

## COMMUNITY BENEFITS AGREEMENT

This Community Benefits Agreement is made and entered into as of this 10th day of March, 2015, by and between Coalition Organizations and 233 W. Washington LLC (“Developer”).

### RECITALS

A. Developer has proposed to construct a seven-story mixed-use commercial and residential complex at 233 W. Washington, Los Angeles consisting of 160 residential units and 24,000 square feet of leasable commercial space (the “Project”), as defined more fully below.

B. To build the Project, the Developer must, among other things, obtain from the City of Los Angeles certain discretionary approvals for the Project including: (i) approval of a tentative tract map for a condominium subdivision comprised of 160 residential units and creation of a single ground lot; (ii) a parking reduction to allow a parking ratio of 0.87 parking spaces per dwelling unit in lieu of the 2 spaces per dwelling unit and 0 guest parking spaces per unit in lieu of the 0.25 guest parking spaces per dwelling unit; (iii) a General Plan Amendment to the Southeast Los Angeles Community Plan’s designation of the subject parcels as Light Industrial to Community Commercial and to amend footnote number 1 of the Southeast Los Angeles Community Plan to specifically exclude the project site from the height District 1 (1.5:1 Floor Area Ratio) limitation in order to permit the site to be developed consistent with the existing height District 2 (6:1 Floor Area Ratio) Zone Designation; (iv) a zone change from M2-2-O to C2-2; and (v) approval of Site Plan Review.

C. Additionally, the Project is subject to the California Environmental Quality Act (“CEQA”), requiring the City to decide whether to adopt the Proposed Mitigated Negative Declaration or require the preparation of a full Environmental Impact Report.

D. Coalition Organizations have publicly expressed a number of concerns with the Project, including but not limited to insufficient benefit to the local community that would be impacted by the Project. Accordingly, Coalition Organizations have urged the City both to deny the requested approvals and to require the preparation of the Environmental Impact Report.

E. Coalition Organizations have advocated that the Project should enhance economic justice and mitigate issues of displacement increasingly experienced by South Los Angeles residents and small businesses. Coalition Organizations have advocated for community benefits including, without limitation, affordable housing, local and disadvantaged hiring, living wages for workers, commercial space for local small businesses and social enterprises, family and homelessness services and funding for case management support for local communities.

F. The Developer has asked Coalition Organizations to withdraw opposition to the Project and support the granting of the approvals.

G. As a condition for their support, Coalition Organizations require that the Developer make several modifications to the Project to ensure the local community benefits from the Project with respect to affordable housing, employment and services.

NOW, THEREFORE, in consideration of the mutual covenants, promises and undertakings set forth herein, and other consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties agree as follows.

## **ARTICLE 1 DEFINITIONS**

As used in this Agreement, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

**“Affordable Rent”** shall have the meaning set forth in California Health and Safety Code Section 50053(b) and its implementing regulations.

**“Affordable Rental Units”** shall mean the units described in Article 4, subject to a 55-year affordability covenant. The Affordable Rental Units shall be occupied by and leased at an Affordable Rent to Extremely Low Income Households and Very Low Income Households as described in Article 4.

**“Agreement”** shall mean this Community Benefits Agreement and all other attachments and exhibits.

**“Certificate of Occupancy”** shall mean either a Certificate of Occupancy or a Temporary Certificate of Occupancy for any residential unit or retail/commercial space in the Project.

**“City”** shall mean the City of Los Angeles.

**“Coalition Organization”** shall mean any of the following entities, so long as the entity in question has executed this Agreement:

- Community Development Technologies Center, a California nonprofit corporation;
- Esperanza Community Housing Corporation (“Esperanza”), a California nonprofit corporation;
- Tenemos que Reclamar y Unidos Salvar La Tierra-South LA (“T.R.U.S.T. South LA”), a California non-profit corporation;
- Strategic Actions for a Just Economy (“SAJE”), a California non-profit corporation;
- St. Francis Center, a California non-profit corporation;

or their Successors.

**“Coalition Organizations’ Representative”** shall mean a person or Coalition Organization, or a Successor to a Coalition Organization, who is designated as the Coalition Organizations’ Representative by the majority of the Coalition Organizations (or their Successors) in writing sent to Developer. As an initial matter, the Coalition Organizations’ Representative shall be Strategic Actions for a Just Economy, unless and until changed.

**“Community Benefits Fund”** shall mean a non-profit fund or trust account that shall be established with and administered by a qualified third-party designated by Coalition Organizations, established to hold and distribute funds provided to it by the Developer according to procedures established by agreement between the third-party entity and Coalition Organizations, with funds to be used only for purposes as set forth in the Agreement.

**“Construction Employer”** shall mean any individual firm, partnership, owner operator, or corporation or combination thereof, including joint ventures, performing as a general contractor or subcontractor performing construction work at any tier for the Project.

**“Construction Jobs Coordinator”** means an entity selected by the Developer, General Contractor, and Coalition Organizations to perform the referral services and related services pertaining to provisions of Article 5 of this Agreement.

**“Current Plan”** shall mean the Project as described in the architectural plans contained herein as Attachment B.

**“Developer”** shall mean the owner or owners of the Project which is currently 233 W. Washington, a California limited liability company.

**“Developer Releasees”** shall mean Developer and Developer’s present and former partners, stockholders, investors, parent and subsidiary corporations, funders, affiliates, agents, representatives, predecessors- and successors-in-interest, assigns, transferees, associates, employees, insurers, attorneys, officers, board members, directors, representatives, agents, officials, underwriters, sureties, guarantors, members, owners, principals, related entities, lenders and contractors, collectively and individually.

**“Disadvantaged Residents”** shall mean Local Residents who have a household income of less than 50% of the Area Median Income in Los Angeles County and have one of the following barriers to employment at the time of program entry: being homeless, history of substance abuse, receiving public assistance, lacking a GED or high school diploma, having a history of involvement with the justice system, veterans, aged-out foster-care youth, being a single custodial parent, being unemployed for more than three (3) of the last six (6) months or being underemployed (working twenty-hours or less per week).

**“Effective Date”** shall mean March 10, 2015.

**“Extremely Low Income Households”** shall have the same definition as California Health and Safety Code Section 50106.

**“General Contractor”** shall mean any individual firm, partnership, owner operator, or corporation or combination thereof hired by Developer to perform Project Construction Work of the Project or any portion thereof.

**“Job Training and First Source Referral Program”** shall mean the entity selected to perform training, referral services and related services pertaining to the Retail and Commercial Jobs provisions set forth in Article 6 and the On-Site Building Maintenance Jobs provisions set forth in Article 7.

**“Living Wage”** shall be defined according to the City’s Living Wage Ordinance, Los Angeles Administrative Code Section 10.37.

**“Living Wage Job”** shall mean a job that pays a Living Wage.

**“Local Resident”** shall mean an individual: (1) whose primary place of residence at the time of hire is within the area bounded by Venice Boulevard or 16th street to the north, Alameda Street on the east, Gage Avenue to the South, and Normandie Avenue to the West; or (2) who resides in a Poverty Zip Code at the time of hire.

**“Local Small Business”** shall mean a privately owned corporation, cooperative, non-profit, social enterprise or other corporate entity that (a) at the time of executing a lease for Retail/Commerce Space has no more twenty-five employees/shareholders; (b) is not franchised or affiliated with a national, corporate chain; (c) pays all employees/shareholders a Living Wage; (d) serves the local neighborhood by employing Local Residents or providing culturally appropriate and/or needed goods or services for a mixed income community; and (e) is at risk of displacement or faces difficulty commencing operations resulting from expanded development along the MTA Blue Line Corridor.

**“On-Site Building Maintenance Work”** shall mean work performed on the Project Site, not including Project Construction Work, any portion of which entails performing the function of the on-site building superintendent for the Project.

**“On-Site Retail and Commercial Work”** shall mean work performed on the Project Site by an individual whose employment position is performed in whole or in part at a Retail/Commercial Employer on the Project Site.

**“Parties”** shall mean collectively all Coalition Organizations and Developer.

**“Party”** shall mean each Coalition Organization and Developer.

**“Post-Secondary School”** shall mean post-high school and/or post-GED education.

**“Poverty Zip Code”** shall mean a zip code within the City of Los Angeles that contains all or part of a census tract in which the rate of unemployment exceeds 150% of the average for Los Angeles County.

**“Project”** shall mean the development of the Project Site as described in Attachment A.

**“Project Approvals”** shall mean approval of (i) a tentative tract map for a condominium subdivision comprised of 160 residential units and creation of a single ground lot; (ii) a parking reduction to allow a parking ratio of 0.87 parking spaces per dwelling unit in lieu of the 2 spaces per dwelling unit and 0 guest parking spaces per unit in lieu of the 0.25 guest parking spaces per dwelling unit; (iii) a General Plan Amendment to the Southeast Los Angeles Community Plan’s designation of the subject parcels as Light Industrial to Community Commercial and to amend footnote number 1 of the Southeast Los Angeles Community Plan to specifically exclude the project site from the height District 1 (1.5:1 Floor Area Ratio) limitation in order to permit the site to be developed consistent with the existing height District 2 (6:1 Floor Area Ratio) Zone Designation; (iv) a zone change from M2-2-O to C2-2; (v) approval of Site Plan Review and (vi) the issuance of the initial building permits necessary to commence Construction Work on the Project.

