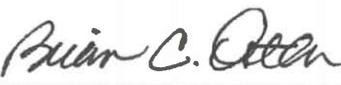




Item Number  
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## Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:  Dave Jones, Deputy Executive Director Commercial Development	<u>Meeting Date</u>			
	6/1/2023			
Reviewer:  Brian C. Ostler, City Attorney   Justin Erbacci (May 25, 2023 17:10 PDT)	Needs Council Approval: <input checked="" type="checkbox"/> Y			
	<u>Reviewed for/by</u>	<u>Date</u>	<u>Approval Status</u>	<u>By</u>
Finance	5/24/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS	
CEQA	5/19/2023	<input checked="" type="checkbox"/> Y	JO	
Procurement	5/17/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	LK	
Guest Experience	5/18/2023	<input checked="" type="checkbox"/> Y	TB	
Strategic Planning	5/17/2023	<input checked="" type="checkbox"/> Y	BNZ	

### SUBJECT

Request to approve a five-year lease, with one five-year extension option, with CalPortland Company, for the 5299 West 111<sup>th</sup> Street property at Los Angeles International Airport, that will generate revenue of approximately \$855,883 in the first year and \$4,544,001 over the initial five-year term, exclusive of periodic rental rate adjustments.

### RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
3. APPROVE the proposed lease and associated rental rates with CalPortland Company as referenced in this report.
4. AUTHORIZE the Chief Executive Officer, or designee, to execute the proposed lease upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

## DISCUSSION

### 1. Purpose

The purpose of this request is to request approval of a proposed lease with CalPortland Company (CalPortland) to operate a ready-mix concrete batching plant site located at Los Angeles International Airport (LAX). Approval of the proposed lease will allow CalPortland to continue providing concrete to the community, including for use in airport projects, with minimal delivery transit times, and will generate non-aeronautical revenue for Los Angeles World Airports (LAWA).

### 2. Prior Related Actions/History of Board Actions

- **June 17, 1989 – Board Order No. AO-4131 (LAA-6249)**  
The Board of Airport Commissioners (Board) approved a 20-year lease with Greene's Ready Mixed Concrete Company for establishment and operation of a ready-mix concrete batching plant facility.
- **August 2, 2010 – Board Order No. AO-5174 (LAA-6249A)**  
The Board consented to the assignment of the lease from Greene's Ready Mixed Concrete Company to CalPortland and approved the First Amendment granting a 10-year extension of the term with an expiration date of September 16, 2020.

### 3. Background

In 1989, Greene's Ready Mixed Concrete Company leased approximately 93,070 square feet (SF) of land at 5299 West 111<sup>th</sup> Street to install and operate a ready-mix concrete batching plant (see vicinity/site map attached). The plant provides high-volume, ready-to-pour concrete for use by numerous contractors constructing projects throughout the area, including projects at LAX.

On August 2, 2010, the Board consented to an assignment of the Greene's Ready Mixed Concrete Company lease to CalPortland and extended the lease term for 10 years. The ready-mix concrete batching plant improvements and trade fixtures vested in CalPortland at that time.

The lease expired on September 16, 2020, and currently is in month-to-month holdover status. CalPortland approached LAWA staff to request a new lease and, upon review of land use options, LAWA determined the site can be leased for five to ten years without conflicting with potential future uses. Therefore, in accordance with City of Los Angeles competitive solicitation requirements, LAWA staff released a Request for Expression of Interest (EOI) to solicit interest in leasing the site. CalPortland, the current tenant, was the sole respondent to the EOI and met the EOI's requirements.

### 4. Current Action/Rationale

Pursuant to the EOI, LAWA staff negotiated the proposed lease with CalPortland for a five-year term, with one five-year tenant option to extend the term. Los Angeles World Airports retains the right, only during the optional extension period, to terminate for convenience upon 360-days' notice. Los Angeles World Airports will collect fair market value land rents throughout the term of the proposed lease, which will generate approximately \$855,883 in

the first year and \$4,544,001 over the initial five-year term. Land rent will be adjusted annually by three percent effective July 1 every year and will be subject to a periodic five-year fair market value land rent adjustment on July 1, 2025.

CalPortland will be responsible for all maintenance and repair costs, as well as capital replacement expenditures associated with the site and improvements thereon. The proposed lease also will provide LAWA the option to make CalPortland remove all site improvements, including an 858 SF building and 50,000 SF of paving, upon expiration of the existing lease. CalPortland also must remediate any environmental contamination at lease termination.

Except as otherwise specifically noted within this report, the proposed lease includes all standard LAWA terms and provisions. Key elements of the proposed replacement lease are shown in the table below:

	<b>Existing Lease</b> (Presently in Month-to-Month Holdover)	<b>Proposed Lease</b>
<b>Term</b>		
Effective Date:	September 17, 1990	Upon execution*
Expiration Date:	September 16, 2020	5 years after execution
Option to Extend:	N/A	5 years by CalPortland Election
Early Termination:	For cause / casualty	For cause / casualty; or, during option period, for LAWA's convenience, upon 360-days' advance written notice
<b>Premises</b>		
Land	93,070 SF	93,070 SF
<b>Rental Rates</b>		
Land:	\$8.95 PSFPY	\$8.95 PSFPY*
<b>First Year Rent*</b>		<b>\$855,883</b>
<b>Total Rent (5 Years)*</b>		<b>\$4,544,001</b>
<b>Rental Rate Adjustments</b>		
Annual Adjustment:	CPI on July 1	3% on July 1
Periodic Adjustment:	Land Rate Adjustment: Every 5 years	Land Rate Adjustment: Every 5 years (July 1, 2025)

\* Rental calculations presume a June 1, 2023 effective date.

CalPortland has accepted the lease terms as stated. Los Angeles World Airports staff requests that the Board approve the proposed lease with CalPortland and authorize the Chief Executive Officer to execute the proposed lease after approval as to form by the City Attorney, and approval by the Los Angeles City Council.

***How This Action Advances a Specific Strategic Plan Goal and Objective***

This action advances this strategic goal and objective: Sustain a Strong Business: Diversify and grow revenue sources, and manage costs. Approval of the lease with CalPortland will provide for ongoing concrete batching operations, increase non-aeronautical revenue, and potentially control delivery transit costs of site-poured concrete required for LAWA projects.

## 5. Selection Process

On January 5, 2022, LAWA released a public EOI to lease the property. The goal of the EOI was to identify parties to continue use as a concrete batching plant and generate revenue to LAWA. LAWA staff determined that continued use of the site as a cement plant would result in the highest rent proposal as no significant capital improvements would be required. The EOI was posted on the Regional Alliance Marketplace for Procurement (RampLA), with the submission deadline of February 17, 2022. CalPortland, the current tenant, was the sole respondent to the EOI and met the EOI's requirements. As a result of the competitive selection process, staff requests that the Board approve the proposed lease and authorize the Chief Executive Officer, or designee, to execute the lease after approval as to form by the City Attorney and approval by the Los Angeles City Council.

## 6. Fiscal Impact

Approval of the proposed lease will generate approximately \$855,883 in revenue in the first year and \$4,544,001 over the initial five-year term of the lease, exclusive of the July 1, 2025, periodic land rental rate adjustment.

## 7. Alternatives Considered

- **Take No Action**

Taking no action is not recommended. With no additional prospects showing interest in the available leased area, a loss of revenue could result if CalPortland were to relocate, and repurposing the site to another use would be a lengthy and uncertain process.

## APPROPRIATIONS

No appropriation of funds is required for this action.

## STANDARD PROVISIONS

1. The issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
2. The proposed document(s) is/are subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 606.
4. CalPortland Company will comply with the provisions of the Living Wage Ordinance.
5. The Business Enterprise (BE) Programs do not apply to leases.
6. CalPortland Company will comply with the provisions of the Affirmative Action Program.

7. CalPortland Company has been assigned Business Tax Registration Certificate No. 0000832245-0005-2.
8. CalPortland Company will comply with the provisions of the Child Support Obligations Ordinance.
9. CalPortland Company has approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.
10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).
11. CalPortland Company has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. CalPortland Company has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance.
13. CalPortland Company will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. CalPortland Company has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. CalPortland Company has submitted the MLO Bidder Contributions CEC Form 50 and will comply with its provisions.
16. This item is not subject to the provisions of the Iran Contracting Act.

# VICINITY AND SITE MAPS



LEASE  
BETWEEN  
THE  
CITY OF LOS ANGELES  
AND  
CALPORTLAND COMPANY  
(5299 W. 111th St., Los Angeles, California)

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## EXHIBITS

Exhibit A	Premises
Exhibit B	Payments
Exhibit C	Minimum Standards (Section 3.3)
Exhibit D	Maintenance (Section 63)
Exhibit E	Insurance (Section 65)
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Exhibit G	Affirmative Action (Section 67)
Exhibit H	Living Wage Ordinance/ Compliance (Section 79)
Exhibit I	Worker Retention Ordinance (Section 79)
Exhibit J	Child Support Orders (Section 80)
Exhibit K	First Source Hiring Program For Airport Employers (LAX only) (Sec. 85)
Exhibit L	Contractor Responsibility Program (Sec. 88)
Exhibit M	Alternative Fuel Vehicle Requirement Program (LAX only) (Sec. 89)
Exhibit N	Equal Benefits Ordinance (Sec 82)
Exhibit O	Campaign Contributions – Form 55 (Sec 90)
Exhibit P	Municipal Lobbying Ordinance – Form 50 (Sec. 90)

**LEASE  
BETWEEN THE CITY OF LOS ANGELES AND  
CALPORTLAND COMPANY AT  
LOS ANGELES INTERNATIONAL AIRPORT  
(5299 W. 111th St., Los Angeles, California)**

THIS LEASE ("Lease") is made and entered into as of this \_\_ day of \_\_ 2023 ("Effective Date"), by and between the **CITY OF LOS ANGELES**, acting by order of and through its Board of Airport Commissioners ("Board") of the DEPARTMENT OF AIRPORTS also known as Los Angeles World Airports or LAWA ("City"), and **CALPORTLAND COMPANY**, a California corporation, successor-in-interest to Greene's Ready Mixed Concrete Company, a California corporation ("Lessee") (sometimes herein referred to individually as a "Party," or together as "Parties").

**RECITALS**

WHEREAS, City and Greene's Ready Mixed Concrete Company, a California corporation ("Greene's"), entered into a Ground Lease No. LAA-6249, dated April 19, 1990 ("Original Lease") for certain premises consisting of Parcel No. 1, containing 2.1366 acres, and Parcel No. 2, containing 0.0847 acres as further described in the Original Lease and as further depicted in Exhibit A attached to the Original Lease, and commonly referred to as 5299 West 111<sup>th</sup> Street, Los Angeles, CA; and the Original Lease term commenced on September 17, 1990 with a then-expiration date of September 16, 2010; and

WHEREAS, prior to the Effective Date, pursuant to Section 2 of the Original Lease, the City transferred ownership of Parcel No. 2, referred to above, to the Board of Public Works, and Lessee's leasehold interest in Parcel No. 2 automatically terminated and all of Lessee's rights to and obligations regarding such Parcel No. 2 ended; and

WHEREAS, on November 20, 2006, California Portland Cement Company, a California corporation ("CPCC"), acquired all of the capital stock of Greene's resulting in Greene's becoming a wholly owned subsidiary of CPCC; and on June 30, 2008, CPCC changed its name to that of Lessee; and

WHEREAS, on July 6, 2010, Greene's assigned all of its right, title, and interest in and to the Original Lease as lessee thereunder to Lessee, and Lessee agreed to assume all of the obligations thereunder arising on and after August 26, 2010; and

WHEREAS, the City and Lessee executed a First Amendment to the Original Lease No. LAA-6249A, dated August 25, 2010 ("First Amendment to Original Lease," together with Original Lease, the "Extended Lease") for the certain premises consisting of Parcel No.1, as described above, to modify the Original Lease to extend the term and to modify additional provisions; and

WHEREAS, the term of the Extended Lease expired on September 16, 2020; and

WHEREAS, Lessee has continued to occupy Parcel No. 1, as described above, on a month-to-month tenancy status with the City's consent; and

WHEREAS, on January 5, 2022, the City conducted a public solicitation, issuing a Notice for Expressions of Interest for Leasing Opportunity located at 5299 West 111th Street, Los Angeles, CA - Ready-Mix Concrete Plant (“Notice for EOI”), providing notice to the public that the City was seeking Expressions of Interest (“EOI”) for the lease of off-airport land consisting of the Demised Premises, as defined below, for use as a Ready-Mix Concrete Plant (Batch Plant); and

WHEREAS, EOI were due by February 17, 2022, and Lessee was the sole respondent.

NOW THEREFORE, the Parties hereto, for and in consideration of the covenants and conditions hereinafter contained to be kept and performed by the respective Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and incorporating the recitals herein by reference, DO HEREBY AGREE AS FOLLOWS:

## ARTICLE 1. SPECIFIC TERMS AND PROVISIONS

### Section 1. Demised Premises.

1.1 **Demised Premises.** The “Demised Premises” shall consist of the following: approximately (i) approximately 93,070 square feet of off-airport industrial land; and (ii) approximately 858 square feet of office building (“Batch House”). The Demised Premises are collectively located at 5299 W. 111th St., Los Angeles, California at the Los Angeles International Airport (hereinafter referred to as "Airport"), as shown and depicted in Exhibits A-1 and A-2, attached hereto and made a part hereof.

1.2 **Acceptance and Surrender.** It is understood and agreed that Lessee accepts the Demised Premises in an “as is, where is, no fault” condition. Unless otherwise approved in writing by LAWA, Lessee agrees to surrender and restore the Demised Premises as vacant land area, rough graded, and in compliance with all applicable environmental laws, as required under Section 74.2 hereof, upon the expiration or earlier termination of this Lease, except as modified in accordance with Article 2, Section 58 Improvements and Alterations, Article 2, Section 61 Ownership of Improvements, Section 62 Signs, and Article 2, Section 63 Maintenance and Repair of Demised Premises or any other modifications made pursuant to this Lease, herein, ordinary wear and tear excepted. In accordance with Article 2, Section 61 Ownership of Improvements, Lessee shall at its sole cost and expense, demolish and remove the Batch House and all structures, facilities, equipment, machines, trade fixtures, alterations, and surface and subsurface improvements (including, but not limited to, concrete batch plant, exterior shelters, underground storage tanks, utility lines, conveyors and conveyor systems, weigh vessels, silos, material bins and bunkers, reclaim equipment, electronic equipment, transportation infrastructure including a mobile compressed natural gas fueling facility, and additional equipment, fixtures, and components related to the production of concrete (collectively, “Lessee Improvements & Equipment,” including any such additions and replacements)), unless the City specifies in writing that the external structure of the Batch House (e.g., not the internal components therein), block wall, fencing or any paved surfaces, or, subject to Lessee’s express written approval, any specific Lessee Improvements & Equipment should remain, and surrender the Demised Premises, it being specifically understood, however, that Lessee is under no obligation to surrender the batch plant, equipment, conveyors, or any other ancillary equipment, assets, or facilities (other than the Batch

House, which the City may select and reserve in its sole discretion), including CNG fueling facility, associated with Lessee's Authorized Use of Demised Premises. Demolition and removal of the Batch House and all Lessee Improvements & Equipment, fixtures, and surface and subsurface improvements must be completed by Lessee within ninety (90) days after expiration or earlier termination of the Lease. If Lessee fails to timely surrender the Demised Premises in the condition required under this Section 1.2, then City may restore the Demised Premises to such condition at Lessee's sole cost.

## **Section 2. Term of Lease.**

2.1. This Lease shall commence on the Effective Date and shall expire on the fifth (5th) anniversary of the Effective Date ("Term" or "Term of this Lease"), subject to the Extension Option below, and provided that City may terminate this Lease for convenience during the Option Term upon three hundred sixty (360) days written notice to Lessee. Upon commencement of the Term of this Lease, Lessee's month-to-month tenancy of the Demised Premises since September 16, 2020, shall terminate, provided however that such termination shall not affect or be construed as limiting or otherwise altering any obligation or liability of a party that arose prior to the Effective Date, all of which shall survive such termination and remain in effect as to the period preceding such termination.

2.1.1. Extension Option. Lessee shall have one (1) option to extend the Term of this Lease ("Extension Option") for an additional five (5) years ("Option Term") if and only if no Default Event (as defined under Article 2, Section 71.1) has occurred and is continuing and ongoing beyond all applicable cure periods at the time Lessee makes its Extension Option. The Extension Option shall be exercisable by Lessee's delivery to City of an irrevocable written notice exercising such Extension Option no later than one hundred and twenty (120) days prior to the expiration date of the original Term.. During the Option Term, the terms and conditions of this Lease shall continue in effect except as to terms and conditions of this Lease which are either expressly or by their operation applicable only during the original Term of this Lease. The election of the Extension Option shall not require an amendment to this Lease and shall not require the prior approval or later ratification by the Board or the Los Angeles City Council. Lessee shall have no further right or option to extend the Term of this Lease. For purpose of this Lease, unless otherwise provided herein, the phrase, "Term of the Lease" and/ or "Term" shall include the Option Term if the Extension Option is exercised.

2.2. If Lessee remains in possession of all or any part of the Demised Premises after the expiration of the Term hereof, without the execution of a new lease for the Demised Premises, or otherwise without the express or implied consent of City, such tenancy shall be from month-to-month only, and not a renewal or an extension hereof for any further term, and in such case, rent and other monetary sums due hereunder shall be payable in the amount of one hundred fifty percent (150%) of the rent payable for the last month of the Term of this Lease plus other charges payable hereunder at the time specified hereunder, and such month-to-month tenancy shall be subject to every other provision, covenant and agreement contained herein including any applicable Rental Adjustments set forth in Article 1, Section 5, Payments to City. If Lessee remains in possession of all or any part of the Demised Premises after the expiration of the Term hereof, without the execution of a new lease for the Demised Premises, but with the express or implied consent of

City, such tenancy shall be from month-to-month only, and not a renewal or an extension hereof for any further term, and in such case, rent and other monetary sums due hereunder shall be payable in the amount of one hundred percent (100%) of the rent payable for the last month of the Term of this Lease plus other charges payable hereunder at the time specified hereunder, and such month-to-month tenancy shall be subject to every other provision, covenant and agreement contained herein including any applicable Rental Adjustments set forth in Article 1, Section 5, Payments to City. Acceptance by City of Rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of City hereunder or as otherwise provided by law, and in no way shall such provisions affect any right which City may otherwise have to recover damages from Lessee for loss or liability incurred by City resulting from such failure by Lessee to surrender the Demised Premises. Nothing contained in this Subsection shall be construed as consent by City to any holding over by Lessee, and City expressly reserves the right to require Lessee to surrender possession of the Demised Premises to City as provided for in this Lease upon the expiration or other termination of this Lease.

### **Section 3. Use of Demised Premises and Other Property.**

3.1. **Authorized Uses.** The use of the Demised Premises is limited to ready-mix concrete batching plant operations and related activities, including but not limited to ready-mix concrete transportation infrastructure, including a mobile compressed natural gas fueling facility (“Authorized Use”).

3.2. **Unauthorized Uses.** Lessee acknowledges that any use other than those expressly set forth in Article 1, Subsection 3.1 above are prohibited, and that prior written consent of the City’s Chief Executive Officer (“Chief Executive Officer”) is required to modify the use of the Demised Premises in any manner. Without limitation to the foregoing, Lessee shall not use the Demised Premises for any purpose that is contrary to the Leasing Policy and Minimum Standards (as defined in Section 3.3 below), or that constitutes waste or nuisance., or that would unreasonably annoy other occupants or invitees at Airport.

3.3. **Minimum Standards.** Use of the Demised Premises will be subject to, and Lessee agrees to comply fully with, minimum standards (“Minimum Standards”) which are attached hereto and incorporated by reference herein as Exhibit C, provided that Lessee does not waive its right to seek relief from a court of competent jurisdiction to the extent that such Minimum Standards are contrary to applicable law or this Lease. Lessee acknowledges that the Minimum Standards may be supplemented, amended, or modified (and Exhibit C revised accordingly) by the Chief Executive Officer, provided that they do not unreasonably interfere with Lessee’s Authorized Use on the Demised Premises. Lessee shall be solely responsible for fully complying with any and all supplements, amendments, and/or modifications to the Minimum Standards.

3.4. **Access to Demised Premises.** Throughout the Term of this Lease, Lessee, its agents, servants, employees, contractors, licensees and business invitees, shall have ground ingress and egress to and from the Demised Premises. Such access to the Demised Premises shall be subject to reasonable airfield access control and permitting requirements as may be established by City and temporary blockage or redirection due to Airport security, Airport construction or Airport operational necessity.

3.5 **Parking.** Lessee shall make an adequate number of parking spaces available for all persons needing access to the Demised Premises, including employees of Lessee, Lessee's contractors, sublessees, invitees, visitors, and other users of the Demised Premises, without infringing upon the rights of City, other tenants, or other third parties, provided that nothing in this Lease shall be construed to provide any third parties with any causes of action against City or Lessee.

#### **Section 4. Absolute Net Lease.**

This Lease is an absolute net lease with Lessee responsible for all operating costs, insurances, and taxes. LAWA shall have no financial obligations associated with Lessee's use and occupancy of the Demised Premises. Lessee is responsible for all improvements, alterations, maintenance, repair, and capital replacement expenditure of the Demised Premises, including the Batch House, at its sole cost and expense, and subject to the provisions contained in Article 2, Section 58 **Improvements and Alterations**, Article 2, Section 62 **Signs**, and Article 2, Section 63 **Maintenance and Repair of Demised Premises**.

#### **Section 5. Payments to City.**

5.1. **Rent.** Lessee shall pay monthly rent ("Monthly Rent"), commencing on the Effective Date ("Rent Commencement Date"). Monthly Rent shall be as set forth in Exhibit B, Payment Schedule and shall be adjusted pursuant to Article 1, Subsection 5.2. Rental Adjustments. Lessee acknowledges that the Chief Executive Officer is authorized to replace Exhibit B, Payment Schedule to reflect rental adjustments made pursuant to Article 1, Subsection 5.2 and to reflect fees and/or other charges established periodically by the Board that shall be generally applicable to similarly-situated lessees at Airport and Lessee accepts responsibility for payments based upon such modifications. If adjustments to rental, fees and/or other charges are adopted by the Board retroactive to an effective date established by the Board, the adjustment(s) shall be applied retroactively to said effective date, and Lessee must pay all increased amounts due at the next scheduled payment date. Lessee shall be responsible for payment of any and all amounts due City by sublessees of this Lease, if any, unless the Chief Executive Officer specifically waives such responsibility.

5.2. **Rental Adjustments.** It is agreed that Monthly Rent shall be adjusted each year in accordance with the procedures provided hereinafter.

5.2.1. **Annual Adjustments.** Except when adjusted as provided in Section 5.2.2. (Periodic Adjustment to Fair Market Rental), the Monthly Rent for the Demised Premises covered under this Lease shall be subject to automatic, annual rental adjustments effective July 1 of each year (the "Annual Adjustment Date"). However, City may change the Annual Adjustment Date through a resolution adopted by the Board provided that there shall be no more than one annual adjustment pursuant to this Section 5.2.1 in any twelve-month period. On each Annual Adjustment Date during the Term, the Monthly Rent shall be increased three percent (3%) over the prior year's Monthly Rent.

5.2.2. **Periodic Adjustment to Fair Market Rental.** Provided nothing herein shall

be construed to grant Lessee any extension rights unless expressly stated in this Lease, it is agreed that the Monthly Rent: for the land rental rate payable hereunder shall be adjusted to fair market rental value effective as of July 1, 2025, and every five (5) years thereafter. For the avoidance of doubt, all rental rates shall be reviewed by City and adjusted, as appropriate, in accordance with City Charter requirements, at intervals of no less than every five (5) years. However, nothing herein shall be construed to grant Lessee a right or option to extend the Lease. At no time under this provision shall the rent due to the City result in a rental reduction.

5.2.2.1. Parties May Negotiate in Good Faith. At least one (1) year prior to the scheduled Periodic Adjustment Date and in accordance with Section 5.2.2 above, the parties may (but are not required to), in good faith, negotiate the rental rate(s) applicable to the subject adjustment period(s) as referenced above. Such good faith negotiations, initiated by either party, may include the involvement of a third party reviewer to review and make nonbinding recommendations regarding each party's rate adjustment proposal, discussions regarding external and internal factors that may be unique to the land and/or improvements so that the reviewer(s) can take them into consideration when making the recommendations, in substantially the same manner as corroborated by the parties and applicable to the Demised Premises. The parties shall have continuing opportunities to negotiate in good faith in an attempt to reach agreement on rental adjustment(s) notwithstanding each party's obligation to perform its duties as described under Section 5.2.2.2 below. If the parties are able to reach an agreement on the adjustment to the rental rate(s), then said rate(s) shall be presented as a recommendation to the Board. However, if the parties are unable to reach final agreement during said negotiation period, the parties may continue to negotiate in good faith to attempt to reach agreement until arbitration commences pursuant to Section 5.2.2.6 below.

5.2.2.2. Appraisal Process. If the parties cannot reach agreement on the rental rate(s) or the Board does not approve the agreed upon rental rate(s) as described in Section 5.2.2.1 at least nine (9) months prior to the scheduled Periodic Adjustment Date, then the parties shall determine the Monthly Rent by the procedures described in Sections 5.2.2.3 through 5.2.2.5 below. City may elect to have such procedures apply separately to the rent applicable to improvements and may adjust the land rental rates on the basis of airport-wide land rental rates then in effect, provided that such rates were adopted in compliance with applicable laws. Should City choose to adopt this adjustment option, City will provide written notice to Lessee no later than ten (10) months prior to the Periodic Adjustment Date of the intention to adjust land and improvements separately. Separate appraisals will be procured for the land and the improvements (if any). Under this option, both the land and improvement adjustments will be completed separately under Sections 5.2.2.2 through 5.2.2.6. City or Lessee may elect to use the same appraiser for both appraisal reports. Every effort will be made by City and Lessee to consolidate any required meetings as required in the appraisal process described below.

5.2.2.3. Step 1: Independent Appraisals. City and Lessee shall each

select an appraiser, who is a member of the Appraisal Institute or its successor organization and meets the Minimum Qualifications as defined within this Lease (a “Qualified Appraiser”). Either Lessee or City shall, when notified in writing by the other to do so, deliver to the other party the name and address of such appraiser (each, selected Qualified Appraiser, a “Main Appraiser”). The Chief Executive Officer shall immediately fix the time and place for a conference between the two parties and the Main Appraisers no later than fifteen (15) days from the date of the exchange of names and addresses of the Main Appraisers. At such meeting, both Lessee and City may have discussions with the Main Appraisers as to any externalities that may affect the derivation of rental value conclusions. The Appraisal Instructions to be given to the Main Appraisers are as defined within this Lease. City and Lessee shall each pay the fees and expenses of their respective Main Appraisers. The narrative appraisals must be completed according to the Uniform Standards of Professional Appraisal Practice (USPAP) for the year in which the appraisal is completed. No later than one hundred (100) calendar days after the date of the appraiser meeting, a copy of the completed, final USPAP- compliant appraisal report procured by both City and Lessee will be made available for review by the other party on the same day. If either City or Lessee fails to deliver its appraisal report by the appraisal report delivery deadline, the late party will inform the other party in writing of the reason for the delay and the expected date on which appraisal reports will be exchanged. If either party’s appraisal report cannot be delivered within four (4) months of the appraiser meeting, the complying party shall have its appraisal report presented to the Board for approval. Upon exchange of the two appraisal reports, in the event that the determination of the rental value in the two appraisal reports differs by fifteen percent (15%) or less, the rate that is the average of the determinations in the two appraisal reports shall be presented as a recommendation to the Board. If the rate determinations in the two appraisal reports differ by more than fifteen percent (15%), the parties shall proceed to Section 5.2.2.5 below.

5.2.2.4. Step 2: Arbitration Appraiser Selection. The Main Appraisers selected by each party shall be instructed to agree upon and select an Arbitration Appraiser (as defined below) no later than six (6) weeks after the appraiser meeting described above. The Arbitration Appraiser shall be a Qualified Appraiser that is not under contract with the City for appraisal services. If the Arbitration Appraiser selected is not available to perform the task pursuant to the instructions set forth in Section 5.2.2.6 below or is unwilling to execute a City contract for the performance of appraisal services, then City and Lessee shall inform the Main Appraisers and require them to repeat the selection process again until an available Arbitration Appraiser is selected. If the Main Appraisers cannot come to agreement on the selection of an Arbitration Appraiser within (6) six weeks from the date of the appraiser meeting, the Chief Executive Officer shall select an Arbitration Appraiser.

5.2.2.5. Appraisal Review Period. The parties shall have one (1) month to review each other’s appraisal reports from the date of the appraisal exchange as described in 5.2.2.3 above. The parties may continue to negotiate the

adjusted rental rates during this period. Within fifteen (15) calendar days of the appraisal report exchange in Section 5.2.2.3 above, the Chief Executive Officer shall fix a time and place for a negotiation meeting between the parties to be held no later than six (6) weeks from the date of the appraisal report exchange. At such meeting, the parties shall attempt to reach a final agreement on the adjusted rental rates. Either party may include its Main Appraiser in the meeting, if desired. If Lessee and City reach agreement on the rental rate adjustments, the Chief Executive Officer shall present the results as a recommendation to the Board. If Lessee and City are unable to reach agreement on the adjusted rental rate(s) by the date that is fourteen calendar (14) days from the date of the negotiation meeting, then the parties shall proceed to Step 3 below.

5.2.2.6. Step 3: Appraiser Arbitration. City and Lessee shall each pay one-half of the fees and expenses of the Arbitration Appraiser. The Arbitration Appraiser selected by the two Main Appraisers or the Chief Executive Officer, as the case may be, in Step 2, shall receive copies of both Lessee and City's final appraisal reports that were procured in Step 1 and a list of the rental rate adjustments that have not been agreed to by the parties. The Arbitration Appraiser shall be allowed three (3) weeks to review both appraisal reports. After review of the two appraisal reports, the Arbitration Appraiser will determine which of the rental rate(s) from the two appraisal reports are the most reasonable, considering comparable data selection, market information and applicable valuation methodology. The Arbitration Appraiser will communicate its decision in writing to both Lessee and City three (3) weeks after engagement. The Chief Executive Officer shall present the agreed-upon rental rate(s) and the Arbitration Appraiser's determinations as a recommendation to the Board. City shall make every effort to present the rate(s) for approval to the Board prior to the Periodic Adjustment Date.

5.2.3. Appraisal Criteria. The following appraisal criteria shall apply to Sections 5.2.2.3 through 5.2.2.6.

5.2.3.1. Appraiser Minimum Qualifications. The Main Appraiser must possess, at a minimum, an MAI or SRPA designation and must be licensed in the State of California. The Main Appraiser must perform all of the calculations and technical portions of the appraisal report as well as derive the final value conclusions within the appraisal report. The Main Appraiser must have geographic market knowledge of the Los Angeles County area. Knowledge of the entire Southern California real estate market is preferred. The Main Appraiser must have a minimum seven (7) years of experience of appraising property in Southern California. If the Main Appraiser is valuing property within the perimeter fence of an airport ("on-airport"), he or she must have performed a minimum of five (5) appraisals of on-airport property within the past five (5) years.

5.2.3.2. Main Appraisers must be in good standing with the California Bureau of Real Estate Appraisers (CBREA) or its successor organization and have no more than one complaint filed against him or her for any reason and no complaints that have resulted in any disciplinary actions. The Main Appraisers

must certify in the appraisal report that he or she has never received any disciplinary actions from the CBREA. The Main Appraisers must be able to provide documentation of the sources of comparable rental rate and sales data to the reasonable satisfaction of City and Lessee.

5.2.3.3. Appraisal Instructions. The Main Appraiser shall consider the following in completing the appraisal report:

5.2.3.3.1. Los Angeles Administrative requirements that are in force upon Lessee within its Lease at the date of value.

5.2.3.3.2. FAA regulations that may affect value such as the Building Restriction Line, Object Free Area, Runway Protection Zone, building height limitations as related to the "Transitional Zone" and any other regulations that may affect value.

5.2.3.3.3. City zoning that applies to the property. If the City-approved use does not conform to the current zoning at the date of value, and the current use is also determined to be the highest and best use, then the Main Appraiser will value the property as if it had the zoning that would allow its current use (variance granted).

5.2.3.3.4. Any public or private easements, such as utilities or rights-of-way, including avigation rights.

5.2.3.3.5. The appraisal of land shall be determined as if vacant under its highest and best use at the date of value, taking into consideration the government imposed restrictions listed above (both by law and restrictions as imposed under the Lease). The leasehold estate or "lessee's interest" (as defined within the most recent edition of "The Appraisal of Real Estate" as published by the Appraisal Institute) shall not to be considered.

5.2.3.3.6. City and Lessee shall have the right to modify any conditions of the appraisal process upon mutual written agreement of the parties.

5.2.4. With respect to additions, improvements, or alterations to leasehold structures authorized by City and made by Lessee during the Term of this Lease, Lessee shall not be charged rent for the rental value thereof unless and until title to said additions, improvements, or alterations revert to City pursuant to the terms of this Lease or by operation of law.

5.2.5. Nothing herein shall prejudice the right of Lessee to contest, in a court of competent jurisdiction, such adjusted rental in the event said Board may have acted arbitrarily or unreasonably. However, pending the outcome of any such litigation, Lessee shall be obligated first to either pay the new rental and all retroactive amounts directly to

City as they come due, or deposit such increased amounts of such rental and the retroactive amounts into a joint escrow account. Provision shall be made for the payment to the City of the escrowed funds, including accrued interest, (to the extent such funds are owed by Lessee to City) upon a final determination of the appropriate rental adjustment, if any.

5.2.6. Notwithstanding Article 2, Section 71 below and subject to Section 5.2.7 below, if either Party alleges that the other Party has failed to comply with the procedure specified in Section 5.2.2.2 above, the Party alleging noncompliance must notify the other Party in writing within 30 days, describing such noncompliance in detail and providing the other Party a reasonable time for cure (in any case, not less than 10 days), otherwise such noncompliance shall be deemed waived; provided that failure by the parties to timely comply with the rental readjustment procedures herein shall not be construed to constitute a waiver of the right of City to a rental readjustment. In the event adjustment of rental is not completed prior to the adjustment date, Lessee shall continue to pay the rent set for the preceding period, at the intervals and in the manner fixed for such preceding period, and if such rent is thereafter fixed in a different amount, such new rental shall take effect retroactively back to the beginning date of the readjustment period. Subject to Lessee's right of contest and right to escrow funds, unless the Board otherwise agrees to a payment plan with interest, Lessee shall promptly pay to City that sum, if any, which has accrued as a result of such retroactive application. If a rental reduction occurs, City shall provide a rent credit to Lessee's account equal to the sum which has accrued as a result of such retroactive application.

5.2.7. If City has complied with the appraisal procedure and related time frames as set forth above, City shall be entitled to receive, in addition to all retroactive rents that become due as a result of Board-adjusted rental rate(s), the time value of said rental increase(s) calculated from the effective date of the increase(s) to the time period that the rental increase(s) are assessed to the Lessee at an interest rate representing what the City may have otherwise been entitled to if the funds associated with the increase(s) were available for City's use; however, in no event shall the interest rate be less than 5%.

5.2.8. Assessments, Fees, and Charges. In addition to the rental obligation, Lessee hereby agrees to pay such assessments, fees, and charges as shall be set by the Board and that shall be generally applicable to similarly situated lessees at Airport.

**Section 6. Compliance with Regulatory Requirements.** Lessee is responsible for complying with all applicable present and/future rules, regulations, restrictions, requirements, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court having jurisdiction over Lessee's operations and related activities, including, but not limited to, permits required for ready-mix concrete batching plant operations and related activities, any improvements to the property deemed necessary by any federal, state, and/or local governmental entity and/or court having jurisdiction, and all California Environmental Quality Act and National Environmental Policy Act (CEQA/NEPA) requirements.

## **Section 7. Notices.**

7.1. Written notices to City hereunder shall be given in the manner specified in Section

7.4 to the Chief Executive Officer with a copy to the City Attorney of the City of Los Angeles and addressed to said parties at:

**Chief Executive Officer  
Department of Airports  
1 World Way  
Post Office Box 92216  
Los Angeles, CA 90009-2216**

**City Attorney  
Department of Airports  
1 World Way  
Post Office Box 92216  
Los Angeles, CA 90009-2216**

or to such other address as these parties may designate by written notice to Lessee.

7.2. Written notices to Lessee hereunder shall be given in the manner specified in Section 7.4 to:

**Bill Mullen  
Sr. Vice President, Materials Group  
10655 W. Park Run Drive, Suite 275, Las Vegas, NV 89144**

**with a copy to**

**Robert M. Binam  
Sr. Vice President and General Counsel  
10655 W. Park Run Drive, Suite 275, Las Vegas, NV 89144**

or to such other address as Lessee may designate by written notice to City.

7.3. The execution of any such notice by the Chief Executive Officer shall be as effective to Lessee as if it were executed by Board or by Resolution or Order of said Board, and Lessee shall not question the authority of the Chief Executive Officer to execute any such notice.

7.4. All such notices, except as otherwise provided herein, may either be delivered personally to the Chief Executive Officer or to the Office of the City Attorney, Airport Division, or to Lessee, as the case may be, or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail. Such notices also may be delivered by a nationally recognized overnight commercial courier service that requires the recipient's signature for delivery, and shall be effective one (1) business day after delivery by such courier.

**Section 8. Disclosure of Hazardous Substances.**

8.1. City hereby notifies Lessee that petroleum products, Asbestos Containing Material (“ACM”) (including, but not limited to, building materials such as floor tile, mastic, roofing, and joint compound), Lead Based Paint (“LBP”), Possible Mercury-Containing Switches and Fluorescent Tubes, and Possible PCB-Containing Materials (including but not limited to fluorescent light ballast and electrical transformers (“Possible PCB”)) may be present in structures and materials on the Demised Premises.

