § 10.36.2(g) and by contractually requiring their service contractors to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96. Amended by: Ord. No. 172,337, Eff. 1-14-99. Amended by: Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.7. Timing of Application of Ordinances Adding and then Amending this Article.

The provisions of this article as set forth in City Ordinance No. 171,004 shall apply to contracts consummated and financial assistance provided after May 18, 1996 (the effective date of City Ordinance No. 171,004). As for contracts consummated and financial assistance provided after the original version of this article took effect on January 13, 1996 (by City Ordinance No. 170,784) and through May 18, 1996, the City directs its appointing authorities and urges others affected to use their best efforts to work cooperatively so as to allow application City Ordinance No. 171,004 rather than City Ordinance No. 170,784 to service contracts let during such period. No abrogation of contract or other rights created by City Ordinance No. 170,784, absent consent to do so, shall be effected by the retroactive application of City Ordinance No. 171,004.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96. Amended by: Ord. No. 171,004, Eff. 5-18-96; Ord. No. 172,337, Eff. 1-14-99.

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The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.9. Severability.

If any severable provision or provisions of this article or any application thereof is held invalid, such invalidity shall not affect other provisions or applications of the article that can be given effect notwithstanding such invalidity.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

WORKER RETENTION ORDINANCE

LIVING WAGE ORDINANCE

DEPARTMENTAL DETERMINATION OF COVERAGE UNDER THE LIVING WAGE ORDINANCE (LWO)

This form must be completed by the awarding department to assist in determining if the contract is subject to the LWO. Attach the form to the proposed contract, lease, license, or Authority for Expenditure that includes a Letter of Agreement, submitted for review by the CAO Budget Analyst and City Attorney. If the contract/agreement is "subject" to the Ordinance, LWO contract language must be incorporated into the contract/agreement; or, if the contract/agreement is "not covered" or "exempt," an Exemption form approved by the CAO must also be attached. Upon contract execution, these documents must be provided to the CAO, Contractor Enforcement Section and the City Controller (see exceptions below). Payment to the contractor will not be processed unless the required documents are on file.

Department Department of R Dept. Rep. Eugene Dudley/Joel Alvarez
 Date 5/21/04 Phone _____
 Contractor ONEgeneration, a California nonprofit corporation Contract # _____

This is a: New Contract Renewal Contract Amended Contract Successor Contract Other(explain) _____

If this is a **Successor Contract**, with employees paid less than \$15 per hour, did the department comply with the Service Contract Worker Retention Ordinance? Yes _____ No _____

Contracts, Leases, Licenses and City Financial Assistance Recipients (CFARs) Subject to the LWO

	LAAC	Covered	Not Covered
Service contract (at least 3 months <u>and</u> over \$25,000)	10.37.1(j)	_____	_____ *
Proprietary leases or licenses	10.37.1(i)	X	_____ *
Other leases or licenses	10.37.1(i)	_____	_____ *
City financial assistance recipient	10.37.1(c)	_____	_____
At least \$1,000,000 in twelve months		_____	_____
At least \$100,000 assistance per year (continuing)		_____	_____
Child care workers with non-profit organization	10.37.1(g)	_____	_____
Non-profit organization under IRS 501(c)(3) w/ highest paid employee's hourly wage <u>greater than</u> 8 times lowest paid worker's hourly wage	10.37.1(g)	_____	_____
Business Improvement Districts (BIDs); City or grant funds	Reg. 11	_____	_____

Contracts, Leases, Licenses and City Financial Assistance Recipients (CFARs) Exempt from the LWO

An Awarding Authority or Bidder Request for Non-Coverage or Exemption must be attached to all of the following contracts, leases, licenses or AFE's that the Awarding Department has determined to be exempt from coverage:

	LAAC	Exempt	Term	Amount
Service contract (less than 3 months <u>or</u> \$25,000 or less)	10.37.1(j)	_____	_____	_____
Other governmental entity	10.37.1(g)	_____	_____	_____
Purchase or rental of goods, equipment, property	10.37.1(j)	_____	_____	_____
Construction contract	10.37.1(j)	_____	_____	_____
Occupational license required	10.37.1(f)	_____	_____	_____
Collective bargaining agreement w/ LWO supersession language	10.37.12	_____	_____	_____
Financial assistance recipient	10.37.1(c)	_____	_____	_____
For economic development or job growth		_____	_____	_____
Below \$1,000,000 in 12 months		_____	_____	_____
At least \$100,000 assistance/year (non-continuing)		_____	_____	_____
First year of operation		_____	_____	_____
Economic hardship (only applicable to employers of long-term unemployed or provide training for preparation for permanent employment; requires Council approval)		_____	_____	_____
Other than economic development or job growth		_____	_____	_____
Non-profit organization under IRS 501(c)(3) w/highest paid employee's hourly wage <u>less than</u> 8 times lowest paid worker	10.37.1(g)	_____	_____	_____
Small business exemption for public lessee or licensee	10.37.1(i)	_____	_____	_____
One person contractors, lessee, licensee, financial assistance recipient with no workers	10.37.1(f)	_____	_____	_____
Business Improvement Districts (BIDs), assessment monies	Reg. 11	_____	_____	_____

Form CAO/LW-1 Rev. 12/01

LIVING WAGE COVERAGE

LAAC SEC. 10.37 - LIVING WAGE

CITY OF LOS ANGELES
Office of the City Administrative Officer
Contractor Enforcement Section
200 North Main Street, Room 1240
Los Angeles, CA 90012

Phone: (213) 978-7650 — Fax: (213) 978-7616

DECLARATION OF COMPLIANCE

Service Contract Worker Retention Ordinance and the Living Wage Ordinance

Los Angeles Administrative Code (LAAC) Sections 10.36 et seq. and 10.37 et seq. provide that all employers (except where specifically exempted) under contracts primarily for the furnishing of services to or for the City and that involve an expenditure in excess of \$25,000 and a contract term of at least three months; leases; licenses; or certain recipients of City financial assistance shall comply with all applicable provisions of the Ordinances.

During the performance of this agreement, the contractor, lessee, licensee, or City financial assistance recipient certifies that it shall comply and require each subcontractor hereunder to comply with the provisions of the above referenced Ordinances. The contractor shall provide to the City a list of all subcontractors and a list of all employees under the agreement (including employees of subcontractors) within 10 days after execution. The list of employees shall include the name, position classifications and rate of pay for each employee. An updated list shall be submitted upon demand and upon termination of the contract. A completed Declaration of Compliance from each subcontractor subject to the Living Wage Ordinance must be provided to the Office of City Administrative Officer within 90 days of execution of the subcontract. In case of a successor service contract, a successor contractor shall retain for a 90-day transition employment period employees who have been employed by the terminated contractor or its subcontractor, if any, for the preceding 12 months or longer, pursuant to Section 10.36.2.

The contractor, lessee, licensee, or City financial assistance recipient further agrees:

- (a) To pay covered employees a wage no less than the minimum initial compensation of \$8.53 per hour (adjusted July 1, 2003) with health benefits, as referred to in (c) below, or otherwise \$9.78 per hour (adjusted July 1, 2003), pursuant to Section 10.37.2(a). Such rates shall be adjusted annually and shall become effective July 1;
- (b) To provide at least 12 compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least 10 additional days per year of uncompensated time off pursuant to Section 10.37.2(b) and Regulation 4(e)(3);
- (c) Where so elected under (a) above, to pay at least \$1.25 per hour per employee toward the provision of health benefits for the employees and their dependents pursuant to Section 10.37.3;
- (d) To inform employees making less than \$12 per hour of their possible right to the federal Earned Income Tax Credit (EITC) and make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4;
- (e) To permit access to work sites for authorized City representatives to review the operation, payroll and related documents, and to provide certified copies of the relevant records upon request by the City; and
- (f) Not to retaliate against any employee claiming non-compliance with the provisions of these Ordinances and to comply with federal law prohibiting retaliation for union organizing.

Failure to complete and submit this form to the Awarding Authority and to the Office of City Administrative Officer may result in withholding of payments by the City Controller, or contract termination.

Check box only if applicable: I certify under penalty of perjury that I do not have any employees earning less than \$15 per hour working on this City agreement.

Company Name ONEgeneration		Signature of Officer or Authorized Representative	
Company Address and Phone Number 17400 Victory Blvd, Van Nuys, CA 91406		Type or Print Name and Title	
Date	Contract Number	Awarding City Department Department of Recreation and Parks	Type of Service Lessee

Form CAO/LW-5 Rev. 5/2/02(obsolete)

DECLARATION OF COMPLIANCE

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EXHIBIT C
Page C-7 of C-29

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LAAC SEC. 10.37 - LIVING WAGE

SERVICE CONTRACT LIVING WAGE ORDINANCE

LOS ANGELES ADMINISTRATIVE CODE ARTICLE 11 LIVING WAGE

Article added by Ord. No. 171,547, Eff. 5-5-97; amended by Ord. No. 173,747, Eff. 2-24-01.