**“Project Construction Work”** shall mean all construction work performed to develop the Project on the Project Site, including demolition. Project Construction Work shall also include all construction work that would otherwise be subject to the Craft Request (a sample of which is annexed hereto as Attachment C), but that it is performed off the Project Site. Project Construction Work shall not include work performed by managerial personnel, architects, or engineers.

**“Project Site”** shall mean the physical location of the Project, which is located on the northwest corner of South Grand Avenue and West Washington Blvd and identified as APN 5126-026-008.

**“Public Releasees”** shall mean the City and its political subdivisions, boards, councils, agents, representatives, employees, attorneys, officers, officeholders, officials, underwriters, sureties, guarantors, lenders and contractors, individually and collectively.

**“Reasonable Business Efforts”** shall mean all reasonable efforts to achieve Local and Disadvantaged Hiring Goals, with what is deemed “reasonable” being considered in the context of the agreed upon provisions of this Agreement.

**“Released Claims”** shall mean any and all claims, lawsuits, demands, challenges, obligations, liabilities, damages, fees, costs, causes of action, petitions, complaints, actions, demands for any writ of mandate or prohibition or other writs, or attempts to enforce any statutory, administrative or legal duty, whether in law or in equity, whether known or unknown, based upon, contesting, or challenging on any basis any Project Approval. “Released Claims” shall not mean any action taken to enforce this Agreement or any challenges to Project Approvals issued where the Project deviates materially from the Current Plan and such deviation has a material negative impact on the goals of this Agreement.

**“Retail/Commercial Employers”** shall mean employers who rent as a tenant or otherwise occupy any or all portions of the retail and/or commercial space within the Project.

**“Subcontractor”** shall mean shall any individual firm, partnership, owner operator, or corporation or combination thereof hired by the General Contractor to perform Project Construction Work.

**“Successor”** shall mean, for Successors to a Coalition Organization, any successors in interest to, assigns of, or transferees regarding, a Coalition Organization’s rights to or interest in this Agreement. “Successor” shall mean, for Successors to Developer, any successors in interest to, assigns of, transferees regarding, or purchasers of the Project, the Project Site, any portion of the Project or Project Site. Successor to the Developer shall include any property owner association but shall exclude individual residential unit owners or occupants.

**“Very Low Income Households”** shall have the same definition as California Health and Safety Code Section 50105.

## **ARTICLE 2 OBLIGATIONS**

### **2.1 Obligations of Developer.**

2.1.1 Developer covenants that it shall carry out its obligations to provide the community benefits as set forth herein. Obligations of Developer shall terminate on the tenth anniversary of the issuance of the final certificate of occupancy for the principal building of the Project (and not individual tenant units), unless, for a particular obligation specified in this Agreement, an earlier or later time is specified. Notwithstanding the above, the Developer’s On Site Affordable Rental Housing obligations set forth in Article 4 shall terminate fifty-five (55) years from the date that a Covenant, acceptable to HCID and approved by Coalition Organizations, is recorded.

2.1.2 As evidenced by this Agreement, Developer shares Coalition Organizations’ desire to see local affordable housing and living wage employment opportunities expanded. If requested by the Coalition Organizations’ Representative with at least ten (10) days’ notice, a representative of 233 W. Washington LLC shall give testimony before the City Planning Commission and City Council endorsing the inclusion of affordable units into market rate developments, with said covenant to expire five (5) years from the Effective Date. If requested in writing by the Coalition Organizations’ Representative with at least ten (10) days’ notice, a representative of 233 W. Washington LLC shall give testimony in support of passing local legislation to increase the minimum wage paid by employers in the City of Los Angeles before both the City Council Committee responsible for vetting such legislation and the full City Council, with said covenant to expire upon the earlier of: (a) the date upon which such local legislation is enacted or (b) two (2) years from the Effective Date.

2.2 **Obligations of Coalition Organizations.** Each Coalition Organization shall comply with the obligations set forth in this Article 2.2. The obligations of this Article 2.2 shall expire upon the issuances by the City of Los Angeles final determinations with respect to Project Approvals.

2.2.1 The Coalition Organizations or counsel on their behalf shall, at or prior to the City Planning Commission hearing scheduled for March 12, 2015, inform the City that the Coalition Organizations withdraw their objections to the Project Approvals and support the Community Benefits generated by the Project.

2.2.2 Each Coalition Organization shall refrain from expressing any opposition to the Project or to the Project Approvals, in any public forum, including comments to the media, and in any private conversations or meetings with elected or appointed governmental officials with any role in Project Approvals.

2.2.3 Each Coalition Organization shall refrain from judicially or administratively opposing, or providing assistance to others in judicially administratively or otherwise opposing the Project or Project Approvals.

2.2.4 If requested by Developer in writing with at least ten (10) days' notice before the deadline to submit such a letter, Coalition Organizations shall submit a letter of support prior to the public hearings on Project Approvals before the City Planning Commission, City Council Planning and Land Use Management Committee, and the full City Council. .

2.2.5 If requested by Developer in writing with at least ten (10) days' notice, each Coalition Organization, through the attendance of at least one representative, shall, barring a force majeure, provide public comments in support of the Project and its community benefits at the public hearings on Project Approvals before the City Planning Commission, City Council Planning and Land Use Management Committee, and the full City Council. Additionally, each Coalition Organization shall use its best efforts to have additional Coalition Organization representatives attend said public hearings and provide oral support for the Community Benefits generated by the Project. With respect to the March 12, 2015 hearing before the City Planning Commission, the ten days' notice is waived.

2.2.6 Coalition Organizations are not aware of any third-parties that have opposed the Project. In the event third-parties come forward to publicly oppose the Project prior to Developer receiving Project Approvals, Coalition Organizations shall make good faith efforts to persuade such third-parties not to oppose the Project by requesting a meeting to discuss the community benefits provided under this Agreement.

### **ARTICLE 3 RELEASES**

3.1 Coalition Organizations Releases. Each Coalition Organization hereby waives, releases and forever discharges Developer, the Developer Releasees, and the Public Releasees from any and all Released Claims, in full and final settlement of such Released Claims. Nothing in this Agreement is intended to waive or release the claims of any third parties, nor to waive or release any defenses or counterclaims related thereto, even if such defenses or counterclaims are adverse to any Coalition Organizations. Each Coalition Organization represents and warrants that there has been no, and there will be no, assignment or other transfer of any interest in any Released Claim. Each Coalition Organization warrants that it has not filed any Released Claim.

3.2 Developer Releases. Developer and the Developer Releasees hereby waive, release and forever discharge Coalition Organizations, and its officers, board members, attorneys, representatives, employees, agents, members, directors and each of them, from any and all claims, lawsuits, demands, challenges, liabilities, damages, fees, costs, or causes of action, whether known or unknown that Developer has or may have against each Coalition Organization, arising from actions of any Coalition Organization in public or private advocacy or negotiation regarding the Project, Project Approvals, or land use or development actions and public policies in the neighborhoods surrounding the Project Site.

3.3 Covenant Not to Bring Released Claims. Each Coalition Organization covenants that it will not file, prosecute, bring, or advance any suit, claim, proceeding or legal action of any kind based upon any Released Claim.

3.4 Covenant Not to Bring Administrative or Judicial Action. Each Coalition Organization covenants not to bring or directly or indirectly support any administrative or judicial action based upon, contesting, or challenging on any basis any Project Approval.

3.5 Changes in Project. Articles 2.2, 3.1, 3.3 and 3.4 shall be null and void if plans for the Project materially deviate from the Current Plan and such deviation materially and adversely impacts the goals of this Agreement, except where (a) such material deviation is explicitly envisioned in this Agreement, or (b) such material deviation is approved by the Coalition Organizations. The Parties understand and agree that as the final architectural documents and plan check documents are prepared and as Project Approvals are processed by the City, there may be modifications to the Project's plans, but such modifications shall be not deemed to materially deviate from the Current Plan so long as they are approved by the City and do not result in a reduction in any of the community benefits described herein.

#### **ARTICLE 4 ON-SITE AFFORDABLE RENTAL HOUSING**

4.1 Purpose. The Affordable Rental Units are intended to provide crucial housing opportunities for Extremely Low and Very Low Income Households who face significant barriers to accessing quality affordable housing. The Affordable Rental Units are intended to be available to the general public that meets the HCID eligibility requirements.

4.2 Affordable Rental Housing. Developer shall construct and lease not less than fifteen percent (15%) of the total residential units in the Project as Affordable Rental Units, in the proportions and with the characteristics set forth in Article 4.3. The Affordable Rental Units shall be constructed on-site and reasonably dispersed throughout the development and in no event shall the number of Affordable Rental Units amount to fewer than twenty-four (24) total units.