**NOTICE IS HEREBY GIVEN TO LESSEE THAT ASBESTOS CONTAINING MATERIALS MAY BE PRESENT IN NUMEROUS STRUCTURES AND MATERIALS IN**

**THE DEMISED PREMISES. ACM MAY BE PRESENT IN SOME BUILDING MATERIALS INCLUDING FLOOR TILE, MASTIC, ROOFING, JOINT COMPOUND**

**AND OTHER VARIOUS MATERIALS. ACM IS REQUIRED BY THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT RULE 1403. TO BE REMOVED PRIOR TO DEMOLITION, IF ANY;**

**NOTICE IS HEREBY GIVEN TO THE LESSEE THAT LEAD BASED PAINT MAY BE PRESENT IN VARIOUS STRUCTURES IN THE DEMISED PREMISES INCLUDING WALLS, DOOR AND DOOR COMPONENTS, RAILINGS, TANKS, FLOORS, WINDOW SASHES AND OTHER PAINTED SURFACES.**

**NOTICE IS FURTHER GIVEN TO LESSEE THAT IF ANY LEAD-BASED PAINT WILL BE DISTURBED, THERE ARE OSHA AND CAL-OSHA REGULATIONS FOR WORKERS DISTURBING LEAD BASED PAINT THAT MUST BE FOLLOWED, AND THE WASTE STREAM MUST BE TESTED TO DETERMINE IF IT HAS TO BE DISPOSED OF AS RCRA HAZARDOUS WASTE, CALIFORNIA HAZARDOUS WASTE, OR CAN BE DISPOSED OF AS CONSTRUCTION DEBRIS. SEE CAL-OSHA CONSTRUCTION LEAD STANDARD (8 CCR 1532.1).**

**NOTICE IS FURTHER GIVEN TO THE LESSEE THAT POSSIBLE MERCURY CONTAINING SWITCHES AND FLUORESCENT TUBES MAY BE PRESENT IN THE DEMISED PREMISES. PRIOR TO ANY DEMOLITION OF ANY STRUCTURES AT THE DEMISED PREMISES, ANY ACTUAL MERCURY-CONTAINING SWITCHES AND FLUORESCENT TUBES MUST BE REMOVED AND MANAGED FOLLOWING THE REQUIREMENTS OF THE HAZARDOUS WASTE CONTROL ACT AND THE TOXIC SUBSTANCES CONTROL ACT.**

**NOTICE IS FURTHER GIVEN THAT POSSIBLE PCB-CONTAINING MATERIALS MAY BE PRESENT IN THE DEMISED PREMISES. SUSPECTED PCB-CONTAINING MATERIALS MAY INCLUDE BUT NOT BE LIMITED TO FLOURESCENT LIGHT BALLASTS AND ELECTRICAL TRANSFORMERS. PRIOR TO ANY DEMOLITION IN THE DEMISED PREMISES, ACTUAL PCB-CONTAINING MATERIALS MUST BE REMOVED AND MANAGED FOLLOWING THE REQUIREMENTS OF THE UNIVERSAL WASTE RULE.**

8.2. General Release and Waiver by Lessee. Lessee on behalf of itself and its successors and assigns releases the City from and waives any and all claims of any nature whatsoever, whether direct or indirect, known or unknown, foreseen or unforeseen, arising from or related petrochemicals, ACM, LBP, actual Mercury-fluorescent tubes and switches, and actual PCB-containing materials in the Demised Premises. The Lessee acknowledges and agrees that it has been advised by legal counsel in California and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”**

The provisions of this section shall survive the expiration or earlier termination of this Lease.

**Section 9. Alternative Fuel Vehicles.** Without limiting Article 2, Section 89 Alternative Fuel Vehicle Requirement Program (LAX Only) below, all cement mixers, trucks, and other vehicles shall comply with the requirements of Article 2, Section 89.

(continued on the following page,

Sections 10-50 intentionally omitted)

**ARTICLE 2. STANDARD TERMS AND PROVISIONS**  
**Revised 06-11-14**

**Section 51. Limitations on Use of Demised Premises.**

51.1. Lessee shall not use the Demised Premises, nor any portion thereof, for any purpose other than that set forth in Article 1, without first having had and obtained the written consent of the Chief Executive Officer, which consent may be withheld in the Chief Executive Officer's sole discretion, and which written consent is approved as to form by the City Attorney.

51.2. There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Demised Premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operating on Airport. Lessee agrees not to make any claim or institute legal action against City under any theory of recovery for any interference with Lessee's use and enjoyment of the Demised Premises which may result from noise emanating from the operation of aircraft to, from, or upon Airport, except for claims or actions brought by third parties against Lessee arising from City's operation of the Airport.

51.3. Lessee, by accepting this Lease, agrees for itself and its successors and assigns that it will not make use of the Demised Premises in any manner which might interfere with the landing and taking off of aircraft from Airport or otherwise constitute a hazard to such operations. In the event that the Lessee interferes with any air traffic as described above, City reserves the right to enter upon the Demised Premises hereby leased and cause the abatement of such interference at the expense of Lessee.

51.4. Lessee shall conduct its, and cause its sublessees to conduct their operations on the Demised Premises in such manner as to reduce as much as is reasonably practicable, considering the nature and extent of said operations, any and all activities which interfere unreasonably with the use of other premises adjoining the Demised Premises at Airport, including, but not limited to, the emanation from the Demised Premises of noise, vibration, movements of air, fumes, and odors.

51.5. Lessee is prohibited from installing or using any wireless workstations, access control equipment, wireless internet servers, application or system software such as transceivers, modems, or other interface units that access frequencies from 2.0 Gigahertz to 6.0 Gigahertz, inclusive, without first obtaining approval from the Chief Executive Officer.

51.6. Lessee has no rights under this Lease to install or use any antennae or telecommunications equipment on the roof or exterior of any building or structure on the Demised Premises, unless such installation or use is directly related to the conduct of Lessee's business and in full compliance with City's permit process and telecommunications policies, as may be modified from time to time at the sole discretion of the Chief Executive Officer. Lessee may not license or sublease to others the right to install or use antennae or other telecommunications equipment on the Demised Premises.

**Section 52. Rental Payments.**

52.1. Delivery of Rental Payments. Rent shall be paid by Lessee to City on or before the first day of each calendar month of the Term, pursuant to Article 1, Section 2, Term of Lease, herein. In the event the commencement date or termination date of this Lease falls on any date other than the first day of the calendar month, the applicable rental for that month shall be calculated pro rata according to the number of days during which the Demised Premises, or any part of same, were occupied by Lessee during said month. All payments shall include the contract number, which is stamped on the first page of this Lease, on each payment check and the remittance advice attached to the invoice, if any, delivered to Lessee by City. Upon written approval by the Chief Executive Officer, the Lessee may be approved to make electronic rental payments to the City.

52.2. All payments shall be mailed to the following address:

**City of Los Angeles  
LAWA Los Angeles World Airports  
P.O. Box 102662  
Pasadena, CA 91189-2662**

52.3. City may, from time to time, designate another address to which rental payments shall be made and will provide at least thirty (30) days advance written notice of such address change. Invoices may be sent by City to Lessee as a customer courtesy, and receipt of such invoice shall not be a condition prior to payment of rent.

**Section 53. Liquidated Damages for Delinquent Payment.**

53.1. Payment of rentals, fees, and charges shall be delinquent if not received by City within ten (10) days following the due date. Without waiving any rights available under this Lease or by law, in the event of delinquent payments, Lessee recognizes that City will incur certain expenses, the amount of which is difficult to ascertain. Therefore, in addition to payment(s) owing, Lessee agrees to pay the liquidated damages set forth below to compensate City for all expenses and/or damages and loss resulting from said delinquent payments by Lessee.

53.2. The liquidated damages for delinquent payments shall be assessed each month at a rate of 1 percent interest (i.e., equivalent to 12% per annum compounded monthly) on the Average Daily Balance (as hereinafter defined) of the unpaid amount. "Average Daily Balance" shall mean the sum of Lessee's unpaid balance on each day of the monthly billing cycle divided by the number of days in the monthly billing cycle. City may draw such delinquent payments from the Faithful Performance Guarantee required pursuant to Article 2, Section 57, Faithful Performance Guarantee, herein. FPG draw shall apply first to unpaid liquidated damages, then to remaining delinquent balances. Delinquent balance remaining after FPG draw shall continue to be assessed liquidated damages pursuant to this Section 53.2.

## **Section 54. Utility Services.**

54.1. Lessee shall pay all charges for water, gas, heat, light, power, communications, and any and all other utility services used by Lessee in connection with its occupancy of the Demised Premises, including deposits, connection fees, or charges and meter installation rentals required by the supplier of any such utility service, and the costs of all equipment and improvements necessary for connecting the Demised Premises to such utility service facilities (collectively, "Utility Services").

54.2. Lessee shall meter all utilities separately and shall install all meters at Lessee's expense unless City and Lessee agree that separately metering any or all of the utilities is not feasible. To the extent Lessee is not paying for any Utility Service directly to the utility company providing said Utility Service, and such Utility Service is metered, sub-metered, or otherwise paid for by City or a third party ("Utility Third Party") then Lessee shall pay the costs for Utility Services allocable to the Demised Premises as reasonably determined by City or Utility Third Party as the case may be, plus fifteen percent (15%) administrative costs, unless Lessee and City or Utility Third Party agree otherwise in writing.

54.3 City may, at City's own expense, install, maintain, and repair utilities under, over, through or in any part of the Demised Premises and Lessee shall not be entitled to payment or abatement of rent or any other compensation in connection with any such installation, maintenance and/or repair. If City installs, maintains or repairs utilities under, over, through or in any part of the Demised Premises and City damages the Demised Premises during such utility work, then City shall repair the damage to a reasonable condition. Furthermore, City will make all reasonable efforts during the installation, maintenance and/or repair not to create a materially adverse effect on Lessee's on-going business concern. Lessee waives any and all claims against City for compensation for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of any water supply system, drainage or sewer system, gas supply system (if provided), telephone system, electrical supply system, or electrical apparatus or wires serving the Demised Premises, with the exception for claims against City for compensation for loss or damage directly resulting from installation, maintenance and/or repair performed by City.

## **Section 55. Reports.**

55.1. City may, at its discretion and with reasonable notice to Lessee, require Lessee within ten (10) days after the end of each calendar month, to report to the City certain operating statistical and financial data applicable to City airports covering the previous calendar month in such form and content as shall reasonably be specified by the Chief Executive Officer.

## **Section 56. Audits.**

56.1. City may, at its sole discretion and with reasonable notice to Lessee, require Lessee to provide access to all records and other information necessary to perform an audit of rental, fees, other charges paid and payable to City under this Lease, and any required information for payments by City to Lessee, including but not limited to invoices and proof of payments related to reimbursement for Lessee improvements and other Lessee-required investments. City shall have the right to access such records and information for five (5) years past the end of the fiscal year in which they were generated and up to five (5) years past the expiration or early termination of this

Lease. Lessee shall retain all records and other information necessary to perform an audit as described above for a minimum of five (5) years.

**Section 57. Faithful Performance Guarantee.**

57.1. Lessee shall furnish to City and maintain throughout the Term of this Lease and for sixty (60) days following Lease termination, a Faithful Performance Guarantee (“FPG”) to secure the faithful performance by Lessee of all the terms, provisions, and covenants contained herein including, but not limited to, the payment of rent and any other specified compensation or reimbursement for required improvements or maintenance not made by Lessee. Such FPG shall be separate from any other guarantee(s) of Lessee. The initial amount of said FPG shall be three (3) times the highest monthly rental amount, commencing with the initial first year’s rent, prescribed herein. Any adjustments to rent, pursuant to Article 1, Section 5, Payments to City, herein, shall also result in a commensurate adjustment to the FPG, pursuant to subsections 57.2 and 57.3 below. If all or any part of the FPG is used to pay delinquent account as set forth in Article 2, Section 53.2, Liquidated Damages for Delinquent Payment herein, Lessee shall, within sixty (60) days after draw down, replenish said FPG so that the FPG equals three (3) times the highest monthly rental amount.

57.2. If Lessee has previously provided such FPG to City and if, for any reason, Lessee's monthly monetary obligation to City for use of the Demised Premises under this Lease is thereafter increased in excess of ten percent (10%), then the amount of Lessee's FPG shall, within sixty (60) days after receiving written notice from City, correspondingly be increased to a sum three (3) times of the new monthly amount prescribed under this Lease.

57.3. If Lessee has previously provided such FPG to City and if, for any reason, Lessee's monthly monetary obligation to City for use of the Demised Premises under this Lease is thereafter decreased in excess of ten percent (10%), then the amount of Lessee's FPG may be correspondingly decreased to a sum three (3) times of the new amount prescriber under this Lease, within sixty (60) days following written notice to City by Lessee.

57.4. FPGs of Five Thousand Dollars (\$5,000) or less shall be in the form of a Cashier’s Check, Company Check, Money Order, Certificate of Deposit or Irrevocable Letter of Credit. FPGs in excess of Five Thousand Dollars (\$5,000) shall be in the form of an Irrevocable Letter of Credit. Letters of Credit shall be self-renewing from year-to-year and shall remain in full force and effect for a minimum period of ninety (90) days following termination or cancellation of the Lease. However, the Irrevocable Letter of Credit may be subject to termination upon sixty (60) days written notice (subject to Subsection 57.5), provided that, Lessee shall first give City notice in writing of its intent to terminate the Letter of Credit and provide a replacement Irrevocable Letter of Credit to the City so that there is no lapse in coverage. All FPGs must be approved as to form by the City Attorney.

57.5. Lessee shall furnish one original and one copy of such FPG prior to commencement of the Lease or within thirty (30) days following notice of adjustment of the rent. If, for any reason, said FPG is not provided by Lessee and/or is not thereafter maintained in sufficient amount throughout the Term hereof, or replenished within sixty (60) days of drawdown, City, subject to the notice requirements of Article 2, Subsection 71.1.2, may terminate this Lease at any time upon giving Lessee a thirty (30) day advance written notice. Upon the expiration or earlier termination

of this Lease, and if Lessee has satisfied all of its obligations to City hereunder, City shall relinquish to Lessee said FPG following such expiration or earlier termination and satisfaction of all obligations to City within sixty (60) days of that determination. The FPG shall be submitted to:

**Los Angeles World Airports  
Attn: Accounting/Revenue FPG Administrator  
PO Box 92216  
Los Angeles CA 90009-2216**

**Section 58. Improvements and Alterations.**

58.1. By Lessee.

58.1.1. Prior to the construction of any improvements on and after the Effective Date, including but not limited to structural improvements, additions, alterations, or signs, Lessee shall obtain approval from the City through its Tenant Improvement Approval Process (TIAP). Lessee shall submit to the City for concept approval the preliminary plans and estimated construction cost for such improvements. Said approval, subject to the conditions set forth herein, shall be given in a reasonably timely manner. Upon approval by the Chief Executive Officer of Lessee's preliminary plans, Lessee shall prepare working drawings and specifications which shall be true and correct developments of the preliminary plans so approved. Lessee shall then submit a written request for construction approval and a minimum of five (5) complete sets of said approved working drawings and copies of the specifications to the City for written approval by the Chief Executive Officer. The Chief Executive Officer's written approval and any conditions related to the construction of the improvements or alterations shall become a part of the Lease as though fully set forth herein once the document is fully executed by both parties. Upon receipt of the Chief Executive Officer's approval, Lessee shall cause the construction called for by the approved working drawings and specifications to be commenced and completed promptly. No substantial changes, additions, or alterations shall be made in said working drawings or specifications, or in the construction called for thereby, without first obtaining the Chief Executive Officer's approval in writing. As required by TIAP and upon completion of the improvements approved by the City, Lessee shall furnish to City, at no charge, three complete sets of "record" drawings, and one complete set in Computer Aided Design (CAD) format which complies with the then current LAWA CAD standards. These drawings must include any applicable permit numbers, the structural and other improvements installed by Lessee in the Demised Premises, and the location and details of installation of all equipment, utility lines, heating, ventilating, and air-conditioning ducts and related matters. Lessee shall keep said drawings current by updating them in order to reflect any changes or modifications which may be made in or to the Demised Premises.

58.1.2. Any conditions, restrictions, or limitations placed upon the approval of Lessee improvements by the Chief Executive Officer pursuant to Section 58.1.1 shall be conditions of this Lease as though fully set forth herein once the document is fully executed by both parties. Lessee shall hold City harmless from liability with respect to any claims regarding any improvements, additions, or alterations made thereto.

58.1.3. As required by TIAP, for each and every construction or alteration project

undertaken on the Demised Premises on and after the Effective Date, Lessee shall prepare a final construction report. This report shall contain the following elements: (1) type of improvement constructed or altered; (2) floor area or capacity of improvement constructed or altered; (3) total cost of construction or alteration including a detailed cost breakdown; (4) completion date for construction or alteration; and (5) a copy of the certificate of occupancy. The construction report shall be delivered to the City at the address provided in the Notices Section of the Lease no later than sixty (60) days following completion, and applicable permitting approvals of the construction or alteration.

58.1.4. Lessee shall also keep the Demised Premises and any improvements constructed thereon free and clear of liens for labor and material expended by or for Lessee or on its behalf in accordance with Article 2, Section 59 Liens, herein.

58.1.5. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Administration Regulations, in the event any future structure or building is planned for the Demised Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Demised Premises.

58.1.6. Lessee agrees that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation obstruction contours shown on the contour drawings on file with the City, if applicable. In the event the aforesaid covenants are breached, City reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.

58.1.7. Before any work is performed on or within the Demised Premises, as described in the aforementioned subsection 58.1.1, Lessee may be required to file Payment and Performance Bonds with the City. Furthermore, Lessee agrees to require its contractors to file with the City any Payment Bonds as required by TIAP. All required Payment and Performance Bonds must be approved by the City before any work commences.

## 58.2. By City.

58.2.1. City reserves the right to further develop or improve the landing area of Airport or any other portion of the Airport, as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance. If any such development or improvement interferes substantially with Lessee's use and occupancy of the Demised Premises, Lessee shall be entitled to an appropriate reduction in Monthly Rent or termination of this Lease.

58.2.2. City reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.

58.2.3. Lessee acknowledges that the City retains the right without compensation to Lessee to install or use antennae or telecommunications equipment on the roof or exterior of any building or structure on the Demised Premises (and the right to install and attach cables, wires and conduits on, over or under the Demised Premises), or to lease or license

others to do so. City agrees to install such antennae and/or telecommunications equipment in such a manner that will not cause a loss of water-tightness in the roof or wall structures or their related components. The right to install or use said antennae or telecommunications equipment shall not include the right to penetrate fully through roof or wall structures owned by Lessee without first obtaining approval of the Lessee, which approval may not be unreasonably withheld. City further agrees to repair any damage caused by City's installation of antennae or telecommunications equipment on the roof or exterior of any building or structure on the Demised Premises. City will make best efforts not to interfere with the use of the Demised Premises, as described herein, during the installation or maintenance of such antennae and/or telecommunications equipment.

### **Section 59. Liens.**

59.1. During the Term of this Lease, the fee interest in the real property underlying the Demised Premises shall not be used as security for any loans or mortgages or otherwise have any liens placed on it. Additionally, Lessee shall keep any City-owned improvements on the Demised Premises free and clear of any liens or other encumbrances. By way of specification without limitation, Lessee shall keep the Demised Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Lessee and shall indemnify, hold harmless and defend City from any liens and encumbrances arising out of any work performed or materials furnished by or at the request of Lessee. In the event that Lessee does not, within thirty (30) calendar days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, City shall have in addition to all other remedies provided herein and by law, the right, but not the obligation to cause, upon ten (10) business days prior written notice to Lessee, the same to be released by such means as it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. All such sums paid by City and all expenses incurred by it in connection therewith, including costs, attorney's fees, and a 15% administrative fee, shall be paid by Lessee to City on demand. Nothing in this Section shall be construed to limit any rights of Lessee to use its leasehold interest as security for any loans to the extent that such use is permitted under this Lease. Nothing in this Section shall be construed to place any obligations upon Lessee with respect to liens, loans, or mortgages placed upon the Demised Premises by City, its Department of Airports, its Board, City officers, agents, or employees.

### **Section 60. Modification to Size of Demised Premises.**

60.1. Modification of Premises and Documents. Addition or deletion of space for which Lessee is charged, not to exceed a cumulative total of twenty percent (20%) of the Demised Premises as described at the commencement of the Lease, may be made by mutual approval by City and Lessee, which such approval shall not be unreasonably delayed or withheld. Such addition or deletion shall be by written amendment and shall specify appropriate adjustments in rental, charges, or credits, as applicable, and shall not require approval by Board or Council, unless the modification involves an amount in excess of \$150,000 per year, in which case prior Board approval shall be required. The Chief Executive Officer shall revise and replace the Demised Premises, Exhibit A, and the Payments, Exhibit B, as necessary.

### **60.2. Intentionally Omitted.**

60.3. Damage to or Destruction of Improvements. If, during the Term of this Lease, any buildings, structures, or improvements on the Demised Premises are partially or totally destroyed from a risk covered by the insurance described in the Article 2, Section 65, Insurance, herein, thereby rendering said Demised Premises partially or totally inaccessible or unusable, Lessee must restore the Demised Premises to substantially the same condition as they were immediately before destruction.

60.3.1. If, during the Term of this Lease, improvements on the Demised Premises are partially or totally destroyed from a risk not covered by the fire and extended coverage insurance described in the Insurance, Exhibit E, herein, thereby rendering said Demised Premises partially or totally inaccessible or unusable, such destruction shall not automatically terminate this Lease. If, however, the cost of restoration exceeds ten percent (10%) of the full replacement value of improvements, as said value existed immediately before said destruction, Lessee may, at Lessee's option, terminate this Lease by giving written notice to City within sixty (60) days from the date of destruction. If Lessee elects to terminate as above provided, Lessee shall be obligated, unless otherwise directed by City, to demolish all damaged improvements and remove all debris from the Demised Premises at Lessee's sole cost. If Lessee fails to exercise its right to terminate this Lease, this Lease shall continue in full force and effect for the remainder of the Term specified herein and Lessee shall restore the Demised Premises to substantially the same condition as they were in immediately before destruction.

#### **Section 61. Ownership of Improvements.**

61.1. During the Term of this Lease, title to all Lessee Improvements and Equipment, including structures, improvements, facilities, or alterations constructed or installed by Lessee during the Term of this Lease, shall remain in Lessee. Upon the termination of this Lease, any structures, improvements, facilities, or alterations other than the Lessee Improvements & Equipment, fixtures, machines, equipment, and similar installations of a type commonly removed without structural damage to the Demised Premises shall become a part of the land upon which they are constructed, or of the building to which they are affixed, and title thereto shall thereupon vest in City, unless City requests Lessee to remove some or all of said structures, improvements, facilities, or alterations. If so requested, Lessee shall promptly remove said items at Lessee's sole cost and expense, including full remediation and restoration of the Demised Premises pursuant to Article 2, Section 74, herein. In the event the removal of any Lessee Improvements & Equipment or fixtures damages any part of the Demised Premises, Lessee shall repair such damage and restore the Demised Premises to as good condition as the same was in prior to said damage, reasonable wear and tear excepted, as may be required and approved by the City.

61.2. During the Term of this Lease, title to all structures, improvements, facilities, or alterations constructed or installed by Lessee during the Term of this Lease for which Lessee has been reimbursed by City shall thereupon vest in City, but are still subject to removal by Lessee, at Lessee's sole cost and expense.

61.3. Upon title to said structures, improvements, facilities, or alterations vesting in City, City shall be entitled to reasonable rent, fees and/or other charges, as determined by the Board,

and Lessee shall be obligated to pay same for as long as Lessee occupies said structures, improvements, facilities and alterations.

**Section 62. Signs.**

62.1. No identification signs pertaining to Lessee's operations shall be installed or placed in or on the Demised Premises or Airport until Lessee has submitted to the Chief Executive Officer drawings, sketches, design dimensions, and type and character of such identification signs proposed to be placed thereon or therein and has received written approval from the Chief Executive Officer. The Chief Executive Officer's written approval and any conditions related to the subject signs shall become a part of the Lease as though fully set forth herein once the document is fully executed by both parties. The City acknowledges that it has previously approved the signs on the Demised Premises existing as of the Effective Date.

62.2. Other than approved identification signs, Lessee shall not, at any time, under any circumstances, install, place, or maintain any type of advertising, on the Demised Premises.

**Section 63. Maintenance and Repair of Demised Premises.**

63.1. Except as otherwise expressly stated in this Lease and in accordance with Exhibit D, Lessee, solely at its own cost and expense, shall keep and maintain the Demised Premises and all improvements in good repair and working order, reasonable wear and tear excepted, and in a clean, properly maintained, and safe condition. All maintenance, repairs, and replacements shall be in accordance with: applicable prevailing industry maintenance standards; maintenance requirements which City may develop; in compliance with all manufacturers' recommendations, warranties and guarantees; and all federal, state, and local government rules and regulations. Lessee shall keep the Demised Premises, at all times, free and clear of weeds, wastepaper, discarded plastic, graffiti, discarded pallets, and all other trash and debris of any kind.

63.2. If Lessee fails to so maintain or repair the Demised Premises, City may serve a "Notice to Cure" upon Lessee. Said Notice shall prescribe the work to be accomplished by Lessee in order to correct the maintenance deficiencies and shall state the due date by which Lessee shall have to complete the work as prescribed in the Notice. In addition, a copy of the "Notice to Cure" may be posted on the Demised Premises in a conspicuous place. Furthermore, City retains the right, but not the obligation, to make emergency repairs when, in the sole determination of the Chief Executive Officer, failure to take immediate action will damage the facilities or disrupt operations, at Lessee's sole cost and expense, plus an administrative fee in the amount of 15% of cost.

63.3. If, in the opinion of the Chief Executive Officer, any default is of such nature that it cannot physically be corrected within the period originally specified by City, and if the party in default has responded with a course of action and has commenced to remedy such default promptly after the receipt of such Notice, and shall continuously and diligently proceed in good faith to eliminate such default, then the period for correction shall be extended for such length of time as is reasonably necessary to complete the same.

63.4. If the work prescribed in the "Notice to Cure" is not completed by Lessee in a manner reasonably satisfactory to the Chief Executive Officer, and Lessee fails to correct such work within

the time specified by City in the mailed Notice, or as set forth in Article 2, Subsection 63.3, City may, at City's sole option, and at Lessee's sole cost and expense, enter upon the Demised Premises and perform whatever work may, in the opinion of the Chief Executive Officer, be required to correct the maintenance deficiencies. If City exercises this option, Lessee shall pay to City a sum equal to the direct cost of labor and materials expended for said work, plus a surcharge equal to fifty percent (50%) of said direct cost. Payment shall be made within thirty (30) days of invoice date.

#### **Section 64. City's Right of Access and Inspection.**

64.1. City, by and through its officers, employees, agents, representatives, and contractors, shall have the right at all reasonable times and in a reasonable manner, upon notice to Lessee, to enter upon the Demised Premises for the purpose of inspecting the same or for doing any act or thing which City may be obligated or have the right to do under this Lease, or otherwise, and no abatement of rental shall be claimed by or allowed to Lessee by reason of the exercise of such rights. In the exercise of its rights under this Section, City, its officers, employees, agents, and contractors shall not unreasonably interfere with the conduct of Lessee's business on the Demised Premises as herein authorized.

#### **Section 65. Insurance.**

65.1. Lessee shall procure at its expense, and keep in effect at all times during the Term of this Lease, the types and amounts of insurance specified on Insurance, Exhibit E, attached hereto and incorporated by reference herein. The specified insurance shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include and insure City, its Department of Airports, its Board and all of City's officers, employees, and agents, their successors and assigns, as additional insureds, against the areas of risk described on Insurance, Exhibit E, hereof with respect to Lessee's acts or omissions in its operations, use, and occupancy of the Demised Premises or other related functions performed by or on behalf of Lessee in, on or about Airport.

65.2. Each specified insurance policy (other than Workers' Compensation and Employers' Liability and fire and extended coverages) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Lease with the City of Los Angeles."

65.3. All such insurance shall be primary and noncontributing with any other insurance held by City and its Department of Airports where liability arises out of or results from the acts or omissions of Lessee, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Lessee. Such policies may provide for reasonable deductibles and/or retentions acceptable to the Chief Executive Officer based upon the nature of Lessee's operations and the type of insurance involved.

65.4. City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, its Department of Airports, Board and all of City's officers, employees, and

agents, their successors and assigns, as insureds is not intended to, and shall not, make them, or any of them, a partner or joint venturer with Lessee in Lessee's operations at Airport. In the event Lessee fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten (10) days prior written notice to comply, may (but shall not be required to) procure such insurance at the cost and expense of Lessee, and Lessee agrees to promptly reimburse City for the cost thereof plus fifteen percent (15%) for administrative overhead. Payment shall be made within thirty (30) days of invoice date.

65.5. At least ten (10) days prior to the expiration date of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, Lessee shall, within fifteen (15) days of such cancellation of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

65.6. Lessee shall provide proof of all specified insurance and related requirements to City either by production of a broker's letter acceptable to the Chief Executive Officer, in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the Chief Executive Officer. The documents evidencing all specified coverages shall be filed with City in duplicate and shall be procured and approved in strict accordance with the provisions in Sections 11.47 through 11.56 of City's Administrative Code prior to the Effective Date. The documents shall contain the applicable policy number, the inclusive dates of policy coverages, and the insurance carrier's name, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

65.7. City and Lessee agree that the insurance policy limits specified herein shall be reviewed for adequacy annually throughout the Term of this Lease by the Chief Executive Officer who may, thereafter, require Lessee, on thirty (30) days prior, written notice, to adjust the amounts of insurance coverage to whatever reasonable amount said Chief Executive Officer deems to be adequate.

65.8. Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code Sections 1760 through 1780, and any other regulations and/or directives from the State Department of Insurance or other regulatory board or agency. Lessee agrees, except where exempted, to provide City proof of said insurance by and through a surplus line broker licensed by the State of California.

#### **Section 66. City Held Harmless.**

66.1 In addition to the requirements of Section 65, Insurance herein, Lessee shall, to the fullest extent permitted by law, defend (with counsel satisfactory to City), indemnify and hold harmless City and any and all of its boards, commissioners, officers, directors, agents, employees, assigns and successors in interest (collectively "City Defendants") from and against any and all allegations, suits, claims, causes of action, liability, losses, damages, demands or expenses (including, but not limited to, attorney's fees and costs of litigation) (collectively "Claims"),

prosecuted by anyone (including Lessee and/or Lessee's agents, former and current employees, or competitors) by any reason of, arising out of, related to, connected with or pertaining to: (1) the acts or omissions of Lessee, its agents, servants, employees, or invitees; (2) the Lease, or (3) the Demised Premises, except to the extent that Lessee proves to City that such Claim was caused by City's willful misconduct.

66.2 In Lessee's defense of the City under Section 66.1, including but not limited to the negotiation, compromise, and settlement of any action, the City shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, Sections 271, 272 and 273 thereof.

66.3 Survival of Indemnities. The provisions under this Section 66 shall survive the termination of this Lease. Rights and remedies available to the City hereinabove shall survive the termination of this Lease. Further, the rights and remedies are cumulative of those provided for elsewhere in this Lease and those allowed under the laws of the United States, the State of California, and the City of Los Angeles.

**Section 67. Nondiscrimination and Equal Employment Practices/Affirmative Action Program.**

67.1. Federal Non-Discrimination Provisions.

67.1.1. The Lessee for itself, its heirs, representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

67.1.2. The Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

67.1.3. The Lessee assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates

the Lessee or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

67.1.4. Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

67.1.5. Lessee agrees that it shall insert the provisions found in Subsections 67.1.3 and 67.1.4 above in any sublease, assignment, license, or permit by which said Lessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Demised Premises herein leased.

## 67.2. Municipal Non-Discrimination Provisions.

67.2.1. Non-Discrimination in Use of Premises. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Demised Premises or any part of the Demised Premises or any operations or activities conducted on the Demised Premises or any part of the Demised Premises. Nor shall Lessee or any person claiming under or through Lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of Lessees, sublessees, or vendees of the Demised Premises. Any sublease or assignment which may be permitted under this Lease shall also be subject to all non-discrimination clauses contained in Article 2, Section 67.2.

67.2.2. Non-Discrimination in Employment. During the Term of this Lease, Lessee agrees and obligates itself in the performance of this Lease not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition. Lessee shall take affirmative action to ensure that applicants for employment are treated, during the Term of this Lease, without regard to the aforementioned factors and shall comply with the affirmative action requirements of the Los Angeles Administrative Code, Sections 10.8, et seq., or any successor ordinances or law concerned with discrimination.

67.2.3. Equal Employment Practices. If the total payments made to City under this lease are \$1,000 (one thousand dollars) or more, this provision shall apply. During the performance of this Lease, Lessee agrees to comply with Section 10.8.3 of the Los Angeles

Administrative Code ("Equal Employment Practices"), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this Lease for the convenience of the parties as Exhibit F. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Lessee to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. 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 Lessee. Upon a finding duly made that Lessee has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated, cancelled, or suspended.

67.2.4. Affirmative Action Program. If the total payments to City under this Lease are \$100,000 (one hundred thousand dollars) or more, this provision shall apply. During the performance of this Lease, Lessee agrees to comply with Section 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"), which is incorporated herein by this reference. A copy of Section 10.8.4 has been attached to this Lease for the convenience of the parties as Exhibit G. By way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the Los Angeles Administrative Code, the failure of Lessee to comply with the Affirmative Action Program provisions of this Lease may be deemed to be a material breach of this Lease. 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 Lessee. Upon a finding duly made that Lessee has failed to comply with the Affirmative Action Program provisions of this Lease, this Lease may be forthwith terminated, cancelled, or suspended.

#### **Section 68. Taxes, Permits and Licenses.**

68.1. Lessee shall pay any and all taxes of whatever character that may be levied or charged upon the Demised Premises, or upon Lessee's improvements, fixtures, equipment, or other property thereon or upon Lessee's use thereof. Lessee shall also pay all license or permit fees necessary or required by law or regulation for the conduct of Lessee's business or use of the Demised Premises.

68.2. If a claim is made against City for any of the above charges, City shall promptly notify Lessee in writing; provided, however, that failure by City to give such notice shall not constitute a waiver of Lessee's obligation to pay such taxes, license and/or permit fees.

68.3. In addition, by executing this Lease and accepting the benefits thereof, a property interest may be created known as a "possessory interest." If such possessory interest is created, Lessee, as the party in whom the possessory interest is vested, shall be subject to the payment of the property taxes levied upon such interest.

68.4. The obligations of Lessee under this Section, however, shall not prevent Lessee from contesting the validity and/or applicability of any of the above charges and during the period of any such lawful contest, Lessee may refrain from making, or direct the withholding of, any such payment without being in breach of the above provisions. Upon a final determination in which Lessee is held responsible for such taxes and/or fees, Lessee shall promptly pay the required

amount plus all legally imposed interest, penalties and surcharges. If all or any part of such taxes and/or fees, penalties, or surcharges are refunded to City, City shall remit to Lessee such sum(s) to which Lessee is legally entitled.

**Section 69. Assignments and Subleases.**

69.1. Lessee shall not, in any manner, assign, transfer, or encumber this Lease, or any portion thereof or any interest therein, without the prior written consent of the Chief Executive Officer, nor sublet or sublease the whole or any part of the Demised Premises, nor license or permit the use of the same, in whole or in part, without the prior written consent of the Chief Executive Officer. Any attempts to transfer, assign, or sublease without the consent required by this Section shall be void and shall transfer no rights to the Demised Premises. Consent to one assignment, subletting, or use, or occupation shall not be deemed to be a consent to any subsequent assignment, subletting, occupation, or use. This Lease shall not, nor shall any interest therein, be assignable as to the interest of Lessee by operation of law without the prior written consent of Chief Executive Officer.

69.2. City shall not unreasonably withhold its consent to the assignment of this Lease or the subletting of the Demised Premises or any portion thereof; provided, however, that the use of said premises by any such assignee or sublessee must be consistent with the use authorized herein, any prospective assignee must have a credit rating equal to or greater than the Lessee, and the prospective sublessee and/or assignee must agree to execute City's Consent to Sublease and/or Assignment Agreement. A request by Lessee for assignment or subletting shall be submitted to City in writing along with a fully executed copy of the proposed assignment or sublease, as well as a copy of all contracts or writings which set forth payments from sublessee(s)/assignee(s) to Lessee and/or which describe the acts or services to be performed by or for the sublessee(s)/assignee(s) in connection with the use of the space covered by Lease. Lessee shall promptly advise City of early termination of assignments or subleases.

69.3. In the case of an assignment, Lessee shall pay to City fifty percent (50%) of any monetary or other economic consideration received by Lessee as a result of the assignment over and above the amount of Lessee's rental and other payments due City pursuant to this Lease (excluding any consideration attributed to assets other than this Lease) after first deducting the unamortized cost of leasehold improvements which costs had been approved by City and paid for by Lessee. For the purpose of this Section, an ownership change of more than 50% shall be considered an assignment.

69.4. In the case of a sublease requiring the Chief Executive Officer's consent to a change of use of the Demised Premises, as a condition to the Consent to Sublease, it shall not be deemed unreasonable for the City to require that Lessee shall pay to City 50 percent (50%), of any monetary or other economic consideration received by Lessee as a result of the sublease over and above the amount of Lessee's rental and other payments due City pursuant to this Lease (excluding any consideration attributed to assets other than this Lease), after first deducting the unamortized cost of leasehold improvements which costs had been approved by City and paid for by Lessee.

69.5. In the case of a sublease, as a condition to the Consent to Sublease, it shall not be deemed unreasonable for the City to require that Lessee shall pay to City ten percent (10%) of the gross monetary or other economic consideration, including but not limited to rent, received by

Lessee as a result of the sublease. In addition to City's audit rights under Article 2, Section 56 herein, Lessee shall within thirty (30) days upon City's request provide City with a written report describing the calculation of the amounts paid by Lessee for the period requested by City. The application of this Section 69.5 shall not limit the application of Section 69.4 if Section 69.4 is otherwise applicable.

**Section 70. Intentionally Omitted.**

**Section 71. Default.**

71.1. Default Events. The following events shall be deemed to be events of default by Lessee under the Lease:

71.1.1. Lessee fails to pay any Monthly Rent due under this Lease, which failure continues for a period of ten (10) days after such payment should have been paid pursuant to the terms and conditions of this Lease;

71.1.2. Lessee fails to comply with any term, provision or covenant of this Lease, other than paying its Monthly Rent, and does not cure such failure within ten (10) days after Lessor has sent written notice to Lessee specifying such failure or such longer period of time as may be granted by Chief Executive Officer to cure such default as long as Lessee commences to cure such default within such ten (10) day period and diligently proceeds to cure such default;

71.1.3. Lessee makes an assignment of this Lease, or any rights granted to Lessee hereunder, to, and for the benefit of, Lessee's creditors;

71.1.4. Lessee, within thirty (30) days after the commencement of any proceeding against Lessee seeking adjudication of bankruptcy or reorganization, rearrangement, composition, readjustment, liquidation, dissolution or similar relief, fails to cause such proceedings to be dismissed;

71.1.5. Lessee, within sixty (60) days after the appointment without Lessee's consent or acquiescence of any trustee, receiver, or liquidator of the Lessee or a material part of its assets, causes such appointment to be vacated.

71.1.6. The interests of Lessee under this Lease shall not, except at City's option and with its written consent, be assignable by operation of law. In case of the bankruptcy of Lessee, or the appointment of a receiver for Lessee and such receiver is not removed within one hundred twenty (120) days from the date of appointment, or if a receiver is appointed to take possession of the Demised Premises as a result of any act or omission of Lessee and such receiver is not removed within one hundred twenty (120) days from the date of appointment, or if Lessee makes an assignment of this Lease for the benefit of creditors, or if possession of the Demised Premises is taken by virtue of any attachment, execution, or the levy of any judicial process, City, at its election, may, after written notice to Lessee, terminate this Lease.

71.2. Lessor's Remedies. Upon the occurrence of a Default Event, City, in addition to any other rights or remedies available to City at law or in equity, shall have the right to:

71.2.1. Terminate this Lease and all rights of Lessee under this Lease, by giving Lessee thirty (30) days written notice that this Lease is terminated, in which case, the provisions of Article 2, Section 61, Ownership of Improvements, herein, shall apply and City may recover from Lessee the aggregate sum of:

71.2.1.1. The worth at the time of award of any unpaid rent that had been earned at the time of termination;

71.2.1.2. The worth at the time of award of the amount by which (A) the unpaid rent that would have been earned after termination until the time of award exceeds (B) the amount of rental loss, if any, that Lessee affirmatively proves could be reasonably avoided;

71.2.1.3. The worth at the time of award of the amount by which (A) the unpaid rent for the balance of the Term after the time of award exceeds (B) the amount of rental loss, if any, that Lessee affirmatively proves could be reasonably avoided;

71.2.1.4. Any other amount necessary to compensate City for all the detriment caused by Lessee's failure to perform Lessee's obligations or that, in the ordinary course of things, would be likely to result from Lessee's failure; and

71.2.1.5. All other amounts in addition to or in lieu of those previously set out as may be permitted from time to time by applicable California law.

