RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO ENTER INTO A SUPPLEMENTAL AGREEMENT FOR ADDITIONAL SERVICES NO. 3 FOR THE JORDAN DOWNS PUBLIC HOUSING COMMUNITY REDEVELOPMENT (PARK AND INFRASTRUCTURE IMPROVEMENTS) FOR PROJECT MANAGEMENT OVERSIGHT SERVICES IN AN AMOUNT NOT TO EXCEED $500,000 WITH THE MICHAELS DEVELOPMENT COMPANY I L.P.; AND THE EXECUTION OF RELATED DOCUMENTS AND AGREEMENTS TO INITIATE THE DESIGN AND CONSTRUCTION OF THE JORDAN DOWNS PUBLIC HOUSING COMMUNITY REDEVELOPMENT FREEDOM TREE PARK, CENTURY GATEWAY PARK, CHILDREN'S PARK AND RELATED INFRASTRUCTURE IMPROVEMENTS IN LOCATIONS ABUTTING THE COMMUNITY CENTER AND CENTRAL PARK AND TO UNDERTAKE VARIOUS ACTIONS IN CONNECTION THEREWITH

Douglas Guthrie
President and CEO

Jenny Scanlin
Chief Strategic Development Officer

PURPOSE:  To authorize the President and CEO of the Housing Authority of the City of Los Angeles ("HACLA" or "Authority"), or designee, to enter into a Supplemental Agreement for Additional Services No. 3 ("ASA") with The Michaels Development Company I, LP, an affiliate of the Master Developer partner in the redevelopment of Jordan Downs ("Redevelopment") to provide project management oversight services regarding the design, and construction of key public amenities including Freedom Park, Century Gateway park and Children's park, infrastructure improvements including street widening and off-site work in locations abutting the community center and central park and subdivision by filing of a tentative track map for the southern part of the Jordan Downs Redevelopment site (the "Project").

Regarding: On December 11, 2008 by Resolution 8667, the HACLA Board of Commissioners ("BOC") approved moving forward with the Master Plan for Jordan Downs. The Master Planning process engaged the entire community in the design effort, which emphasized the development of an urban village centered around a community center and large central park space. This five-year planning effort conducted in partnership with the Department of City Planning (Resolution 8731) culminated in 2013 with the adoption by the City of Los Angeles of the Jordan Downs Village Specific Plan.

Implementation activities to realize the vision of the Jordan Downs Village Specific Plan began on June 28, 2012 when the Authority's Board of Commissioners authorized the execution of a Master Development Agreement ("MDA") with Jordan Downs Community Partners, LLC, ("Master Developer" or "JDCP"), a joint venture of the BRIDGE Housing Corporation, a California nonprofit public benefit corporation ("BRIDGE"), and The Michaels Development Company I, L.P., a New Jersey limited partnership ("Michaels") (Resolution 8969). The MDA, under
Section 7.6 provides the authority for HACLA to enter into ASA's with its development partner.

ISSUES:

Background

Under the MDA, the Authority is responsible for undertaking all activities to create a clean and buildable site and to further the development of key general infrastructure components like the completed extension of Century Boulevard, the community center and a string of parks that connect the larger 70-acre development internally and to the larger community. Although it is incumbent upon the Master Developer to assist in identifying and acquiring funding for these initiatives and participate in supporting the long-term maintenance and operations, it is the Authority who has the rights and responsibility to contract for the design and construction, pursue funding, and develop a feasible operations plan.

Based on the fact that The Michaels Development Company I, L.P. is the developer for the southern part of the Jordan Downs redevelopment site, HACLA determined that it is in the best interest of the Project to engage them as the project manager to help the Authority lead the design and construction of the three identified parks and related infrastructure improvements including a portion of the subdivision costs of the southern part of the Jordan Downs site associated with the central park and community center. BRIDGE Housing, the other partner in the Master Developer, has agreed that The Michaels Development Company I, L.P. is the appropriate entity to undertake the work incorporated in this ASA.

MDA

Section 7.6 of the MDA provides the road map for HACLA's authority to procure, self-perform, or assign its responsibilities for infrastructure work. Under this provision of the MDA, the Authority can enter into a Supplemental Agreement for Additional Services for any related services necessary to fulfill HACLA's obligations. The first Supplemental Agreement for Additional Services engaged the development partners to lead the remediation of the 21-acre industrial property HACLA purchased to initiate Jordan Downs' redevelopment and was entered into as of February 2, 2015, by and between the Authority and Jordan Downs Remediation Manager LLC, a California limited liability company. The second supplemental agreement for additional services was with Omnia 2020, LLC entered into as of May 28, 2020 to design and construct the Jordan Downs Community Center and Central Park. If approved, this will represent the third ASA entered for the redevelopment of Jordan Downs.

ASA

The ASA between HACLA and The Michaels Development Company I, L.P. will include three primary tasks: design and construct three pocket parks, B-Permit infrastructure work, and creation and filing of a Tentative and final Tract Map for the central park and community center. The initial soft and hard development costs for the two parks, tract map work and infrastructure work are estimated to cost $8,333,685, not including the project management fee contemplated in this ASA. An initial $3,203,002 is already included in the project development budgets for
Phases 1B, S2 and S3 for which The Michaels Development Company 1, L.P. is the sole member of the Developer entity and provides all the financial and project guaranties. The remaining hard and soft costs for architectural and landscape design, engineering, geotechnical, arborist, utility undergrounding, permits, and construction will be incorporated into the development budgets of future housing phases S4 through S5 in which The Michaels Development Company 1, L.P. will be the sole member of the Developer L.P. The ASA will provide for a project management oversight service fee of the lesser of 6% or a not-to-exceed amount of $500,000 to Michaels, which is not captured in the project budgets.

The Scope of services will include design and construction of three Pocket parks; Century Gateway Park (.62 acres) to be built on Lot 8 of Tract 72805 on the northern side of Century Boulevard just east of Grape Street; Freedom Tree Park (1.14 acres) to be built on Lot 9 of Tract 72805 on the southern side of Century Boulevard just east of Grape Street; and Children’s Park (.5 acre) to be built on Lot 5 of Tract 82633 on the southern side of 101st Street located between the future Phase S4 and Phase S5. Expected completion of Freedom Tree Park is March 2021, November 2021 for Century Gateway Park, and December 2024 for Children’s Park. The Authority will remain the underlying owner of the land and intends, once constructed, to provide for the long-term operation and maintenance of parks and infrastructure through site-wide management support from the Jordan Downs New Century Association which will oversee the CC&R’s for Jordan Downs and address a plan for distributing the cost of street, sidewalk and utility improvements between and among different phase developers for those improvements around the Project.

Anticipated B-Permit Improvements associated with the Southern Site that are not wholly apportioned to the neighboring housing developments will include; (i) improvement of the portion of Lou Dillon Avenue from Century Boulevard to 101st Street; (ii) improvement of the portion of Juniper Street from Century Boulevard for the length of the street adjacent to Phase 1B; (iii) improvement of the portion of 101st Street from Lou Dillon to Grape Street adjacent to Phase S2 and Phase S3; (iv) related utility infrastructure for the above improvements and future Redevelopment phases.

Scope of services will also include managing preparation and processing of a Tentative Tract Map ("TTM") and Final Track Map which will create parcels for future Central Park and extend street grid to the greater neighborhood, from Century Boulevard south to 103rd Street. The southern site will be subdivided by the filing of Tentative Tract Map No. 82633 in the records of Los Angeles County, California. Prior to subdividing the southern site, the City requires completion and submission of certain tract maps, documents, soil reports, tree reports and landscape reports. A Tentative Tract Map was filed in July 2019 with the final filing expected in October 2020.

As contemplated in the ASA, HACLA shall pay Michaels a project management oversight fee ("Project Management Fee") based on a cumulative fee of six percent (6%) of the actual combined cost to perform the Scope Work as approved by HACLA and reflected in (and limited by) the Budget. The Project Management Fee shall be capped at and shall not in any event exceed Five Hundred Thousand Dollars ($500,000.00) for the entire Scope of Work, including the Pre-Development
Phase, the Construction Administration Phase, and the Post-Completion Phase. The Project Management Fee shall be earned by and payable to Michaels on a pro rata basis, proportionate to the percentage of costs in the approved Budget claimed for payment or reimbursement in a given monthly payment request, as compared to the total Budget.

Funds for the actual construction of improvements have been or will be acquired through various sources, including Transformative Climate Communities (TCC) grant funds, Affordable Housing and sustainable communities program (AHSC), Federal Home loan affordable housing program (AHP), conventional debt, and Tax credits. The Michaels Development Company I, L.P. the contracting entity in the ASA for project management services will be the development entity that provides all guarantees for construction completion and performance and is also the guarantor for the specific project L.P.'s. The specific ownership limited partnerships; S3 (Jordan Downs Phase S3, L.P.) and S2 (Jordan Downs Phase S2, L.P.) will be responsible for constructing the projects and the related infrastructure work associated with each project. For the future phases, future ownership LP's will be responsible for the applicable project and infrastructure construction related to the specific phases. Upon completion of the work, The Michaels Development Company I, L.P. will provide HACLA a certificate of completion verifying the indicated scope of work has been completed.

The ASA is consistent with the insurance, liability, and policy requirements of the Master Development Agreement.

The final version of the ASA and all other related documents and agreements (collectively, the "Authority Documents") may require finalization of non-key provisions which the President and CEO, with the support of the Authority's in-house counsel, outside legal counsel and staff, will finalize prior to their execution. Examples of such non-key provisions include compilation and insertion of various supporting exhibits and documents, selection of specific terminology to appropriately refer and identify parties, events and periods and clarification of other references and concepts. The final language of such non-key provisions will not materially alter the negotiated key business terms of the Authority Documents or other ancillary documents.

The actions recommended in this report create an appropriate approach that protects public investment and HACLA as a fee owner, lender and regulatory body. The Authority staff with the support of the Authority's outside legal counsel, Reno and Cavanaugh, have negotiated the deal points and drafted the documents referenced in this report.

VISION PLAN: PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.

The scope of services proposed in this additional services agreement will benefit the overall efforts undertaken in the redevelopment of the Jordan Downs project in regard to providing the necessary back bone infrastructure development to facilitate the phased housing developments. This action will help the Authority extend the life of critical, deeply affordable housing in the City of Los Angeles to serve existing public housing residents and future income-qualified households
from the Authority's active public housing and Section 8 wait lists as well as the greater Watts Community.

FUNDING: The Chief Administrative Officer confirms the following:

**Source of Funds:** The $500,000 project management fee will be funded by coordination and developer fee revenue received by HACLA from other redevelopment phases including:

- **Phase 1C Construction Monitoring Coordination Fee** $50,000
- **Phase H Developer Fee to HACLA** $250,000
- **Phase S3 Construction Monitoring Coordination Fee** $200,000

**Budget and Program Impact:** Section 4.5 of the MDA for Jordan Downs determines that all Infrastructure work that is not part of a phased development shall be conducted under a Supplemental Agreement between the Authority and the Master Developer or by the Authority through an independent contractor. This includes the construction of Parks and any related infrastructure work associated with the overall site. The Authority is responsible for covering the oversight fees for this work in accordance with Section 7.6 of the MDA and works cooperatively with the Master Developer to identify funds to cover the full cost of improvements. The scope of work covered in this ASA is critical to the success of the overall redevelopment of Jordan Downs.

ENVIRONMENTAL:

**CEQA:** No further environmental review is required for the Authority's recommended actions because based on the project record there has been no change to the Jordan Downs Redevelopment or substantial changes in circumstances or new information that would warrant subsequent environmental analysis in accordance with CEQA, including but not limited to Public Resources Code section 21166 and State CEQA Guidelines section 15162. The mitigation measures and related conditions of approval applicable to the Jordan Downs Redevelopment will be reviewed and appropriate measures will be incorporated into the plans.

**NEPA:** Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Housing and Community Investment Department serves as the environmentally responsible entity in preparation of the Environmental Assessment and Finding of No Significant Impact (EA/FONSI) for the Jordan Downs Public Housing Community Project. The EA/FONSI was circulated for public review on June 13, 2014 through July 2, 2014. On December 22, 2015 a technical memorandum was prepared to review any changes to the project description. Based on this memorandum HCID/LA found that changes to the project description did not result in changes to the conclusion of the EA/FONSI. On February 11, 2016 the U.S. Department of Housing and Urban Development's Office of the Field Office Director issued approval of the Housing Authority's Environmental Certification.

SECTION 3:

With respect to hiring for design and construction job opportunities, Michaels shall fulfill the local hiring commitments which includes hiring Section 3-qualified residents and disadvantaged workers. At least thirty percent (30%) of the new pre-
development and construction job opportunities generated by the Project shall be set aside, to the maximum extent feasible, to meet the Section 3 hiring requirements. In addition, Michaels will be required to use good faith efforts to set aside at least ten percent (10%) of the thirty percent (30%) Section 3 hiring requirements for disadvantaged workers. Section 3 hiring requirements will apply the following priorities among eligible applicants: (1) residents of Jordan Downs, (2) qualified Section 3 residents of the Watts neighborhood, (3) participants in HUD’s Youthbuild programs in the City of Los Angeles; and (4) residents of the City of Los Angeles (the “City”) who meet Section 3 eligibility requirements, all to the maximum extent feasible.

Attachments:

1. Resolution
2. Site Map – Park and B permit Improvements
3. Rendering Century Gateway Park and Freedom tree Park
4. Scope of work / Schedule / Budget
5. Draft Additional Services Agreement
RESOLUTION NO. 

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO ENTER INTO A SUPPLEMENTAL AGREEMENT FOR ADDITIONAL SERVICES NO. 3 FOR THE JORDAN DOWNS PUBLIC HOUSING COMMUNITY REDEVELOPMENT (PARK AND INFRASTRUCTURE IMPROVEMENTS) FOR PROJECT MANAGEMENT OVERSIGHT SERVICES IN AN AMOUNT NOT TO EXCEED $500,000 WITH THE MICHAELS DEVELOPMENT COMPANY I L.P.; AND THE EXECUTION OF RELATED DOCUMENTS AND AGREEMENTS TO INITIATE THE DESIGN AND CONSTRUCTION OF THE JORDAN DOWNS PUBLIC HOUSING COMMUNITY REDEVELOPMENT FREEDOM TREE PARK, CENTURY GATEWAY PARK, CHILDREN'S PARK AND RELATED INFRASTRUCTURE IMPROVEMENTS IN LOCATIONS ABUTTING THE COMMUNITY CENTER AND CENTRAL PARK AND TO UNDERTAKE VARIOUS ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of Los Angeles ("Authority") intends to transform the Jordan Downs public housing community into a mixed-income, mixed-use, environmentally friendly, vibrant urban village, conducive to healthy living and economically progressive conditions;

WHEREAS, on June 28, 2012, the Authority's Board of Commissioners unanimously authorized the President and CEO to execute a Master Development Agreement ("MDA") with Jordan Downs Community Partners, LLC, "the Master Developer" for the redevelopment of Jordan Downs following which the MDA between the Authority and the Master Developer was executed on August 1, 2012;

WHEREAS, the Authority under Article 4 and Section 7.6 of the MDA has the right and obligation to self-perform or contract for services related to the design and development of site infrastructure projects within the Redevelopment not specifically covered in the MDA, including the design and construction of parks and related infrastructure improvements;

WHEREAS, the Authority desires to contract with The Michaels Development Company I L.P. ("Michaels") to oversee the design, community engagement, and construction of Century Gateway Park, Freedom Tree Park, Children's Park, infrastructure improvements related to the central park, and subdivision of the southern part of the Jordan Downs and is seeking approval to enter into the Supplemental Agreement for Additional Services No. 3 ("ASA") for the Jordan Downs Public Housing Community Redevelopment (Park and Infrastructure Improvements) with The Michaels Development Company I, L.P.;

WHEREAS, The Michaels Development Company I, L.P. has a history of successful public-private partnerships and the development of public spaces for non-profits and government entities and is prepared to enter into the ASA with HACLA which sets forth the roles and responsibilities of both The Michaels Development Company I, L.P. and the Authority in the undertaking of the associated predevelopment, construction documentation and development of the parks and infrastructure improvements and subdivision of the site;

WHEREAS, the ASA provides that The Michaels Development Company I, L.P. will receive a not-to-exceed project management oversight fee of $500,000 from non-federal sources for the pre-development, construction administration and post completion phase of the scope of work attached to the ASA;
WHEREAS, the Authority will remain the underlying owner of the land and intends, once constructed, to provide for the long-term operation and maintenance of parks and infrastructure through site-wide management support from the Jordan Downs New Century Association which will oversee the CC&R’s for Jordan Downs; and addresses a plan for distributing the cost of street, sidewalk and utility improvements between and among different phase developers for those improvements around the Project; and

WHEREAS, under the California Public Resources Code, Section 21166 and the California Environmental Quality Act ("CEQA") including but not limited to section 15162, on the basis of substantial evidence contained in the whole record, that since the adoption of the Environmental Impact Report (ENV-2010-32-EIR) by the City Planning Commission on April 17, 2013, for the Jordan Downs Urban Village Specific Plan which incorporated all the components of the JD Redevelopment including the Project currently being proposed, there have been no changes to the Jordan Downs Redevelopment, changes with respect to the circumstances under which the Project is being undertaken, or new information of substantial importance concerning the Project, which cause new significant environmental effects or a substantial increase in the severity of previously identified effects in the Environmental Impact Report; two addendums to the FEIR were prepared on January 11, 2016 and April 4, 2016 respectively to address any additional impacts not considered in the EIR as the result of a proposed Specific Plan Amendment and found no subsequent EIR, addendum or further environmental documentation is necessary; this entire record was considered by the City Planning Commission on April 14, 2016 and has been provided to the Board of Commissioners in their consideration of this item.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Los Angeles does hereby authorize and approve the President and Chief Executive Officer, or his designee, for and on behalf of and in the name of the Authority, to negotiate and execute the Supplemental Agreement For Additional Services No.3 for the Jordan Downs Public Housing Community Redevelopment (Park and Infrastructure improvements), in a not-to-exceed compensation amount of $500,000 to The Michaels Development Company I, L.P. as specified in the Board Report incorporated herein by reference and execute any other documents, agreements and certificates necessary to accomplish the transaction contemplated by this Resolution, with such changes therein as approved with the advice of legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: ___________________________
    Ben Besley, Chairperson

APPROVED AS TO FORM:
JAMES JOHNSON

BY: __________________________
    General Counsel

DATE ADOPTED: ________________
ATTACHMENT 2

SITE MAP – PARK AND B-PERMIT IMPROVEMENTS
ATTACHMENT 3

RENDERING CENTURY GATEWAY PARK AND FREEDOM TREE PARK
ATTACHMENT 4

SCOPE OF WORK / SCHEDULE / BUDGET
<table>
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<tr>
<th>Task</th>
<th>Need</th>
<th>Task TDC Budget</th>
<th>Phase</th>
<th>Financing Source</th>
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<td>3 Tentative Tract Map 82633</td>
<td>Subdivide in phases existing southern JD campus for development; portion applicable to Central Park only</td>
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<td>Bond Posting Cost</td>
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<td>Lighting, Striping, Landscape</td>
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<td>Construction Lou Dillon (In Phase 1B)</td>
<td>1/2 of street work abutting Community Center</td>
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<td>Construction Juniper (In Phase 1B)</td>
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<td>8 Children's Park</td>
<td>NCOA Park on southern side of 101st</td>
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<td>Project Management Fee (6%)</td>
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ATTACHMENT 5

Draft Additional Services Agreement
SUPPLEMENTAL AGREEMENT FOR ADDITIONAL SERVICES NO. 3 FOR THE JORDAN DOWNS PUBLIC HOUSING COMMUNITY REDEVELOPMENT (PARK AND INFRASTRUCTURE UPROVEMENTS)

This SUPPLEMENTAL AGREEMENT FOR ADDITIONAL SERVICES NO. 3 FOR THE JORDAN DOWNS PUBLIC HOUSING COMMUNITY REDEVELOPMENT (PARK AND INFRASTRUCTURE IMPROVEMENTS) (this “Agreement”) is entered into as of [date], 2020 (the “Effective Date”), by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, created pursuant to the laws of the State of California (“HACLA”), and THE MICHAELS DEVELOPMENT COMPANY I, L.P., a New Jersey limited partnership (“Michaels”), with reference to the following Recitals. HACLA and Michaels shall sometimes be collectively referenced in this Agreement as the “Parties”.

A. HACLA selected Jordan Downs Community Partners LLC, a California limited liability company (“Master Developer”), for the redevelopment of the Jordan Downs Public Housing Community (the “Redevelopment”) as described in the Jordan Downs Master Development Agreement effective as of August 1, 2012 (the “Original MDA”) by and among HACLA, Master Developer, Michaels, BRIDGE Housing Corporation (“BRIDGE”); together with Michaels, the “Guarantors”), a California nonprofit corporation, and Primestor Jordan Downs, LLC, a Delaware limited liability company (“PJD”), as amended by that certain First Amendment to Master Development Agreement (“First Amendment”) dated July 13, 2017, as further amended by that certain Second Amendment to Master Development Agreement (“Second Amendment”) dated October 4, 2017, and as further amended by that certain Third Amendment to Master Development Agreement (“Third Amendment”) dated July 7, 2020 (collectively, and as may be further amended, the “MDA” or the “Master Development Agreement”).

B. Certain parcels of property within the Redevelopment have been zoned and planned for public facility and park use, including (i) Lot 8 (the “Lot 8 Park Site”) shown on the lot map entitled “Tract No. 72805” filed in the records of Los Angeles County, California, on November 23, 2016, in Book 1394 of maps at pages 49 through 57 and any subsequently-recorded amended final maps, parcel maps, certificates of correction, lot-line adjustments and/or records of survey, including the Certificate of Compliance for Lot Line Adjustment recorded on December 8, 2016, as Document No. 20161557655 in the records of Los Angeles County, California (“Tract 72805”) and (ii) Lot 9 of Tract 72805 (the “Lot 9 Park Site” and together with the Lot 8 Park Site, “Park Site”).

C. In furtherance of the multi-phased Redevelopment, portions of the Redevelopment Site (as defined in the MDA) south of Century Boulevard and south of Lots 9 through 12 of Tract 72850 (the “Southern Site”) require subdivision in accordance with procedures of the City of Los Angeles (the “City”). The Parties anticipate that the Southern Site will be subdivided by the filing of Tentative Tract Map No. 82633 in the records of Los Angeles County, California (“Tract 82633”). Prior to subdividing the Southern Site, the City requires completion and submission of certain tract maps, documents, soil reports, tree reports and landscape reports (collectively, the “Southern Site Documentation”).

(D0947371.DOC / 6 DC114-104)
D. As a condition of issuing building permits for each phase of the Redevelopment, the City requires that certain improvements be made to streets, sewers, storm drains, street lights and street trees (the “B-Permit Improvements”). The Parties anticipate that the B-Permit Improvements associated with the Southern Site will include, among other B-Permit Improvements, (i) improvement of the portion of Lou Dillon Avenue adjacent to the eastern boundary of Lot 10 of Tract 72805, (ii) improvement of a portion of the extension of Lou Dillon Avenue along the eastern boundary of Lot 3 of Tract 82633; (iii) improvement of the portion of Juniper Street adjacent to the western boundary of Lot 12 of Tract 72805; (iv) improvement of the portion of 101st Street adjacent to the southern boundary of Lot 2 and Lot 3 of Tract 82633; and (v) utility infrastructure related to (i) through (iv) and future Redevelopment phases (the “Community B-Permit Improvements”). The site of the Community B-Permit Improvements shall be referred to herein as the “B-Permit Site” and together with the Park Site, as the “Site”.

E. Responsibility for particular Community B-Permit Improvements have already been allocated to Michaels affiliates engaged in development of neighboring portions of the Redevelopment Site. Specifically, (i) pursuant to that certain Disposition and Development Agreement (the “1B DDA”) and that certain B-Permit Reimbursement and Offsite Improvement Access Agreement (the “1B P-Permit Agreement”), each dated June 1, 2018, by and between HACLA And Jordan Downs Phase 1B, LP, a California limited partnership (“JD 1B”), JD 1B is responsible for constructing the improvements to the portions of Lou Dillon Avenue and Juniper Street identified in D.(i) and D.(ii) above (the “1B B-Permit Improvements”); and (ii) pursuant to that certain Disposition and Development Agreement (the “S3 DDA”) and that certain B-Permit Improvement and Construction Access Agreement (the “S3 B-Permit Agreement”), each dated March 1, 2020, by and between HACLA and Jordan Downs Phase S3, LP, a California limited partnership (the “JD S3”), JD S3 has responsibility for constructing the extension of Lou Dillon Avenue identified in D.(iii) above (the “S3 B-Permit Improvements”).

F. Responsibility for particular Community B-Permit Improvements not allocated to JD 1B or JD S3 have already been allocated to an affiliate of PJD engaged in development of neighboring portions of the Redevelopment Site. Specifically, pursuant to that certain Supplemental Agreement for Additional Services No. 2 for the Jordan Downs Public Housing Community Redevelopment (Community Center and Central Park), dated July ___, 2020, by and between HACLA and Omnia 2020, LLC, a California limited liability company (“Primestor”), Primestor is responsible for constructing the improvements to the portions of Lou Dillon Avenue and Juniper Street adjacent to (i) Lot 11 of Tract 72805 and (ii) Lots 10 and 12 of Tract 82633 (the “Primestor B-Permit Improvements”). The plan for the development of the Community B-Permit Improvements must include coordination and cost-sharing with JD 1B, JD S3, Primestor and other developers engaged in development of neighboring sites regarding Community B-Permit Improvements, to the extent overlapping with B-Permit Improvements required for the other neighboring sites.

G. Zoning and land use of the Southern Site and Site are governed by that certain Jordan Downs Urban Village Specific Plan, dated August 19, 2013, prepared by the City of Los Angeles Department of City Planning and approved by the Los Angeles City Council on August 14, 2013, as amended on June 14, 2016 (as may be further amended from time to time, the
H. Section 7.6 of the Master Development Agreement allows HACLA to request the Master Developer to undertake additional services in connection with one or more aspects of the Revitalization Plan (as defined in the MDA) that are not directly associated with a typical housing or development phase budget and customarily compensated by a developer fee. The Master Developer desires to delegate certain additional services set forth in this Agreement to Michaels, and HACLA has consented to such delegation.

I. Pursuant to Section 4.5 of the Master Development Agreement, Master Developer has delegated and assigned to Michaels, and Michaels has assumed and accepted from Master Developer, the obligations under the MDA to develop or cause the development of the Park Site and Community B-Permit Improvements, and prepare the Southern Site Documentation and cause the filing of Tract Map No. 82633 (collectively, the “Project”). HACLA has agreed to engage Michaels for the foregoing additional services pursuant to a separate Supplemental Agreement for Additional Services, namely, this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein by this reference), the mutual obligations under this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I. ENGAGEMENT OF MICHAELS; SCOPE OF WORK

1.1 Engagement of Michaels as Project Manager.

1.1.1 HACLA, subject to the terms and conditions contained in this Agreement, hereby engages Michaels to (a) develop a park and related improvements (the “Lot 8 Park”) on the Lot 8 Park Site, (b) develop a park and related improvements (the “Lot 9 Park” and together with the Lot 8 Park, the “Park”) on the Lot 9 Park Site, (c) develop, as project manager, the Community B-Permit Improvements on the B-Permit Site, (d) prepare or cause the preparation of the Southern Site Documentation and (e) cause the subdivision of the Southern Site by the filing of Tract Map No. 82633 (collectively, the “Additional Services”). The Additional Services are more particularly defined in the scope of work attached hereto as Exhibit A (the “Scope of Work” or the “Work”).

1.1.2 As reflected on Exhibit A, the Scope of Work includes three (3) phases: a pre-development phase (the “Pre-Development Phase”), a construction administration phase (the “Construction Administration Phase”), and a post-completion phase (the “Post-Completion Phase”). The Scope of Work includes (a) a scope of work for the Pre-Development Phase (the “Pre-Development Scope of Work”), (b) a scope of work for the Construction Administration Phase (the “Construction Administration Scope of Work”) and (c) a scope of work for the Post-Completion Phase (the “Post-Completion Scope of Work”).

1.2 Budget and Schedule.
1.2.1 Michaels has submitted and HACLA has approved the Scope of Work, the project budget attached hereto as Exhibit B (the “Budget”), and the project schedule attached hereto as Exhibit C (the “Schedule”). The Scope of Work, the Budget, and the Schedule include all major tasks and deliverables to be completed pursuant to this Agreement, as well as the payment schedule. The Budget includes Michaels compensation for the Additional Services and the Work, and identifies the source of funds for the Work.

1.3 **Project Management Fee.** As full compensation for Michaels’ undertaking and performance of the Scope of Work, HACLA shall pay Michaels a project management fee (“Project Management Fee”) on a cost-plus-fee basis, based on a cumulative fee of six percent (6%) of the actual combined cost to perform the Scope Work as approved by HACLA and reflected in (and limited by) the Budget; provided, however, that, the Project Management Fee shall be capped at, and shall not in any event exceed, Five Hundred Thousand and No/100 Dollars ($500,000.00) for the entire Scope of Work, including the Pre-Development Phase, the Construction Administration Phase, and the Post-Completion Phase; provided, further, the foregoing limitation on the amount of the Project Management Fee shall not limit HACLA’s obligation under any indemnification obligation to Michaels under this Agreement. Although the Budget includes the Project Management Fee, calculation of the Project Management Fee shall be based on the Budget excluding the Project Management Fee. The Project Management Fee shall be earned by and payable to Michaels on a pro rata basis, proportionate to the percentage of costs in the approved Budget claimed for payment or reimbursement in a given monthly payment request, as compared to the total Budget. The Budget shall contain the payment schedule for the Project Management Fee.