4.3 Affordability Level and Unit Type. Developer shall construct and lease the Affordable Rental Units at the following levels of affordability and unit type:

4.3.1 Extremely Low Income Rental Units. No less than five percent (5%) of the total units and no less than eight (8) units in the Project shall be made available at rents



affordable to and occupied by Extremely Low Income Households. These Extremely Low Income Rental Units shall be a mix of no less than three (3) studio, four (4) one-bedroom and one (1) two-bedroom units.

4.3.2 Very Low Income Rental Units. No less than ten percent (10%) of the total units and no less than 16 units in the Project shall be made available at rents affordable to and occupied by Very Low Income Households. These Very Low Income Rental Units shall be a mix of no less than seven (7) studio, eight (8) one-bedroom and one (1) two-bedroom units.

4.4 Covenant and Affordable Rent Restrictions. Developer shall execute and record a covenant that is acceptable to the Los Angeles Housing and Community Investment Department (HCID) and pre-approved by the Coalition Organizations, which approvals shall not be unreasonably withheld or delayed. The Covenant shall be consistent with the provisions in Article 4 of this Agreement. The covenant shall guarantee that the rental affordability criteria will be observed for at least 55 years from the issuance of the Certificate of Occupancy. The covenant shall provide that the Affordable Rental Units will be restricted to Extremely Low-Income and Very Low-Income Households whose eligibility has been certified by HCID. Rents for Extremely Low Income Rental Units and Very Low Income Rental Units will be consistent with “Affordable Rents,” defined in California Health and Safety Code Section 50053(b). Maximum monthly rents for Extremely Low Income Rental Units shall not exceed thirty percent (30%) of thirty percent (30%) of the area median income adjusted for family size appropriate for the unit, divided by twelve (12). Maximum monthly rents for Very Low Income Rental Units shall not exceed thirty percent (30%) of fifty percent (50%) of the area median income adjusted for family size appropriate for the unit, divided by twelve (12). Developer acknowledges and agrees that all Affordable Rental Units shall be rented to and occupied by Extremely Low and Very Low-Income Households for the entire length of the 55 year covenant.

4.5 Initial Lease Up Process.

4.5.1 At least three (3) months prior to initiation of the initial lease-up period for the Affordable Rental Units, Developer shall meet with a representative designated by the Coalition Organizations (“Program Representative”) to discuss and agree upon the rental application process for the Affordable Rental Units.

4.5.2 Developer shall, in consultation with the Program Representative, prepare marketing materials for the Affordable Rental Units in English and Spanish. Developer shall provide a copy of said marketing materials to the Program Representative at least six (6) weeks prior to commencing the initial lease-up period for the Affordable Rental Units.

4.5.3 The Program Representative can make referrals for the Affordable Rental Units and Developer shall give good faith consideration to said referrals.

4.5.4 If at any time an application for an Affordable Rental Unit is deemed deficient by either the Developer or HCID, Developer shall notify said

applicant of the deficiency and give the applicant five (5) business days to cure. In cases where the applicant has been referred by the Program Representative, Developer shall simultaneously notify the Program Representative of the said deficiency. If an applicant resolves the deficiency within the allotted time, the application shall be deemed complete and the applicant shall not be removed from or change position on any waitlist.

4.6 Completion of Initial Lease-Up. Developer shall lease the Affordable Rental Units at the same time and on the same schedule as the market rate units.

4.7 Vacancies. Developer shall notify the Program Representative of any vacancies of Affordable Rental Units within ten (10) business days of the Developer learning that the Affordable Rental Unit is vacant or will become vacant, whichever is earlier. In no event shall a vacancy be filled without first providing notification of said vacancy to the Program Representative. Vacancies shall be filled from the waiting list generated from the initial lease-up period. When said waitlist is exhausted, Developer shall populate a new waitlist by re-initiating the initial lease-up application process described in Article 4.5 above. Developer shall use all reasonable efforts to promptly lease any and all vacant Affordable Rental Units.

4.8 Dependents and Parent Co-Signers. Applicants that are claimed as dependents on their parent's federal income taxes or whose parent(s) are guarantors of the rental/lease agreement must include parental household income information on their tenant income survey in order to determine affordable housing eligibility.

4.9 Eligibility of Student Applicants. In addition to complying with all HCID eligibility requirements, and in addition to complying with the provisions in Articles 4.5, 4.6, 4.7, 4.8 and 4.9 herein, if any of the occupants are full-time students of Post-Secondary School, the proposed full-time student occupant shall be eligible for an Affordable Rental Unit only if, in addition to meeting all other eligibility requirements, s/he meets one or more of the following criteria: (a) receives Temporary Assistance for Needy Families (TANF) assistance; or (b) is a participant in a South Los Angeles job training program for at risk or disadvantaged persons.

4.10 Reporting. Developer shall, upon request, provide the Program Representative with access to the waitlist maintained for the Affordable Rental Units. If Developer declines to rent to an applicant referred by the Program Representative, Developer shall, within ten (10) business days of Developer rejecting the referred applicant, provide the Program Representative with a reasonable explanation as to why the application was denied. Developer shall also notify the Program Representative when it has submitted its annual eligibility certification report to HCID. Along with said annual notification, Developer shall include a report indicating the number and type of Affordable Rental Units occupied by full-time students.

4.11 Affordable Housing Materials. At the residential rental office located onsite and on Project website, Developer shall maintain in both English and Spanish, with the Coalition Organizations providing the Spanish translation, written materials providing basic information on the Affordable Rental Units and the application process.

## **ARTICLE 5 CONSTRUCTION JOBS**

5.1 Purpose. The purpose of this Article is to facilitate the employment of local low-income and disadvantaged job applicants in construction jobs associated with Project Construction Work. It is the goal that the processes described herein will benefit Construction Employers by providing a pool of qualified applicants and benefit the community.

5.2 Funding for Construction Jobs Coordinator. Developer agrees to contribute \$15,000 at least sixty (60) days before the commencement of Project Construction Work to the Community Benefits Fund to support activities of a Construction Jobs Coordinator in relation to the Project.

5.3 Local Hiring Goals. Developer shall use Reasonable Business Efforts in the context of this Agreement to have forty percent (40%) of all hours of Project Construction Work performed by qualified Local Residents (the "Local Hiring Goal"). The Local Hiring Goal shall be measured based on the total number of hours of Project Construction Work, and not on the number of hours of Project Construction Work performed by a particular Construction Employer. To satisfy its obligations to use Reasonable Business Efforts to achieve the Local Hiring Goal, Developer shall require all Construction Employers to use and comply with the Targeted Construction Hiring Program and the recordkeeping obligations set forth in Articles 5.5 and 5.6 respectively.

5.4 Disadvantaged Residents Hiring Goals. Developer shall use Reasonable Business Efforts in the context of this Agreement to have twenty percent (20%) of all hours of Project Construction Work performed by qualified Disadvantaged Residents (the "Disadvantaged Resident Hiring Goal"). The Disadvantaged Hiring Goal shall be measured based on the total number of hours of Project Construction Work, and not on the number of hours of Project Construction Work performed by a particular Construction Employer. To satisfy its obligations to use Reasonable Business Efforts to achieve the Local Hiring Goal, Developer shall require all Construction Employers to use and comply with the Targeted Construction Hiring Program and the recordkeeping obligations set forth in Articles 5.5 and 5.6 respectively.

### 5.5 Targeted Construction Hiring Program.

5.5.1 Liaison. At least thirty (30) days prior to the commencement of Project Construction Work, each Construction Employer shall designate a Liaison for the purpose of working with the Construction Jobs Coordinator to ensure effective implementation of the Targeted Construction Hiring Program.

5.5.2 Orientation Meeting. At least fourteen (14) days prior to the commencement of Project Construction Work, each Construction Employer and/or their Liaison shall meet with the Construction Jobs Coordinator to discuss utilizing the Targeted Construction Hiring Program and meeting the Local Hiring Goal and Disadvantaged Hiring Goal. The purpose of this orientation is to help Construction Employers understand the provisions of this Article

and the Targeted Construction Hiring Program processes. Each Liaison shall have a continuing obligation to meet with the Construction Jobs Coordinator at the Construction Job Coordinator's request to discuss subsequent referral and hiring under the Targeted Construction Hiring Program and the Targeted Construction Hiring Program's processes.

5.5.3 Current Employees. To meet Local Hiring Goals and Disadvantaged Hiring Goals, Construction Employers may utilize workers who have been employed by the Construction Employer for at least 30 of the last 60 working days ("Core Workers") who may be eligible Local and Disadvantaged Residents. Eligibility shall be determined, approved and documented by the Construction Jobs Coordinator.

5.5.4 Notification. Prior to filling any open construction position on the Project, each Construction Employer shall give prior written notification to the Construction Jobs Coordinator by completing and delivering the Craft Request Form (a sample of which is annexed hereto as Attachment C). Job qualifications shall be limited to skills directly related to performance of the job duties. Construction Employers shall continue to promptly notify the Construction Jobs Coordinator as new positions become available by completing and delivering Craft Request Form. Construction Employers shall notify General Contractor and the Jobs Coordinator within 48 hours whether a referral made through the Targeted Construction Hiring Program was hired by using a hiring notification form provided by the Construction Jobs Coordinator.