Sec. 10.37. Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. Many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Experience indicates that procurement by contract of services has all too often resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. Such minimal compensation tends to inhibit the quantity and quality of services rendered by such employees to the City and to the public. Underpaying employees in this way fosters high turnover, absenteeism, and lackluster performance. Conversely, adequate compensation promotes amelioration of these undesirable conditions. Through this article the City intends to require service contractors to provide a minimum level of compensation that will improve the level of services rendered to and for the City.

The inadequate compensation typically paid today also fails to provide service employees with resources sufficient to afford life in Los Angeles. It is unacceptable that contracting decisions involving the expenditure of City funds should foster conditions placing a burden on limited social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In requiring the payment of a higher minimum level of compensation, this article benefits that interest.

Nothing less than the living wage should be paid by the recipients of City financial assistance themselves. Whether they be engaged in manufacturing or some other line of business, the City does not wish to foster an economic climate where a lesser wage is all that is offered to the working poor. The same adverse social consequences from such inadequate compensation emanate just as readily from manufacturing, for example, as service industries. This article is meant to protect these employees as well.

The City holds a proprietary interest in the work performed by many employees employed by lessees and licensees of City property and by their service contractors and subcontractors. In a very real sense, the success or

failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses. Inadequate compensation of these employees adversely impacts the performance by the City's lessee or licensee and thereby does the same for the success of City operations. By the 1998 amendment to this article, recognition is given to the prominence of this interest at those facilities visited by the public on a frequent basis, including but not limited to, terminals at Los Angeles International Airport, Ports O'Call Village in San Pedro, and golf courses and recreation centers operated by the Department of Recreation and Parks. This article is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage serves both proprietary and humanitarian concerns of the City. Primarily because of the latter concern and experience to date regarding the failure of some employers to honor their obligation to pay the living wage, the 1998 amendments introduce additional enforcement mechanisms to ensure compliance with this important obligation. Non-complying employers must now face the prospect of paying civil penalties, but only if they fail to cure non-compliance after having been given formal notice thereof. Where non-payment is the issue, employers who dispute determinations of non-compliance may avoid civil penalties as well by paying into a City holding account the monies in dispute. Employees should not fear retaliation, such as by losing their jobs, simply because they claim their right to the living wage, irrespective of the accuracy of the claim. The 1998 amendments strengthen the prohibition against retaliation to serve as a critical shield against such employer misconduct.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.1. Definitions.

The following definitions shall apply throughout this article:

(a) "Awarding authority" means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or public lease or license, or, where there is no such subordinate or component entity or person, then the City or the City financial assistance recipient.

(b) "City" means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles ("CRA"). The CRA is urged, however, to adopt a policy similar to that set forth in this article.

LIVING WAGE ORDINANCE

EXHIBIT C

Page C-8 of C-29

LAAC SEC. 10.37 - LIVING WAGE

(c) "City financial assistance recipient" means any person who receives from the City discrete financial assistance for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation, in accordance with the following monetary limitations. Assistance given in the amount of one million dollars (\$1,000,000) or more in any twelve-month period shall require compliance with this article for five years from the date such assistance reaches the one million dollar (\$1,000,000) threshold. For assistance in any twelve-month period totaling less than one million dollars (\$1,000,000) but at least one hundred thousand dollars (\$100,000), there shall be compliance for one year if at least one hundred thousand dollars (\$100,000) of such assistance is given in what is reasonably contemplated at the time to be on a continuing basis, with the period of compliance beginning when the accrual during such twelve-month period of such continuing assistance reaches the one-hundred thousand dollar (\$100,000) threshold.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

A recipient shall be exempted from application of this article if: (1) it is in its first year of existence, in which case the exemption shall last for one (1) year, (2) it employs fewer than five (5) employees for each working day in each of twenty (20) or more calendar weeks in the current or preceding calendar year, or (3) it obtains a waiver as provided herein. A recipient - who employs the long-term unemployed or provides trainee positions intended to prepare employees for permanent positions, and who claims that compliance with this article would cause an economic hardship - may apply in writing to the City department or office administering such assistance, which department or office which shall forward such application and its recommended action on it to the City Council. Waivers shall be effected by Council resolution.

(d) "Contractor" means any person that enters into: (1) a service contract with the City, (2) a service contract with a public lessee or sublessee or licensee or sublicensee, or (3) a contract with a City financial assistance recipient to assist the recipient in performing the work for which the assistance is being given. Vendors, such as service contractors, of City financial assistance recipients shall not be regarded as contractors except to the extent provided in Subsection (f).

(e) "Designated administrative agency (DAA)" means that City department or office designated by Council

resolution to bear administrative responsibilities under Section 10.37.7. The City Clerk shall maintain a record of such designations.

(f) "Employee" means any person - who is not a managerial, supervisory, or confidential employee and who is not required to possess an occupational license - who is employed (1) as a service employee of a contractor or subcontractor on or under the authority of one or more service contracts and who expends any of his or her time thereon, including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; (2) as a service employee - of a public lessee or licensee, of a sublessee or sublicensee, or of a service contractor or subcontractor of a public lessee or licensee, or sublessee or sublicensee - who works on the leased or licensed premises; (3) by a City financial assistance recipient who expends at least half of his or her time on the funded project; or (4) by a service contractor or subcontractor of a City financial assistance recipient and who expends at least half of his or her time on the premises of the City financial assistance recipient directly involved with the activities funded by the City.

(g) "Employer" means any person who is a City financial assistance recipient, contractor, subcontractor, public lessee, public sublessee, public licensee, or public sublicensee and who is required to have a business tax registration certificate by Los Angeles Municipal Code §§ 21.00 - 21.198 or successor ordinance or, if expressly exempted by the Code from such tax, would otherwise be subject to the tax but for such exemption; provided, however, that corporations organized under §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), whose chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight (8) times the lowest wage paid by the corporation, shall be exempted as to all employees other than child care workers.

(h) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(i) "Public lease or license".

(a) Except as provided in (i)(b), "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:

(1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or

(2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or

LIVING WAGE ORDINANCE

EXHIBIT C

LAAC SEC. 10.37 - LIVING WAGE

(3) The DAA has determined in writing that coverage would further the proprietary interests of the City.

(b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:

(1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;

(2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;

(3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;

(4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;

(5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);

(6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;

(7) Public leases and licenses shall be deemed to include public subleases and sublicenses;

(8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

(j) "Service contract" means a contract let to a contractor by the City primarily for the furnishing of services to or for the City (as opposed to the purchase of goods or other property or the leasing or renting of property) and that involves an expenditure in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three (3) months; but only where any of the following applies: (1) at least some of the services rendered are rendered by employees whose work site is on property owned by the City, (2) the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) the DAA has determined in writing that coverage would further the proprietary interests of the City.

(k) "Subcontractor" means any person not an employee that enters into a contract (and that employs employees for such purpose) with: (1) a contractor or subcontractor to assist the contractor in performing a service contract or (2) a contractor or subcontractor of a public lessee or licensee or sublessee or sublicensee to perform or assist in performing services on the leased or licensed premises. Vendors, such as service contractors or subcontractors, of City financial assistance recipients shall not be regarded as subcontractors except to the extent provided in Subsection (f).

(l) "Willful violation" means that the employer knew of his, her, or its obligations under this article and deliberately failed or refused to comply with its provisions.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsecs. (a), (d), (f), (g), (i) and (k), Ord. No. 173,747, Eff. 2-24-01.

Sec. 10.37.2. Payment of Minimum Compensation to Employees.

(a) Wages.

Employers shall pay employees a wage of no less than the hourly rates set under the authority of this article. The initial rates were seven dollars and twenty-five cents (\$7.25) per hour with health benefits, as described in this article, or otherwise eight dollars and fifty cents (\$8.50) per hour. With the annual adjustment effective July 1, 1998, such rates were adjusted to seven dollars and thirty-nine cents (\$7.39) per hour with health benefits and eight dollars and sixty-four cents (\$8.64) without. Such rates shall continue to be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System ("LACERS"), made by the CERS Board of Administration under § 4.1040. The Office of City Administrative Officer shall so advise the DAA of any such change by June 1 of each year and of the required new hourly rates, if any. On the basis of such report the DAA shall publish a bulletin announcing the adjusted rates, which shall take effect upon such publication.

(b) Compensated Days Off.

Employers shall provide at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request. Employers shall also permit employees to take at least an additional ten (10) days a year of uncompensated time to be used for sick leave for the illness of the employee or a member of his or her immediate family where the employee has exhausted his or her compensated days off for that year.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97. Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (a), Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Subsec. (a), Ord. No. 173,747, Eff. 2-24-01.