71.2.1.6. As used in Subsections 71.2.1.1. and 71.2.1.2. of this Section, the "worth at the time of award" is computed by adding interest at the rate of ten percent (10%) per annum. As used in Subsection 71.2.1.3 of this Section, the "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%). As used in this Section, the Term "rent" shall include the Monthly Rent and any and all other payments required by Lessee under this Lease.

71.2.2. Continue this Lease, and from time to time, without terminating this Lease,  
either

71.2.2.1. Recover all rent and other amounts payable as they become due  
or,

71.2.2.2. Relet the Demised Premises or any part on behalf of Lessee on terms and at the rent that City, in City's sole discretion, may deem advisable, all with the right to make alterations and repairs to the Demised Premises, at Lessee's sole cost, and apply the proceeds of reletting to the rent and other amounts payable by Lessee. To the extent that the rent and other amounts payable by Lessee under

this Lease exceed the amount of the proceeds from reletting, the City may recover the excess from Lessee as and when due.

71.2.3. Upon the occurrence of a Default Event, City shall also have the right, with or without terminating this Lease, to re-enter the Demised Premises and remove all property from the Demised Premises. City may store the property removed from the Demised Premises at the expense and for the account of Lessee.

71.2.4. None of the following remedial actions, alone or in combination, shall be construed as an election by City to terminate this Lease unless City has in fact given Lessee written notice that this Lease is terminated or unless a court of competent jurisdiction decrees termination of this Lease: any act by City to maintain or preserve the Demised Premises; any efforts by City to relet the Demised Premises; any re-entry, repossession, or reletting of the Demised Premises by City pursuant to this Section. If City takes any of the previous remedial actions without terminating this Lease, City may nevertheless at any later time terminate this Lease by written notice to Lessee.

71.2.5. If City relets the Demised Premises, City shall apply the revenue from the reletting as follows: first, to the payment of any indebtedness other than rent due from Lessee to City; second, to the payment of any cost of reletting; third, to the payment of the cost of any maintenance and repairs to the Demised Premises; and fourth, to the payment of rent and other amounts due and unpaid under this Lease. City shall hold and apply the residue, if any, to payment of future amounts payable under this Lease as the same may become due, and shall be entitled to retain the eventual balance with no liability to Lessee. If the revenue from reletting during any month, after application pursuant to the previous provisions, is less than the sum of (i) City's expenditures for the Demised Premises during that month and (ii) the amounts due from Lessee during that month, Lessee shall pay the deficiency to City immediately upon demand.

71.2.6. After the occurrence of a Default Event, City, in addition to or in lieu of exercising other remedies, may, but without any obligation to do so, cure the breach underlying the Default Event for the account and at the expense of Lessee. However, City must by prior written notice first allow Lessee a reasonable opportunity to cure, except in cases of emergency, where City may proceed without prior notice to Lessee. Lessee shall, upon demand, immediately reimburse City for all costs, including costs of settlements, defense, court costs, and attorney fees, that City may incur in the course of any cure.

71.2.7. No security or guaranty for the performance of Lessee's obligations that City may now or later hold shall in any way constitute a bar or defense to any action initiated by City or unlawful detainer or for the recovery of the Demised Premises, for enforcement of any obligation of Lessee, or for the recovery of damages caused by a breach of this Lease by Lessee or by a Default Event.

71.2.8. Except where this is inconsistent with or contrary to any provisions of this Lease, no right or remedy conferred upon or reserved to either party is intended to be exclusive of any other right or remedy, or any right or remedy given now or later existing at law or in equity or by statute. Except to the extent that either party may have otherwise

agreed in writing, no waiver by a party of any violation or nonperformance by the other party of any obligations, agreements, or covenants under this Lease shall be deemed to be a waiver of any subsequent violation or nonperformance of the same or any other covenant, agreement, or obligation, nor shall any forbearance by either party to exercise a remedy for any violation or nonperformance by the other party be deemed a waiver by that party of the rights or remedies with respect to that violation or nonperformance.

71.3. Cross Default. A material breach of the terms of any other lease, license, permit, or contract held by Lessee with City shall constitute a material breach of the terms of this Lease and shall give City the right to terminate this Lease for cause in accordance with the procedures set forth in this Section.

**71.4. Intentionally Omitted.**

**Section 72. Waiver.**

72.1. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other term, covenant, or condition, or of any subsequent breach of the same term, covenant, or condition. The subsequent acceptance of rent hereunder by City shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Lease other than the failure of Lessee to pay the particular rent so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent.

**Section 73. Attorney's Fees.**

73.1. If City shall, without any fault, be made a party to any litigation commenced by or against Lessee arising out of Lessee's use or occupancy of the Demised Premises, then Lessee shall pay all costs, expenses, and reasonable attorney's fees incurred by or imposed upon City in connection with such litigation. Each party shall give prompt notice to the other of any claim or suit instituted against it that may affect the other party.

**Section 74. Hazardous and Other Regulated Substances.**

74.1. Definition of "hazardous substance(s)". For the purposes of this Lease, "hazardous substances" means:

74.1.1. Any substance the presence of which requires the investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action, policy or common law; or

74.1.2. Any substance which is or becomes defined as a hazardous waste, extremely hazardous waste, hazardous material, hazardous substance, hazardous chemical, toxic chemical, toxic substance, cancer causing substance, substance that causes reproductive harm, pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.)

and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

74.1.3. Any substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, council, board, or instrumentality of the United States, the State of California, the City of Los Angeles, or any political subdivision of any of them; or

74.1.4. Any substance the presence of which on the Demised Premises causes or threatens to cause a nuisance upon the Demised Premises or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Demised Premises; or

74.1.5. Any substance the presence of which on adjacent properties could constitute a trespass by Lessee; or

74.1.6. Any substance, without limitation, which contains gasoline, aviation fuel, jet fuel, diesel fuel or other petroleum hydrocarbons, lubricating oils, solvents, polychlorinated biphenols (PCBs), asbestos, urea formaldehyde or radon gases.

74.2. Environmental Indemnity. Except for conditions existing prior to the original occupancy of the Demised Premises by Lessee or by Lessee's predecessors in interest, Lessee agrees to accept sole responsibility for full compliance with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or other orders of any governmental entity regarding the use, storage, handling, distribution, processing, and/or disposal of hazardous substances, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the owner of any improvements on the Demised Premises, on the user of the land, or on the user of the improvements. Lessee agrees that any claims, damages, penalties, or fines asserted against or levied on City and/or the Lessee as a result of noncompliance with any of the provisions in this Section shall be the sole responsibility of the Lessee and that Lessee shall indemnify and hold City harmless from all such claims, damages, penalties, or fines. Further, City may, at its option, pay such claims, damages, penalties, or fines resulting from Lessee's non-compliance with any of the terms of this Section, and Lessee shall indemnify and reimburse City for any such payments.

74.3. Except for conditions existing prior to the original occupancy of the Demised Premises by Lessee or Lessee's predecessors in interest, in the case of any hazardous substance spill, leak, discharge, release or improper storage on the Demised Premises or contamination of the Demised Premises by any person, Lessee agrees to make or cause to be made any necessary repairs or corrective actions as well as to clean up and remove any spill, leakage, discharge, release or contamination, in accordance with applicable laws. In the case of any hazardous substance spill, leak, discharge, release or contamination by Lessee or its employees, servants, agents, contractors, or subcontractors on the Demised Premises or as may be discharged or released by Lessee or its employees, servants, agents, contractors, or subcontractors in, on or under adjacent property which affects other property of City or its lessees, Lessee agrees to make or cause to be made any necessary corrective actions to clean up and remove any such spill, leakage, discharge, release or contamination. If Lessee fails to repair, clean up, properly dispose of, or take any other corrective actions as required herein, City may (but shall not be required to) take all steps it deems necessary

to properly repair, clean up, or otherwise correct the conditions resulting from the spill, leak, discharge, release or contamination. Any such repair, cleanup, or corrective actions taken by City shall be at Lessee's sole cost and expense and Lessee shall indemnify and pay for and/or reimburse City for any and all costs (including any administrative costs) City incurs as a result of any repair, cleanup, or corrective action it takes.

74.4. If Lessee installs or uses already installed underground storage tanks, above-ground storage tanks, pipelines, or other improvements on the Demised Premises for the storage, distribution, use, treatment, or disposal of any hazardous substances, Lessee agrees, upon the expiration and/or termination of this Lease, to remove the above referenced improvements, clean up releases of hazardous substances, or both, at the sole option of the Chief Executive Officer, the above-referred-to improvements. Said removal and/or cleanup shall be at the Lessee's sole cost and expense and shall be undertaken and completed in full compliance with all federal, state, and local laws and regulations, as well as with the reasonable directions of the Chief Executive Officer.

74.5. Lessee's Provision to City of Environmental Documents. Unless otherwise agreed to by City, Lessee shall promptly supply City with complete and legible copies of all notices, reports, correspondence, and other documents sent by Lessee to or received by Lessee from any governmental entity regarding any hazardous substance. Such written materials include, without limitation, all documents relating to any threatened or actual hazardous substance spill, leak, or discharge, or to any investigations into or clean-up of any actual or threatened hazardous substance spill, leak, or discharge including all test results.

74.6. Survival of Environmental Indemnity Obligations. This Section and the obligations herein shall survive the expiration or earlier termination of this Lease.

#### **Section 75. Airfield Security.**

75.1. Lessee shall be responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws, airport security agreements, and/or orders of any federal, state, and/or local governmental entity regarding airfield security. Lessee shall be responsible for the maintenance and repair of that portion of the Airport perimeter fence, including gates and doors, located on the Demised Premises or controlled by Lessee. Lessee shall comply fully with applicable provisions of the Transportation Security Administration Regulations, 49 Code of Federal Regulations ("CFR") Sections 1500 through 1550 and 14 CFR Part 129, including the establishment and implementation of procedures acceptable to the Chief Executive Officer to control access from the Demised Premises to air operation areas in accordance with the Airport Security Program required by CFR Sections 1500 through 1550. Further, Lessee shall exercise exclusive security responsibility for the Demised Premises and, if Lessee is an aircraft operator, do so pursuant to Lessee's Transportation Security Administration approved Aircraft Operator Standard Security Program used in accordance with 49 CFR, Parts 1510, 1540 and 1546.

75.2. In addition to the foregoing, gates and doors located on the Demised Premises which permit entry into restricted areas at Airport shall be kept locked by Lessee at all times when not in use or under Lessee's constant security surveillance. Gate or door malfunctions which permit unauthorized entry into restricted areas shall be reported to Department of Airports' Operations Division without delay and shall be maintained under constant surveillance by Lessee until repairs

are effected by Lessee or City and/or the gate or door is properly secured.

75.3. Lessee shall cooperate with City to maintain and improve Airport security, and shall cooperate in investigations of violations of state and local laws, ordinances, and rules and regulations, of any federal, state and/or local governmental entity regarding airport and airfield security. Lessee shall provide necessary assistance to, and cooperate with, City in case of any emergency. Lessee shall, upon request, provide City relevant information which will enable City to provide efficient and effective management in response to any airport or airfield emergency.

75.4. All civil penalties levied by the TSA for violation of TSA Regulations pertaining to security gates or doors located on the Demised Premises or otherwise controlled by Lessee shall be the sole responsibility of Lessee. Lessee agrees to indemnify City for any federal civil penalties amounts City must pay due to any security violation arising from the use of Demised Premises or the breach of any obligation imposed by this Section. Lessee is also responsible for City's attorney's fees and costs.

#### **Section 76. Business Tax Registration.**

76.1. Lessee represents that it has registered its business with the Office of Finance of the City of Los Angeles and has obtained and presently holds from that Office a Business Tax Registration Certificate, or a Business Tax Exemption Number, required by City's Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of City's Municipal Code). Lessee shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended during the Term hereof.

#### **Section 77. Laws, Rules, and Regulations.**

77.1. In relation to its use and occupation of the Demised Premises, Lessee shall be solely responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws, policies and/or orders of any federal, state, and/or local government authority ("Applicable Laws"). This Lease shall be subject to and subordinate to all Applicable Laws and any City agreement or obligation pursuant to Applicable Laws, including but not limited to City's grant assurances to the Federal Aviation Administration.

77.2. In relation to its use and occupation of the Demised Premises, Lessee shall be solely responsible for fully complying with any and all applicable present and/or future orders, directives, or conditions issued, given or imposed by the Chief Executive Officer which are now in force or which may be hereafter adopted by the Board of Airport Commissioners and/or the Chief Executive Officer with respect to the operation of Airport.

77.3. In relation to its use and occupation of the Demised Premises, Lessee shall be solely responsible for any and all civil and/or criminal penalties assessed as a result of its failure to comply with any of these rules, regulations, restrictions, ordinances, statutes, laws, orders, directives and or conditions.

#### **Section 78. Disabled Access.**

78.1. Lessee shall be solely responsible for fully complying with any and all applicable

present and/or future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access to improvements on the Demised Premises including any services, programs, or activities provided by Lessee. Lessee shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Lessee's noncompliance. Further, Lessee agrees to cooperate fully with City in its efforts to comply with the Americans With Disability Act of 1990, and any amendments thereto or successor statutes.

78.2. Should Lessee fail to comply with Subsection 78.1, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Lessee will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

## **Section 79. Living Wage Ordinance and Service Contractor Worker Retention Ordinances.**

### **79.1. Living Wage Ordinance**

79.1.1. General Provisions: Living Wage Policy. This Lease is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code) which is incorporated herein by this reference. A copy of Section 10.37 has been attached hereto for the convenience of the parties as Exhibit H. The LWO requires that, unless specific exemptions apply, any employees of Lessee or Lessees of City property who render services on the leased premises or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Lessee shall 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. Whether or not subject to the LWO, Lessee shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), Lessee agrees to comply with federal law prohibiting retaliation for union organizing.

79.1.2. Living Wage Coverage Determination. An initial determination has been made that this is a public lease under the LWO, and, that it is not exempt from coverage by the LWO. Determinations as to whether this Lease is a public lease or license covered by

the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify Lessee in writing about any redetermination by City of coverage or exemption status. To the extent Lessee claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Lessee to prove such non-coverage or exemption.

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

79.1.4. Subcontractor Compliance. Lessee agrees to include, in every subcontract or sublease covering City property entered into between Lessee and any subcontractor, a provision pursuant to which such subcontractor (A) agrees to comply with the Living Wage Ordinance and the Service Contractor Worker Retention Ordinance with respect to City's property; (B) agrees not to retaliate against any employee lawfully asserting noncompliance on the part of the Subcontractor with the provisions of either the Living Wage Ordinance or the Service Contractor Worker Retention Ordinance; and (C) agrees and acknowledges that City, as the intended third-party beneficiary of this provision may (i) enforce the Living Wage Ordinance and Service Contractor Worker Retention Ordinance directly against the subcontractor with respect to City property, and (ii) invoke, directly against the subcontractor with respect to City property, all the rights and remedies available to City under Section 10.37.5 of the Living Wage Ordinance and Section 10.36.3 of the Service Contractor Worker Retention Ordinance, as same may be amended from time to time.

79.2. Service Contract Worker Retention Ordinance. This Lease may be subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, et seq, of the Los Angeles Administrative Code), which is incorporated herein by this reference. A copy of Section 10.36 has been attached hereto for the convenience of the parties as Exhibit I. If applicable, Lessee must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months

or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the SCWRO.

**Section 80. Child Support Orders.**

80.1. This Lease is subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, which is incorporated herein by this reference. A copy of Section 10.10 has been attached hereto for the convenience of the parties on Exhibit J. Pursuant to this Section, Lessee (and any subcontractor of Lessee providing services to City under this Lease) shall (1) fully comply with all State and Federal employment reporting requirements for Lessee's or Lessee's subcontractor's employees applicable to Child Support Assignments Orders; (2) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (3) maintain such compliance throughout the Term of this Lease. Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, failure of Lessee or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Lessee or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Lessee by City (in lieu of any time for cure provided elsewhere in this Lease).

**Section 81. Visual Artists' Rights Act.**

81.1. Lessee shall not install, or cause to be installed, any work of art subject to the Visual Artists' Rights Act of 1990 (as amended), 17 U.S.C. 106A, et seq., or California Code Section 980, et seq., hereinafter collectively "VARA" on or about the Demised Premises without first obtaining a waiver, in writing, of all rights under VARA, satisfactory to the Chief Executive Officer and approved as to form and legality by the City Attorney's Office, from the artist. Said waiver shall be in full compliance with VARA and shall name City as a party for which the waiver applies.

81.2. Lessee is prohibited from installing, or causing to be installed, any piece of artwork covered under VARA on the Demised Premises without the prior, written approval and waiver of the Chief Executive Officer. Any work of art installed on the Demised Premises without such prior approval and waiver shall be deemed a trespass, removable by City, by and through its Chief Executive Officer, upon three (3) days written notice, all costs, expenses, and liability therefor to be borne exclusively by Lessee.

81.3. Lessee, in addition to other obligations to indemnify and hold City harmless, as more specifically set forth in this Lease, shall indemnify and hold harmless City from all liability resulting from Lessee's failure to obtain City's waiver of VARA and failure to comply with any portion of this provision.

81.4. The rights afforded City under this provision shall not replace any other rights afforded City in this Lease or otherwise, but shall be considered in addition to all its other rights.

**Section 82. Equal Benefits Ordinance.**

82.1. Unless otherwise exempt in accordance with the provisions of the Equal Benefits Ordinance (“EBO”), Lessee certifies and represents that Lessee will comply with the applicable provisions of EBO Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time. A copy of Section 10.8.2.1 has been attached hereto for the convenience of the parties as Exhibit N. Lessee shall not, in any of its operations within the City of Los Angeles or in other locations owned by the City of Los Angeles, including the Airport, discriminate in the provision of Non-ERISA Benefits (as defined below) 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. As used above, the term “Non-ERISA Benefits” shall mean any and all benefits payable through benefit arrangements generally available to Lessee’s employees which are neither “employee welfare benefit plans” nor “employee pension plans”, as those terms are defined in Sections 3(1) and 3(2) of ERISA. Non-ERISA Benefits shall include, but not be limited to, all benefits offered currently or in the future, by Lessee to its employees, the spouses of its employees or the domestic partners of its employees, that are not defined as “employee welfare benefit plans” or “employee pension benefit plans”, and, which include any bereavement leave, family and medical leave, and travel discounts provided by Lessee to its employees, their spouses and the domestic partners of employees.

82.2. Lessee agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the term of a Lease with the City of Los Angeles, the Lessee will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-2625.”

82.3. The failure of Lessee to comply with the EBO will be deemed to be a material breach of the Lease by City. If Lessee fails to comply with the EBO, the City may cancel or terminate the Lease, in whole or in part, and all monies due or to become due under the Lease may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach. Failure to comply with the EBO may be used as evidence against Lessee in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance. If the City determines that Lessee has set up or used its contracting entity for the purpose of evading the intent of the EBO, the City may terminate the Lease.

**Section 83. Condemnation.** The parties hereby agree that:

83.1. If the Demised Premises, or any portion thereof, or any interest therein, are taken by eminent domain, or otherwise, by any governmental authority, or by a "quasi-public entity" for public use, or sold to a governmental authority threatening to exercise the power of eminent domain, this Lease, and Lessee's obligation to pay rent hereunder, shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs, and the rent, fees and/or other charges hereunder shall be apportioned and paid to the date of such

taking. A taking of the Demised Premises includes the taking of easements for air, light and any other easements in the land, including, but not limited to an impairment or taking of access to adjoining streets.

83.2. Effect of Partial Condemnation. In the event a portion of the Demised Premises are appropriated or taken and Lessee, at its sole discretion, determines that the remainder thereof is not suitable for the continued use of the Demised Premises by Lessee for conducting Lessee's operations thereon in the same manner and extent as carried on prior to such taking, Lessee shall have the right to terminate this Lease upon giving City written notice of its intent to exercise said right. Said notice shall be given not more than one hundred twenty (120) days following the date of service of a complaint in eminent domain upon Lessee, or one hundred twenty (120) days following City's demand that Lessee acknowledge its intent to terminate this Lease, unless City and Lessee agree, in writing, to an earlier termination or to extend said period. If Lessee exercises its right to terminate this Lease pursuant to this Subsection 83.2, Lessee shall give City thirty (30) days prior written notice of the effective date of said termination.

83.2.1. If, in the event of such taking of a portion of the Demised Premises, Lessee does not terminate this Lease, this Lease shall continue in full force and effect as to the part not taken, and the rent to be paid by Lessee during the remainder of the Term, subject to adjustment as provided elsewhere in this Lease, shall be as follows: the land and improvement rental shall be reduced in the same proportion as the land taken by eminent domain bears to the area of the Demised Premises before the taking.

83.2.2. In determining whether a partial condemnation renders the remainder of the Demised Premises unsuitable for the use then being made of the Demised Premises by Lessee, Lessee, among other things, shall take into consideration the cost of restoration, the rentable area of the remaining improvements and the suitability of the remaining Demised Premises for conducting Lessee's operations thereon in the same manner and extent as carried on prior to such taking.

83.2.3. Except as provided for in Article 2, Section 61, Ownership of Improvements hereof, should Lessee terminate this Lease pursuant to this Section 83, title to all improvements, additions or alterations constructed or installed by Lessee upon the Demised Premises and which have not already vested in City shall thereupon vest in City.

**83.3. Application of Award Upon a Total or Partial Taking.**

83.3.1. If this Lease is terminated pursuant to Subsection 83.2 herein, or, if all or a portion of the Demised Premises are taken, then the entire award or compensation paid for land, improvements, and buildings owned by City, the amortized portion of the value of buildings and improvements built by Lessee and which will become the property of City upon termination of this Lease, and/or loss or taking of business goodwill of City or its Department, shall be the property of City.

83.3.2. Lessee shall have the right to receive compensation for the unamortized value of the buildings and any improvements which are still owned by Lessee and which were placed on the Demised Premises by Lessee and located thereon at the time of such taking or appropriation, and for Lessee Improvements & Equipment and Lessee's trade

fixtures, equipment, and supplies, and for loss or damage to Lessee's business goodwill. The "amortized value" which City shall be entitled to receive is a portion of the award for said Lessee-owned buildings and improvements equal to an amount determined by a ratio equal to the number of years the building and/or improvements have been in existence over the original term of the Lease, without consideration of any possibility or probability of renewal, or of options, if any. There shall be no amortization of partially constructed improvements authorized by City, if said construction is incomplete within the time period set forth in the approval granted by City. The value, to be determined by City, of such partially constructed improvements shall be paid to Lessee.

83.4. Severance Damages. The entire award of compensation paid for any severance damages, whether paid for impairment of access, for land, buildings, and/or improvements shall be the property of City, regardless of whether any buildings or improvements so damaged are owned or were constructed by City or Lessee. However, should City determine that improvements are to be restored, that portion of the severance damages necessary to pay the cost of restoration, as set forth in Subsection 83.5 hereof, shall be paid to Lessee upon the written request of Lessee accompanied by evidence that the sum requested has been paid for said restoration and is a proper item of such cost and used for such purpose.

83.5. Partial Taking: Restoration. In case of a taking of the Demised Premises other than a total taking and/or should Lessee elect not to terminate this Lease pursuant to this Section, City and Lessee may mutually agree that Lessee shall restore any improvements on the Demised Premises, and Lessee shall, at Lessee's expense, whether or not the awards or payments, if any, on account of such taking are sufficient for the purpose, promptly commence and proceed with reasonable diligence to effect (subject to Force Majeure) restoration of the improvements on the remaining portion of the Demised Premises as nearly as possible to their condition and character immediately prior to such taking, except for any reduction in area caused thereby, or with such changes or alterations as may be made at the election of Lessee in accordance with Article 2, Section 58, Improvements and Alterations, of this Lease.

83.5.1. In the event the improvements damaged and/or taken belong to City, City shall not be obligated to restore said improvements should City, in its sole discretion, determine not to do so.

83.6. Taking for Temporary Use. In the event of a taking of all or any portion of the Demised Premises for temporary use this Lease shall continue in full force and effect without reduction or abatement of rental or other sum payable hereunder, and Lessee shall be entitled to make claim for, recover and retain any awards or proceeds made on account thereof, whether in the form of rent or otherwise, unless such period of temporary use or occupancy extends beyond the Term of this Lease, in which case such awards or proceeds shall be apportioned between City and Lessee as heretofore specified. Lessee shall restore or cause to be restored any such areas temporarily taken to the condition existing before the taking.

#### **Section 84. Miscellaneous Provisions.**

84.1. Fair Meaning. The language of this Lease shall be construed according to its fair meaning, and not strictly for or against either City or Lessee.

84.2. Section Headings. The section headings appearing herein are for the convenience of City and Lessee, and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Lease.

84.3. Void Provisions. If any provision of this Lease is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease, and all such other provisions shall remain in full force and effect.

84.4. Two Constructions. It is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

84.5. Laws of California. This Lease shall be construed and enforced in accordance with the laws of the State of California and venue shall lie at Airport.

84.6. City's Consent. In each instance herein where City's, Board's or the Chief Executive Officer's approval or consent is required before Lessee may act, such approval or consent shall not be unreasonably withheld, unless otherwise provided.

84.7. Gender. The use of any gender herein shall include all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.

84.8. Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act [49 U.S.C. 40103(e) and 47107(a)(4) (Public Law 103-272; 108 STAT. 1102)].

84.9. Rights of United States Government. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States relative to the development, operation, or maintenance of Airport. Failure of Lessee or any occupant to comply with the requirements of any existing or future agreement between the City and the United States, which failure shall continue after reasonable notice to make appropriate corrections, shall be cause for immediate termination of Lessee's rights hereunder.

84.10. War or National Emergency. This Lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, and taking over of Airport or the exclusive or nonexclusive use of Airport by the United States during the time of war or national emergency.

84.11. Time. Time shall be of the essence in complying with the terms, conditions, and provisions of this Lease.

84.12. Integration Clause. This is an integrated agreement. It is understood that no alteration or variation of the terms of this Lease shall be valid unless made in writing and signed by the parties hereto. This Lease contains the entire agreement between the parties hereto and supersedes any and all prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements or understandings, oral or written,

between and among the parties relating to the subject matter contained in this Lease which are not fully set forth herein, provided however that any obligation or liability of a party arising under the Extended Lease prior to the Effective Date shall survive such termination of the Extended Lease and remain in effect as to such obligation or liability of a party arising prior to the Effective Date.

84.13. Force Majeure. Except as otherwise provided in this Lease, whenever a day is established in this Lease on which, or a period of time, including a reasonable period of time, is designated within which, either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by Force Majeure (as hereinafter defined); provided, however, that nothing contained in this Subsection shall excuse Lessee from the prompt payment of any rental or other monetary charge required of Lessee hereunder.

For purposes of this Lease, the term "Force Majeure" shall mean, in relation to the conditions that may cause a party to be temporarily, partially or wholly prevented from performing its obligations to the other party under this Agreement and not for any other purpose or for any benefit of any third party: any event beyond the reasonable control of the party claiming it, including, but not limited to, embargoes, shortages of material, acts of God, acts of public enemy (such as war, (declared or undeclared), invasion, insurrection, terrorism, riots, rebellion or sabotage), acts of a governmental authority (such as the United States' Department of Transportation, the United States Federal Aviation Administration, the United States Transportation Security Administration, the United States Environmental Protection Agency and defense authorities), fires, floods, earthquakes, hurricanes, tornadoes and other extreme weather conditions; provided, however, that strikes, boycotts, lockouts, labor disputes, labor disruptions, work stoppages or slowdowns shall not be considered an event of Force Majeure. The term Force Majeure includes delays caused by governmental agencies in the processing of applicable building and safety permits but only to the extent that such processing time actually exceeds the normal and reasonable processing time period for such governmental agency permit; provided, however, that any delays caused by Lessee or its Contractors in the processing of such permits (such as Lessee or its Contractors' failure to submit complete applications for such permits) shall not be considered a basis for a claim of Force Majeure by Lessee. Any lack of funds shall not be deemed to be a cause beyond the control of a party. If Lessee shall claim a delay due to Force Majeure, Lessee must notify City in writing within five (5) business days of the first occurrence of any claimed event of Force Majeure. Such notice must specify in reasonable detail the cause or basis for claiming Force Majeure and the anticipated delay in Lessee's performance to the extent such anticipated delay is known to Lessee at the time such notice to City is required. If Lessee fails to provide such notice within said five (5) business-day period, then no Force Majeure delay shall be deemed to have occurred. Delays due to events of Force Majeure shall only be recognized to the extent that such event actually delays the performance by such party and cannot otherwise be mitigated using commercially reasonable efforts.

84.14. Approvals. Any approvals required by City under this Lease shall be approvals of the Department of Airports acting as Lessor and shall not relate to, constitute a waiver or, supersede or otherwise limit or affect the governmental approvals or rights of the City as a governmental agency, including the approval of any permits required for construction or maintenance of the Demised Premises and the passage of any laws including those relating to zoning, land use, building and safety.

84.15. Conflicts in this Lease. If there are any direct conflicts between the provisions of

Article 1 and Article 2 of the Lease, the provisions of Article 1 shall be controlling. If there are any direct conflicts between the provisions of Article 1 and Article 2 of the Lease and the Exhibits, the provisions of Articles 1 and 2 shall be controlling, provided nothing herein shall be construed to contradict applicable law.

84.16. Ordinance and Los Angeles Administrative Code (hereinafter referred to as "Code") Language Governs. Ordinance and Code Exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the Exhibits and the applicable ordinance and/or code language, or amendments thereto, the language of the ordinance and/or code shall govern.

84.17. Amendments to Ordinances and Codes. The obligation to comply with any Ordinances and Codes which have been incorporated into this Lease by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the Term of this Lease.

84.18. Days. Unless otherwise specified, "days" shall mean calendar days.

84.19. Deprivation of Lessee's Rights. City shall not be liable to Lessee for any diminution or deprivation of Lessee's rights under this Lease which may result from Lessee's obligation to comply with any and all applicable laws, rules, regulations, restrictions, ordinances, statutes, and/or orders of any federal, state and/or local government authority and/or court hereunder on account of the exercise of any such authority as is provided in this Section, nor shall Lessee be entitled to terminate the whole or any portion of the Lease by reason thereof.

84.20. Reconciliation of Area and/or Square Footage. If, at any time, it is discovered that any measurement of any portion(s) of the Demised Premises stated in this Lease is inaccurate, this Lease shall be amended to appropriately reflect the correct measurement(s), and corresponding adjustments in the Monthly Rent shall be made. Any such adjustment(s) made to the Monthly Rent, shall be retroactive to the commencement of the Lease, or to that date(s) on which City deems approval of correct measurement(s) to the Demised Premises is appropriate.

84.21. Reserved.

84.22. Counterparts and Electronic Signatures. This Lease and any other document necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered that had been signed using a handwritten signature. All parties to this Lease (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are

aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and the California Uniform Electronic Transactions Act (“UETA”) (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

**Section 85. First Source Hiring Program For Airport Employers (LAX only)**

85.1. Lessee shall comply with the provisions of the First Source Hiring Program adopted by the Board. The rules, regulations, requirements, and penalties of the First Source Hiring Program are attached as Exhibit K and made a material term of this Lease. Lessee shall be an “Airport Employer” under the First Source Hiring Program.

**Section 86. Other Agreements Not Affected.**

86.1. Except as specifically stated herein, this Lease, and the terms, conditions, provisions and covenants hereof, shall apply only to the Demised Premises herein particularly described and shall not in any way change, amend, modify, alter, enlarge, impair, or prejudice any of the rights, privileges, duties, or obligations of either of the parties hereto, under or by reason of any other agreement between said parties, except that nothing contained in such other agreement shall limit the use by Lessee of the within Demised Premises for the herein referred to purpose.

**Section 87. Intentionally Omitted.**

**Section 88. Contractor Responsibility Program.**

88.1. Lessee shall comply with the provisions of the Contractor Responsibility Program adopted by the Board. The Executive Directives setting forth the rules, regulations, requirements and penalties of the Contractor Responsibility Program and the Pledge of Compliance Form is attached hereto as Exhibit L and incorporated herein by reference.

**Section 89. Alternative Fuel Vehicle Requirement Program (LAX Only).**

89.1. Lessee shall comply with the provisions of the Alternative Fuel Vehicle Requirement Program. The rules, regulations, and requirements of the Alternative Fuel Vehicle Requirement Program are attached hereto as Exhibit M and made a material term hereof.

**Section 90. Campaign Contributions.**

90.1 Lessee, its sublessees and subcontractors, and their respective principals (hereinafter, “Principals”) are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances (Exhibits O and P attached hereto), regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract or lease is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Lessee is required to provide and update certain information to the

City as specified by law. Lessee and any sublessee subject to Charter Section 470(c)(12) shall include the following notice in any contract or lease with a sublessee expected to receive at least \$100,000 for performance under this contract:

**“Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions”**

As provided in Charter Section 470(c)(12) and related ordinances, you are sublessee on City of Los Angeles contract #\_\_\_\_\_. Pursuant to City Charter Section 470(c)(12), sublessee and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. The sublessee is required to provide to Lessee names and addresses of the sublessee's principals and contact information and shall update that information if it changes during the 12-month time period. Sublessee's information included must be provided to Lessee within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.”

90.2 Lessee, its sublessees, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Lease and pursue any and all legal remedies that may be available.

(remainder of page left blank)

**SIGNATURE BLOCKS**

IN WITNESS WHEREOF, the parties hereto have themselves or through their duly authorized officers caused this Lease to be executed as of the day and year hereinbelow written.

**APPROVED AS TO FORM:**  
HYDEE FELDSTEIN SOTO  
City Attorney

**CITY OF LOS ANGELES**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

By \_\_\_\_\_  
Chief Executive Officer  
Department of Airports

ATTEST:

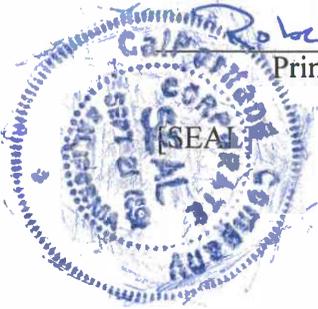
CALPORTLAND COMPANY, a California corporation

By   
Secretary (Signature)

By   
Signature

Robert M. Bivans  
Print Name

William Mullen  
Print Name

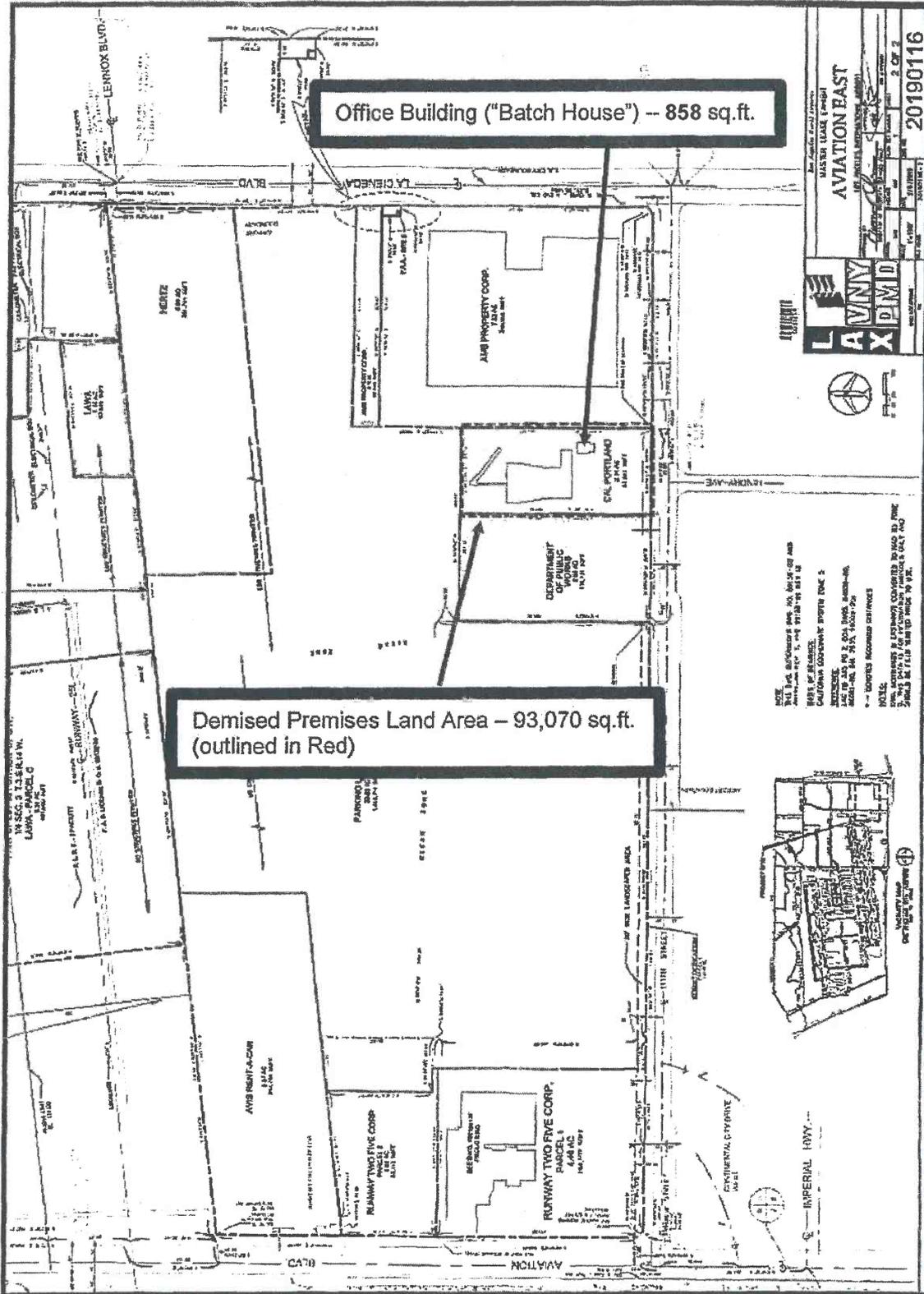


SVP MATERIALS GROUP  
Print Title

# EXHIBIT A-1

Master Lease Exhibit (Aviation East)

Exhibit A-1 Master Lease Exhibit  
Aviation East



Office Building ("Batch House") -- 858 sq.ft.