1.3.1 Each monthly payment request shall be made in accordance with the payment procedures included at Exhibit G and shall (a) identify the line item in the Budget for which such payment is to be applied against, (b) attach thereto such invoices, identification of services rendered, or other evidence of obligation due and owing, as well as documentation related to Section 3, MBE/WBE, and wage rate compliance, and (c) be signed by an authorized representative of Michaels. No request for a payment shall be in excess of the applicable line item without HACLA’s prior written approval.

1.3.2 Except to the extent otherwise specifically provided herein, compensation to Michaels for performance of any of the Additional Services is not intended by HACLA or Michaels to be considered an advance against amounts payable to the Master Developer as developer fees or as payments under any phase-related or master predevelopment loan agreement nor shall such costs be included in any phase-related, master predevelopment, or development budgets of the Project.

1.4 **Defined Terms & Master Development Agreement.**

1.4.1 Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Master Development Agreement, unless the context clearly indicates otherwise. In the event of any conflict between the terms of the Master Development Agreement and this Agreement with respect to the Additional Services or the Work, the terms of this Agreement shall prevail.
1.4.2 Sections of the Master Development Agreement specifically referenced herein are incorporated into this Agreement by this reference, with Michaels undertaking the rights and obligations ascribed to Master Developer and Owner Entity therein, provided that both HACLA’s and Michaels’ obligations under this Agreement with respect to such MDA sections shall be limited to the Park and Park Site, Community B-Permit Improvements and B-Permit Site, and Southern Site Documentation and shall not extend to other portions of the Redevelopment.

1.5 Cooperation. HACLA and Michaels agree to cooperate with one another in good faith in assisting each other in the performance of their respective duties and obligations under this Agreement.

1.6 Internal Communication. HACLA and Michaels shall use commercially reasonable efforts to keep each other informed of all material events, information and communications relating to the Work and other related matters that could impact performance of the same. Michaels shall cause copies of all written communications, requests for approval, draft plans or agreements, scheduling of meetings and proposed courses of action that relate to the Work to be sent to HACLA and shall use commercially reasonable efforts to provide HACLA with the opportunity for consultation in accordance with this Agreement. Furthermore, Michaels shall lead once every two (2) weeks, or more often if either party deems necessary, progress conference calls or meetings with HACLA (“Regular Meetings”), respecting such matters as the progress of the Work, the amount of costs incurred, the estimated cost of completing the Work, and other such matters as either party deems appropriate. All Work produced by Michaels is subject to review, evaluation, and approval by HACLA.

1.7 External Communication. The Parties agree to cooperate and consult with each other regarding any public statements or publications made regarding the Project. HACLA shall have the final decision with regard to communications with local, state and federal elected officials, former and prospective tenants, and with Recreation and Park Department of the City of Los Angeles (the “Recreation and Parks Department”) and the City generally relating to the Project.

1.8 General Conditions. The Governments Requirement Rider (“5370 Rider”), is attached hereto at Exhibit D and hereby incorporated as part of this Agreement. Michaels agrees to comply with, and attach to all contracts and/or agreements with any Third Party Contractors selected to perform the Work (“Third Party Contractors”), the 5370 Rider which incorporates the applicable provisions of the HUD General Conditions for Construction Contracts - Public Housing Projects Form 5370 and HUD General Conditions for Non-Construction Contracts Form 5370-C. In the event of any conflict between the terms of the 5370 Rider with any other provisions of this Agreement, the provisions of the 5370 Rider shall control.

ARTICLE II. ADDITIONAL SERVICES - GENERAL OBLIGATIONS

2.1 Michaels Team. Michaels has been selected by HACLA as a result of its expertise in the development and management of similar public and community facilities, financial solvency, dedication and ability to implement public/private partnerships and deliver on
their public and community benefits. All of the activities and obligations to be executed and completed by Michaels under this Agreement shall be performed in accordance with the level of skill and care consistent with that ordinarily exercised by similar developers of first class urban mixed-finance, mixed-use developments.

2.2 Third Party Contractor Requirements.

2.2.1 HACLA hereby approves the Third Party Contractors described in Exhibit E-1. All additional Third Party Contractors to be utilized by Michaels to assist with the implementation of the Project and this Agreement must be selected in accordance with the policies and procedures for selection of Third Party Contractors approved by HACLA (the “Procurement Plan for Jordan Downs Redevelopment”) attached hereto as Exhibit E-2 and the requirements of Section 2.4 without regard to the source of funds that will compensate Third Party Contractors. Michaels shall employ due diligence to ensure that all Third Party Contractors engaged to provide services or supplies for the Project shall supply the skill and judgment necessary to perform the required services in compliance with the Development Schedule and the Budget and in accord with all requirements of their respective contracts. All contracts and/or agreements with Third Party Contractors shall comply with the requirements of Section 2.4. Affiliates of Michaels may compete in such process and may be selected if they demonstrate equal or superior qualifications based on the selection factors utilized. In addition, all Third Party Contractors must have the insurance coverage listed at Exhibit E-3 as such type of listed insurance may be appropriate to the specific contractor, and maintaining coverage during the entire contract period. HACLA shall be an additional insured under insurance carried by Third Party Contractors, where HACLA has an insurable interest. Michaels shall provide HACLA with satisfactory evidence that all Third Party Contractors have been selected in accordance with this Section and without limiting any of the foregoing, require each of the following:

(i) Unless, in any given instance, a modification, variance or exception is provided by HACLA in writing, Michaels shall cause each and every Third Party Contractor to (A) provide evidence complying with the requirements of this Section 2.2, (B) maintain such coverage during the entire contract period, and (C) identify HACLA and Michaels as an additional insured under such insurance providing such additional insureds with the same coverage as provided to the named insured; provided, however, such policies need not afford such additional insureds the same administrative and control rights and obligations afforded to and imposed upon the named insured.

(ii) Each and every contract executed with a Third Party Contractor (a “Third Party Contract”) shall contain indemnification from such Third Party Contractor in favor of HACLA and Michaels from and against any and all actual or threatened causes of action, claims, charges, costs, damages, demands, enforcement actions, expenses, fines, injuries, judgments, liabilities, losses, penalties, administrative and judicial proceedings and orders, remedial actions (including, without limitation, any investigation, removal, and disposal costs and expenses), taxes, and all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys’ fees, litigation, appellate, arbitration, or administrative proceeding costs, expert and consultant fees and laboratory costs), at law or in equity, of every kind or nature whatsoever, whether grounded in tort (including negligence), contract or any other theory of law,
whether direct or indirect, known or unknown ("Claims") to the extent arising in whole or in part from such Third Party Contractor’s acts or omissions. Notwithstanding anything to the contrary contained in this Agreement, HACLA acknowledges and agrees that Michaels shall have no responsibility to HACLA and shall not be liable to HACLA for any acts or omissions of any Third Party Contractor under any Third Party Contract except to the extent that any damage caused by such Third Party Contractor is caused by Michaels’ negligence or willful misconduct.

2.2.2 Approval by HACLA. All bids and contracts for Third Party Contractors shall require the prior written approval of HACLA, except existing contracts with Third Party Contractors identified in Exhibit E-1 for portions of the Additional Services.

2.2.3 Bid Packages; GC & Monitor Third Party Contracts. Prior to selection of any Third Party Contractor or execution of any Third Party Contract by Michaels, for each Third Party Contractor recommended by Michaels for the Work, Michaels shall submit the bid packages of each bidder and a cover letter explaining the criteria by which Michaels recommends such Third Party Contractor to HACLA for HACLA’s review and approval.

2.2.4 Relationship of Michaels with HACLA. No provision of this Agreement and no acts of the Parties shall be deemed or construed by the Parties, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between the Parties to this Agreement. Michaels is an independent contractor and not an agent of HACLA; Michaels has no authority to bind HACLA.

2.3 Information and Confidentiality.

2.3.1 HACLA shall provide to Michaels all information in HACLA’s possession and control and/or that HACLA is reasonably able to locate regarding the Project as such information is mutually agreed upon by HACLA and Michaels to be reasonably related to the Work under this Agreement. Michaels covenants and agrees (and Michaels shall use commercially reasonable efforts to obtain the covenant and agreement of each and every Third Party Contractor) to hold in confidence, and not to disclose to third parties or use for any purpose other than performance of Michaels’ obligations under this Agreement (and with respect to each Third Party Contractor, the performance of such Third Party Contractor’s performance under its Third Party Contract), all or any part of the provisions of this Agreement and Exhibits and the information (including the location and type of work performed) maps, data, plans, reports, manuscripts, procedures, schedules, drawings, specifications, results, models, computer programs or any Work Product (as hereinafter defined) that is (a) received or ascertained by Michaels, directly or indirectly, from HACLA, its licensees, employees, contractors, subcontractors, or consultants, or (b) originated or otherwise acquired by Michaels, its employees, representatives, or subcontractors, in connection with, as a result of, or incident to performance of its obligations under this Agreement (the “Confidential Information”). Michaels shall also prohibit its employees, agents and representatives (and shall cause each Third Party Contractor to agree to prohibit its respective employees, agents and representatives) from posting or disseminating information about or images (photographs, digital photographs, videos of all kinds, as a non-exhaustive list of examples) of the Park Site, and/or the Work on or through any social media or other electronic or print outlet, without the express, written consent of
HACLA.

2.3.2 Notwithstanding the foregoing subsection, the term "Confidential Information" shall not, for the purposes of this Agreement, include any information which (a) at the time of disclosure or thereafter is generally available to and known by the public other than as a result of a disclosure by Michaels or any Third Party Contractor in breach of this Agreement or (b) was or becomes available to Michaels or any Third Party Contractor on a non-confidential basis from a source not known by Michaels or such Third Party Contractor to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation to, HACLA, or (c) to the extent disclosure is required by applicable laws, rules, codes or regulation of any federal, state or local agency or agencies or any order of a court of law. In the event that Michaels or any Third Party Contractor is required by law to disclose any Confidential Information, Michaels or such Third Party Contractor shall promptly notify HACLA of such requirement so that HACLA, at its expense, may seek an appropriate protective order or waive compliance with the provisions of this Agreement, and/or take any other action.

2.4 Local Hire and Section 3 Requirements. Michaels shall provide HACLA with satisfactory evidence that it will comply with Section 3 of the Housing and Urban Development Act of 1968 and its implementing regulations 24 CFR Part 135 ("Section 3"), as such may be amended from time to time, and Master Developer's HACLA-approved Plan for Local Hiring and Section 3 Contracting. Michaels shall comply with the Section 3 requirements set forth in the (a) Local Hire and Section 3 Rider attached hereto as Exhibit F-1 (the "Local Hire and Section 3 Rider") and (b) the Section 3 Plan (the "Section 3 Plan") attached hereto as Exhibit F-2.

2.5 Evidence of Outreach and Inclusion of Minority, Women-Owned, Small, Labor Surplus Area and Section 3 Businesses. Michaels shall provide HACLA with satisfactory evidence that consistent with HACLA's Procurement Policy and HUD Guidance on assistance to minority, women owned, small, labor surplus area and Section 3 Businesses, it has used best efforts to notify and include these types of businesses in procurement and contracting opportunities and has not unjustifiably rejected bids/proposals from such businesses, and in all respects consistent with the conditions imposed in the Procurement Plan for Jordan Downs Redevelopment and the Local Hire and Section 3 Rider.

2.6 Continuation of Work. So long as HACLA is current in all reimbursements and disbursements required under this Agreement, Michaels shall use commercially reasonable efforts to perform the Additional Services and pursue the completion of the Work, and shall use commercially reasonable efforts to limit the rights of Third Party Contractors to stop work or suspend performance during the pendency of any disputes concerning such Third Party Contractors' contracts.

ARTICLE III. ADDITIONAL SERVICES - SPECIFIC OBLIGATIONS AND ACTIVITIES.

3.1 HACLA's Obligations and Activities. HACLA's obligations are as follows:

3.1.1 License to Access to Site. Upon satisfaction of the following conditions,
HACLA shall give Michaels a non-exclusive license to access the Site pursuant to a License Agreement in a form acceptable to HACLA and Michaels (the “License Agreement”):

3.1.1.1 Michaels has submitted evidence acceptable to HACLA demonstrating that Michaels has obtained the insurance coverage required under this Agreement;

3.1.1.2 For any Third Party Contractor to whom Michaels wishes to permit access to the Site, Michaels has submitted evidence acceptable to HACLA that (a) such Third Party Contractor has entered into a Third Party Contract and that such Third Party Contract complies with the requirements of Section 2.2 and (b) such Third Party Contractor has the insurance coverage required under Section 2.2.1; and

3.1.1.3 From time to time as Michaels commences an element of the Scope of Work requiring access to the Site, Michaels shall notify HACLA at least thirty (30) days in advance of such anticipated access to provide HACLA with ample time to coordinate among Michaels and other third parties to whom HACLA has given access to the Site.

3.1.2 HUD Approvals. HACLA will from time to time submit to HUD such requests for approval as are necessary, or in HACLA’s sole and absolute discretion advisable, to facilitate development of the Site in accordance with the Section 18 Demolition Disposition Approval Letter dated June 3, 2016, as amended. Without limiting the foregoing, before execution or recordation of any deed of trust, mortgage, ground lease, or other instrument conveying any interest in the Park Site or encumbering the Park Site, HACLA shall request and obtain HUD’s approval of the conveyance or encumbrance or release of the Park Site from the HUD Declaration of Trust. Michaels will provide HACLA with title, survey, and other information from its investigation of the Park Site as needed to obtain such approvals.

3.1.3 Environmental Conditions and Site Investigation. With respect to the Park Site, HACLA is responsible to submit all required documents to HUD and any other governmental entity, as required by applicable law and regulation, for review of the environmental impact of the Park in accordance with 24 CFR Part 58 (or Part 50, as applicable). HACLA shall provide to Michaels all testing performed to date with respect to the Park Site and shall collaborate with Michaels to determine additional testing and investigation that may be necessary or advisable to undertake during the Pre-Development Phase.

3.1.4 Clean and Buildable Condition: Demolition. Prior to the Construction Administration Phase, HACLA shall deliver the Park Site in a Clean and Buildable Condition (as defined in the Master Development Agreement), including without limitation demolition of existing improvements on the Park Site to be conducted in accordance with the Demolition Plan and Demolition Schedule adopted pursuant to Section 4.4 of the Master Development Agreement. If there is any delay in carrying out the Demolition Work (as defined in the Master Development Agreement), HACLA and Michaels shall cooperate in adjusting the Budget and Schedule.

3.1.5 Execution of Documents. HACLA shall maintain sole authority for the execution of documents required of HACLA as the owner of the Project or as required by
applicable law or regulation. Whenever a statute or regulation or the successful implementation of this Agreement requires HACLA to take actions or execute documents to accomplish the Scope of Work, HACLA will do so promptly, so as not to impede the orderly progress of the Work. Without limiting the foregoing, during the Construction Administration Phase HACLA will use commercially reasonable efforts to negotiate and enter into contracts to facilitate the successful launch of operations on the Park Site upon completion of the Construction Administration Phase, including without limitation anticipated maintenance and services agreements with Recreation and Parks Department and other service providers.

3.1.6 **Project Support and Coordination.** HACLA shall provide assistance with the Project in regards to local agencies, HUD, Recreation and Parks Department, lenders, service providers, and other applicable parties and will agree to reasonable requirements imposed on the Project by local authorities and any lenders investing in the Project. HACLA shall provide, to the extent appropriate, assistance requested by Michaels in obtaining licenses, approvals, permits, clearances, or other cooperation from local, state, and Federal agencies, HUD, Recreation and Parks Department, and other local governing bodies and public agencies and shall execute applications and site control letters if required by such agencies or entities; however, Michaels shall have the primary responsibility for obtaining such approvals except as otherwise provided in this Agreement. HACLA shall also satisfy all obligations and reporting requirements for any grants or funds received by HACLA to support the Project except those that are passed through to Michaels as additional funding provided by HACLA pursuant to Section 3.1.10.1 below. In addition, HACLA shall facilitate coordination with Master Developer and other Owner Entities involved in the Redevelopment pursuant to the Master Development Agreement with respect to infrastructure, construction site, safety, traffic, and other concerns applicable to the Scope of Work.

3.1.7 **Provide Information.** HACLA shall provide all available information relating to the Site, as expeditiously as necessary, for the orderly progress of the Scope of Work. In addition, HACLA shall coordinate closely with Michaels regarding all communications with Recreation and Parks Department and the City generally with respect to the Project. HACLA will respond as promptly as possible, within its management structure, to questions that may arise during Project administration.

3.1.8 **HACLA Performance Timeframes.**

3.1.8.1 **Generally.** HACLA shall promptly review any matter submitted to it and advise the Michaels of approval or why approval is being withheld. Except as expressly set forth in this Agreement, HACLA’s approval of any matter required under this Agreement shall not be unreasonably withheld, conditioned or delayed. HACLA shall use reasonable efforts to achieve all HACLA-related Schedule deadlines as the same shall be updated, modified, extended or amended as contemplated by this Agreement. HACLA acknowledges that its failure to achieve its Schedule deadlines may impede the ability of Michaels to proceed with the Work in accordance with the Schedule and agrees to extend any deadline so affected by the inability to achieve a Schedule deadline.

3.1.8.2 **Approvals During the Pre-Development Phase.** With respect to
the development of the Site Plan and Plans and Specifications (each as defined in Exhibit A), and Construction Contract during the Pre-Development Phase, HACLA shall approve or disapprove submittals within ten (10) business days of receipt of the submittal from Michaels. In the event HACLA disapproves a submittal, HACLA shall submit a list of reasons for such disapproval to Michaels, together with its notice of disapproval. Upon receipt of such a list, Michaels shall have ten (10) business days to resubmit a revised submission. Upon its receipt of a revised submission, HACLA shall have five (5) business days (or in the event HACLA Board action is required as soon as reasonably possible) to approve or disapprove of the revised design.

3.1.8.3 Approvals During the Construction Administration Phase.
Once HACLA has approved the final Site Plan, Plans and Specifications, and Construction Contract, Michaels shall not make any material changes in those documents, excluding any change required for compliance with building codes or other government health and safety requirements, without the prior written approval of HACLA, which approval shall be granted in HACLA’s reasonable discretion and within the time periods set out in Section 3.1.9.2 above. Michaels shall not make any material change required for compliance with building codes or other government health and safety requirements without giving prior notice to HACLA.

3.1.9 Intentionally omitted.

3.1.10 Certificate of Completion.

3.1.10.1 Within ten (10) days after written request by Michaels following completion of the Project in accordance with the Plans and Specifications and if applicable, upon Michaels’ obtaining a certificate of occupancy or completion from the City, together with an Owner’s Manual for the Park Site containing the final Site Plan, Plans and Specifications, as-built survey, and all warranties and manuals associated with all improvements and equipment placed within the improvements on the Park Site (the “Owner’s Manual”), HACLA shall deliver to Michaels a Certificate of Completion for the Project (the “Certificate of Completion”).

3.1.10.2 HACLA shall not unreasonably withhold a Certificate of Completion, but shall not be obligated to issue such Certificate of Completion until the Project has been completed in accordance with the Plans and Specifications. Such Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of the Project in accordance with this Agreement. In the event any requirements of this Agreement, including, but not limited to, construction of the Park in conformance with the Plans and Specifications, have not been fully satisfied by Michaels as of the date of Michaels’ request for a Certificate of Completion, HACLA may deny Michaels’ request for a Certificate of Completion or issue the Certificate of Completion subject to such conditions subsequent as HACLA may deem necessary to ensure full satisfaction with the requirements of this Agreement.

3.1.10.3 The Certificate of Completion shall be in such form as to permit it to be recorded in the Office of the Recorder of Los Angeles County. If HACLA fails to deliver the Certificate of Completion within ten (10) business days after written request from Michaels, HACLA shall provide Michaels with a written statement of its reasons (the “Statement of
Reasons") within such ten (10)-day period. The statement shall also set forth the actions Michaels must take to be entitled to obtain the Certificate of Completion. If the reasons are confined to the immediate unavailability of specific items or materials for landscaping, or to so-called "punch list" items identified by HACLA, HACLA shall issue the Certificate of Completion no later than five (5) days following the delivery of a bond or letter of credit by Michaels to HACLA in an amount representing HACLA's estimate of the cost to complete the work, or other security deemed sufficient by HACLA to ensure completion of the work. Notwithstanding any other provision of this Agreement, the failure by HACLA to issue a Certificate of Completion or Statement of Reasons within thirty (30) days after request by Michaels shall be deemed to constitute HACLA's concurrence that the Project has been completed as required by this Agreement; however, this shall not relieve HACLA of its obligation to issue a Certificate of Completion in accordance with this Section.

3.1.10.4 Such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Michaels to any third party, or any other person or entity except HACLA. Such Certificate of Completion is not notice of completion as referred to in Section 3093 of the California Civil Code.

3.1.10.5 As a condition of issuance of the Certificate of Completion, Michaels' construction manager/contractor and architect shall certify that the Park and Community B-Permit Improvements have been constructed in compliance with all applicable disabled access requirements as of the date of the completion (when the last certificate of occupancy or completion is issued by the City).

3.2 Michaels' Obligations and Activities. Michaels' Additional Services obligations and activities are as fully described at Exhibit A. In addition:

3.2.1 Work Product. Michaels shall submit all documents, reports, drawings, lab data sheets, maps, photographs and any and all other documents produced in furtherance of this Agreement (the "Work Product") for HACLA's review and approval, within the time frames set forth in the Schedule, such approval will not be unreasonably withheld. HACLA shall own the Work Product, including all copyrights and other rights relating thereto, all of which shall be deemed to be works for hire within the meaning of the Copyright Act, 17 U.S.C. 101 et. seq. No party shall have any Claim for further employment or additional compensation as a result of exercise by HACLA of its full rights of ownership of the Work Product.

3.2.2 Assignment of Contracts. Michaels acknowledges and agrees that in the event that this Agreement is terminated, Michaels shall assign to HACLA all of its rights, title, and interest in and to all (i) Plans and Specifications, (ii) Licenses and Permits, (iii) Third Party Contracts pursuant to Section 2.2 herein, provided HACLA reimburses Michaels for the amounts paid by Michaels under the Third Party Contracts and not yet reimbursed by HACLA, and (iv) work product arising from Third Party Contracts.

3.2.3 Compliance with Budgets.

3.2.3.1 Michaels shall comply at all times with the Budget, as such Budget
is amended from time to time in accordance with this Agreement. Any changes to the Budget must be approved in advance by HACLA. The Work covered by this Agreement includes all work required by subcontractors and professionals to carry out the Scope of Work. Should there be a need to enter into further contracts or subcontracts to complete the Work, Michaels shall not award any contract or subcontract related to the Work in an amount that exceeds the Budget without prior written approval by HACLA of a revised Budget encompassing such increase. Michaels shall not approve change orders under contracts or subcontracts related to the Work that would cause an increase or decrease in total projected costs of the subject element of the Work in excess of the corresponding amounts in the approved Budget without prior written approval by HACLA of a revised Budget encompassing such increase or decrease. Michaels shall revise the identified sources of funds as needed to reflect changes in uses reflected in each Budget revision, which revisions must be approved by HACLA.

3.2.3.2 Without limiting HACLA’s obligations relative to an approved Budget, if, and to the extent that in connection with future Budget revisions, HACLA informs Michaels in writing that it does not have funds available and authorized to be expended for one or more line items within a proposed Budget revision, Michaels shall either, in the exercise of its sole discretion, (a) reanalyze its line items to see if the Work can be accomplished within the funds available or (b) not be obligated to commence the corresponding element of the Work until it receives written confirmation that the subject funds are available and authorized.

3.2.3.3 Authorization to Michaels by HACLA to cause or permit commencement of Work contracted for by Michaels for any Additional Service shall constitute a representation by HACLA that (i) funds for the payment of third-party costs for such Third Party Contract, as budgeted, have been authorized and appropriated, as required, and are available for such use, and (ii) amounts for the payment of Michaels’ compensation, as budgeted, for such Additional Service have been authorized and appropriated, as required, and are available for such use.

3.2.4 Site Conditions.

3.2.4.1 Michaels acknowledges that prior to the date hereof, the City and HACLA certified an Environmental Impact Report (the “EIR”) and its related Mitigation and Monitoring Program attached hereto as Exhibit H-1 (as amended consistent with applicable law from time to time, the “Mitigation Measures”). Michaels will comply with the terms of the EIR, the Mitigation Measures, the Waste Soil Management Plan attached hereto as Exhibit H-2 and related conditions of approval adopted by the City or HACLA prior to the date hereof to the extent applicable to the Park Site. (the “Environmental Documentation”).

3.2.4.2 Michaels shall restore any damage caused to the Site as a result of its investigation of site conditions in the Pre-Development Scope of Work, reasonable wear and tear excepted. Michaels shall also indemnify, defend and hold harmless HACLA, any Affiliate of HACLA or the City, and the City and HACLA’s respective board members, commissioners, directors, elected and appointed officers and officials, employees, members, agents, consultants, volunteers and representatives (all of the foregoing, the “Authority Indemnities”) from and against any all Claims arising in connection with physical damage to the Site or other damage or
injury to persons or property which results in whole or in part from Michaels' investigations except to the extent arising from HACLA's gross negligence or willful misconduct or for the mere discovery of pre-existing conditions (which indemnity and defense obligations shall survive the expiration or earlier termination of this Agreement); provided, however, Michaels shall indemnify, defend and hold harmless the Authority Indemnitees from all Claims arising in connection with any Michaels act or omission which exacerbates or disturbs any pre-existing condition.

3.2.5 Hazardous Materials.

3.2.5.1 The following capitalized terms shall have the following meanings when used in this Agreement:

(i) "Hazardous Materials" shall mean any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "infectious waste," "toxic substance," "toxic pollutant," or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable as fuel, perchlorate, and methyl tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Hazardous Materials Laws.

3.2.5.2 Michaels shall not itself permit or permit any of its Affiliates, employees, agents, contractors, subcontractors or Third Party Contractors to permit, and such parties shall take all commercially reasonable measures to prevent, the use, generation, treatment, manufacture, storage, disposal, or transportation of Hazardous Materials at, in, on, or under the Site, or any portion thereof.

3.2.5.3 Michaels shall not itself permit or permit any of its Affiliates, employees, agents, contractors, subcontractors or Third Party Contractors to permit, and such parties shall take all commercially reasonable measures to prevent, the presence, in violation of any applicable law, of Hazardous Materials at, in, on, or under the Site.

3.2.5.4 Michaels shall (i) comply with the EIR, the Mitigation Measures, and the other Environmental Documentation, (ii) comply with all Hazardous Materials Laws, and (iii) keep and maintain the Site, and each portion thereof, in compliance with, and shall not cause or permit the Site, or any portion thereof to be in violation of, any Hazardous Materials Laws.

3.2.5.5 Michaels shall immediately notify HACLA in writing if Michaels becomes aware of any actual, suspected, or alleged (a) Hazardous Materials on the Site or any occurrence or condition on any real property adjoining or in the vicinity of the Site classified as “borderzone property” under the provisions of California Health and Safety Code, Sections 25220 et seq.; or (b) physical, surface, subsurface, or latent conditions at, in, on, or under the Site that will adversely affect the Work from a safety, cost or timing perspective or otherwise.

3.2.5.6 Notwithstanding any contrary provision hereof, construction materials, gardening materials, household products, office supply products and janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of residential property, and which are used, stored, and disposed of in accordance with applicable Hazardous Materials Laws may be used in connection with the construction of the Park and Community B-Permit Improvements.

3.2.5.7 Without limiting the generality of any other indemnification set forth herein, Michaels hereby agrees to indemnify, protect, hold harmless, and defend (by counsel reasonably satisfactory to HACLA) the Authority Indemnitees from and against any and all Claims arising, in whole or in part, out of: (i) any actual or alleged breach of the promises set forth in this Section 3.2.5; or (ii) any activity carried out on, or undertaken on or adjacent to the Site, by Michaels or any of its affiliates, employees, agents, contractors or subcontractors, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport, or disposal of any Hazardous Materials in, into, on, at, under, from, to, or around the Site, except to the extent arising from HACLA’s negligence or misconduct or for the mere discovery of pre-existing conditions; provided, however, Michaels shall indemnify, defend and hold harmless the Authority Indemnitees from all Claims arising in connection with any Michaels negligent act or omission which exacerbates or disturbs any pre-existing condition.

3.2.5.8 The provisions of this Section 3.2.5 shall survive the expiration or earlier termination of this Agreement.
3.2.6 **Environmental Work.** During the Pre-Development Phase, Michaels shall be responsible for monitoring any investigation, remediation, mitigation, and/or monitoring (collectively, "Environmental Work") which may be required by applicable law in, on, under, or around the Site in order to develop the Park and Community B-Permit Improvements and have been approved in writing by HACLA. The determination as to whether any such Environmental Work is needed, and as to the scope and methodology thereof, shall be made by the governmental agency with responsibility for the Environmental Work and HACLA. Michaels shall notify HACLA promptly upon discovery of any Hazardous Materials at levels above the most rigorous and protective environmental screening level issued, formally or informally, by a regulatory or government agency (whether state, local, or federal) applicable to residential properties (a non-exhaustive list of examples of such screening levels includes, but is not limited to, the Environmental Screening Levels (published by the Los Angeles Regional Water Quality Control Board), Maximum Contaminant Levels, Public Health Goals, or the California Human Health Screening Levels), and shall consult with HACLA and the appropriate regulatory or governmental agency in order to establish the extent of Environmental Work to be undertaken and the procedures by which such Environmental Work shall take place. Michaels shall comply with, and shall cause its agents and contractors to comply with, all laws regarding the use, management, labeling, removal, storage, transportation, disposal, investigation, monitoring, and/or remediation of Hazardous Materials. The Environmental Work shall be carried out in accordance with all applicable laws (including Hazardous Materials Laws) and such other procedures and processes as may be described in this Agreement.