Sec. 10.37.3. Health Benefits.

Health benefits required by this article shall consist of the payment of at least one dollar and twenty-five cents (\$1.25) per hour towards the provision of health care benefits for employees and their dependents. Proof of the provision of such benefits must be submitted to the

LIVING WAGE ORDINANCE

EXHIBIT C

Page C-10 of C-29

LEASE -
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LAAC SEC. 10.37 - LIVING WAGE

awarding authority to qualify for the wage rate in Section 10.37.2(a) for employees with health benefits.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

Sec. 10.37.4. Notifying Employees of their Potential Right to the Federal Earned Income Credit.

Employers shall inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Credit ("EIC") under Section 32 of the Internal Revenue Code of 1954, 26 U.S.C. Section 32, and shall make available to employees forms informing them about the EIC and forms required to secure advance EIC payments from the employer.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

Sec. 10.37.5. Retaliation Prohibited.

Neither an employer, as defined in this article, nor any other person employing individuals shall discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with this article, for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting rights under this article.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

Sec. 10.37.6. Enforcement.

(a) An employee claiming violation of this article may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against an employer and may be awarded:

(1) For failure to pay wages required by this article - back pay for each day during which the violation continued.

(2) For failure to pay medical benefits - the differential between the wage required by this article without benefits and such wage with benefits, less amounts paid, if any, toward medical benefits.

(3) For retaliation - reinstatement, back pay, or other equitable relief the court may deem appropriate.

(4) For willful violations, the amount of monies to be paid under (1) - (3) shall be trebled.

(b) The court shall award reasonable attorney's fees and costs to an employee who prevails in any such enforcement action and to an employer who so prevails if the employee's suit was frivolous.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available. Such contracts shall also include a pledge that

there shall be compliance with federal law proscribing retaliation for union organizing.

(d) An employee claiming violation of this article may report such claimed violation to the DAA which shall investigate such complaint. Whether based upon such a complaint or otherwise, where the DAA has determined that an employer has violated this article, the DAA shall issue a written notice to the employer that the violation is to be corrected within ten (10) days. In the event that the employer has not demonstrated to the DAA within such period that it has cured such violation, the DAA may then:

(1) Request the awarding authority to declare a material breach of the service contract, public lease or license, or financial assistance agreement and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the service contract, public lease or license, or financial assistance agreement and the return of monies paid by the City for services not yet rendered.

(2) Request the City Council to debar the employer from future City contracts, leases, and licenses for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last. Such debarment shall be to the extent permitted by, and under whatever procedures may be required by, law.

(3) Request the City Attorney to bring a civil action against the employer seeking:

(i) Where applicable, payment of all unpaid wages or health premiums prescribed by this article; and/or

(ii) A fine payable to the City in the amount of up to one hundred dollars (\$100) for each violation for each day the violation remains uncured.

Where the alleged violation concerns non-payment of wages or health premiums, the employer will not be subject to debarment or civil penalties if it pays the monies in dispute into a holding account maintained by the City for such purpose. Such disputed monies shall be presented to a neutral arbitrator for binding arbitration. The arbitrator shall determine whether such monies shall be disbursed, in whole or in part, to the employer or to the employees in question. Regulations promulgated by the DAA shall establish the framework and procedures of such arbitration process. The cost of arbitration shall be borne by the City, unless the arbitrator determines that the employer's position in the matter is frivolous, in which event the arbitrator shall assess the employer for the full cost of the arbitration. Interest earned by the City on monies held in the holding account shall be added to the principal sum deposited, and the monies shall be disbursed in accordance with the arbitration award. A service charge for the cost of account maintenance and service may be deducted therefrom.

(e) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

SECTION HISTORY

LIVING WAGE ORDINANCE

EXHIBIT C

LAAC SEC. 10.37 - LIVING WAGE

Added by Ord. No. 171,547, Eff. 5-5-97. Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (d), Para. (1), Ord. No. 173,747, Eff. 2-24-01.

Sec. 10.37.7. Administration.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article ("designated administrative agency" - DAA). The DAA shall monitor compliance, including the investigation of claimed violations, and shall promulgate implementing regulations consistent with this article. The DAA shall also issue determinations that persons are City financial assistance recipients, that particular contracts shall be regarded as "service contracts" for purposes of Section 10.37.1(j), and that particular leases and licenses shall be regarded as "public leases" or "public licenses" for purposes of Section 10.37.1(i), when it receives an application for a determination of non-coverage or exemption as provided for in Section 10.37.13. The DAA shall also establish employer reporting requirements on employee compensation and on notification about and usage of the federal Earned Income Credit referred to in Section 10.37.4. The DAA shall report on compliance to the City Council no less frequently than annually.

During the first, third, and seventh years of this article's operation since May 5, 1997, and every third year thereafter, the Office of City Administrative Officer and the Chief Legislative Analyst shall conduct or commission an evaluation of this article's operation and effects. The evaluation shall specifically address at least the following matters: (a) how extensively affected employers are complying with the article; (b) how the article is affecting the workforce composition of affected employers; (c) how the article is affecting productivity and service quality of affected employers; (d) how the additional costs of the article have been distributed among workers, their employers, and the City. Within ninety days of the adoption of this article, these offices shall develop detailed plans for evaluation, including a determination of what current and future data will be needed for effective evaluation.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Ord. No. 173,747, Eff. 2-24-01.

Sec. 10.37.8. Exclusion of Service Contracts from Competitive Bidding Requirement.

Service contracts otherwise subject to competitive bid shall be let by competitive bid if they involve the expenditure of at least two-million dollars (\$2,000,000). Charter Section 372 shall not be applicable to service contracts.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97. Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

Sec. 10.37.9. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for violation of other minimum compensation laws.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

Sec. 10.37.10. Expenditures Covered.

This article shall apply to the expenditure - whether through aid to City financial assistance recipients, service contracts let by the City, or service contracts let by its financial assistance recipients - of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

Sec. 10.37.11. Timing of Application.

(a) Original 1997 Ordinance.

The provisions of this article as enacted by City Ordinance No. 171,547, effective May 5, 1997, shall apply to (1) contracts consummated and financial assistance provided after such date, (2) contract amendments consummated after such date and before the effective date of the 1998 ordinance which themselves met the requirements of former Section 10.37.1(h) (definition of "service contract") or which extended contract duration, and (3) supplemental financial assistance provided after May 5, 1997 and before the effective date of the 1998 ordinance which itself met the requirements of Section 10.37.1(c).

(b) 1998 Amendment.

The provisions of this article as amended by the 1998 ordinance shall apply to (1) service contracts, public leases or licenses, and financial assistance agreements consummated after the effective date of such ordinance and (2) amendments, consummated after the effective date of such ordinance, to service contracts, public leases or licenses, and financial assistance agreements that provide additional monies or which extend term.

(c) 2000 amendment.

The provisions of this article as amended by the 2000 ordinance shall apply to (1) service contracts, public leases or public licenses and City financial assistance recipient agreements consummated after the effective date of such ordinance and (2) amendments to service contracts, public leases or licenses and City financial assistance recipient agreements which are consummated after the effective date of such ordinance and which provide additional monies or which extend the term.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97. Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (b), Subsec. (c) Added, Ord. No. 173,747, Eff. 2-24-01.

Sec. 10.37.12. Supersession by Collective Bargaining Agreement.

LIVING WAGE ORDINANCE

EXHIBIT C

LAAC SEC. 10.37 - LIVING WAGE

Parties subject to this article may by collective bargaining agreement provide that such agreement shall supersede the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.

Sec. 10.37.13. Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.

The definitions of "City financial assistance recipient" in Section 10.37.1(c), of "public lease or license" in Section 10.37.1(i), and of "service contract" in Section 10.37.1(j) shall be liberally interpreted so as to further the policy objectives of this article. All recipients of City financial assistance meeting the monetary thresholds of Section 10.37.1(c), all City leases and licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services that are more than incidental, shall be presumed to meet the corresponding definition just mentioned, subject, however, to a determination by the DAA of non-coverage or exemption on any basis allowed by this article, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such transactions with the City of their opportunity to apply for a determination of non-coverage or exemption and procedures for making determinations on such applications.

SECTION HISTORY

Added by Ord. No. 172,336, Eff. 1-14-99.

Amended by: Ord. No. 173,747, Eff. 2-24-01.

Sec. 10.37.14. Severability.

If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 172,336, Eff. 1-14-99.

LAAC SEC. 10.8 - NON-DISCRIMINATION

NON-DISCRIMINATION IN EMPLOYMENT

LOS ANGELES ADMINISTRATIVE CODE

Division 10, Chapter 1, Article 1

Sec. 10.8.1. Definitions.