Demised Premises Land Area -- 93,070 sq.ft.  
(outlined in Red)



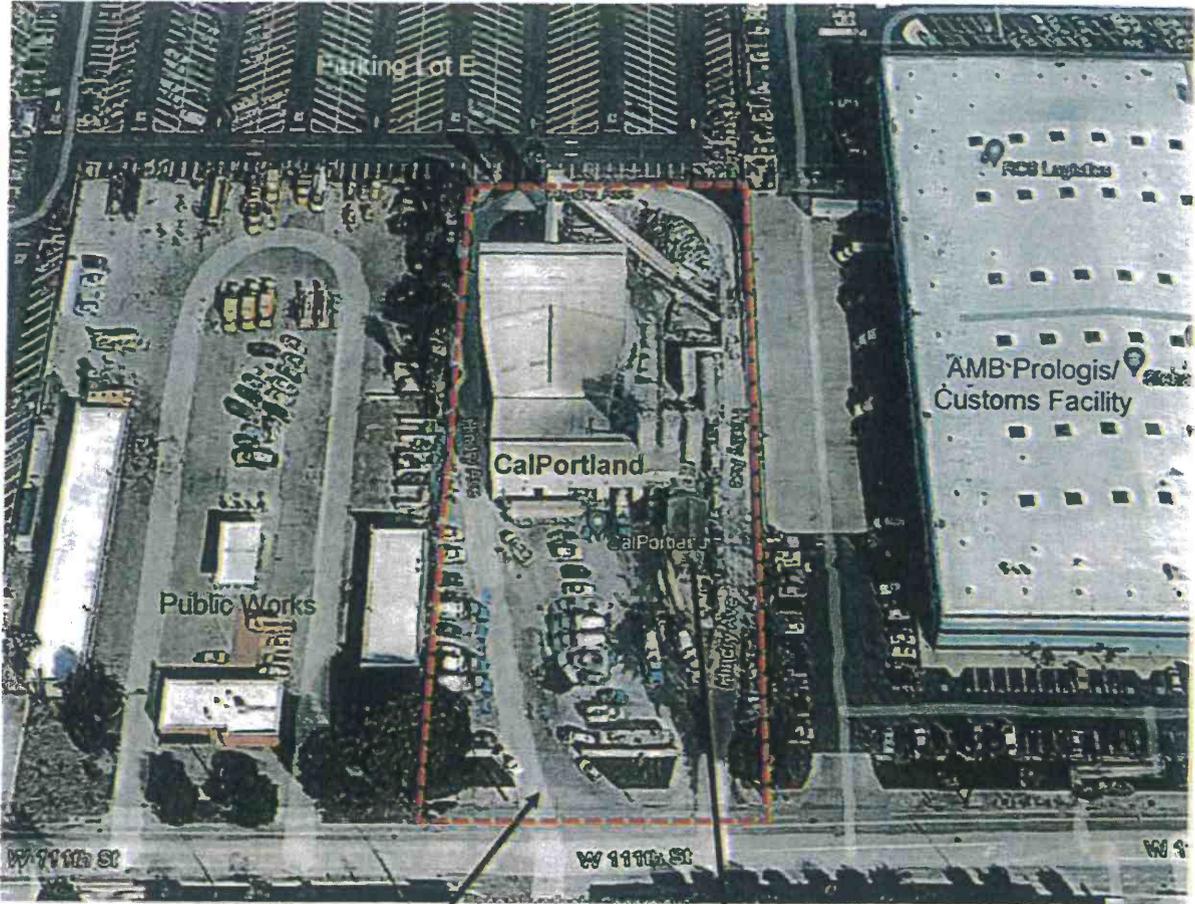
NOTE: ALL AREAS SHOWN ARE FOR INFORMATION ONLY AND ARE NOT TO BE USED FOR CONSTRUCTION PURPOSES. THE INFORMATION IS FOR INFORMATION ONLY AND IS NOT TO BE USED FOR CONSTRUCTION PURPOSES. THE INFORMATION IS FOR INFORMATION ONLY AND IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.

AVIATION EAST  
LAWNY LAMP  
2 OF 2  
20190116

# EXHIBIT A-2

Site Map (CalPortland)

Exhibit A- 2 Site Map  
CalPortland



Office Building ("Batch House") – 858 sq.ft.

Demised Premises Land Area – 93,070 sq.ft.  
(outlined in Red)

## EXHIBIT B - Payment Schedule

Los Angeles World Airports

CalPortland Company  
Ready-mix Concrete Batching Plant  
5299 West 111th Street  
Five-year Ground Lease

Commencement Date: Effective date of Lease

Land Off-Airport Industrial Land

Description	Area (SF)	Rental Rate* (PSFPY)	Annual Rent	Monthly Base Charge
Land	93,070	\$8.95	\$ 832,979	\$ 69,414.92
Building*	858	\$0.00	\$ -	\$ -
Paved Surface*	50,000	\$0.00	\$ -	\$ -
<b>Total Rent</b>			<b>\$ 832,979</b>	<b>\$ 69,414.92</b>

Notes:

1. Rental rates, fees and other charges, as set forth in this Exhibit B, are subject to annual adjustment each July 1 pursuant to the terms of this Lease.
2. Pursuant to the lease, building rent and paved surface rent is intentionally set as \$0 in exchange for Tenant assuming full demolition, environmental, and site grading responsibilities upon expiration and/or earlier termination of the Lease, and all maintenance responsibilities.
3. Periodic Rate Adjustment to Fair Market Value on July 1, 2025

<b>Faithful Performance Guarantee</b>	Three times monthly rent	\$ 208,244.77
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Rev. 1/27/2023

# EXHIBIT C

Minimum Standards

# MINIMUM STANDARDS FOR USE OF REAL PROPERTY AT LOS ANGELES WORLD AIRPORTS

## 1.0 INTRODUCTION

### 1.1 *Governing Policy*

Los Angeles World Airports (LAWA), a department of the City of Los Angeles (City), has through its Board of Airport Commissioners (Board), adopted a Leasing Policy (Policy) to provide a framework for making leasing and property management decisions for Los Angeles International Airport, Ontario International Airport, Van Nuys Airport, and Palmdale land holdings (collectively and individually referred to herein as Airport). Under the Policy, the Executive Director of LAWA is authorized to promulgate Executive Directives to implement the Policy.

### 1.2 *Purpose and Scope*

- 1.2.1 These Minimum Standards for Use of Real Property at Los Angeles World Airports (Minimum Standards) have been established by the Executive Director to (1) encourage the provision of high quality products, services, and facilities to Airport users; (2) promote safety; and (3) promote the economic health of Airport businesses. To this end, all entities desiring to use Airport property will be accorded reasonable opportunities, without unlawful discrimination, to engage in such activities, subject to these Minimum Standards.
- 1.2.2 These Minimum Standards specify the standards and requirements that must be met by any entity using Airport property. These Minimum Standards are not intended to be all-inclusive. Any entity using LAWA property will also be required to comply with all applicable regulatory measures pertaining to such activities.
- 1.2.3 Throughout these Minimum Standards, the words "standards" or "requirements" will be understood to be modified by the word "minimum" except where explicitly stated otherwise. Any required determinations, interpretations, or judgments regarding what constitutes an acceptable minimum standard, or regarding compliance with such standard, will be made by LAWA. All entities are encouraged to exceed the applicable minimum standards. No entity will be allowed to use Airport property under conditions that do not, in LAWA's discretion, meet these Minimum Standards.
- 1.2.4 Appropriate minimum standards may be developed on a case-by-case basis for certain activities, and promulgated by Executive

Directive or incorporated into agreements/permits relating to the occupancy or use of particular Airport land or improvements.

- 1.2.5 These Minimum Standards may be supplemented, amended, or modified by Executive Directive from time to time and in such manner and to such extent as is deemed appropriate by LAWA.

### **1.3 *Applicability***

- 1.3.1 These Minimum Standards will apply to all agreements relating to the occupancy or use of Airport property or improvements.
- 1.3.2 These Minimum Standards will not be deemed to modify any existing agreement under which an entity is required to exceed these Minimum Standards, nor will they prohibit LAWA from entering into or enforcing an agreement that requires an entity to exceed the Minimum Standards.

### **1.4 *Non-Compliance/Violations***

LAWA reserves the right to prohibit any entity from using Airport property upon determination by LAWA that such entity has not complied with these Minimum Standards, or has otherwise jeopardized the safety of other entities using the Airport.

### **1.5 *Severability***

If one or more clauses, sections, or provisions of these Minimum Standards are held to be unlawful, invalid, or unenforceable by final judgment of any court of competent jurisdiction, the invalidity of such clauses, sections, or provisions will not in any way affect other clauses, sections, or provisions of these Minimum Standards.

## **2.0 GENERAL REQUIREMENTS**

All Users (hereinafter includes: lessees, licensees, permittees, facility users, operators, occupants, etc.) using Airport property must comply with the requirements of this Section.

### **2.1 *Experience/Capability***

- 2.1.1 User must have the capability of providing products, services, and facilities and engaging in activities in a good quality manner.

- 2.1.2 User must have the financial capability to, as appropriate, develop and maintain improvements; procure and maintain required vehicles, equipment, and/or aircraft; employ personnel, and engage in the activity, as may be required by the agreement.

## **2.2 Agreement/Approval**

- 2.2.1 No entity may engage in an activity unless the entity has an agreement with LAWA authorizing such activity or the entity has received written approval from LAWA to sublease land or improvements from an authorized lessee to conduct the activity at the Airport.
- 2.2.2 An agreement will not reduce or limit User's obligations with respect to these Minimum Standards.
- 2.2.3 User must comply with all the provisions of the agreement between User and LAWA.

## **2.3 Payment of Rents, Fees, and Charges**

- 2.3.1 User must pay the rents, fees, or other charges specified by LAWA for leasing or using land or improvements or engaging in activities.
- 2.3.2 No User will be permitted to engage in activities unless said User is current in the payment of all rents, fees, charges, or other sums due to LAWA under any and all agreements User has with LAWA.
- 2.3.3 User's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to LAWA will be grounds for revocation of the agreement or approval authorizing the occupancy or use of land or improvements or the conduct of activities at the Airport.

## **2.4 Facility Maintenance**

- 2.4.1 User must maintain the Premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, and security lighting) in a clean, neat, and orderly condition, as may be required by the agreement.
- 2.4.2 User must comply with the Airport's signage requirements.

## **2.5 Products, Services, and Facilities**

- 2.5.1 Products, services, and facilities must be provided on a reasonable and non-discriminatory basis to all users of the Airport.
- 2.5.2 User must charge reasonable and non-discriminatory prices for each product or service, provided that User may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- 2.5.3 User must conduct its activities on and from the Premises in a safe, efficient, and professional manner consistent with the degree of care and skill exercised by experienced users providing comparable products, services, and facilities and engaging in similar activities from similar leaseholds in like markets.

## **2.6 Non-Discrimination**

User must not discriminate against any person or class of persons by reason of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in providing any products or services or in the use of any of its facilities provided for the public, in any manner prohibited by applicable regulatory measures.

## **2.7 Licenses, Permits, Certifications, and Ratings**

User (and/or User's personnel) must obtain and comply with, at User's sole expense, all necessary licenses, permits, certifications, or ratings required for the conduct of User's activities at the Airport as required by LAWA or any other duly authorized agency prior to engaging in any activity at the Airport. Upon request, User must provide copies of such licenses, permits, certifications, or ratings to LAWA in a timely manner.

## **2.8 Personnel**

- 2.8.1 User must have in its employment (as employees), on duty, and on premises during operating hours, trained and courteous personnel in such numbers as to meet the reasonable demands of the aviation public for each activity being conducted in a courteous, prompt, safe, and efficient manner.
- 2.8.2 User must provide a responsible person on its Premises to supervise activities and such personnel will be authorized to represent and act for and on behalf of User during required hours of activities.

## **2.9 Equipment**

All required equipment must be fully operational and functional at all times. Equipment not being used and not scheduled for repair must be removed from the Premises within a timely basis.

## **2.10 Regulatory Measures**

User must engage in activities in accordance with all applicable regulatory measures, including the Certified Service Provider Program (CSPP) and these Minimum Standards.

## **2.11 Insurance**

User must procure and maintain, during the term of an agreement, insurance policies required by law and the types and minimum limits set forth by LAWA. The insurance company or companies underwriting the required policies must be licensed or authorized to write such insurance in the state of California or be approved in writing by LAWA.

## **2.12 Suspension, Revocation of Privileges**

LAWA reserves the right to suspend or revoke User's privileges (including the right to revoke ramp badges, if issued/required), on a temporary or permanent basis, for failing to abide by these Minimum Standards or any applicable regulatory measures governing the Airport. A cure period may be considered, if in LAWA's discretion one is appropriate and consistent with an agreement.

## **2.13 City of Los Angeles, Los Angeles World Airports, Board of Airport Commissioners, and Executive Director**

The Airport is owned by the City of Los Angeles, operated by LAWA, and governed by and through the Board. Only the Executive Director can amend or modify these Minimum Standards.

# EXHIBIT D

Maintenance

## MAINTENANCE

Lessee shall, at Lessee's sole cost and expense, keep and maintain the Demised Premises in good repair and working order, and in a clean, neat, attractive, properly maintained, and safe condition. All maintenance, repairs, and replacements shall be in accordance with applicable prevailing industry maintenance standards and in compliance with all manufacturers' recommendations and Federal, State, and Local government rules and regulations.

Except as specifically identified herein as City's responsibilities, Lessee is responsible for all maintenance and repair of the Demised Premises (including improvements).

Area of Responsibility	City-Owned Improvements	Lessee-Owned Improvements
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### BUILDING AND SYSTEMS

Building shell enclosure, including roofs and primary structural system	Lessee	Lessee
Exterior doors and openings, including hangar bay doors and overhead roll-up doors.	Lessee	Lessee
Building interior, including partitions, walls, floors, ceilings, doors, as well as their attachments to the primary structural system and the building shell enclosure	Lessee	Lessee
Furniture, fixtures, and equipment, including exterior mounted equipment	Lessee	Lessee
Exterior and interior windows	Lessee	Lessee
Base building systems including electrical, mechanical, plumbing, telecommunications, acoustics, energy, and internal conveyance systems	Lessee	Lessee
Fire Life Safety systems, including emergency generators, smoke detectors, fire suppression, fire extinguishers	Lessee	Lessee
Exterior and interior lighting and lighting fixtures, including aircraft ramp and equipment area lighting	Lessee	Lessee
Natural gas, water, and electricity infrastructure to meter or main panel	City	City

### EXHIBIT D Maintenance

Area of Responsibility	City-Owned Improvements	Lessee-Owned Improvements
Sewer lines to Demised Premises boundary	City	NA
HVAC equipment	Lessee	Lessee
All other HVAC equipment and systems	Lessee	Lessee
Exterior and interior signage	Lessee	Lessee
Janitorial	Lessee	Lessee

**EXTERIOR AREAS**

Aircraft ramp and equipment area pavement maintenance, including striping, cleaning, and sweeping	Lessee	Lessee
Perimeter fencing, aircraft ramp area guardrail and handrails	Lessee	Lessee
Automobile parking lot cleaning, sweeping, paving, striping, curb stops, guard rail, and handrail	Lessee	Lessee
Surface markings, including lead-in lines, nose wheel, aircraft safety envelope, and equipment staging	Lessee	Lessee
Dumpster provision and trash removal	Lessee	Lessee
Trash container provision and servicing	Lessee	Lessee
Interior and exterior landscaping and hardscaping, including site drainage	Lessee	Lessee
Janitorial	Lessee	Lessee

**CAPITAL IMPROVEMENTS**

Repairs due to Lessee's failure to properly perform all other maintenance and repair responsibilities	Lessee	Lessee
Repairs not caused by Lessee's failure to properly perform all other maintenance and repair responsibilities	Lessee	Lessee

**EXHIBIT D**  
Maintenance

## MAINTENANCE

Lessee shall, at Lessee's sole cost and expense, keep and maintain the Demised Premises in good repair and working order, reasonable wear and tear excepted, and in a clean, neat, attractive, properly maintained, and safe condition. All maintenance, repairs, and replacements shall be in accordance with applicable prevailing industry maintenance standards, maintenance requirements which City may develop, and in compliance with all manufacturers' recommendations and federal, state, and local government rules and regulations.

Except as specifically identified below as City's responsibilities, Lessee is responsible for all maintenance and repair at the Demised Premises (including its Improvements, if any). Lessee is responsible for any corrective work required by any authority having jurisdiction.

City may charge Lessee a fee for its failure to perform its maintenance requirements. City retains the right, but not the obligation, to make emergency repairs when, in the sole determination of the CEO, failure to take immediate action will damage the facilities or disrupt operations, at Lessee's sole cost and expense, plus an administrative fee in the amount of 15% of cost. Lessee shall, within 90 days of Lease Commencement, provide City with a conceptual maintenance plan for the facility. City staff will meet with the Lessee on a regular basis to review the condition of the Demised Premises and, if repairs are necessary, jointly develop a repair action plan. However, this does not relieve the Lessee of its responsibility to proactively fulfill its maintenance responsibilities.

### City Maintenance Responsibilities:

None

# EXHIBIT E

Insurance



LOS ANGELES WORLD AIRPORTS

**RISKMANAGEMENTDIVISION  
INSURANCE REQUIREMENTS**

**NAME:** CALPORTLAND COMPANY  
**AGREEMENT/ACTIVITY:** Lease / Land and Facilities Located at 5299 West 111th Street, (AOA)  
Los Angeles, CA 90045, for the Operating of a Ready-mix Concrete Batching Plant  
**LAWA DIVISION:** Commercial Development Group - Property Services  
**WIZARD ID NO.:** 10277

The insured must maintain insurance coverage at limits normally required of its type operation; however, the following coverage noted with an "X" is the minimum required and must be at least the level of the limits indicated. All policies must be occurrence based with the minimum required per occurrence limits indicated below.

- |   | <u>LIMITS</u>                    |
|---|----------------------------------|
| (X) Workers' Compensation (Statutory)/Employer's Liability  | <u>Statutory</u>                 |
| () Voluntary Compensation Endorsement   |                                  |
| (X) Waiver of Subrogation   |                                  |
| <br>(X) Automobile Liability - covering owned, non-owned & hired auto   | <br><u>\$10,000,000</u>          |
| <br>(X) General Liability - including the following coverage:   | <br><u>\$10,000,000</u>          |
| (X) Contractual (Blanket/Schedule)  |                                  |
| (X) Independent Contractors   |                                  |
| (X) Personal Injury   |                                  |
| (X) Premises & Operations (minimum \$1 million each occurrence)   |                                  |
| (X) Products /Completed Operations  |                                  |
| (X) Additional Insured Endorsement, specifically naming LAWA<br>(Please see attached supplement).             |                                  |
| () Hangar keepers Legal Liability (At least at a limit of liability of \$ 1 million)                          |                                  |
| <br>(X) Property Insurance  | <br><u>Value of Improvements</u> |
| () Actual Cash Value  |                                  |
| (X) Replacement Value   |                                  |
| () Agreed Amt.  |                                  |
| (X) Covering tenant improvements, w/waiver of subrogation<br>(Department does not insure tenant improvements) |                                  |
| (**) Covering building structure  |                                  |
| (X) All Risk Coverages  |                                  |
| (X) Fire & Extended Coverage, including sprinkler leakage   |                                  |
| (X) Vandalism and Malicious Mischief  |                                  |
| (X) Debris Removal  |                                  |

**CONTRACTOR SHALL BE HELD RESPONSIBLE FOR OWN OR HIRED EQUIPMENT AND SHALL HOLD AIRPORT HARMLESS FROM LOSS, DAMAGE OR DESTRUCTION TO SUCH EQUIPMENT**

**\*\*\*\*\*RETURN THIS PAGE WITH EVIDENCE OF YOUR INSURANCE\*\*\*\*\*  
SUBMIT ALL DOCUMENTS TO RISKINSURANCE@LAWA.ORG**



**RISK MANAGEMENT DIVISION**  
**INSURANCE REQUIREMENTS**

**INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS (SUPPLEMENT)**

**The only evidence of insurance accepted will be either a Certificate of Insurance, or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:**

**Insurance companies, must have an AM Best rating of A- or better, and have a minimum financial size of at least four**

**Endorsements:**

- **Workers Compensation Waiver of Subrogation Endorsement  
(WC 04 03 06 or similar)**
- **General Liability Additional Insured Endorsement**
- **Ongoing and Products - Completed Operations Endorsement  
(ISO Standard Endorsements preferred)**

**Certificate Holder:**

**Los Angeles World Airports  
PO Box 92216  
Los Angeles, CA 90009**

**A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.**

**A blanket/automatic endorsement is not acceptable unless you have a direct contract with LAWA.**

**Language written on a certificate of insurance is not acceptable as an**



LOS ANGELES WORLD AIRPORTS

**RISK MANAGEMENT DIVISION**  
**INSURANCE REQUIREMENTS**

endorsement.

# EXHIBIT F

Equal Employment Practices

### Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles 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 agrees and represents that it will 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, color, religion, national origin, ancestry, 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, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify in the specified format that he 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, color, 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 DAA for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City Contracts. Upon 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. The 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 DAA. 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 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, the failure to comply may be the basis for a determination by the Awarding Authority or the DAA that the said Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such a determination, the 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 DAA, 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 the 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. By affixing its signature on a Contract that is subject to this article, 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 employment practices, including, but not limited to:

1. hiring practices;
2. apprenticeships where approved programs are functioning and other on-the-job training for non-apprenticeable 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 similar 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. Subcontracts shall follow the same thresholds specified in Section 10.8.1.1. 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.

#### SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsec. C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

# EXHIBIT G

Affirmative Action Program

#### Sec. 10.8.4. Affirmative Action Program Provisions.

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$25,000 or more shall contain the following provisions which shall be designated as the **AFFIRMATIVE ACTION PROGRAM** provisions 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, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

1. This section 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 shall, 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, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify on an electronic or hard copy 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, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner 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 DAA for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City Contracts and, upon request, to provide evidence that it has or will comply therewith.

E. The failure of any Contractor to comply with the Affirmative Action Program provisions of City Contracts may be deemed to be a material breach of a City Contract. The 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 DAA. No 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 provisions 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, the breach may be the basis for a determination by the Awarding Authority or the Board of Public Works that the Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such determination, the Contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing 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 for each person for each calendar day on which the 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 DAA and provide to the Awarding Authorities electronic and hard copy 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 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. By affixing its signature to a Contract that is subject to this article, the Contractor shall agree to adhere to the provisions in this article for the duration 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 Program.

1. The Contractor certifies and agrees to immediately implement good faith effort measures to recruit and employ minority, women and other potential employees in a non-discriminatory manner including, but not limited to, the following actions as appropriate and available to the Contractor's field of work. The Contractor shall:

- (a) Recruit and make efforts to obtain employees through:
  - (i) Advertising employment opportunities in minority and other community news media or other publications.
  - (ii) Notifying minority, women and other community organizations of employment opportunities.
  - (iii) Maintaining contact with schools with diverse populations of students to notify them of employment opportunities.
  - (iv) Encouraging existing employees, including minorities and women, to refer their friends and relatives.
  - (v) Promoting after school and vacation employment opportunities for minority, women and other youth.
  - (vi) Validating all job specifications, selection requirements, tests, etc.
  - (vii) Maintaining a file of the names and addresses of each worker referred to the Contractor and what action was taken concerning the worker.
  - (viii) Notifying the appropriate Awarding Authority and the DAA in writing when a union, with whom the Contractor has a collective bargaining agreement, has failed to refer a minority, woman or other worker.
- (b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a non-discriminatory manner so as to achieve and maintain a diverse work force.
- (c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in the training programs to enhance their skills and advancement.
- (d) Secure cooperation or compliance from the labor referral agency to the Contractor's contractual Affirmative Action Program obligations.
- (e) Establish a person at the management level of the Contractor to be the Equal Employment Practices officer. Such individual shall have the authority to disseminate and enforce the Contractor's Equal Employment and Affirmative Action Program policies.
- (f) Maintain records as are necessary to determine compliance with Equal Employment Practices and Affirmative Action Program obligations and make the records available to City, State and Federal authorities upon request.
- (g) Establish written company policies, rules and procedures which shall be encompassed in a company-wide Affirmative Action Program for all its operations and Contracts. The policies shall be provided to all employees, Subcontractors, vendors, unions and all others with whom the Contractor may become involved in fulfilling any of its Contracts.
- (h) Document its good faith efforts to correct any deficiencies when problems are experienced by the Contractor in complying with its obligations pursuant to this article. The Contractor shall state:
  - (i) What steps were taken, how and on what date.
  - (ii) To whom those efforts were directed.
  - (iii) The responses received, from whom and when.
  - (iv) What other steps were taken or will be taken to comply and when.
  - (v) Why the Contractor has been or will be unable to comply.

2. Every contract of \$25,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall also comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

**EXHIBIT G**

L. The Affirmative Action Program required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by 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 non-apprenticeable 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.

M. Any adjustments which may be made in the Contractor's work force to achieve the requirements of the City's Affirmative Action 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, layoff, demotion or change in grade.

N. 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 engaged in the performance of City Contracts.

O. All Contractors subject to the provisions of this article shall include a similar 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.

#### SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsecs. B. and C., Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

# EXHIBIT H

Living Wage Ordinance

## CHAPTER 1, ARTICLE 11

### LIVING WAGE

- Section  
10.37 Legislative Findings.  
10.37.1 Definitions.  
10.37.2 Payment of Minimum Compensation to Employees.  
10.37.3 Health Benefits.  
10.37.4 Employer Reporting and Notification Requirements.  
10.37.5 Retaliation Prohibited.  
10.37.6 Enforcement.  
10.37.7 Administration.  
10.37.8 City is a Third Party Beneficiary of Contracts Between an Employer and Subcontractor for Purposes of Enforcement.  
10.37.9 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.  
10.37.10 Expenditures Covered.  
10.37.11 Timing of Application.  
10.37.12 Express Supersession by Collective Bargaining Agreement.  
10.37.13 Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.  
10.37.14 Contracts, Employers and Employees Not Subject to this Article.  
10.37.15 Exemptions.  
10.37.16 Severability.

#### 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 other firms for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. These expenditures serve to promote the goals established for the grant programs and for 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 all too often has 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. The minimal compensation tends to inhibit the quantity and quality of services rendered by those 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 which will improve the level of services rendered to and for the City.

The inadequate compensation leaves service employees with insufficient resources to afford life in Los Angeles. Contracting decisions involving the expenditure of City funds should not foster conditions that place 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.

In comparison with the wages paid at San Francisco International Airport, the wage for Los Angeles airport workers is often lower even though the airports are similar in the number of passengers they serve and have similar goals of providing a living wage to the airport workforce. Studies show that higher wages at the airport leads to increases in worker productivity and improves customer service. Higher wages for airport workers also results in a decline in worker turnover, yielding savings to the employers and alleviating potential security concerns. Therefore, the City finds that a higher wage for airport employees is needed to reduce turnover and retain a qualified and stable workforce.

Many airport workers who provide catering services to the airlines are paid below the living wage. Federal law allows employment contract agreements between airline caterers and its workers to remain in effect without an expiration date, effectively freezing wages for workers. Long-term employment contract agreements provide little incentive for employers to renegotiate the employment contract agreements with their workers. Airline catering

workers often struggle to pay their bills, sometimes having to choose between paying medical bills and buying food for their families. The City finds that airline caterers should pay their workers, at a minimum, the living wage with benefits.

Airport workers are also the first to respond when an emergency occurs at the airport. In order to properly assist first responders during a crisis at the airport, the City finds that airport employees of Certified Service Provider License Agreement holders should be formally trained for an emergency response at the airport.

Nothing less than the living wage should be paid by employers that are the recipients of City financial assistance. Whether workers are 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 City holds a proprietary interest in the work performed by many employees of City lessees and licensees and by their service contractors, subcontractors, sublessees and sublicensees. 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 hinders the opportunity for success of City operations. A proprietary interest in providing a living wage is important for various reasons, including, but not limited to: 1) the public perception of the services or products rendered to them by a business; 2) security concerns related to the location of the business or any product or service the business produces; or 3) an employer's industry-specific job classification which is in the City's interest to cover by the living wage. This article is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage further serves a proprietary concern of the City. If an employer does not comply with this article, the City may: 1) declare a material breach of the contract; 2) declare the employer non-responsible and limit its ability to bid on future City contracts, leases or licenses; and 3) exercise any other remedies available.

#### 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; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

#### Sec. 10.37.1. Definitions.

The following definitions shall apply throughout this article:

(a) "Airline Food Caterer" means any Employer that, with respect to the Airport:

(1) prepares food or beverage to or for aircraft crew or passengers;

(2) delivers prepared food or beverage to or for aircraft crew or passengers;

(3) conducts security or inspection of aircraft food or beverage; or

(4) provides any other service related to or in connection with the preparation of food or beverage to or for aircraft crew or passengers.

(b) "Airport" means the Department of Airports and each of the airports which it operates.

(c) "Awarding Authority" means the governing body, board, officer or employee of the City or City Financial Assistance Recipient authorized to award a Contract and shall include a department which has control of its own funds.

(d) "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.

(e) "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 \$1,000,000 or more in any 12-month period shall require compliance with this article for five years from the date such assistance reaches the \$1,000,000 threshold. For assistance in any 12-month period totaling less than \$1,000,000 but at least \$100,000, there shall be compliance for one year, with the period of compliance beginning when the accrual of continuing assistance reaches the \$100,000 threshold.

Categories of 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 at market rate 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. §§ 1274(d) and 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 year;

(2) it employs fewer than five Employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year; or

(3) it obtains a waiver as a recipient who employs the long-term unemployed or provides trainee positions intended to prepare Employees for permanent positions. The recipient shall attest that compliance with this article would cause an economic hardship and shall apply in writing to the City department or office administering the assistance. The department or office shall forward the waiver application and the department or office's recommended action to the City Council. Waivers shall be effected by Council resolution.

(f) "Contractor" means any person that enters into:

(1) a Service Contract with the City;

(2) a contract with a Public Lessee or Licensee; or

(3) a contract with a City Financial Assistance Recipient to help the recipient in performing the work for which the assistance is being given.

(g) "Designated Administrative Agency (DAA)" means the Department of Public Works, Bureau of Contract Administration, which shall bear administrative responsibilities under this article.

(h) "Employee" means any person who is not a managerial, supervisory or confidential employee who expends any of his or her time working for an Employer in the United States.

(i) "Employer" means any person who is:

(1) a City Financial Assistance Recipient;

(2) Contractor;

(3) Subcontractor;

(4) Public Lessee or Licensee; and

(5) Contractor, Subcontractor, sublessee or sublicensee of a Public Lessee or Licensee.

(j) "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.

(k) "Public Lease or License" means, except as provided in Section 10.37.15, a lease, license, sublease or sublicense of City property, including, but not limited to, Non-Exclusive License Agreements, Air Carrier Operating Permits and Certified Service Provider License Agreements (CSPLA), for which services are furnished by Employees where any of the following apply:

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

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

(3) The DAA has determined in writing as approved by the Board of Public Works that coverage would further the proprietary interests of the City. Proprietary interest includes, but is not limited to:

(i) the public perception of the services or products rendered to them by a business;

(ii) security concerns related to the location of the business or any product or service the business produces; or

(iii) an Employer's industry-specific job classifications as defined in the regulations.

(l) "Service Contract" means a contract involving an expenditure in excess of \$25,000 and a contract term of at least three months awarded to a Contractor by the City to furnish services for the City where any of the following apply:

(1) at least some of the services are rendered by Employees whose work site is on property owned or controlled by the City;

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

(3) the DAA has determined in writing as approved by the Board of Public Works that coverage would further the proprietary interests of the City. Proprietary interest includes, but is not limited to:

(i) the public perception of the services or products rendered to them by a business;

(ii) security concerns related to the location of the business or any product or service the business produces; or

(iii) an Employer's industry-specific job classifications as defined in the regulations.

(m) "Subcontractor" means any person not an Employee who enters into a contract:

(1) to assist in performance of a Service Contract;

(2) with a Public Lessee or Licensee, sublessee, sublicensee or Contractor to perform or assist in performing services for the leased or licensed premises.

(n) "Willful Violation" means that the Employer knew of 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; Subsec.

(e), Ord. No. 176,155, Eff. 9-22-04; Subsec. (e), Ord. No.

176,283, Eff. 12-25-04, Oper. 9-22-04; Subsecs. (a) through

(l) re-lettered (d) through (o), respectively and new Subsecs.

(a), (b), and (c) added, Ord. No. 180,877, Eff. 10-19-09; In

Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord.

No. 185,321, Eff. 1-20-18.

Sec. 10.37.2. Payment of Minimum Compensation to Employees.

(a) Wages. An Employer shall pay an Employee for all hours worked on a Service Contract or if a Public Lease or License or for a Contractor of a Public Lessee or Licensee, for all hours worked furnishing a service relating to the City, a wage of no less than the hourly rates set under the authority of this article.

(1) Non-Airport Employee Wages.

(i) If an Employer provides an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the following:

a. On July 1, 2018, the wage rate for an Employee shall be no less than \$13.25 per hour.

b. On July 1, 2019, the wage rate for an Employee shall be no less than \$14.25 per hour.

c. On July 1, 2020, the wage rate for an Employee shall be no less than \$15.00 per hour.

d. On July 1, 2022, and annually thereafter, the hourly wage rate paid to an Employee shall be adjusted consistent with any adjustment pursuant to Section 187.02 D. of the Los Angeles Municipal Code.

(ii) If an Employer does not provide an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the applicable wage rate in Section

10.37.2(a)(1)(i) and an additional wage rate of \$1.25 per hour.

(iii) Section 10.37.11 is not applicable to this subdivision.

**(2) Airport Employee Wages.**

(i) If an Employer servicing the Airport provides an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the following:

a. On July 1, 2017, the wage rate for an Employee shall be no less than \$12.08 per hour.

b. On July 1, 2018, the wage rate for an Employee shall be no less than \$13.75 per hour.

c. On July 1, 2019, the wage rate for an Employee shall be no less than \$15.25 per hour.

d. On July 1, 2020, the wage rate for an Employee shall be no less than \$16.50 per hour.

e. On July 1, 2021, the wage rate for an Employee shall be no less than \$17.00 per hour.

f. Beginning on July 1, 2022, the wage rate for an Employee shall increase annually, on July 1, to an amount \$2.00 above the minimum rate under the City's Minimum Wage Ordinance for that same period of time.

(ii) If an Employer servicing the Airport does not provide an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the applicable wage rate in Section 10.37.2(a)(2)(i) and an additional wage rate as follows:

a. On July 1, 2017, an Employer servicing the Airport shall pay an Employee an additional wage rate of \$5.18 per hour.

b. Beginning on July 1, 2018, an Employer servicing the Airport shall pay an Employee an additional wage rate per hour

equal to the health benefit payment in effect for an Employee pursuant to Section 10.37.3(a)(5).

(3) An Employer may not use tips or gratuities earned by an Employee to offset the wages required under this article.

(b) **Compensated Time Off.** An Employer shall provide an Employee compensated time off as follows:

(1) An Employee who works at least 40 hours per week or is classified as a full-time Employee by the Employer shall accrue no less than 96 hours of compensated time off per year.

(2) An Employee who works less than 40 hours per week and is not classified as a full-time Employee by the Employer shall accrue hours of compensated time off in increments proportional to that accrued by an Employee who works 40 hours per week.

(3) **General Rules for Compensated Time Off.**

(i) An Employee must be eligible to use accrued paid compensated time off after the first 90 days of employment or consistent with company policies, whichever is sooner. Compensated time off shall be paid at an Employee's regular wage rate at the time the compensated time off is used.

(ii) An Employee may use accrued compensated time off hours for sick leave, vacation or personal necessity.

(iii) An Employer may not unreasonably deny an Employee's request to use the accrued compensated time off. The DAA, through regulations, may provide guidance on what is considered unreasonable.

(iv) The DAA may allow an Employer's established compensated time off policy to remain in place even though it does not meet these requirements, if the DAA determines that the Employer's established policy is overall more generous.

(v) Unused accrued compensated time off shall carry over until time off reaches a maximum of 192 hours, unless the Employer's established policy is overall more generous.

(vi) After an Employee reaches the maximum accrued compensated time off, an Employer shall provide a cash payment once every 30 days for accrued compensated time off over the maximum. An Employer may provide an Employee with the option of cashing out any portion of, or all of, the Employee's accrued compensated time off, but, an Employer shall not require an Employee to cash out any accrued compensated time off. Compensated time off cashed out shall be paid to the Employee at the wage rate that the Employee is earning at the time of cash out.

(vii) An Employer may not implement any unreasonable employment policy to count accrued compensated time off taken under this article as an absence that may result in discipline, discharge, suspension or any other adverse action.

(4) **Compensated Release Time.** An Employer servicing the Airport who holds a Certified Service Provider License Agreement and is subject to this article shall comply with the following additional requirements:

(i) A CSPLA Employer shall provide an Employee at the Airport, 16 hours of additional compensated release time annually to attend and complete emergency response training courses approved by the Airport.

(ii) By December 31, 2018, and continuing thereafter on an annual basis, an Employee of a CSPLA Employer shall successfully complete the 16 hours of emergency response training.

(iii) An Employee of a CSPLA Employer hired after December 31, 2018, shall complete the 16 hours of emergency response training within 120 days of the first date of hire.

(iv) The 16 hours of compensated release time shall only be used to attend Airport approved annual emergency response training courses. The 16 hours of compensated release time does not accumulate or carry over to the following year. The 16 hours of compensated release time shall not be included as part of the 96 hours of compensated time off required under this article.

(c) **Uncompensated Time Off.** An Employer shall provide an Employee uncompensated time off as follows:

(1) An Employee who works at least 40 hours a week or is classified as a full-time Employee by an Employer shall accrue no less than 80 hours of uncompensated time off per year.

(2) An Employee who works less than 40 hours per week and is not classified as a full-time Employee by the Employer shall accrue hours of uncompensated time off in increments proportional to that accrued by an Employee who works 40 hours per week.

(3) **General Rules for Uncompensated Time Off.**

(i) An Employee must be eligible to use accrued uncompensated time off after the first 90 days of employment or consistent with company policies, whichever is sooner.

(ii) Uncompensated time off may only be used for sick leave for the illness of an Employee or a member of his or her immediate family and where an Employee has exhausted his or her compensated time off for that year.

(iii) An Employer may not unreasonably deny an Employee's request to use the accrued uncompensated time off. The DAA, through regulations, may provide guidance on what is considered unreasonable.

(iv) Unused accrued uncompensated time off shall carry over until the time off reaches a maximum of 80 hours, unless the Employer's established policy is overall more generous.

(v) An Employer may not implement any unreasonable employment policy to count accrued uncompensated time off taken under this article as an absence that may result in discipline, discharge, suspension or any other adverse action.

#### 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. 180,877, Eff. 10-19-09; In Entirety, Ord. No.

184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff.

1-20-18; Subsec. (a)(1), Ord. No. 185,745, Eff. 10-15-18.

**Sec. 10.37.3. Health Benefits.**

(a) **Health Benefits.** The health benefits required by this article shall consist of the payment by an Employer of at least \$1.25 per hour to Employees towards the provision of health care benefits for an Employee and his or her dependents. On July 1, 2017, the health benefit rate for an Employee working for an Employer servicing the Airport shall be at least \$5.18 per hour. On July 1, 2018, the annual increase for Employees working for an Employer servicing the Airport shall continue as provided in Section 10.37.3(a)(5).

(1) Proof of the provision of such benefits must be submitted to the Awarding Authority to qualify for the wage rate in Section 10.37.2(a) for Employees with health benefits.

(2) Health benefits include health coverage, dental, vision, mental health and disability income. For purposes of this article, retirement benefits, accidental death and dismemberment insurance, life insurance and other benefits that do not provide medical or health related coverage will not be credited toward the cost of providing Employees with health benefits.

(3) If the Employer's hourly health benefit payment is less than that required under this article, the difference shall be paid to the Employee's hourly wage.

(4) Health benefits are not required to be paid on overtime hours.

(5) On July 1, 2018, and annually thereafter each July 1, the amount of payment for health benefits provided to an Employee working for an Employer servicing the Airport shall be adjusted by a percentage equal to the percentage increase, if any, in the United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers: Medical Care Services, as measured from January to December of the preceding year. The DAA shall announce the adjusted rates on February 1st and publish a bulletin announcing the adjusted rates, which shall take effect on July 1st of each year.

(b) **Periodic Review.** At least once every three years, the City Administrative Officer shall review the health benefit payment by Employers servicing the Airport set forth in Section 10.37.3(a) to determine whether the payment accurately reflects the cost of health care and to

assess the impacts of the health benefit payment on Airport Employers and Airport Employees and shall transmit a report with its findings to the Council.

**SECTION HISTORY**

Added by Ord. No. 171,547, Eff. 5-5-97.  
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 180,877, Eff. 10-19-09; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

**Sec. 10.37.4. Employer Reporting and Notification Requirements.**

(a) An Employer shall post in a prominent place in an area frequented by Employees a copy of the Living Wage Poster and the Notice Regarding Retaliation, both available from the DAA.