3.2.7 **Michaels Insurance.** During the Pre-Development Phase, Michaels shall maintain and keep in full force and effect all of the insurance coverages required of Third Party Contractors in Section 2.2. During the Construction Administration Phase, Michaels shall maintain (or contract to be maintained by the appropriate parties) and keep (or contract to be kept by the appropriate parties) in full force and effect the policies of insurance described in Sections 3.2.7.1, 3.2.7.2 and 3.2.7.3. Prior to the commencement of any construction of the Project, Michaels shall ensure that the Project is covered by the insurance coverages in Sections 3.2.7.4 and 3.2.7.5. Each liability policy and the property insurance policy shall name HACLA and its board members, commissioners, directors, elected and appointed officers and officials, employees, agents and consultants as additional insureds. Each policy shall be underwritten and issued by reputable companies authorized to do business in California with an A.M. Best’s rating of not less than A:VII, shall not be subject to cancellation without thirty (30) days’ prior written notice to HACLA, and shall be primary and non-contributing to any insurance carried by HACLA. Any language purporting to limit the insurer’s liability for failure to give the required 30-day prior written notice shall be unacceptable to HACLA. Michaels shall provide HACLA with certificates of insurance and endorsements evidencing the required insurance, and upon request, copies of all insurance policies. All liability policies shall be written on an occurrence basis.

3.2.7.1 Commercial General Liability (CGL) insurance, insuring for legal liability of Michaels, and caused by bodily injury, property damage, personal injury or advertising injury, contractual liability, and products and completed operations arising out of the performance of the Scope of Work and including the costs to defend such actions brought against
Michaels. Limits of the policy shall be not less than Five Million Dollars ($5,000,000) per occurrence; provided however, during the period prior to the start of construction such limit may be reduced to Two Million Dollars ($2,000,000). During construction, Michaels shall be obligated to maintain CGL coverage consistent with the requirements of this paragraph with coverage in the amount of Two Million Dollars ($2,000,000) and the general contractor shall be required to maintain CGL coverage consistent with the requirements of this paragraph with coverage in the amount of Five Million Dollars ($5,000,000). Upon completion of construction, Michaels shall be required to maintain CGL coverage consistent with the requirements of this paragraph with coverage in the amount of Five Million Dollars ($5,000,000).

3.2.7.2 Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering Michaels' full liability for statutory compensation to any person or persons who perform work for Michaels or perform duties on the Site, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the State of California. Worker's Compensation limits shall be not less than One Million Dollars ($1,000,000) per occurrence;

3.2.7.3 Automobile Liability insurance, insuring for legal liability of Michaels, and caused by bodily injury, property damage, or personal injury arising out of the ownership or use of motor vehicles, including uninsured motorist liability, and including the costs to defend such actions brought against Michaels. Limits of the policy shall be not less than One Million Dollars ($1,000,000) each occurrence combined single limit per accident;

3.2.7.4 Property insurance covering the Project, in form appropriate for the nature of such property, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with deductible, if any, acceptable to HACLA, naming HACLA as a loss payee, as its interests may appear. Flood insurance shall be obtained if required by applicable federal regulations; and

3.2.7.5 Builder's Risk insurance, insuring for all risks of physical loss of or damage (including the perils of fire, vandalism and malicious mischief, excluding the perils of earthquake, and excluding the perils of flood unless specifically required by HACLA) to the Project, and personal property of Michaels used to maintain or service the Project construction. Limits of policy will be the estimated replacement value of the Project.

ARTICLE IV. INFRASTRUCTURE COORDINATION; B-PERMIT WORK.

4.1 Infrastructure Coordination. Michaels shall be responsible for: (a) assisting in coordinating with HACLA, Primestor, JD 1B, and JD S3 with respect to the overlapping Community B-Permit Improvements, Primestor B-Permit Improvements, 1B B-Permit Improvements and S3 B-Permit Improvements, to ensure existing residents have access to adjacent public and private streets, subject to HACLA's obligation to ensure that costs are allocated appropriately between Primestor, JD 1B and JD S3 and their respective sites on the other; (b) coordinating with utility providers for the Site, be responsible for all utility connections for the Site from the Site's property line into the Park; (c) coordinating, constructing
or causing to construct any supplemental improvements on Century Boulevard required by the City in order for Michaels to obtain building permits in connection with the Site such as monument or entry signage, traffic signals, and unique paving or landscape treatments.

4.2 **Community B-Permit Improvements.** Michaels and HACLA shall coordinate with Primestor, JD 1B, JD S3, and any other third party developers engaged by HACLA from time to time with respect to the Redevelopment who may have overlapping responsibility for the Community B-Permit Improvements. During the Pre-Development Phase, HACLA and Michaels shall negotiate such cost-sharing and other agreements with Primestor, and such other third party developers as may be necessary or appropriate to allocate responsibility and cost for implementing the Community B-Permit Improvements in a manner that efficiently facilitates the development of the Site in the context of the overall Redevelopment. Michaels shall implement, oversee, manage, and have constructed the Community B-Permit Improvements accordingly during the Construction Administration Phase and shall ensure that said costs are included in the Budget.

**ARTICLE V. CONTRACT NEGOTIATIONS AND PROCUREMENT.**

5.1 **Contracts.** In no event shall Michaels contract with any party that has been debarred or suspended by HUD or the Federal Government. All contracts entered into by Michaels with third parties shall contain all standard provisions and certifications required by HUD and shall otherwise be consistent with the requirements of this Agreement. Michaels shall negotiate and enter into contracts with all of the architects and consultants constituting the Michaels team members and any other engineers, contractors, and consultants necessary to complete and execute the activities and obligations required to be performed in the Work and as provided in Article II of this Agreement.

5.2 **Terms and Pricing.** The price of each contract let hereunder by Michaels shall be at a competitive market price and within the scope of the Budget. Any technical services and project management contracts shall not exceed contract amounts and shall contain milestones approved by HACLA.

5.3 **Standard Terms.** Third Party Contracts entered into by Michaels pursuant to this Agreement shall apply to the specified Work only.

5.4 **Affiliated Entities.** Michaels shall not enter into any trade contract, equipment rental contract, purchase order, construction contract, or other agreement ("Arrangement") in connection with the Work with any party controlling, controlled by, or under common control or otherwise affiliated with Michaels, unless such Arrangement has been approved in writing by HACLA, after full disclosure in writing by Michaels to HACLA of such affiliation or relationship and all details relating to the proposed Arrangement.

**ARTICLE VI. CONSTRUCTION.**

6.1 **Prosecution of the Work.** During the Construction Administration Phase, Michaels shall diligently prosecute or cause to be prosecuted to completion the construction of
the Lot 8 Park, Lot 9 Park and Community B-Permit Improvements in accordance with the HACLA-approved Plans and Specifications, Budget, any applicable Project Labor Agreement, and otherwise in accordance with the terms of this Agreement, and shall complete or cause to be completed such construction no later than the time specified in the Schedule, subject to Force Majeure Events. Any deviation from the Plans and Specifications and Construction Contract (as hereinafter defined) must be approved in writing by HACLA. Michaels shall provide a Performance and Completion Guaranty meeting the same requirements set out in Section 4.18 of the Master Development Agreement.

6.2 **Construction Contract.** Michaels shall enter into a general construction contract (the “Construction Contract”) with a general contractor (the “Construction Contractor”) in connection with the Lot 8 Park. The Construction Contract shall set either a fixed price or guaranteed maximum price or another pricing mechanism acceptable to HACLA, contain a requirement that ten percent (10%) of the hard cost amount is retained by Michaels until substantial completion, and comply with state, local, and Federal requirements. Michaels shall submit the Construction Contract to HACLA for review. HACLA must approve the Construction Contract prior to execution which approval, will not be unreasonably withheld or delayed. The Construction Contract shall provide for assignment to HACLA in the event of termination of this Agreement (subject to the rights of the senior lenders, if any) and shall incorporate the relevant terms of this Agreement. Michaels and HACLA agree that no Construction Contractor will be affiliated with Michaels unless (a) expressly agreed to in writing by HACLA and (b) Michaels agrees to be responsible for the costs of an identity of interest waiver to HUD, as applicable, provided an independent third party review supports such a waiver.

6.3 **Insurance, Bonds, and Warranties Required of the Construction Contractor.** The Construction Contract submitted to HACLA for approval shall require the Construction Contractor to provide, at a minimum: (a) insurance required for Third Party Contractors by this Agreement; (b) one hundred percent (100%) payment and performance bonds or letters of credit satisfactory to all lenders, including HACLA (and subject to HUD approval, if required); (c) a warranty of good title to materials, equipment and supplies incorporated in the Work; (d) a warranty that all material, equipment and supplies are new, of first quality and suitable for the purposes for which they are used; and (e) a warranty, consistent with State of California law regarding new construction, that the work performed under the Construction Contract conforms with the Plans and Specifications and is free of any defect in equipment, material or workmanship performed by the Construction Contractor or any subcontractor or supplier in any tier. The warranties shall continue for a period of not less than one (1) year from the date of final acceptance of the work. All rights under the Construction Contract shall be for the benefit of Michaels and its successors and assigns, including HACLA, as applicable. Once HACLA has approved the Construction Contract, it will not request or require additional changes unless required by HUD or another applicable governmental agency.

6.4 **Monitoring Performance of Construction Contractor.** Michaels shall require its Construction Contractor and its architects or other consultant(s) to monitor the performance of all persons and entities who are to provide materials, equipment or services to the Project and shall require the architect or such other consultant(s) to take such actions as are necessary to maintain adherence to applicable state laws quality standards, safety standards, production
schedules, shipping dates, and job-site requirements contemplated herein and minimize the disturbance of residents in the immediate area (i.e., controlling dust, noise, etc.).

6.5 Monitoring Scheduling. Michaels shall make Best Efforts to ensure that the Project progresses in accordance with the deadlines established in the Schedule, this Agreement and Plans and Specifications (subject to Force Majeure). During the course of construction, Michaels shall (a) identify potential variances between the actual and contractually-mandated completion dates; (b) identify work not started or incomplete and recommend adjustments in the Development Schedule to meet contractually-mandated completion dates; (c) provide HACLA with summary reports of its coordination and monitoring activities and document all changes in the Schedule (generally such reports shall be submitted to HACLA in conjunction with all monthly requisition materials on industry-standard forms such as AIA G-702); and (d) take appropriate action when the requirements of any contract are not being satisfied.

6.6 Monitoring Budget. During the course of construction of the Project, Michaels shall monitor the approved Budget. Michaels shall notify HACLA in timely manner of any changes in the work required to be performed under the Construction Contract including any additions changes or deletions to the Plans and Specifications approved by HACLA. A written change order authorized by HACLA must be obtained before any of the following changes additions or deletions in the Work for the Park may be performed: (1) any change in the Work the cost of which exceeds Fifty Thousand Dollars ($50,000.00); or (2) any set of changes in the Work the cost of which cumulatively exceeds One Hundred Thousand Dollars ($100,000.00); or (3) any material change in building materials or equipment specifications or the structural or architectural design or appearance of the Park as provided for in the Plans and Specifications approved by HACLA. A written change order authorized by HACLA must be obtained before any of the following changes additions or deletions in the Work for the B-permit Improvements may be performed: (1) any change in the Work the cost of which exceeds Twenty-Five Thousand Dollars ($25,000); or (2) any set of changes in the Work the cost of which cumulatively exceeds Fifty Thousand Dollars ($50,000). The construction contingency included in the Budget shall only be used to fund approved alternates or change order or change directive work that has been approved by HACLA (if required by this Section), which approval will not be unreasonably withheld or delayed. Michaels shall revise and refine the Budget during the course of construction, subject to HACLA’s written approval.

6.7 Materials, Storage of Purchased Items, and Security. All equipment, material, and articles furnished shall be in accordance with the Construction Contract and Plans and Specifications, unless otherwise specified herein or specifically approved in writing by HACLA. Michaels shall require the Construction Contractor to inspect all equipment, materials, and articles obtained under the Construction Contract. Michaels shall require the Construction Contractor to monitor the delivery of, and, if necessary, arrange storage, protection and security for all materials, systems and equipment which are to be used in the construction of, or incorporated into, the various components of the Project. In the event of off-site storage, Michaels will provide proof of insurance and a bill of lading or a shipping ticket. Michaels shall require the Construction Contractor to provide adequate security for the sites, including, without limitation, prevention of vandalism, theft, trespassing and dumping, and providing the maintenance of secure fencing around the Redevelopment Site. Under no circumstances shall the
loss of any materials or equipment or the consequences of any trespassing or dumping be an obligation of HACLA, unless the same is directly attributable to the negligence or misconduct of HACLA, its agent(s), contractor(s), or employee(s).

6.8 Inspection by Michaels. Michaels shall require the architect to guard against defects and deficiencies in design and construction. Based on the architect’s recommendations, Michaels shall order the Construction Contractor to stop work, or any portion thereof, and direct special inspection or testing of such work, which in Michaels’ best judgment, may not be in accordance with the provisions of the Plans and Specifications, whether or not such work is fabricated, installed or completed. Michaels shall cause the architect to conduct monthly inspections of the work of the Construction Contractor and shall verify, using AIA G-702 or other form approved by HACLA, that the work is being performed in accordance with the Construction Contract. Michaels’ architect shall inspect all work on a periodic basis. In addition, any inspection by HACLA shall be for the benefit of HACLA. It shall not be deemed to be acceptance by HACLA of any material work deficiencies, issues regarding construction, or other concerns which it discovers in its inspections, but under no circumstances will HACLA have any liability to Michaels or any third party for the failure to do so.

6.9 Construction Progress Reports. Michaels shall record the progress of Project construction and submit in the Monthly Status Report required by Section 3.2.3 of the Master Development Agreement to HACLA, information on the status of the activities of the Construction Contractor, the percentage of work the Construction Contractor has completed, and the purpose and dollar value of all proposed and/or approved change orders and the status of each (generally such reports shall consist of supplying to HACLA all monthly requisition materials on industry-standard forms such as AIA G-702). In addition, Michaels shall consult with HACLA on a periodic basis, to be determined jointly as circumstances may warrant, to keep HACLA fully informed at all times of the status of construction. If Michaels becomes aware of any material fault or defect in any aspect of the Project or nonconformance with the Construction Contract or Plans and Specifications, then Michaels shall give prompt notice thereof to HACLA.

6.10 Document Records. Michaels shall retain a record of the Construction Contract and Plans and Specifications. Michaels shall also maintain, or shall cause the Construction Contractor to maintain, all construction records, including all plans, contracts, shop drawings, samples, purchase orders, applicable handbooks, technical standards and specifications and manuals related to the Project and all records/books showing the costs incurred for any work. Michaels or the Construction Contractor, as applicable, shall make all such materials available for inspection by HACLA upon reasonable notice.

6.11 Right of Entry by HACLA. HACLA reserves for itself and its authorized agent(s) or authorized contractor(s), official representative(s) from the City, and HUD and its authorized agent(s) the right to enter the Site during normal business hours to inspect the Site and any work in progress, with at least twenty-four (24) hours written notice, for the purpose of protecting or furthering HACLA’s interests under this Agreement. The person conducting such inspection shall comply with reasonable safety precautions and shall not interfere with construction or development activities. HACLA shall not direct the work of the Construction Contractor or any subcontractor or other person performing work on the Site. HACLA shall have
no obligation to make any such inspection of the Project. Such inspections are for HACLA’s information only and shall not relieve Michaels of its obligation to complete the Project in accordance with this Agreement as a result of such inspection. In no event shall HACLA’s inspection of the work be deemed acceptance of all or any of the work, equipment, or materials or to waive any right HACLA has under this Agreement.

6.12 Substantial Completion Inspection. Upon substantial completion of the Project, Michaels and the architect shall inspect the work to determine and record the condition of the work (i.e., develop a “punch list”), which shall be subject to HACLA’s review. Michaels shall notify HACLA of such inspection, and shall allow HACLA’s representatives to accompany it on any such inspection. Michaels shall require the Construction Contractor to replace or correct work that does not conform to the Construction Contract, Plans and Specifications or to applicable safety or code standards, statutes or regulations.

ARTICLE VII. TIME OF ESSENCE. Subject to Force Majeure Events, time is of the essence of this Agreement and the performance of all obligations hereunder.

ARTICLE VIII. Michaels Default.

8.1 Defaults. Subject to notice and cure rights under Section 8.3, Michaels shall be deemed to be in default of this Agreement if:

8.1.1 Michaels is adjudged bankrupt, or makes a general assignment for the benefit of its creditors, or becomes a subject of any proceeding commenced under any statute or law for the relief of debtors, provided that Michaels, as the case may be, shall have ninety (90) days to effect the dismissal of any such involuntary proceeding; or

8.1.2 A receiver, trustee, or liquidator of any of the property or income of Michaels is appointed and not dismissed in ninety (90) days; or

8.1.3 Michaels unilaterally withdraws except in the event of a termination of this Agreement pursuant to Section 8.5 of the Master Development Agreement or as expressly allowed by the terms of this Agreement; or

8.1.4 Michaels fails to enforce any material terms, provisions, conditions, covenants or agreements in the Third Party Contracts to be observed and/or performed on the part of the Third Party Contractors, if such failure materially and adversely affects HACLA’s interest hereunder; or

8.1.5 Any action or omission by Michaels or its Third Party Contractors that is the sole cause of or otherwise contributes to the revocation of a funding commitment from a third party funding source for which Michaels has failed to provide a replacement source of committed funds within ninety (90) days after receipt of written notice from HACLA; or

8.1.6 Michaels fails to make payment to a Third Party Contractor when due and funds designated for such payment have been received from HACLA or any other financing
source; or

8.1.7 Michaels fails to obtain and maintain the insurance coverage required herein; or

8.1.8 Michaels fails to enforce the insurance obligations described hereunder on Third Party Contractors; or

8.1.9 Michaels fails to take appropriate efforts or use due diligence to ensure that Third Party Contractors possess the requisite licenses and qualifications necessary for work contracted to them; or

8.1.10 Michaels materially breaches any representation, warranties, covenants, or certifications made in connection with this Agreement, including any conflict of interest provision or unauthorized payment or benefit from a HACLA employee or HACLA Board Member; or

8.1.11 There is an unapproved change in the control in the ownership of Michaels; or

8.1.12 Subject to the existence of a Force Majeure Event, Michaels fails to adhere to the Schedule or evidences that it is unwilling or incapable of meeting the Schedule; or

8.1.13 Subject to the existence of a Force Majeure Event, Michaels materially breaches any other obligation in this Agreement; or

8.1.14 Michaels or any owner or principal of Michaels is convicted of any criminal offense or violation of law.

8.2 Remedies. In addition to the default remedies set forth in the 5370 Rider, in the event of any default by Michaels under this Agreement, HACLA shall have the right to (i) terminate this Agreement or Michaels’ right to proceed with the Work in accordance with this Agreement and assume any existing Third Party Contracts and/or (ii) exercise any and all other remedies at law or in equity that HACLA may have. Additionally, in the event of a default by Michaels hereunder, HACLA shall have the right to take such measures as it deems necessary to correct the default at Michaels’ sole cost and expense and to deduct all costs as HACLA may incur from amounts otherwise owing to Michaels hereunder or to otherwise be reimbursed by Michaels therefor.

8.3 Notice and Opportunity to Cure. Notwithstanding anything in this Agreement to the contrary, Michaels shall not be deemed to be in default under Section 8.1 if Michaels has cured such default within thirty (30) days after the date of written notice to Michaels, or such longer period not to exceed ninety (90) days necessary to cure such default if such default is not curable within said thirty-day period, provided that Michaels is diligently and continuously prosecuting such cure. Notwithstanding anything to the contrary set forth in this Agreement, once HACLA issues a written notice of default to Michaels hereunder, HACLA shall not be
required to pay Michaels any sum due hereunder to Michaels that has a reasonable connection to the default which is the subject of the notice.

8.4 **Indemnification by Michaels.** Michaels shall indemnify, defend and hold HACLA harmless from and against any and all Claims arising out of, attributable to or otherwise occasioned, in whole or in part, by a negligent or intentional act or omission of Michaels, its agent(s), contractor(s), servant(s), or employee(s) which constitutes a breach of Michaels’ obligations under this Agreement or which arises in any manner by reason of or incident to Michaels’ performance of this Agreement. If any party performing work for Michaels on the Project shall assert any claim against HACLA on account of any damage alleged to have been caused by reason of the negligent acts or intentional misconduct of Michaels, its agent(s), servant(s), employee(s) or contractor(s) (including, without limitation, its Construction Contractor), Michaels shall defend at its own expense any suit based upon such claim; and if any judgment or claim against HACLA shall be allowed, Michaels shall pay or satisfy such Claim. The obligations, indemnities, and liabilities of Michaels under this Section shall not extend to any liability caused by the negligence or misconduct of HACLA or its employee(s), contractor(s) or agent(s).

**ARTICLE IX. DEFAULT BY HACLA.**

9.1 **Defaults.** HACLA shall be in default under this Agreement if HACLA materially breaches any obligation herein and Michaels shall have provided written notice thereof to HACLA and HACLA shall have failed to cure such breach within thirty (30) days after the receipt of such notice of default, unless such default is not capable of being cured within such thirty (30) day period in which event such thirty (30) day period shall be extended for such additional time as is reasonably necessary to cure such default so long as HACLA is diligently pursuing such cure, provided that in no event shall any such cure period exceed ninety (90) days in the aggregate, provided that no such event shall constitute a default if such performance is excused or delayed due to the existence of a Force Majeure Event.

9.2 **Remedies.** In the event of any default by HACLA under this Agreement or a failure by HACLA to fund its obligations under this Agreement (except if such failure is due to a default by Michaels), Michaels shall have the right to (i) terminate this Agreement, in which event Michaels shall be paid through the date of such default by HACLA or failure by HACLA to fund its obligations under this Agreement, reimburse Michaels for actual, reasonable, and proper costs that had been reflected in budgets previously approved by HACLA, and/or (ii) exercise any and all other remedies at law or in equity that Michaels may have. In no event whatsoever shall Michaels be entitled to consequential damages, other special damages, or lost profits.

9.3 **Notice and Opportunity to Cure.** Notwithstanding anything in this Agreement to the contrary, HACLA shall not be deemed to be in default hereunder if HACLA has cured such default within thirty (30) days after the date of written notice by Michaels to HACLA, unless such default is not capable of being cured within such thirty (30) day period, in which event such thirty (30) day period shall be extended for such additional time as is reasonably necessary to cure such default so long as HACLA is diligently pursuing such cure, and provided
that in no event shall any such cure period exceed ninety (90) days in the aggregate, and further provided that no such event of default shall constitute a default if such performance is excused or delayed due to the existence of a Force Majeure Event.

ARTICLE X. REPRESENTATIONS AND WARRANTIES.

10.1 HACLA.

10.1.1 Organization and Powers of HACLA. HACLA is a public body, corporate and politic, duly organized and existing under the State of California Health & Safety Code Section 34200 et seq.

10.1.2 Authorization, Binding Agreement of HACLA. The execution, delivery and performance by HACLA of this Agreement have been duly authorized by all requisite action.

10.1.3 Litigation, Limited Denial of Participation, or Debarment. There is no action, suit or proceeding pending or threatened before any court or government or administrative body or agency that may reasonably be expected to (i) result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of HACLA, or (ii) impair the ability of HACLA or to perform its obligations under this Agreement. HACLA is not in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or any governmental or administrative body or agency, which would impair its ability to perform its obligations under this Agreement.

10.2 Michaels.

10.2.1 Organization and Powers. Michaels is a limited partnership organized, validly existing and in good standing under the laws of the State of New Jersey and is duly authorized to do business and in good standing under the laws of the State of California. Michaels has the power and authority to own its assets and properties, to carry on its activities as now conducted by it, and to execute, deliver and perform this Agreement and all applicable development documents. Michaels shall provide a Certificate of Good Standing for Michaels issued by the California Secretary of State no more than thirty (30) days prior to the date of this Agreement.

10.2.2 Authorization, Binding Agreement. The execution, delivery and performance by Michaels of this Agreement and any related documents and actions have been duly authorized by all requisite action of Michaels and are the legally binding obligation of Michaels.

10.2.3 Litigation, Limited Denial of Participation, or Debarment. There is no action, suit or proceeding pending or threatened before any court or government or administrative body or agency which may reasonably be expected to (a) result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of Michaels or (b) impair the ability of Michaels to perform its obligations under this Agreement. Michaels is not in default with respect to any judgment, writ, injunction, decree, rule
or regulation of any court or any governmental or administrative body or agency. Michaels, its
members, and its affiliates, are not the subject of a limited denial of participation or debarment
by HUD or any similar prohibition on conducting business with public agencies in the State of
California or other jurisdictions.

10.2.4 Financial Condition. Prior to execution of this Agreement, Michaels has
submitted its fiscal year 2019 financial statements reviewed by a certified accountant. Michaels
warrants that there has been no material adverse change in the financial condition of Michaels
since the issuance of the 2019 financial statements.

10.2.5 Non-Discrimination. Michaels shall comply fully with all federal, state
and local non-discrimination laws, regulations and rules in regard to the employment of persons.
Without limiting the generality of the foregoing, Michaels agrees that, in connection with the
performance of work under this Agreement, it will not discriminate against applicants with
respect to the following activities: (a) employment, promotion, demotion, transfer, recruitment,
or recruitment advertising; (b) lay-off or termination; (c) rates of pay or other forms of
compensation; and (d) selection for training, including apprenticeship.

ARTICLE XI. MISCELLANEOUS.

11.1 Notices. All notices required or permitted to be given under the Agreement shall
be in writing and shall be deemed given if (a) delivered personally or by courier, (b) teledocopy,
(c) sent by overnight express delivery, or (d) mailed by registered or certified mail (return receipt
requested), postage prepaid, to a Party at its respective address set forth below (or at such other
address as shall be specified by the Party by like notice given to the other Party):

If to HACLA: Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 3rd Floor
Los Angeles, CA 90057
Attn: President/CEO

with a copy to: Reno & Cavanaugh, PLLC
455 Massachusetts Avenue, NW Suite 400
Washington, DC 20001
Attn: Megan Glasheen, Esq.

If to Michaels: The Michaels Organization
2 Cooper Street, 14th Floor
Camden, NJ 08102
Attn: John J. O’Donnell

with a copy to: Levine, Staller, Sklar, Chan & Brown, P.A.
3030 Atlantic Avenue
Atlantic City, NJ 08401
Attn: Arthur M. Brown
11.2 **Nonwaiver.** Neither HACLA’s or Michael’s review, approval, or acceptance of, nor payment for, the services required under this Agreement shall be construed as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

11.3 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of HACLA and Michaels and their successors. Neither party shall be entitled to assign in whole or in part, directly or indirectly, this Agreement to any other person, without the prior written consent of the other party and HUD, which consents may be withheld in the other party’s and/or HUD’s sole discretion.

11.4 **Governing Law.** The laws of the State of California shall govern this Agreement.

11.5 **Counterparts.** This Agreement may be executed in counterparts.

11.6 **Partial Invalidity.** If any provision of the Agreement shall operate or would prospectively operate to invalidate this Agreement in whole or in part, then such provision only shall be deemed severed and of no effect, and the remainder of the Agreement shall remain operative and fully effective.

11.7 **Record Retention.**

11.7.1 Michael’s books and records pertaining to its performance under this Agreement shall be kept in accordance with generally accepted accounting principles and as required by the applicable HUD requirements, and shall be retained for at least three (3) years after HACLA makes final payment to Michaels under this Agreement and all other pending matters are closed. Michaels agrees to grant a right of access to HACLA, HUD, any agency providing funds to HACLA, the Comptroller General of the United States, and any of their authorized representatives, with respect to any books, documents, contracts, agreements, papers, or other records pertinent to this Agreement in order to make audits, examinations, excerpts, and transcripts. Michaels agrees to ensure that the recordkeeping, access, audit, and reporting requirements set forth in this Section 11.7 are also made legally binding upon any contractor or subcontractor that receives funds derived from HACLA in connection with the Work.

11.7.2 Notwithstanding the foregoing, Michaels shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement, and Michaels’ accounting system shall be satisfactory to HACLA and shall be in compliance with the requirements necessary or appropriate to certify costs to HUD. Michaels’ accounting firm shall be subject to HACLA’s reasonable approval. In the event of the termination of this Agreement for any reason, or upon completion of the Work, Michaels shall furnish HACLA with true and correct legible copies or originals of all of the foregoing. All reimbursable expenses shall be subject to a cost certification upon completion of the activities and undertakings to which the same pertains.

11.8 **Applicable Laws; Specific Plan.**
11.8.1 Michaels shall perform all obligations under this Agreement, and shall cause all improvements to the Park Site to be designed and constructed, in compliance with the Specific Plan, all requirements set forth in this Agreement, all permits and approvals issued for the Park Site, and all applicable Federal, state and local laws, codes, ordinances, rules and regulations, and directions of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. Michaels shall ensure that all Third Party Contractors possess the requisite licenses and qualifications and insurance necessary for work contracted to them and shall comply, and shall ensure the compliance of all Third Party Contractors, with laws prohibiting discrimination on the basis of disability, including but not limited to: Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations issued pursuant thereto (24 CFR. Part 8); the Americans with Disabilities Act (42 U.S.C. 12101 et seq. and its implementing regulation at 28 CFR Part 36), the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151) and regulations issued pursuant thereto (24 CFR Part 40).

11.8.2 Without limiting the foregoing, Michaels shall comply with the following:

11.8.2.1 The Fair Housing Amendments Act (42 U.S.C. 3601-19), and regulations issued thereunder; 24 CFR Part 100; Executive Order 11063 (Equal opportunity Housing) and regulations issued thereunder; 24 CFR Part 107; the Fair Housing Poster Regulations; 24 CFR Part 110 and advertising guidelines, 24 CFR Part 109.


11.8.2.6 Section 3 of the Housing and Urban Development Act of 1968, together with other Local Hiring Requirements and other requirements in Sections 1.2.7.2, 3.2.11 and 4.10 of the Master Development Agreement.

11.8.2.7 For all on-site construction activities and all of Michaels’ adjacent construction activities, Michaels shall pay and assure that all contractors and subcontractors pay state prevailing wages as required by California Labor Code Section 1770 et seq., as amended,
and shall comply with all applicable reporting and recordkeeping requirements.