The following definitions shall apply to the following terms used in this article:

"Awarding Authority" means any Board or Commission of the City of Los Angeles, or any authorized employee or officer of the City of Los Angeles, including the Purchasing Agent of the City of Los Angeles, who makes or enters into any contract or agreement for the provision of any goods or services of any kind or nature whatsoever for or on behalf of the City of Los Angeles.

"Contract" means any agreement, franchise, lease, or concession, including agreements for any occasional professional or technical personal services, for the performance of any work or service, the provision of any materials or supplies, or the rendition of any service to the City of Los Angeles or to the public, which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

"Contractor" means any person, firm, corporation, partnership, or any combination thereof, who submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

"Employment Practices" means any solicitation of, or advertisement for, employees, employment, change in grade or work assignment, assignment or change in place or location of work, layoff, suspension, or termination of employees, rate of pay or other form of compensation including vacation, sick and compensatory time, selection for training, including apprenticeship programs, any and all employee benefits and activities, promotion and upgrading, and any and all actions taken to discipline employees for infractions of work rules or employer requirements.

"Office of Contract Compliance" is that office of the Department of Public Works of the City of Los Angeles created by Article X of Chapter 13 of Division 22 of the Los Angeles Administrative Code.

"Subcontractor" means any person, firm or corporation or partnership, or any combination thereof who enters into a contract with a contractor to perform or provide a portion or part of any contract with the City.

SECTION HISTORY

Amended by: Ord.No. 147,030, Eff. 4-28-75; Definition, "Affirmative Action", Ord.No. 164,516, Eff. 4-13-89; Definition, "Affirmative Action", Ord.No. 168,244, Eff. 10-18-92; Ord.No. 173,186, Eff. 5-22-00.

Sec. 10.8.1.1. Summary of Thresholds.

The following thresholds will be used to determine the non-discrimination and affirmative action requirements set forth in this Chapter for each type of contract.

Non-discrimination Practices as outlined in Section 10.8.2 of this Code, apply to all contracts.

Equal Employment Practices as outlined in Section 10.8.3 of this Code, apply to all construction contracts of \$1,000 or more and all non-construction contracts of \$1,000 or more.

Affirmative Action Program as outlined in Sections 10.8.4. and 10.13 of this Code, applies to all Construction Contracts of \$5,000 or more and all non-Construction Contracts of \$100,000 or more.

SECTION HISTORY

Added by: Ord. No. 173,186, Eff. 5-22-2000.

Sec. 10.8.2. All Contracts: Non-discrimination Clause.

Notwithstanding any other provision of any ordinance of the City of Los Angeles to the contrary, every contract which is let, awarded, or entered into with or on behalf of the City of Los Angeles, shall contain by insertion therein a provision obligating the contractor in the performance of such contract not to discriminate in his or her employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All contractors who enter into such contracts with the City shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Ord. No. 164,516, Eff. 4-13-89; Ord. No. 168,244, Eff. 10-18-92; Ord. No. 172,910, Eff. 1-9-00; Ord. No. 173,186, Eff. 5-22-00.

Sec. 10.8.2.1. Equal Benefits Ordinance. Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. Many City contractors and subcontractors perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City holds a proprietary interest in the work performed by many employees employed by City contractors and subcontractors. In a very real sense, the success or

LAAC SEC. 10.8 - NON-DISCRIMINATION

failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits discrimination based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies choosing to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to insure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and insuring protection of the City's property.

a. **All Contracts: Equal Benefits Clause.** No awarding authority of the City, shall execute or amend any contract with any contractor that discriminates in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits as well as any other benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, or an internal registry maintained by the contractor, subject to the provisions of this section. In the event that the contractor's actual cost of providing a certain benefit for the domestic partner of an employee exceeds that of providing it for the spouse of an employee, or the contractor's actual cost of providing a certain benefit for the spouse of an employee exceeds that of providing it for the domestic partner of an employee, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor conditions providing such benefit upon the employee agreeing to pay the excess costs. In addition, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor provides the employee with a cash equivalent to the direct expense to the employer of providing the benefit payment to a spouse or domestic partner, as applicable.

b. **Applicability.** The requirements of this Section shall apply to

- (i) any of a contractor's operations within the City of Los Angeles; and
- (ii) a contractor's operations on real property outside of the City of Los Angeles owned by the City or which the City has a right to occupy if the

contractor's presence at that location is connected to a contract with the City;

(iii) a contractor's operations elsewhere in the United States where the work is being performed for the City.

c. **Mandatory Provisions Pertaining to Equal Benefits.** Every contract with or on behalf of the City of Los Angeles for which the consideration is in excess of \$5,000 shall contain the following provisions which shall be designated as the Equal Benefits Provisions of such contract:

"A. During the performance of this contract, the contractor certifies and represents that the contractor will provide equal benefits to its employees with spouses and its employees with domestic partners.

1. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

"B. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices to the awarding authority or the City Administrative Officer, for the purpose of investigation to ascertain compliance with the Equal Benefits Provisions of this contract, and on their or either of their request to provide evidence that it has complied or will comply therewith.

"C. The failure of any contractor to comply with the Equal Benefits Provisions of this contract may be deemed to be a material breach hereof. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the City Administrative Officer. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

"D. Upon a finding duly made that the contractor has breached the Equal Benefits Provisions of this contract, this contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder pursuant to the provisions of Section 386 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until it shall establish and carry out a program in conformance with the provisions hereof.

"E. Notwithstanding any other provisions of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

NON-DISCRIMINATION

EXHIBIT C

Page C-15 of C-29

LAAC SEC. 10.8 - NON-DISCRIMINATION

"F. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

"G. The equal benefits requirements of this Section shall not apply to collective bargaining agreements in effect prior to the effective date of Section 10.8.2.1 of the Los Angeles Administrative Code. Amendments, extensions or other modifications of such collective bargaining agreements, occurring subsequent to the effective date of that section, shall incorporate the equal benefits requirements of that section."

"H. All contractors subject to the provisions of this Section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City."

d. **Enforcement.** In accordance with Division 22, Chapter 13, Article 10, of this Code, the City Administrative Officer is responsible for the enforcement of the equal benefits requirements, as referenced in this section, or as otherwise required, of all City contracts. In enforcing this requirement, the City Administrative Officer will monitor, inspect, and investigate to insure that the contractor is acting in compliance with the equal benefits requirements of such City contracts. The City Administrative Officer shall promulgate rules and regulations and forms for the implementation of the Equal Benefits Provisions of this contract. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program. Each awarding authority shall cooperate to the fullest extent with the City Administrative Officer in their enforcement activities. The failure of any contractor to comply with the equal benefits provisions of a contract may be deemed to be a material breach of the contract.

e. **Non-applicability, Exceptions and Waivers.**

(1) The City Administrative Officer shall waive the requirements of this Section under the following circumstances:

A. Whenever the City Administrative Officer finds, upon the advice of the awarding authority, that there is only one prospective contractor willing to enter into a contract with the City for use of City property on the terms and conditions established by the City, or that the needed goods, services, construction services for a public work or improvement, or interest in or right to use real property are available only from a sole source, and the prospective contractor is not currently disqualified from doing business with the City, or

from doing business with any governmental agency based on any contract compliance requirements;

B. If the awarding authority certifies in writing to the City Administrative Officer that the contract is necessary to respond to an emergency which endangers the public health or safety and no entity which complies with the requirements of this Section capable of responding to the emergency is immediately available; provided that such certification must be made prior to the final approval of the contract.

C. Where the City Attorney certifies in writing to the City Administrative Officer that the contract involves specialized litigation requirements such that it would be in the best interests of the City to waive the requirements of this section.

(2) This Section shall not apply where the prospective contractor is a public entity and the City Administrative Officer finds that goods, services, construction services for a public work or improvement or interest in or right to use real property of comparable quality or accessibility as are available under the proposed contract are not available from another source, or that the proposed contract is necessary to serve a substantial public interest;

(3) This Section shall not apply where the awarding authority finds that the requirements of this Section will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement, provided that the awarding authority has made a good faith attempt to change the terms or conditions of any such grant, subvention or agreement to authorize application of this section.

(4) Upon the request of a potential contractor or upon the awarding authority's own initiative, after taking all reasonable measures to find an entity that complies with the law, and subject to the provisions of Paragraph (5) below, the awarding authority may waive any or all of the requirements of this Section for any contract or bid package advertised and made available to the public, or any competitive or sealed bids received by the City as of the date of the enactment of this ordinance under the following circumstances:

A. Where the awarding authority determines that there are no qualified responsive bidders or prospective contractors who could be certified as being in compliance with the requirements of this Section and that the contract is for goods, a service or a project that is essential to the City or City residents; or

B. Where the awarding authority determines that transactions entered into pursuant to bulk purchasing arrangements through federal, state or regional entities which actually reduce the City's purchasing costs would be in the best interests of the City; or

C. Where the awarding authority determines that the requirements of this Section would result in

NON-DISCRIMINATION

EXHIBIT C

LAAC SEC. 10.8 - NON-DISCRIMINATION

the City's entering into a contract with an entity that was set up, or is being used, for the purpose of evading the intent of this section, which is to prohibit the City from entering into contracts with entities that discriminate based on the criteria set forth in this section.