(b) An Employer shall inform an Employee of his or her possible right to the federal Earned Income Credit (EIC) under Section 32 of the Internal Revenue Code of 1954, 26 U.S.C. § 32, and shall make available to an Employee forms informing them about the EIC and forms required to secure advance EIC payments from the Employer.

(c) An Employer is required to retain payroll records pertaining to its Employees for a period of at least four years, unless more than four years of retention is specified elsewhere in the contract or required by law.

(d) A Contractor, Public Lessee, Licensee, and City Financial Assistant Recipient is responsible for notifying all Contractors, Subcontractors, sublessees, and sublicensees of their obligation under this article and requiring compliance with this article. Failure to comply shall be a material breach of the contract.

**SECTION HISTORY**

Added by Ord. No. 171,547, Eff. 5-5-97.  
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

**Sec. 10.37.5. Retaliation Prohibited.**

An Employer shall not 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; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

#### Sec. 10.37.6. Enforcement.

(a) An Employee claiming violation of this article may bring an action in the Superior Court of the State of California against an Employer and may be awarded:

(1) For failure to pay wages required by this article, back pay shall be paid for each day during which the violation occurred.

(2) For failure to comply with health benefits requirements pursuant to this article, the Employee shall be paid the differential between the wage required by this article without health benefits and such wage with health benefits, less amounts paid, if any, toward health benefits.

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

(4) For Willful Violations, the amount of monies to be paid under Subdivisions (1) - (3), above, 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 prevails and obtains a court determination that the Employee's lawsuit was frivolous.

(c) Compliance with this article shall be required in all City contracts to which it applies. Contracts shall provide that violation of this article shall constitute a material breach thereof and entitle the Awarding Authority to terminate the contract and otherwise pursue legal remedies that may be available. Contracts shall also include an agreement that the Employer shall comply with federal law proscribing retaliation for union organizing.

(d) The DAA may audit an Employer at any time to verify compliance. Failure by the Employer to cooperate

with the DAA's administrative and enforcement actions, including, but not limited to, requests for information or documentation to verify compliance with this article, may result in a determination by the DAA that the Employer has violated this article.

(e) An Employee claiming violation of this article may report the claimed violation to the DAA, which shall determine whether this article applies to the claimed violation.

(1) If any of the Employee's allegations merit further review, the DAA shall perform an audit; the scope of which will not exceed four years from the date the complaint was received.

(2) If the claimed violation is filed after a contract has expired, and information needed for the review is no longer readily available, the DAA may determine this article no longer applies.

(3) In the event of a claimed violation of the requirements relating to compensated time off, uncompensated time off or wages, the DAA may require the Employer to calculate the amount the Employee should have earned and compensate the Employee. Nothing shall limit the DAA's authority to evaluate the calculation.

(i) If the DAA determines that an Employer is in violation of Section 10.37.2(b), the time owed must be made available immediately. At the Employer's option, retroactive compensated time off in excess of 192 hours may be paid to the Employee at the current hourly wage rate.

(ii) If the DAA determines that an Employer is in violation of Section 10.37.2(c), the Employer shall calculate the amount of uncompensated time off that the Employee should have accrued. This time will be added to the uncompensated time off currently available to the Employee and must be available immediately.

(f) 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 days or other time period determined appropriate by the DAA.

(g) In the event the Employer has not demonstrated to the DAA within such period that it has cured the 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 may include, but not be limited to: (i) termination of the Service Contract, Public Lease or License, or financial assistance agreement; (ii) the return of monies paid by the City for services not yet rendered; and (iii) the return to the City of money held in retention (or other money payable on account of work performed by the Employer) when the DAA has documented the Employer's liability for unpaid wages, health benefits or compensated time off.

(2) Request the Awarding Authority to declare the Employer non-responsible from future City contracts, leases and licenses in accordance with the Contractor Responsibility Ordinance (LAAC Section 10.40, et seq.) and institute proceedings in a manner that is consistent with law.

(3) Impose a fine payable to the City in the amount of up to \$100 for each violation for each day the violation remains uncured.

(4) Exercise any other remedies available at law or in equity.

(h) Notwithstanding any provision of this Code or any other law to the contrary, no criminal penalties shall attach for violation 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; Subsec. (d), Para. (1), Ord. No. 173,747, Eff. 2-24-01; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

#### Sec. 10.37.7. Administration.

The DAA shall administer the requirement of this article and monitor compliance, including the investigation of claimed violations. The DAA shall promulgate rules and regulations consistent with this article for the implementation of the provision of 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(l), and that particular leases and licenses shall be regarded as "Public Leases" or "Public Licenses" for purposes of Section 10.37.1(k), when it receives an

application for a determination of non-coverage or exemption as provided for in Section 10.37.14 and 10.37.15.

The DAA may require an Awarding Authority to inform the DAA about all contracts in the manner described by regulation. 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.

Every three years after July 1, 2018, the Chief Legislative Analyst (CLA) with the assistance of the City Administrative Officer (CAO) shall commission a study to review the state of the Airport's regional economy; minimum wage impacts for Employees servicing the Airport; Airport service industry impacts; temporary workers, guards and janitors impacts; restaurants, hotels and bars impacts; transitional jobs programs impacts; service charges, commissions and guaranteed gratuities impacts; and wage theft enforcement. On an annual basis, the CLA and CAO shall collect economic data, including jobs, earnings and sales tax. The Study shall also address how extensively affected Employers are complying with this article, how the article is affecting the workforce composition of affected Employers, and how the additional costs of the article have been distributed among Employees, Employers and the City.

#### 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; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

#### Sec. 10.37.8. City is a Third Party Beneficiary of Contracts Between an Employer and Subcontractor for Purposes of Enforcement.

Any contract an Employer executes with a Contractor or Subcontractor, as defined in Section 10.37.1(f) and (m), shall contain a provision wherein the Contractor or Subcontractor agree to comply with this article and designate the City as an intended third party beneficiary for purposes of enforcement directly against the Contractor or Subcontractor, as provided for in Section 10.37.6 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; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

**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; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

**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; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

**Sec. 10.37.11. Timing of Application.**

The provisions of this article shall become operative 60 days following the effective date of the ordinance and are not retroactive.

## 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; Subsec. (d) Added, Ord. No. 180,877, Eff. 10-19-09; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18.

**Sec. 10.37.12. Express Supersession by Collective Bargaining Agreement.**

The requirements of this article may be superseded by a collective bargaining agreement if expressly stated in the agreement. This provision applies to any collective bargaining agreement that expires or is open for negotiation of compensation terms after the effective date of this ordinance. Any collective bargaining agreement that purports to supersede any requirement of this article shall be submitted by the Employer to the DAA.

(a) A collective bargaining agreement may expressly supersede the requirements of this article with respect to Employees of Employers servicing the Airport only when an Employee is paid a wage not less than the applicable wage rate in Section 10.37.2(a)(2)(i).

(b) A collective bargaining agreement may expressly supersede the requirements of this article with respect to Employees of Airline Food Caterers only when an Employee of the Airline Food Caterer is paid a total economic package no less than the applicable wage rate in Section 10.37.2(a)(2)(ii).

## SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.  
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 184,318, Eff. 7-7-16; Title and Section In Entirety, Ord. No. 185,321, Eff. 1-20-18.

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

The definitions of "City Financial Assistance Recipient" in Section 10.37.1(e), of "Public Lease or License" in Section 10.37.1(k), and of "Service Contract" in Section 10.37.1(l) shall be liberally interpreted so as to further the policy objectives of this article. All City Financial Assistance Recipients meeting the monetary thresholds of Section 10.37.1(e), all Public Leases and Licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services shall be presumed to meet the corresponding definition mentioned above, 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; In Entirety, Ord. No. 184,318, Eff. 7-7-16; In Entirety, Ord. No. 185,321, Eff. 1-20-18; In Entirety, Ord. No. 185,745, Eff. 10-15-18.

#### Sec. 10.37.14. Contracts, Employers and Employees Not Subject to this Article.

The following contracts are not subject to the Living Wage Ordinance. An Awarding Authority, after consulting with the DAA, may determine whether contracts and/or Employers are not subject to the Living Wage Ordinance due to the following:

(a) a contract where an employee is covered under the prevailing wage requirements of Division 2, Part 7, of the California Labor Code unless the total of the basic hourly rate and hourly health and welfare payments specified in the Director of Industrial Relations' General Prevailing Wage Determinations are less than the minimum hourly rate as required by Section 10.37.2(a) of this article.

(b) a contract with a governmental entity, including a public educational institution or a public hospital.

(c) a contract for work done directly by a utility company pursuant to an order of the Public Utilities Commission.

#### SECTION HISTORY

Added by Ord. No. 184,318, Eff. 7-7-16.  
Amended by: In Entirety, Ord. No. 185,321, Eff. 1-20-18.

#### Sec. 10.37.15. Exemptions.

Upon the request of an Employer, the DAA may exempt compliance with this article. An Employer seeking an exemption must submit the required documentation to the DAA for approval before the exemption takes effect.

(a) A Public Lessee or Licensee, that employs no more than seven people total on and off City property shall be exempted. A lessee or licensee shall be deemed to employ no more than seven people if the

company's entire workforce worked an average of no more than 1,214 hours per month for at least three-fourths of the previous calendar year. If a Public Lease or License has a term of more than two years, the exemption granted pursuant to this section shall expire after two years, but shall be renewable in two-year increments.

(b) Non-Profit Organizations. Corporations organized under Section 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 times the lowest wage paid by the corporation, shall be exempted as to all Employees other than child care workers.

(c) Students. High school and college students employed in a work study or employment program lasting less than three months shall be exempt. Other students participating in a work-study program shall be exempt if the Employer can verify to the DAA that:

(1) The program involves work/training for class or college credit and student participation in the work-study program is for a limited duration, with definite start and end dates; or

(2) The student mutually agrees with the Employer to accept a wage below this article's requirements based on a training component desired by the student.

(d) Nothing in this article shall limit the right of the Council to waive the provisions herein.

(e) Nothing in this article shall limit the right of the DAA to waive the provisions herein with respect to and at the request of an individual Employee who is eligible for benefits under Medicare, a health plan through the U.S. Department of Veteran Affairs or a health plan in which the Employee's spouse, domestic partner or parent is a participant or subscriber to another health plan. An Employee who receives this waiver shall only be entitled to the hourly wage pursuant to Section 10.37.2(a)(2)(i).

#### SECTION HISTORY

Added by Ord. No. 184,318, Eff. 7-7-16.  
Amended by: In Entirety, Ord. No. 185,321, Eff. 1-20-18.

**Sec. 10.37.16. Severability.**

If any subsection, sentence, clause or phrase of this article is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this section, and each and every subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION HISTORY**

Added by Ord. No. 172,336, Eff. 1-14-99.  
Amended by: In Entirety, Ord. No. 184,318, Eff. 7-7-16; In  
Entirety, Ord. No. 185,321, Eff. 1-20-18.

# EXHIBIT I

Worker Retention Ordinance  
(WRO)

CHAPTER 1, ARTICLE 10

WORKER RETENTION

(Title amended, Ord. No. 185,356, Eff. 1-26-18.)

Section	
10.36	Findings and Statement of Policy.
10.36.1	Definitions.
10.36.2	Transition Employment Period.
10.36.3	Enforcement.
10.36.4	Exemption for Contractor or Contractor's Prior Employees.
10.36.5	Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.
10.36.6	Expenditures Covered by this Article.
10.36.7	Promulgation of Implementing Rules.
10.36.8	Severability.

**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 leases its property or grants licenses to enter onto its property and these lessees and licensees often 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 other firms for the purpose of economic development or job growth. At the conclusion of the term of a service contract, lease or license with the City or with those receiving financial assistance from the City, a different firm often receives the successor contract to perform the same City services or to lease or license the same City property.

The City obtains benefits achieved through the competitive 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.

The City has a proprietary interest in the work performed by employees of City contractors, lessees and licensees and by the employees of firms receiving City financial assistance. The success or failure of City operations may turn on the success or failure of these firms, and the City has a genuine stake in how the public perceives

the services rendered by these firms. Replacement of existing employees can adversely impact the performance by these firms and thereby hinders the opportunity for success of City operations.

Incumbent workers have invaluable existing knowledge and experience with the work schedules, practices and clients. Replacing these workers with workers without these experiences decreases efficiency and results in a disservice to the City and City financed or assisted projects.

Retaining existing workers when a change in firm 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 City constituents and visitors who receive services provided by the City, the City's lessees or licensees, or by City financed or assisted projects.

Contracting decisions involving the expenditure of City funds should avoid a 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, leases and licenses with the City and 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.  
Amended by: Article and Section, Ord. No. 171,004, Eff. 5-18-96;  
In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety,  
Ord. No. 185,356, Eff. 1-26-18.

**Sec. 10.36.1. Definitions.**

The following definitions shall apply throughout this article:

(a) "Awarding Authority" means the governing body, board, officer or employee of the City or City Financial Assistance Recipient authorized to award a Contract and shall include a department which

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has control of its own funds if the department adopts policies consonant with the provisions of this article.

(b) “City” means the City of Los Angeles and all Awarding Authorities thereof.

(c) “City Financial Assistance Recipient” means any person who receives from the City in any 12-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least \$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 \$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 purposes of this article. A loan at market rate 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. §§ 1274(d) and 7872(f). A recipient shall not be deemed to include lessees and sublessees. Contracts for economic development or job growth shall be deemed providing such assistance once the \$100,000 threshold is reached.

(d) “Contract” means:

(1) 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 City Financial Assistance Recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of \$25,000 and a contract term of at least three months; or

(2) a Public Lease or License as those terms are defined in Los Angeles Administrative Code Section 10.37.1(k) but only if the lessee or

licensee is subject to the Living Wage Ordinance and not otherwise exempt from its provisions.

(e) “Contractor” means any person that enters into a Contract with the City or a City Financial Assistance Recipient. Governmental entities, including public educational institutions and public hospitals, are not Contractors and are not subject to this article.

(f) “Designated Administrative Agency (DAA)” means the Department of Public Works, Bureau of Contract Administration, which shall bear administrative responsibilities under this article.

(g) “Employee” means any person employed as an employee of a Contractor or Subcontractor earning no more than twice the hourly wage without health benefits available under the Living Wage Ordinance, Los Angeles Administrative Code Section 10.37 et seq., whose primary place of employment is in the City on or under the authority of a Contract. Examples of Employee includes: 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. Employee does not include a person who is a managerial, supervisory or confidential Employee. An Employee must have been employed by a terminated Contractor for the preceding 12 months or longer.

(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) “Subcontractor” means any person not an Employee who enters into a contract with a Contractor to assist the Contractor in performing a Contract and who employs Employees for such purpose. A Subcontractor includes a sublessee or sublicensee.

(j) “Successor Contract” means a Contract where the service to be performed is substantially similar to the Contract recently terminated. The meaning also includes a Contract that is a Public Lease or License substantially similar to a Public Lease or License recently terminated. Termination includes, but is not limited to: (1) the completion of the Contract; (2) early termination of the Contract in whole or in part; or (3) an amendment that reduces

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services provided under the Contract, in whole or in part.

#### SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.  
Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (c), Ord. No. 172,843, Eff. 11-4-99; Subsec. (j) added, Ord. No. 176,155, Eff. 9-22-04; Subsec. (j), Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

#### Sec. 10.36.2. Transition Employment Period.

(a) Within ten days of learning that a Contract is to be terminated, the Contractor shall provide to the Successor Contractor, the Awarding Authority and the DAA, the name, address, date of hire, and employment occupation classification of each Employee of the terminated Contractor and Subcontractor working pursuant to the Contract. If the terminated Contractor has not learned the identity of the Successor Contractor, the Contractor shall request the identity from the Awarding Authority. If a Successor Contract has not been awarded by the end of the ten-day period, the Contractor shall provide the employment information referred to earlier in this subsection to the Awarding Authority and the DAA. Where only a subcontract of a Contract has been terminated, the terminated Subcontractor shall for purposes of this Article be deemed a terminated Contractor.

(1) If multiple Contracts providing similar services are terminated, the Awarding Authority shall consult with the DAA to determine whether to pool the Employees, ordered by seniority within job classification and provide a pool list to the Successor Contractor. The Successor Contractor shall provide written notice to the Awarding Authority and the DAA that the Awarding Authority's pool list will be used. The notice must include the following:

(A) the total number of Employees required under the Successor Contract;

(B) a breakdown of the number of Employees required within each job classification and seniority within each class; and

(C) an indication as to which Employees within each job classification shall be offered employment under this article.

The written notice must be provided no later than ten days after the Successor Contractor receives the listing of the terminated Contractor's Employees.

(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 Awarding Authority 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 promulgated by the DAA. The Successor Contractor or Subcontractor shall provide written notice to the Awarding Authority and the DAA that the Awarding Authority's pool list will be used.

(b) If work-related requirements for a particular job classification under the Successor Contract differ from the terminated Contract, the Successor Contractor (or Subcontractor, where applicable) shall give notice to the Awarding Authority and the DAA and provide an explanation including:

(1) the different work-related requirements needed; and

(2) the reason why the different work-related requirements are necessary for the Successor Contract.

(c) Within ten days of receipt of the list of Employees from the terminated Contractor, the Successor Contractor shall make written offers for a 90-day transition employment period to the eligible Employees by letters sent certified mail. The letters shall ask an Employee to return the offers to the Successor Contractor with the Employee's signature indicating acceptance or rejection of the offer of employment. The letters shall state that if an Employee fails to return a written acceptance of the offer within ten days of the date of mailing of the Successor Contractor's certified letter, then the Employee will be presumed to have declined the offer.

The Successor Contractor shall provide copies of the letters offering employment to the Awarding Authority and proof of mailing.

(d) A Successor Contractor shall retain Employees for a 90-day transition employment period. Where pooling of Employees has occurred, the Successor Contractor shall draw from the pools in accordance with rules promulgated by the DAA. During such 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.

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(e) If at any time the Successor Contractor determines that fewer Employees are required to perform the new Contract than were required by the terminated Contractor (and Subcontractors, if any), the Successor Contractor shall retain Employees by seniority within job classification. The Successor Contractor shall give notice to the Awarding Authority and the DAA and provide an explanation including:

- (1) the reason that fewer Employees will be needed;
- (2) the total number of Employees required under the Successor Contract;
- (3) a breakdown of the number of Employees required within each job classification;
- (4) a listing of the terminated Contractor's Employees by job classification and seniority within each class; and
- (5) an indication as to which Employees within each job classification will be offered employment under this article.

The notice must be provided no later than ten days after the Successor Contractor receives the list of the terminated Contractor's Employees pursuant to Section 10.36.2(a).

Letters offering employment shall be made by seniority within each job classification. If an Employee in a job classification declines an offer of employment or fails to respond within ten days pursuant to Section 10.36.2(a), the Successor Contractor shall issue a letter offering employment to the next Employee in that job classification. The Successor Contractor shall continue to offer employment in this manner until all required positions are filled for the Successor Contract or until all Employees have been offered employment.

(f) During the 90-day transition employment 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, if needed.

(g) During the 90-day transition employment 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 mean fair and honest reasons, regulated by good faith on the part of the Contractor or Subcontractor, that are not trivial, arbitrary or capricious, unrelated to business needs or goals, or pretextual.

(h) At the end of the 90-day transition employment 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 the 90-day period is satisfactory, the Successor Contractor (or Subcontractor) shall offer the Employee continued employment under terms and conditions established by the Successor Contractor (or Subcontractor) or as required by law.

(i) If the City or a City Financial Assistance Recipient enters into a Contract for the performance of work that prior to the Contract was performed by the City's or the City Financial Assistance Recipient's own Employees, the City or the City Financial Assistance Recipient shall be deemed to be a terminated Contractor within the meaning of this article and the Contractor shall be deemed to be a Contractor with a Successor Contract within the meaning 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; Subsec. (g) added, Ord. No. 172,349, Eff. 1-29-99; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

#### 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 Superior Court of the State of California 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 from the terminated Contractor during the last three years of the Employee's employment in the same occupation classification; or

(B) The final regular rate paid by the terminated Contractor to the Employee.

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(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 Contracts and shall provide that violation of this article shall entitle the City to terminate the Contract and pursue all legal remedies.

(d) If the DAA determines that a Contractor or Subcontractor violated this article, the DAA may recommend that the Awarding Authority take any or all of the following actions:

(1) Document the determination in the Awarding Authority's Contractor Evaluation required under Los Angeles Administrative Code Section 10.39, et seq.;

(2) Require that the Contractor or Subcontractor document the determination in each of the Contractor's or Subcontractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Section 10.40, et seq.;

(3) Terminate the Contract;

(4) Recommend to the Awarding Authority to withhold payments due to the Contractor or Subcontractor.

(e) Notwithstanding any provision of this Code or any other law 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; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

**Sec. 10.36.4. Exemption for Contractor or Contractor's Prior Employees.**

(a) An Awarding Authority may allow a Successor Contractor or Subcontractor to fill a position under a Contractor with a person who has been employed by the Contractor or Subcontractor continuously for at least 12 months prior to the commencement of the Successor

Contract working in a position similar to the position to be filled in the Successor Contract. The Successor Contractor or Subcontractor shall first obtain written approval of the Awarding Authority by demonstrating that: (a) the person would otherwise be laid off work; and (b) his or her retention would be helpful to the Contractor or Subcontractor in performing the Successor Contract.

(b) Nothing in this article shall limit the right of the DAA to waive the provisions herein with respect to a Contractor if it finds it is not in the best interest of the City.

**SECTION HISTORY**

Added by Ord. No. 170,784, Eff. 1-13-96.  
Amended by: Ord. No. 171,004, Eff. 5-18-96; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

**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; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

**Sec. 10.36.6. Expenditures Covered by this Article.**

This article shall apply to the expenditure, whether through Contracts let by the City or by City 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 the expenditure of non-City funds for Contracts to be performed in the City by complying with Section 10.36.2(i) and by contractually requiring their Contractors with Contracts 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; Ord. No. 172,843, Eff. 11-4-99; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

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**Sec. 10.36.7. Promulgation of Implementing Rules.**

The DAA 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.  
Amended by: Ord. No. 176,155, Eff. 9-22-04; Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

**Sec. 10.36.8. Severability.**

If any subsection, sentence, clause or phrase of this article is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this section, and each and every subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION HISTORY**

Added by Ord. No. 171,004, Eff. 5-18-96.  
Amended by: In Entirety, Ord. No. 184,293, Eff. 6-27-16; In Entirety, Ord. No. 185,356, Eff. 1-26-18.

**CONTRACTS**

**Division 10**

**EXHIBIT I**

# EXHIBIT J

Child Support Orders

# LOS ANGELES ADMINISTRATIVE CODE

## Div. 10, Ch. 1, Art. 1

### CHILD SUPPORT

#### 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 into 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 §§ 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 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 § 5230 *et seq.* and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

##### e. City's Compliance with California Family Code.

The City shall maintain its compliance with the provisions of California Family Code §§ 5230 *et*

*seq.* and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.

f. Report of Employees' Names to District Attorney.

1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.

2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

**SECTION HISTORY**

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

# EXHIBIT K

First Source Hiring Program  
For Airport Employers (LAX Only)

## FIRST SOURCE HIRING PROGRAM FOR AIRPORT EMPLOYEES

- I. Purpose. The purpose of this First Source Hiring Program is to facilitate the employment of Targeted Applicants by Airport Employers. It is a goal of this First Source Hiring Program that this Program benefit Airport Employers by providing a pool of qualified job applicants through a non-exclusive referral system.
- II. Definitions. As used in this Program, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

"Airport" shall mean Los Angeles International Airport.

"Airport Employer" shall mean a party that, through a contract, lease, licensing arrangement, or other arrangement, agrees to comply with this First Source Hiring Program with regard to Airport Jobs. Operators of transportation charter party limousines, non-tenant shuttles, and taxis shall not be considered Airport Employers.

"Airport Job" shall mean a job that either (i) is performed On-Site, or (ii) is directly related to a contract, lease, licensing arrangement, or other arrangement under which the employer is an Airport Employer. Positions for which City's Worker Retention Policy requires hiring of particular individuals shall not constitute Airport Jobs for purposes of this Program.

"City" shall mean the City of Los Angeles.

"Coalition" shall mean the LAX Coalition for Economic, Environmental, and Educational Justice, an unincorporated association comprised exclusively of the following organizations: AGENDA; AME Minister's Alliance; Clergy and Laity United for Economic Justice; Coalition for Clean Air; Communities for a Better Environment; Community Coalition; Community Coalition for Change; Environmental Defense; Inglewood Coalition for Drug and Violence Prevention; Inglewood Democratic Club; Lennox Coordinating Council; Los Angeles Alliance for a New Economy; Los Angeles Council of Churches; Nation of Islam; Natural Resources Defense Council; Physicians for Social Responsibility Los Angeles; Service Employees International Union Local 347; and Teamsters Local 911.

"Coalition Representative" shall mean the following: The Coalition shall designate one individual as the "Coalition Representative" authorized to speak or act on behalf of the Coalition for all purposes under the Cooperation Agreement. The Coalition Representative may designate one or more assistants to assist the Coalition Representative in speaking or acting on behalf of the Coalition with respect to any specific program or activity or any other matter. The Coalition shall provide LAWA with contact information for the Coalition Representative upon request.

"Cooperation Agreement" shall mean the Cooperation Agreement between LAWA and the LAX Coalition for Economic, Environmental and Educational Justice.

"LAWA" shall mean Los Angeles World Airports.

"Low-Income Individual" shall mean an individual whose household income is no greater than 80% of the median income, adjusted for household size, for the Primary Metropolitan Statistical Area.

"On-Site" shall mean physically located on property owned or leased by LAWA and pertaining to Airport.

"Program" shall mean this First Source Hiring Program.

"Project Impact Area" shall have the meaning set forth in the "Final Environmental Impact Report" for the LAX Master Plan Program, dated April 2004, as supplemented by one or more EIR Addenda prior to certification of the EIR by the City Council.

"Referral System" shall mean the referral system established to provide applicant referrals for the Program.

"Special Needs Individuals" shall mean: (i) individuals who receive or have received public assistance through the [Temporary Assistance for Needy Families Program], within the past 24 months; (ii) individuals who are homeless; (iii) ex-offenders, (iv) chronically unemployed, and (v) dislocated airport workers.

"Targeted Applicants" shall have the meaning set forth in Section IV below.

III. Coverage. This Program shall apply to hiring by Airport Employers for all Airport Jobs, except for jobs for which the hiring procedures are governed by a collective bargaining contract that conflicts with this Program.

IV. Targeted Applicants. Referrals under the Program shall, to the extent permissible by law, be made in the order of priority set forth below.

- First Priority: Low-Income Individuals living in the Project Impact Area for at least one year and Special Needs Individuals; and
- Second Priority: Low-Income Individuals residing in City.

V. Initial Airport Employer Roles.

A. Liaison. Each Airport Employer shall designate a liaison for issues related to the Program. The liaison shall work with LAWA, the Coalition Representative, the Referral System provider, and relevant public officials to facilitate effective implementation of this Program.

- B. Long-Range Planning. Any entity that becomes an Airport Employer at least two (2) months prior to commencing operations related to Airport shall, at least two months prior to commencing operations related to Airport, provide to the Referral System the approximate number and type of Airport Jobs that it will fill and the basic qualifications necessary.

VI. Airport Employer Hiring Process.

- A. Notification of Job Opportunities. Prior to hiring for any Airport Job, an Airport Employer shall notify the Referral System, by e-mail or fax, of available job openings and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g., language skills, driver's license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties.
- B. Referrals. After receiving a notification under Section VI.A above, the Referral System shall within five days, or longer time frame agreed to by the Referral System and Airport Employer, refer to the Airport Employer one or more Targeted Applicants who meet the Airport Employer's qualifications.
- C. Hiring.
  - 1. New Employer Targeted Hiring Period. When making initial hires for the commencement of an Airport Employer's operations related to Airport, the Airport Employer shall consider and hire only Targeted Applicants for a two week period following provision of the notification described in Section VI.A. After this period, the Airport Employer shall make good-faith efforts to hire Targeted Applicants, but may consider and hire applicants referred or recruited through any source.
  - 2. Established Employer Targeted Hiring Period. When making hires after the commencement of operations related to Airport, an Airport Employer shall consider and hire only Targeted Applicants for a five-day period following provision of the notification described in Section VI.A. After this period, the Airport Employer shall make good-faith efforts to hire Targeted Applicants, but may consider and hire applicants referred or recruited through any source.
  - 3. Hiring Procedure During Targeted Hiring Periods. During the periods described in Sections VI.C.1 and VI.C.2 above, Airport Employers may hire Targeted Applicants recruited or referred through any source. During such periods Airport Employers shall use normal hiring practices, including interviews, to consider all applicants referred by the Referral System.

4. No Referral Fees. No Airport Employer or referred job candidate shall be required to pay any fee, cost or expense of the Referral System or this Program in connection with referrals.

VIII. Reporting and Recordkeeping.

- A. Reports. During the time that this Program is applicable to any Airport Employer, that Airport Employer shall, on a quarterly basis, notify the Referral System of the number, by job classification, of Targeted Applicants hired by the Airport Employer during that quarter, and the total number of employees hired by the Airport Employer for Airport Jobs during that quarter. Any Airport Employer who has not had hiring activity for the quarter, shall also notify the Referral System of such inactivity.
- B. Recordkeeping. During the time that this Program is applicable to any Airport Employer, that Airport Employer shall retain records sufficient for monitoring of compliance with this Program with regard to each Airport Job, including records of notifications sent to the Referral System, referrals from the Referral System, job applications received from any source, number of Targeted Applicants hired, and total number of employees hired for Airport Jobs. To the extent allowed by law, and upon reasonable notice, these records shall be made available to LAWA and to the Referral System for inspection upon request. The Coalition Representative may request that LAWA provide such records at anytime. Records may be redacted so that individuals are not identified by name and so that information required by law to remain confidential is excluded.
- C. Complaints. If LAWA, the Coalition, or the Referral System believes that an Airport Employer is not complying with this Program, then the designated LAWA office shall be notified to ensure compliance with this program.
- D. Liquidated Damages. Each Airport Employer agrees to pay to LAWA liquidated damages in the amount of One Thousand Dollars (\$1,000) where LAWA finds that the Airport Employer has violated this Program with regard to hiring for a particular Airport Job. LAWA shall establish procedures providing to Airport Employers notice and an opportunity to present all relevant evidence prior to LAWA's final determination regarding an alleged violation. This liquidated damages provision does not preclude LAWA from obtaining any other form of available relief to ensure compliance with this Program, including injunctive relief.

IX. Miscellaneous.

- A. Compliance with State and Federal Law. This Program shall be implemented only to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this Program is held by a court of law to be in conflict with state or federal law, the applicable law shall prevail over the terms of

this Program, and the conflicting provisions of this Program shall not be enforceable.

- B. Severability Clause. If any term, provision, covenant or condition of this Program is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.
- C. Binding on Successors. This Program shall be binding upon and inure to the benefit of the successors in interest, transferees, assigns, present and future partners, subsidiary corporations, affiliates, agents, representatives, heirs, and administrators of any party that has committed to comply with it. Any reference in this Program to a party shall be deemed to apply to any successor in interest, transferee, assign, present or future partner, subsidiary corporation, affiliate, agent, representative, heir or administrator of such party; provided, however, that any assignment, transfer or encumbrance of a lease agreement, permit or contract in which this Program is incorporated shall only be made in strict compliance with the terms of such lease agreement, permit or contract and the foregoing shall not constitute consent to any such assignment, transfer or encumbrance.
- D. Lease Agreements and Contracts. Airport Employers shall not execute any sublease agreement or other contract under which Airport Jobs may occur directly or indirectly, unless the entirety of this Program is included as a material term thereof, binding on all parties.
- E. Assurance Regarding Preexisting Contracts. Each Airport Employer warrants and represents that as of the date of execution of this Program, it has executed no sublease agreement or other contract that would violate any provision of this Program had it been executed after the date of incorporation of this Program into a binding contract.
- F. Intended Beneficiaries. LAWA, the Coalition, and the Referral System are intended third-party beneficiaries of contracts and other agreements that incorporate this Program with regard to the terms and provisions of this Program. However, the parties recognize that only LAWA has the sole responsibility to enforce the provisions of this Program.
- G. Material Terms. All provisions of this Program shall be material terms of any lease agreement or contract in which it is incorporated.
- H. Effective Date. Section VI of this Program shall become effective on the effective date of the contract or agreement into which it is incorporated.
- I. Construction. Any party incorporating this Program into a binding contract has had the opportunity to be advised by counsel with regard to this Program. Accordingly, this Program shall not be strictly construed against any party, and

the rule of construction that any ambiguities be resolved against the drafting party shall not apply to this Program.

- J. Entire Contract. This Program contains the entire agreement between the parties on the subjects described herein, and supersedes any prior agreements, whether written or oral. This Program may not be altered, amended or modified except by an instrument in writing signed in writing by all parties to the contract in which it is incorporated.

# EXHIBIT L

Contractor Responsibility Program (CRP)/ Pledge of Compliance

# LOS ANGELES WORLD AIRPORTS



## CONTRACTOR RESPONSIBILITY PROGRAM

### RULES AND REGULATIONS FOR LEASES

**Effective date: July 1, 2012**

Procurement Services Division  
7301 World Way West, 4<sup>th</sup> Floor  
Los Angeles, CA 900145  
(424) 646-5380  
(424) 646-9262 (Fax)

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These Rules and Regulations are promulgated pursuant to Board Resolution #21601, the Los Angeles World Airports Contractor Responsibility Program (CRP). Each Requesting LAWA Division shall cooperate to the fullest extent with the Executive Director in the administration of the CRP. The Executive Director may amend these Rules and Regulations from time to time as required for the implementation of the CRP.

#### A. DEFINITIONS

- (a) **"Awarding Authority"** means either the Executive Director or the Board or the Board's designee.
- (b) **"Bid"** means an application submitted by a bidder in response to an Invitation for Bid, Request for Proposal or Request for Qualifications or other procurement process.
- (c) **"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.
- (d) **"Board"** means the City of Los Angeles Board of Airport Commissioners.
- (e) **"Contract"** means any agreement for the performance of any work or service, the provisions of any goods, equipment, materials or supplies, or the rendition of any service to LAWA or to the public or the grant of a Public Lease, which is awarded or entered into by or on behalf of LAWA. The provisions of these Rules and Regulations shall apply to all leases that require Board approval.
- (f) **"Contractor"** means any person, firm, corporation, partnership, association or any combination thereof, which enters into a Contract with LAWA and includes a Public Lessee.
- (g) **"CRP Pledge of Compliance"** means the CRP Pledge of Compliance developed by PSD. The CRP Pledge of Compliance shall require Public Lessees and Public Sublessees to sign under penalty of perjury that the Public Lessees and Public Sublessees will:
  - (1) Comply with all applicable Federal, State, and local laws and regulations during the performance of the lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.
  - (2) Notify LAWA within 30 calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that

the tenant or did not comply with subparagraph (g)(1) above in the performance of the contract.

- (3) Notify LAWA within 30 calendar days of all findings by a government agency or court of competent jurisdiction that the Public Lessee or Public Sublessee has violated subparagraph (g)(1) above in the performance of the Public Lease.
  - (4) Provide LAWA within 30 calendar days updated responses to the CRP Questionnaire if any change occurs which would change any response contained within the completed CRP Questionnaire. Note: This provision does not apply to amendments of Public Leases not subject to the CRP and to Public Sublessees not required to submit a CRP Questionnaire.
  - (5) Ensure that Public Lessees and Public Sublessees with LAWA leases shall complete, sign and submit a CRP Pledge of Compliance attesting under penalty of perjury to compliance with subparagraphs (u)(1) through (4).
  - (6) Notify LAWA within 30 days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving Public Sublessees in the performance of a LAWA contract.
  - (7) Cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.
- (h) **“CRP Questionnaire”** means the set of questions developed by PSD that will assist LAWA in determining a bidder, proposer’s or contractor’s responsibility. Information solicited from the CRP Questionnaire may include but is not limited to: ownership and name changes, financial resources and responsibility, satisfactory performance of other contracts, satisfactory record of compliance with relevant laws and regulations, and satisfactory record of business integrity. PSD may amend the CRP Questionnaire from time to time.
- (i) **“Executive Director”** means the Executive Director of the City of Los Angeles Department of Airports.
- (j) **“Invitation for Bid” (“IFB”)** means the process through which the City solicits Bids including Request for Proposals (“RFP”) and Requests for Qualifications (“RFQ”).
- (k) **“Los Angeles World Airports”** means the City of Los Angeles Department of Airports.
- (l) **“PSD”** means LAWA’s Procurement Services Division.
- (m) **“Public Lease”** means a lease of LAWA property.
- (n) **“Public Lessee”** means a Contractor that leases LAWA property under a Public Lease.

- (o) **"Public Sublessee"** means a Subcontractor that subleases LAWA property from a Public Lessee.
- (p) **"PSD"** means LAWA's Procurement Services Division.
- (q) **"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 Public Sublessee, to perform or assist in performing services on the leased premises.
- (r) **"Prospective Lessee"** means any person, firm, corporation, partnership, association or any combination thereof that currently does not have a Public Lease.
- (s) **"Prospective Sublessee"** means any person, firm, corporation, partnership, association or any combination thereof that currently does not sublease LAWA property from a Public Lessee.
- (t) **"Requesting LAWA Division"** means the LAWA division(s) which issued the RFB, RFP or RFQ.
- (u) **"Responsibility"** means possessing the necessary "trustworthiness" and "quality, fitness and capacity" to perform the work set forth in the contract.

## **B. SUBMISSION OF CRP QUESTIONNAIRES**

1. **Prospective Lessees** are required to submit a completed and signed CRP Questionnaire for determination of responsibility prior to award of a Public Lease.
2. **Public Lessees, Prospective Sublessees and Public Sublessees** are not required to submit a completed and signed CRP Questionnaire.

## **C. LAWA REVIEW OF SUBMITTED CRP QUESTIONNAIRES (APPLICABLE TO PROSPECTIVE LESSEES ONLY)**

### **1. Posting of CRP Questionnaires and Sublessee Lists:**

The Requesting LAWA Division will forward to PSD the completed CRP Questionnaires and sublessee list(s), if any, submitted by the Prospective Lessees to make available for public review and comment for a minimum of fourteen (14) calendar days prior to the award of the Public Lease.

### **2. Departmental Review of CRP Questionnaires**

- a. PSD will determine Contractor Responsibility from the completeness and accuracy of the information in the submitted CRP Questionnaire; information from various

compliance and regulatory agencies; accuracy and completeness of the information received from the public; and through PSD's own reviews and investigations.

- b. PSD may submit written requests to the Prospective Lessee for clarification or additional documentation. Failure to respond to these requests within the specified time may render the Prospective Lessee non-responsible and disqualified.
- c. PSD will report its findings and determination to the Requesting LAWA Division.
- d. No award of a Public Lease will be made by LAWA until after the CRP Questionnaire review and Contractor Responsibility determination has been made.
- e. The CRP Questionnaire of the Prospective Lessee that is awarded a Public Lease will be retained by PSD. The CRP Questionnaires of the Prospective Lessees that are not awarded a Public Lease will also be retained by PSD.

### **3. Claims Resulting from Public Review and Comments**

#### **Prospective Lessees:**

- a. Claims regarding a Prospective Lessee's responsibility must be submitted to PSD in writing. However, PSD may investigate a claim regarding a Prospective Lessee's responsibility, whether or not it is submitted in writing.
- b. If PSD receives information which calls into question a Prospective Lessee's responsibility, and the information was received **before** LAWA awards a Public Lease to the Prospective Lessee, PSD shall:
  - (1) Notify the Requesting LAWA Division in writing that LAWA will not award a Public Lease, until PSD has completed investigation into the matter.
  - (2) Investigate the complaint, collect necessary documentation, and determine the complaint's validity.
  - (3) Upon completion of the investigation, notify the Requesting LAWA Division in writing of the results of the investigation.
  - (4) Findings from the PSD investigation received by the Requesting LAWA Division will be considered by the Awarding Authority as part of the determination of the Prospective Lessee's responsibility.