11.8.2.8 To the extent applicable depending on sources of funds incorporated into the Budget, labor standards applicable to the development of public housing (the most stringent of which currently is the Davis-Bacon Act, 40 U.S.C. 276a et seq.), together with Section 4.22.8 of the Master Development Agreement and any reporting requirements imposed by HACLA to confirm compliance with this Section.

11.9 **No Assignment of Funds.** HACLA and Michaels acknowledge that a transfer by HACLA to Michaels of any funds received by HACLA from HUD shall not be deemed to be an assignment of said funds, and neither Michaels nor any other person will succeed to any rights or benefits of HACLA. Michaels shall ensure this language is inserted into any contract or subcontract involving the use of HUD funds in connection with the Work.

**ARTICLE XII.** **HUD CUSTOMARY RIGHTS.**

12.1 **Suspension of Work.** HACLA may order Michaels in writing to suspend, delay, or interrupt work to be performed under this Agreement for the period of time that HACLA determines appropriate or is so required by HUD, and Michaels shall provide for such suspension of work by HACLA in its contracts with subcontractors.

12.2 **Termination for Convenience.** Section 8.5 of the Master Development Agreement is incorporated into this Agreement. However, "fair compensation" for this Agreement shall refer only to the Project Management Fee due for implementation of the Work up to the date of termination for convenience.

**ARTICLE XIII.** **REPRESENTATIVES.** To facilitate communication, the Parties to this Agreement shall designate a representative with responsibility for the routine administration of each Party’s obligations under this Agreement. The Parties initially appoint the following as representatives:

- **HACLA:** Jenny Scanlin
- **Michaels:** Kecia Boulware

**ARTICLE XIV.** **ENTIRE AGREEMENT.** This Agreement, inclusive of all incorporated references and all Exhibits referenced herein are hereby incorporated herein, constitute the final understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all written and oral negotiations, understandings, and agreements between the Parties in regard to the subject matters addressed herein. This Agreement may be amended, supplemented, or changed only by writing signed by each party hereto.

**ARTICLE XV.** **TERM OF AGREEMENT.** Notwithstanding anything to the contrary contained herein, this Agreement shall commence as of the Effective Date and shall terminate upon the earlier to occur of: (a) termination as provided for by the terms of this Agreement; or (b) completion and payment for all the Work provided for herein; or (c) December 31, 2024. The parties may at their sole discretion agree to extend the term of this
Article XVII. No Liens. Michaels shall keep the Site free of mechanics', materialmen's and other involuntary liens, stop notices and encumbrances and shall not place a lien or other encumbrance on the Site, nor pledge the Site as collateral for any debts or financing. In the event Michaels or a Third Party Contractor permits or secures a lien or other encumbrance on the Site, Michaels shall ensure that such lien or encumbrance be removed via securing a bond as soon as possible. Michaels shall ensure that each Third Party Contract contains a bonding requirement consistent with this Article.

Article XVII. Conflict of Interest. The Parties acknowledge and agree that this Agreement does not violate the conflict of interest provisions set forth in 2 CFR Part 200, 24 CFR Part 905 and the Consolidated Annual Contributions Contract between HUD and HACLA, as amended and in effect as of the date hereof (the "ACC"), and the parties hereto agree to comply with such provisions. Each of the Parties agrees to include in all contracts with any party involving the use of public housing funds, a conflict of interest provision consistent with 2 CFR Part 200, 24 CFR Part 905 and the ACC. Michaels agrees to execute a Certification Regarding Lobbying and all other certifications required to be executed in connection with receipt of the public housing funds.

[Signatures page(s) to follow]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

HACLA:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ______________________________
    Douglas Guthrie
    President and Chief Executive Officer

MICHAELS:

THE MICHAELS DEVELOPMENT COMPANY I, L.P.

By: The Michaels Development Holding Company, LLC,
    a New Jersey limited liability company,
    its general partner

By: ______________________________
    John O’Donnell
    President
EXHIBIT A

SCOPE OF WORK

Project Manager shall be responsible for coordinating and implementing the following component projects

1. **Freedom Tree Park** is a new approximately 1.0 acre park to be built on Lot 9 of Tract 72805 on the southern side of Century Boulevard just east of Grape Street. The park has frontage on Century Boulevard and is envisioned to include areas for quiet relaxation, provide passive recreational opportunities, as well as provide a new space to enjoy the neighborhood of Watts. The project will plant approximately 35 trees, other landscape improvements, including passive recreation opportunities like walking paths and natural infrastructure to utilize rather than divert stormwater.

2. **Century Gateway Park** The proposed project is a new approximately .71 acre park to be built on Lot 8 of Tract 72805 on the northern side of Century Boulevard just east of Grape Street. The park has frontage on Century Boulevard and is envisioned to include areas for quiet relaxation, provide passive recreational opportunities, as well as provide a new space to enjoy the neighborhood of Watts. The project provides an urban greening opportunity to increase parkland and green space in a park poor area. The project will plant approximately 20 trees, other landscape improvements, including passive recreation opportunities like walking paths and natural infrastructure to utilize rather than divert stormwater. The park will be designed to be well lit and provide a sense of security.

3. **Tentative Tract Map 82633** – Creates basis for legal parcels for future Central Park and public right of way that extends street grid from Jordan Downs through the greater neighborhood, from Century Boulevard south to 103rd Street.

4. **Final Tract Map 82633-01** – First Unit Map of TTM 82633, creates three distinct legal lots and creates extension of Lou Dillion, which abuts the western portion of the Central Park, south to 101st which will be accepted upon completion as public right of way. Map will also create basis for assignment of new Assessor Parcel Numbers for each lot with the County of Los Angeles.

5. **B-Permit Engineering for Tract 82633-01** – Plans for creation public right of way and underground wet and dry utility infrastructure to serve Jordan Downs Phase S2 and Phase S3. B-Permit plans include water, power distribution, street lights, traffic signs, storm water, sewer systems, streets, sidewalks and parkways along portions of Grape Street, 101st Street and a southerly extension of Lou Dillion Street that also abuts the Central Park.

6. **Phase 1B, S2 and S3 Street Extensions** - Construction of public ROW and associated infrastructure for Lou Dillion and Juniper Streets from Century Boulevard, south the 101st Street. Construction costs shown in the Budget reflect half width of street and 50% of infrastructure costs, as applied to non-residential components.
7. **Future Phase Final Tract Maps** – Unit Maps 2, 4, and 5 of TTM 82633 create distinct legal lots for Central Park, Children's Park and Phases S4, S5, S7, and S8 and creates extension public right of way. Map will also create basis for assignment of new Assessor Parcel Numbers for each lot with the County of Los Angeles.

8. **Children’s Park** is a new approximately 0.5 acre park to be built on Lot 5 of Tract 82633 on the southern side of 101st Street located between the future Phase S4 and Phase S5. The park is envisioned to include active play areas for children in 3 distinct age groups ranging from ages 2-16 and areas for small community gatherings opportunities, as well as shaded areas for more passive recreation. The project will plant native drought tolerant landscape improvements, interactive play structures, walking paths and some site furnishings for small gatherings.

Predevelopment Phase

1. Procure, Select, and hire qualified and licensed architects and engineers to develop the required plans to secure approvals from the City and County of Los Angeles, as applicable to construct the improvements.
2. Coordinate and monitor the work of the architects and engineers in connection with the preparation of the construction documents, and review said documents for suitability and feasibility;
3. Arrange for payment of fees and secure permits for construction of work.

After government approvals for the work have been secured for each component, Project Manager will

1. Procure, Select, and hire qualified and licensed general contractor to complete the construction of each component.
2. Prepare contract documents for execution by the GC and its subcontractors, as applicable;
3. Prepare/review/approve of all progress payment draw requests pursuant to the construction contract for the applicable component; and
4. Review prevailing wage/labor compliance and HUD guidelines.

Construction Administration Phase

1. Manage the GC and the Monitor in completing their work under their contracts:
2. Conduct pre-construction meeting and periodic on-site inspections and meetings to determine compliance with the applicable component construction contract.
3. Share general contractor’s schedule analysis
4. Ensure architects and engineers review & respond to submittals, and RFIIs
5. Process payment request forms and change order proposals;
6. Review and approve all compliant progress payment draw requests;
7. Organize and maintain project files
8. Ensure all contractors demonstrate compliance with the requirements of Section 3
9. Ensure all contractors secure certificates of occupancy or completion from governing agencies.
Post Completion Phase

1. Provide a smooth handover from construction project completion to site management between all necessary parties. Facilitate the inspection and completion of all punch list items, and filing and recordation of all applicable legal notices.
EXHIBIT B

BUDGET

[attached]
<table>
<thead>
<tr>
<th>Task Description</th>
<th>Need</th>
<th>Task TDC Budget</th>
<th>Phase</th>
<th>Financing Source</th>
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EXHIBIT C

SCHEDULE

1. Freedom Tree Park
   1. Design & Permitting - complete October 2020
   2. Construction - November 2020 to March 2021

2. Century Gateway Park
   1. Design & Community Engagement - January 2021 to April 2021
   2. Permitting - May 2021 to July 2021
   3. Construction - August 2021 to November 2021

3. Tentative Tract Map 82633 - Completed July 2019

4. Final Tract Map 82633-01
   1. Clearance Processing - complete September 2020
   2. Map Recordation - October 2020

5. B-Permit Engineering for Tract 82633-01
   1. Design & Permitting - complete December 2020

6. Street Extensions
   1. Design & Permitting - complete December 2020
   2. Construction - March 2021 to December 2021
EXHIBIT D

GOVERNMENTAL REQUIREMENTS RIDER

The Work to be performed by Michaels and Third Party Contractors under this Agreement is for a project in which financial assistance is being provided, in part, by one or more governmental agencies, programs or authorities. Michaels therefore agrees, and shall cause each and every Third Party Contractor to agree, to comply with all applicable Federal, state or municipal requirements including, without limitation, those concerning equal employment opportunities, minority and women’s business utilization, small and disadvantaged business utilization, and local jobs preferences, in accordance with applicable law. Michaels (as defined below) shall provide each Third Party Contractor with a copy of (or relevant information relating to) any Federal, state or municipal requirements and may require each Third Party Contractor to participate in meetings with or required by public authorities and to document, to the satisfaction of such authorities, Third Party Contractor’s efforts to comply with any such requirements. Each Third Party Contractor shall incorporate into all subcontracts any specific requirements of which such Third Party Contractor has been made aware by Michaels. Without limiting the foregoing, set forth below are certain specific requirements or limitations applicable to the Work and the Project.

The terms of this Exhibit, together with its attachments (the HUD Rider), shall govern and control in the event of conflict or ambiguity with any other term, covenant or provision of the contract to which this Exhibit is attached or, if applicable, any of the “Contract Documents” referenced in such contract.

1. The Third Party Contract shall be amended by the incorporation of HUD Form 5370 and HUD Form 5370-C Part I, attached to this Exhibit as Attachment 1. The terms of the HUD Rider shall govern and control in the event of any conflict or ambiguity with any other term, covenant or provision of this Exhibit, except as follows:

1.1. In the Attachment 1, the terms “Authority”, “Housing Authority” and “HA” shall refer either or both to the Public Housing Authority who is providing assistance to the Project and to the counterparty to Michaels under the Contract (referred to herein as “Developer”), as their interests may appear.

1.2. Sections 2, 3, 14, 15, 21, 22, 23, 25, 27, 28, 29, 31, 32, 33, 36, and 48 of the Form 5370 and Section 2, 6, 7, 9, and 12 of the Form 5370 – C Part I are hereby deleted as inapplicable to the relationship between the Developer and Third Party Contractor. Each Third Party Contractor acknowledges, however, that should the Housing Authority invoke any like provision in the Housing Authority’s agreement with the Developer, or through any applicable law or regulation, such Third Party Contractor shall be bound by the deleted provisions to the extent required to accommodate the rights of the Housing Authority.

(42 U.S.C. § 701) and with HUD’s rules at 24 CFR part 24, subpart F.

3. **Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).** Third Party Contractor shall deliver to the Developer a fully executed copy of the certificate required by the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), in the form attached to this Exhibit as Attachment 2, shall require each subcontractor to deliver a fully executed copy of such certificate in connection with the execution of any contract or subcontract and shall deliver such certificates to the Developer, and shall include, or cause to be included, this provision in all subcontracts having a value of $100,000 or more.

4. **No Excluded Party Participation.** Each Third Party Contractor hereby certifies that neither it nor any of its principal employees are listed on the General Services Administration’s List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with Executive Orders 12549 and 12689, **“Debarment and Suspension.”** This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than Executive Order 12549. Any party so listed is referred to herein as an **“Excluded Party.”** Michaels shall not make any contract with an Excluded Party and shall otherwise comply with subpart C of 2 CFR part 180, as supplemented by subpart C of 2 CFR part 2424 (implementing Executive Orders 12549 and 12689). Michaels shall include this provision in all subcontracts that exceed $25,000 in value and shall require all subcontractors with contracts that exceed $25,000 in value to provide the required certification regarding its exclusion status and that of its principal employees.

5. **Conflict of Interest.** No officer or employee of the Housing Authority or its affiliates who exercises any functions or responsibilities with respect to the Project or the Work during his or her tenure for one year thereafter, shall have any interest, director or indirect, in this Agreement or in any subcontract.

6. **HUD and Housing Authority Requirements.**

   6.1. The performance of the Work shall comply with all applicable State and local laws, codes, ordinances and regulations.

   6.2. Third Party Contractor acknowledges that a transfer to Third Party Contractor of funds received by HACLA from HUD shall not be deemed to be an assignment of said funds, and neither Third Party Contractor nor any other party shall succeed to any rights or benefits of HACLA under any grant agreement with respect to such funds, or obtain any privileges, authorities, interests or rights in or under such agreement. Third Party Contractor acknowledges that nothing contained in any agreement or contract between HACLA, the Developer and/or Third Party Contractor, or any of them, nor any act of HUD, HACLA, or the Developer shall be deemed or construed to create any relationship of third party beneficiary, principal and agent, limited or general partnership, general venture, or any association or relationship involving HUD.

   6.3. HACLA will be listed as an additional insured under Third Party Contracts.
6.4. Third Party Contractor shall comply with all other applicable requirements of HUD with respect to project funding sources, including without limitation any requirements applicable to public housing Capital Funds or program income. The Agreement may be suspended or terminated if Michaels materially fails to comply with any term in HUD regulations or HUD funding agreements or the award of HUD funds to the Housing Authority.
ATTACHMENT 1 TO GOVERNMENTAL REQUIREMENTS RIDER

HUD Form 5370-C: General Conditions for NON-Construction Projects – Public Housing Programs

[attached]
Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

1) Non-construction contracts (without maintenance) greater than $105,000 - use Section I;
2) Maintenance contracts (including nonroutine maintenance as defined at 24 CFR 968.105) greater than $2,000 but not more than $150,000 - use Section II; and
3) Maintenance contracts (including nonroutine maintenance), greater than $150,000 - use Sections I and II.

Section I - Clauses for All Non-Construction Contracts greater than $150,000

1. Definitions

The following definitions are applicable to this contract:
(a) "Authority or Housing Authority (HA)" means the Housing Authority.
(b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
(c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
(d) "Day" means calendar days, unless otherwise stated.
(e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

(a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
(b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
(c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a proposal submitted before final payment of the contract.
(d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
(e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

(a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
(b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
(c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.

4. Examination and Retention of Contractor's Records

(a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.
(b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above, “Subcontract,” as used in this clause, excludes purchase orders not exceeding $10,000.

(c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
(i) appeals under the clause titled Disputes;
(ii) litigation or settlement of claims arising from the performance of this contract; or,
(iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 84-163) for the State in which the work under this contract is performed.

7. Disputes

(a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach there of which are not disposed of by agreement, shall be resolved under this clause.

(b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.

(c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.

(d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.

(e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract, except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

(a) The Contractor warrants that to the best of its knowledge and belief except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
(i) Award of the contract may result in an unfair competitive advantage; or
(ii) The Contractor's objectivity in performing the contract work may be impaired.

(b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.

(d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

12. Inspection and Acceptance

(a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any
product of work shall be deemed accepted as submitted if
the HA does not issue written comments and/or required
corrections within 30 days from the date of receipt of such
product from the Contractor.
(b) The Contractor shall make any required corrections
promptly at no additional charge and return a revised copy
of the product to the HA within 7 days of notification or a
later date if extended by the HA.
(c) Failure by the Contractor to proceed with reasonable
promptness to make necessary corrections shall be a
default. If the Contractor's submission of corrected work
remains unacceptable, the HA may terminate this contract
(or the task order involved) or reduce the contract price or
cost to reflect the reduced value of services received.

13. Interest of Members of Congress

No member of or delegate to the Congress of the United States
of America or Resident Commissioner shall be admitted to any
share or part of this contract or to any benefit to arise there from,
but this provision shall not be construed to extend to this
contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former
Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the
governing body of the locality in which the project is situated, no
member of the governing body in which the HA was activated,
and no other public official of such locality or localities who
exercises any functions or responsibilities with respect to the
project, shall, during his or her tenure, or for one year
thereafter, have any interest, direct or indirect, in this contract or
the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal
Transactions

(a) Definitions. As used in this clause:
   "Agency", as defined in 5 U.S.C. 552(f), includes Federal
   executive departments and agencies as well as independent
   regulatory commissions and Government corporations, as
   defined in 31 U.S.C. 9101(1).
   "Covered Federal Action" means any of the following
   Federal actions:
   (i) The awarding of any Federal contract;
   (ii) The making of any Federal grant;
   (iii) The making of any Federal loan;
   (iv) The entering into of any cooperative agreement; and,
   (v) The extension, continuation, renewal, amendment, or
   modification of any Federal contract, grant, loan, or
   cooperative agreement.
   Covered Federal action does not include receiving from an
   agency a commitment providing for the United States to insure
   or guarantee a loan.
   "Indian tribe" and "tribal organization" have the meaning
   provided in section 4 of the Indian Self-Determination and
   are included under the definitions of Indian tribes in that Act.
   "Influencing or attempting to influence" means making, with
   the intent to influence, any communication to or appearance
   before an officer or employee of any agency, a Member
   of Congress, an officer or employee of Congress, or an employee
   of a Member of Congress in connection with any covered
   Federal action.
   "Local government" means a unit of government in a State
   and, if chartered, established, or otherwise recognized by a
   State for the performance of a governmental duty, including a
   local public authority, a special district, an intrastate district, a
council of governments, a sponsor group representative
organization, and any other instrumentality of a local
government.
   "Officer or employee of an agency" includes the following
   individuals who are employed by an agency:
   (i) An individual who is appointed to a position in the
   Government under title 5, U.S.C., including a position under a temporary appointment;
   (ii) A member of the uniformed services as defined in
   section 202, title 18, U.S.C.;
   (iii) A special Government employee as defined in section
   202, title 18, U.S.C.; and,
   (iv) An individual who is a member of a Federal advisory
   committee, as defined by the Federal Advisory
   Committee Act, title 5, appendix 2.
   "Person" means an individual, corporation, company, association,
   authority, firm, partnership, society, State, and local
   government, regardless of whether such entity is operated for
   profit or not for profit. This term excludes an Indian tribe, tribal
   organization, or other Indian organization with respect to
   expenditures specifically permitted by other Federal law.
   "Recipient" includes all contractors, subcontractors at any
tier, and subgrantees at any tier of the recipient of funds received
in connection with a Federal contract, grant, loan, or cooperative
agreement. The term excludes an Indian tribe, tribal organization,
or any other Indian organization with respect to
expenditures specifically permitted by other Federal law.
   "Regularly employed means, with respect to an officer or
   employee of a person requesting or receiving a Federal
   contract, grant, loan, or cooperative agreement, an officer or
   employee who is employed by such person for at least 130
   working days within one year immediately preceding the date of
   the submission that initiates agency consideration of such
   person for receipt of such contract, grant, loan, or cooperative
   agreement. An officer or employee who is employed by such
   person for less than 130 working days within one year
   immediately preceding the date of submission that initiates
   agency consideration of such person shall be considered to be
   regularly employed as soon as he or she is employed by such
   person for 130 working days.
   "State" means a State of the United States, the District of
   Columbia, the Commonwealth of Puerto Rico, a territory or
   possession of the United States, an agency or instrumentality of
   a State, and a multi-State, regional, or interstate entity having
   governmental duties and powers.

(b) Prohibition.

(i) Section 1352 of title 31, U.S.C. provides in part that no
appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative
agreement to pay any person for influencing or attempting to influence an officer or employee of any
agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative
agreement.
(ii) The prohibition does not apply as follows:
(1) Agency and legislative liaison by Own Employees.
   (a) The prohibition on the use of appropriated funds, in paragraph (b)(i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.
   (b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.
   (c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:
      (1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,
      (2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.
   (d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:
      (1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;
      (2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and
      (3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.
   (e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.
   (a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this section, does not apply in the case of-
      (i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.
      (ii) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.
   (b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.
   (c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.
   (d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.
   (c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:
      (i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and
      (ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.
   (d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.
   (e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.
   (f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.
16. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

(b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to (1) employment; (2) upgrading; (3) promotion; (4) transfer; (5) recruitment or recruitment advertising; (6) layoff or termination; (7) rates of pay or other forms of compensation; and (8) selection for training, including apprenticeship.

(c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(d) 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 race, color, religion, sex, or national origin.

(e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers’ representative of the Contractor’s commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.

(i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontractor or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

17. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

18. Contractor’s Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims, suits, actions and costs of every description resulting from the Contractor’s activities on behalf of the HA in connection with this Agreement.

19. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heading any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

20. Liens

The Contractor is prohibited from placing a lien on HA’s property. This prohibition shall apply to all subcontractors.

21. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

(a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this contract agree to comply with HUD’s regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the contractor’s commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of
apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

(f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

22. Procurement of Recovered Materials

(a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

(b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of $10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of $10,000 of the item both under and outside that contract.
ATTACHMENT 2 TO GOVERNMENTAL REQUIREMENTS RIDER

Byrd Anti-Lobbying Certification

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

(3) The undersigned will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients will certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification will be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

CONTRACTOR:

____________________________

By:
Name: ________________________
Title: ________________________
EXHIBIT E-1

APPROVED THIRD PARTY CONTRACTORS

[attached]
Approved Third Party Vendors

1. Tina Chee Landscape Architecture
2. From Lot to Spot
3. WPIC Construction
4. Walton Construction
5. Fuscoe Engineering
6. BREEN Engineering
7. Visual Concepts Lighting
8. Traffic Management Inc.
9. Geocon
10. FSY Architects
11. SVA Architects
12. QES, Inc.
13. Dudek
EXHIBIT E-2

PROCUREMENT PLAN FOR JORDAN DOWNS REDEVELOPMENT

Project: Jordan Downs, Los Angeles, CA (Park and Infrastructure Improvements)

Developer: The Michaels Development Company I, LP

Housing Authority: Housing Authority of the City of Los Angeles

GENERAL PROVISIONS

General
The Developer is a private entity developing the Project for private ownership in phases, and in general is not bound by procurement laws applicable to public agencies or publicly-owned projects. Nonetheless, the Developer is cognizant of the public and community interest in the Project and wishes to provide for a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by the Developer; ensure that supplies and services (including construction) are procured efficiently, effectively, and are the most advantageous to the Developer and Project, taking into consideration price, quality and other factors; utilize small and disadvantaged businesses and local residents in the Project so as to strengthen the social and economic fabric of the surrounding community; promote to the maximum extent practical open and free competition in contracting; and assure that Developer’s purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and local laws.

To the extent that any purchasing actions are performed by an affiliate of Developer and not Developer, Developer will nonetheless ensure compliance with this Procurement Plan in such affiliate purchasing actions.

Definition
The term “procurement,” as used in this Plan, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction services; (3) architectural and engineering services, (4) maintenance; (5) social services and (6) other services.

ETHICS IN CONTRACTING

General
The Developer hereby establishes this code of conduct regarding procurement issues and actions. This code of conduct is consistent with applicable Federal, State, or local law.

Conflicts of Interest
No employee, officer, Board member, or agent of the Developer shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. Such a conflict would arise when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:

A. An employee, officer, Board member, or agent involved in making the award;

B. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half
brother, or half sister);

C. His/her partner; or

D. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

**Gratuities, Kickbacks, and Use of Confidential Information**
No officer, employee, Board member, or agent shall ask for or accept gratuities, favors, or items of value from any contractor, potential contractor, or party to any subcontract involved in the Project, except a gift or unsolicited item in which the financial interest is not substantial, and shall not knowingly use confidential information for actual or anticipated personal gain. Any gift, meal or entertainment with a cost of less than $50 is presumed to have an insubstantial financial interest.

**PURCHASING METHODS**

With respect to each procurement activity, one of the following purchasing methods will be employed by the Developer as deemed appropriate by the Developer:

**Petty Cash Purchases**
Purchases under $1,000 may be handled through the use of a petty cash account. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty Cash Accounts, the Developer shall ensure that security is maintained and only authorized individuals have access to the account. These accounts should be reconciled and replenished periodically.

**Small Purchase Procedures**
For any amounts above the Petty Cash ceiling, but not exceeding $100,000, the Developer may use small purchase procedures. Under small purchase procedures, the Developer shall obtain a reasonable number of quotes (preferably three); however, for purchases of less than $5,000, also known as Micro Purchases, only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotes may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. An award shall be made to the qualified vendor whose offer or bid is the most advantageous to the Developer, considering price, quality and other factors. If an award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. The Developer shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to: (1) permit use of the small purchase procedures or (2) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold.

**Sealed Bids**
Sealed bidding may be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this document. Under sealed bids, the Developer publicly solicits bids and awards a firm fixed-price or time and materials with a not to exceed contract (lump sum or unit price) to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bid (IFB), is the lowest in price.

A. **Conditions for Using Sealed Bids.** The Developer may use the sealed bid method if the following conditions are present: a complete, adequate, and realistic statement of work, final plans and specifications, or accurate purchase description is available; two or more responsible
bidders are willing and able to compete effectively for the work; the contract can be awarded based on a firm fixed or time and materials with a not to exceed price; and the selection of the successful bidder can be made principally on the lowest price.

B. Solicitation and Receipt of Bids. An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that an award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be date and time-stamped and stored unopened in a secure place until the bid opening. A bidder may withdraw the bid at any time prior to the bid opening.

C. Bid Opening and Award. All bids received shall be recorded on an abstract (tabulation) of bids, and then made available for inspection by bidders and/or by governmental agencies, lenders, investors, or other properly interested parties. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost or price analysis.

D. Mistakes in Bids. Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, corrections in bids may be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made. All decisions to allow correction or withdrawal of a bid shall be supported by a written determination signed by the Developer’s contracting officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of the Developer or fair competition shall not be permitted.

Competitive Proposals
Unlike sealed bidding, the competitive proposal method permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. An award is normally made on the basis of the proposal that represents the best overall value to the Developer, considering price and other factors, e.g., technical expertise, past experience, quality and capacity of proposed bidder, schedule to execute scope of work, etc., and not solely the lowest price.

A. Conditions for Use. Where conditions are not appropriate for the use of sealed bidding or where other factors exist that make the use of sealed bidding less advantageous to the Developer, competitive proposals may be used. Such other factors include a determination by the Developer that it is in the Developer’s best interests to engage a Contractor prior to finishing a complete, adequate, and realistic statement of work, final plans and specifications, or accurate purchase description so to use the Contractor’s knowledge and experience to develop the statement of work, plans and specifications or purchase description or to value engineer the products or services, in accordance with best practices in the private sector for similar projects. Competitive proposals are the preferred method for procuring professional services that will exceed the small
purchase threshold.

B. **Form of Solicitation.** Competitive proposals shall be solicited through the issuance of an RFP or RFQ (where price is not an element of the selection). A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established **before** the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals until after award. The Developer may assign price a specific weight in the evaluation criteria or the Developer may consider price in conjunction with technical and other factors.

C. **Evaluation.** The proposals shall be evaluated by an employee or employees of the Developer who have the appropriate skills and experience to evaluate the proposal. Such employees shall be required to disclose any potential conflicts of interest. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract. One employee shall be deemed to be the contracting officer and shall have primary contact with each offeror.

D. **Negotiations.** Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the technical, price and other factors used to evaluate the proposals. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror’s proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations. Negotiations are exchanges (in either competitive or sole source environment) between the Developer and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. The primary object of the negotiations is to maximize the Developer’s ability to obtain best value. The contracting officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as cost, price, technical approach, past performance, and terms and conditions) that could, in the opinion of the contracting officer, be altered or explained to enhance materially the proposer’s potential for award. The scope and extent of discussions are a matter of the contracting officer’s judgment. The contracting officer may inform an offeror that its price is considered by the Developer to be too high, or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that the price analysis, market research, and other reviews have identified as reasonable. “Auctioning” (revealing one offeror’s price in an attempt to get another offeror to lower their price) is prohibited.

E. **Award.** After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to the Developer provided that the price is within the maximum total project budgeted amount established for the specific property or activity.

**Noncompetitive Proposals**

A. **Conditions for Use.** Procurement by noncompetitive proposals (sole-source) may be used when the award of a contract is not feasible using small purchase procedures, sealed bids or competitive proposals, and if one of the following factors applies:
1. The item or service is available only from a single source, based on a good faith review of available sources;

2. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the Developer or the Project, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services or construction such that the need cannot be met through any of the other procuremen: methods, and the emergency procurement shall be limited to those supplies, services or construction necessary simply to meet the emergency;

3. A public exigency circumstance; or

4. After solicitation of a number of sources, competition is determined inadequate by the Developer.

B. Justification. Each procurement based on noncompetitive proposals shall be supported by a written justification by the responsible contracting officer for the selection of this method.

SOLICITATION AND ADVERTISING

Method of Solicitation

A. Petty Cash and Micro Purchases. The Developer may contact only one source if the price is considered reasonable.

B. Small Purchases. Quotes may be solicited orally, through fax, or by any other reasonable method.

C. Sealed Bidding and Competitive Proposals. Solicitation must be done either publicly or by contacting at least three potential bidders/offerees. If the public solicitation method is used, the Developer must use one or more of the following solicitation methods, provided that the method employed provides for meaningful competition.