(5) The waiver authority granted to awarding authorities in this Section shall be subject to the requirements that:

A. All proposed waivers must be submitted to the City Administrative Officer and the City Clerk. All proposed waivers must set forth the reasons the contracting officer is requesting the waiver, what steps were taken to find an entity that complies with this Section and why the waiver does not defeat the intent of this section, which is to prohibit the City from entering into contracts with entities that discriminate based on the criteria set forth in this section. Such waivers shall be subject to the prior approval of the City Administrative Officer, which shall take action approving or denying a proposed waiver within 30 days of receiving a notification of a proposed waiver from a contracting officer. If after 30 days the City Administrative Officer has taken no action on the proposed waiver the waiver shall be deemed approved. The City Clerk shall notify all Council members of the proposed waiver.

B. For any contract subject to approval by the Council, the awarding authority shall state in the approving resolution or other action whether any waiver under this Section has been or is proposed to be granted for that contract; and

C. The City Administrative Officer shall conduct quarterly comprehensive reviews of the use of the waiver authority by awarding authorities and shall make a report to the Council. Awarding authorities which have exercised their waiver authority under this Section in the previous quarter must appear before the Council Committee before which the matter is calendared and report on the use of such waiver authority. If the Council finds abuse of waiver authority by an awarding authority under this section, either as a result of a report of the City Administrative Officer or upon its own initiative, the Council may by resolution transfer that waiver authority for that awarding authority to the City Administrative Officer, to be exercised by the City Administrative Officer upon recommendation of the awarding authority under any or all of the circumstances enumerated in this section.

(6) Nothing in this Section shall limit the right of the City to waive the provisions of this article.

(7) This Section shall not apply to

(i) the investment of trust moneys or agreements relating to the management of trust assets,

(ii) City moneys invested in U.S. government securities or under pre-existing investment agreements, or

(iii) the investment of City moneys where the Treasurer finds that:

A. No person, entity or financial institution doing business in the City which is in compliance with this Section is capable of performing the desired transaction(s); or

B. The City will incur a financial loss which in the opinion of the Treasurer would violate his or her fiduciary duties.

This subparagraph shall be subject to the requirement that City moneys shall be withdrawn or divested at the earliest possible maturity date if deposited or invested with a person, entity or financial institution other than the U.S. government which does not comply with this section.

(8) The General Manager of the Department of Water and Power may waive the requirements of this Section where the contractor is providing wholesale or bulk water or power, the conveyance or transmission of same, or ancillary services such as spinning reserve, voltage control, or load scheduling, as required for assuring reliable services in accordance with good utility practice, to or on behalf of the Department of Water and Power; provided that the purchase of same may not practically be accomplished through the City's standard competitive bidding procedures; and further provided that this exemption shall not apply to contractors or franchisees providing direct, retail services to end users within the City of Los Angeles.

(9) The equal benefits requirements of this Section shall not apply to any contracts, executed or amended prior to January 1, 2000 or to bid packages advertised and made available to the public, or any competitive or sealed bids received by the City, prior to January 1, 2000, unless and until such contracts are amended after January 1, 2000, and would otherwise be subject to this section:

f. The provisions of this Section shall not apply where the application of these provisions would violate or be inconsistent with the laws, rules or regulations of the United States of America.

g. Severability.

If any provision of this Section is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 172,908, Eff. 1-9-2000; amended by: Ord. No. 173,054, Eff. 2-27-00; Para. Preceding Subdiv. (a) Added, Ord. No. 173,058, Eff. 3-4-00; Sec. Number, Ord. No. 173,142, Eff. 3-30-00.

Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be designated as the EQUAL EMPLOYMENT PRACTICES provision of such contract:

A. During the performance of this contract, the contractor certifies and represents that it will

NON-DISCRIMINATION

EXHIBIT C

Page C-17 of C-29

LAAC SEC. 10.8 - NON-DISCRIMINATION

provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.

2. Nothing in this Section shall require or prohibit the establishment of new classifications of employees in any given craft, work, or service category.

3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that her or she has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract,

the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning, and other on-the-job training for nonapprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

L. All contractors subject to the provisions of this Section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this

NON-DISCRIMINATION

EXHIBIT C

Page C-18 of C-29

LAAC SEC. 10.8 - NON-DISCRIMINATION

requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraph C., Ord. No. 168,244, Eff. 10-18-92; Ord.No. 173,186, Eff. 5-22-00.

Sec. 10.8.4. Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM of such contract:

A. During the performance of a City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this Section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hardcopy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or

the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program of this contract, and on their or either of their request to provide evidence that it has or will comply therewith.

E. The failure of any contractor to comply with the Affirmative Action Program of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment Practice Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hardcopy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or

NON-DISCRIMINATION

EXHIBIT C

Page C-19 of C-29

LAAC SEC. 10.8 - NON-DISCRIMINATION

forms may be used by an awarding authority of the City to accomplish this contract compliance program.

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The contractor shall submit an Affirmative Action Plan which shall meet the requirements of this Chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this Section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

(1) Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation, or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

(2) A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship, where approved programs are functioning, and other on-the-job training for nonapprenticeable occupations;

2. Classroom preparation for the job when not apprenticeable;

3. Pre-apprenticeship education and preparation;

4. Upgrading training and opportunities;

5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;

6. The entry of qualified women, minority and all other journeymen into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's work force to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, lay-off, demotion, or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

Q. All contractors subject to the provisions of this Section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall

NON-DISCRIMINATION

EXHIBIT C

Page C-20 of C-29.

LAAC SEC. 10.8 - NON-DISCRIMINATION

subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by Ord.No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord.No. 164,516, Eff. 4-13-89; Paragraphs B. and C., Ord.No. 168,244, Eff. 10-18-92; Ord.No. 173,186, Eff. 5-22-00.

LAAC SEC. 10.40 - CONTRACTOR RESPONSIBILITY

CONTRACTOR RESPONSIBILITY ORDINANCE

LOS ANGELES ADMINISTRATIVE CODE

Division 10, Chapter 1, Article 14

Sec. 10.40. Purpose.

Each year the City spends millions of dollars contracting for the delivery of products and services from private sector contractors. The prudent expenditure of public dollars requires that the City's procurement process result in the selection of qualified and responsible contractors who have the capability to perform the contract. Further, many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for a variety of purposes. The City expends grant funds under programs created by federal and state government. The City intends that the procurement procedures set forth in this article guide the expenditure of federal and state grant funds to the extent permitted by federal or state procurement regulations.

SECTION HISTORY

Article and Section Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.1. Definitions.

(a) "**Awarding Authority**" means any Board or Commission of the City of Los Angeles, or any employee or officer of the City of Los Angeles, that is authorized to award or enter into any contract as defined herein, on behalf of the City of Los Angeles, and shall include departments having control of their own funds and which adopt policies consonant with the provisions of this article.

(b) "**Contract**" means any agreement for the performance of any work or service, the provision of any goods, equipment, materials or supplies, or the rendition of any service to the City or to the public, or the grant of City financial assistance or a public lease or license, which is let, awarded or entered into by, or on behalf of, the City of Los Angeles. Contracts for services which are less than three months and less than Twenty-Five Thousand Dollars (\$25,000.00) are not covered by this article. Contracts for purchasing goods and products which are less than One Hundred Thousand Dollars (\$100,000.00) are not covered by this article, unless they are contracts for the purchase of garments such as uniforms or other apparel, in which case they are only exempt from this article if they are less than Twenty-Five Thousand Dollars (\$25,000.00). Construction contracts are covered by this article without regard to threshold amount.

(c) "**Contractor**" means any person, firm, corporation, partnership, association or any combination thereof, which enters into a Contract with any awarding authority of the City of Los Angeles and includes a recipient of City financial assistance and a public lessee or licensee.

(d) "**Subcontractor**" means any person not an employee who enters into a contract with a contractor to assist the contractor in performing a contract, including a contractor or subcontractor of a public lessee or licensee or sublessee or sublicensee, to perform or assist in performing services on the leased or licensed premises. The term subcontractor does not include vendors or suppliers to City purchasing contractors, unless the purchasing contract is for the purchase of garments such as uniforms or other apparel.

(e) "**Bidder**" means any person or entity that applies for any contract whether or not the application process is through an Invitation for Bid, Request for Proposal, Request for Qualifications or other procurement process.