5.5.5 Referrals. After receiving the Craft Request Form, the Jobs Coordinator shall within four (4) business days refer to the Construction Employer qualified applicants who meet the Construction Employer's qualifications ("Targeted Construction Job Applicants").

5.5.6 Referral priority. The Jobs Coordinator will refer qualified Targeted Construction Job Applicants to Construction Employers in the following order of priority:

1. Disadvantaged Residents whose residence or place of employment has been displaced by the Project.
2. Disadvantaged Residents.
3. Local Residents.

5.6 Reporting and Recordkeeping. Developer shall comply with the following reporting obligations and require each Construction Employer to comply with the following recordkeeping procedures.

5.6.1 Reports. Upon commencement of Project Construction Work, Developer shall, after receipt of request, provide quarterly written reports to Coalition Organizations' Representative containing cumulative and quarterly percentage attainment of Local Hiring Goals and Disadvantaged Worker Hiring Goal for the Project overall and for each individual Construction Employer working on the Project. Reports shall include numbers and hours worked by Core Workers whose eligibility has been determined by the Construction Jobs Coordinator and the Construction Jobs Coordinator's referrals hired by Construction Employers during the applicable quarterly reporting period. Said quarterly reports shall be due thirty (30) days after

the expiration of the applicable reporting period, with the final quarterly report due within thirty (30) days after the completion of Project Construction Work.

5.6.2 Recordkeeping. Construction Employers shall retain records sufficient to (a) reflect the percentage at which the Local and Disadvantaged Hiring Goals have been achieved, including verification of Local and Disadvantaged Resident status and (b) document compliance with the Targeted Construction Hiring Program, including completed and delivered Craft Request Forms, referrals made by the Construction Jobs Coordinator, whether said referrals were hired, an explanation for why any referred applicant was denied employment, eligibility determinations of Core Workers, wage rates, hours worked and ethnicity of all Targeted Workers hired.

5.7 Failure to Meet Goal. In the event the Project has not met the Local and Disadvantaged Hiring Goals during any quarterly reporting period, despite complying with the above Targeted Construction Hiring Program, Developer shall, upon request of the Coalition Organizations' Representative, meet with the Coalition Organizations' Representative and the Construction Jobs Coordinator within fourteen (14) days to discuss corrective actions.

5.8 Non-Compliance with Targeted Construction Hiring Program. If the Coalition Organizations or the Jobs Coordinator reasonably believes the General Contractor has failed to comply with the above Targeted Construction Hiring Program, the Developer shall, upon the written request of the Coalition Organizations Representative, require the General Contractor to meet with the Developer, the Coalition Organizations' Representative and the Construction Jobs Coordinator within fourteen (14) days for the purpose of resolving any noncompliance. If the General Contractor fails to address any identified non-compliance not attributable to, caused by or pertaining to (i) the Jobs Coordinator or (ii) the Targeted Construction Job Applicants, including without limitation, lack of qualifications, inability to perform the job or breach of employee's obligations, the Developer shall assess a fine in the amount of \$2,500 against the General Contractor and notify the General Contractor that disbursement of its final progress payment is contingent upon resolving the identified non-compliance.

5.9 Failure to Refer Targeted Construction Job Applicants. The Parties agree and acknowledge that it shall not be a breach of this Agreement if the Jobs Coordinator is unable to refer Targeted Construction Job Applicants under the Targeted Construction Hiring Program and that there shall be no liability on the part of any Coalition Organization, the Jobs Coordinator or the Developer in the event of such inability to refer Targeted Construction Job Applicants.

## **ARTICLE 6 RETAIL AND COMMERCIAL JOBS**

6.1 Purpose. The purpose of this Article is to facilitate the employment of local low-income and disadvantaged job applicants in permanent, quality employment positions associated with the Project. It is the goal that the processes described herein will benefit Retail/Commercial Employers by providing a pool of qualified applicants whose job training has been specifically tailored to the needs of Retail/Commercial Employers through a referral system.

6.2 Funding for Job Training and First Source Referral Program. Developer shall contribute a total of \$60,000 to the Community Benefits Fund to support the activities of a Job Training and First Source Referral Program. Said contribution shall be made in three installments, with the first installment in the amount of \$30,000 to be made within ten (10) days of the Developer executing the first retail/commercial lease for all or any portion of the retail/commercial portion of the Project; the second installment in the amount of \$20,000 to be made on the first anniversary of the first installment; and the third and final installment in the amount of \$10,000 to be made on the second anniversary of the first installment.

6.3 Local Hiring Goals. Developer shall use Reasonable Business Efforts in the context of this Agreement to have fifty percent (50%) of all employee hours of On-Site Retail and Commercial Work performed by qualified Local Residents (the “Retail/Commercial Local Hiring Goal”). The Retail/Commercial Local Hiring Goal shall be measured based on the total number of employee hours worked, and not on the number of jobs filled by a particular Retail/Commercial Employer. To satisfy its obligations to use Reasonable Business Efforts to achieve the Local Retail/Commercial Local Hiring Goal, Developer shall (a) require all Retail/Commercial Employers to comply with the provisions and hiring processes described in Article 6.5 and (b) comply with the obligations set forth in Article 6.7.

6.4 Disadvantaged Hiring Goals. Developer shall use Reasonable Business Efforts in the context of this Agreement to have thirty percent (30%) of all employee hours of On-Site Retail and Commercial Work performed by qualified Disadvantaged Residents (the “Retail/Commercial Disadvantaged Hiring Goal”). Disadvantaged Residents may be counted towards the Local Hiring Goal. The Disadvantaged Hiring Goal shall be measured based on the total number of employee hours worked, and not on the number of jobs filled by a particular Retail/Commercial Employer. To satisfy its obligations to use Reasonable Business Efforts to achieve the Retail/Commercial Disadvantaged Hiring Goal, Developer shall (a) require all Retail/Commercial Employers to comply with the obligations set forth in Article 6.5 and (b) comply with the obligations set forth in Article 6.7.

6.5 Job Training and First Source Referral Program and Referral Process.

6.5.1 Lease Notification. Within thirty (30) days after executing a lease for any portion of the retail/commercial space within the Project, Retail/Commercial Employer shall provide to the Job Training and First Source Referral Program a written description of the approximate number and type of jobs to be filled and the basic qualifications necessary. The purpose of this written description is to assist the Job Training and First Source Referral Program in identifying and training qualified applicants for referral.

6.5.2 Liaison. At least sixty (60) days prior to the commencement of operations, each Retail/Commercial Employer shall designate a Liaison for the purpose of working with the Job Training and First Source Referral Program.

6.5.3 Orientation. At least sixty (60) days prior to commencement of operations of any Retail/Commercial Employers, Developer shall schedule an orientation meeting between Developer, Retail/Commercial Employer, the Liaison and the Job Training and First Source

Referral Program representative. The purpose of this orientation is to help Retail/Commercial Employers understand the provisions and procedures of the Job Training and First Source Referral Program and Living Wage Goals as defined in Article 6.6.

6.5.4 Job Notification. At least thirty (30) days prior to making initial hires for any job for performance of On-Site Retail and Commercial Work, Retail/Commercial Employers shall notify the Job Training and First Source Referral Program in writing of all available jobs and provide a description of the job responsibilities and qualifications, including expectations, wage, work schedule, duration of employment and any special skills required. For subsequent job openings, the Retail/Commercial Employer shall give the Jobs Training and First Source Referral Program sufficient prior notice to allow it to refer applicants.

6.5.5 First Source Referrals. After receiving notification of job openings for initial hires, the Job Training and First Source Referral Program will attempt within fifteen (15) business days of such notification to identify and refer Local and Disadvantaged Residents that meet the requested qualifications (“Targeted Applicants”) to the Retail/Commercial Employer. For subsequent hires, the Job Training and First Source Referral Program will attempt within four (4) business days of receipt of notification to identify and refer Targeted Applicants to the Retail/Commercial Employer.

6.5.6 Referral Priority. The First Source Referral Program will refer qualified Target Applicants in the following order:

1. Disadvantaged Residents whose residence or place of employment has been displaced by the Project.
2. Disadvantaged Local Residents.
3. Local Residents.

6.5.7 Hiring Process. The Retail/Commercial Employer shall, during the first five (5) business days of the hiring period for any open position, hire exclusively from the pool of qualified Targeted Applicants referred by the First Source Referral Program. During this hiring period, the Retail/Commercial Employer will use normal hiring practices, including interviews and evaluations, to consider all applicants referred by the Job Training and First Source Referral Program. If at the conclusion of the five (5) day hiring period the Retail/Commercial Employer has been unable to fill all job openings with Targeted Applicants, the Retail/Commercial Employer may hire applicants from any source, but shall continue to give good faith consideration to Targeted Applicants and Local and Disadvantaged Resident applicants.