1. Advertising in newspapers or other print mediums of local or general circulations.

2. Advertising in various trade journals or publications (for construction).

3. E-Procurement. The Developer may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with Federal, State and local requirements.

Time Frame
For purchases of more than $100,000 in which public solicitation is used, the public notice should run at least once for a reasonable amount of time.

Form
Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number or other identifying name for the solicitation, a contact who can provide a copy of, and information about, the solicitation, and a brief description of the needed items(s) and/or service(s).
Time Period for Submission of Bids and Proposals
A minimum of 15 days shall generally be provided for preparation and submission of bids or proposals. However, the Developer may allow for a shorter period under extraordinary circumstances.

Cancellation of Solicitations
A. An IFB, RFP, RFQ or other solicitation may be cancelled before bids/offers are due if:

1. The supplies, services or construction is no longer required;
2. The funds are no longer available;
3. Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
4. Other similar reasons.

B. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:

1. The supplies or services (including construction) are no longer required;
2. Ambiguous or otherwise inadequate specifications were part of the solicitation;
3. All factors of significance to the Developer were not considered;
4. Prices exceed available funds and it would not be appropriate to adjust quantities or services to come within available funds;
5. There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
6. For good cause of a similar nature when it is in the best interest of the Developer.

C. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.

D. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any resolicitation or future procurement of similar items.

F. If problems are found with the specifications, the Developer should cancel the solicitation, revise the specifications and resolicit.

BONDING REQUIREMENTS
The standards under this section apply to construction contracts that exceed $100,000. There are no bonding requirements for small purchases or for other competitive proposals. The Developer may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds. For construction contracts exceeding $100,000, the successful bidder shall furnish an assurance of completion which would typically be in the form of a performance and payment bond in a penal sum of 100% of the contract price, obtained from a guarantee or surety company.
acceptable to the U. S. Government and authorized to do business in the State where the work is to be performed.

MDA AND LEGAL REQUIREMENTS

Local Hiring and HUD Section 3 Requirements
The Developer shall structure any solicitation or procurement decision and any resulting contract with the intent of fulfilling Local Hire and HUD Section 3 Requirements contained in the Master Development Agreement with the Housing Authority.

Davis-Bacon and Prevailing Wage Requirements
The Developer shall structure any solicitation or procurement decision and any resulting contract to require contractors to comply with all applicable labor standards, including but not limited to the Davis-Bacon Act (40 U.S.C. § 276a et seq.), State prevailing wage laws, and City of Los Angeles “living wage” laws, as applicable. Pursuant to 24 C.F.R. § 965.101, if State prevailing wage rates (including basic hourly rate and fringe benefits) determined under State law to be prevailing with respect to an employee in any trade exceed the applicable wage rate as determined by the Secretary of Labor pursuant to the Davis-Bacon Act, such State prevailing wage rate shall preempt the Davis-Bacon wage rates and shall apply to the work to be performed pursuant to this Agreement. Developer and its contractors shall be responsible for determining the applicability of prevailing wages.

The Developer shall, to the “greatest extent feasible,” award at least ten (10) percent of the total dollar amount of building trades work in all construction contracts and three (3) percent of the total dollar amount of all non-construction contracts to Section 3 Businesses to satisfy HUD’s Section 3 numerical goals for contracting as set forth in 24 CFR Part 135.30. Furthermore, the Developer shall include the Section 3 Clause set forth in 24 CFR Part 135.38 and attached hereto as Exhibit 2 in all subcontracts and ensure compliance by its contractors, subcontractors and all parties under its authority doing work related to the Redevelopment.

CONTRACTOR QUALIFICATIONS AND DUTIES

Contractor Responsibility
The Developer shall not award any contract until the prospective contractor, i.e., low responsive bidder or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:

A. Have adequate financial resources to perform the contract, or the ability to obtain them;

B. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all the bidder’s/offeror’s existing commercial and governmental business commitments;

C. Have a satisfactory performance record;

D. Have a satisfactory record of integrity and business ethics;

E. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;

F. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and
G. Have any required business and professional licensing, including a City of Los Angeles business license if required; and

H. Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

Suspension and Debarment
Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (24 CFR Part 24) or by other Federal agencies, e.g., Dept of Labor for violation of labor regulations. Developer will confirm, prior to award of a contract, that the proposed Additional Team Member has not been debarred, or otherwise declared ineligible for award, by an applicable regulatory agency. The following non-exclusive sources shall be reviewed when required:

A. U.S. General Services Administration’s “List of Parties Excluded From Federal Procurement and Non-procurement Programs”

B. U.S. Department of Housing and Urban Development’s “Limited Denial of Participation” List

C. Office of State Purchasing (OSP) Quasi Agencies Notification List

Excluded Contractors
Developer will not contract with any sole proprietor or any bidding entity if any individual partner, incorporator, director, manager, officer, organizer, or member, who has at least 10% ownership in the bidding entity, under the following circumstances:

A. A conviction of or plea of guilty or no contest to the following state crimes or equivalent federal crimes shall permanently bar any person or the bidding entity from bidding on the Project:

1. Public bribery
2. Corrupt Influencing
3. Extortion
4. Money laundering

B. A conviction of or plea of guilty or no contest to the following state crimes or equivalent federal crimes shall bar any person or the bidding entity from bidding on the Project for a period of five years from the date of conviction or from the date of the entrance of the plea of guilty or no contest:

1. Theft
2. Identity theft
3. Theft of a business record
4. False accounting
5. Issuing worthless checks
6. Bank fraud
7. Forgery
8. Contractors; misapplication of payments
9. Malfeasance in office

Developer is not required to perform criminal background checks on contractors, vendors, or subcontractors. Each bidder shall be required to attest that it/he/she has not, nor has any individual partner, incorporator, director, manager, officer, organizer, or member, who has at least 10% ownership in
the bidding entity been convicted of, or has not entered a plea of guilty or nolo contendere to any of the crimes or equivalent crimes listed in the preceding paragraph. It shall be the responsibility of any person, company, or entity making an allegation of false attestation to present prima facie proof to Developer supporting their claim.

**CONTRACT PRICING ARRANGEMENTS**

**Contract Types**
Any type of contract that is appropriate to the procurement and that will promote the best interests of the Developer may be used. All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and the Developer.

For all contracts based on cost-reimbursement plus an amount or percentage for profit, the contract must include a ceiling price that the contractor exceeds at its own risk, or other appropriate mechanism to contain costs.

**CONTRACT CLAUSES**
All contracts should identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the Developer. All contracts entered into shall contain all standard provisions required by HUD and Housing Authority and shall conform to the requirements of this Plan.

**SPECIFICATIONS**

**General**
All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying the Developer’s needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase.

**Limitation**
The following types of specifications shall be avoided:

A. geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E and general contractor contracts, which may include geographic location as a selection factor if adequate competition is available);

Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be reviewed to ensure that organizational conflicts of interest do not occur.

**ASSISTANCE TO SMALL AND DISADVANTAGED BUSINESSES**

**Required Efforts**
Consistent with Presidential Executive Orders 13170, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and disadvantaged businesses, and other individuals or firms located in or owned in substantial part by persons residing in the area of the Project are used when possible. Such efforts shall include, but shall not be limited to:

A. Including such firms, when qualified, on solicitation mailing lists;

B. Encouraging their participation through direct solicitation of bids or proposals whenever they are
potential sources;

C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;

D. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;

E. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;

F. Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the Project area and to award subcontracts for work in connection with the Project to business concerns which provide opportunities to low-income residents, as described in 24 CFR Part 135 (so-called Section 3 businesses);

G. Granting preferences in contract award to Section 3 businesses; and

H. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

Definitions

A. A small business is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR Part 121 should be used to determine business size.

B. A disadvantaged business is a business entity ≥51% owned or controlled by “socially and economically disadvantaged” persons.

1. “Socially disadvantaged” = those who have been subject to racial or ethnic prejudice or cultural bias within American society because of their identification as members of certain groups. Persons of color are presumed to qualify; others can demonstrate by preponderance of evidence.

2. “Economically disadvantaged” = impaired ability to compete due to lack of access to capital and credit opportunities (all applicants must demonstrate)

C. A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

D. Women’s business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.

E. A “Section 3 business concern” is as defined under 24 CFR Part 135.

F. A labor surplus area business is defined as a business which, together with its immediate
subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.
EXHIBIT E-3

THIRD PARTY CONTRACTOR INSURANCE REQUIREMENTS

[attached]
INSURANCE REQUIREMENTS

(FOR INFORMATION ONLY – DO NOT RETURN THIS PAGE TO HACLA)

Name: _______________________________ Date: ______________
Agreement/Reference: __________________________

Evidence of coverages checked having as a minimum the limits shown must be submitted and approved prior to occupancy/start of operations. Certificates of Insurance will be acceptable for Workers Compensation and Professional Liability. Contractor to provide HACLA with Endorsements for General Liability and Automobile Liability, naming the Housing Authority of the City of Los Angeles 2600 Wilshire Boulevard Los Angeles, CA 90057 as Additional Insured. Amounts shown are Combined Single Limit ("CSL"). Split limits may be submitted if the total per occurrence equals or exceeds the CSL amount. Prime Contractor may be required to provide a Certified Copy of the General Liability Policy for all construction jobs.

All policies shall have an A.M. Best rating of "B+" or higher. All policies shall be with an "Admitted" carrier by the California Insurance Commissioner's Office. The HACLA Risk Manager must clear exceptions in advance of Notice to Proceed by HACLA.

( ) Workers' Compensation (statutory)/Employer's Liability: $1,000,000 (with no exclusions for lead or asbestos)

( ) Comprehensive General Liability $2MM
( ) Premises and Operations
( ) Contractual Liability, Oral and Written
( ) Independent Contractors
( ) Products/Completed Operations
( ) Broad Form Property Damage Incl. Completed Operations
( ) Personal Injury, Excl. C, deleted
( ) Broad Form Liability Endorsement
( ) Fire Legal Liability: $100,000 per occurrence ( ) Incidental Medical Malpractice

( ) Environmental Liability

( ) Professional Liability (Errors & Omissions) $ ______________ ( ) Retroactive Date: ______
Discovery Period: _____ 18 months

( ) Property Insurance ______________

% Co-Insurance ( ) Actual Cash Value
( ) All Risk Coverage
( ) Fire and Extended Coverage
( ) Vandalism & Malicious Mischief
( ) Flood $ ______________
( ) Earthquake $ ______________

( ) Crime Insurance $ ______________

( ) Automobile Liability: $500,000
( ) Owned Automobiles
( ) Non-Owned/Hired Automobiles
( ) Garage keeper’s Legal Liability
( ) Explosion hazard
( ) Collapse/Underground Hazard
( ) Law Enforcement liability with an Intentional Acts endorsement.

( ) Builders Risk $ [Value of Contract]
( ) Replacement Value ( ) Agreed Amount
( ) Boiler & Machinery
( ) Debris Removal
( ) Sprinkler Leakage
( ) Windstorm
( ) Builders Risk
Housing Authority of the City of Los Angeles

( ) Comprehensive Dishonesty, Disappearance, & Destruction   ( ) Blanket Crime

( ) Fidelity Bond $ __________________

( ) Blanket Position   ( ) Commercial Blanket   ( ) __________________________

( ) Owner's Protective Liability $ __________________

( ) Non-Aggregated Umbrella Policy over: _________

NOTES: ALL CONTRACTORS AND SUB-CONTRACTORS MUST PROVIDE CERTIFICATES OF INSURANCE WHEREBY HACLA IS TO BE NAMED AS AN ADDITIONAL INSURED BY SUB-CONTRACTORS. SUB-CONTRACTORS SHALL PROVIDE EVIDENCE OF COVERAGE HAVING THE MINIMUM LIMITS, AS SHOWN BELOW:

Workers' Compensation (statutory)/ Employer's Liability not less than: $1,000,000 (with no exclusion for lead or asbestos)
General Liability not less than: $1,000,000 (per occurrence)
Automobile Liability not less than: $1,000,000
INSURANCE INSTRUCTIONS

INSTRUCTIONS FOR COMPLETING, EXECUTING AND SUBMITTING EVIDENCE OF INSURANCE TO THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

Insured: ___________________________  Date: ___________________________

(Contractor, Lessee, Permittee, etc.)

Agreement/Reference: BID NO. XXXX – GROUND LEASE

A. INSURED

1. In order to reduce problems and time delays in providing evidence of insurance to HACLA you are requested to give your insurance agent or broker a copy of the Insurance Requirements Sheet (Form Gen. 146) along with these instructions/endorsement forms for completing, executing, and submitting evidence of insurance.

2. If the agreement requires Workers' Compensation coverage and you have been authorized by the State of California to self-insure Workers' Compensation, then a copy of the certificate from the State authorizing self-insurance for Workers' Compensation shall meet the requirements for Workers' Compensation insurance covering activities within the State of California.

3. All questions relating to insurance should be directed to the department or office responsible for your contract, lease, permit, or other agreement.

B. INSURANCE AGENT OR BROKER

1. The appropriate Endorsement Form shall be used. No changes in the terms of the attached Endorsement Forms will be permitted. Certificates of Insurance alone will not be accepted by HACLA.

2. More than one insurance policy may be required to comply with the insurance requirements. Endorsement forms appropriate to your insured's agreement, contract, lease or permit are included.

3. You shall have an authorized representative of the insurance company sign the completed endorsement forms and note his/her phone number at the bottom of page 1 and have said representative transmit the forms and certified copies of the insurance policies to HACLA. Signatures must be originals as HACLA will not accept facsimile (rubber stamp, photocopy, etc.) or initial signatures.
4. The name of the Insurance Company underwriting the coverage and its address shall be noted on page 2 of the endorsement form.

5. The "General description of agreement(s) and/or activity(s) insured" shall include reference to the activity and/or to either the specific HACLA contract number, lease number, permit number or construction approval number.

6. The coverages and limits for each type of insurance are specified on the insurance requirements sheet. When coverage is on a scheduled basis, then a separate sheet is to be attached to the endorsement listing such scheduled locations, vehicles, etc. so covered.

7. Endorsements to excess policies will be required when primary insurance is insufficient in complying with HACLA requirements.

8. If there is insufficient space on the form to note pertinent information, such as inclusions, exclusions or specific provisions, etc., a separate sheet may be attached.

9. When additional sheets are attached, change the number of pages at the bottom of the form.

10. Completed Endorsement(s) and questions relating to the required insurance are to be directed to:

    **HOUSING AUTHORITY OF THE CITY OF LOS ANGELES**

    ADDRESS CANCELLATION NOTICE AND ISSUE ENDORSEMENT TO:

    INSURANCE DEPARTMENT AND Howard Baum
    RISK MANAGER
    2600 Wilshire Boulevard, 5th Floor
    Los Angeles, CA 90057
    Senior Staff Attorney
    2600 Wilshire Boulevard, Third Floor
    Los Angeles, CA 90057

11. Improperly completed Endorsements will be returned to your insured for correction by an authorized representative of the insurance company.

12. DELAY IN SUBMITTING PROPERLY COMPLETED ENDORSEMENT FORMS MAY DELAY YOUR INSURED'S INTENDED OCCUPANCY OR OPERATION UNDER AGREEMENT WITH HACLA.

13. For extensions or renewals on insurance policies which have HACLA Endorsement Form(s) attached, HACLA will accept a copy of the endorsement (with the original signature) to extend the period of coverage as evidence of continued coverage.

    [ PAGE INTENTIONALLY LEFT BLANK ]
EXHIBIT F-1

LOCAL HIRE AND SECTION 3 RIDER

1. **Local Hire and Section 3 Requirements.** With respect to hiring for construction and post-construction job opportunities, Michaels shall fulfill the local hiring commitments made during the selection on Master Developer, as amended, which includes: (a) pursuant to Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992 ("Section 3"), hiring Section 3-qualified residents, as more particularly described at 1.a below, and (b) hiring Disadvantaged Workers, as more particularly described at 1.b below. Michaels agrees that thirty percent (30%) of the new pre-development, construction and post-construction job opportunities generated by the Project shall be set aside, to the maximum extent feasible, to meet the Section 3 Hiring Requirements ("Section 3 Hiring Requirements"). In addition, Michaels shall strive and use Good Faith Efforts (as defined in Article III.C of the Section 3 Guide and Compliance Plan) to set aside at least ten percent (10%) of the thirty percent (30%) Section 3 Hiring Requirements for Disadvantaged Workers, as defined below ("Disadvantaged Worker Hiring Requirements"). The Parties acknowledge that some hires may meet the requirements of both the Section 3 Hiring Requirements and the Disadvantaged Worker Hiring Requirements, and may therefore count Disadvantaged Worker hours towards the thirty percent Section 3 Hiring Requirements.

2. For purposes of this Rider, the term "Local Hiring Requirements" shall mean the Section 3 Hiring Requirements and the Disadvantaged Worker Requirements. Pre-development, construction and post-construction job opportunities created as a result of the Project shall be interpreted consistent with the HUD Section 3 definitions of "Employment opportunities generated by Section 3 covered assistance" and "New Hire," as set forth at 24 CFR 135.5, and may include, without limitation, employment opportunities, whether part-time or full-time, and/or training or apprenticeship opportunities, and are expected to be available in a range of fields from administration to construction. Michaels shall develop a plan for Local Hiring and Section 3 Contracting in accordance with Section 3.2.11 of the Master Development Agreement. The parties acknowledge that some hires may meet the requirements of both the Section 3 Hiring Requirements and the Disadvantaged Worker Hiring Requirements.

a. **Section 3 Hiring Requirements.** The purpose of Section 3 is to "ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons," as further described in HUD's Section 3 implementing regulations at 24 CFR Part 135 ("Section 3 Regulations"). Pursuant to the Section 3 Regulations, specifically 24 CFR 135.34(a)(2), and notwithstanding the priorities set forth in Section III.D of HACLA's Section 3 Guide and Compliance Plan attached hereto as Attachment 1 (the "Section 3 Guide"), Michaels shall meet the Section 3 Hiring Requirements with the following priorities among eligible applicants: (1) residents of Jordan Downs, (2) qualified Section 3 residents of the Watts neighborhood, (3) participants in HUD’s Youthbuild programs in the City of Los Angeles; and (4) residents of the City of Los Angeles (the “City”)

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who meet Section 3 eligibility requirements, all to the maximum extent feasible.

b. **Disadvantaged Worker Hiring Requirements.** For purposes of this Rider, "Disadvantaged Worker" means an individual whose primary place of residence is in the City, and who, prior to commencing work on the Project, either (a) has a household income of less than fifty percent (50%) of Area Median Income or (b) faces at least one of the following barriers to employment: (i) is homeless, (ii) is a custodial single parent, (iii) is receiving public assistance, (iv) lacks a GED or a high school diploma, (v) has a criminal record or other involvement with the criminal justice system, or (vi) suffers from chronic unemployment.

c. **Section 3 Contracting Requirements.** To meet Section 3 Business Concern Contracting Requirements, the Partnership shall to the "greatest extent feasible" award at least (i) ten percent (10%) of the total dollar amount of building trades work for all construction contracts and (ii) three percent (3%) of the total dollar amount of all non-construction contracts to Section 3 Business Concerns, as such term is defined in the Section 3 Regulations. Furthermore, the Partnership shall include the Section 3 Clause set forth in 24 CFR Part 135.38 and attached hereto as Attachment 2 in all subcontracts and ensure compliance by its contractors, subcontractors and all parties under its authority performing work related to the Project. In addition, Michaels shall comply with the Procurement Plan for Jordan Downs Redevelopment attached to the MDA as Exhibit 1 and the Assistance to Small, Minority, Women's, Labor Surplus Area, Section 3, and Resident Business Enterprises required efforts attached here to as Attachment 3. Collectively the requirements of this Section 1.c are referred to herein as the "Section 3 Contracting Requirements."

3. **Pre-Development Local Hiring and Section 3 Plan.** Michaels shall prepare a plan for meeting the Section 3 Hiring Requirements, the Disadvantaged Worker Hiring Requirements and the Section 3 Business Concern Contracting Requirements described herein during the pre-development phase of the Project ("Pre-Development Local Hiring and Section 3 Contracting Plan") which will include a Compliance Schedule for meeting its employment requirements set forth in the MDA, as amended, including outreach, hiring and training, as well as Section 3 Business outreach and subcontracting.

a. Compliance. **Compliance.** In order to provide a reasonable opportunity to cure any perceived or actual failures to meet its hiring and subcontracting commitments, Michaels shall submit to HACLA's Section 3 Compliance Administrator (the "Compliance Administrator") the Section 3 reporting forms required under the Section 3 Guide, as may be amended from time to time, in accordance with the submission schedules set forth in Attachment 4 attached hereto, unless mutually agreed to otherwise by the parties (the "Pre-Development Section 3 Reports"). Within thirty (30) business days of receipt of complete and accurate Pre-Development Section 3 Reports, the Compliance Administrator shall notify Michaels of any perceived or actual deficiencies that could lead to a declaration of default to afford Michaels a reasonable opportunity to cure. In the event Michaels fails to cure following a reasonable opportunity to cure, which in no event shall exceed thirty (30) business days, HACLA will pursue remedies available to it pursuant to this Agreement or other agreements between HACLA and Michaels; provided, however, that Michaels shall be afforded first the opportunity to appeal a declaration of default to the chief executive officer of HACLA.
4. **Construction Local Hiring and Section 3 Contracting Plan.** Michaels shall prepare a plan for meeting the Section 3 Hiring Requirements, the Disadvantaged Worker Hiring Requirements and the Section 3 Business Concern Contracting Requirements described herein during the construction phase of the Project ("Construction Local Hiring and Section 3 Contracting Plan") which will include a Compliance Schedule for meeting its employment requirements set forth in the MDA, as amended, including outreach, hiring and training, as well as Section 3 Business outreach and subcontracting.

   a. **Compliance.** In order to provide a reasonable opportunity to cure any perceived or actual failures to meet its hiring and subcontracting commitments, Michaels shall submit to the Compliance Administrator the Section 3 reporting forms required under the Section 3 Guide, as may be amended from time to time, in accordance with the submission schedules set forth in Attachment 5 attached hereto, unless mutually agreed to otherwise by the parties (the "Section 3 Reports"). Within thirty (30) business days of receipt of complete and accurate Section 3 Reports, the Compliance Administrator shall notify Michaels of any perceived or actual deficiencies that could lead to a declaration of default to afford Michaels a reasonable opportunity to cure. In the event Michaels fails to cure following a reasonable opportunity to cure, which in no event shall exceed thirty (30) business days, in lieu of the penalties for noncompliance set forth in Article VIII.B of the Section 3 Guide, Michaels shall be subject to default penalties calculated as follows:

   i. Penalties in the amount of Forty-Five Dollars ($45.00) per person hour of the shortfall in Section 3 hiring (for example, if 3,000 person hours were expended on newly hired workers during the course of a given week for the project, then of those 3,000 hours, 900 must be worked by Section 3 residents; if Section 3 residents worked only 600 hours, and the contractor showed no good faith efforts, then penalties would be due in the amount of $45.00 multiplied by the 300-person-hour shortfall, or $13,500), assessed upon completion of the Project and payable to the HACLA upon demand, or off set from amounts owed for work on the Project;

   ii. In addition, penalties will be regarded by the HACLA as poor past-performance and may be grounds for determining that a contractor is non-responsible and ineligible for award of future contracts.
ATTACHMENT 1 TO LOCAL HIRE AND SECTION 3 REQUIREMENTS RIDER

HACLA SECTION 3 GUIDE AND COMPLIANCE PLAN

[attached]
Section 3 Guide and Compliance Plan (V2)

Let's get to work!

Housing Authority of the City of Los Angeles
# SECTION 3 GUIDE AND COMPLIANCE PLAN

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SECTION 3 GUIDE AND COMPLIANCE PLAN

I. INTRODUCTION

A. Section 3 Regulation

Section 3 of the Housing and Urban Development Act of 1968 (codified at 12 U.S.C. 1701u and implemented at 24 CFR Part 135, hereinafter, "Section 3"), as amended, requires that economic opportunities generated by the receipt of certain funding from the U.S. Department of Housing and Urban Development ("HUD") for housing and community development programs shall, to the greatest extent feasible, be given to low and very low income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons (collectively, "Section 3 Beneficiaries").

B. HACLA Policy

It is the intent and policy of the Housing Authority of the City of Los Angeles ("HACLA") to fully comply with Section 3 and to require its Contractors undertaking contracts to which Section 3 applies to demonstrate good faith effort to comply, to the greatest extent feasible, with Section 3 and the responsibilities described under this Section 3 Guide and Compliance Plan (this "Plan") by providing economic opportunities to Section 3 Beneficiaries.

C. Applicability

The requirements set forth in this Plan arise when HACLA utilizes Section 3 Covered Assistance for a Section 3 Covered Project or Section 3 Covered Contract, as those terms are defined here. HACLA reserves the right to impose upon Contractors requirements that go beyond the requirements of Section 3 and this Plan when deemed in the best interest of HACLA.

D. Purposes of this Guide and Compliance Plan

The purpose of this Plan is to assist Contractors in understanding their Section 3 obligations so that they can be successful in meeting these responsibilities. This purpose is accomplished through the guidance and instruction provided in the Plan, in other Section 3 materials and publications provided by HACLA, and assistance provided by HACLA's Section 3 Compliance Administrator. HACLA has developed and continues to develop programs and procedures, all as necessary to implement this Plan in order to realize the goals of Section 3. This Plan shall remain in effect for so long as it remains consistent with federal regulations or until changed by HACLA.

E. Part 135 Amendments and Conflicts

Amendments to 24 CFR Part 135 shall apply to this Plan as of the effective date of the updated regulation. Where provisions of this Plan conflict with 24 CFR Part 135, the latter shall prevail.
II. DEFINITIONS

The following terms used throughout this Plan have the following assigned meanings.

"Contractor" means any person or entity that enters into a contract with HACLA, and includes the plural form "Contractors." When referred to collectively as Contractor/Subcontractor and its plural form, Contractors/Subcontractors, the term means both the Prime Contractor and any of its Subcontractors engaged under a Section 3 Covered Contract. Contractor also refers to service providers, vendors and developers.

"HACLA" means the Housing Authority of the City of Los Angeles.

"HUD" means the United States Department of Housing and Urban Development.

"IFB" means an Invitation for Bids, which is a procurement methodology that typically awards a contract to the lowest cost bidder, provided that the bidder meets certain minimum criteria.

"Los Angeles Metropolitan Area" means the metropolitan statistical area (MSA) established by the Office of Management and Budget as the Los Angeles-Long Beach-Glendale Metropolitan Area.

"Metropolitan Area" means a metropolitan statistical area established by the Office of Management and Budget, and includes its plural form "Metropolitan Areas."

"New Hire" means a full-time employee hired on a permanent, temporary or seasonal basis as a direct result of a Contractor's/Subcontractor's contractual obligation in connection with a Section 3 Covered Project, and includes its plural form "New Hires." An employee who was on a Contractor's/Subcontractor's payroll on or prior to award of the Section 3 Covered Contract shall not be counted towards the Contractor's/Subcontractor's numerical goals under Section III.B herein.

"Nonmetropolitan county" means any county outside of a Metropolitan Area.


"Section 3 Beneficiaries" refers, collectively, to Section 3 Business Concerns and Section 3 Residents.

"Section 3 Business Concern" means a business entity authorized to engage in the type of business activity for which it was formed, and which satisfies one or more of the following criteria: (i) at least fifty-one (51) percent of the business is owned by one or more Section 3 Residents; (ii) at least thirty (30) percent of its permanent, full-time employees include persons who are currently Section 3 Residents, or were Section 3 Residents within three (3) years of the date such persons were first employed with the business; or (iii) a business that provides HACLA sufficient evidence of its commitment to subcontract more than twenty-five (25) percent of the dollar award of all subcontracts awarded under a Section 3 Covered Contract to Section 3 Business Concerns.
“Section 3 Covered Assistance” means financial assistance received from HUD or any other federal agency, receipt of which triggers the obligations that arise under Section 3.

“Section 3 Covered Contract” means a contract entered into directly with HACLA or a subcontract (including a professional service contract) awarded to a Contractor for work generated by the expenditure of Section 3 Covered Assistance, or for work arising in connection with a Section 3 Covered Project, and includes its plural form, “Section 3 Covered Contracts.” It also includes contracts that HACLA has deemed subject to Section 3, as authorized herein.

“Section 3 Covered Project” means a project funded using Section 3 Covered Assistance and includes construction related projects involving the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), and the construction and reconstruction of buildings and improvements and non-construction related projects. It also includes contracts that HACLA has deemed subject to Section 3, as authorized herein.

“Section 3 Resident” means: (i) public housing resident or (ii) a low or very low income person who lives in the Los Angeles Metropolitan Area of the Section 3 Covered Project and who has a household income that does not exceed HUD’s income limits, as described in the most current version of HUD’s Income Eligibility Guidelines. Includes its plural form, “Section 3 Residents.” Income limits are subject to change annually. Current income limits may be accessed on HACLA’s website at www.hacla.org/s3residentresources and on HUD’s link at http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3.

“Subcontractor” means any person or entity (other than a person who is an employee of the Contractor) that contracts with a Prime Contractor on a Section 3 Covered Project, and includes its plural form “Subcontractors.” When referred to collectively as Contractor/Subcontractor and its plural form, Contractors/Subcontractors, the term means both the Prime Contractor and any of its Subcontractors engaged under a Section 3 Covered Contract.

III. GOALS

The goals set forth in this section apply to all Section 3 Covered Contracts awarded by HACLA in any fiscal year.