(f) "**Bid**" means any application submitted by a bidder in response to an Invitation for Bid, Request for Proposal or Request for Qualifications or other procurement process.

(g) "**Invitation for Bid**" means the process through which the City solicits Bids including Requests for Proposals and Requests for Qualifications.

(h) "**City Financial Assistance Recipient**" means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

(i) "**Public Lease or License**" means a lease or license of City property as defined in the Living Wage Ordinance, Section 10.37 et seq. of Article 11, Chapter 1 of Division 10 of the Los Angeles Administrative Code.

(j) "**Designated Administrative Agency (DAA)**" means the City department(s), board(s), or office(s) designated by City Council to bear administrative responsibilities under this article. The City Clerk shall maintain a record of such designation.

CONTRACTOR RESPONSIBILITY

EXHIBIT C

LAAC SEC. 10.40 - CONTRACTOR RESPONSIBILITY

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.2. Determination of Contractor Responsibility

(a) Prior to awarding a contract, the City shall make a determination that the prospective contractor is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. Responsibility will be determined by each awarding authority from reliable information concerning a number of criteria, including but not limited to: management expertise; technical qualifications; experience; organization, material, equipment and facilities necessary to perform the work; financial resources; satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity.

(b) Every bidder for a City contract must complete and submit with its bid a questionnaire developed by the DAA which will provide information the awarding authority needs in order to determine if the bidder meets the criteria set forth in Paragraph (a) of this section. If no bid is required, the prospective contractor must submit a questionnaire. The response to the questionnaire must be signed under penalty of perjury. If, after execution of a contract, the City learns that the contractor submitted false information on the questionnaire, the City may terminate the contract and pursue the remedies set forth in Section 10.40.6 of this article. The contractor shall be obligated to update its responses to the questionnaire during the term of the contract within thirty calendar days after any change to the responses previously provided if such change would affect contractor's fitness and ability to continue performing the contract. The City may consider failure of the contractor to update the questionnaire with this information as a material breach of the contract and invoke the remedies set forth in Section 10.40.6 of this article.

(c) There shall be a period of no fewer than fourteen calendar days between the date for receipt of bids and the award of the contract in order to allow full review of questionnaires submitted by bidders. If no bid is required, the prospective contractor must submit a questionnaire no fewer than fourteen calendar days prior to execution of the contract in order to allow full review of the questionnaire. Questionnaires will be public records and information contained therein will be available for public review, except to the extent that such information is exempt from disclosure pursuant to applicable law. The awarding authority may rely on responses to the questionnaire, information from compliance and regulatory agencies and/or independent investigation to determine bidder responsibility.

(d) Before being declared non-responsible, a bidder shall be notified of the proposed determination of non-responsibility, served with a summary of the information upon which the awarding authority is relying

and provided with an opportunity to be heard in accordance with applicable law. At the responsibility hearing, the bidder will be allowed to rebut adverse information and to present evidence that it has the necessary quality, fitness and capacity to perform the work. The bidder must exercise its right to request a hearing within five calendar days after receipt of such notice. Failure to submit a written request for a hearing within the time frame set forth in this section, will be deemed a waiver of the right to such a hearing and the awarding authority may proceed to determine whether or not the award of the contract should be made to another bidder or whether or not the bidder is non-responsible for this and future contracts. The determination by an awarding authority that the bidder is non-responsible shall be final and constitute exhaustion of the bidder's administrative remedies.

(e) A list of individuals and entities which have been determined to be non-responsible by the City shall be maintained by the DAA. After two years from the date the individual or entity has been determined to be non-responsible, the individual or entity may request removal from the list by the awarding authority. If the individual or entity can satisfy the awarding authority that it has the necessary quality, fitness, and capacity to perform work in accordance with the criteria set forth in Paragraph (a) of this section, its name shall be removed from the list. Unless otherwise removed from the list by the awarding authority, names shall remain on the list for five years from the date of being declared non-responsible.

(f) Contractors shall ensure that their subcontractors meet the criteria for responsibility as set forth in Paragraph (a) of this section, unless the subcontract is below the threshold requirements for contracts contained in Section 10.40.1(b).

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.3. Compliance with all laws.

(a) Contractors shall comply with all applicable federal, state and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.

(b) Contractors shall notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the contractor is not in compliance with Paragraph (a) of this section. Initiation of an investigation is not, by itself, a basis for a determination of non-responsibility by an awarding authority.

(c) Contractors shall notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the contractor has violated Paragraph (a) of this section.

(d) Upon award of a contract, contractors shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of

CONTRACTOR RESPONSIBILITY

EXHIBIT C

LAAC SEC. 10.40 - CONTRACTOR RESPONSIBILITY

this section. Whenever any contract, which was not initially subject to this article is amended, the contractor shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of this section.

(e) Contractors shall ensure that their subcontractors complete a Pledge of Compliance attesting under penalty of perjury to compliance with Paragraph (a) of this section, unless the subcontract is below the threshold requirements for Contracts contained in Section 10.40.1(b).

(f) Contractors shall ensure that their subcontractors comply with Paragraphs (b) and (c) of this section, unless the subcontract is below the threshold requirements for contracts contained in Section 10.40.1(b).

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec.10.40.4. Exemptions.

(a) In order to promote the purposes of this article and to protect the City's interests, the following contracts are exempt from its application:

(1) Contracts with a governmental entity such as the United States of America, the State of California, a county, city or public agency of such entities, or a public or quasi-public corporation located therein and declared by law to have such public status.

(2) Contracts for the investment of trust moneys or agreements relating to the management of trust assets.

(3) Banking contracts entered into by the Treasurer pursuant to California Government Code Section 53630 *et seq.*

(b) In order to promote the purposes of this article and to protect the City's interests, the following contracts are exempt from application of Section 10.40.2 of this article:

(1) Contracts awarded on the basis of exigent circumstances whenever any awarding authority finds that the City would suffer a financial loss or that City operations would be adversely impacted unless exempted from the provisions of Section 10.40.2 of this article. This finding must be approved by the DAA prior to contract execution.

(2) Contracts awarded on the basis of urgent necessity in accordance with Charter Section 371(e)(5).

(3) Contracts entered into pursuant to Charter Section 371(e)(6).

(4) Contracts entered into pursuant to Charter Section 371(e)(7).

(5) Contracts entered into pursuant to Charter Section 371(e)(8).

(6) Contracts where the goods or services are proprietary or only available from a single source.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec.10.40.5. Administration

(a) The DAA shall promulgate rules and regulations for implementation of this article. Said rules shall be submitted to City Council for consideration within sixty days after the effective date of this Ordinance.

(b) The DAA shall develop a questionnaire to be used by awarding authorities for determining bidder responsibility within sixty days after the effective date of this Ordinance.

(c) The DAA shall monitor compliance with this article including investigation of alleged violations.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec.10.40.6. Enforcement

(a) Contracts shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(b) Compliance with Section 10.40.3 of this article shall be required in contract amendments, if the initial contract was not subject to the provisions of this article. Contract amendments shall provide that violation of Section 10.40.3 shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(c) Violations of this article may be reported to the DAA which shall investigate such complaint. Whether based upon such complaint or otherwise, if the DAA has determined that the contractor has violated any provision of this article, the DAA shall issue a written notice to the contractor that the violation is to be corrected within ten calendar days from receipt of notice. In the event the contractor has not corrected the violation, or taken reasonable steps to correct the violation within ten calendar days, then the DAA may:

1. Request the awarding authority to declare a material breach of the contract and exercise its contractual remedies thereunder, which are to include but not be limited to termination of the contract.

2. Request the awarding authority to declare the contractor to be non-responsible in accordance with the procedures set forth in Section 10.40.2 of this article.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.7. Application of This Article.

(a) This article shall be applicable to Invitations for Bids issued after the rules and regulations have been adopted by City Council.