6.5.8 Nondiscrimination. Retail/Commercial Employers shall not deny employment or otherwise discriminate against Local or Disadvantaged Residents on the basis of any of the listed criteria for qualifying as a Local or Disadvantaged Resident as set forth in Article 1, or on any prohibited basis in the consideration for employment or any terms and conditions of employment.

6.6 Living Wage Goal. Developer shall encourage Retail/Commercial Employers to pay at least a Living Wage. Developer shall use Reasonable Business Efforts to achieve the goal of having 50% of all employees performing On-Site Retail and Commercial Work earn at least a Living Wage (“Living Wage Goal”) by complying with the requirements set forth in Article 6.7 below.

6.7 Developer Support for Local and Disadvantaged Hiring and Living Wage Goals.

6.7.1 Marketing Materials. To help achieve Retail/Commercial Local and Disadvantaged Hiring Goals and Living Wage Goals, Developer shall include in its marketing materials to potential Retail/Commercial Employer tenants a statement affirming Developer’s support for Local and Targeted Hiring Goals and Living Wage Goals.

6.7.2 Leasing Preference. When two or more potential Retail/Commercial Employers are in competition for on-site retail/commercial space, Developer shall, within commercially reasonable limits, give preference to the Retail/Commercial Employer applicant that agrees to use its best efforts to achieve Local and Disadvantaged Hiring Goals and the Living Wage Goal.

6.7.3 On-Site Retail and Commercial Tenant Considerations. At least ten (10) days before signing any lease agreement or other contract for retail/commercial space, Developer shall provide the Coalition Organizations’ Representative with the names of the prospective Retail/Commercial Employer tenants, and shall, if requested by the Coalition Organizations’ Representative, schedule a confidential meeting between Developer, prospective Retail/Commercial Employer tenants, and Coalition Organizations’ Representative to discuss the benefits of Local and Disadvantaged Hiring and Living Wages.

6.8 Reporting and Recordkeeping. Upon commencement of operation of any Retail/Commercial Employer, Developer shall provide written reports to the Coalition Organizations’ Representative containing (a) the number, by job classification, of Local and Disadvantaged Residents hired by the Retail/Commercial Employers, (b) the total number of employees hired by the Retail/Commercial Employers during the applicable reporting period, and (c) the percentage of Retail and Commercial Jobs that qualify as Living Wage Jobs. When compiling these reports, Developer may rely on information provided by Retail and Commercial Employers, without performing an independent investigation, unless Developer receives an allegation or discovers evidence that a Retail/Commercial Employer’s reporting is inaccurate. Developer shall require that each Retail/Commercial Employer retain records sufficient to assess compliance with requirements of this Article 6, including records of referrals from the Job Training and First Source Referral Program, job applications, number of Local and Disadvantaged Residents hired and employee wages. Developer shall, upon thirty (30) days prior request, provide these reports semi-annually for one year following commencement of operations of any Retail/Commercial Employer, and then annually thereafter, with each report due within fourteen (14) days after the expiration of the applicable reporting period.

6.9 Failure to Meet Goals. In the event a Retail/Commercial Employer has not met the Local and Disadvantaged Hiring Goals, despite complying with the above First Source Referral Process, the Developer shall require the Retail/Commercial Employer to meet with the



Developer, the Job Training and First Source Referral Program and Coalition Organizations' Representative within fourteen (14) days of receipt of a request, to discuss ways to improve referral and hiring practices in order to achieve the Local and Disadvantaged Hiring Goals.

6.10 Non-Compliance with First Source Referral Program. If the Coalition Organizations or the Job Training and First Source Referral Program reasonably believes the Retail/Commercial Employer has failed to comply with the First Source Referral Process as described in Article 6.5 above, the Developer shall require the Retail/Commercial Employer to meet with the Developer, Coalition Organizations' Representative and Job Training and First Source Referral Program within fourteen (14) days of receipt of a request, for the purpose of making a good faith effort to resolve any noncompliance.

6.11 Retention of Existing Employees. Nothing in this Article 6 shall obligate Retail/Commercial Employers to discharge any employees, including managers, superintendents, laborers or others regularly employed by such Retail/Commercial, who have been employed by the Retail/Commercial Employer for at least ten (10) of the last sixty (60) business days.

6.12 Failure to Refer Targeted Applicants. The Parties agree and acknowledge that it shall not be a breach of this Agreement if the Job Training and First Source Referral Program is unable to refer Targeted Applicants under the First Source Referral Process and that there shall be no liability on the part of any Coalition Organization, the Job Training and First Source Referral Program or the Developer in the event of such inability to refer Targeted Applicants.

## **ARTICLE 7 ON-SITE BUILDING MAINTENANCE JOBS**

7.1 Purpose. The purpose of this Article is to facilitate the employment of local low-income and disadvantaged job applicants in quality employment positions associated with On-Site Building Maintenance Work. It is the goal that the processes described herein will benefit Developer by providing a pool of qualified applicants whose job training has been specifically tailored to the needs of Developer through a referral system.

7.2 Local Hiring Goal. Developer shall use Reasonable Business Efforts in the context of this Agreement to have one-hundred percent (100%) of all On-Site Building Maintenance Work performed by qualified Local Residents (the "Local Hiring Goal"). Developer shall satisfy its Reasonable Business Efforts obligations by complying with the First Source Referral Process set forth in Article 7.4.

7.3 Disadvantaged Hiring Goal. Developer shall use Reasonable Business Efforts in the context of this Agreement to have fifty percent (50%) of all employee hours of On-Site Building Maintenance Work performed by qualified Disadvantaged Residents (the "Disadvantaged Hiring Goal"). Disadvantaged Residents may be counted towards the Local Hiring Goal. Developer shall satisfy its Reasonable Business Efforts obligations by complying with the First Source Referral Process set forth in Article 7.4.

7.4 First Source Referral Process. The provisions and procedures of this Article 7.4 shall apply to Developer in the hiring of employees performing On-Site Building Maintenance Work.

7.4.1 Notification. At least ten (10) business days prior to hiring for any job to perform of On-Site Building Maintenance Work, Developer shall notify the Job Training and First Source Referral Program in writing of all available jobs and provide a description of the job responsibilities and qualifications, including expectations, wage, work schedule, duration of employment and any special skills required.

7.4.2 First Source Referrals. After receiving notification of job openings from Developer, the Job Training and First Source Referral Program will attempt within ten (10) business days of such notification to identify and refer to Developer qualified Local and Disadvantaged Residents that meet the requested qualifications (“Targeted Applicants”).

7.4.3 Referral Priority. The First Source Referral Program will refer qualified Targeted Applicants in the following order:

1. Disadvantaged Residents whose residence or place of employment has been displaced by the Project.
2. Disadvantaged Local Residents.
3. Local Residents.

7.4.4 First Source Referral Preference. Developer may consider applicants for jobs performing On-Site Building Maintenance Work from any referral source, but where two or more equally qualified applicants are under consideration, Developer shall give hiring preference to Targeted Applicants.

7.5 Living Wage Requirement. Developer shall ensure that all employees performing On-Site Building Maintenance Work earn at least a Living Wage.

7.6 Reporting. Upon hiring for the first job performing On-Site Building Maintenance Work, Developer shall provide written reports to the Coalition Organizations’ Representative containing (a) the number, by job classification, of Local and Disadvantaged Residents hired by Developer during the applicable reporting period, (b) the total number of employees hired by the Developer during the applicable reporting period, and (c) the pay rate of all jobs performing On-Site Building Maintenance Work. Developer shall retain records sufficient to assess compliance with requirements of this Article 7, including records of referrals from the Job Training and First Source Referral Program, job applications, number of Local and Disadvantaged Residents hired and employee wages. Developer shall, upon thirty (30) days’ prior request, provide these reports semi-annually for one year and then annually thereafter. These reports shall be due within fourteen (14) days after the end of the applicable reporting period.

7.7 Failure to Meet Goals. In the event the Developer has not met the Local and Disadvantaged Hiring Goals, despite complying with the above First Source Referral Process,

the Developer shall, within fourteen (14) days of receiving a request, meet with the Coalition Organizations' Representative to discuss ways to improve referral and hiring practices in order to achieve the stated Local and Disadvantaged Hiring Goals.

7.8 Retention of Existing Employees. Nothing in this Article 7 shall obligate Developer to discharge any employee who has been employed by Developer for at least ten (10) of the last sixty (60) days.

7.9 Failure to Refer Targeted Applicants. The Parties agree and acknowledge that it shall not be a breach of this Agreement if the Job Training and First Source Referral Program is unable to refer Targeted Applicants under the First Source Referral Process and that there shall be no liability on the part of any Coalition Organization, the Job Training and First Source Referral Program or the Developer in the event of such inability to refer Targeted Applicants.

## **ARTICLE 8 LOCAL SMALL BUSINESS**

8.1 Purpose. The purpose of this Article is to promote the development and viability of Local Small Businesses in the area surrounding the Project and along the Blue Line corridor. The goal is to provide economic opportunities that are not currently readily accessible to Local Small Businesses and to facilitate new commercial development and investment that supports and enhances opportunities for local entrepreneurs.