A. HACLA’s Numerical Goals

1. HACLA shall, to the “greatest extent feasible,” provide economic opportunities to Section 3 Beneficiaries.

2. Under HUD regulations, HACLA may satisfy the “greatest extent feasible” requirement by meeting these numerical goals:

   a. At least 30% of the aggregate number of New Hires to be directed to Section 3 Residents.
b. At least ten percent (10%) of the total dollar amount of all contracts awarded by HACLA for building trades work for maintenance, repair, modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction related Section 3 Covered Contracts should be awarded to Section 3 Business Concerns.

c. At least three percent (3%) of the total dollar amount of all nonbuilding trades work related Section 3 Covered Contracts awarded by HACLA should be awarded to Section 3 Business Concerns.

B. Contractor Numerical Goals

1. Contractors employed on Section 3 Contracts shall, to the greatest extent feasible, provide economic opportunities to Section 3 Beneficiaries.

2. In accordance with Section 3 regulations, Contractors may satisfy the "greatest extent feasible" requirement by meeting these numerical goals:

a. Contractors employed under a Section 3 Covered Contract are expected to achieve an employment level of thirty percent (30%) of all New Hires to be Section 3 Residents and to maintain this percentage throughout the life of the contract. This is HACLA's preferred method for Contractors to meet their Section 3 obligations. The employment should be meaningful, but it need not be related to the scope of services covered under the contract.

b. At least ten percent (10%) of the total dollar amount of all Contractor subcontracts awarded by Contractor in connection with building trades work for maintenance, repair, modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction related Section 3 Covered Contracts should be awarded to Section 3 Business Concerns.

c. At least three percent (3%) of the total dollar amount of all Contractor subcontracts awarded by Contractor in connection with nonbuilding trade work related Section 3 Covered Contracts should be awarded to Section 3 Business Concerns.

C. Providing Other Economic Opportunities

1. Contractors who are unable to offer training and/or employment opportunities to Section 3 Residents may offer other economic opportunities directed at Section 3 Resident upward mobility and self-sufficiency, such as offering scholarships, and sponsoring enrollment into apprenticeship programs, mentorship programs, and internships.

2. Contractors who are unable to provide subcontracting opportunities to Section 3 Business Concerns may provide and promote mechanisms to create economic opportunities directed at Section 3 Business Concerns, such as scaling of work for purchase of supplies or materials, and/or providing Section 3 Business Concerns with tools to enable them to successfully compete for contracting opportunities, such as bonding and insurance assistance.
D. Contractor Good Faith Efforts

1. Contractors may demonstrate good faith efforts to offer training and employment opportunities to Section 3 Residents by taking such actions as:

   a. Promptly notifying HACLA about training opportunities and available employment positions, including job descriptions;

   b. Utilizing HACLA’s Section 3 Resident Registry to identify job ready Section 3 Residents and informing qualified residents of training opportunities and available employment positions;

   c. Advertising training opportunities, and available employment positions in local media outlets and on appropriate social media platforms;

   d. Prominently displaying a notice of Section 3 commitments and available employment opportunities at the project site and other appropriate places within the project site, such as where applications for training and employment are taken;

   e. Advertising available training opportunities and employment positions by distributing flyers that identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process, to every occupied dwelling unit in one or more of HACLA’s housing developments and posting copies of the flyer in the development’s common areas, including at the community center, the management office and the computer lab as applicable;

   f. Contacting Resident Advisory Councils (RACs) and other resident organizations to inform them of training and available employment positions;

   g. Contacting agencies administering Los Angeles County YouthBuild Programs, and requesting their assistance in recruiting LA County YouthBuild Program participants for training opportunities and employment positions;

   h. Consulting with state and local agencies administering training programs, such as those funded through Workforce Investment Act, unemployment compensation programs, community organizations and other officials or organizations to assist with training and recruiting Section 3 Residents for employment positions;

   i. Developing on the job training opportunities;

   j. Keeping a list of Section 3 Residents who apply directly or by referrals for the available jobs;

   k. Contacting local job training centers, worksource centers, and community organizations to inform them of training opportunities, available employment positions and subcontracting opportunities;

   l. Working with labor organizations to set up a Project Labor Agreement (PLA) if feasible, or making similar arrangements for dispatching and training of Section 3 Residents in
order of hiring priority;

m. Sending to labor organizations or representatives of workers with whom the Contractor/Subcontractor has a collective bargaining agreement or understanding, a notice of its Section 3 project commitments; and

n. Utilizing resources and methods identified in the Appendix to 24 CFR Part 135 I.

2. Contractors may demonstrate efforts to inform and award contracts to Section 3 Business Concerns by taking such steps as:

a. Contacting businesses listed in HACLA's registry of certified Section 3 Business Concerns to inform them of subcontracting opportunities (see www.hacla.org/forms);

b. Contacting Metropolitan Area businesses listed in HUD's registry of certified Section 3 Business Concerns to inform them of subcontracting opportunities (see https://portalapps.hud.gov/Sec3BusReg/BRegistry/SearchBusiness);

c. Advertising subcontracting opportunities through trade association publications, local media outlets, on appropriate social media platforms, and at the project site;

d. Notifying business associations, business assistance centers, and other community organizations of contracting opportunities and requesting their assistance in identifying Section 3 Business Concerns to solicit bids or proposals;

e. Establishing or sponsoring programs designed to assist Section 3 Business Concerns to enable them to participate in subcontracting opportunities; and

f. Utilizing resources and methods identified in the Appendix to 24 CFR Part 135 II.

3. Contractors who fail to meet these Section 3 numerical goals have the burden of demonstrating, to HACLA's satisfaction, the reason why compliance was not feasible by providing HACLA with documentation of good faith efforts taken and barriers encountered.

E. Preference for Section 3 Residents in Training and Employment Opportunities

1. In accordance with the guidelines set forth at 24 CFR Part 135.34, unless otherwise provided therein, Contractors performing work under Section 3 Covered Contracts shall direct their efforts to provide, to the greatest extent feasible, new training and employment opportunities to Section 3 Residents in the following order of priority:

a. First priority (P1): Individuals residing in the HACLA owned or managed public housing development where the Section 3 Covered Project is being performed.

b. Second priority (P2): Individuals residing in other HACLA owned or managed public housing developments.
c. Third priority (P3): Other residents of Los Angeles County who are participants of HUD Youth Build Programs being carried out in within the Los Angeles Metropolitan Area or Nonmetropolitan county in which the Section 3 covered assistance is expended.

d. Fourth Priority (P4): Other Section 3 Residents.

IV. SECTION 3 FUND CONTRIBUTIONS

A. Purpose of Fund

HACLA has established a Section 3 Fund to permit Contractors to contribute funding for programs that generate economic and employment opportunities for Section 3 Residents, where the Contractor has demonstrated to HACLA's satisfaction, that compliance with Section 3 requirements for hiring, subcontracting and providing other economic opportunities is not feasible. Contractor contributions to the Section 3 Fund are considered an option of last resort, as HACLA's preferred method for Contractors to meet their Section 3 obligations is to satisfy their numerical goals, as expressed herein. HACLA does not accept Contractor contributions to the Section 3 Fund in lieu of compliance with Section 3 or this Plan.

B. Participation in Fund

1. Contractors who, prior to contract award, are unable to satisfy their numerical goals despite demonstrating good faith efforts as outlined above, may, at HACLA's election, be required to contribute to the Section 3 Fund.

2. Contractors who, following contract award, are unable to satisfy their Section 3 commitments as set forth in their Economic Opportunity Plan ("EOP," described below) may, at HACLA's election, be permitted to contribute to the Section 3 Fund and avoid the penalties for default described in section X.B herein, provided the Section 3 Compliance Administrator finds Contractor's lack of compliance is due to extraordinary circumstances and not due to the Contractor's lack of good faith compliance efforts or Contractor's failure to exhaust all feasible alternatives for compliance.

C. Contribution Requirements

1. For construction related Section 3 Covered Projects, Contractor contributions to the Section 3 Fund shall be equal to the lesser of three percent (3%) of (i) the total contract amount plus any modifications, or (ii) the actual dollar amount spent by HACLA under the contract.

2. For non-construction related Section 3 Covered Projects, Contractor contributions shall be equal to the lesser of three percent (3%) of (i) the total contract amount plus any modifications, or (ii) the actual dollar amount spent by HACLA under the contract.

3. Section 3 Fund contributions are based solely on net amount paid to Contractor, excluding shipping fees and taxes. All expenses authorized under the contract, including license fees, labor and materials costs, are subject to Section 3 Fund contribution calculations.
D. Payment Options

1. For construction related Section 3 Covered Projects with contracts of up to one (1) year, Contractors have the option of making contributions in a single up-front payment or making payments on a periodic basis following the receipt of contract payments from HACLA, provided such periodic payments must be in amounts of no less than three percent (3%) of the amount HACLA paid the Contractor for a particular installment.

2. For all contracts exceeding one (1) year, Contractors have the option of making contributions (i) in a single up-front payment at contract commencement based upon the subject year’s contract award value, (ii) in periodic payments of three percent (3%) or greater of each payment received from HACLA, or (iii) at the end of the contract year based upon the actual dollar amount spent by HACLA under the contract for that particular year.

3. Contractors making their Section 3 Fund contribution at the end of contract year shall submit payment in full within thirty (30) days after the receipt of HACLA’s final or year-end payment under the contract.

4. Section 3 Fund contributions for contracts terminated before the contract year end term shall be paid in full at the time of termination.

E. Voluntary Contributions

Contractors may contribute to the Section 3 Fund in discretionary amounts in addition to satisfying their Section 3 obligations.

F. Use of Section 3 Fund Proceeds

1. Section 3 Funds shall only be used by HACLA to further the purpose of Section 3, which are to provide economic and employment opportunities to Section 3 Residents.

2. In support of the purposes of Section 3 and in furtherance of this Plan, Section 3 Funds shall be used for job training, education and employment service programs that are specifically directed at assisting Section 3 Residents find meaningful employment. Such programs include, but are not limited to:

   a. Occupational/trade training programs that provide Section 3 Resident trainees with individualized support to enhance social, vocational and developmental skills; and

   b. HACLA-approved apprenticeship training programs and HACLA-approved pre-apprenticeship training programs designed to prepare Section 3 Resident trainees to enter into and succeed in an approved apprenticeship program.

3. Programs awarded Section 3 Funds will be carefully monitored to ensure effective use and quality of services.
V. SECTION 3 BUSINESS CONCERNS

A. Bid Preference

1. HACLA has adopted a bid preference for Section 3 Business Concerns when awarding Section 3 Covered Contracts utilizing the Invitation for Bids ("IFB") method of soliciting construction and maintenance activities. The bid preference does not apply to materials-only contracts, service contracts or contracts that are procured without the use of federal funds.

2. The bid preference requires that the IFB be awarded to the qualified Section 3 Business Concern with the lowest responsive and responsible bid and highest priority ranking if that bid meets the criteria set forth in the following Bid Preference Table:

<table>
<thead>
<tr>
<th>When the lowest responsive bid is:</th>
<th>Section 3 Business Concern bid is within lesser of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100,000:</td>
<td>10% of that bid or $9000</td>
</tr>
<tr>
<td>At least $100,000, but less than $200,000</td>
<td>9% of that bid, or $16,000</td>
</tr>
<tr>
<td>At least $200,000, but less than $300,000</td>
<td>8% of that bid, or $21,000</td>
</tr>
<tr>
<td>At least $300,000, but less than $400,000</td>
<td>7% of that bid, or $24,000</td>
</tr>
<tr>
<td>At least $400,000, but less than $500,000</td>
<td>6% of that bid, or $25,000</td>
</tr>
<tr>
<td>At least $500,000, but less than 1 million</td>
<td>5% of that bid, or $40,000</td>
</tr>
<tr>
<td>At least $1 million, but less than $2 million</td>
<td>4% of that bid, or $60,000</td>
</tr>
<tr>
<td>At least $2 million, but less than $4 million</td>
<td>3% of that bid, or $80,000</td>
</tr>
<tr>
<td>At least $4 million, but less than $7 million</td>
<td>2% of that bid, or $105,000</td>
</tr>
<tr>
<td>$7 million or more</td>
<td>1½% of the lowest responsive bid, with no dollar limit</td>
</tr>
</tbody>
</table>

B. Designation as a Section 3 Business Concern

1. Business owners seeking HACLA’s designation as a Section 3 Business Concern must submit a Section 3 Business Certification Form (to be provided by HACLA) in their bid/offer package, along with required supporting documentation.

2. Where a business entity is certified by HACLA as a Section 3 Business Concern based on its ownership interest (i.e., at least fifty-one percent (51%) of the business is owned by one or more Section 3 Residents) or the percentage of employees who are or were Section 3 Residents at the time of contract award (i.e., at the time of award, at least thirty percent (30%) of its permanent, full-time employees include persons who are currently Section 3 Residents, or were Section 3 Residents within three (3) years of the date such persons were first employment with the business), the certification is valid for three (3) years.

3. Where a business entity is certified by HACLA as a Section 3 Business Concern based on its commitment to subcontract more than twenty-five percent (25%) of the dollar award of all subcontracts awarded under a Section 3 Covered Contract to Section 3 Business Concerns, HACLA’s certification of the business is valid for the term of the business’ Section 3 Covered Contract.
4. HACLA reserves the right but is not compelled to accept a Contractor's/Subcontractor's certification as a Section 3 Business Concern approved by another governmental entity.

5. Certification as a Section 3 Business Concern does not relieve Contractors from their Section 3 obligations, including the achievement of their numerical goals. All Section 3 Business Concerns are required to demonstrate compliance with Section 3 and this Plan.

VI. SECTION 3 RECRUITMENT AND NEW HIRES

Contractors are expected to make good faith efforts to achieve the numerical goals outlined at Section III.B herein, following the Section 3 Resident priority preferences set forth at Section III.E herein. This section provides guidance for the recruitment of New Hires, including New Hires who are Section 3 Residents.

A. Recruitment Efforts

1. HACLA maintains a database of employment-ready Section 3 Residents who meet certain minimum qualifications for various categories of employment. Upon receipt of a completed Section 3 Job Order Form from Contractor/Subcontractor, HACLA will provide referrals of qualified candidates from the database. When reasonably possible, Contractors are expected to provide HACLA with the Section 3 Job Order Form well in advance of project commencement.

2. Upon receipt of a Section 3 Job Order Form, HACLA will refer qualified candidates for interviews for each available position. Contractors are expected to give each New Hire candidate full consideration for available positions.

3. Independent of HACLA’s efforts and referrals, Contractors shall engage in independent employment recruitment efforts following the Section 3 Resident priority preferences set forth at Section III.D herein using the methods and resources identified at Section III.C and others as applicable.

4. Contractors shall submit to HACLA their interview notes, including reasons for denial of employment or training opportunity and any follow up actions to be taken to assist the Section 3 Resident in the future, as applicable.

B. Section 3 Resident New Hires

1. All Section 3 Resident New Hires shall be employees of the Contractor and shall have all the protections afforded to employees under state, federal and local laws. Contractors are expected to impose the same hiring requirements and personnel rules and policies upon Section 3 Resident New Hires as are imposed upon their other employment candidates and employees.

2. Contractors are required to report to HACLA within two (2) business days of hiring Section 3 Residents and shall provide to HACLA a completed Section 3 Resident Certification Form (to be provided by HACLA) for each Section 3 Resident New Hire.
C. Apprenticeship Programs

1. Contractors who employ apprentices to satisfy their numerical goals are required to utilize appropriate apprenticeship programs approved by the federal Department of Labor ("DOL").

2. Contractors who employ apprentices on construction projects that are subject to the Davis-Bacon Wage Act are required to adhere to all legal requirements for wage rates and ratios of apprentices to journeymen set forth therein.

3. For each apprentice employed on a project, Contractors shall, prior to contract commencement, submit to HACLA apprentice certificates issued by the Department of Labor.

D. Limitations

Contractors/Subcontractors retain the sole discretion and control over any hiring and personnel decisions. HACLA cannot and will not exercise any control over any of the Contractors’ or Subcontractors’ employees, including New Hires, regardless of whether they were referred by HACLA or are Section 3 Residents.

E. Documented Efforts

Contractors shall document efforts taken to recruit and interview Section 3 Residents for hire and shall, upon reasonable request, provide HACLA with documentation that demonstrates such efforts, including interview notes, which shall include reasons for denial of employment or other actions as applicable.

F. Lack of Compliance

A Contractor's failure to satisfy the requirements of this section may result in HACLA's determination that the Contractor has failed to demonstrate good faith efforts to comply with the requirements of Section 3 and this Plan, and may subject Contractor to the penalties for default described in section XI.B herein, which include monetary fines and debarment.

VII. REQUIRED SUBMISSION DOCUMENTS

A. Section 3 Economic Opportunity Plans

1. All Contractors awarded a Section 3 Covered Contract and their Subcontractors shall prepare an Economic Opportunity Plan ("EOP"), which provides HACLA a “snapshot” of Contractors’ and Subcontractors’ current workforce, anticipated workforce to complete the project, subcontracting needs and efforts to generate economic opportunities in compliance with Section 3 and this Plan. The specific requirements of the EOP will be included in HACLA’s solicitation for the work.

2. Unless the solicitation specifies otherwise, a Contractor’s EOP shall be submitted to HACLA with Contractor’s bid/offer package. Bids/Offers submitted by Contractors without an EOP, when required, will be rejected as non-responsive and will not be considered for contract award.
3. Unless the solicitation specifies otherwise, a Subcontractor's EOP shall be submitted to HACLA prior to commencement of the contract.

4. EOP commitments will be incorporated into the contract. Contractors are responsible for incorporating their EOP commitments in any subcontracts it awards for the contract work.

5. Failure on the part of Contractor/Subcontractors to meet the commitments set forth in Contractor’s EOP may subject Contractor to the penalties for default described in Section X.B herein, including a determination that the Contractor is in material default of the contract.

B. Declaration of Intent to Comply with Section 3 Regulations

1. In addition to the EOP, Contractors awarded a Section 3 Covered Contract and their Subcontractors shall complete a Declaration of Intent to Comply with Section 3 Regulations form (to be provided by HACLA), which shall be submitted with Contractor’s bid/offer package, unless the solicitation specifies otherwise.

2. Bids/Offer submitted by Contractors without completed Declarations, when required, may be rejected as non-responsive and will not be considered for contract award.

C. Section 3 Compliance Summary Report

1. Contractors shall, upon HACLA’s request, provide periodic reports using the Section 3 Compliance Summary Report form (to be provided by HACLA). The report shall include information about New Hires, business subcontracting and supporting documents that reflect Contractor/Subcontractor good faith efforts to satisfy Section 3 requirements and fulfill its Section 3 commitments.

2. HACLA reserves the right to request from Contractor additional compliance documents to support data reported in the Section 3 Compliance Summary Report, and to request such other documents as HACLA deems necessary for clarification and proof of efforts.

VIII. DEVELOPMENT AND REDEVELOPMENT PROJECTS

In recognition that large-scale development and redevelopment projects (i) present a unique opportunity to generate employment and job training opportunities for Section 3 Residents, and (ii) typically involve mixed funding which may impose hiring priorities that differ from those specified in this Plan, HACLA’s Board of Commissioners adopts the following exceptions and requirements for Section 3 Covered Projects that are procured in connection with large-scale development and redevelopment projects that are subject to the Board’s approval.

A. Priorities and Commitments

1. The project's master development agreement, disposition and development agreement, or similar agreement between HACLA and the developer, may, consistent with 24 CFR Part 135.34, reflect priorities for training and employment opportunities that differ from those
outlined at Section III.E herein.

2. The developer is responsible for submitting to HACLA a detailed Section 3 Economic Opportunity Plan that details its approach, methods and resources to be used to meet and/or exceed HUD numerical goals.

3. The developer’s specific, negotiated Section 3 commitments shall be made applicable to developer's Contractors, Subcontractors and all other businesses employed on the project. The developer will be held responsible for enforcing Section 3 requirements and project commitments, and for monitoring its Subcontractors’ performance for compliance.

B. Penalties

In the event the developer fails to meet its commitments and can not demonstrate to HACLA’s satisfaction that good faith efforts have been made to fulfill their commitments, it shall be subject to penalties for non-compliance as negotiated in its master development agreement, disposition and development agreement or similar agreement between HACLA and the developer. Shall no such penalty agreement exist, the penalties for non-compliance set forth at Section X.B herein shall apply to the project.

C. Conflicts

Except as expressly set forth herein, Section 3 requirements and this Plan shall apply to the project. In the event of any perceived or actual conflicts between developer’s specific, negotiated Section 3 commitments and the requirements of 24 CFR Part 135 and/or this Plan, HACLA’s determination shall be final and binding.

IX. REQUIREMENTS APPLICABLE TO HUD NOTICE OF FUNDING AVAILABILITY (NOFA) PROGRAMS

The Section 3 compliance requirements at 24 CFR Part 135.9 apply to all HUD Notices of Funding Availability (NOFAs) and shall be imposed in all HACLA NOFA solicitations.

X. COMPLIANCE

A. Reviews for Compliance

1. HACLA may periodically audit Contractors'/Subcontractors’ performance for compliance with the requirements of Section 3 and this Plan, and may conduct periodic project site visits to support such efforts.

2. In connection with an audit for compliance, HACLA reserves the right to request from Contractors/Subcontractors additional reports and information concerning its efforts to comply with requirements of Section 3 and this Plan, and the Section 3 related contract terms and conditions.
B. Penalties for Non-Compliance

1. Contractors who fail to comply with their EOPs or otherwise fail to meet their commitments and obligations arising under Section 3, this Plan or the Section 3 related contract terms and conditions, shall, following notice and a reasonable opportunity to cure (as determined by HACLA in its sole discretion based upon the circumstances), be deemed in material default of their contracts, and may be subject to administrative penalties and/or debarment as follows:

   a. 1st Violation: Administrative penalty of ten percent (10%) of the contract award amount including all amendments.

   b. 2nd Violation: Administrative penalty of additional ten percent (10%) of the contract award amount including all amendments.

   c. 3rd Violation: Debarment, suspension, denial of participation in HACLA contracting or HUD programs in accordance with 24 CFR § 135.74d.

XI. RECORDS RETENTION

HACLA and any of their duly authorized representatives shall, until three years after final payment under the Section 3 Covered Contract, have access to and the right to examine any Contractor or Subcontractor directly pertinent books, documents, papers, or other records concerning Section 3 outreach efforts and commitments for the purpose of making audit, examination, excerpts, and transcriptions.

XII. RESOURCES

A. General Information

HUD publishes general information concerning Section 3, including the federal regulations implementing Section 3 (24 CFR part 135), at www.hud.gov/section3.

HACLA has published its own Frequently Asked Questions concerning Section 3, which is available here: www.hacla.org/section3.

B. HACLA Forms

All HACLA forms referenced in this Plan are available online at www.hacla.org/forms or by contacting HACLA's Section 3 Compliance Administrator at: section3@hacla.org.

C. Questions and Complaints

Questions or complaints concerning this Plan or HACLA's Section 3 program should be directed to HACLA's Section 3 Compliance Administrator:

Housing Authority of the City of Los Angeles
Section 3 Compliance Administrator
Consistent with 24 CFR §135.76, a Section 3 Resident or a Section 3 Business Concern may file a Section 3 related complaint directly with HUD using HUD form 958.

History:

10/30/14: Section 3 Guide and Compliance Plan adopted by Board Resolution No. 9167
11/28/17: Section 3 Guide and Compliance Plan (V2) adopted by Board Resolution No. 9693
ATTACHMENT 2 TO LOCAL HIRE AND SECTION 3 REQUIREMENTS RIDER

SECTION 3 CLAUSE

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause) or a successor clause contained in any revisions to Section 3 or the Section 3 Regulations:

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
ATTACHMENT 3 TO LOCAL HIRE AND SECTION 3 REQUIREMENTS RIDER

ASSISTANCE TO SMALL, MINORITY, WOMEN’S, LABOR SURPLUS AREA, SECTION 3, AND RESIDENT BUSINESS ENTERPRISES

REQUIRED EFFORTS

Consistent with Presidential Executive Orders 11625, 12138 and 12432, Title VI of the Civil Rights Act of 1968, and Section 3 of the Housing and Urban Development Act of 1968, as amended, Master Developer shall make efforts to ensure that small, minority-owned and woman-owned business enterprises, labor surplus area businesses, and individuals or firms located in, or owned in substantial part by persons residing in, the area of a HACLA public housing development are used when possible. Such efforts shall include, but shall not be limited to:

1. Including such firms, when qualified, on solicitation mailing lists;

2. Encouraging the participation of such firms through direct solicitation of bids or proposals whenever they are potential sources;

3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;

4. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;

5. Using the services and assistance of the Small Business Administration, the Minority Business Development Agency of the Department of Commerce, and the City of Los Angeles Mayor’s Office of Economic Development;

6. Including in all contracts funded from sources covered by Section 3, the Section 3 clause prescribed at 24 CFR 135.38, which clause sets forth Section 3 preference requirements and compliance goals for employment and training of public housing residents and for contracting and subcontracting with businesses owned by public housing residents or which otherwise meet the criteria of a Section 3 business concern. Pursuant to 24 CFR 135.36, efforts shall be directed to award Section 3 covered contracts, to the greatest extent feasible to Section 3 business concerns.

7. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed in 1 through 6 above. Anticipated levels of participation may periodically be established by HACLA for small, minority-owned and woman-owned business enterprises, labor surplus area businesses, and business concerns which are located in, or owned in substantial part by persons residing in, the area of the project, in HACLA’s prime contracts and subcontracting opportunities.
ATTACHMENT 4 TO LOCAL HIRE AND SECTION 3 REQUIREMENTS RIDER

SECTION 3 COMPLIANCE REPORTS SUBMISSION SCHEDULE

To be reported at contract execution:

a. Form 1: Declaration of Understanding and Intent to Comply

b. Form 2: Section 3 Business Concern Certification

c. Form 4: Economic Opportunity Plan (EOP) - for all subcontractors to identify hiring, subcontracting and other commitments

To be reported monthly:

a. Form 3: Section 3 Resident Certifications – to understand how many Section 3 Residents were hired, if the subcontractors are meeting their minimum numerical targets, if the order of hiring priority is being observed (may be required to attach documentation of efforts).

To be reported quarterly:

Compliance Summary Report, including, but not limited to, the following information:

a. Dollar amount of contracts awarded to Section 3 and non-Section 3 Businesses

b. List of subcontractors, their start dates, amounts of subcontract, and similar data.

c. Detailed hiring information to determine if Section 3 Hiring and Work Hour goal is being met; if the order of hiring priority is being observed.

d. Support documentation to demonstrate efforts made to fulfill Section 3 goals and commitments.

e. Information on the workforce at the Development site and how many are Section 3 residents, new hires.

f. A Best Practices Guide or Development End Report which outlines good faith efforts, achievements and obstacles, to be submitted at closeout of each phase.
EXHIBIT F-2

SECTION 3 PLAN

[attached]
EXHIBIT G

HACLA PAYMENT PROCEDURES

1. Michaels shall obtain from all Third Party Contractors (including, without limitation, the GC and the Monitor) complete requisitions (payment requests) with required back up information ("Payment Submittals") not later than the last day of each calendar month. If any Third Party Contractor fails to deliver to Michaels a Payment Submittal on or before the last day of a calendar month, then such Payment Submittal shall not be deemed submitted until the last day of the next following month and then considered at the next following month’s Payment Request Review Meeting.

2. On or before the fourth (4th) business day of each month, Michaels and each Third Party Contractor shall jointly inspect the Site with the objective of confirming the progress of the Project and the status of the Work.

3. Upon receipt of a Payment Submittal, Michaels shall review, reconcile and confirm such Payment Submittal and such Payment Submittal’s consistency with field conditions and shall correct and/or request revisions, clarifications and/or supplements to such Payment Submittals, if and as needed.

4. HACLA and Michaels shall meet not less frequently than monthly to review and approve all outstanding payment requests. Unless otherwise specified by Michaels, each such meeting (a “Payment Request Review Meeting”) shall take place on or before ten (10th) business day of each month.

5. To the extent Michaels determines that a Payment Submittal is complete and appropriate for submission to HACLA for approval, Michaels shall submit the same to HACLA on or before the fifteenth (15th) calendar day of each month for costs incurred during the prior month, along with (a) an updated budget and (b) conditional lien releases using the California Conditional Waiver and Release Forms on Progress Payments for the payments requested in the current Payment Submittal and unconditional lien releases using the California Unconditional Waiver and Release Form on Progress Payment for payments paid with prior approved and paid Payment Submittals. For the final payment, Michaels will use the “Final Payment” form.

6. HACLA shall hold back retention amounts as required under state and/or federal law.

7. HACLA may provide written notice to Michaels of its reasonable objections to any Payment Submittal within seven (7) business days of HACLA’s receipt of the same from Michaels.

8. At the end of the above-described seven (7) business day review period, HACLA may: (a) approve the Payment Submittal as submitted, (b) reject portions of the Payment Submittal, but allow for partial approval and payment without delay, (c) reject the Payment Submittal until all required documents are accepted and/or disputed values are adjusted.

9. Approved Payment Submittals will be paid by HACLA within ten (10) business days after expiration of the seven (7) business days provided for in section 7, above, i.e., HACLA pay a
Payment Submittal within 17 (seventeen) business days of receipt provided that all of HACLA's reasonable objections raised per step 7 above shall have been satisfactorily resolved.
EXHIBIT H-1

MITIGATION MEASURES

[attached]
# Jordan Downs Mitigation Measures

<table>
<thead>
<tr>
<th>Measure/Feature</th>
<th>Project Phase</th>
<th>Monitoring Period</th>
<th>Responsible Party</th>
<th>Enforcement/Monitoring Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aesthetics and Visual Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>MM-1(^1) SP-1</td>
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<tr>
<td>Temporary fencing (e.g., chain link or wood) with screening material shall be used around the perimeter of a development site to buffer views of construction equipment and materials. In addition, the following fencing requirements shall be implemented:</td>
<td></td>
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<tr>
<td>• The applicant shall be responsible for maintaining the visibility of required signage and for maintaining the construction barrier free and clear of any unauthorized signs within 48 hours of occurrence.</td>
<td>1-6</td>
<td>Pre-construction(^2) Construction(^3)</td>
<td>JDCP(^4)</td>
<td>Department of Building and Safety</td>
</tr>
<tr>
<td>• A sign shall be posted with the contact number of the construction manager so that he/she may address safety and other issues related to construction.</td>
<td></td>
<td></td>
<td>Primestor (Phase 1/Phase 4 commercial)(^5)</td>
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<tr>
<td>• (SP-1): The applicant shall affix or paint a plainly visible sign, on publicly accessible portions of the construction barriers, with the following language: “POST NO BILLS”. Such language shall appear at intervals of no less than 25 feet along the length of the publicly accessible portions of the barrier.</td>
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<td>MM-2 SP-2</td>
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<tr>
<td>HACLA shall ensure through appropriate posting and daily visual inspections that no unauthorized materials are posted on any</td>
<td>1-6</td>
<td></td>
<td>HACLA</td>
<td>Department of Building and</td>
</tr>
</tbody>
</table>

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1. "MM-xx" refers to Environmental Mitigation Measures from City of LA Tentative Tract Map approvals. "CM-xx" refers to Construction Mitigation Measures from City of LA Tentative Tract Map approvals. "SP-xx" refers to the Mitigation Measures in the Specific Plan Amendment EIR.

2. Preconstruction includes design, site preparation and grading.

3. Construction refers to foundation, superstructure, building envelope and interior construction.

4. Jordan Downs Community Partners LLC ("JDCP") is the Master Developer of the redevelopment of the Jordan Downs Public Housing Community, per the Master Development Agreement ("MDA") dated August 14, 2012. Section 5.1 of the MDA limits the transferability of development rights to either The Michaels Development Company I, LP or BRIDGE Housing Corporation.

5. Developer of the commercial component in Phase I only.
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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>MM-3 SP-3</strong></td>
<td>The proposed project shall incorporate design features to lessen the visual contrast with existing residences on 97th and Grape Streets. The design features to be implemented include, but are not limited to, varying building height, sloped roof design, and landscaping, all of which shall be consistent with the proposed project elevations as described in Chapter III Project Description, as well as in this section.</td>
<td>1-8</td>
<td>Pre-construction</td>
</tr>
<tr>
<td><strong>MM-4 SP-4</strong></td>
<td>The buildings constructed along 97th Street that exceed 30 feet in height shall be designed either with increased (greater than 10 feet) setbacks or with a sloped roof for the first level and a second level that is stepped back to create a more visually consistent street view.</td>
<td>1, 5, 6</td>
<td>Pre-construction</td>
</tr>
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<td><strong>MM-5 SP-5</strong></td>
<td>Lighting fixtures constructed as part of the proposed project shall be oriented and focused onto the specific on-site location intended for illumination (e.g., parking lots, driveways, and walkways) and shielded away from adjacent sensitive areas (e.g., schools, other residential properties) and public rights of way to minimize light spillover onto off-site areas.</td>
<td>1-6</td>
<td>Pre-construction</td>
</tr>
<tr>
<td><strong>MM-6 SP-6</strong></td>
<td>Where appropriate and feasible, incorporate project design features to shield light and/or glare from vehicles entering or existing parking lots and structures that face sensitive uses by providing barriers so that light from vehicle headlights would not illuminate off-site sensitive uses.</td>
<td>1-6</td>
<td>Pre-construction</td>
</tr>
<tr>
<td><strong>MM-7 SP-7</strong></td>
<td>Where appropriate and feasible, incorporate project design features to provide landscaping, physical barriers, screening, or other buffers to minimize project-generated illumination from entering off-site areas and to prevent glare or interfere with vehicular traffic.</td>
<td>1-6</td>
<td>Pre-construction</td>
</tr>
<tr>
<td><strong>MM-8 SP-8</strong></td>
<td>Where appropriate and feasible, locate and orient driveways into parking lots, parking structures, and semi-subterranean garages in a manner that will not result in headlights from vehicles entering or exiting the parking areas directly lighting any off-site sensitive uses.</td>
<td>1-6</td>
<td>Pre-construction</td>
</tr>
<tr>
<td><strong>MM-9 SP-9</strong></td>
<td>Where appropriate and feasible, proposed new structures shall be designed to maximize the use of textured or other non-reflective exterior surfaces and non-reflective glass.</td>
<td>1-6</td>
<td>Pre-construction</td>
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<tr>
<td>Air Quality</td>
<td>MM-10 SP-27</td>
<td>MM-11 SP-28</td>
<td>MM-12 SP-29</td>
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<td>-----------------------------------------</td>
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<tr>
<td>Informational signs shall be provided</td>
<td>1-8</td>
<td>1 and 4</td>
<td>1 and 4</td>
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<td>that locate nearby public transportation options.</td>
<td>Pre-construction</td>
<td>Pre-construction</td>
<td>JDCP</td>
</tr>
<tr>
<td>The surface parking area for the employment uses shall provide charging stations for electric vehicles.</td>
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<tr>
<td>Equipment (e.g., forklifts and carts) used during operations of the employment uses shall use alternative power (e.g., electricity or propane) instead of diesel fuels.</td>
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<td>Delivery trucks shall be prohibited from idling in excess of five minutes.</td>
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<tr>
<td>The applicant shall require by contract specifications that electrical outlets are included in the building design of the loading docks to allow use by refrigerated delivery trucks. If loading and/or unloading of perishable goods would occur for more than five minutes, and continual refrigeration is required, all refrigerated delivery trucks shall use the electrical outlets to continue powering the truck refrigeration units when the delivery truck engine is turned off.</td>
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<tr>
<td>Automatic lighting on/off controls and energy-efficient lighting shall be installed at the employment uses.</td>
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<tr>
<td>Residential units shall including Heating, Ventilation, and Air Conditioning Systems with a minimum efficiency reporting value of 13.</td>
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<tr>
<td>HACLA shall continue coordinating with responsible agencies to study ways to increase job opportunities and regional transit in the vicinity of the Specific Plan area.</td>
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</table>

*The Owner Entity refers to the holder of a long-term ground lease with HACLA for a leasehold interest in a portion of the redevelopment sites.*
| MM-18 SP-35 | Ground-disturbing and vegetation removal activities associated with construction of the project shall be performed outside of the breeding season for birds, or between September 1 and January 31. If these project activities cannot be implemented during this time period, the City should retain a qualified biologist to perform preconstruction nest surveys to identify active nests within and adjacent to (up to 500 feet) the project area. If the pre-construction survey is conducted early in the nesting season (February 1 – March 15) and nests are discovered, a qualified biologist may remove the nests only after it has been determined that the nest is not active (i.e., the nest does not contain eggs, nor is an adult actively brooding on the nest). Any active non-raptor nests identified within the project area or within 300 feet of the project area should be marked with a 300-foot buffer, and the buffer area would need to be avoided by construction activities until a qualified biologist determines that the chicks have fledged. If the 300-foot buffer for non-raptor nests or 500-foot buffer for raptor nests cannot be avoided during construction of the project, the City should retain a qualified biologist to monitor the nests on a daily basis during construction to ensure that the nests do not fail as a result of noise generated by the construction. The biological monitor shall be authorized to halt construction if the construction activities cause negative effects, such as the adults abandoning the nest or chicks falling from the nest. | 1-6 | Construction | JDCP Primestor |
| MM-19 SP-36 | Cultural Resources
To ensure that historic buildings are appropriately renovated and maintained, the preservation, rehabilitation, restoration, reconstruction or adaptive reuse of known historic resources shall meet the U.S. Secretary of the Interior's Standards for Rehabilitation (Secretary's Standards). Any proposal to preserve, rehabilitate, restore, reconstruct, or adaptively reuse a known historic resource in accordance with the Interior Secretary's Standards shall be deemed not to be a significant impact under CEQA and, in such cases, no additional mitigation measures will be required. | 1-6 | Pre-construction | JDCP Primestor |
<p>| MM-20 | The Applicant shall work with qualified preservation | 1-6 | Pre-construction | JDCP |</p>
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>SP-37</td>
<td>Professionals to ensure Standards-compliant projects, including the design of rehabilitation projects, compatibility of new construction with historic structures, and periodic site visits to monitor construction with historic structures to ensure that such activities comply with the Secretary of the Interior’s Standards. Historic professionals shall meet the National Park Service standards.</td>
</tr>
<tr>
<td>MM-21</td>
<td>If a unique archaeological resource is discovered during project construction activities, work in the area shall cease and deposits shall be treated in accordance with federal, state and local guidelines, including those set forth in the California Public Resources Code Section 21083.2. In addition, if it is determined that an archaeological site is a historical resource, the provisions of Section 21084.1 of the Public Resources Code and CEQA Guidelines Section 15084.5 would be implemented.</td>
</tr>
<tr>
<td>MM-22</td>
<td>A qualified paleontologist shall be retained to perform periodic inspections of excavation and grading activities where excavations of older soils may occur. The services of a qualified paleontologist shall be secured by contacting the Natural History Museum of Los Angeles County. The frequency of inspections will be based on consultation with the paleontologist and will depend on the rate of excavation and grading activities, the materials being excavated, and if found, the abundance and type of fossils encountered. Monitoring shall consist of visually inspecting fresh exposures of rock for larger fossil remains and, where appropriate, collecting wet or dry screened sediment samples of promising horizons for smaller fossil remains. If a potential fossil is found, the paleontologist shall be allowed to temporarily divert or redirect grading and excavation activities in the area of the exposed fossil to facilitate evaluation and, if necessary, salvage. At the paleontologist’s discretion and to reduce any construction delay, the grading and excavation contractor shall assist in removing rock samples for initial processing. Any fossils encountered and recovered shall be prepared to the point of identification and catalogued before they are donated to their final repository. Any fossils collected should be donated to a public, nonprofit institution with a research interest in the materials, such as the Natural History Museum of Los Angeles County. Accompanying notes, maps, and photographs shall also be filed at the repository. If fossils</td>
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are found, following the completion of the above tasks, the paleontologist shall prepare a report summarizing the results of the monitoring and salvaging efforts, the methodology used in these efforts, as well a description of the fossils collected and their significance. The report shall be submitted by the applicant to the lead agency, the Natural History Museum of Los Angeles County, and representatives of other appropriate or concerned agencies to signify the satisfactory completion of the project and required mitigation measures.

<table>
<thead>
<tr>
<th>Energy</th>
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<p>| MM-23 SP-40 | HACLA shall coordinate with LADWP to determine the specific on-site electricity transformation facility requirements for the proposed project. | 1-6 | Pre-construction | HACLA |
| MM-24 SP-41 | HACLA shall coordinate with LADWP to determine if any required improvements to the LADWP electricity distribution system are needed to accommodate the proposed project. HACLA shall create a fund to finance the costs of infrastructure improvements to the electricity distribution system to accommodate the proposed project. The type, quantity, and costs of any required infrastructure improvements shall be set forth in a Memorandum of Understanding (MOU) that shall be agreed on by HACLA and LADWP. | 1-6 | Pre-construction | HACLA |
| MM-25 SP-42 | HACLA shall incorporate into building and electrical plans any necessary on-site transformation facility infrastructure and be subject to review and approval by the LADWP prior to construction. | 1-6 | Pre-construction | HACLA |
| MM-26 SP-43 | HACLA shall incorporate into the guidelines of the Specific Plan electrical generating solar panels for streetscape pedestrian lighting, gateway lighting, and other passive outdoor lighting. | 1-6 | Pre-construction | HACLA |
| MM-27 SP-44 | HACLA shall coordinate with SoCal Gas to determine if any required improvements to the SoCal Gas natural gas distribution system are needed to accommodate the proposed project. HACLA shall create a fund to finance the costs of infrastructure improvements to the SoCal Gas natural gas distribution system to accommodate the proposed project. The type, quantity, and costs of the infrastructure improvements shall be agreed on in accordance with SoCal Gas' policies and extension rules on file with the California Public Utilities | 1-6 | Pre-construction | HACLA |</p>
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Timing</th>
<th>Responsible Party</th>
<th>Agency</th>
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</thead>
<tbody>
<tr>
<td>MM-28</td>
<td>Building and natural gas connection plans shall be subject to review and approval by SoCal Gas prior to construction.</td>
<td>1-6</td>
<td>Pre-construction</td>
<td>JDCP Primestor, SoCal Gas</td>
</tr>
<tr>
<td>SP-45</td>
<td>HACLA shall set aside a percentage of roof floor area for installation of water-heating solar panels.</td>
<td>1-6</td>
<td>Pre-construction</td>
<td>HACLA</td>
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<td></td>
<td><strong>Geology and Soils</strong></td>
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<td>MM-30</td>
<td>Seismic design for structures and foundations shall comply with the most current seismic building code standards for site-specific soil conditions.</td>
<td>1-6</td>
<td>Pre-construction</td>
<td>JDCP Primestor, Department of Building and Safety</td>
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<tr>
<td>SP-47</td>
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<tr>
<td>MM-31</td>
<td>The proposed project shall demonstrate compliance with specific recommendations for grading guidelines, foundation design, retaining wall design, temporary excavations, slabs on grade, site drainage, design review, construction monitoring and geotechnical testing to the satisfaction of the City of Los Angeles Department of Building and Safety, as conditions to issuance of any grading and building permits.</td>
<td>1-6</td>
<td>Pre-construction</td>
<td>JDCP Primestor, Department of Building and Safety</td>
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<tr>
<td>SP-48</td>
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<td>MM-32</td>
<td>During inclement periods of the year, when rain is threatening (between November 1 and April 15 per the Los Angeles Building Code, Sec. 7002), an erosion control plan that identifies BMPs shall be implemented to the satisfaction of the City of Los Angeles Department of Building and Safety to minimize potential erosion during construction. The erosion control plan shall be a condition to issuance of any grading permit.</td>
<td>1-6</td>
<td>Construction</td>
<td>JDCP Primestor, Department of Building and Safety</td>
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<tr>
<td>SP-49</td>
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<tr>
<td>MM-33</td>
<td>To the extent feasible, grading shall be scheduled for completion prior to the start of the rainy season (between November 1 and April 15 per the Los Angeles Building Code, Sec. 7002), or detailed temporary erosion control plans shall be implemented in a manner satisfactory to the City of Los Angeles Department of Building and Safety.</td>
<td>1-6</td>
<td>Construction</td>
<td>JDCP Primestor, Department of Building and Safety</td>
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<td>SP-50</td>
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<td>MM-34</td>
<td>Appropriate erosion control and drainage devices shall be incorporated to the satisfaction of the City of Los Angeles Department of Building and Safety. Such measures include interceptor terraces, berms, vee-channels, and inlet and outlet structures</td>
<td>1-6</td>
<td>Construction</td>
<td>JDCP Primestor, Department of Building and Safety</td>
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<tr>
<td>SP-51</td>
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<tr>
<td>MM-35</td>
<td>Provisions shall be made for adequate surface drainage away</td>
<td>1-6</td>
<td>Construction</td>
<td>JDCP</td>
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<td><strong>(D0547046.DOC / 1</strong></td>
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<td><strong>DC114-106)</strong></td>
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<tr>
<td>SP-52</td>
<td>from the areas of excavation as well as protection of excavated areas from flooding. The grading contractor shall control surface water and the transportation of silt and sediment.</td>
<td>Primestor</td>
<td>Building and Safety</td>
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**Hazard and Hazardous Materials**

<p>| MM-38 SP-53 | HACLA shall retain a Certified Asbestos Consultant to determine the presence of asbestos and asbestos containing materials (ACM) within buildings to be demolished. If asbestos is discovered, a Licensed Asbestos Abatement Contractor shall be retained to safely remove ACM in accordance with the 1994 Federal Occupational Exposure to Asbestos Standards. ACM removal will be monitored by a Certified Technician. | 1-6 | Construction | HACLA | Department of Building and Safety |
| MM-37 SP-54 | For all buildings to be demolished, lead-based paint testing shall be conducted. If lead-based paint is discovered, a licensed lead-based paint materials abatement contractor shall be retained to safely remove lead-based paint in accordance with HUD Lead-Based Paint Guidelines. | 1-5 | Construction | JDCP | Department of Building and Safety |
| MM-38 SP-55 | HACLA shall not disturb the ground surface nor remove any foundations or other structures on the 9901 S. Alameda Street site without prior approval of the DTSC. | 1-3 | Construction | HACLA | DTSC |
| MM-39 SP-56 | HACLA shall provide DTSC with all background information, sample analysis results, environmental assessment reports and any other information pertinent to the hazardous substance management and/or release, characterization, and cleanup of the site. DTSC will review the information to identify areas and media of concern, and to determine additional work, if any, required to complete the investigation/remediation of the site. Following DTSC's initial review a scoping meeting will be held to discuss whether further site characterization is necessary, and, if so, how the characterization will be conducted and implemented. | 1-6 | Pre-construction | HACLA | DTSC |
| MM-40 SP-57 | HACLA shall submit a Remedial Investigation Workplan that describes the activities to further characterize soil, soil gas, surface water, and/or groundwater. The workplan shall include a site health and safety plan, quality assurance/quality control plan, sampling plan, and implementation schedule. | 1-6 | Pre-construction | HACLA | DTSC |
| MM-41 SP-58 | HACLA shall submit a Site Characterization Report that presents the data, summarizes the findings of the investigations, validates the data, and includes recommendations and conclusions. | 1-6 | Pre-construction | HACLA | DTSC |
| MM-42 | HACLA shall prepare a Feasibility Study to evaluate feasible | 1-6 | Pre-construction | HACLA | DTSC |</p>
<table>
<thead>
<tr>
<th>SP-59</th>
<th>Remediation and response alternatives. Reasonable potential alternatives for the remediation of the site shall be evaluated, including the &quot;no action&quot; alternative. The evaluation shall (1) identify the goals for the cleanup based upon current and projected future land uses; (2) evaluate feasible alternatives to meet these goals, including their effectiveness, implementability and cost; and (3) recommend a preferred alternative.</th>
</tr>
</thead>
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<tr>
<td>MM-43</td>
<td>DTSC shall determine the appropriate removal action for the site and HACLA shall prepare a Removal Action Workplan (RAW) in accordance with Health and Safety Code sections 25323.1 and 25358.1. If the proposed RAW does not meet the requirements of Health and Safety Code section 25358.1 (h), HACLA shall prepare a Remedial Action Plan (RAP) in accordance with Health and Safety Code sections 25358.1(c).</td>
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<tr>
<td>1-6</td>
<td>Pre-construction HACLA DTSC</td>
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<td>MM-44</td>
<td>In order to meet its CEQA obligation, DTSC shall prepare the necessary CEQA documents. If required, HACLA shall submit the information necessary for DTSC to prepare these documents.</td>
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<td>1-6</td>
<td>Pre-construction HACLA DTSC</td>
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<td>MM-45</td>
<td>Upon DTSC approval of the final RAW or RAP, HACLA shall implement the removal action as approved.</td>
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<td>1-6</td>
<td>Pre-construction HACLA DTSC</td>
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<td>MM-46</td>
<td>Within 30 days of completion of field activities, HACLA shall submit an implementation report documenting the implementation of the final RAW or RAP and noticing any deviations from the approved plan. During implementation of the final RAW or RAP, DTSC may specify such addition, modifications and revisions to the RAW or RAP as deemed necessary to protect human health and safety or the environment or to implement the RAW or RAP.</td>
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<td>1-6</td>
<td>Pre-construction HACLA DTSC</td>
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<td>MM-47</td>
<td>HACLA shall work with DTSC to ensure that the interested public and community are involved in the DTSC decision making process. Public Participation activities shall be conducted in accordance with Health and Safety Code Section 25358.7 and DTSC’s Public Participation Policy and Procedures Manual.</td>
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<td>1-6</td>
<td>Pre-construction HACLA DTSC</td>
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<tr>
<td>MM-48</td>
<td>A Land Use Covenant may be required in the final RAW by DTSC pursuant to California Code of Regulation, Title 22 Section 67391.1 to ensure full protection of the environment and human health.</td>
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<tr>
<td>1-6</td>
<td>Pre-construction HACLA DTSC</td>
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<tr>
<td>MM-49</td>
<td>HACLA shall comply with any and all operation and maintenance requirements in accordance with the final RAW or RAP or Operation and Maintenance Plan.</td>
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<td>1-6</td>
<td>Construction/ Post-construction HACLA DTSC</td>
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<tr>
<td>MM-50</td>
<td>Any remedial technology employed in implementation of the final RAW or RAP shall be left in place and operated by HACLA until</td>
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<tr>
<td>1-6</td>
<td>Construction/ Post- HACLA DTSC</td>
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<tr>
<td>Noise</td>
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<td><strong>MM-53 SP-80</strong> Loading and unloading of trucks shall be prohibited between 10:00 p.m. and 7:00 a.m.</td>
<td>1-6</td>
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<td><strong>MM-54 SP-81</strong> A ten-foot solid wall shall be constructed between the employment uses, including the recycling facility, and the residences and David Starr Jordan High School.</td>
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<td><strong>MM-55 SP-82</strong> Residential units adjacent to the employment uses, including the recycling facility, shall be constructed with materials capable of reducing exterior-to-interior noise levels by at least 19 dBA.</td>
<td>1, 6</td>
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<td><strong>MM-56 SP-83</strong> Prior to building approval, a site-specific noise study shall be completed for the elementary school based on the project design. The noise study shall ensure that noise levels at the school meet all relevant local and State guidelines.</td>
<td>1-6</td>
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<td><strong>MM-57 SP-84</strong> Residential land uses facing 103rd Street shall be constructed with single-glazed windows that are at least 5/16 inches thick. Alternatively, double-glazed windows may be used if the glass is at least 3/32 inches thick with four inches of airspace.</td>
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<tr>
<th>Population and Housing</th>
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<tr>
<td><strong>MM-58 SP-85</strong> HACLA shall prepare and implement an existing tenant relocation plan whereby all of the existing tenants of the Jordan Downs public housing complex would be relocated either on site or in the vicinity of the site to affordable housing equal to their existing conditions.</td>
</tr>
<tr>
<td><strong>MM-59 SP-86</strong> HACLA shall coordinate with the Department of Building and Safety to designate the replacement public housing units per the new vesting tract map, in order to properly identify and process the new Certificates of Occupancy, and ensure the conservation of these public housing units.</td>
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<tr>
<th>Public Services</th>
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<tr>
<td><strong>MM-60 SP-87</strong> Project plans shall be submitted to LAFD for review and approval to ensure that all new structures would comply with current fire</td>
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<td>Code</td>
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<td>MM-61</td>
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<td>SP-88</td>
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<td>MM-62</td>
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<td>Public Utilities</td>
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<td>MM-70/SP-99</td>
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| MM-71 | That a sign be required on site clearly stating a contact/complaint telephone number that provides contact to a live voice, not a recording or voice mail, during all hours of construction, the construction site address, and the tract map number. YOU ARE REQUIRED TO POST THE SIGN 7 DAYS BEFORE CONSTRUCTION IS TO BEGIN.  
* Locate the sign in a conspicuous place on the subject site or structure (if developed) so that it can be easily read by the public. The sign must be sturdily attached to a wooden post if it will be free-standing.  
* Regardless of who posts the site, it is always the responsibility of the applicant to assure that the notice is firmly attached, legible, and remains in that condition throughout the entire construction period.  
* If the case involves more than one street frontage, post a sign on each street frontage involved. If a site exceeds five (5) acres in size, a separate notice of posting will be required for each five (5) acres or portion thereof. Each sign must be posted in a prominent location. | 1-6 | Construction |
| MM-72 SP-10 | The construction area and all accessible areas (public streets, sidewalks, etc.) within 100 feet of the Specific Plan area and/or the tract map area (whichever applies) shall be swept (preferably with water sweepers) and watered at least twice daily. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-73 SP-11 | Construction contractors shall utilize at least one of the following measures at each vehicle egress from the Specific Plan area and/or the tract map area (whichever applies) to a paved public road: Install a pad consisting of washed gravel maintained in a clean condition to a depth of at least six inches and extending at least 30 feet wide and at least 50 feet long; Pave the surface extending at least 100 feet and at least 20 feet wide; Utilize a wheel shaker/wheel spreading device consisting of raised dividers at least 24 feet long and 10 feet wide to remove bulk material from tires and vehicle undercarriages; or Install a wheel washing system to remove bulk material from tires and vehicle undercarriages. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-74 SP-12 | Site access points shall be swept/washed within thirty minutes of visible dirt deposition. Street sweepers that comply with SCAQMD Rule 1188 and 1188.1 shall be used to sweep site access points or reclaimed water shall be used to wash site access points. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-75 SP-13 | All haul trucks hauling soil, sand, and other loose materials shall be covered (e.g., with tarps or other enclosures that would reduce fugitive dust emissions). | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-76 SP-14 | Construction contractors’ activity on unpaved surfaces shall be suspended when winds exceed 25 miles per hour. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-77 SP-15 | Heavy-duty equipment operations shall be suspended during first and second stage smog alerts. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-78 SP-16 | Ground cover in disturbed areas shall be replaced as quickly as possible. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-79 SP-17 | Construction contractors shall utilize super-compliant architectural coatings as defined by the SCAQMD (VOC standard of less than ten grams per liter). | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-80 SP-18 | Construction contractors shall utilize materials that do not require painting, as feasible. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-81 SP-19 | Construction contractors shall use pre-painted construction materials, as feasible. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-82 SP-20 | Contractors shall maintain equipment and vehicle engines in good condition and in proper tune per manufacturer’s specifications. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-83 SP-21 | All diesel-powered construction equipment shall meet USEPA Tier 2 or higher emissions standards according to the following schedule:  
1. April 1, 2010, to December 31, 2011: All off-road diesel-powered construction equipment greater than 50 horsepower shall meet Tier 2 off-road emissions standards. In addition, all construction equipment shall be outfitted with the BACT devices certified by CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 2 or Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations.  
2. January 1, 2012, to December 31, 2014: All off-road diesel-powered construction equipment greater than 50 horsepower shall meet Tier 3 off-road emissions. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-94 SP-22 | Construction contractors shall use electricity from power poles rather than temporary gasoline or diesel power generators, as feasible. | 1-6 | Construction | JDCP Primestor | Department of Building and Safety |
| MM-85 SP-23 | Heavy-duty trucks shall be prohibited from idling in excess of five minutes, both on-and off-site. | 1-6 | Construction | JDCP Primestor | Department of Building and Safety |
| MM-88 SP-24 | Construction parking shall be configured to minimize traffic interference. | 1-6 | Construction | JDCP Primestor | Department of Building and Safety |
| MM-87 SP-25 | Construction activity that affects traffic flow on the arterial system shall be limited to off-peak hours. | 1-6 | Construction | JDCP Primestor | Department of Building and Safety |
| MM-88 SP-20 | Construction contractors shall coordinate with administrators at David Starr Jordan High School, Florence Griffith Joyner Elementary School, and Weigand Elementary School and to minimize student exposure to air pollution during periods of heavy construction activity (e.g., grading and excavation). | 1-6 | Construction | JDCP Primestor | Department of Building and Safety |
| MM-89 SP-70 | All construction equipment shall be equipped with mufflers and other suitable noise attenuation devices. | 1-6 | Construction | JDCP Primestor | Department of Building and Safety |
| MM-90 SP-71 | Grading and construction contractors shall use quieter equipment as opposed to noisier equipment (such as rubber-tired equipment rather than metal-tracked equipment). | 1-6 | Construction | JDCP Primestor | Department of Building and Safety |
| MM-91 | The construction contractor shall locate construction staging | 1-6 | Construction | JDCP | Department of Building and Safety |
| SP-72 | Construction haul truck and materials delivery traffic shall avoided residential areas whenever feasible. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-92 | The construction contractor shall schedule high noise-producing activities between the hours of 8:00 a.m. and 5:00 p.m. to minimize disruption to sensitive uses. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-93 | The construction contractor shall use on-site electrical sources to power equipment rather than diesel generators where feasible. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-94 | All residential units located within 500 feet of the construction site shall be sent a notice regarding the construction schedule of the proposed project. A sign, legible at a distance of 50 feet, shall also be posted at the construction site. All notices and signs shall indicate the dates and duration of construction activities, as well as provide a telephone number where residents can inquire about the construction process and register complaints. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-95 | A "noise disturbance coordinator" shall be established. The disturbance coordinator shall be responsible for responding to any local complaints about construction noise. The disturbance coordinator shall determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and shall be required to implement reasonable measures such that the complaint is resolved. All notices that are sent to residential units within 500 feet of the construction site and all signs posted at the construction site shall list the telephone number for the disturbance coordinator. | 1-6 | Construction | JDCP | Primestor | Department of Building and Safety |
| MM-96 | Prior to initiating construction for soil remediation and Phases 1, 2, and 4, the construction contractor shall coordinate with the site administrator for David Starr Jordan High School to discuss construction activities that generate high noise levels. Coordination between the site administrator and the construction contractor shall continue on an as-needed basis throughout the construction phase of the project to mitigate potential disruption of classroom activities. | 1-2, 4 | Pre-construction | JDCP | Primestor | Department of Building and Safety |
| MM-97 | Prior to initiating construction for Phases 3 and 4, the construction contractor shall coordinate with the site administrator for Florence Griffith Joyner Elementary School to discuss construction activities that generate high noise levels. | 3-4 | Construction | JDCP | Primestor | Department of Building and Safety |
| Coordination between the site administrator and the construction contractor shall continue on an as-needed basis throughout the construction phase of the project to mitigate potential disruption of classroom activities. |
|---|---|---|---|
EXHIBIT H-2

WASTE SOIL MANAGEMENT PLAN

[attached]
WASTE SOIL MANAGEMENT PLAN
JORDAN DOWNS REDEVELOPMENT PROJECT
LOS ANGELES, CALIFORNIA

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FIGURES
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Figure 2 Areas of Potential Residual COC/COPC Concentrations
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APPENDIX
A Suspect Soil Notification Form and Location Maps
LIST OF ACRONYMS

BMPs  Best Management Practices
COCs  Constituents of Concern
COPCs  Constituents of Potential Concern
Cy  Cubic Yards
DTSC  California Department of Toxic Substances Control
EPA  United States Environmental Protection Agency
HACLA  Housing Authority of the City of Los Angeles
IIIPP  Injury and Illness Prevention Program
JDRP  Jordan Downs Redevelopment
JDPHA  Jordan Downs Public Housing Community Area
LARWQCB  Los Angeles Regional Water Quality Control Board
MCCTC  Maximum Concentration of Contaminants for the Toxicity Characteristic
mg/kg  milligrams per kilogram
mg/L  milligrams per liter
NPDES  National Pollutant Discharge Elimination System
PCBs  Polychlorinated Biphenyls
PAHs  Polynuclear aromatic hydrocarbons
PCE  Tetrachloroethene (aka Perchloroethylene)
PVC  Polyvinyl Chloride
RCRA  Resource Conservation and Recovery Act
RBCGs  Risk-Based Cleanup Goals
ROWs  Rights-of-Ways
RWQCB  Regional Water Quality Control Board
SCAQMD  South Coast Air Quality Management District
SHSP  Site-Specific Health and Safety Plan
SSLs  Soil Screening Levels
STLC  Soluble Threshold Limit Concentration
SWPPP  Storm Water Pollution Prevention Plan
SWRCB  State of California, State Water Resources Control Board
TCE  Trichloroethene
TCLP  Toxicity Characteristic Leaching Procedure
TPH  Total Petroleum Hydrocarbons
TTLC  Toxicity Threshold Limit Concentration
UCL  Upper Confidence Level
UST  Underground Storage Tank
µg/kg  micrograms per kilogram
VOCs  Volatile Organic Compounds
WET  Waste Extraction Test
WSMP  Waste Soil Management Plan
1 INTRODUCTION

The Jordan Downs Redevelopment Project (JDRP) involves the redevelopment of the Housing Authority of the City of Los Angeles’s (HACLA) 49-acre, 1950s public housing project and the adjacent 21-acre former industrial property. Together, the 70-acre Project will involve demolition of the existing 700 multifamily apartments and construction of approximately 1,400 homes, a retail center, a community center, public parks, and streets. HACLA has completed the remediation of the 21-acre property (Remediation Area) under the oversight of the California Department of Toxic Substances Control (DTSC) and successfully remediated the Site to criteria deemed protective of human health and the environment.