#### **Public Lessee:**

- a. Claims regarding a Public Lessee's responsibility must be submitted to PSD in writing. However, PSD may investigate a claim regarding a Public Lessee's responsibility, whether or not it is submitted in writing.

- b. If PSD receives written information that calls into question a Public Lessee's responsibility, PSD shall investigate the matter as required in Section G, LAWA Investigation.

**D. AWARD AND EXECUTION OF PUBLIC LEASES**

**1. Determination of Responsibility and Award of Public Lease**

- a. PSD shall determine whether a Prospective Lessee is a responsible lessee with the necessary trustworthiness, quality, fitness and capacity to comply with the terms of the Public Lease by considering the following:
  - (1) Completeness and accuracy of the information contained in the CRP Questionnaire;
  - (2) Completeness and accuracy of the information received from the public;
  - (3) Information and documentation from PSD's own investigation; and
  - (4) Information that may be available from any compliance or regulatory governmental agency.
- b. The Awarding Authority may award and execute a Public Lease to a Prospective Lessee only if:
  - (1) The Prospective Lessee's CRP Questionnaire; and sublessee's list(s), if any, has been made available for public review for at least fourteen (14) calendar days unless otherwise exempted from the posting requirement by the CRP;
  - (2) The Prospective Lessee is not being investigated pursuant to the CRP;
  - (3) The Prospective Lessee has not been found to be a non-responsible lessee pursuant to the CRP;
  - (4) The Prospective Lessee does not appear on any City list of debarred bidders or contractors; and
  - (5) The Prospective Lessee has met all other applicable City requirements.

**2. Submission of Pledge of Compliance**

**Prospective Lessees/Prospective Sublessees:**

- a. Unless otherwise exempt from the CRP, all Prospective Lessees and Prospective Sublessees are required to submit a CRP Pledge of Compliance signed under penalty of perjury. Failure to submit a CRP Pledge of Compliance as required may render the Prospective Lessees or Prospective Sublessees, as applicable, non-compliant with the terms of the Public Lease or a consent to sublease, as applicable, and subject to sanctions.

**Public Sublessees:**

- b. Prior to LAWA's execution of a consent to sublease with a Prospective Sublessee, the Public Lessee shall submit to LAWA a signed CRP Pledge of Compliance from each Public Sublessee listed as occupying space on the leasehold premises.

**3. Public Sublessee Responsibility**

- a. Public Lessees shall ensure that their sublessees meet the criteria for responsibility set forth in the CRP and these Rules and Regulations.
- b. Public Lessees shall ensure that sublessees occupying space on the LAWA leasehold premises shall complete and submit a signed CRP Pledge of Compliance.
- c. Public Lessees shall not sublease to any sublessee that has been determined or found to be a non-responsible contractor by LAWA or the City.
- d. Subject to approval by the Awarding Authority, Public Lessees may substitute a non-responsible sublessee with another sublessee.

**4. Execution of Public Leases/Consent to Subleases**

**Prospective Lessees:**

- a. Unless exempt from the CRP, all Public Leases subject to the CRP shall contain language obligating the Public Lessee to comply with the CRP.
- b. No Public Lease may be awarded unless:
  - (1) The Prospective Lessee's CRP Questionnaire, unless otherwise exempt, has been made available for public review for at least fourteen (14) calendar days
  - (2) The Prospective Lessee has submitted a signed CRP Pledge of Compliance.
  - (3) The Prospective Lessee's sublessee list, if any, has been made available for public review for at least fourteen (14) calendar days.
  - (4) The Prospective Lessee is determined by LAWA to be a Responsible Contractor.

**Prospective Sublessee:**

- a. Unless exempt from the CRP, all subleases subject to the CRP shall contain language obligating the Public Sublessee to comply with the CRP.
- b. No consent to sublease will be executed by LAWA unless the Public Lessee has submitted a signed CRP Pledge of Compliance by the Prospective Sublessee.

## **E. LEASE AMENDMENTS**

Compliance with the CRP is required in any amendment to a Public Lease if the initial lease was not subject to the CRP, but the total term and amount of the lease, inclusive of all amendments, would make the lease subject to the CRP.

- a. A Public Lessee subject to the CRP because of an amendment to the Public Lease shall submit a CRP Pledge of Compliance to LAWA before the amendment can be executed by LAWA.
- b. Unless exempt from the CRP, all Public Lease amendments shall contain contract language obligating the Public Lessee to comply with the CRP.

## **F. NOTIFICATION OF INVESTIGATIONS AND UPDATE OF INFORMATION**

### **1. Notification of Investigations**

#### **Public Lessees shall:**

- a. Notify LAWA within 30 calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the Public Lessees is not in compliance with any applicable Federal, State, or local law that apply to the Public Lease or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.
- b. Notify LAWA within 30 calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that the Public Lessee violated any applicable Federal, State, or local law that apply to the Public Lease or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

### **2. Public Sublessee Notification of Investigations**

Public Lessees shall ensure that Public Sublessees occupying the LAWA leasehold premises abide by these same updating requirements, including the requirement to:

- a. Notify LAWA within 30 calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Public Sublessee did not comply with any applicable Federal, State, or local law that apply to the Public Lease or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

- b. Notify LAWA within 30 calendar days of all findings by a government agency or court of competent jurisdiction that the Public Sublessee violated any applicable Federal, State, or local law that apply to the Public Lease or City lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

**3. Update of CRP Questionnaire Information – applies to Public Lessees only.**

- a. Updates of information contained in the Public Lessee's responses to the CRP Questionnaire shall be submitted to LAWA within thirty (30) days of any changes to the responses if the change would affect the Public Lessee's fitness and ability to comply with the terms of the Public Lease.
- b. PSD, or the Requesting LAWA Division, shall determine whether a Public Lessee in a specific situation should have provided updated information.
  - (1) If PSD, or the Requesting LAWA Division, becomes aware of new information concerning a Public Lessee and determines that the Public Lessee should have provided information or updated LAWA of such information, but the Public Lessee has not done so, PSD shall issue a written notice to the Public Lessee requiring the Public Lessee to submit the required information within (ten) 10 calendar days.
  - (2) If PSD or the Requesting LAWA Division becomes aware of new information concerning a Public Sublessee and determines that the Public Sublessee should have provided information or updated LAWA of such information, but the Public Sublessee has not done so, PSD shall issue a written notice to the Public Lessee requiring the Public Sublessee to submit the required information within (ten) 10 calendar days of receipt of the written notice.
- c. The Public Lessee's failure to provide information or updated information when required by LAWA, the CRP or these Rules and Regulations, may be considered a material breach of the Public Lease, and LAWA may initiate a "Non-Responsibility Hearing" pursuant to the procedures set forth in Section I of these Rules and Regulations.

**4. Submission of CRP Questionnaire and Updates of CRP Questionnaire Responses Not Applicable to Sublessees:** The requirement that Public Lessees submit to LAWA CRP Questionnaires and updates to the CRP Questionnaire responses does not apply to Public Sublessees.

**G. LAWA INVESTIGATION**

- 1. Reporting of Alleged Violations:** Allegations of violations of the CRP or these Rules and Regulations shall be reported to PSD. Complaints regarding a Prospective

Lessee's or Public Lessee's responsibility should be submitted to PSD in writing. However, PSD may investigate any claim or complaint regarding a Prospective Lessee's or Public Lessee's responsibility, whether or not it is submitted in writing. Whether based on a written complaint or otherwise, PSD shall be responsible for investigating such alleged violations.

**2. Process:**

- a. Upon receipt of a complaint or upon initiation of an investigation, PSD shall notify the Requesting LAWA Division, the Awarding Authority, and the Prospective Lessee or Public Lessee, as applicable, in writing that an investigation has been initiated.
- b. The Prospective Lessee or Public Lessee, as applicable, shall cooperate fully with PSD in providing information. If the Prospective Lessee or Public Lessee, as applicable, fails to cooperate with PSD's investigation or fails to timely respond to PSD's requests for information, LAWA may initiate a non-responsibility hearing as set forth in Section I of these Rules and Regulations. A failure to cooperate by a Public Lessee may be deemed a material breach of the Public Lease, and the City may pursue all available remedies.
- c. To the extent permissible, PSD shall maintain the identity of the complainant, if any, confidential.
- d. Upon completion of the investigation, PSD shall prepare a written report of the findings and notify the Requesting LAWA Division, the Awarding Authority, and the Prospective Lessee or Public Lessee, as applicable, of the results.

**3. Results of Investigation**

**Prospective Lessee**

- a. When an investigation is completed before a Public Lease is awarded, PSD shall notify the Requesting LAWA Division and the Awarding Authority of the results, and the Requesting LAWA Division and the Awarding Authority will consider the information as part of the determination of a Prospective Lessee's responsibility during the bid/proposal review process.

**Public Lessees**

- b. When an investigation is completed after the execution of a Public Lease:
  - (1) If violations of the CRP are found, PSD shall notify the Requesting LAWA Division and the Public Lessee of the violation and require the Public Lessee to make corrections or take reasonable measures within 10 calendar days.
  - (2) If the Public Lessee fails to make corrections as required, PSD shall notify the

Requesting LAWA Division and the Awarding Authority and may recommend that the Awarding Authority:

- (i) Terminate the Public Lease.
- (ii) Initiate a hearing to declare the Public Lessee a non-responsible lessee.

#### **H. VIOLATIONS OF THE CRP OR ITS RULES AND REGULATIONS**

1. Violations of the CRP or of these Rules and Regulations may be considered a material breach of the Public Lease and may entitle LAWA or the City to terminate the Public Lease.
2. Alleged violations of the CRP or of these Rules and Regulations shall be reported to the PSD which will investigate all such complaints.
3. When a violation of the CRP or of these Rules and Regulations is found, PSD shall notify the Public Lessee and the Awarding Authority of the violation. PSD shall require the Public Lessee to correct the violation within 10 calendar days. Failure to correct violations or take reasonable measures to correct violations within 10 calendar days may result in PSD:
  - a. Recommending that the Awarding Authority declare a material breach of the Public Lease and that the Awarding Authority exercise all contractual and legal remedies available, including but not limited to termination of the Public Lease.
  - b. Recommending that the Awarding Authority declare the Public Lessee a non-responsible lessee by initiating, within 30 calendar days or as soon as practicable, a non-responsibility hearing in accordance with Section I of these Rules and Regulations.

#### **I. NON-RESPONSIBILITY HEARING**

1. The process of declaring a Prospective Lessee or a Public Lessee a non-responsible lessee shall be initiated by the Awarding Authority after consultation with the City Attorney's Office.
2. Before a Prospective Lessee or a Public Lessee may be declared non-responsible, the Prospective Lessee or a Public Lessee shall be notified of the proposed determination of non-responsibility and provided with an opportunity for a hearing.
3. The Awarding Authority or the Executive Director's designee shall preside over the non-responsibility hearing and shall provide the Prospective Lessee or Public Lessee with the following:

- a. The Prospective Lessee or Public Lessee shall be provided with written Notice of intent to declare the Prospective Lessee or Public Lessee non-responsible ("Notice") which shall state that the Awarding Authority intends to declare the Prospective Lessee or Public Lessee a non-responsible bidder, proposer or lessee.
- b. The Notice shall provide the Prospective Lessee or Public Lessee with the following information:
  - (1) That the Awarding Authority intends to declare the Prospective Lessee or Public Lessee a non-responsible bidder, proposer or lessee.
  - (2) A summary of the information upon which the Awarding Authority is relying.
  - (3) That the Prospective Lessee or Public Lessee has a right to respond to the information by requesting a hearing to rebut adverse information and to present evidence of its necessary trustworthiness, quality, fitness and capacity to comply with the terms of the Public Lease or proposed Public Lease.
  - (4) That the Prospective Lessee or Public Lessee must exercise the right to a hearing by submitting to the Awarding Authority a **written request** for a hearing **within 10 working days** of the date of the Notice.
  - (5) That failure to submit a written request for hearing within 10 working days of the date of the Notice shall be considered a waiver of the right to a hearing that allows the Awarding Authority to proceed with the determination of non-responsibility.
- c. If the Prospective Lessee or Public Lessee submits a written request for a hearing, the hearing may be held by the Awarding Authority for recommendation to the Board, which shall make the final decision.
- d. The hearing must allow the Prospective Lessee or Public Lessee an opportunity to address the issues contained in the Notice of Intent to declare the Prospective Lessee or a Public Lessee non-responsible.
- e. The Awarding Authority may determine that the Prospective Lessee or Public Lessee:
  - (1) Does not possess the necessary trustworthiness, quality, fitness, or capacity to comply with the terms of the Public Lease or proposed Public Lease, should be declared a non-responsible bidder, proposer or lessee, and recommend to the Board invocation of the remedies set forth in Section J of these Rules and Regulations.
  - (2) Should not be declared a non-responsible bidder, proposer or lessee.
- f. The Board's determination shall be final and constitute exhaustion of administrative remedies.
- g. The Board's final decision shall be in writing and shall be provided to the Prospective Lessee or Public Lessee, the LAWA Requesting Division and to PSD. If the Prospective Lessee or Public Lessee is declared to be non-responsible, a copy of the final decision shall also be provided to the CAO.

## J. NON-RESPONSIBILITY SANCTIONS

### Sanctions for Airline Tenants:

Airline lessees that do not comply with the CRP requirements or are determined non-responsible by LAWA will be declared to have a material breach of the Public Lease. LAWA may exercise its legal remedies thereunder, which are to include, but are not limited to:

1. Non-issuance of a successor air carrier operating permit, resulting in the payment of higher landing fees as a non-permitted carrier.
2. Termination of the Public Lease, which may result in the loss of exclusive or preferential gate assignments.

### Sanctions for Non-Airline Tenants:

1. **Prospective Lessees** that do not comply with CRP requirements and/or are determined non-responsible by LAWA will be disqualified and will not be awarded a Public Lease.
2. **Public Lessees** that do not comply with CRP requirements and/or are determined non-responsible will be declared to have a material breach of the Public Lease. LAWA may exercise its legal remedies thereunder, which are to include, but not limited to the termination of the Public Lease.

Such lessee shall not occupy any leasehold premises in the proposed Public Lease, whether as a master lessee, a sublessee, a partner in a partnership, a participant in a joint venture, a member of a consortium, or in any other capacity.

3. Upon final determination of a Prospective Lessee or Public Lessee as a non-responsible lessee, PSD shall provide the LAWA Requesting Division and the Prospective Lessee or Public Lessee, as applicable, with a written notice summarizing the findings and applicable sanctions.
4. PSD shall maintain a listing of Prospective Lessees/Public Lessees who have been found non-responsible by LAWA pursuant to the CRP.

## K. EXEMPTIONS

1. **Categorical Exemption:** The following types of Public Leases are categorically exempt from the CRP and these Rules and Regulations:

Public Leases 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. **Board approval required for CRP Exemptions:** The following types of Public Leases are exempt from the requirement to submit a Questionnaire but remain subject to the

requirement that the Public Lessee submit a Pledge of Compliance and notify the Awarding Authority within 30 days of any information regarding investigations of the results of investigations by any governmental agency into the Public Lessee's compliance with applicable laws.

- a. Public Leases awarded on the basis of exigent circumstances when the Board finds that LAWA would suffer a financial loss or that LAWA operations would be adversely impacted.
  - (1) The Awarding Authority shall submit a request to PSD for waiver along with written certification that the required conditions exist.
  - (2) No contract may be exempted under this provision unless PSD has granted written approval of the waiver.
- b. Public Leases entered into based on Charter Section 371(e)(6). The Awarding Authority must certify in writing that the Public Lease is entered into in accordance with Charter Section 371(e)(6).

#### **L. EFFECTIVE DATE OF RULES AND REGULATIONS**

1. These Rules and Regulations apply to RFBs and RFPs issued after the Executive Director has approved these Rules and Regulations.
2. These Rules and Regulations apply to Public Leases entered into by LAWA after the Executive Director has approved these Rules and Regulations.
3. Public Leases amended after these Rules and Regulations are approved by the Executive Director will become subject to CRP and these Rules and Regulations if they meet definitions contained in the CRP and these Rules and Regulations.

#### **M. CONSISTENCY WITH FEDERAL AND STATE LAW**

The CRP and these Rules and Regulations do not apply in instances where application would be prohibited by Federal and State law or where the application would violate or be inconsistent with the terms and conditions or a grant or contract with the Federal or State agency.

#### **N. SEVERABILITY**

If any provision of the CRP or these Rules and Regulations are declared legally invalid by any court of competent jurisdiction, the remaining provisions remain in full force and effect.

**LOS ANGELES WORLD AIRPORTS  
CONTRACTOR RESPONSIBILITY PROGRAM  
QUESTIONNAIRE FOR PROSPECTIVE TENANTS**

On December 4, 2001, the Board of Airport Commissioners adopted Resolution No. 21601, establishing LAWA's Contractor Responsibility Program (CRP). The intent of the program is to ensure that all LAWA tenants have the necessary quality, fitness and capacity to comply with the terms of the lease. To assist LAWA in making this determination, each prospective tenant is required to complete and submit the attached CRP Questionnaire prior to award of the new lease. The submitted CRP questionnaire will become public record and information contained therein will be available for public review for at least fourteen (14) calendar days prior to the award of the new lease, except to the extent that such information is exempt from disclosure pursuant to applicable law.

The signatory of this questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and submit this questionnaire as required may render the prospective tenant non-compliant with the terms of the lease and result in non-award of the proposed lease. During the review period if the prospective tenant is found non-responsible, he/she is entitled to an Administrative Hearing, if a written request is submitted to LAWA within ten (10) working days from the date LAWA issued the non-responsibility notice. Final determination of non-responsibility will result in sanctions as outlined in the CRP Rules and Regulations for Leases.

All questionnaire responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the CRP Questionnaire Attachment A. Submit the completed and signed Questionnaire and all attachments to LAWA. Retain a copy of this completed questionnaire for future reference. Tenants shall submit updated information to LAWA within thirty (30) days if changes have occurred that would make any of the responses inaccurate in any way.

A. LEASE DESCRIPTION AND LOCATION: 5299 W. 111<sup>th</sup> St. Los Angeles

B. TENANT INFORMATION:  
CalPortland Company Catalina Pacific Concrete  
 Legal Name DBA  
1025 W. 190<sup>th</sup> St. #300 Gardena, CA 90248  
 Street Address City State Zip  
McLanie O'Regan 310 995.2822  
 Contact Person, Title Phone Fax

C. TYPE OF SUBMISSION:

- An initial submission of a CRP Questionnaire. Please complete all questions and sign Attachment A.
- Changes being reported. CRP Questionnaire dated \_\_\_\_/\_\_\_\_/\_\_\_\_ and previously submitted to LAWA is being updated. Please complete all questions and sign Attachment A.
- No changes being reported. CRP Questionnaire dated \_\_\_\_/\_\_\_\_/\_\_\_\_ and previously submitted to LAWA has no changes. Please sign below and return this page.

I certify under penalty of perjury under the laws of the State of California that there has been no change to any of the responses since the firm submitted the last CRP Questionnaire to LAWA.,

McLanie O'Regan [Signature] April 21, 2023  
 Print Name, Title Vice President / Gen. Mgr. Signature Date

**A. OWNERSHIP AND NAME CHANGES**

1. In the past five (5) years, has your firm changed name?

Yes  No

If Yes, list on Attachment A, all the principals' names, prior legal and D.B.A. names, addresses, and the dates when used. Explain the specific (s) reason for each name change.

**B. FINANCIAL RESOURCES AND RESPONSIBILITY**

2. In the past five (5) years, has your firm ever been the debtor in a bankruptcy proceeding?

Yes  No

If Yes, explain on Attachment A the specific circumstances and dates surrounding each instance.

3. In the past five (5) years, has any bonding company made any payments to satisfy any claims made against a bond issued on your firm's behalf or a firm where you were the principal?

Yes  No

If Yes, explain on Attachment A the specific circumstances surrounding each instance.

**C. PERFORMANCE HISTORY**

4. In the past five (5) years, has your firm ever defaulted under a lease agreement with a governmental entity or with a private individual or entity leading to termination of the lease?

Yes  No

If Yes, explain on Attachment A the specific circumstances surrounding each instance.

**D. COMPLIANCE**

5. In the past five (5) years, has your firm or any of its partners, or officers, been penalized for or been found to have violated any Federal, State, or local laws in the performance of a lease agreement, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees?

Yes  No

If Yes, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and the outcome and current status.

**E. BUSINESS INTEGRITY**

6. In the past five (5) years, has your firm been convicted of, or been found liable in a civil suit for making a false claim(s) or material misrepresentation(s) to any private or governmental entity in the United States?

Yes  No

If Yes, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and the outcome and current status.

7. In the past five (5) years, has your firm or any of its executives and management personnel, been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government lease agreement; or the crime of theft, fraud, embezzlement, perjury, or bribery?

Yes

No

If Yes, explain on Attachment A the specific circumstances surrounding each instance, including the entity involved, the specific infraction(s), the dates of such instances, and current status.

**ATTACHMENT "A"**  
**FOR ANSWERS TO QUESTIONS IN SECTIONS A THROUGH E**

Use the space below to provide required additional information or explanation(s). Information submitted on this sheet must be typewritten. Indicate the question for which you are submitting the additional information. Information submitted on this Attachment will be available for public review, except to the extent that such information is exempt from disclosure pursuant to applicable law. **Insert additional Attachment A pages as necessary.**

**CERTIFICATION UNDER PENALTY OF PERJURY**

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this CRP Questionnaire. I further certify that I am responsible for the completeness and accuracy of the answers to each question, and that all information provided in response to this Questionnaire is true to the best of my knowledge and belief.

Melanie O'Regan  April 21, 2023  
Print Name, Title Vice President / Co. Mgr. Signature Date

**LOS ANGELES WORLD AIRPORTS  
CONTRACTOR RESPONSIBILITY PROGRAM  
PLEDGE OF COMPLIANCE FOR LEASES**

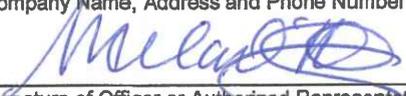
The Los Angeles World Airports (LAWA) Contractor Responsibility Program (Board Resolution #21601) provides that, unless specifically exempted, LAWA Tenants for leases that require the Board of Airport Commissioners' approval shall comply with all applicable provisions of the LAWA Contractor Responsibility Program. Tenants for leases subject to the CRP are required to complete and submit this Pledge of Compliance with the lease agreement. In addition, within ten (10) days of execution of any sublease agreement, the Tenant shall submit to LAWA this Pledge of Compliance from each Subtenant listed as performing work on, or otherwise occupying, the leasehold premises.

The Tenant agrees to comply with the Contractor Responsibility Program and the following provisions:

- (a) To comply with all applicable Federal, State, and local laws that apply to the lease agreement, 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 LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the Tenant is not in compliance with paragraph (a).
- (c) To notify LAWA within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the Tenant has violated paragraph (a).
- (d) To ensure that Subtenants occupying space through any Sublease in connection with a LAWA lease agreement shall complete and sign a Pledge of Compliance attesting under penalty of perjury to compliance with paragraphs (a) through (c) herein. To submit to LAWA the completed Pledges.
- (e) To notify LAWA within thirty (30) days of becoming aware of an investigation, violation or finding of any applicable Federal, State, or local law involving any Subtenant(s) in the LAWA lease agreement.
- (f) To cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.

Failure to sign and submit this form to LAWA as required may render the Tenant non-compliant with the terms of the lease and subject to CRP sanctions.

CALPORTLAN COMPANY 1025 W. 190th St. #300 Gardena, CA 90248  
Company Name, Address and Phone Number

  
Signature of Officer or Authorized Representative

April 21, 2023  
Date

Melanie O'Regan Vice President/ General Mgr.  
Print Name and Title of Officer or Authorized Representative

LAWA Lease v. 9-202304051530  
Project Title

# EXHIBIT M

Alternative Fuel Vehicle Requirement

**ALTERNATIVE FUEL VEHICLE REQUIREMENT PROGRAM  
(LAX ONLY)**

**I. Definitions.**

The following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

**"Airport Contract"** shall mean a contract awarded by LAWA and pertaining to LAX, and subcontracts of any level under such a contract.

**"Airport Contractor"** shall mean (i) any entity awarded an Airport Contract, and subcontractors of any level working under an Airport Contract; (ii) any contractors that have entered into a contract with an Airport Lessee to perform work on property owned by LAWA and pertaining to LAX, and any subcontractors working in furtherance of such a contract; and (iii) any contractor that have entered into a contract with an Airport Licensee to perform work pertaining to LAX, and any subcontractors working under such a contract.

**"Airport Lessee"** shall mean any entity that leases or subleases any property owned by LAWA and pertaining to LAX.

**"Airport Licensee"** shall mean any entity issued a license or permit by LAWA for operations that pertain to LAX.

**"Alternative-Fuel Vehicle"** shall mean a vehicle that is not powered by petroleum-derived gasoline or diesel fuel. Alternative-Fuel Vehicles include, but are not limited to, vehicles powered by compressed or liquefied natural gas, liquefied petroleum gas, methanol, ethanol, electricity, fuel cells, or other advanced technologies.

**"CARB"** shall mean the California Air Resources Board.

**"Covered Vehicle"** is defined in Section II below.

**"Compliance Plan"** is defined in subsection VII.C. below.

**"EPA"** shall mean the United States Environmental Protection Agency.

**"Independent Third Party Monitor"** shall mean a person or entity empowered by LAWA to monitor compliance with and/or implementation of particular requirements in this Requirement.

**"LAWA"** shall mean Los Angeles World Airports.

**"LAX"** shall mean Los Angeles International Airport.

**"Least-Polluting Available Vehicle"** shall mean a vehicle that (a) is determined by an Independent Third Party Monitor to be (i) commercially available, (ii) suitable for performance of a particular task, and (iii) certified by CARB to meet the applicable engines emission standard in effect at the time of purchase. Where more than one vehicle meets these requirements for a particular task, LAWA, working with the Independent Third Party Monitor, will designate as the

Least-Polluting Available Vehicle the vehicle that emits the least amount of criteria air pollutants.

"LEV" shall mean a vehicle that meets CARB's Low-Emission Vehicle standards for criteria pollutant exhaust and evaporative emissions for medium-duty vehicles at the time of vehicle manufacture.

"LEV II" shall mean a vehicle certified by CARB to the "LEV II" Regulation Amendments that were fully implemented as of 2010. A qualifying "LEV II" vehicle shall meet the least polluting standard in the LEV II category that is available at the time of purchase.

"LEV III" shall mean a vehicle certified by CARB to the increasingly stringent "LEV III" Regulatory Amendments to the California greenhouse gas and criteria pollutant exhaust and evaporative emission standards, test procedures, and on-board diagnostic system requirements for medium-duty vehicles.

"Low-Use Vehicle" shall mean a Covered Vehicle that makes less than five (5) trips per month to LAX.

"Operator" shall mean any Airport Contractor, Airport Lessee, or Airport Licensee.

"Optional Low NOx" shall mean any vehicle powered by an engine that meets CARB's optional low oxides of nitrogen (NOx) emission standards for on-road heavy-duty engines applicable at the time of purchase.

## **II. Covered Vehicles.**

A. **Covered Vehicles.** These Requirements shall apply to all on-road vehicles, including trucks, shuttles, passenger vans, and buses that are 8,500 lbs gross vehicle weight rating or more and are used in operations related to LAX ("Covered Vehicles").

B. **Exemptions.** The following vehicles are exempt from this Requirement:

- i) Public safety vehicles.
- ii) Previously approved vehicles. Vehicles previously approved under the 2007 LAX Alternative Fuel Vehicle Requirement Program are exempt from the Maximum Allowable Vehicle Age Requirement, Section III, but are subject to the Annual Reporting Requirement, Section VI.
- iii) Low-Use Vehicles. Low-use vehicles are exempt from the Compliance Schedule, Section IV, the Maximum Allowable Vehicle Age Requirement, Section III, but are subject to the Annual Reporting Requirement, Section VI.

**III. Maximum Allowable Vehicle Age Requirement.** In accordance with the Compliance Schedule dates outlined in Section IV, no Covered Vehicle equipped with an engine older than thirteen (13) model years or that has 500,000 or more miles, whichever comes first, shall operate at LAX.

## **EXHIBIT M**

**IV. Compliance Schedule.**

A. By April 30, 2019, one hundred percent (100%) of the Covered Vehicles operated by a Covered Vehicle Operator shall be (a) Alternative-Fuel Vehicles, (b) Optional Low NOx vehicles or (c) LEV II standard vehicles through 2019 or LEV III standard vehicles thereafter.

B. A new Covered Vehicle Operator who plans to begin operations at LAX prior to April 30, 2019, must comply with the requirement set forth in Section III and subsection IV.A. prior to commencing operations at LAX.

**V. Least-Polluting Available Vehicles.** In cases where an Operator cannot comply with the requirements established pursuant to Sections III and IV above because neither Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, or LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter, are commercially available for performance of particular tasks, LAWA will instead require Operators to use the Least-Polluting Available Vehicles for such tasks. An Independent Third Party Monitor will determine whether Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, or LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter are commercially available to perform particular tasks, and, in cases where neither Alternative-Fuel Vehicles, Optional Low NOx standard vehicles, nor LEV II standard vehicles through 2019 and LEV III standard vehicles thereafter are commercially available for performance of a particular task, will identify the Least-Polluting Available Vehicle for performance of that task.

**VI. Annual Reporting Requirement.**

A. By January 31st of each calendar year, Covered Vehicle Operators must submit to LAWA the vehicle information required on the reporting form accessible online at <https://online.lawa.org/altfuel/> for the prior calendar year.

B. Low-Use Vehicles shall be included in the annual reporting. Where monthly trip data is used to establish low-use, the operator must provide proof such as transponder data records or an attestation acceptable to LAWA.

C. A Covered Vehicle Operator who plans to begin operations at LAX must comply with this reporting requirement prior to commencing operations, and thereafter comply with the annual reporting deadline of January 31st of each calendar year.

**VII. Enforcement.**

A. **Non-Compliance.** The following circumstances shall constitute non-compliance for purposes of this Section VII:

i) Failure to submit an annual report pursuant to Section VI above.

ii) Failure to use an Alternative Fuel Vehicle, an Optional Low NOx vehicle, a vehicle meeting LEV II standards prior to December 31, 2019, or LEV III standards thereafter, an approved Least-Polluting Available Vehicle, or a vehicle approved under LAWA's former Alternative Fuel Vehicle Requirement, including approved comparable emissions vehicles.

- iii) Failure to submit a Compliance Plan as defined in subsection VII.C. below within 30 days of notice of non-compliance from LAWA.
  - iv) Failure to adhere to an approved Compliance Plan as defined in subsection VII.C. below.
- B. Notice of Non-Compliance.** Covered Vehicle Operators found not to be in compliance with the Alternative Fuel Vehicle Requirement as set forth in subsection VII.A. above will be given a notice of non-compliance. Covered Vehicle Operators will have 30 days to correct the deficiencies documented in the notice of non-compliance by completing the annual report as defined in Section VI or submitting a Compliance Plan as defined in subsection VII.C. below, as applicable to the reason cited for non-compliance.
- C. Compliance Plan.**
- i) Operators shall transition to compliant vehicles as soon as practicable.
  - ii) Non-compliant Covered Vehicle Operators will be required to submit a Compliance Plan indicating the disposition (salvage, replace, remove from service, etc.) date for each non-compliant vehicle ("Compliance Plan") within 30 days of receiving a notice of non-compliance for a vehicle in the Operator's fleet. The Compliance Plan shall provide dates by which the non-compliant vehicle or vehicles in the Operator's fleet will meet the requirements of the LAX Alternative Fuel Vehicle Requirement and a justification for the new date. The Compliance Plan shall be signed under attestation.
  - iii) LAWA's Chief Executive Officer or his/her designee shall review the Operator's Compliance Plan and justification to determine its acceptability and authorize approval or disapproval.
  - iv) Covered Vehicle Operators shall have 30 days to seek review of LAWA's rejection of a Compliance Plan or any parts thereof by LAWA's Chief Executive Officer or his/her designee.
- D. Default.** Three or more instances of non-compliance with the LAX Alternative Fuel Vehicle Requirement as defined in subsection VII.A above within two years shall be considered a default of the applicable LAX permit, license, contract, lease, Non-Exclusive License Agreement (NELA), concessionaire agreement, and/or Certified Service Provider (CSP) Program. LAWA's Chief Executive Officer or his/her designee may, pursuant to the applicable terms provided therein, suspend or cancel a permit, license, contract, lease, NELA, concessionaire agreement or certified provider certification of non-compliant Covered Vehicle Operators who are not in compliance with this Alternative Fuel Vehicle Requirement. In addition, LAWA's Chief Executive Officer or his/her designee may seek to recoup LAWA's administrative costs from non-compliant operators.
- IX. Periodic Review.** This Requirement will be reviewed and updated periodically as deemed necessary by LAWA.

## **EXHIBIT M**

# EXHIBIT N

Equal Benefits Ordinance

### Sec. 10.8.2.1. Equal Benefits Ordinance.

(a) **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 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 these 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 entities doing business with the City from discriminating in employment practices 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 wanting 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 ensure 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 ensuring protection of the City's property.

(b) **Definitions.** For purposes of the Equal Benefits Ordinance only, the following shall apply.

(1) **Awarding Authority** means any Board or Commission of the City, or any employee or officer of the City, that is authorized to award or enter into any Contract, as defined in this ordinance, on behalf of the City, and shall include departments having control of their own funds and which adopt policies consonant with the provisions of the Equal Benefits Ordinance.

(2) **Benefits** means any plan, program or policy provided or offered by a Contractor to its employees as part of the employer's total compensation package. This includes but is not limited to the following types of benefits: bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, and travel benefits.

(3) **Cash Equivalent** means the amount of money paid to an employee with a Domestic Partner (or spouse, if applicable) in lieu of providing Benefits to the employee's Domestic Partner (or spouse, if applicable). The Cash Equivalent is equal to the direct expense to the employer of providing Benefits to an employee for his or her Domestic Partner (or spouse, if applicable) or the direct expense to the employer of providing Benefits for the dependents and family members of an employee with a Domestic Partner (or spouse, if applicable).

(4) **City** means the City of Los Angeles.

(5) **Contract** means an agreement the value of which exceeds \$25,000. It includes agreements for work or services to or for the City; for public works or improvements to be performed; agreements for the purchase of goods, equipment, materials, or supplies; or grants to be provided, at the expense of the City or to be paid out of monies under the control of the City. The term also includes a Lease or License, as defined in the Equal Benefits Ordinance.

(6) **Contractor** means any person or persons, firm, partnership, corporation, joint venture, or any combination of these, or any governmental entity acting in its proprietary capacity, that enters into a Contract with any Awarding Authority of the City. The term does not include Subcontractors.

(7) **Designated Administrative Agency (DAA)** means the Department of Public Works, Bureau of Contract Administration.

(8) **Domestic Partner** means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration or with an internal registry maintained by the employer of at least one of the domestic partners.

(9) **Equal Benefits Ordinance** means Los Angeles Administrative Code Section 10.8.2.1, *et seq.*, as amended from time to time.

(10) **Equal Benefits** means the equality of benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(11) **Lease or License** means any agreement allowing others to use property owned or controlled by the City, any agreement allowing others the use of City property in order to provide services to or for the City, such as for concession agreements, and any agreement allowing the City to use property owned or controlled by others.

(12) **Subcontractor** means any person or persons, firm, partnership, corporation, joint venture, or any combination of these, and any governmental entity, that assists the Contractor in performing or fulfilling the terms of the Contract. Subcontractors are not subject to the requirements of the Equal Benefits Ordinance unless they otherwise have a Contract directly with the City.

**(c) Equal Benefits Requirements.**

(1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.

(3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.

**(d) Other Options for Compliance.** Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

**(e) Applicability.**

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

**(f) Mandatory Contract Provisions Pertaining to Equal Benefits.** Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City.

The City may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

**(g) Administration.**

(1) The DAA is responsible for the enforcement of the Equal Benefits Ordinance for all City Contracts. Each Awarding Authority shall cooperate to the fullest extent with the DAA in its enforcement activities.

(2) In enforcing the requirements of the Equal Benefits Ordinance, the DAA may monitor, inspect, and investigate to ensure that the Contractor is acting in compliance with the Equal Benefits Ordinance. Contractor's failure to cooperate with the DAA may result in a determination by the DAA that the Contractor is not in compliance with the Equal Benefits Ordinance, which may subject the Contractor to enforcement measures set forth in Section 10.8.2.1(h).

(3) The DAA shall promulgate rules and regulations and forms for the implementation of the Equal Benefits Ordinance. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.

**(h) Enforcement.**

(1) If the Contractor fails to comply with the Equal Benefits Ordinance:

a. The failure to comply may be deemed to be a material breach of the Contract by the Awarding Authority; or

b. The Awarding Authority may cancel, terminate or suspend, in whole or in part, the contract; or

c. Monies due or to become due under the Contract may be retained by the City until compliance is achieved;

d. The City may also pursue any and all other remedies at law or in equity for any breach.

e. The City may use failure to comply with the Equal Benefits Ordinance as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

**(i) Non-applicability, Exceptions and Waivers.**

(1) Upon request of the Awarding Authority, the DAA may waive compliance with the Equal Benefits Ordinance under the following circumstances:

a. The Contract is for the use of City property, and there is only one prospective Contractor willing to enter into the Contract; or

b. The Contract is for needed goods, services, construction of a public work or improvement, or interest in or right to use real property that is available only from a single prospective Contractor, and that prospective Contractor is otherwise qualified and acceptable to the City; or

c. The Contract is necessary to respond to an emergency that endangers the public health or safety, and no entity which complies with the requirements of the Equal Benefits Ordinance capable of responding to the emergency is immediately available; or

d. The City Attorney certifies in writing that the Contract involves specialized litigation requirements such that it would be in the best interests of the City to waive the requirements of the Equal Benefits Ordinance; or

e. The Contract is (i) with a public entity; (ii) for goods, services, construction of a public work or improvement, or interest in or right to use real property; and (iii) that is either not available from another source, or is necessary to serve a substantial public interest. A Contract for interest in or the right to use real property shall not be considered as not being available from another source unless there is no other site of comparable quality or accessibility available from another source; or

f. The requirements of the Equal Benefits Ordinance 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 the agency with respect to the grant, subvention or agreement, provided that the Awarding Authority has made a good faith attempt to

change the terms or conditions of the grant, subvention or agreement to authorize application of the Equal Benefits Ordinance; or

g. The Contract is for goods, a service or a project that is essential to the City or City residents and there are no qualified responsive bidders or prospective Contractors who could be certified as being in compliance with the requirements of the Equal Benefits Ordinance; or

h. The Contract involves bulk purchasing arrangements through City, federal, state or regional entities that actually reduce the City's purchasing costs and would be in the best interests of the City.

(2) The Equal Benefits Ordinance does not apply to contracts which involve:

a. The investment of trust monies, bond proceeds or agreements relating to the management of these funds, indentures, security enhancement agreements (including, but not limited to, liquidity agreements, letters of credit, bond insurance) for City tax-exempt and taxable financings, deposits of City's surplus funds in financial institutions, the investment of City monies in competitively bid investment agreements, the investment of City monies in securities permitted under the California State Government Code and/or the City's investment policy, investment agreements, repurchase agreements, City monies invested in U.S. government securities or pre-existing investment agreements;

b. Contracts involving City monies in which the Treasurer or the City Administrative Officer finds that either:

(i) No person, entity or financial institution doing business in the City, which is in compliance with the Equal Benefits Ordinance, is capable of performing the desired transaction(s); or

(ii) The City will incur a financial loss or forego a financial benefit which in the opinion of the Treasurer or City Administrative Officer would violate his or her fiduciary duties.

(3) The Equal Benefits Ordinance does not apply to contracts for gifts to the City.

(4) Nothing in this Subsection shall limit the right of the City to waive the provisions of the Equal Benefits Ordinance.

(5) The provisions of this Subsection shall apply to the Equal Benefits Ordinance only. The Equal Benefits Ordinance is not subject to the exemptions provided in Section 10.9 of this Code.

(j) **Consistency with Federal or State Law.** The provisions of the Equal Benefits Ordinance do not apply where the application of these provisions would violate or be inconsistent with the laws, rules or regulations federal or state law, or where the application would violate or be inconsistent with the terms or conditions of a grant or contract with the United States of America, the State of California, or the instruction of an authorized representative of any of these agencies with respect to any grant or contract.

(k) **Severability.** If any provision of the Equal Benefits Ordinance is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

(l) **Timing of Application.**

(1) The requirements of the Equal Benefits Ordinance shall not apply to Contracts executed or amended prior to January 1, 2000, or to bid packages advertised and made available to the public, or any bids received by the City, prior to January 1, 2000, unless and until those Contracts are amended after January 1, 2000 and would otherwise be subject to the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to competitively bid Contracts that are amended after April 1, 2003, and to competitively bid Contracts that result from bid packages advertised and made available to the public after May 1, 2003.

(3) Unless otherwise exempt, the Equal Benefits Ordinance applies to any agreement executed or amended after January 1, 2000, that meets the definition of a Contract as defined within Subsection 10.8.2.1(b).

#### SECTION HISTORY

Added by Ord. No. 172,908, Eff. 1-9-00.

Amended by: Ord. No. 173,054, Eff. 2-27-00; Ord. No. 173,058, Eff. 3-4-00; Ord. No. 173,142, Eff. 3-30-00; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 175,115, Eff. 4-12-03; Subsec. (b)(7), Ord. No. 176,155, Eff. 9-22-04; Subsecs. (b)(5) and (g)(2), Ord. No. 184,294, Eff. 6-27-16.

LAWA EBO COMPLIANCE

FOR LAWA CONTRACTORS ONLY

City of Los Angeles  
Department of Public Works  
Bureau of Contract Administration  
Office of Contract Compliance  
1149 S. Broadway, Suite 300, Los Angeles, CA 90015  
Phone: (213) 847-2625 E-mail: [bca.ecoe@lacity.org](mailto:bca.ecoe@lacity.org)

EQUAL BENEFITS ORDINANCE COMPLIANCE AFFIDAVIT

Prime contractors must certify compliance with Los Angeles Administrative Code (LAAC) Section 10.8.2.1 et seq. prior to the execution of a City agreement subject to the Equal Benefits Ordinance (EBO).

SECTION 1. CONTACT INFORMATION

Company Name: CALPORTLAND COMPANY

Company Address: 1025 W. 190th Street, Suite 300

City: Gardena State: CA Zip: 90248

Contact Person: Melanie O'Regan Phone: 310-995-2822 E-mail: moregan@calportland.com

Approximate Number of Employees in the United States: \_\_\_\_\_

Approximate Number of Employees in the City of Los Angeles: 33

SECTION 2. EBO REQUIREMENTS

The EBO requires City Contractors who provide benefits to employees with spouses to provide the same benefits to employees with domestic partners. Domestic Partner means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration, or with an internal registry maintained by the employer of at least one of the domestic partners.

Unless otherwise exempt, the contractor is subject to and shall comply with the EBO as follows:

- A. The contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the City Contract; and
- B. The contractor's operations located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the contractor's presence at or on the property is connected to a Contract with the City; and
- C. The Contractor's employees located elsewhere in the United States, but outside of the City Limits, if those employees are performing work on the City Contract.

A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners."

LAWA EBO COMPLIANCE

SECTION 3. COMPLIANCE OPTIONS

I have read and understand the provisions of the Equal Benefits Ordinance and have determined that this company will comply as indicated below:

- I have no employees.
I provide no benefits.
I provide benefits to employees only. Employees are prohibited from enrolling their spouse or domestic partner.
I provide equal benefits as required by the City of Los Angeles EBO.
I provide employees with a "Cash Equivalent." Note: The "Cash Equivalent" is the amount of money equivalent to what your company pays for spousal benefits that are unavailable for domestic partners, or vice versa.
All or some employees are covered by a collective bargaining agreement (CBA) or union trust fund. Consequently, I will provide Equal Benefits to all non-union represented employees, subject to the EBO, and will propose to the affected unions that they incorporate the requirements of the EBO into their CBA upon amendment, extension, or other modification of the CBA.
Health benefits currently provided do not comply with the EBO. However, I will make the necessary changes to provide Equal Benefits upon my next Open Enrollment period which begins on (Date)
Our current company policies, i.e., family leave, bereavement leave, etc., do not comply with the provisions of the EBO. However, I will make the necessary modifications within three (3) months from the date of this affidavit.

SEE BELOW

SECTION 4. DECLARATION UNDER PENALTY OF PERJURY

I understand that I am required to permit the City of Los Angeles access to and upon request, must provide certified copies of all company records pertaining to benefits, policies and practices for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance. Furthermore, I understand that failure to comply with LAAC Section 10.8.2.1 et seq., Equal Benefits Ordinance may be deemed a material breach of any City contract by the Awarding Authority. The Awarding Authority may cancel, terminate or suspend in whole or in part, the contract; monies due or to become due under a contract may be retained by the City until compliance is achieved. The City may also pursue any and all other remedies at law or in equity for any breach. The City may use the failure to comply with the Equal Benefits Ordinance as evidence against the Contractor in actions taken pursuant to the provisions of the LAAC Section 10.40, et seq., Contractor Responsibility Ordinance.

CALPORTLAND COMPANY will comply with the Equal Benefits Ordinance requirements

Company Name

as indicated above prior to executing a contract with the City of Los Angeles and will comply for the entire duration of the contract(s).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 21st day of April, in the year 2023, at Gardena, CA

(City)

(State)

Signature

Melanie O'Regan

Name of Signatory (please print)

Vice President / General Manager

Title

1025 W. 190th Street, Suite 300

Mailing Address

Gardena, CA 90248

City, State, Zip Code

95-0597220

EIN/TIN

Pursuant to Los Angeles Administrative Code Section 10.8.2.1(e)(3), the requirements of the Equal Benefits Ordinance do not apply to CalPortland in that it is currently operating under a collective bargaining agreement that has been in effect prior to January 1, 2000. CalPortland agrees to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its collective bargaining agreement upon amendment, extension, or other modification of the collective bargaining agreement.

# EXHIBIT O

Campaign Contributions

## *CAMPAIGN FINANCE*

### **Sec. 470. Limitations on Campaign Contributions in City Elections.**

(a) **Purpose.** The purpose of this section is to encourage a broader participation in the political process and to avoid corruption or the appearance of corruption in city decision making, and protect the integrity of the City's procurement and contract processes by placing limits on the amount any person may contribute or otherwise cause to be available to candidates for election to the offices of Mayor, City Attorney, Controller and City Council and promote accountability to the public by requiring disclosure of campaign activities and imposing other campaign restrictions.

This section is intended to supplement the Political Reform Act of 1974.

#### **(b) Definitions.**

(1) The definitions set forth in the Political Reform Act of 1974 as amended (Government Code Sections 82000 through 82055) shall govern the interpretation of this section, unless otherwise specified herein.

(2) The term elected City office, as used herein, shall mean the offices of Mayor, City Attorney, Controller and member of the City Council.

(3) The term election shall include a primary nominating election, a general municipal election, a special election and a recall election.

(c) **Campaign Contribution Limitations.** In addition to the provisions of the Charter, the City may adopt additional restrictions by ordinance.

(1) No intended candidate for any elected City office, and no committee acting on behalf of such candidate, shall solicit or accept, or cause to be solicited or accepted, any contribution for use in any election for such office unless and until such candidate shall have filed a Declaration of Intent to Solicit and Receive Contributions in connection with candidacy for a specific elected City office. That declaration shall be filed with the City Ethics Commission on a form prescribed by the City Ethics Commission. Once the election takes place, the declaration is thereafter void. No person may file such declaration for more than one elected City office nor have more than one such declaration on file at the same time. A candidate may, however, file a form canceling one declaration and may thereafter file a new declaration.

(2) The candidate and the treasurers of the candidate's controlled committees shall file with the City Ethics Commission on a form prescribed by the City Ethics Commission a statement under oath that the candidate and the treasurers have read and understood Section 470. This statement shall be filed concurrent with the filing of the Declaration of Intent to Solicit and Receive Contributions.

(3) No person shall contribute a total of more than five hundred dollars (\$500) to any candidate for City Council and to his or her controlled committee for a single election. A candidate for City Council and his or her controlled committee shall not accept any contribution or contributions totaling more than five hundred dollars (\$500) from any person for a single election. Nothing in this section is intended to limit the amount a candidate may contribute to his or her campaign for City Council from his or her personal funds.

(4) No person shall contribute a total of more than one thousand dollars (\$1,000) to any candidate for Mayor, City Attorney or Controller and to his or her controlled committee for a single election. A candidate for Mayor, City Attorney or Controller, and or his or her controlled committee, shall not accept any contribution or contributions totaling more than one thousand dollars (\$1,000) from any person for a single election. Nothing in this section is intended to limit the amount a candidate can contribute to his or her candidacy for Mayor, City Attorney or Controller from his or her personal funds.

(5) [Repealed.]

(6) No person shall make a contribution in connection with a single election for an elected City office which would cause the aggregate amount of such contributions by that person to exceed a sum equal to five hundred dollars (\$500) multiplied by the number of City Council offices appearing on the ballot at that election plus one thousand dollars (\$1,000) multiplied by the number of City-wide offices appearing on the ballot at that election, but in no case less than one thousand dollars (\$1,000), in connection with all candidates in that election seeking election to all elected City offices; provided, however, that a candidate shall not be limited by this subsection (6) in the amount he or she may contribute or expend in connection with his or her own campaign, subject to the provisions of subsection (c) (10) of this section.

(7) **Contributions From Persons Other than Individuals.**

(A) No candidate for City Council, together with the controlled committee of such candidate, shall accept more than a total of one hundred fifty thousand dollars (\$150,000) in contributions from persons, other than individuals, in connection with any election.

(B) No candidate for City Attorney or Controller, together with the controlled committee of such candidate, shall accept more than a total of four hundred thousand dollars (\$400,000) in contributions from persons, other than individuals, in connection with any election.

(C) No candidate for Mayor, together with the controlled committee of such candidate, shall accept more than a total of nine hundred thousand dollars (\$900,000) in contributions from persons, other than individuals, in connection with any election.

(D) If a candidate for elected City office declines matching funds and receives contributions or spends an amount exceeding the applicable expenditure ceilings, this subsection shall not apply to any of the candidates for the same office.

(8) No person shall make, and no person or candidate shall solicit or accept any loan of more than five hundred dollars (\$500) for use in connection with an election for City Council, or of more than one thousand dollars (\$1,000) for use in connection with an election for Mayor, City Attorney or Controller. Further, no person shall make, and no person or candidate shall solicit or accept any loan for use in connection with an election for City office for a period of more than 30 days. Loans to a candidate or to a candidate's controlled committees shall be counted against the contribution limitations applicable to the candidate. A candidate is not prohibited from obtaining a personal loan of any amount from a licensed financial lending institution in the regular course of business, unless the loan is made for political purposes. This subsection (8) shall not limit the amount or duration of loans from the candidate to his or her own campaign.

(9) Any contributions solicited or accepted pursuant to this section shall be expended only in connection with the candidacy for the office specified in the candidate's Declaration of Intent to Solicit and Receive Contributions. Contributions solicited or accepted pursuant to this section for one individual shall not be expended for the candidacy of any other individual seeking City office or in support of or in opposition to any City ballot measure. No candidate, committee controlled by a candidate, or elected City officer shall use contributed funds to make any contribution to any other candidate running for office or to any committee supporting or opposing a candidate for office. Provided, however, a candidate shall not be prohibited from making a contribution from his or her own personal funds to his or her own candidacy, to the candidacy of any other candidate for elected City office or in support of or in opposition to any City ballot measure.

(10) [Repealed.]

(11) No elective City officer or candidate for elective City office, nor any of his or her City controlled committees, shall solicit or accept any contribution to the officer or candidate, or to any of his or her City controlled committees, from any lobbyist or lobbying firm registered to lobby the City office for which the candidate is seeking election, or the current City office, commission, department, bureau or agency of the candidate or officer. No person required by ordinance to be registered as a lobbyist or lobbying firm shall make any contribution to an elective City officer or candidate for elective City office, or to any of his or her City controlled committees, if the lobbyist or lobbying firm is required by ordinance to be registered to lobby the City office for which the candidate is seeking election, or the current City office, commission, department, bureau or agency of the candidate or officer.

(12) (A) The following persons shall not make a campaign contribution to any elected City official, candidate for elected City office, or City committee controlled by an elected City official or candidate:

(i) A person who bids on or submits a proposal or other response to a contract solicitation that has an anticipated value of at least \$100,000 and requires approval by the City Council;

(ii) Subcontractors that are expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of a person defined in subparagraph (i); and

(iii) Principals of persons defined in subparagraphs (i) and (ii).

(B) The following persons shall not make a campaign contribution to the Mayor, the City Attorney, the Controller, a City Council member, a candidate for any of those elected City offices, or a City committee controlled by a person who holds or seeks any of those elected City offices:

(i) A person who bids on or submits a proposal or other response to a contract solicitation that has an anticipated value of at least \$100,000 and requires approval by the elected City office that is held or sought by the person to whom the contribution would be given;

(ii) Subcontractors that are expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of a person defined in subparagraph (i); and

(iii) Principals of persons defined in subparagraphs (i) and (ii).

(C) The following persons shall not engage in prohibited fundraising for any elected City official, candidate for elected City office, or City committee controlled by an elected City official or candidate as further provided by ordinance:

(i) A person who bids on or submits a proposal or other response to a contract solicitation that has an

anticipated value of at least \$100,000 and requires approval by the City Council;

(ii) Subcontractors that are expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of a person defined in subparagraph (i); and

(iii) Principals of persons defined in subparagraphs (i) and (ii).

(D) The following persons shall not engage in prohibited fundraising for an elected City official, candidate for the elected City office, or City committee controlled by a person who holds or seeks the elected City office as further provided by ordinance:

(i) A person who bids on or submits a proposal or other response to a contract solicitation that has an anticipated value of at least \$100,000 and requires approval by the elected City office that is held or sought by the person for whom the fundraising would be conducted;

(ii) Subcontractors that are expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of a person defined in subparagraph (i); and

(iii) Principals of persons defined in subparagraphs (i) and (ii).

(E) The prohibitions in paragraphs (A) and (B) shall apply from the time the bid or proposal is submitted until the contract is signed, the bid or proposal is withdrawn by the bidder or proposer, or the City rejects all proposals for the contract, whichever is earlier. The prohibitions shall continue for 12 months after the contract is signed for the successful bidder or proposer, its principals, its subcontractors of at least \$100,000, and the principals of those subcontractors.

(F) For purposes of this subdivision, a principal of a person who is a bidder, proposer, or subcontractor means the person's board chair, president, chief executive officer, chief operating officer, or the functional equivalent of those positions; any individual who holds an ownership interest in the person of 20 percent or more; and any individual authorized by the bid or proposal to represent the person before the City.

(G) This subdivision shall not apply to:

(i) Contributions to or fundraising on behalf of elected officials or candidates for elected City office where that official's approval is required only by section 262, 271(d), or 370 of the Charter other than contracts required to be approved by the City Council that have an anticipated value of at least \$100,000 and proprietary department contracts that have an anticipated value of at least \$100,000;

(ii) Contributions to or fundraising on behalf of members of the City Council where the City Council's approval authority is only through Charter section 245 except as further restricted by ordinance;

(iii) Any contract governed by Charter section 609(e);

(iv) A governmental entity; and

(v) A candidate for elected City office who is a bidder, proposer, subcontractor or subcontractor's principals with regard to using personal funds or engaging in fundraising on the candidate's own behalf for the candidate's election for City office.

(H) Every contract solicitation regarding a contract subject to this provision shall include notice of the prohibitions of this subdivision. At the time of submitting a bid or proposal for a contract subject to this section, the bidder or proposer must complete a form identifying the names of its principals, subcontractors of at least \$100,000, the principals of those subcontractors, and certify that the bidder or proposer will comply with and notify its principals and subcontractors of the prohibitions in this subdivision; and provide any other information determined necessary.

(I) In addition to any other penalties that may apply, any person found to have violated this section is subject to contract debarment as further provided by ordinance. If the determination is made to impose debarment, the minimum terms of debarment shall be one year for the first violation, two years for the second violation, three years for the third violation, and four years for the fourth violation.

(J) The City Council may adopt ordinances as necessary to carry out the purposes of this provision. Nothing contained in this subdivision (c)(12) shall be construed or applied to limit the authority of the City Council by ordinance to adopt additional regulations, including sanctions, for the conduct or activities that is the subject matter addressed herein.

(d) **Cash Contributions.** No person shall make, and no candidate or committee shall solicit or accept, any cash contribution in excess of twenty-five dollars (\$25).

(e) **Anonymous Contributions.** Total anonymous contributions to a candidate or committee which exceed in the aggregate two hundred dollars (\$200) with respect to a single election shall not be used by the candidate or committee for whom such contributions

were intended, but instead, such excess shall be paid promptly to the City Treasurer for deposit in the General Fund of the City.

(f) **Adjustment of Limits.** The amounts specified in subsections (c) and (d) of this section may be modified from time to time by ordinance to reflect changes in the consumer price index for the Los Angeles-Long Beach metropolitan statistical area.

(g) **Campaign Contribution Checking Account.** No more than one campaign contribution checking account shall be established by each candidate for elected City office, and by each committee supporting or opposing such candidate. The account shall be established at an office of a bank or savings and loan institution located in the City of Los Angeles. Upon opening such account, the candidate shall file with the City Ethics Commission within ten days of opening the campaign bank account, the name of the bank or savings and loan institution and the account number. Funds shall only be disbursed from such account by checks signed by the candidate, treasurer or designated agent of the treasurer. A candidate, treasurer or designated agent of the treasurer shall deposit into the campaign checking account all contributions received in connection with a City election. A candidate, treasurer or designated agent of the treasurer shall pay all campaign expenditures for a City election with monies from this campaign checking account.

If a candidate has other controlled committees and such committees have checking accounts, the candidate shall notify the City Ethics Commission in writing of these committees and the names and addresses of the banks or savings and loan institutions and the account numbers of any such accounts. A candidate shall notify the City Ethics Commission of these committees, the banks or savings and loan institutions, and the account numbers concurrent with the filing of the Declaration of Intent to Solicit and Receive Contributions. If committees are thereafter formed or accounts thereafter opened, then the candidate shall notify the City Ethics Commission on the next regular business day on which the office is open. No contribution shall be commingled with the personal funds of the candidate or any other person.

This subsection shall not prohibit the establishment of savings accounts or certificates of deposit, provided that no campaign expenditures may be made therefrom.

(h) **Treasurer.** A candidate having campaign committees for elected City office shall appoint a treasurer of each committee. No expenditure shall be made by or on behalf of a committee without the authorization of the treasurer or that of his or her designated agents. No contribution or expenditure shall be accepted or made by or on behalf of a committee at a time when there is a vacancy in the office of treasurer. It shall be the duty of the candidate and the treasurer to approve and authorize such payments and to retain such authorizations, detailed accounts, records, bills and receipts.

(i) **Accountability.** The candidate and the treasurer shall maintain such detailed accounts, records, bills and receipts as are necessary to prepare campaign statements. The candidate and the treasurer shall retain the detailed accounts, records, bills and receipts for the periods specified in the Political Reform Act of 1974 as amended. Every candidate and committee shall make available on demand to any public officer having legal authority to enforce this section, details of checking and financial accounts of each committee controlled by the candidate and all records supporting such details.

(j) **Petty Cash Fund.** Subsection (g) notwithstanding, a candidate, campaign treasurer and other designated agents authorized to issue checks on a campaign contribution checking account may disburse to the candidate or committee establishing the checking account an amount not greater than fifty dollars (\$50) per week to be used for petty cash purposes by the candidate or committee.

(k) **Assumed Name Contributions.** No contribution shall be made, directly or indirectly, by any person or combination of persons, acting jointly in a name other than the name by which they are identified for legal purposes, nor in the name of another person or combination of persons. No person shall make a contribution in his, her or its name of anything belonging to another person or received from another person on the condition that it be used as a contribution. In the event it is discovered by a candidate or committee treasurer that a contribution has been received in violation of this subsection, the candidate or treasurer shall promptly pay the amount received in violation of this subsection to the City Treasurer for deposit in the General Fund of the City.

(l) **Campaign Expenditures – Uncontrolled by Candidate or Committee.** Persons or organizations not subject to the control of a candidate or committee but who make independent expenditures for or against a candidate or committee shall comply with the applicable disclaimer requirements established by ordinance.

(m) **Suppliers of Goods and Services – Disclosure of Records Required.** No person who supplies goods or services or both goods and services to a candidate or committee for use in connection with the campaign for an elected City office shall knowingly refuse to divulge or disclose to the City Ethics Commission or to any public officer having legal authority to enforce this section, the details and the records supporting such details of any expenditures made by the candidate or committee in payment for such goods or services or both.

(n) **Duties of City Ethics Commission.** The City Ethics Commission shall administer the provisions of this section. In addition to other duties required under the terms of this section, the City Ethics Commission shall:

(1) Report apparent violations of this section and applicable state law to the City Attorney.

(2) Conduct audits and investigations of reports and statements filed by candidates and committees supporting or opposing candidates for City offices as required under both the Political Reform Act of 1974 as amended and this section. The City Ethics Commission shall employ investigators where necessary to fully investigate candidate spending and reporting.

(3) Enforce or cause to be enforced the provisions of this section pursuant to Section 90002(c) of the Government Code. The

City Ethics Commission may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records or other items necessary to the audit and investigation of candidates for election to City office.

**(o) Enforcement.**

(1) *Criminal Enforcement* – Any person who knowingly or willfully violates any provisions of this section is guilty of a misdemeanor. Any person who causes any other person to violate any provision of this section, or who aids and abets any other person in the violation of any provision of this section, shall be liable under the provisions of this section. Prosecution for violation of any provision of this section must be commenced within two years after the date on which the violation occurred.

(2) *Civil Enforcement.*

(A) Any person who intentionally or negligently violates any provision of this section shall be liable in a civil action brought by the City Attorney or by a person residing within the City. Where no specific civil penalty is provided, a person may be liable for an amount up to two thousand dollars (\$2,000) for each violation.

(B) Any person who intentionally or negligently makes or receives a contribution, or makes an expenditure, in violation of any provision of this section shall be liable in a civil action brought by the City Attorney or by a person residing within the City for an amount up to three times the amount of the unlawful contribution or expenditure.

(C) If two or more persons are responsible for any violation, they shall be jointly and severally liable.

(D) Any person, before filing a civil action pursuant to this subsection, must first file with the City Attorney a written request for the City Attorney to commence the action. The request shall contain a statement of the grounds for believing a cause of action exists. The City Attorney shall respond within 40 days after receipt of the request, indicating whether the City Attorney intends to file a civil action. If the City Attorney indicates in the affirmative, and files suit within 40 days thereafter, no other action may be brought unless the action brought by the City Attorney is dismissed without prejudice.

(E) Not more than one judgment on the merits with respect to any violation may be obtained under this subsection. Actions brought for the same violation or violations shall have precedence for purposes of trial in the order of the time filed. Such actions shall be dismissed once judgment has been entered or a settlement approved by the court in a previously filed action. The court may dismiss a pending action without prejudice to any other action for failure of the plaintiff to proceed diligently and in good faith. The action may be so dismissed on motion by the City Attorney or any plaintiff in an action based on the same violation.

(F) In determining the amount of liability under this subsection, the court may take into account the seriousness of the violation and the degree of culpability of the defendant.

(i) No civil action alleging a violation of subsection (c) of this section, in connection with a contribution or expenditure shall be filed more than four years after an audit could begin as set forth in the Political Reform Act of 1974 as amended.

(ii) No civil action alleging a violation of any provisions of this section other than subsection (c) of this section shall be filed more than four years after the date of the violation.

**(p) Effect of Violation on Outcome of Election.**

(1) If a candidate is convicted of a misdemeanor violation of any provision of this section, the court shall make a determination as to whether the violation had a material effect on the outcome of the election. If the court finds such a material effect, then:

(A) if such conviction becomes final before the date of the election, the votes for such candidate shall not be counted, and the election shall be determined on the basis of the votes cast for the other candidates in that race;

(B) if such conviction becomes final after the date of the election, and if such candidate was declared to have been elected, then such candidate shall not assume office, the office shall be deemed vacant and shall be filled as otherwise provided in the Charter;

(C) if such conviction becomes final after the candidate has assumed office, then the candidate shall be removed from office, the office shall be deemed vacant and shall be filled as otherwise provided in the Charter; and

(D) the person so convicted shall be ineligible to hold any elected City office for a period of five years after the date of such conviction.

(2) The City Clerk shall not issue any certificate of nomination or election to any candidate until his or her pre-election campaign statements required by the Political Reform Act of 1974, as amended, or if no campaign statement is required, the written declaration permitted under Section 84205 of the Government Code, have been filed in the form and at the place required by the Political Reform Act of 1974.

(q) **Verification.** All declarations, reports and statements filed under this section shall be signed and verified by the filer under penalty of perjury. The candidate and any person signing declarations, reports and statements under this provision shall read, know and understand the contents of all such declarations, reports and statements.

(r) **Injunction.** The City Attorney on behalf of the people of the City of Los Angeles or any person residing in the City of Los Angeles may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this section. The Court may award a plaintiff or defendant who prevails his or her costs of litigation, including reasonable attorney's fees; provided, however, that no such award may be granted against the City of Los Angeles.

(s) **Severability.** If any provision or portion of this section is for any reason held to be invalid or unconstitutional by the decision of any court, such decision shall not affect the remaining portions of this section.

**Editor's note:** Charter Amendment H, regarding Charter Section 470(c)(12), applies to contract solicitations issued or released on or after May 8, 2011. Charter Section 470(c)(12) applies to amendments when contract discussions with the awarding authority began on or after January 28, 2012.

#### SECTION HISTORY

Amended by: Subsec. (c)(11) added and Subsec. (l) amended, Charter Amendment, approved November 7, 2006, effective December 13, 2006; Subsec. (c)(12) added and Subsecs. (a) and (c) amended, Charter Amendment H §§ 1 - 3, approved March 8, 2011, effective April 8, 2011; Subsecs. (c)(5) and (c)(10) repealed, Charter Amendment N §§ 1 and 2, approved March 8, 2011, effective April 8, 2011.

### **Sec. 471. Public Matching Funds and Campaign Expenditure Limitations.**

#### **(a) Findings and Purposes.**

(1) Monetary contributions to political campaigns are a legitimate form of participation in the American political process, but the financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates.

(2) Therefore, this section is enacted to accomplish the following purposes:

(A) To assist serious candidates in raising enough money to communicate their views and positions adequately to the public without excessive expenditures or contributions, thereby promoting public discussion of the important issues involved in political campaigns.

(B) To limit overall expenditures in campaigns, thereby reducing the pressure on candidates to raise large campaign funds for defensive purposes, beyond the amount necessary to communicate reasonably with voters.

(C) To provide a source of campaign financing in the form of limited public matching funds.

(D) To substantially restrict fund-raising in non-election years.

(E) To increase the value to candidates of smaller contributions.

(F) To reduce the excessive fund-raising advantage of incumbents and thus encourage competition for elective office.

(G) To help restore public trust in governmental and electoral institutions.

(H) To avoid corruption or the appearance of corruption by providing an alternate source of funding for campaigns and reducing real or perceived ties between elected officials and special interests.

(b) **Matching Funds and Expenditure Limitations Authorization.** The City shall also adopt by ordinance limitations on campaign expenditures by candidates for elected City office who qualify for and accept public matching funds. The City shall adopt by ordinance regulations concerning the use of public funds to partially finance campaigns for elected City office through a system of matching public funds for qualifying campaign contributions. Such ordinances may be amended to further the purposes of this section of the Charter.

#### **(c) Appropriation of Funds.**

(1) The City Council shall appropriate two million dollars (\$2,000,000) per fiscal year for public matching funds. The Council shall appropriate such funds for each following fiscal year. The amount of such appropriation shall be adjusted for cost of living changes based on the percentage increase or decrease in the Consumer Price Index (for all items other than housing) for the Los Angeles-Riverside-Orange County metropolitan statistical area using 1991 as the base year. The City Council, by a two-thirds vote, may reduce or eliminate the annual appropriation made during a fiscal year provided that: (a) the City Council has declared a fiscal emergency by resolution that is in effect for that fiscal year; (b) the trust fund balance is no less than eight million dollars (\$8,000,000) in 1991 dollars adjusted to the Consumer Price Index at the time of the appropriation; and (c) the City Council has considered the City Ethics Commission's analysis regarding projected costs and estimated public funding needs for the next four years.

(2) All such funds shall be appropriated into a trust fund established by the Council by ordinance with interest accruing to the fund. In addition to the authority provided by Charter section 340, the City Council, by a two-thirds vote, may temporarily transfer funds from the trust fund to meet obligations of the City in any fiscal year, provided that: (a) the City Council has declared a fiscal emergency by resolution that is in effect for that fiscal year; (b) the City Council has considered the City Ethics Commission's analysis regarding projected costs and estimated public funding needs for the next four years; and (c) the funds transferred are limited to funds above a trust fund balance of eight million dollars (\$8,000,000) in 1991 dollars adjusted to the Consumer Price Index. Any transferred funds shall be reimbursed to the trust fund by either (a) the date the City Ethics Commission determines the funds are needed for their intended purposes, or (b) before the end of the next fiscal year, whichever is earlier.

(3) If there are insufficient funds to provide the maximum matching funds available to a candidate in any election, as specified by ordinance, the limitations on total contributions from persons other than individuals imposed by Section 470 shall not apply to any of the candidates for the same office.

(4) The funds used to make payments for matching funds shall come exclusively from City sources of revenues.

#### SECTION HISTORY

Amended by: Subsecs. (a)(2) and (c), Charter Amendment H §§ 6 and 7, approved March 8, 2011, effective April 8, 2011.

FORM  
55

# Prohibited Contributors (Bidders)

Los Angeles City  
ETHICS COMMISSION

This form must be completed in its entirety and submitted with your bid or proposal to the City department that is awarding the contract. Failure to submit a completed form may affect your bid or proposal. If you have questions about this form, please contact the Ethics Commission at (213) 978-1960.

Original Filing       Amendment: Date of Signed Original \_\_\_\_\_ Date of Last Amendment \_\_\_\_\_

Reference Number (Bid, Contract, or BAVN): V. 9-2023 0405 1530      Date Bid Submitted: 4.21.2023

Contract Description (Title of the RFP or City contract solicitation and description of the services to be provided):  
Lease

Awarding Authority (Department awarding the contract): LAWA

Bidder Name: CalPortland Co.

Bidder Address: 1025 W. 190th St. #300 Gardena, CA 90248

Bidder Email Address: moregan@calportland.com      Bidder Phone Number: 310 995.2822

### Schedule Summary

Please complete all three of the following:

- |   |   |
|---|---|
| <p><b>1. SCHEDULE A – Bidder's Principals (check one)</b><br/>The bidder has one or more PRINCIPALS, as defined in LAMC § 49.7.35(A)(6).<br/>At least one principal is required for entities. (If you check "Yes", Schedule A is required.)</p> | <p>Yes<br/><input type="checkbox"/></p> <p>No<br/><input checked="" type="checkbox"/></p> |
| <p><b>2. SCHEDULE B – Subcontractors and Their Principals (check one)</b><br/>The bidder has one or more SUBCONTRACTORS on this bid or proposal with subcontracts worth \$100,000 or more. (If you check "Yes", Schedule B is required.)</p>    | <p>Yes<br/><input type="checkbox"/></p> <p>No<br/><input checked="" type="checkbox"/></p> |
| <p><b>3. TOTAL NUMBER OF PAGES SUBMITTED (including this cover page):</b> _____</p>   |   |

### Certification

I certify the following under penalty of perjury under the laws of the City of Los Angeles and the state of California: A) I understand, will comply with, and have notified my principals and subcontractors of the requirements and restrictions in Los Angeles City Charter § 470(c)(12) and any related ordinances; B) I understand that I must amend this form within ten business days if any information changes; C) I am the bidder named above or I am authorized to represent the bidder named above, and my name appears below; and D) The information provided in this form is true and complete to the best of my knowledge and belief.

Melanie O'Regan  
Name  
Vice President / Gen. Mgr.  
Title

Melanie O'Regan  
Signature  
April 21, 2023  
Date

# Prohibited Contributors (Bidders)

## Schedule A - Bidder's Principals

Please identify the names and titles of all the bidder's principals (attach additional sheets if necessary). Principals include a bidder's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the bidder of at least 20 percent and employees of the bidder who are authorized by the bid or proposal to represent the bidder before the City.

Name: _____	Title: _____
Address: _____	
Name: _____	Title: _____
Address: _____	
Name: _____	Title: _____
Address: _____	
Name: _____	Title: _____
Address: _____	
Name: _____	Title: _____
Address: _____	
Name: _____	Title: _____
Address: _____	
Name: _____	Title: _____
Address: _____	
Name: _____	Title: _____
Address: _____	

Check this box if additional Schedule A pages are attached.

# Prohibited Contributors (Bidders)

## Schedule B - Subcontractors and Their Principals

Please identify all subcontractors whose subcontracts are worth \$100,000 or more. Separate Schedule B pages are required for each subcontractor who meets the threshold.

Subcontractor's Name N/A
Subcontractor's Address

Please check one of the following options:

This subcontractor has one or more principals.  Yes\*  No

*\* Each principal's name and title must be identified below. Attach additional sheets if necessary. Principals include a subcontractor's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the subcontractor of at least 20 percent and employees of the subcontractor who are authorized by the bid or proposal to represent the subcontractor before the City.*

Name: _____ Title: _____ Address: _____

Check this box if additional Schedule B pages are attached.

# EXHIBIT P

Municipal Lobbying Ordinance

# ARTICLE 8

## MUNICIPAL LOBBYING

(Repealed and Re-added by Ord. No. 169,916, Eff. 8/10/94.)

### Section

- 48.01 Title and Findings.
- 48.02 Definitions.
- 48.03 Exemptions.
- 48.04 Prohibitions.
- 48.05 Record-keeping Responsibilities.
- 48.06 Filing Methods.
- 48.07 Registration.
- 48.08 Disclosure Reports.
- 48.08.5 Copies of Solicitations.
- 48.08.6 Lobbying Disclosure – Political Contributions.
- 48.08.7 Lobbying Disclosure – Fundraising Activity.
- 48.08.8 Lobbying Disclosure – Written Communications to Neighborhood Councils.
- 48.09 Compliance Measures and Enforcement.
- 48.10 Ethics Commission Reports.
- 48.11 Severability.

### **SEC. 48.01. TITLE AND FINDINGS.**

(Title and Section Amended by Ord. No. 169,916, Eff. 8/10/94.)

- A. **Title.** This article shall be known and may be cited as the Los Angeles Municipal Lobbying Ordinance.
- B. **Findings.** The following findings are adopted in conjunction with the enactment of this article:
  - 1. City government functions to serve the needs of all citizens.
  - 2. The citizens of the City of Los Angeles have a right to know the identity of interests which attempt to influence decisions of City government, as well as the means employed by those interests.
  - 3. All persons engaged in compensated lobbying activities aimed at influencing decisions by City government must, when so engaged, be subject to the same regulations, restrictions and requirements, regardless of their background, training or other professional qualifications or license.
  - 4. Complete public disclosure of the full range of activities by and financing of lobbyists and those who employ their services is essential to the maintenance of citizen confidence in the integrity of local government.
  - 5. It is in the public interest to ensure that lobbyists do not misrepresent facts, their positions, or attempt to deceive officials through false communications, do not place City officials under personal obligation to themselves or their clients, and do not represent that they can control the actions of City officials.
  - 6. It is in the public interest to adopt these amendments to the City's regulations of lobbyists to ensure adequate and effective disclosure of information about efforts to lobby City government.

### **SEC. 48.02. DEFINITIONS.**

(Title and Section Amended by Ord. No. 169,916, Eff. 8/10/94.)

The following terms used in this article shall have the meanings set forth below. Other terms used in this article shall have the meanings set forth in the California Political Reform Act of 1974, as amended, and in the regulations of the California Fair Political Practices Commission, as amended, if defined therein.

“Activity expense” means any payment, including any gift, made to or directly benefiting any City official or member of his or her immediate family, made by a lobbyist, lobbying firm, or lobbyist employer.

“Administrative proceeding” (Deleted by Ord. No. 172,479, Eff. 4/10/99, Oper. 4/1/99.)

“Agency” means the City of Los Angeles or any department, bureau, office, board, commission, other agency of the City, or any other government agency, required to adopt a conflict of interest code subject to City Council approval, and includes the

City's Community Redevelopment Agency and the Los Angeles City Housing Authority.

**"At the behest"** means under the control of, at the direction of, in cooperation, consultation, coordination, or concert with, at the request or suggestion of, or with the express prior consent of any elective City officer or candidate for elective City office. A donation to a religious, charitable, or other nonprofit organization is not made at the behest of an elective City officer or candidate if the donation is solicited through a newspaper publication, through radio, television, or other mass media, or through a suggestion made to the entire audience at a public gathering. A donation to a religious, charitable, or other nonprofit organization is not made at the behest of an elective City officer or candidate solely because the name of the officer or candidate is listed with other names on written materials used to request donations or the officer or candidate makes a speech to the entire audience or is honored and given an award at an event sponsored by the organization. (Amended by Ord. No. 178,356, Eff. 3/12/07.)

**"Attempting to influence"** means promoting, supporting, opposing or seeking to modify or delay any action on municipal legislation by any means, including but not limited to providing or using persuasion, information, statistics, analyses or studies. A person attempts to influence municipal legislation when he or she engages in lobbying activities for the purpose of influencing a decision. (Amended by Ord. No. 172,479, Eff. 4/10/99, Oper. 4/1/99.)

**"City official"** means any elective or appointed City officer, member, employee or consultant (who qualifies as a public official within the meaning of the Political Reform Act) of any agency, who, as part of his or her official duties, participates in the consideration of any municipal legislation other than in a purely clerical, secretarial or ministerial capacity. (Amended by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Client"** means both (1) the person who compensates a lobbyist or lobbying firm for the purpose of attempting to influence municipal legislation and (2) the person on whose behalf a lobbyist or lobbying firm attempts to influence such municipal legislation, even if the lobbyist or lobbying firm is compensated by another person for such representation. However, if a lobbyist or lobbying firm represents a membership organization and individual members of that organization, an individual member is not a client solely because the member is individually represented by the lobbyist or lobbying firm unless the member makes a payment for such representation in addition to usual membership fees.

**"Client, Administrative"** (Deleted by Ord. No. 172,479, Eff. 4/10/99, Oper. 4/1/99.)

**"Compensated Services"** means services for which compensation was paid during a reporting period or for which the lobbyist or lobbying firm became entitled to compensation during that period.

**"Controlled committee"** means any committee controlled by an elective City officer or candidate for any elective City office, including any campaign, officeholder, legal defense fund, or ballot measure committee. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Direct communication"** means appearing as a witness before, talking to (either by telephone or in person), corresponding with, or answering questions or inquiries from, any City official or employee, either personally or through an agent who acts under one's direct supervision, control or direction. (Added by Ord. No. 172,479, Eff. 4/10/99, Oper. 4/1/99.)

**"Donation"** means a payment for which full and adequate consideration is not received. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Elective City officer"** means the Mayor, City Attorney, Controller and Member of the City Council. (Amended by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Elective Officer"** means any person who is a City Council Member, City Attorney, Controller or Mayor, whether appointed or elected. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Fundraiser"** means an individual who receives compensation to engage in fundraising activity as defined in this section. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Fundraising activity"** means soliciting a contribution or hosting or sponsoring a fundraising event or hiring a fundraiser or contractor to conduct any event designed primarily for political fundraising at which contributions for an elective City officer, candidate for elective City office, or any of his or her controlled committees are solicited, delivered or made. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Host or sponsor"** means to provide the use of a home or business to hold a political fundraising event without charging market value for the use of that location; to ask more than 25 persons to attend the event; to pay for at least a majority of the costs of the event; or to provide the candidate, campaign, committee and/or fundraiser more than 25 names to be used for invitations to the event. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Lobbying activities"** includes the following and similar compensated conduct when that conduct is related to a direct communication to influence any municipal legislation:

- (1) engaging in, either personally or through an agent, written or oral direct communication with a City official;

- (2) drafting ordinances, resolutions or regulations;
- (3) providing advice or recommending strategy to a client or others;
- (4) research, investigation and information gathering;
- (5) seeking to influence the position of a third party on municipal legislation or an issue related to municipal legislation by any means, including but not limited to engaging in community, public or press relations activities; and
- (6) attending or monitoring City meetings, hearings or other events.

(Added by Ord. No. 172,479, Eff. 4/10/99, Oper. 4/1/99.)

**"Lobbying entity"** means a lobbyist, lobbying firm or lobbyist employer, as defined in this article. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**"Lobbying firm"** means any entity, including an individual lobbyist, which receives or becomes entitled to receive \$1,000 or more in monetary or in-kind compensation for engaging in lobbying activities (either personally or through its agents) during any consecutive three-month period, for the purpose of attempting to influence municipal legislation on behalf of any other person, provided any partner, owner, shareholder, officer or employee of the entity qualifies as a lobbyist. Compensation does not include reimbursement of or payment for reasonable travel expenses. An entity receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this article or is received for other activities as well; however, only that portion of compensation received for the lobbying activities shall count toward the qualification threshold. An entity **"becomes entitled to receive compensation"** when the entity agrees to provide services regulated by this article, or performs those services, whether or not payment is contingent on the accomplishment of the client's purposes. (Amended by Ord. No. 178,064, Eff. 1/15/07.)

**"Lobbyist"** (Amended by Ord. No. 178,064, Eff. 1/15/07.) means any individual who is compensated to spend 30 or more hours in any consecutive three-month period engaged in lobbying activities which include at least one direct communication with a City official or employee, conducted either personally or through agents, for the purpose of attempting to influence municipal legislation on behalf of any person.

Compensation does not include reimbursement of or payment for reasonable travel expenses. A person receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this article or is received for both lobbying activities and other activities as well. However, only the compensation for the lobbying activities shall be calculated to determine whether an individual qualifies as a lobbyist. An individual **"becomes entitled to receive compensation"** when the individual or the entity in which the individual is an employee, partner, owner, shareholder or officer, agrees to provide services regulated by this article, or performs those services, regardless of whether payment is contingent on the accomplishment of the client's purposes.

A lobbyist includes a person who owns an investment in a business entity if that person attempts to influence municipal legislation on behalf of the business entity and if the person acquires the investment as compensation for his or her lobbying services or in contemplation of performing those services.

**"Lobbyist employer"** means an entity, other than a lobbying firm, that employs a lobbyist in-house to lobby on its behalf.

**"Major filer"** means any person who makes payments or incurs expenditures totaling \$5,000 or more during any calendar quarter for public relations, media relations, advertising, public outreach, research, investigation, reports, analyses, studies, or similar activities, for the purpose of attempting to influence action on any proposed or pending matter of municipal legislation, if these payments or expenditures are not required to be reported on a lobbyist or lobbying firm quarterly report. A **"major filer"** does not include a lobbyist, lobbyist employer, or lobbying firm. Expenditures and payments for regularly published newsletters or other routine communications between an organization and its members shall not be counted for the purpose of this definition. (Amended by Ord. No. 172,479, Eff. 4/10/99, Oper. 4/1/99.)

**"Municipal legislation"** means any legislative or administrative matter proposed or pending before any agency (as defined in this article), including but not limited to those involving the granting, denial, revocation, restriction or modification of a license, permit or entitlement for use (including all land use permits) if the Mayor, the City Council, any of its committees, any agency board, commission, committee, or general manager, or any agency officer or employee charged by law with holding a hearing and making a decision, is charged by law with making a final decision on the matter. However, **"municipal legislation"** does not include any of the following:

- (1) A request for advice or for an interpretation of laws, regulations, City approvals or policies, or a direct response to an enforcement proceeding with the City Ethics Commission.
- (2) Any ministerial action. An action is ministerial if it does not require the City official or employees involved to exercise discretion concerning any outcome or course of action.

(3) Any action relating to the establishment, amendment, administration, implementation or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized employee organization, or a proceeding before the Civil Service Commission or the Employee Relations Board. Further, it does not include management decisions as to the working conditions of represented employees that clearly relate to the terms of such collective bargaining agreement or memorandum of understanding. Nevertheless, "municipal legislation" does include any action relating to collective bargaining taken by the City Council, any of its committees or members (including the staffs of such members), or by the Mayor or his or her office.

(4) Preparation or compilation of any radius map, vicinity map, plot plan, site plan, property owners or tenants list, abutting property owners list, photographs of property, proof of ownership or copy of lease, or neighbor signatures required to be submitted to the City Planning Department.

(Amended by Ord. No. 172,479, Eff. 4/10/99, Oper. 4/1/99.)

"Person" means any individual, business entity, trust, corporation, association, committee, or any other organization or group of persons acting in concert.

"Solicit" means to ask, personally or through an agent, that another person make a contribution to an elective City officer or candidate for City office, or to his or her controlled committee, including allowing one's signature to be used on a written request for funds. For purposes of this article, a lobbying entity solicits a contribution only when the lobbying entity does so (i) at the behest of the elective City officer or candidate for elective City office, or his or her campaign treasurer, campaign manager, or member of his or her fundraising committee, or (ii) if the lobbying entity has informed the candidate or officer that the person is soliciting the contributions. A person does not solicit, however, by making a request for funds publicly to at least a majority of persons who attend any public gathering, or by making a request that appears published in a newspaper, on radio or television. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

#### **SEC. 48.03. EXEMPTIONS.**

(Title and Section Amended by Ord. No. 169,916, Eff. 8/10/94.)

The following persons are exempt from the requirements of this article:

A. Any public official acting in his or her official capacity, and any government employee acting within the scope of his or her employment.

B. A newspaper or other regularly published periodical, radio or television station or network, including any individual who owns, publishes or is employed by such newspaper, periodical or station or network, when, in the ordinary course of its business, it publishes or broadcasts news, editorials or other comments, or paid advertising, which directly or indirectly attempts to influence action on municipal legislation. This exemption does not apply to any other action by any such newspaper, periodical, station or network, or by any such person, to attempt to influence municipal legislation, if such activity is otherwise regulated by this article.

C. A person acting without any compensation or consideration other than reimbursement or payment of reasonable travel expenses.

D. Any person whose only activity is submitting a bid on a competitively bid contract, submitting a written response to or participating in an oral interview for a request for proposals or qualifications, or negotiating the terms of a written agreement with any City agency if selected pursuant to that bid or request for proposals or qualifications. Except with regard to persons covered by Subsections E and F, this exemption shall not apply to any person who attempts to influence the action of the Mayor or Mayor's staff, any member of the City Council or their staffs, or any board or commission member with regard to any such contract.

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, which receives funding from any federal, state or local government agency for the purpose of representing the interests of indigent persons and whose primary purpose is to provide direct services to those persons, if the individual or individuals represented by the organization before any City agency provide no payment to the organization for that representation. This exemption shall not apply to direct contacts with a City official in other than a publicly noticed meeting, for the purpose of attempting to influence a City decision with regard to any City funding which the organization is seeking.

F. Any person employed by an organization described in Subsection E with respect to his or her activities as an employee of the organization.

#### **SEC. 48.04. PROHIBITIONS.**

(Title and Section Amended by Ord. No. 169,916, Eff. 8/10/94.)

No lobbyist or lobbying firm subject to the requirements of this article shall:

**EXHIBIT P-1**

A. Do any act with the purpose and intent of placing any City official under personal obligation to the lobbyist, the lobbying firm, or to the lobbyist's or firm's employer or client.

B. Fraudulently deceive or attempt to deceive any City official with regard to any material fact pertinent to any pending or proposed municipal legislation.

C. Cause or influence the introduction of any municipal legislation for the purpose of thereafter being employed or retained to secure its passage or defeat.

D. Cause any communication to be sent to any City official in the name of any non-existent person or in the name of any existing person without the consent of such person.

E. Make or arrange for any payment to a City official, or act as an agent or intermediary in making any such payment by any other person, if the arrangement or the payment would violate any provision of the City's Governmental Ethics Ordinance (Los Angeles Municipal Code Section 49.5.1, et seq.).

#### **SEC. 48.05. RECORD-KEEPING RESPONSIBILITIES.**

(Amended by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

A. Lobbying entities and major filers shall prepare and retain detailed records (including all books, papers and other documents) needed to comply with the requirements of this article. Treasurers and fundraisers for elective City officeholders and City candidates, or for any elective City officer's or City candidate's controlled committees shall prepare and retain detailed contribution activity records for any contributions received as a result of fundraising activity engaged in by a lobbyist, lobbying firm or lobbyist employer, as defined by this article. These records shall be retained for not less than four years.

B. If a lobbying entity engages in fundraising activities as defined in Section 48.02 of this Code at the behest of a candidate or officeholder running for elective City office, the lobbying entity shall maintain records detailing any contributions that they know or have reason to know resulted from the fundraising activities.

C. If an officeholder or a candidate running for elective City office contracts with a lobbying entity to engage in fundraising activity as described in Section 48.02 of this Code, the committee treasurer and fundraiser shall maintain records detailing any contributions that they know or have reason to know resulted from the fundraising activities. The treasurer and fundraiser shall make the records available to the lobbying entity upon request of the lobbying entity.

D. If a lobbying entity delivers or sends written communications to a certified neighborhood council in an attempt to influence municipal legislation as described in Section 48.08.8 of this Article, the lobbying entity shall prepare and maintain detailed records of these written communications for not less than four years. (Added by Ord. No. 176,034, Eff. 7/26/04.)

#### **SEC. 48.06. FILING METHODS.**

(Title and Section Amended by Ord. No. 182,360, Eff. 1/30/13.)

A. All registrations, reports, and other filings required by this Article must be submitted under penalty of perjury by the person who is required to file and must be filed in a format prescribed by the Ethics Commission. The Ethics Commission must provide public access to all filings.

B. Lobbying entities and persons who qualify as lobbying entities must file registrations, quarterly reports, terminations and amendments to those filings electronically.

C. If an electronic filing is required, the Ethics Commission must provide a unique identifier to the person who is required to file, to be used in place of a physical signature for submitting and verifying data under penalty of perjury. All electronic filings are presumed to be filed under penalty of perjury by the person required to file.

D. If a paper filing is required, it must contain the physical signature of the person who is required to file. A document is considered filed on the earlier of the date of receipt by the Ethics Commission or the date of the postmark if it is mailed and bears the correct address and postage.

#### **SEC. 48.06.1. ONLINE FILING OF LOBBYING REGISTRATION AND DISCLOSURE STATEMENTS.**

(Repealed by Ord. No. 182,360, Eff. 1/30/13.)

#### **SEC. 48.07. REGISTRATION.**

(Amended by Ord. No. 172,479, Eff. 4/10/99, Oper. 4/1/99.)

A. Requirement. An individual who qualifies as a lobbyist shall register with the City Ethics Commission within 10 days after the

end of the calendar month in which the individual qualifies as a lobbyist. A person, including an individual lobbyist, shall register with the City Ethics Commission as a lobbying firm within 10 days after the end of the calendar month in which a partner, owner, shareholder, officer or employee qualifies as a lobbyist. If a person is not registered as a lobbyist or lobbying firm, but is performing acts which would require that person to so register, that person may continue to act as a lobbyist or lobbying firm so long as the person registers with the City Ethics Commission within 10 days after the person knew or should have known of the obligation to register. A lobbyist or lobbying firm shall register each client on whose behalf or from which the lobbyist or lobbying firm receives or becomes entitled to receive \$250 or more in a calendar quarter for engaging in lobbying activities related to attempting to influence municipal legislation.

**B. Duration of Status.** A person who registers as a lobbyist or lobbying firm shall retain that status through December 31 of that year unless and until that person terminates the status as set forth below.

**C. Registration Fees.** Every lobbyist shall pay an annual registration fee of \$450 plus \$75 for each client on whose behalf or from which the lobbyist receives or becomes entitled to receive \$250 or more in a calendar quarter. Persons who initially register during the last quarter of a calendar year (October through December) shall pay prorated registration fees of \$337 for each lobbyist plus \$56 for each client. (Amended by Ord. No. 175,028, Eff. 2/5/03.)

**D. Contents of Registration Statements - Lobbyists.** Registration statements of lobbyists shall contain the following:

1. The lobbyist's name, business address, business email, and business telephone number. (Amended by Ord. No. 182,360, Eff. 1/30/13.)
2. The lobbying firm, if any, of which the lobbyist is an employee, partner, officer or owner.
3. If the lobbyist is not an employee, partner, officer or owner of a lobbying firm, the name, address and telephone number of the lobbyist's employer. (Amended by Ord. No. 182,360, Eff. 1/30/13.)
4. Each City agency that the lobbyist has the authority to attempt to influence on behalf of any client or employer.
5. A statement that the lobbyist has reviewed and understands the requirements of this article.
6. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this article.

**E. Contents of Registration Statements - Lobbying Firms.** Registration statements of lobbying firms (including individual contract lobbyists) shall contain the following:

1. The name, address, email, and telephone number of the firm. (Amended by Ord. No. 182,360, Eff. 1/30/13.)
2. The name of each lobbyist who is a partner, owner, shareholder, officer or employee of the firm.
3. For each client on whose behalf or from which the firm received or became entitled to receive \$250 in compensation during the calendar quarter for engaging in lobbying activities related to attempting to influence municipal legislation within the meaning of this Article: (Renumbered and Amended by Ord. No. 182,360, Eff. 1/30/13.)
  - (a) The client's name, business or residence address, and business or residence telephone number.
  - (b) The period during which the representation will occur.
  - (c) The item or items of municipal legislation for which the firm was retained to represent the client, or, if no specific items of municipal legislation for which the firm was retained to represent the client can be identified, a description of the types of municipal legislation for which the firm was retained to represent the client.
  - (d) Each City agency that the lobbying firm has the authority to attempt to influence on behalf of the client.
  - (e) In the case of a lobbyist who is an individual contract lobbyist, a statement that he or she has reviewed and understands the requirements of this Article.
  - (f) The name, address, email, and telephone number of the person responsible for preparing the statement.
  - (g) Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

**F. Amendments to Registrations.** Lobbyists and lobbying firms shall file amendments to their registration statements within 10 days of any change in information required to be set forth on the registration statement. (Renumbered and Former Subsection F. deleted by Ord. No. 182,360, Eff. 1/30/13.)

**G. Termination.** Any person registered under this Article shall file a termination statement with the City Ethics Commission within

20 days after ceasing all activity governed by this Article. (Renumbered and Amended by Ord. No. 182,360, Eff. 1/30/13.)

**H. Education Requirement.** Every individual who is required to register as a lobbyist shall attend a City lobbying information session conducted by the City Ethics Commission no less than once every two calendar years, according to the following schedule: (Renumbered by Ord. No. 182,360, Eff. 1/30/13.)

(1) An individual who has not registered as a lobbyist in the immediately preceding two calendar years shall attend a City lobbying information session within six months of his or her registration date as a lobbyist.

(2) A registered lobbyist who did not attend a City lobbying information session during the previous calendar year shall attend a City lobbying session by the end of the current calendar year.

(3) A registered lobbyist who attends a City lobbying information session during the current calendar year is not required to attend a City lobbying information session during the following calendar year.

**SEC. 48.08. DISCLOSURE REPORTS.**

(Title Amended by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**A. Reporting Requirement.** Every lobbyist, lobbying firm, lobbyist employer and major filer shall file the quarterly disclosure reports required by this Section on or before the last day of the month following each calendar quarter. (Amended by Ord. No. 182,360, Eff. 1/30/13.)

1. All lobbyists and lobbying firms shall file quarterly reports for every calendar quarter during which they retain that status. An individual who qualifies both as a lobbyist and lobbying firm shall file only a lobbying firm quarterly report. Lobbyist employers shall file quarterly reports for every calendar quarter during which any individual employed by that employer retains the status as lobbyist. Information required to be disclosed concerning compensation received or expenditures made for lobbying shall be disclosed either by the lobbyist or by his or her lobbying firm or employer.

2. Major filers shall file quarterly reports for every calendar quarter during which they made qualifying payments or incurred qualifying expenditures totaling \$5,000 or more.

3. Quarterly reports shall disclose all required information for the calendar quarter immediately prior to the month in which the report is required to be filed. (Amended by Ord. No. 182,360, Eff. 1/30/13.)

**B. Quarterly Reports by Lobbyists - Contents.** Quarterly reports by lobbyists shall contain the following information:

1. The lobbyist's name, business address and business telephone number.

2. The lobbying firm, if any, of which the lobbyist is a partner, owner, shareholder, officer or employee.

3. If the lobbyist is not a partner, officer or owner of a lobbying firm, the name, address and telephone number of the lobbyist's employer.

4. The date, amount and description of each activity expense of \$25 or more made by the lobbyist during the reporting period, the name and title of the City official benefiting from the expense, the name and address of the payee, and the client, if any, on whose behalf the expense was made. An activity expense shall be considered to be made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the lobbyist attempted to influence the official on behalf of the client.

5. The total amount of activity expenses made by the lobbyist during the reporting period, whether or not itemized.

6. The name of any elective City officer, candidate for elective City office, or any controlled committee of the officer or candidate to which the lobbyist made contributions of \$100 or more, or which were delivered by the lobbyist, or in connection with which the lobbyist acted as an intermediary during the reporting period, and the date and amount of the contribution. (Amended by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

7. The name of any elective City officer, candidate for elective City office, or any City controlled committee of the officer or candidate for which the lobbyist engaged in any fundraising activity during the reporting period, the date(s) of the activity and the amount of funds the lobbyist knows or has reason to know were raised as a result of the activity. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

8. The date and amount of one or more contributions aggregating more than \$1,000 made by the lobbyist at the behest of an elective City officer or candidate for elective City office during the reporting period to any and all controlled committees of any other elective City officer or candidate for elective City office, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

9. The date, amount and description of one or more donations aggregating \$1,000 or more made by the lobbyist at the behest of an elective City officer or candidate for elective City office during the reporting period to any religious, charitable or other nonprofit organization, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

10. If, during the quarterly reporting period, the lobbyist provided compensated services, including consulting services, to the campaign of any candidate for elective City office, or to a campaign for or against any City ballot measure, the name of the candidate, the elective City office sought by the candidate, the ballot number or letter of the ballot measure, the date of the election, the amount of compensation earned for the compensated services, and a description of the nature of the services provided. Such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, whether the compensation was provided directly to the lobbyist or to such business entity. (Former Subdivision B.7. redesignated by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

11. If, during the quarterly reporting period, the lobbyist provided compensated services under contract with the City or with any City agency, including consulting services, the amount of compensation received, the agency for which the services were provided, a description or other identification of the contract and the nature of the services provided. Such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, whether the compensation was provided directly to the lobbyist or to such business entity. (Former Subdivision B.8. redesignated by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

12. Each City agency that the lobbyist attempted to influence. (Former Subdivision B.9. redesignated by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

13. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this article. (Former Subdivision B.10. redesignated by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

**C. Quarterly Reports by Lobbying Firms - Contents.** Quarterly reports by lobbying firms, including individual contract lobbyists, shall contain the following information: (Amended by Ord. No. 182,360, Eff. 1/30/13.)

1. The name, address, email, and telephone number of the firm.
2. The name of each lobbyist who is a partner, owner, shareholder, officer or employee of the firm.
3. The name, address and telephone number of each client that is required to be registered and was represented by the firm during the reporting period; a description of each item of municipal legislation for which the firm or its lobbyists represented the client during the reporting period; the total amount of payments received by the firm from each client (including all fees, reimbursements for expenses and other payments) during the reporting period for such representation.
4. The total payments received from clients required to be registered by the firm during the reporting period in connection with the firm's representation of clients on municipal legislation.
5. The date, amount and description of each activity expense of \$25 or more made by the lobbying firm during the reporting period, the name and title of the City official benefiting from the expense, the name and address of the payee, and the client, if any, on whose behalf the expense was made. An activity expense shall be considered to be made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the lobbying firm attempted to influence the official on behalf of the client.
6. The total amount of activity expenses made by the lobbying firm during the reporting period, whether or not itemized.
7. The total amount of expenses incurred in connection with attempts by the firm to influence municipal legislation. These expenses shall include:
  - (a) total payments to lobbyists employed by the firm;
  - (b) total payments to employees of the firm, other than lobbyists, who engaged in attempts to influence municipal legislation during the reporting period; and
  - (c) all expenses attributable to attempts to influence municipal legislation, other than overhead, and other expenses that would not be incurred but for the attempts to influence. Each such expense of \$5,000 or more shall be itemized and described.
8. The name of any elective City officer, candidate for elective City office, or any controlled committee of the officer or candidate to which the lobbying firm made contributions of \$100 or more, or which were delivered by the lobbying firm, or in connection with which the lobbying firm acted as an intermediary during the reporting period, and the date and amount of the contribution. (Amended by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)
9. The name of any elective City officer, candidate for elective City office, or any City controlled committee of the officer or candidate for which the lobbying firm engaged in any fundraising activity during the reporting period, the date(s) of the activity

and the amount of funds the lobbying firm knows or has reason to know were raised as a result of the activity. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

10. The date and amount of one or more contributions aggregating more than \$1,000 made by the lobbying firm at the behest of an elective City officer or candidate for elective City office during the reporting period to any and all controlled committees of any other elective City officer or candidate for elective City office, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

11. The date, amount and description of one or more donations aggregating \$1,000 or more made by the lobbying firm at the behest of an elective City officer or candidate for elective City office during the reporting period to any religious, charitable or other nonprofit organization, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

12. If, during the quarterly reporting period, the lobbying firm provided compensated services, including consulting services, to the campaign of any candidate for elective City office, or to a campaign for or against any City ballot measure, the name of the candidate, the elective City office sought by the candidate, the ballot number or letter of the ballot measure, the date of the election, the amount of compensation earned for the compensated services and a description of the services provided.

13. If, during the quarterly reporting period, the lobbying firm provided compensated services under contract with the City or with any agency, including consulting services, the amount of compensation received, the agency for which the services were provided, a description or other identification of the contract and the nature of the services provided. For an individual contract lobbyist who qualifies as a lobbying firm, such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, regardless of whether the compensation was provided directly to the lobbyist or to such business entity.

14. For an individual contract lobbyist who qualifies as a lobbying firm, each City agency that the lobbyist attempted to influence.

15. The name, address, email, and telephone number of the person responsible for preparing the report.

16. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this article.

**D. Quarterly Reports by Lobbyist Employers - Contents.** Quarterly reports by lobbyist employers shall contain the following information. (Amended by Ord. No. 182,360, Eff. 1/30/13.)

1. The name, address, email, and telephone number of the entity filing the report.

2. The name of each lobbyist who is employed by the entity.

3. Total payments during the reporting period to lobbyists employed by the entity. Such payments shall include solely payments for compensation and reimbursement of expenses relating to the lobbyists' attempts to influence municipal legislation.

4. Total payments to employees of the entity, other than lobbyists, who engaged in attempts to influence municipal legislation during the reporting period. Such payments shall include payments for compensation and reimbursement of expenses relating to such persons' attempts to influence municipal legislation.

5. Total payments for expenses incurred in connection with attempts by the entity during the reporting period to influence municipal legislation. These expenses shall include all expenses attributable to attempts to influence municipal legislation, other than overhead, and other expenses that would not be incurred but for the attempts to influence. Each such expense of \$5,000 or more shall be itemized and described.

6. A description of each item of municipal legislation which the entity attempted to influence during the reporting period.

7. The date, amount and description of each activity expense of \$25 or more made by the lobbyist employer during the reporting period, the name and title of the City official benefiting from the expense, and the name and address of the payee.

8. The total amount of activity expenses made by the lobbyist employer during the reporting period, whether or not itemized.

9. The name of any elective City officer, candidate for elective City office, or any controlled committee of the officer or candidate to which the lobbyist employer made contributions of \$100 or more, or which were delivered by the lobbyist employer, or in connection with which the lobbyist employer acted as an intermediary during the reporting period, and the date and amount of the contribution. (Amended by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

10. The name of any elective City officer, candidate for elective City office, or any City controlled committee of the officer or candidate for which the lobbyist employer engaged in any fundraising activity during the reporting period, the date(s) of the activity and the amount of funds the lobbyist employer knows or has reason to know were raised as a result of the activity.

(Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

11. The date and amount of one or more contributions aggregating more than \$1,000 made by the lobbyist employer at the behest of an elective City officer or candidate for elective City office during the reporting period to any and all controlled committees of any other elective City officer or candidate for elective City office, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

12. The date, amount and description of one or more donations aggregating \$1,000 or more made by the lobbyist employer at the behest of an elective City officer or candidate for elective City office during the reporting period to any religious, charitable or other nonprofit organization, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest. (Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

13. The name, address, email, and telephone number of the person responsible for preparing the report.

14. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this article.

**E. Quarterly Reports by Major Filers - Contents.** Quarterly reports by major filers shall contain the following information:

1. The name, address and telephone number of the person filing the report.
2. A description of each item of municipal legislation which the entity attempted to influence during the reporting period.
3. The total payments made during the reporting period for the purpose of attempting to influence action on each proposed or pending matter of municipal legislation.
4. The name, address and telephone number of the person responsible for preparing the report.
5. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provision of this article.

#### **SEC. 48.08.5. COPIES OF SOLICITATIONS.**

(Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

Each lobbying entity that produces, pays for, mails or distributes more than 50 substantially similar copies of a written political fundraising solicitation for any controlled committee of an elective City officer or candidate relating to seeking or holding City elective office or supporting or opposing a City ballot measure shall send a copy of the solicitation to the City Ethics Commission for public access, at the time the solicitation is sent or otherwise distributed, and shall report on its next quarterly report the date(s) on which it is mailed or distributed and a general description of the content of the solicitation, the number of pieces mailed or distributed, and name of the elective City officer, or candidate or City ballot measure committee for which the funds were solicited.

#### **SEC. 48.08.6. LOBBYING DISCLOSURE – POLITICAL CONTRIBUTIONS.**

(Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

A. Each lobbying entity, which makes one or more contributions to an elective City officer and/or to any or all of his or her controlled committees, shall file a notice with the City Ethics Commission each time the making of a contribution results in the lobbying entity having made contributions aggregating more than \$7,000 to the officer and/or his or her controlled committees within the past 12 months. The notice shall be filed on a form prescribed by the Commission within one business day after making a contribution that triggers the filing requirement. The notice shall contain the following information:

1. The name, address and telephone number of the filer, the name of the elective City officer, and/or any or all of his or her controlled committees, to which the lobbying entity made contributions aggregating more than \$7,000 during the past twelve months, and the date and amount of each contribution.
2. For purposes of this section, a “controlled committee” does not include any committee controlled by an elective City officer that is (a) formed to support or oppose a ballot measure or (b) formed to support the election of that officer to other than elective City office.

B. The original notice shall be filed with the City Ethics Commission, and copies shall be filed with the City Clerk and the elective City officer involved. Each notice may only include information relative to one elective officer.

C. The form shall be considered filed on the date of the postmark or on the date of delivery to the City Ethics Commission, whichever is earlier.

D. The form shall be verified under penalty of perjury by the individual filing it or by an officer of the entity authorized to file it.

E. The City Ethics Commission shall post the information in the notice on its website within one business day of its receipt of the notice. The City Clerk shall make the notice available for inspection within one business day of its receipt.

**SEC. 48.08.7. LOBBYING DISCLOSURE – FUNDRAISING ACTIVITY.**  
(Added by Ord. No. 175,432, Eff. 9/28/03, Oper. 1/1/04.)

A. Every lobbying entity who within any 12 month period (i) engaged in fundraising activities on behalf of an elective City officer and/or any and all of his or her controlled committees, and which knows or has reason to know that the fundraising activities resulted in contributions, and/or (ii) delivered or acted as an intermediary for one or more contributions to the elective City officer and/or any and all of his or her controlled committees, shall file a notice with the City Ethics Commission any time the activities identified in (i) and/or (ii) aggregate more than \$15,000 in the case of a member of the City Council, or more than \$35,000 in the case of the Mayor, City Attorney, or Controller. The notice shall be filed on a form prescribed by the City Ethics Commission within one business day after any of these thresholds is exceeded. The notice shall contain the following information:

1. The name, address and telephone number of the filer, the name of the elective City officer, and/or any or all of his or her controlled committees, on whose behalf the lobbying entity engaged in fundraising activities, or delivered or acted as intermediary for one or more contributions to the elective City officer and/or any and all of his or her controlled committees, the date of the fundraising activity, and the amount of contributions raised, delivered or in connection with which the lobbying entity acted as an intermediary.

2. For purposes of this section, a “controlled committee” does not include any committee controlled by an elective City officer that is (a) formed to support or oppose a ballot measure or (b) formed to support the election of that officer to other than elective City office.

3. For purposes of this notification, if a fundraising event is sponsored or hosted by more than one person, the amount of contributions received at or as a result of the event shall be attributed to each lobbying entity who hosted or sponsored the event according to the amount of the contributions that resulted from that lobbying entity’s fundraising activities. If a contribution results from the fundraising of more than one person and/or lobbying entity, that contribution shall be apportioned equally to each of the persons and/or lobbying entity that engaged in the fundraising activity.

B. The original notice shall be filed with the City Ethics Commission, and copies shall be filed with the City Clerk and the elective City officer involved. Each notice may only include information relative to one elective officer.

C. The form shall be considered filed on the date of the postmark or on the date of delivery to the City Ethics Commission, whichever is earlier.

D. The form shall be verified under penalty of perjury by the individual filing it or by an officer of the entity authorized to file it.

E. The City Ethics Commission shall post the information in the notice on its website within one business day of its receipt of the notice. The City Clerk shall make the notice available for inspection within one business day of its receipt.

**SEC. 48.08.8. LOBBYING DISCLOSURE – WRITTEN COMMUNICATIONS TO NEIGHBORHOOD COUNCILS.**  
(Added by Ord. No. 176,034, Eff. 7/26/04.)

(a) No lobbying entity registered with the City of Los Angeles shall deliver or send to a certified neighborhood council a written communication on behalf of a client, including, but not limited to, letters, faxes, electronic messages, and flyers, without a disclosure indicating that the communication was delivered or sent by that lobbying entity.

(b) For purposes of subsection (a), the required disclosure shall be printed clearly and legibly in no less than 8-point type in a color or print that contrasts with the background so as to be legible and shall be presented in a clear and conspicuous manner in the written communication. The disclosure shall include all of the following information applicable to the written communication:

(1) The name of the lobbyist(s) that prepares, delivers or sends the written communication;

(2) The name of the registered lobbying firm(s) or lobbyist employer(s) who employs the lobbyist(s) that prepares, delivers or sends the written communication; and,

(3) The name of the client or clients on whose behalf the lobbying entity prepares, delivers, or sends the written communication in an attempt to influence municipal legislation.

**SEC. 48.09. COMPLIANCE MEASURES AND ENFORCEMENT.**  
(Title and Section Amended by Ord. No. 169,916, Eff. 8/10/94.)

**A. Audits.** The City Ethics Commission shall have the authority to conduct audits of reports and statements filed pursuant to this article. Such audits may be conducted on a random basis or when the City Ethics Commission staff has reason to believe that a report or statement may be inaccurate or has not been filed.

**B. Criminal Penalties.**

1. Any person who knowingly or willfully violates any provision of this article is guilty of a misdemeanor. Any person who knowingly or willfully causes any other person to violate any provision of this article, or who knowingly or willfully aids and abets any other person in the violation of any provision of this article, is guilty of a misdemeanor.

2. Prosecution for violation of any provision of this article must be commenced within one year after the date on which the violation occurred.

3. No person convicted of a violation of this article may act as a lobbyist or otherwise attempt to influence municipal legislation for compensation for one year after such conviction.

**C. Civil Enforcement.**

1. Any person who knowingly violates any provision of Section 48.04 shall be liable in a civil action brought by the City Attorney. Any person who intentionally or negligently violates any other provisions of this article shall be liable in a civil action brought by the City Attorney. Failure to properly report any receipt or expenditure may result in civil penalties not to exceed the amount not properly reported, or \$2,000, whichever is greater. Any other violation may result in civil penalties no greater than \$2,000. If the court determines that a violation was intentional, the court may order that the defendant be prohibited from acting as a lobbyist or otherwise attempting to influence municipal legislation for one year.

2. In determining the amount of liability pursuant to this subsection, the court shall take into account the seriousness of the violation and the degree of culpability of the defendant.

3. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

4. No civil action alleging a violation of this article shall be filed more than four years after the date the violation occurred.

**D. Injunction.** The City Attorney on behalf of the people of the City of Los Angeles may seek injunctive relief to enjoin violations of or to compel compliance with the provisions of this article.

**E. Administrative Penalties.** The City Ethics Commission may impose penalties and issue orders for violation of this article pursuant to its authority under Charter Section 706(c). (Charter Section No. Amended by Ord. No. 172,942, Eff. 1/21/00, Oper. 7/1/00.)

**F. Late Filing Penalties.** In addition to any other penalty or remedy available, if any person fails to file any report or statement required by this article, after any deadline imposed by this article, such person shall be liable to the City Ethics Commission in the amount of twenty-five dollars (\$25) per day after the deadline until the statement or report is filed, up to a maximum amount of \$500. Liability need not be enforced by the Commission if its Executive Officer determines that the late filing was not willful and that enforcement of the penalty would not further the purposes of this article. No liability shall be waived if a statement or report is not filed within 10 days after the Commission has sent specific written notice to the filer of the filing requirement.

**G. Restriction on Person Who Violates Certain Laws. (Added by Ord. No. 171,142, Eff. 8/3/96.)**

1. No person shall act or continue to act as a registered lobbyist or lobbying firm if, within the prior four years, that person has been found by the City Ethics Commission, in a proceeding pursuant to Charter Section 706, to have violated Charter Section 470(k) on any occasion. That determination shall be based either on a finding of the City Ethics Commission made after an administrative hearing or on a stipulation by the lobbyist or lobbying firm entered into with the City Ethics Commission within the previous four years. (Charter Section Nos. Amended by Ord. No. 172,942, Eff. 1/21/00, Oper. 7/1/00.)

2. If the City Ethics Commission makes a finding that the person has either (1) accepted responsibility for the violation in the form of having entered into a stipulation with the City Ethics Commission in which the party admits the violation, or otherwise exhibits evidence of having accepted such responsibility, or (2) mitigated the wrongdoing by taking prompt remedial or corrective action, then the City Ethics Commission may reduce the time period during which the above prohibition would apply to a period of not less than one year.

**H. Contract Bidder Certification of Compliance With Lobbying Laws. (Amended by Ord. No. 179,934, Eff. 7/21/08.)**

1. A bidder for a contract, as those terms are defined in Los Angeles Administrative Code Section 10.40.1, shall submit with its bid a certification, through a form prescribed by the Ethics Commission, that the bidder acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if the bidder qualifies as a lobbying entity under Section 48.02 of this article. An agency may permit the electronic submission of the form and the use of electronic signatures that comply with California's electronic signature laws, but an agency may not alter the content of the form. The exemptions contained in Section 48.03 of this article and Los Angeles Administrative Code Section 10.40.4 shall

not apply to this subsection. (Amended by Ord. No. 186,109, Eff. 6/13/19.)

2. Each agency shall include the Municipal Lobbying Ordinance in each invitation for bids, request for proposals, request for qualifications, or other solicitation related to entering into a contract with the City. The ordinance must be provided in at least 10-point font and may be provided on paper, in an electronic format, or through a link to an online version of the ordinance. The ordinance is not required to be printed in a newspaper notice of the solicitation.

3. This subsection does not apply to the renewal, extension, or amendment of an existing contract, as long as the solicitation for the original contract met the requirements in Paragraphs 1. and 2. above and the renewal, extension, or amendment does not involve a new solicitation.

4. For purposes of this subsection, "agency" does not include a state agency operating solely within the City such as the Community Redevelopment Agency or Los Angeles City Housing Authority.

**SEC. 48.10. ETHICS COMMISSION REPORTS.**

(Added by Ord. No. 169,916, Eff. 8/10/94.)

As soon as practicable after the close of each quarterly reporting period, the City Ethics Commission shall prepare a report to the Mayor and City Council of lobbying activity which occurred during the reporting period. Such report shall be in a form which, in the opinion of the Commission, best describes the activities, receipts and expenditures of persons subject to the requirements of this article.

**SEC. 48.11. SEVERABILITY.**

(Added by Ord. No. 169,916, Eff. 8/10/94.)

If any provision of this article, or its application to any person or circumstance, is held invalid by any court, the remainder of this article and its application to other persons and circumstances, other than that which has been held invalid, shall not be affected by such invalidity, and to that extent the provisions of this article are declared to be severable.

# **ATTENTION:**

The following CEC Form 50 **must** be filled out completely and signed.

If you fail to sign the form or if you submit an incomplete CEC Form 50, your proposal/bid may be deemed non-responsive.

# Bidder Certification



This form must be submitted with your bid or proposal to the City department that is awarding the contract noted below. If you have questions about this form, please contact the Ethics Commission at (213) 978-1960.

Original Filing       Amendment: Date of Signed Original \_\_\_\_\_ Date of Last Amendment \_\_\_\_\_

Reference Number (Bid, Contract, or BAVN) V: 9-202304051530	Awarding Authority (Department awarding the contract) LAWA
Bidder Name CalPortland Co.	
Address 1025 W. 190th St. #300 Gardena, CA 90248	
Email Address moregan@calportland.com	Phone Number 310 995 2822

## Certification

I certify the following on my own behalf or on behalf of the entity named above, which I am authorized to represent:

A. I am applying for one of the following types of contracts with the City of Los Angeles:

1. A goods or services contract with a value of more than \$25,000 and a term of at least three months;
2. A construction contract with any value and duration;
3. A financial assistance contract, as defined in Los Angeles Administrative Code § 10.40.1(h), with a value of at least \$100,000 and a term of any duration; or
4. A public lease or license, as defined in Los Angeles Administrative Code § 10.40.1(i), with any value and duration.

B. I acknowledge and agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if I qualify as a lobbying entity under Los Angeles Municipal Code § 48.02.

I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the information in this form is true and complete.

Melanie O'Regan  
Name

Vice President/Gen. Mgr.  
Title

Signature

April 21, 2023  
Date