8.2 Funding for Local Small Businesses. Developer shall contribute a total of \$65,000 to the Community Benefits Fund to support Local Small Businesses. Said contribution shall be made in six installments with the first installment in the amount of \$15,000 to be made on the first anniversary of the commencement of Project Construction Work, the second installment in the amount of \$10,000 to be made on the second anniversary of the commencement of Project Construction Work, the third installment in the amount of \$10,000 to be made on the third anniversary of the commencement of Project Construction Work, the fourth installment in the amount of \$10,000 to be made on the fourth anniversary of the commencement of Project Construction Work, the fifth installment in the amount of \$10,000 to be made on the fifth anniversary of the commencement of Project Construction Work, and the sixth and final installment in the amount of \$10,000 to be on the sixth anniversary of the commencement of Project Construction Work.

8.3 Retail Space Reserved for Local Small Businesses. Developer shall set aside, if available as defined in Article 8.4, no less than five percent (5%) of the ground floor retail and commercial space totaling no less than 1,200 contiguous square feet, for Local Small Businesses ("Reserved Space"). If during the first six (6) months of the Reserved Space being available to show to potential tenants, a third party desires to lease any Reserved Space, Developer shall give Coalition Organizations fifteen (15) business days' written notice of the lease terms proposed for the third party. During such fifteen (15) business day period, Coalition Organizations shall have the option to refer a Local Small Business to enter into a lease on the same terms and provisions. If referred Local Small Business is unable or unwilling to enter into a lease on the same terms and provisions as agreed to by the third party, then Developer may enter into a lease

with the third party. If after the expiration of this six-month period the Reserved Space remains vacant, the Developer shall have the option of reducing the fifteen (15) business days' written notice and fifteen (15) business day referral period to ten (10) days respectively.

8.4 Availability of Retail Space. For purposes of this Agreement, ground floor retail space shall be considered "available" and will be reserved for Local Small Businesses unless the Developer has an offer from and enters into a lease with a single tenant for the entire ground floor retail space. In such an event, the Developer will not be obligated to the 5% set aside set forth in Article 8.3.

8.5 Local Small Businesses Referral. An entity selected by Coalition Organizations shall identify and refer Local Small Businesses to Developer as potential retail tenants. Developer shall give these referrals leasing preference for the Reserved Space such that Developer shall lease the Reserved Space to one or more of the qualified referrals unless Developer has a good faith reason for selecting another tenant who conforms to the definition of Local Small Business. Nothing herein shall obligate Developer to lease to a Local Small Business that is not credit worthy or lacks reasonable commercial criteria for tenancy.

8.6 Reporting. Commencing on the signing of the first commercial/retail lease for any portion of the ground floor retail/commercial space, Developer shall provide to Coalition Organizations' Representative annual written reports on the Local Small Businesses detailing (a) the percentage of retail space in the Project occupied by Local Small Businesses, (b) the rent per square foot being charged, and (c) the expiration date of the lease(s). The reports shall be due within fourteen (14) days after the expiration of the applicable reporting period.

## **ARTICLE 9 FAMILY SERVICES FOR IMPACTED COMMUNITY**

9.1 Purpose. The purpose of this Article is to facilitate enhanced support for low income and homeless individuals and families in the area surrounding the Project and in South Los Angeles.

9.2 Funding for Case Management Services. Developer shall contribute a total of \$50,000 to the Community Benefits Fund to support case management for family and homeless services for the local community. Said contribution shall be made in two equal installments in the amount of \$25,000 with the first installment to be paid on the fifth anniversary of the commencement of Project Construction Work and the second installment to be paid on the sixth anniversary of the commencement of Project Construction Work.

9.3 Meeting Space for Case Management Services. Developer shall allow upper floor meeting space to be used by nonprofit organizations for Case Management Services, according to an agreed upon schedule based on availability, taking into account that the upper floor meeting space is also available to residential tenants. The Parties acknowledge that a level of consistency in said schedule is required for effective Case Management Services.

**ARTICLE 10**  
**IMPLEMENTATION COMMITTEE**

10.1 Ongoing Collaboration and Partnership on Community Benefits Implementation. Developer shall contribute a total of \$35,000 to the Community Benefits Fund to support the establishment and operations of an Implementation Committee. Said contribution shall be made in three installments with the first installment in the amount of \$10,000 to be made within thirty (30) days of Developer receiving Project Approvals, or some variation thereof subject to the provisions of Article 3.5, the second installment in the amount of \$10,000 to be made on the first anniversary of Developer receiving Project Approvals and the third installment in the amount of \$15,000 to be made on the second anniversary of the Developer receiving Project Approvals.

10.2 Establishment of Implementation Committee. To assist with the implementation of this Agreement, the Parties shall establish an Implementation Committee within fourteen (14) days of the Effective Date of this Agreement. The Implementation Committee shall be composed of Coalition Organizations and Developer.

10.3 Implementation Committee Meetings. The Implementation Committee shall meet in a good faith effort to develop strategies for implementation of the requirements, policies and programs set forth in this Agreement. The Implementation Committee shall meet quarterly, or less frequently if mutually agreed by the Parties. At such meetings, any party may raise issues related to implementation of the Agreement, in an effort to facilitate open dialogue, resolve implementation challenges, and advance the goals of the Parties regarding the Project. All parties shall ensure that representatives attending Implementation Committee meetings are appropriate individuals for issues to be discussed, possessing relevant technical and policy expertise. To facilitate said quarterly meetings, Developer shall respond within seven (7) days to reasonable requests for information made by the Implementation Committee.

10.4 Development Updates and Agreement Implementation. In order for the Implementation Committee to track implementation of this Agreement, Developer shall provide information when such information becomes known to the Developer to the Implementation Committee on the following:

10.4.1 City approval review schedules, including dates and time of any review or public hearing on the Project, where Coalition Organizations will provide support under Article 2;

10.4.2 Updates on major site plan revisions, including scale of the Project, number of units, and a change of any dwelling units from rental to ownership;

10.4.3 Progress of the development of the Project, including any changes in timelines, delays in construction and lease-up and cost overruns;

10.4.4 All reports and data to show compliance with the terms of this Agreement, including affordable housing covenants, complaints received from residents and Developer's

responses, plans and designs, and all other matters related to the implementation of this Agreement.

10.4.5 Copies of any and all agreements subject to the provisions of Article 14.3 (Implementation Through Relevant Contracts).

## **ARTICLE 11 MANAGEMENT OF FUNDS**

11.1 Establishment of Community Benefits Fund. The Parties shall promptly establish a Community Benefits Fund to receive and allocate the funds provided by Developer under this Agreement. The Community Benefits Fund shall be a nonprofit fund or trust account established with and administered by a qualified third-party designated by the Coalition Organizations' Representative to hold and distribute funds provided to it by Developer according to procedures established by agreement between the third-party administrator and the Coalition Organizations' Representative, with such funds to be used only for purposes as set forth in this Agreement.

11.2 Disbursement of funds. Organizations that seek to provide the community services for which the funds have been allocated must first submit an application to the Community Benefits Fund administrator setting forth their qualifications for providing such services. This application process shall be open to any organization seeking to provide such services, including but not limited to Coalition Organizations.

## **ARTICLE 12 MONITORING AND ENFORCEMENT**

12.1 Quarterly and Annual Reports. Upon commencement of Project Construction Work and continuing for one year after the first Certificate of Occupancy or Temporary Certificate of Occupancy is issued for any residential unit or retail/commercial space in the Project, Developer shall give the Coalition Organizations' Representative quarterly reports regarding compliance with this Agreement, due within fourteen (14) days after the expiration of the applicable reporting period. Thereafter, Developer shall give the Coalition Organizations' Representative annual reports regarding compliance with this Agreement, due fourteen (14) days after the expiration of the applicable reporting period. Such quarterly and annual reports shall contain a report on each of the Developer's obligations set forth in this Agreement in order to allow the Coalition Organizations' Representative to determine whether Developer is in compliance. With each report, Developer shall include the back-up data from which the reported information was derived.

12.2 Meet and Confer. In the event any dispute arises between the Parties related to this Agreement or the Project, the Coalition Organizations and Developer shall, before taking any other judicial or administrative action concerning that dispute, meet and confer in person in a good-faith effort to resolve the dispute. The Party initiating the meet and confer shall send a notice, as set forth in Article 12.6, requesting a meet and confer that specifies the matters to be addressed. The Parties shall meet and confer within fourteen (14) days of delivery of said

written request pursuant to this Article 12.2, provided however, notice of a meet and confer request may be satisfied with electronic mail.

12.3 Breach by Developer. In the event that an alleged breach by Developer is not resolved pursuant to Article 12.2, any of the Coalition Organizations may commence litigation to seek judicial enforcement of this Agreement or other applicable law. The Coalition Organization(s) may obtain any legal or equitable remedy determined appropriate by the court to affect the purposes of this Agreement and provide compensation in case of breach. Such remedies may include injunctive relief and specific performance of any obligation under this Agreement, it being the Parties' intent that all of the promises in this Agreement shall be carried out in full and it being the Parties' mutual understanding that money damages would be an inadequate remedy for certain breaches (or threatened breaches) of this Agreement. The agreed remedies set forth herein shall not be construed to limit or derogate any legal or equitable remedy authorized by applicable law or a court's ability to determine facts, weigh evidence and exercise its own discretion with respect to enforcement of any term or condition of this Agreement.