The Remediation Area was subject to very specific cleanup criteria and it is anticipated that all the remaining soil is suitable to remain within the 21-acre Remediation Area and can be excavated and reused within the Remediation Area with one exception. The exception is the excavation of soil containing volatile organic compounds (VOCs) that is subject to the South Coast Air Quality Management District’s (SCAQMD) Rule 1166 for excavating VOC-contaminated soil. VOC-contaminated soil will require off-site disposal. It is possible that residual VOC-contaminated soil subject to Rule 1166 is still present but was judged by the DTSC to be acceptable if left in-place.\(^1\)\(^2\)

It should be noted that the Jordan Downs Public Housing Community Area (JDPHCA) adjacent to the 21-acre Remediation Area has only been subjected to a limited amount of assessment. Based on multiple Phase I Environmental Site Assessments, the history of the JDPHCA is understood to have always been residential with some small scale agricultural activities prior to the housing development, and these reports have not recommended further assessments.

This Waste Soil Management Plan (WSMP) provides direction from HACLA to the general contractors and their subcontractors involved in any type of earthwork activities (grading, excavations, trenching, drilling, etc.) within the entire JDRP in regards to the actions to be taken when soil is encountered that is suspected to contain petroleum products or hazardous substances. HACLA owns the land at Jordan Downs and must be notified of all suspect conditions that may indicate a release(s) of hazardous substances or petroleum products.

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2 SITE DESCRIPTION

For the purpose of this WSMP, the "Site" is considered to be the entirety of the JDRP which is bounded by South Alameda Street to the east, 97th Street to the north, Grape Street to the west, 103 Street to the south (western portion), and the David Starr Jordan High School and Atlas Metals to the south (eastern portion). The Site is subdivided into two primary areas:

1. Remediation Area – 21 acres of the former steel mill factory recently remediated.
2. Existing Jordan Downs Public Housing Community Area (JDPHCA) – 49 acres

Please refer to Figure 1.

3 OBJECTIVE

This WSMP provides direction to current and future contractors who are involved in excavations and grading at the Site to address situations where soil or fill materials suspected of containing hazardous substances or petroleum products are encountered to a degree that requires waste characterization and offsite disposal.

4 RESIDUAL IMPACTS TO THE REMEDIATED AREA

The primary types of residual impacts to the soil at the Site include the following:

- Metals – primarily lead and arsenic.

- Petroleum Hydrocarbons – primarily diesel and oil, however, residual concentrations of gasoline are present in the vicinity of the former underground storage tank (UST1) removed from what is now Century Boulevard, just west of the intersection with the future Lilac Street.

- Volatile Organic Compounds (VOCs) – primarily those associated with petroleum products and those associated with solvents and other chemical products.

4.1 Metals

The known residual concentrations of metals at the Site have been judged to be suitable for the residential development by DTSC. Therefore, soil with the known residual concentrations of metals can be excavated, stockpiled, and reused pursuant to the needs of the construction activities without restriction.
During the remediation an effort was made to excavate and evaluate all of the fill soil (i.e., soil previously disturbed) and it is expected that fill soil with obvious concentrated pockets of debris are not present at the Site. However, isolated pieces of concrete, asphalt, or brick may be encountered, but should a contractor encounter a distinct pocket of fill with debris, stained soil, or unexpected odors, the protocols within this WSMP should be followed. Work in the area of the deposit should be halted and the area should be cordoned off with caution tape until it is evaluated by the Environmental Professional.

4.2 Petroleum Hydrocarbons

Several sources of releases of petroleum hydrocarbons were discovered during the course of the remediation. The majority of the petroleum releases covered large portions of Lots 3 and 12 and the adjacent rights-of-ways (ROWS). Other isolated releases occurred in Lot 1 including a suspected former UST pit (T55 pit), an elevator ram, and an undefined source adjacent to the northern Site boundary at 97th Street. A clarifier in the northeastern quadrant of Lot 13 had a release of petroleum and VOCs. The release from UST1 is located adjacent to the western side of the intersection between the new Century Boulevard and Lilac Street. See Figure 2 for the approximate locations of these releases.

Should a contractor encounter soil with unexpected odors reminiscent of petroleum products, the protocols within this WSMP should be followed. Work in the area of the odorous soil should be halted and the area cordoned off with caution tape until it is evaluated by the Environmental Professional.

4.3 VOCs

Volatile organic compounds (VOCs) can be divided into two main categories:

1) Those associated with commercial and industrial solvents such as tetrachloroethylene (perchloroethylene) (PCE), trichloroethylene (TCE), and associated breakdown products; and

2) Those VOCs associated with petroleum products such as benzene, toluene, ethylbenzene, and xylenes along with other lesser known chemicals.

Both of these types of VOCs were detected at the Site. In general, and with DTSC's concurrence, shallow soil (less than 20 feet below grade) containing VOCs was removed with any residual concentrations being near or below laboratory detection limits. Excavations below 20 feet below grade have a higher likelihood of encountering noticeable concentrations of VOCs from either source.

The areas where residual concentrations of VOCs may potentially be encountered in deeper excavations include the following:
• Across lots 12 and 13 and adjacent ROWs – diesel and oil related VOCs.
• Former UST1 at the western side of the intersection of Century Boulevard and Lilac Street – gasoline related VOCs.
• Former Paint Dipping Tanks location in lot 1, adjacent to the north side of Century Boulevard, across from lot 15 – solvent based VOCs.
• Former elevator ram excavation in lot 1, northwest of the Paint Dipping Tanks location – solvent based VOCs.
• Three locations in the northern portion of lot 1 including a former clarifier location, a suspected former UST pit (T55), and an area along the northern lot line where a petroleum and lead and arsenic release was remediated – petroleum and solvent related VOCs.

Other locations on Figure 2 depict locations where VOCs were detected during the remediation but residual concentrations of concern are no longer anticipated to be present. See Figure 2 for the approximate locations of these releases.

Should a contractor encounter soil with unexpected odors reminiscent of solvents or petroleum products, the protocols within this WSMP should be followed. Work in the area of the odorous soil should be halted and the area cordoned off with caution tape until it is evaluated by the Environmental Professional.

5 HEALTH AND SAFETY

It is expected that every subcontractor on the Site has established, implemented, and maintained a written Injury and Illness Prevention Program (IIPP) pursuant to Title 8 of the California Code of Regulations, Section 3203 (T8 CCR 3203) to address standard construction practices.

Due to the potential to encounter soil with residual concentrations of COCs/COPCs, it is recommended that any subcontractor performing any earthwork at depths greater than 3 feet below grade also have a prepared Site-Specific Health and Safety Plan (SHSP) and have personnel available with the appropriate training as described in the following section to handle suspect soil or materials.

5.1 Worker Health and Safety

Upon confirmation of soil containing residual concentrations COCs/COPCs or new COCs by the Environmental Professional, the subcontractor (Subcontractor) that is involved with exposing, handling, excavating, grading, trenching, stockpiling, loading and transporting such soil shall, at a minimum, have 40-hour hour Occupational Health and Safety Organization (OSHA) HAZWOPER training including current annual 8-hour refresher certifications and be part of a medical monitoring program pursuant to the regulations
found in 29 Code of Federal Regulations (CFR) Part 1910.120 and California Code of Regulations (CCR), Title 8, Section 5192.

A health and safety plan shall be implemented by the Subcontractor for work conducted at the Site and workers within the “exclusion zone” is required pursuant to the regulations found in 29 Code of Federal Regulations (CFR) Part 1910.120 and California Code of Regulations (CCR), Title 8, Section 5192. The health and safety plan shall outline the potential chemical and physical hazards that could be encountered during all fieldwork activities. The appropriate personal protective equipment and emergency response procedures for the anticipated Site-specific chemical and physical hazards shall be detailed in this plan. Subcontractor personnel and any second-tier subcontracted personnel involved with the field work are to be required to read and sign this document in order to encourage proper health and safety practices.

5.2 Community Health and Safety

Due to the extensive nature of the remediation effort within the Remediation Area, a Community Health and Safety Plan has not been required as of the date of the preparation of this WSMP, and one is not anticipated to be required. However, measures to prevent nuisance conditions to the surrounding community are required in the form of the following requirements:

5.2.1 Dust Control

As required by the South Coast Air Quality Management District (SCAQMD) Rule 403 – Fugitive Dust Emissions, fugitive dust emissions must be controlled and in compliance with requirements contained in Rule 403. These are standard requirements for construction activities on sites of 5 acres or more. Mitigation measures required include, but are not limited to the following:

- Application of water to control dust generation at the points of dust/odor generation;
- Stockpile control – covers, wetting;
- Cease work conditions – wind speed, odor, and/or particulate monitoring thresholds;
- Truck loading and covering procedures;
- Shaker plates and/or gravel pads at ingress/egress points; and
- Housekeeping (street cleaning if necessary).

This list is not to be considered definitive, and all the rules and regulations within Rule 403 that are applicable to the Site shall be adhered to at all times.
5.2.2 Storm Water Management

As required by the Los Angeles Regional Water Quality Control Board (LARWQCB) and the City of Los Angeles, a Storm Water Pollution Prevention Plan (SWPPP) is required to be implemented through the use of Best Management Practices (BMPs) to control storm water and non-storm water runoff. Effective implementation of such BMPs will assist in the prevention of potential impacts to the surrounding community.

5.2.3 SCAQMD Rule 1166 – Excavation of VOC-Contaminated Soils

SCAQMD Rule 1166 sets forth the requirements to control the emission of VOCs generated from the excavation and handling of VOC-contaminated soil. Rule 1166 applies to all soil excavations with volumes exceeding 1 cubic yard of VOC-contaminated soil. VOC-contaminated soil is defined as having VOC concentrations exceeding 50 parts per million – vapor (ppmv) as measured by a hexane-calibrated organic vapor analyzer (OVA).

Should the Subcontractor encounter soil noticeable odors, the Environmental Professional will evaluate the soil for vapors with an OVA and make a judgement on whether the soil qualifies as a VOC-contaminated soil as defined by Rule 1166. If so, the Environmental Professional will provide a Rule 1166 permit and monitor the excavation as required. Soil with VOC concentrations between 50 and 1,000 ppm as measured by the OVA can be placed in stockpiles on and covered with plastic sheeting pending waste characterization and offsite disposal. Soil with VOC concentrations greater than 1,000 ppm must be immediately placed in covered bins or directly loaded onto trucks for immediate removal from the Site. If directly loaded, the soil must be properly characterized prior to excavation activities. Soil placed in covered bins can be stored until a full waste characterization is completed for the proper off-Site disposal.

6 DISCOVERY AND ACTION

All subcontractors conducting earthwork of any kind should be provided with this WSMP and instructed to adhere to the protocols and recommendations contained herein. The protocols described herein should be considered minimum requirements and are based on the current knowledge of the Site at the time of the completion of the remediation activities. Should conditions be encountered that warrant additional precautions, then it is the responsibility of the Subcontractor and General Contractor to implement such precautions as they deem necessary to protect human health and the environment.

It is the responsibility of the Subcontractor to direct their equipment operators and personnel to be observant during all earthwork activities and to promptly report suspect conditions to the General Contractor’s site superintendent.
The following are typical indications of soil that should be considered to potentially contain residual concentrations of COCs/COPCs or new COCs:

- Deposits of fill materials that are distinct from the surrounding undisturbed native soil. Note that as part of the remediation effort excavations up to 30 feet deep were backfilled with onsite soils and imported fill materials. Therefore, the Remediation Area has 3 to 30 feet of fill soil which should be generally homogenous.

- Distinct deposits of fill soil/materials that contain debris, glass, brick, concrete, wood, etc. Isolated pieces of concrete, asphalt, or even brick should not be considered a cause for concern as it may be present in the fill materials placed after the remediation was completed.

- Noticeable odors reminiscent of petroleum production (gasoline, diesel, oil) or solvents. Odors of concern would be persistent and identifiable as coming from a particular location.

- Stained or discolored soil. Natural colors of the native soil at the Site include light yellow, tan, light brown, brown, reddish-brown, olive, gray, dark gray, and even black. The darker soils are generally at depths greater than 10 feet below grade. Soil suspected to be stained or discolored soil should be compared to the surrounding soil.

Upon discovery of soil suspected to contain residual concentrations of COCs/COPCs or to be VOC-contaminated soil under Rule 1166, the following actions shall be taken:

1) The Subcontractor will stop all work in the immediate vicinity of the suspect soil and prevent any further disturbance of the soil.

2) The Subcontractor shall isolate the area with barricades, caution tape, or other appropriate methods to prevent their workers and other subcontractors from entering or disturbing the area.

3) If odors are of such strength to cause a nuisance or be noticeable in adjacent areas of concurrent construction activities, or by the adjacent the community, the following mitigation efforts shall be immediately applied as necessary:

   a. Use water to wet down the source area of the odors; however, take care to not cause runoff or ponding of water.
   b. Use plastic sheeting to cover the source area.
   c. If necessary create a larger "exclusion zone" with the assistance of the General Contractor and discontinue work in areas affected by the odor.
4) The Subcontractor and General Contractor shall, as soon as possible but no later than the end of the work day of the discovery, complete the attached **Suspect Soil Notification Form and Suspect Soil Location Map** (Appendix A) and email the completed Form and Map to HACLA’s representative, and to the representative of the developer for the particular phase of the project in which the suspect soil was found.

5) The General Contractor will also email the **Notification Form and Suspect Soil Location Map** as soon as possible but no later than the end of the work day of the discovery to the appropriately licensed Environmental Professional acting on behalf of HACLA. In addition, telephone calls to notify the Environmental Professional immediately are recommended.

6) The Environmental Professional will respond by visiting the Site within 24-hours of receipt of the Notification Form and Suspect Soil Location Map and will contact the General Contractor and the Subcontractor prior to the Site visit to coordinate the observation of the suspect soil.

7) The Environmental Professional will observe the suspect soil and, if odors are present, monitor the soil with an OVA.

8) Depending on the observations the Environmental Professional will provide further direction on whether the soil requires special handling, sampling and testing, off-Site disposal, or no further action is warranted.

9) Should the suspect soil be deemed VOC-contaminated per Rule 1166, the Section 5.2.3 of this WSMP will apply. The Environmental Professional will submit the necessary notification to the SCAQMD and provide the required air monitoring during the remainder of the earthwork that involves the VOC-contaminated work. Therefore, close coordination between the Subcontractor and the Environmental Professional will be required.

7 SOIL WASTE CHARACTERIZATION

As previously described the Site is divided into two areas: 1) The 21-acre Remediation Area and 2) The remaining 49 acres of the existing Jordan Downs Public Housing Community Area (JDPHCA). The rules for earthwork spoils are different for each of the two areas.

7.1 Remediation Area

The Remediation Area has undergone a remediation under the oversight of the DTSC with approved cleanup criteria which may exceed the typical waste criteria. However, the
remaining soil has been judged suitable for the planned future land uses and the Remediation Area is still in need of several thousand of cubic yards of soil to bring the eastern portion up to subgrade. Therefore, all excess earthwork spoils can be used as fill soil within the Remediation Area. The exceptions to this are as follows:

- New discoveries of Waste soil that, upon sampling and testing, are shown to have concentrations of COCs that exceed the risk-based cleanup goals (RBCGs) established for the Remediation Area; and

- Soil judged by the Environmental Professional to be VOC-contaminated soil under Rule 1166.

Please note that any import into the Remediation Area either from off-Site or from the Jordan Downs Public Housing Community Area must be subject to the protocols described in the *Soil Import Plan for the Jordan Downs Redevelopment Project*.

### 7.2 Jordan Downs Public Housing Community

Any excess earthwork spoils that need to be exported off the JDRP, must be first sampled and characterized to determine whether it is classified as a waste, and if it is a waste, then whether it is a nonhazardous waste or a hazardous waste, etc. If the soil is determined to be waste, then waste characterization must be performed.

Since the 49-acre Jordan Downs Public Housing Community was not subject to a remediation with oversight by a regulatory agency, site-specific cleanup goals have not been established beyond the published soil screening levels used by DTSC and/or other regulatory agencies.

Certain areas of the JDPHCA have been assessed with regard to lead in the shallow soils and the DTSC concurred the concentrations of lead in the soil meet the standards for residential land use, which is 80 milligrams per kilogram (mg/kg) when calculated as the 95% upper confidence limit (UCL). However, since statistics are used in this evaluation some lead concentrations may be higher than 80 mg/kg (residential screening level) and soil with lead concentrations at or above 50 mg/kg of lead has the potential to be a hazardous waste if exported from the Site (contrarily, such soil is not considered a hazardous waste if it does not leave its place of origin). Due to the extensiveness of the remediation, it is unlikely that soil excavated from within the Remediation Area, with the possible exception of soil immediately adjacent to the southern property line, will be characterized as a hazardous waste, but the potential exists. Please note that soil characterized as a hazardous waste for the purpose of disposal off-Site (e.g., at a landfill) does not preclude it from being considered suitable for use at a residential site.
The applicable portions of the California Water Code and Titles 23 and 27 of the California Code of Regulations (CCR) have been interpreted by regulatory agencies to mean that any soil with detectable concentrations of hazardous substances or metals above published background levels would be a "waste" upon excavation. Any such waste must be transported to a classified waste management unit for treatment, storage, or disposal, or reused in accordance with appropriate local, state, and federal regulations. For example, if soil containing elevated concentrations of lead or petroleum hydrocarbons is identified, it will need to be disposed of at a facility (landfill) with an appropriate permit (i.e., waste discharge requirements).

7.3 Waste Characterization

Soil sampling and characterization shall be conducted in accordance with the United States Environmental Protection Agency’s (EPA’s) Test Methods for Evaluating Solid Waste, Physical/Chemical Methods (SW-846) sampling and analytical procedures and/or disposal facility requirements.

Various types of waste may be found in the Project area as a result of the historical land use. These wastes may include but are not limited to the following:

- Lead (primarily from the degradation of lead-based paint and aerial deposition from automobiles and factories), and possibly other toxic metals.
- Petroleum hydrocarbons – possibly from consumer spills and disposal of waste oil.
- Burn ash – there is the potential that residual materials from open-pit trash burning may be found, especially at the western end of the Site where private residential properties predate the existing apartment buildings. COCs in burn ash include toxic metals, polynuclear aromatic hydrocarbons (PAHs), and dioxins/furans.

Gasoline and solvents (i.e., volatile organic compounds (VOCs) including halogenated VOCs (HVOCs) are not expected to be found at the Site; however, the possibility always exists that such compounds could be found.

\[3\] The California Water Code, Division 7, Chapter 2 Section 13050 (d) defines a waste to include "any and all other waste substances, liquid, solid, gaseous, or radioactive, associated with human habitation ... or from any producing, manufacturing, or processing operation of whatever nature, including such waste placed within containers of whatever nature prior to, and for the purposes of, disposal."

\[4\] Titles 23 and 27, of the CCR, state that "Actions taken by or at the direction of public agencies to clean up or abate conditions of pollution or nuisance resulting from unintentional or unauthorized releases of waste or pollutants to the environment; provided wastes, pollutants, or contaminated materials removed from the immediate place of release shall be discharged according to "appropriate waste classification system promulgated in each of the Titles."

\[5\] http://www3.epa.gov/epawaste/hazard/testmethods/sw846/online/
The soil characterization process is based upon sequential analysis to assess the relative solubility (mobility) of residual metals or other COCs, as necessary, in soil. In general, waste characterization is based on the concept that the more soluble the COC, the more hazardous the waste classification. For the type of wastes described above, metals are typically the driver for the waste characterization.

The waste characterization process generally consists of the following steps:

1. Visual and olfactory inspection and OVA screening of the waste soil for evidence of VOCs. If odors, staining, or discoloration are present then analyses for petroleum products (EPA Method 8015M for the full carbon range of total petroleum hydrocarbons) and for VOCs by EPA Method 8260B should be performed.

2. For metals, the first step is to conduct an analysis for total metals (Title 22 Metals by EPA Methods 6010B/7471A). If the total metal concentration is greater than the Toxicity Threshold Limit Concentration (TTLC), then the soil is considered a California (non-RCRA) hazardous waste. If it is less than the TTLC, then proceed to the Step 3.

3. If the total concentration of the metal in the sample is less than the TTLC, but equals or exceeds the Soluble Threshold Limit Concentration (STLC) value by 10 times, the soil is further analyzed for that metal by using the Waste Extraction Test (WET) method. If the result of the WET equals or exceeds the STLC value, then the soil is considered a California (non-RCRA) hazardous waste.

4. If the total concentration of a metal in the soil equals or exceeds the Maximum Concentration of Contaminants for the Toxicity Characteristic (MCCTC) (aka TCLP limit) value by 20 times, the soil is further analyzed by using the Toxicity Characteristic Leaching Procedure (TCLP) analysis method (EPA 1311). If the result of the TCLP equals or exceeds the MCCTC, then the soil is considered to be a RCRA-hazardous waste.

These screening criteria are derived from the nature of the WET and TCLP analysis methodologies which are based on a 10:1 and a 20:1 aqueous dilution of the sample by weight, respectively. Pursuant to EPA's SW-846 waste characterization procedures, statistical analyses are used to calculate the minimum number of samples needed to provide a representative sample population of the soil to be excavated and to provide the 80-percent UCL of the statistical mean which is used in comparison to the TTLC, STLC or MCCTC. The number of samples required to characterize a given volume of soil is generally dictated by the waste discharge requirements (WDRs) of the disposal/treatment facility. Each landfill has its own set of WDRs and additional analyses or information may be required by the disposal facility.
The characterization of the soil will fall into one of the following five categories:

- **Unrestricted Export Material** – Soils reported to contain concentrations of metals at or below typical residential Soil Screening Levels (SSLs) as used by the DTSC could be considered to be soils that can be reused without restriction. In general, this is likely to only apply to soil excavated from undisturbed formational soil.

- **Nonhazardous Waste** - Soils reported to contain concentrations of metals (or other similarly regulated COCs) that are less than the TTLC, and have soluble concentrations less than the STLC and MCCTC, but are above the SSLs, or contain other COCs such as petroleum products, VOCs, PAHs, etc., are soils that would require disposal at a permitted disposal facility as a nonhazardous waste.

- **California Hazardous/Non RCRA Waste** - Soils reported to contain concentrations of metals (or other similarly regulated COCs) that are greater than TTLC and which require disposal at a Class I disposal facility as a federal RCRA hazardous waste, or soluble concentrations that exceed the STLC but do not exceed the MCCTC are soils that require disposal at a Class I disposal facility within California as a California Hazardous (non-RCRA) Hazardous Waste or transported out of the state and disposed of as a nonhazardous waste. For the latter, please note that for the purpose of transporting the waste within the State of California, the waste would still be classified as a hazardous waste.

- **RCRA Waste** - Soils reported to contain concentrations of metals (or other similarly regulated COCs) that have soluble concentrations that exceed the MCCTC are soils

All stockpiled or containerized soil deemed to be a waste shall be removed from the Project Site within 90 calendar days except if required to be removed within a shorter time period under other regulations such as Rule 1166.

## 8 STOCKPILE MANAGEMENT

It is understood that it will be necessary for excavated waste soil, or soil suspected to be a waste, to be stockpiled or containerized and stored on-Site. If stockpiled, the soil must be placed on plastic sheeting or another impervious surface, and covered by plastic sheeting to prevent storm water infiltration/runoff, and fugitive emissions of dust and vapors. When used, all containers must include sealable or lockable lids to prevent fugitive emissions of vapor or odors and infiltration of water during rain events. All containers and stockpiles must be appropriately labelled with the type of waste, date of generation, name and phone number of the Subcontractor responsible for the management and handling of the container(s).
With the exception of soil deemed to be VOC-contaminated per Rule 1166, stockpiles of soil suspected to contain COCs shall be stockpiled or containerized per the protocols listed below. VOC-contaminated soils shall be managed pursuant to the requirements within Rule 1166.

- Place soil on a liner of 6-mil (minimum) plastic sheeting of sufficient size to allow for the lapping of the plastic approximately one-third to one-half the way up the sides of the stockpile.

- Moisten to minimize dust emissions during stockpiling (no runoff is to be created during this process). Water shall be used for dust control whenever soil is added to or taken from the stockpile.

- Cover the stockpile with 6-mil plastic sheeting to minimize and prevent potential pollutant runoff from stockpile due to rain. The sheeting shall extend to the ground and be secured by sand/gravel bags. The sheeting must be maintained in good condition, adequately held in place to minimize wind damage, and repaired as necessary.

- Alternatively, excavated soil can be stored in 55-gallon Department of Transportation (DOT)-approved drums, or covered roll-off bins.

9 SOIL LOADOUT AND TRANSPORTATION

All loading and export activities of soil confirmed to contain concentrations of COCs that require off-Site disposal shall be conducted in a manner that minimizes fugitive dust and odor emissions. All loading activities shall be conducted within a HAZWOPER exclusion zone. All hazardous waste operations shall be conducted in accordance with DOT hazardous waste regulations contained in 40 CFR Part 171.

9.1 Transportation Haul Route

The export of all soil from the Site shall be in accordance with all applicable local, state, and federal regulations governing the transportation of nonhazardous and hazardous waste. All drivers shall be appropriately licensed and insured. The Subcontractor must submit and obtain approval of a Haul Route from the City of Los Angeles and shall only use major thoroughfares and minimize trucking through residential areas and adjacent to schools.

9.2 Recordkeeping/Manifests

The Subcontractor shall manage the documentation of all the waste profiling and soil loading including daily logs of the trucks loaded, a description of which stockpiles were
loaded (soil source), the truck identification on to which the soil is loaded, date and time of
loadout, and the completed manifest used to track the transportation of the soil or waste.
Standard uniform hazardous and nonhazardous waste manifests will be used to track the
transportation and disposal of waste soil.

All manifests and waste profiles shall be signed by an authorized representative of HACLA.

Upon receiving completed manifest and weight ticket, the Subcontractor shall reconcile all
manifests to ensure they are appropriately completed. The Subcontractor shall provide
"Generator" copy to the General Contractor who must provide it to HACLA within 10 days
of the soil being exported.
The Subcontractor shall provide copies of the truck logs, final manifests signed by the
disposal facility and associated weight tickets to the General Contractor within 5 days of
receipt from the disposal facility and the General Contractor will provide them to HACLA
within 5 days of receipt from the Subcontractor.

The Subcontractor shall ensure the proper distribution of all copies of nonhazardous and
hazardous manifests.
Jordan Downs Redevelopment Project  
Suspect Soil Notification Form

| DATE |  
| --- | --- |
| PROJECT PHASE (circle one) | 1A 1B 2A 2B 3A 3B 4A 4B 5A 5B 5A 6B RETAIL |

<table>
<thead>
<tr>
<th>Entity</th>
<th>Company Name</th>
<th>Contact Name</th>
<th>Email</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Contractor</td>
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<tr>
<td>Subcontractor</td>
<td></td>
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</tbody>
</table>

Type of Work Involved

<table>
<thead>
<tr>
<th>Description of Suspect Soil</th>
<th></th>
</tr>
</thead>
</table>

Has the Work Area Been Isolated? YES NO

| Location of the Suspect Soil (provide both horizontal and depth information) (mark the location on the attached map) |  |

If not, isolate the area of the suspect soil immediately to prevent further disturbance or exposure.

Promptly email this notification and location map to Ramin.Kianfar@hacla.org and to the Developer’s main contact person.

**IF THERE IS A CONDITION JUDGED TO BE IMMEDIATELY DANGEROUS TO LIFE OR HEALTH CALL 911 IMMEDIATELY AND REQUEST THE HAZ MAT TASK FORCE (HMTF) BEFORE COMPLETING THIS FORM.**
CLEARLY MARK THE LOCATION OF THE SUSPECT SOIL
USE UPPER MAP IF IT'S IN THE REMEDIATION AREA
USE LOWER MAP FOR ALL OTHER AREAS