(b) This article shall be applicable to contracts entered into after the rules and regulations have been adopted by City Council, unless the contract is awarded pursuant to an Invitation for Bid issued prior to adoption of the rules and regulations by City Council. (c) Section 10.40.3 of this article shall be applicable to contract amendments, entered into after the rules and regulations have been adopted by City Council if the initial contract was not subject to the provisions of this article.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

CONTRACTOR RESPONSIBILITY

EXHIBIT C

Page C-24 of C-29

LEASE -
RESEDA MULTIPURPOSE CENTER

SSCHE03-102656
RESEDA.001

LAAC SEC. 10.40 - CONTRACTOR RESPONSIBILITY

Sec. 10.40.8. Consistency with Federal or State Law

The provisions of this article shall not be applicable to those instances in which its application would be prohibited by federal or state law or where the application would violate or be inconsistent with the terms or condition of a grant or contract with an agency of the United States, the State of California or the instruction of an authorized representative of any such agency with respect to any such grant or contract.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

Sec. 10.40.9. Severability

If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Added by Ord. No. 173,677, Eff. 1-14-01

LAAC SEC. 10.40 - CONTRACTOR RESPONSIBILITY

CITY OF LOS ANGELES

Office of the City Administrative Officer - Contractor Enforcement Section
200 North Main Street, Room 1240
Los Angeles, CA 90012
Phone: (213) 485-3514 - Fax: (213) 485-0672

SUBCONTRACTOR'S PLEDGE OF COMPLIANCE with the Contractor Responsibility Ordinance

Los Angeles Administrative Code (LAAC) Section 10.40 (Contractor Responsibility Ordinance) provides that all public lessees and public licensees shall comply with all applicable provisions of the Ordinance. Upon award of such public lease or public license, the lessee or licensee, by signing the public lease or public license, has pledged to comply with the Contractor Responsibility Ordinance. Within thirty (30) days of execution of such public lease or public license, the public lessee or public licensee shall submit to City the following Pledge of Compliance from each subcontractor who has been listed or will be performing work pursuant to the public lease or public license.

The subcontractor agrees to comply with the Contractor Responsibility Ordinance and the following provisions:

- (a) To comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (b) To notify the awarding authority within 30 calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor did not comply with any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (c) To notify the awarding authority within 30 calendar days of all findings by a governmental agency or court of competent jurisdiction that the contractor has violated any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (d) If applicable, to provide the awarding authority, within 30 calendar days, updated responses to the Responsibility Questionnaire if any change occurs which would change any response contained within the Responsibility Questionnaire and such change would affect the contractor's fitness and ability to continue the contract.
- (e) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (f) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, sublicensee that perform or assist in performing services on the leased or licensed premises) submit a Pledge of Compliance.
- (g) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with paragraphs (b) and (c).

Failure to complete and submit this form to the Awarding Authority and to the Office of City Administrative Officer may result in withholding of payments by the City Controller, or contract termination.

Subcontracting Company Name			Signature of Officer or Authorized Representative		
Company Address and Phone Number			Type or Print Name and Title		
Date	Contract Number	Awarding City Department	Type of Service		
		Department of Recreation and Parks	Lessee		

CONTRACTOR RESPONSIBILITY EXHIBIT C

LEASE -
RESEDA MULTIPURPOSE CENTER

Page C-26 of C-29

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RESEDA.001

LAAC SEC. 10.40 - CONTRACTOR RESPONSIBILITY

Form CAO/CRO Rev. 9/13/01

LAAC SEC. 10.41 - SLAVERY DISCLOSURE

SLAVERY DISCLOSURE ORDINANCE

LOS ANGELES ADMINISTRATIVE CODE

Division 10, Chapter 1, Article 15

Sec. 10.41. Definitions.

(a) "Awarding Authority" means a subordinate or component entity or person of the City, such as a City Department or Board of Commissioners, that has the authority to enter into a Contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

(b) "Company" means any person, firm, corporation, partnership or combination of these.

(c) "Contract" means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies or rendering of any service to the City of Los Angeles or the public, which is let, awarded or entered into with or on behalf of the City of Los Angeles or any Awarding Authority of the City.

(d) "Designated Administrative Agency (DAA)" means the Contract Enforcement Section of the Office of the City Administrative Officer.

(e) "Enslaved Person" means any person who was wholly subject to the will of another and whose person and services were wholly under the control of another and who was in a state of enforced compulsory service to another during the Slavery Era.

(f) "Investment" means to make use of an Enslaved Person for future benefits or advantages.

(g) "Participation" means having been a Slaveholder during the Slavery Era.

(h) "Predecessor Company" means an entity whose ownership, title and interest, including all rights, benefits, duties and liabilities were acquired in an uninterrupted chain of succession by the Company.

(i) "Profits" means any economic advantage or financial benefit derived from the use of Enslaved Persons.

(j) "Slavery" means the practice of owning Enslaved Persons.

(k) "Slavery Era" means that period of time in the United States of America prior to 1865.

(l) "Slaveholder" means holders of Enslaved Persons, owners of business enterprises using Enslaved Persons, owners of vessels carrying Enslaved Persons or other means of transporting Enslaved Persons, merchants or financiers dealing in the purchase, sale or financing of the business of Enslaved Persons.

(m) "Slaveholder Insurance Policies" means policies issued to or for the benefit of Slaveholders to insure them against the death of, or injury to, Enslaved Persons.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 10-15-03.

Sec. 10.41.1. Purpose of Slavery Era Business Corporate / Insurance Disclosure.

Many early American industries including, but not limited to, insurance, banking, tobacco, cotton, railroads, and shipping, realized enormous Profits by utilizing the uncompensated labor of Enslaved Persons. Many individuals and business enterprises were directly enriched by the labor of Enslaved Persons or benefited from insurance policies insuring Enslaved Persons.

The City of Los Angeles, whose citizenry includes descendants of Enslaved Persons, is entitled to full disclosure of any Participation in or Profits derived through Slavery by Companies seeking to do business with the City.

The State of California has implemented Insurance Code Sections 13810-13813 requiring insurance companies to provide information to the California Department of Insurance regarding Slaveholder Insurance Policies sold during the Slavery Era as part of its licensing and renewal procedure.

In further support of this legislative act and to further promote the ideals the act embraces, this ordinance requires those seeking to do business with the City to fully and accurately disclose any and all Participation in or Profits derived from Slavery.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 10-15-03.

Sec. 10.41.2.

Each Awarding Authority, shall require that any Company that enters into a Contract with the City, whether the Contract is subject to competitive bidding or not, shall complete an affidavit, prior to or contemporaneous with entering into the Contract, certifying that:

(a) The Company has searched any and all records of the Company, or any Predecessor Company, regarding records of Participation or Investments in, or Profits derived, from Slavery, including Slaveholder Insurance Policies issued during the Slavery Era; and

(b) Disclosed any and all records of Participation in or Profits derived by the Company, or any Predecessor Company, from Slavery, including issuance of Slaveholder Insurance Policies, during the Slavery Era, and identified the names of any Enslaved Persons or Slaveholders described in the records.

The Awarding Authority may terminate the Contract if a Company fails to fully and accurately complete the affidavit.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 10-15-03.

Sec. 10.41.3. Exceptions.

This article shall not be applicable to the following Contracts:

(a) Contracts for the investment of: (1) City trust moneys or bond proceeds; (2) pension funds; (3) indentures, security enhancement agreements for City tax-exempt and taxable financings; (4) deposits of City

SLAVERY DISCLOSURE

EXHIBIT C

Page C-28 of C-29

LAAC SEC. 10.41 - SLAVERY DISCLOSURE

surplus funds in financial institutions; (5) the investment of City moneys in securities permitted under the California State Government Code and/or the City's investment policy; (6) investment agreements, whether competitively bid or not; (7) repurchase agreements; (8) City moneys invested in United States government securities; and (9) Contracts involving City moneys in which the Treasurer or the City Administrative Officer finds that the City will incur a financial loss or forego a financial benefit, and which in the opinion of the Treasurer or the City Administrative Officer would violate his or her fiduciary duties.

(b) Grant funded Contracts if the application of this article would violate or be inconsistent with the terms or conditions of a grant or Contract with an agency of the United States, the State of California or the instruction of an authorized representative of any of those agencies with respect to any grant or Contract.

(c) Contracts with a governmental entity such as the United States of America, the State of California, a county, city or public agency of one of these entities, or a public or quasi-public corporation located in the United States and declared by law to have a public status.

(d) Contracts awarded on the basis of exigent circumstances whenever any Awarding Authority finds that the City would suffer a financial loss or that City operations would be adversely impacted unless exempted from the provisions of this article. This finding must be approved by the DAA prior to Contract execution.

(e) Contracts with any Company that has been designated as a non-profit organization pursuant to the United States Internal Revenue Code Section 501(c)(3).

(f) Contracts for the furnishing of articles covered by letters patent granted by the government of the United States or where the goods or services are proprietary or only available from a single source.

(g) Contracts awarded on the basis of urgent necessity in accordance with Charter Section 371(e) (5).

(h) Contracts entered into pursuant to Charter Section 371 (e) (6).

(i) Contracts entered into pursuant to Charter Section 371 (e) (7).

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 10-15-03.

Sec. 10.41.4. Administration.

(a) The DAA shall promulgate rules and regulations to implement this article within sixty days after the effective date of this ordinance.

(b) The DAA shall develop an affidavit to be used by Awarding Authorities within sixty days after the effective date of this ordinance.

(c) The DAA shall administer the requirements of this article and monitor compliance, including investigation of alleged violations.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 10-15-03.

Sec. 10.41.5 Application of this Article.

(a) This article shall be applicable to Contracts entered into after the rules and regulations have been promulgated by the DAA.

(b) This article shall be applicable to Contract amendments entered into after the rules and regulations have been promulgated by the DAA where the initial Contract was not subject to the provisions of this article.

SECTION HISTORY

Added by Ord. No. 175,346, Eff. 10-15-03.

MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO

CITY OF LOS ANGELES
DEPARTMENT OF GENERAL SERVICES
c/o Office of the City Attorney
Rockard J. Delgadillo, City Attorney
Laura M. Cadogan, Deputy City Attorney
Real Property/Environment Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012

Free recording in accordance with California
Government Code section 6103

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of the date of attestation by the City Clerk of the City of Los Angeles of page 2 of this Memorandum, by and between the CITY OF LOS ANGELES, a municipal corporation, as Landlord ("City") and ONEGENERATION, a California nonprofit corporation ("Tenant"), who agree as follows.

1. Term And Premises.

City leases to Tenant, and Tenant leases from City, the real property located in the City of Los Angeles, County of Los Angeles, State of California, as shown on the attached Exhibit A, commonly known as the Reseda Multipurpose Center, 18255 Victory Boulevard, Los Angeles, California 91335, for a term of ten (10) years, commencing on or about the date of this Memorandum, on the provisions of the lease between the parties, which lease ("Lease") is dated on the same date as this Memorandum. These provisions are incorporated into this Memorandum by reference.

2. Provisions Binding On Tenant.

The provisions of the Lease to be performed by Tenant, whether affirmative or negative in nature, are intended to and shall bind Tenant and its successors and assigns at any time, and shall inure to the benefit of City and its successors and assigns.

3. Provisions Binding on City.

The provisions of the Lease to be performed by City, whether affirmative or negative in nature, are intended to and shall bind City and its successors and assigns at any time, and shall inure to the benefit of Tenant and its successors and assigns.

4. Purpose of Memorandum.

This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease

MEMORANDUM OF LEASE

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MEMORANDUM OF LEASE

5. Reference to Lease for All Purposes.

Reference is hereby made to the entire Lease for any and all purposes. A true copy of the Lease is on file with the City Clerk of the City of Los Angeles, whose office is Room 360, City Hall, 200 North Spring Street, Los Angeles, California 90012

APPROVED AS TO FORM:
ROCKARD J DELGADILLO, City Attorney

By Laura M. Cadogan
LAURA M CADOGAN
Deputy City Attorney
DATE 10-25-05

CITY:
CITY OF LOS ANGELES, a municipal corporation,
acting by and through its Board of Recreation and
Park Commissioners

By [Signature]
Board President

ATTEST:
FRANK MARTINEZ, City Clerk

By Vera Mendez
Deputy
DATE 10.25.05
C-109008

By [Signature]
Board Secretary
DATE 10/20/05

TENANT:
ONEGENERATION, a California nonprofit
corporation,

By [Signature]
TWIN HYMAN
Board President

By [Signature]
DONID RUTT
Treasurer
DATE: 9-22-05



Board Report No. 04-230
Board Approval Date: 8/11/04
Land No
SSCHE03-102656
(09/08/5)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

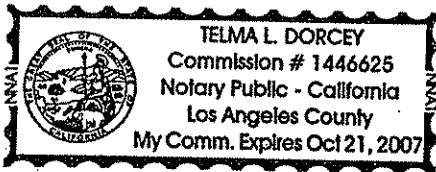
State of California

County of Los Angeles } ss.

On 9-22-05, before me, Telma L. Dorcey Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared IRWIN HYMAN AND DAVID ROTT
Name(s) of Signer(s)

personally known to me

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



Place Notary Seal Above

WITNESS my hand and official seal.

Telma L. Dorcey
 Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
 Title or Type of Document: Lease Agreement with Summary

Document Date: 9-22-05 Number of Pages: 27 with exhibits A1-D2

Signer(s) Other Than Named Above: none others than IRWIN HYMAN AND DAVID ROTT

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer's Name: _____

Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here



Share the CareSM

Senior Centers
Transportation
Senior Meal Program
Childcare

Care Management
Adult Daycare
Encino Farmers Market
Grandparents As Parents (GAP)

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Law Offices of Stuart Zimring
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Sahar Pouyanrad, Vice Chair
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Nathaniel Hutton, Treasurer
"CATCH" Healthy Habits
Jim Esterle, Secretary
Executive Consultant

December 4, 2023

Mr. Jimmy Kim, General Manager
c/o Mr. Darryl Ford, Superintendent of Planning
City of Los Angeles, Department of Recreation and Parks
221 N. Figueroa Street, 3rd Floor, Suite 350
Los Angeles, CA 90012

Exhibit D

Members

Liz Altman-Harberger
Corebridge Financial
Wendy Bavan
Providence St. Joseph Health
Catherine Coddington
Office of Assemblymember
Jesse Gabriel
Jeff Friedman
Dynamic Nursing, Inc.
Tatijana Stafets Janko
Financial Consultant
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Cushman & Wakefield
Gloria Pollack
Gelb Group
Rachael Rudd
Health Net
David Rutt, CPA
Dorfman & Rutt
Denise A. Villbrandt, CPA
Clumeck Stern Schenkelberg & Getzoff
Elder Roger Williams II
Terra Health, LLC

Re: Request for Lease Renewal with Terms Modifications, Lease Agreement by and between ONEgeneration and the City of Los Angeles Department of Recreation and Parks (City), Reseda Multipurpose Center, 18255 Victory Blvd., Reseda, CA 91335, Contract # C-109008, dated July 12, 2005, with Extension Approval through October 25, 2025

Dear Mr. Kim,

This letter is to request subject lease to be renewed ahead of the upcoming October 25, 2025 expiration date. Please note the following:

1. Copies of the full lease agreement and latest extension are attached for your convenience and review.
2. While the current lease does not expire until October 2025, ONEgeneration needs to secure renewal now to satisfactorily qualify for a number of licensing and funding opportunities which require a minimum length of site control or remaining lease period (or demonstrate efforts underway to secure a minimum length of remaining lease / site control).
3. We have internally reviewed the current lease terms and based on our actual working experience with said terms, we are respectfully asking the City to consider modifying three (3) practical items under said lease to facilitate and support our operational needs.
4. Modification # 1, (Section 4.1, page 4) we are requesting a renewal **term of 20 years** if possible, with one 10-year option to renew. This will serve to satisfy a number of funding opportunities that require a longer minimum site control in order to qualify for funding of some capital improvement funding, as well as relieve both parties from an earlier administrative burden for the next renewal.
5. Modification # 2, (Section 8.1, page 7), Maintenance, Repair, and Utilities, we are requesting to specify **approval timelines from General Manager to a workable 30 or 60 day response date**, to ensure that critical maintenance or repairs can proceed timely and / or funding source completion deadlines can be met.

Jenna Hauss, MSW
President & CEO
Kenneth Kang
CFO/COO

Advisory Council

President
Amos Fried
In Memoriam
Karl Boeckmann
Fred Simmons, Esq.
Harry Vickman
Friends of ONEgeneration
Marvin Burns, Esq.
Jennifer Davine
Paul Davis
Rickey Gelb
Eva Goetz
Dan Osterweil, MD
Marion Ross
Dr. Judy Rosenberg
Susan Rothenberg
Congressman Brad Sherman

ONEgeneration 17400 Victory Boulevard, Van Nuys, CA 91406
(818) 705-2345 main (818) 708-6620 fax www.ONEgeneration.org

Our mission is to support and enrich the lives of older adults, children, and their families, throughout our diverse community.

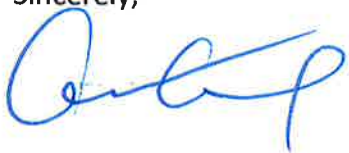
Mr. Jimmy Kim, General Manager
December 4, 2023, Page 2, continued

6. Modification # 3, (Section 9.1.1, page 9), Alterations and Modifications, we are requesting to add / revise sentence to read "Requests by ONE to construct capital improvements...shall be subject to the approval..., which approval shall not be unreasonably withheld or delayed". Also, for items requiring Commission approval , a workable 90 day to 120 day response time is requested to ensure adequate time to meet funding source and operational needs for timely project completion, subject to approval.

7. All other current lease terms remain the same.

ONEgeneration remains grateful and indebted to the City and your team for your continued support of our mission and programs that serve our local community.

Sincerely,



Kenneth Kang, CFO and COO

Cc: Ms. Jenna Hauss, President & CEO, ONEgeneration
Ms. Niambi Cooper, Director, Senior Enrichment Center, ONEgeneration
Mr. Rick Tonthat, Sr. Management Analyst II, City RAP

Attachments

ONEgeneration 17400 Victory Boulevard, Van Nuys, CA 91406
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Our mission is to enrich the lives of seniors, children, and their families, throughout our diverse community.