12.4 Breach by Coalition Organizations. In the event that an alleged breach by any Coalition Organization is not resolved pursuant to the Article 12.2, Developer may commence litigation to seek judicial enforcement of this Agreement. In such action, the court may order any equitable or injunctive relief, or issue an order of specific performance, it being the Parties' intent that all of the promises in this Agreement shall be carried out in full and it being the Parties' mutual understanding that money damages would be an inadequate and inappropriate remedy for breaches (or threatened breaches) of this Agreement by any Coalition Organization. Monetary damages shall not be available as a remedy in such action. This Agreement may be pleaded as a defense to, and may be used as the basis for an injunction against, prosecution of any Released Claim, and/or an injunction against any action challenging the Project or Project Approvals in violation of this Agreement.

12.5 Time to Cure. Notwithstanding anything in this Agreement to the contrary, Developer and Coalition Organizations shall not be in default or in breach under this Agreement unless the Party alleging a breach has given 30 days written notice of the purported event of default or breach, including a detailed description thereof, and such 30 day period shall have expired without a cure; provided however, that if such cure requires more than 30 days, then the Party alleged to be in breach or default shall not be in breach or default so long as the Party takes action to effect such cure and thereafter reasonably pursues the cure.

12.6 Responsibilities of Coalition Organizations. When this Agreement sets out a responsibility of "Coalition Organizations," then that responsibility is satisfied for all Coalition Organizations when any individual Coalition Organization satisfies that responsibility. When this Agreement sets out a responsibility of "each" or "all" Coalition Organizations, then each Coalition Organization must satisfy that responsibility. For purposes of this Agreement, actions of a Coalition Organization include only those actions taken by staff members, officers or members of the Board of Directors of a Coalition Organization when those persons are authorized to act on behalf of the organization.

12.7 Notices. All notices, requests and reports ("Notices") sent pursuant to this Agreement shall be in writing and shall be addressed to the affected Parties at the addresses set

forth below. Notices shall be: (a) delivered by courier service to the addresses set forth below, in which case they shall be deemed delivered on the date of delivery, as evidenced by the written report of the courier service, (b) sent by certified mail, return receipt requested, in which case they shall be deemed delivered three (3) business days after deposit in the United States mail; or (c) transmitted by both electronic mail and facsimile transmission, in which case they shall be deemed delivered the first business day after delivery has been electronically confirmed. Any changes in noticing information must be immediately provided to all Parties by giving notice in compliance with this Agreement. Notice of such a change shall be effective only upon receipt or refusal to accept delivery. Notice given on behalf of a Party by any attorney purporting to represent a Party shall constitute notice by such Party. The addresses and facsimile machine numbers of the Parties are:

If to Developer:

Norman Family Ltd. Partnership  
Att: Mr. Isaac Norman  
1436 South Main St., Suite 200  
Los Angeles, CA 90015  
Fax: (213) 748-0426  
Email: [inormanproperties@sbcglobal.net](mailto:inormanproperties@sbcglobal.net)

Farhad & Shirin, LLC  
Att: Ms. Shirin Nooravi,

Grandton, LLC  
Attn: Mr. Morad Ben Neman  
1433 So. Griffith Ave.  
Los Angeles, CA 90021  
Fax: (213) 765-0172  
Email: [ben@nemaninvestments.net](mailto:ben@nemaninvestments.net)

Grand & Olive, LLC  
Attn: Mr. Albert Elkouby

If to Coalition Organizations:

President and CEO  
Community Development Technologies Center (CDTech)  
520 West 23rd Street  
Los Angeles CA 90007  
Fax: 213-763-2729  
Email: [btorres@cdtech.org](mailto:btorres@cdtech.org)

Executive Director  
Esperanza Community Housing Corporation



2337 South Figueroa Street  
Los Angeles CA 90007  
Fax: 213-748-9630  
Email: [nancy@esperanzacommunityhousing.org](mailto:nancy@esperanzacommunityhousing.org)  
Email: [rabeaya@esperanzacommunityhousing.org](mailto:rabeaya@esperanzacommunityhousing.org)

Executive Director  
St. Francis Center  
1835 South Hope Street  
Los Angeles CA 90015  
Fax: 213-765-8915  
Email: [jramirez@sfcla.org](mailto:jramirez@sfcla.org)

Executive Director  
Strategic Actions for a Just Economy (SAJE)  
152 West 32nd Street  
Los Angeles CA 90007  
Fax: 213-745-9969  
Email: [cstrathmann@SAJE.net](mailto:cstrathmann@SAJE.net)  
Email: [jdonlin@SAJE.net](mailto:jdonlin@SAJE.net)

Executive Director  
T.R.U.S.T. South LA  
Tenemos que Reclamar y Unidos Salvar la Tierra-South LA  
4331 S. Main Street  
Los Angeles CA 90037  
Fax: 213-233-4117  
Email: [sandra@trustsouthLA.org](mailto:sandra@trustsouthLA.org)

With a copy to:

Directing Attorney, Community Development Project  
Public Counsel  
610 South Ardmore Avenue  
Los Angeles, CA 90005  
Fax: 213-385-9089  
Email: [Shanuman@publiccounsel.org](mailto:Shanuman@publiccounsel.org)

12.8 Documents to be Filed or Executed. The Parties agree to cooperate to execute any documents reasonably required to effectuate the intent of this Agreement.

**ARTICLE 13**  
**SUCCESSORSHIP AND TRANSFER OF INTERESTS**

13.1 Successors and Assigns. This Agreement and the covenants herein shall be binding upon Coalition Organizations and Coalition Organizations' Successors and inure to the benefit Developer and the Developer's Successors. This Agreement and the covenants herein shall be binding upon Developer and Developer's Successors and inure to the benefit of the Coalition Organizations and the Coalition Organizations' Successors. The Agreement and covenant herein shall run with the land under applicable law. References in this Agreement to an entity shall be deemed to apply to any Successor of that entity.

13.2 Developer Transfer of Project Interest. Developer may transfer, assign or convey a portion of or the entirety of any interest in the Project, rights under Project Approvals, title to the Project Site, to a Successor ("Transfer of Project Interest"); provided however, any Transfer of Project Interest shall include as a term of the contractual agreement governing that transfer a Confirmation of Successorship, in the form set forth as Attachment D. Prior to execution, Developer shall provide the final copy of Confirmation of Successorship to the Coalition Organizations' Representative. Within ten (10) days after a Transfer of Project Interest, Developer shall provide to the Coalition Organizations' Representative a copy of the executed Confirmation of Successorship.

13.3 Developer Liability. In the event of a Transfer of Project Interest, notwithstanding anything in this Article to the contrary, Developer shall remain liable for any breach of this Agreement occurring prior to the Transfer of Project Interest and shall remain liable for all obligations not expressly assumed by the Developer Successor(s) in the Confirmation of Successorship Agreement.

**ARTICLE 14**  
**MISCELLANEOUS**

14.1 Agreement Lawful and Enforceable. All Parties agree that this Agreement is lawful, enforceable, and binding on all Parties.

14.2 Waiver. The waiver of any provision or term of this Agreement shall not be deemed as a waiver of any other provision or term of this Agreement. The mere passage of time, or failure to act upon a breach, shall not be deemed as a waiver of any provision or term of this Agreement.

14.3 Implementation through Relevant Contracts. Where this Agreement requires Developer to impose responsibilities and obligations on entities that are not parties to this Agreement or where Developer subcontracts out to another entity any of its responsibilities and obligations with respect to implementation of this Agreement, Developer shall ensure that all relevant contracts: (i) impose such obligations on such entities; (ii) require such entities to impose such responsibilities and obligations on subcontractors or other entities involved in the

Project through the contract in question, to the extent contemplated by this Agreement; (iii) state with regard to such responsibilities and obligations imposed on any such entities that Coalition Organizations are intended third party beneficiaries with enforcement rights; and (iv) include any other provisions that Developer and Coalition Organizations agree are necessary to ensure application and enforceability of such requirements by Coalition Organizations. Developer shall, in event of failure by that other entity to comply with such obligation, enforce that obligation against the entity or terminate the contractual relationship in question, provided nothing herein shall obligate Developer to breach or be in default under a contract and such contracts are consistent with this Agreement. In the event Developer fails to enforce any such obligation, Coalition Organizations shall have the right to enforce such obligations and recover from the Developer costs incurred as a result of Developer's failure to enforce pursuant to this Agreement.

14.4 Recordation of Agreement. Within seven (7) days after execution of this Agreement, Developer shall record a copy of this Agreement with the Los Angeles County Recorder. Developer covenants that it shall not effect a Transfer of Project Interest prior to recordation called for in this Article 14.4.

14.5 Time of the Essence. Time is of the essence in this Agreement.

14.6 Construction. Each of the Parties has been presented by counsel in the negotiation and drafting of this Agreement. This Agreement shall not be construed for or against any Party, and the rule of construction that any ambiguities be resolved against the drafting party shall not apply to this Agreement.

14.7 Interpretation. Specific provisions of this Agreement shall take precedence over conflicting general provisions.

14.8 Certain Coalition Communications. When this Agreement requires designation of an entity by "Coalition Organizations," or granting of a consent by "Coalition Organizations," such designation or consent is effective when communicated by the Coalition Organizations' Representative.

14.9 California Law. This Agreement shall be construed in accordance with the laws of the State of California. Any litigation arising from or related to this Agreement shall be brought in the Superior Court of the State of California for the County of Los Angeles, sitting in Downtown Los Angeles.

14.10 No Admission of Liability. This Agreement is a compromise of disputes, claims and counterclaims and nothing herein shall be deemed or construed to be an admission or concession of any liability whatever on the part of any person, firm, company, association or corporation. All Parties expressly deny liability as to all Released Claims and intend merely to avoid litigation with respect thereto.

14.11 Entire Agreement. This Agreement contains the entire agreement between the Parties concerning the provisions contained herein and supersedes any previous oral or written agreements between the Parties with respect to the provisions of this Agreement.

14.12 Authority of Signatories. The Parties represent and warrant that the individuals signing this Agreement have the authority to sign on behalf of the Parties for which they sign, and thereby to bind that Party fully to the terms of this Agreement.

14.13 Binding Upon Signature. As to any Party, this Agreement shall be binding upon, and as of the date of, such Party's execution of this Agreement.

14.14 Amendments. This Agreement may not be altered, amended or modified, except by an instrument in writing signed by the Parties.

14.15 Counterparts, Execution and Additional Signatories. This Agreement may be executed in counterparts which, taken together, shall constitute one and the same agreement. This Agreement may also be executed and/or delivered by facsimile transmission or email and in such event all facsimile or emailed signatures shall be deemed originals for all purposes hereof. All such signatures and signature pages whenever added shall become a part of this Agreement and the Agreement shall then constitute one and the same document.

14.16 Agreement Void If Project Not Approved. In the event the Project Approvals are not granted, and Developer decides not to pursue the Project further, Developer shall promptly notify the Coalition Organizations' Representative in writing and this Agreement shall become null and void. In such event, the Coalition Organizations shall execute such documents as required by Developer to remove from record any notification pursuant to Article 14.4 that has been recorded.

14.17 Nothing in this Agreement obligates the Developer, any contractor, subcontractor or retail tenant to interview or hire any job applicant, or if hired, to retain any employee that is not qualified or fails to perform in accordance with the employer's policies and procedures, or violates any law, statute, ordinance, rule, regulation or policy. Nothing herein obligates Developer to lease to any prospective retail tenant that is not qualified to be a tenant of any space within the Project.

14.18 Incorporation of Recitals. The recitals contained herein are hereby incorporated by reference and are binding upon the Parties hereto.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

AGREED TO AND ACCEPTED AS OF THE EFFECTIVE DATE:

---

Developer: Norman Family Limited Partnership, a California limited partnership  
By: Isaac Norman,  
Its: General Partner

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Developer: Farhad & Shirin, LLC, a California limited liability company  
By: Ms. Shirin Nooravi  
Its: Manager

---

Developer: Grandton, LLC, a California limited liability company  
By: Morad Ben Neman  
Its: Manager

---

Developer: Grand & Olive, LLC, a California limited liability company  
By: Albert Elkouby  
Its: Manager

---

Community Development Technologies Center  
(CD Tech)  
By:  
Its:

---

Esperanza Community Housing Corporation  
By:  
Its:

---

St. Francis Center  
By:  
Its:

---

Strategic Actions for a Just Economy  
(SAJE)

By:

Its:

---

Tenemos que Reclamar y Unidos Salvar La Tierra-South LA  
(T.R.U.S.T. South LA)

By:

Its:

## ATTACHMENT A

### PROJECT DESCRIPTION

The proposed project, under Case No. CPC-2008-0596-GPA-ZC-SPR, is the construction of a seven-story mixed-use building that includes 160 condominium dwelling units and ground floor commercial space. The proposed building will be approximately 96'-9" in height and total 167,651 square feet of floor area, including 136,603 square feet of residential uses and 24,000 square feet of ground-floor commercial uses. A total of 17,976 square feet of open space and common amenities will be provided throughout the Project in the following breakdown: the first floor will provide residents with an office, library, community/recreation rooms with approximately 6,802 square feet, common open space areas on the second floor will provide approximately 6,724 square feet, and balconies will provide an additional 4,450 square feet of private open space. 15% of the total residential units in the project will be set aside for affordable rental units with five (5) percent available to Extremely Low and ten (10) percent available to Very Low Income Households, at a rate determined to be affordable to such households by the Los Angeles Housing Department for a period of 55 years.

ATTACHMENT B  
CURRENT PLAN



**ATTACHMENT C  
SAMPLE CRAFT REQUEST FORM – LOCAL HIRE PROGRAM**

To the Contractor: Please complete and fax this form to the General Contractor, Jobs Coordinator to request craft workers that fulfill all hiring goals for the project referenced above. After faxing your request, it is recommended that you call [name of job coordinator] to verify receipt and substantiate their capacity to furnish Local and Disadvantaged Residents as requested. Please print your Fax Transmission Verification Report and keep a copy of this request for your records.

To [Name of Jobs Coordinator]: Please complete the “[Name of Jobs Coordinator] Only” section and fax form back to the requesting contractor. Retain form for your records.

To: Local # \_\_\_\_\_ Tel: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Job Coordinator \_\_\_\_\_ Tel: \_\_\_\_\_ Fax: \_\_\_\_\_  
 General Contractor \_\_\_\_\_ Tel: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Compliance Officer \_\_\_\_\_ Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

Please provide me with Local craft workers per the [name of project] CBA as defined below:

1 Priority - Boundaries noted in the CBA

2 Priority- Poverty Zip Codes in the City of Los Angeles

- 20% Disadvantage Resident Requirement (Union or nonunion craft employees, including apprentices, who reside in the Local Resident boundaries noted above and are certified by the Jobs Coordinator as qualified under the Grand Metropolitan CBA guidelines.)
- 40% Local Requirement (Union or non-union craft employees, including those who live in one of the zip codes listed above)
- General Dispatch (Union craft employees dispatched per normal dispatch procedures, not including the 20% Disadvantaged and 40% Local requirements).

Job/Craft Description	Journeyman or Apprenticeship	20% Disadvantaged #requested	40% Local requested	General Dispatch requested	Report Date	Report Time	Interview Required (Y/N)

Please have worker(s) report to the following address indicated below:

Site Address: \_\_\_\_\_ Report on (on-site contact): \_\_\_\_\_  
 \_\_\_\_\_ Onsite telephone # \_\_\_\_\_ Fax: \_\_\_\_\_

Comments or special instructions

[Jobs Coordinator name] Only (please check boxes as appropriate)		
Reception Date: _____	Dispatch Date: _____	Received by: _____
<input type="checkbox"/> Requested Dispatch	<input type="checkbox"/> Available for Dispatch	<input type="checkbox"/> Unavailable for Dispatch
<input type="checkbox"/> 20% Disadvantaged Resident		
<input type="checkbox"/> 40% Local Resident		
<input type="checkbox"/> General Dispatch		
Comments: _____		

ATTACHMENT D

FORM OF CONFIRMATION OF SUCCESSORSHIP

CONFIRMATION OF SUCCESSORSHIP

THIS CONFIRMATION OF SUCCESSORSHIP (“Confirmation”) is made  
by \_\_\_\_\_, a \_\_\_\_\_ company (“Successor”).

On [March] \_\_, 2015, Developer \_\_\_\_\_ LLC and several community-based organizations entered into an agreement (“Community Benefits Agreement”), related to certain terms of the development of the \_\_\_\_\_ Project (“Project”).

This Confirmation is being executed pursuant to, and is a material term of, that certain

[list title of purchase agreement, joint venture agreement, or other agreement between Developers and Successor] dated as of \_\_\_\_\_ (“Purchase Agreement” [or other appropriate short title]), pursuant to which [simple description of transaction, e.g.: Developers sell to Successors a portion of real property within the Project; Developers and Successor engage in a joint venture for development of Project; etc.].

By executing this Confirmation and the Purchase Agreement [or other title] to which this Confirmation is attached, Successor agrees that it is a “Successor” to “Developer” as those terms are used in the Community Benefits Agreement, that it is bound by the Community Benefits Agreement with respect to Successor’s concurrent or future actions and obligations related to the Project, and that the Community Benefits Agreement is enforceable by Coalition Organizations directly against Successor according to the terms of the Community Benefits Agreement. Successor has reviewed a final, executed copy of the Community Benefits Agreement, has had the opportunity to have the Community Benefits Agreement reviewed by counsel, and understands and agrees to the terms, conditions, and commitments contained therein.

[NAME OF SUCCESSOR]

By:

Its: