

LOS ANGELES FOREIGN-TRADE ZONE
DEVELOPER AGREEMENT

by and between

THE CITY OF LOS ANGELES
and
CLPF-REDLANDS BUSINESS CENTER, L.P.

TABLE OF CONTENTS

	PAGE NO.
I. ADMINISTRATIVE FEES	1
II. MARKETING OF ZONE SITE	2
III. TERM AND RENEWAL	2
IV. INDEMNIFICATION	2
V. DEVELOPER'S RIGHT TO SELL OR LEASE PROPERTY	3
VI. ACTIVATION OF ZONE SITE	4
VII. INDEPENDENT CONTRACTOR STATUS	4
VIII. COMMUNICATIONS WITH FTZ BOARD	4
IX. NOTICES	5
X. FAILURE TO ACTIVATE ZONE SITE OR A PORTION THEREOF	5
XI. TERMINATION OF AGREEMENT	5
XII. NONDISCRIMINATION AND EQUAL OPPORTUNITY	6
XIII. SMALL BUSINESS DEVELOPMENT PROGRAM	6
XIV. WAGE AND EARNING ASSIGNMENT ORDERS/NOTICES OF ASSIGNMENTS	7
XV. EQUAL BENEFITS POLICY	7
XVI. STATE TIDELANDS GRANTS	7
XVII. WILMINGTON TRUCK ROUTE	7
XVIII. CONFLICT OF INTEREST	8
XIX. MISCELLANEOUS	8

AGREEMENT NO. _____

FOREIGN-TRADE ZONE AGREEMENT BETWEEN
THE CITY OF LOS ANGELES
AND
CLPF-REDLANDS BUSINESS CENTER, L.P.

AGREEMENT made by and between the CITY OF LOS ANGELES, a municipal corporation ("City") acting by and through its Board of Harbor Commissioners ("Grantee") and CLPF-REDLANDS BUSINESS CENTER, L.P., 2125 San Bernardino Avenue Redlands, CA 92374 ("Developer").

RECITALS:

WHEREAS, the Grantee has received a Grant from the Foreign-Trade Zones Board ("FTZ Board") (Board Order No.693 dated July 14, 1994) to establish the Los Angeles Foreign-Trade Zone ("FTZ No. 202"); and

WHEREAS, Developer desired to continue to make use of foreign-trade zone status at the site described in the map marked Exhibit "A" which is attached hereto and made a part hereof "Zone Site No. 22 map"; and

WHEREAS, the Developer is the owner of Zone Site No. 22, or otherwise has the right to control Zone Site No. 22 as required by the FTZ Board and as evidenced by the Letter(s) of Agreement from each such owner of property within the boundaries of Zone Site No. 22 map, marked Exhibit "A", attached and made a part thereof; and

WHEREAS, the Developer acquired Site No. 22 in January 2013 and wishes to continue to develop this site as an FTZ;

NOW, THEREFORE, the parties hereto, in consideration of the mutual agreements herein contained and promises herein expressed, and for other good and valuable consideration acknowledged by each of them to be satisfactory and adequate, do hereby agree as follows:

I. ADMINISTRATIVE FEES

Developer hereby agrees to pay to Grantee the fees set forth in the Foreign-Trade Zone No. 202 Tariff, as amended, within the timeframes set forth therein. Furthermore, Developer understands that said fees are subject to change and Developer agrees to abide by any fee modifications that may occur.

II. MARKETING OF ZONE SITE

Developer hereby agrees to market the foreign-trade zone status ("FTZ Marketing") of the property in a business-like manner.

So long and only so long as this Agreement shall remain in force and effect, Developer may advertise the Zone Site as being within "Los Angeles Foreign-Trade Zone No. 202"; however, no designs, advertising, signs or forms of publicity utilized as part of the FTZ Marketing (including form, color, number, location and size) shall be used upon or with respect to the Zone Site or other place of related business unless the same shall have been first approved in writing by Grantee as meeting its standards. Grantee, or its authorized agents, may at any time after five business days' written notice to Developer, enter the Zone Site and remove any unapproved signs or advertising media utilized for FTZ Marketing, and may keep or destroy such signs or other media without paying therefor, and without being deemed guilty of trespass or other tort.

In conjunction with marketing the Zone Site, the Developer shall provide to potential operators and users information about the PierPASS Program. Developer shall, to the extent reasonable and feasible, encourage operators and users of the Zone Site to utilize the PierPASS Program.

III. TERM AND RENEWAL

Unless terminated as herein provided, this Agreement shall remain in effect for five (5) years, provided that Developer has performed to the satisfaction of Grantee as required herein, commencing on the first day of the month subsequent to City approval of this Agreement and shall, after such five year period, provided that the Developer has obtained an Operator which has activated FTZ operations within the site, be renewed for three periods of five years each upon terms and conditions to be negotiated prior to the end of the then current five-year term. Any such renewal must be approved in advance or subsequently ratified by the Board of Harbor Commissioners. If the parties cannot agree on the terms and conditions prior to the end of the then current five-year period, the Agreement shall terminate at the end of such term. If the Developer does not have an activated FTZ operator during the first five years, this Agreement will terminate at the end of such term. This Agreement shall automatically terminate in the event that the Developer's site is removed from the FTZ by the FTZ Board.

IV. INDEMNIFICATION

Developer shall at all times relieve, indemnify, protect and save harmless City, Grantee and any and all of their boards, officers, agents and employees from any and all claims and demands, actions, proceedings, losses, liens, costs and judgments of any kind and nature whatsoever, including expenses incurred in defending against legal actions, for death of or injury to persons or damage to property including property owned by or under the care and custody of City, and for civil fines and penalties that may arise from or be caused directly or indirectly by:

- A. Any dangerous, hazardous, unsafe or defective condition of, in or on the Zone Site, of any nature whatsoever, which may exist by reason of any act, omission, any neglect, or any use or occupation of the Zone Site by Developer, its officers, agents, employees, sublessees, licensees or invitees;
- B. Any operation conducted upon or any use or occupation of the Zone Site by Developer, its officers, agents, employees, sublessees, licensees or invitees under or pursuant to the provisions of this Agreement or otherwise;
- C. Any act, omission or negligence of Developer, its officers, agents, employees, sublessees, licensees or invitees, regardless of whether any act, omission or negligence of City, Grantee or their officers, agents or employees contributed thereto;
- D. Any failure of Developer, its officers, agents or employees to comply with any of the terms or conditions of this Agreement or any applicable federal, state, regional, or municipal law, ordinance, rule or regulation; or Developer also agrees to indemnify City and pay for all damages or loss suffered by City, including but not limited to damage to or loss of City property, to the extent not insured by City, and loss of City revenue from any source, caused by or arising out of the conditions, operations, uses, occupations, acts, omissions or negligence referred to in paragraphs A, B, C, and D above. Such indemnification shall not apply to any damages resulting solely from the negligent or willful acts of City or Grantee. The term "persons" as used in this section shall include but not be limited to officers and employees of Developer.

V. DEVELOPER'S RIGHT TO SELL OR LEASE PROPERTY

Developer has the right to sell or lease any of the property included within the Zone Site. However, a party who purchases any of the property included within the Zone Site ("transferee") must enter into a Grantee/Developer Agreement with Grantee, similar in scope to this Agreement. Failure to give notice to Grantee as required hereunder or failure of Transferee to enter into such an agreement within forty-five (45) days of the closing of the sale of the property, will provide Grantee with the right to take whatever actions may be necessary or appropriate to exclude said property from FTZ No. 202, including making any necessary request or application for such purpose to the FTZ Board without any notice to or concurrence by Developer or Transferee required. Prior to the sale of any interest in the property at the Zone Site, Developer shall give notice to the Transferee of the requirement to enter into a Grantee/Developer Agreement similar in scope to this Agreement. Grantee agrees to recognize any successor to Developer as long as it is a subsidiary or parent of Developer or an institutional lender (or an affiliate of any such lender) that acquires title to all or any portion of the Zone Site pursuant to a foreclosure or deed in lieu of foreclosure. Grantee shall not unreasonably withhold approval of any other successor to Developer; however, such prospective successor must have financial capability equal to or greater than Developer and otherwise be acceptable in every respect to Grantee. If the successor

in interest is other than one unconditionally accepted above, Grantee shall have the right to cancel this Agreement with respect to the property transferred to such successor in interest within thirty (30) days after receipt of the notice from Developer, whereupon all rights of Developer shall cease and Developer shall have no claims against City or Grantee whatsoever.

The parties to this Agreement expressly agree that in the event Developer transfers any interest in the property at the Zone Site to a separate entity not a party to this Agreement (including by lease, assignment of lease or sublease), Developer shall give to Grantee written notice within ten (10) days of said transfer. Developer's notice to Grantee shall contain the names and addresses of every person acquiring any interest in the property at the Zone Site.

VI. ACTIVATION OF ZONE SITE

Prior to Developer or any tenant or subtenant of Developer requesting U.S. Customs to activate its property or a portion thereof at the Zone Site, Developer or such tenant or subtenant must enter into an FTZ Operating Agreement with Grantee. The fees to be charged by Grantee to an Operator under such an Operating Agreement will be in accordance with the Foreign Trade Zone No. 202 Tariff in effect at the time that agreement is executed. The FTZ Operating Agreement shall require the Operator to operate at Zone Site in accordance with all applicable Customs, FTZ Board and other governmental regulations.

VII. INDEPENDENT CONTRACTOR STATUS

Developer is an independent contractor in the performance of all activities and functions pursuant to this Agreement. Developer and Grantee are not and shall not be considered as joint venturers, partners or agents of each other and neither shall have the power to bind or obligate the other. Developer's officers, employees, agents and subcontractors shall not be considered as officers, employees or agents of the Grantee. Grantee and Developer hereby agree not to represent to anyone that they are agents of one another or have any authority to act on behalf of one another.

VIII. COMMUNICATIONS WITH FTZ BOARD

Developer shall be responsible for providing information as requested by the FTZ Board and Grantee in connection with the FTZ No. 202 Annual Report, to cover the calendar year from 1/1 to 12/31, by February 1 of each year. Report data shall include but not be limited to the following: plans to activate the FTZ status, marketing and promotional activity, and site improvements and future development strategy.

All written communications with the FTZ Board concerning operations within FTZ No. 202 are to be made through Grantee. Under no circumstances is Developer to communicate directly in writing with the FTZ Board with regard to the Zone Site.

IX. NOTICES

All correspondence directed to Developer will be sent to:

Clarion Partners
1717 McKinney Ave, Suite 1900
Dallas, Texas 75202-1236
Attn: Ms. Stacey Magee, Senior Vice President

All correspondence directed to Grantee will be sent to:

City of Los Angeles Harbor Department
Foreign Trade Zone Manager
425 S. Palos Verdes Street
San Pedro, California 90731

X. FAILURE TO ACTIVATE ZONE SITE OR A PORTION THEREOF

With regard to any portion of the Zone Site that has not been activated, pursuant to 19 C.F.R. 146.6, within two (2) years of the execution of this Agreement, Grantee has the right and Developer will consent, to the removal of such non-activated portion of the Zone Site from FTZ No. 202 for purposes of transferring FTZ eligibility through the filing of a minor boundary modification request with the FTZ Board. However, any portion of the Zone Site that was the subject of such a minor boundary modification request, will, if Grantee receives a written request from Developer within two (2) years of the approval of said minor boundary modification request, have FTZ eligibility reinstated through the filing of another minor boundary modification request with the FTZ Board.

If no portion of the Zone Site has been activated, pursuant to 19 C.F.R. 146.6, for any period of four (4) consecutive years, Grantee has the right, and Developer will consent, to take whatever actions may be necessary or appropriate to exclude the entire Zone Site from FTZ No. 202, including making any necessary request or application for such purpose to the FTZ Board.

XI. TERMINATION OF AGREEMENT

The breach of any provision of this Agreement or the failure to perform any obligations, duty or to accept liability established herein by act of commission or omission for whatsoever cause by a party hereto shall be a default. The nondefaulting party shall give written notice of intent to terminate this Agreement by registered or certified mail to the defaulting party stating the specific default or breach committed. The nondefaulting party shall have the option to terminate the Agreement after expiration of the time periods as follows:

If the default can be cured by payment or posting of money, bond or other security for money due, the payment of a final assessment or other obligation, the defaulting party shall have seven (7) days after receipt of the notice to terminate in order to

pay over such money or, if the payment be contested, to post such amount with the other party pending final determination of liability, in cash or security in such form as approved by the nondefaulting party.

If the default cannot be cured by payment or posting of money or security as provided above, the defaulting party shall have twenty-one (21) days after receipt of written notice to terminate in which to cure the default.

If the default is one, which by its nature cannot be reasonably cured within twenty-one (21) days, then the defaulting party shall have a reasonable time in which to cure the default. Such time period shall not be greater than times required by statutes, laws, ordinances, rules and regulations, or order of the Foreign-Trade Zones Board or Grantee and shall be based upon a written schedule of performance and supporting documentation indicating the shortest period in which such default can be cured by defaulting party.

In the event either party for any reason wishes to terminate its participation in foreign-trade zone activities and terminate its rights and obligations under this Agreement, at least one hundred eighty (180) days prior written notice must be delivered to the other party. If the Grantee wishes to terminate, the Developer shall have the right, directly or through another entity, to assume the rights and obligations of the Grantee subject only to the approval of the Foreign-Trade Zones Board. If the Developer wishes to terminate, Developer is obligated to ensure that the Zone Site has been deactivated prior to the date of termination and must ensure that all foreign status merchandise has either been subject to the payment of customs duties and fees or been transferred, in bond, to another foreign trade zone facility.

XII. NONDISCRIMINATION AND EQUAL OPPORTUNITY

Developer agrees not to discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, marital status, age, medical condition or physical handicap. All assignments, subleases and transfers of interest in this Agreement under or pursuant to this Agreement shall contain this provision.

The provisions of Section 10.8.4 of the Los Angeles Administrative Code as set forth in the attached Exhibit "B" are incorporated herein and made a part hereof.

XIII. SMALL BUSINESS DEVELOPMENT PROGRAM

It is the policy of the Department to provide Small Business Enterprises (SBE) and Minority-Owned, Women-Owned and all Other Business Enterprises (MBE/WBE/OBE) an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. Developer shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for SBE's, MBEs, WBEs, and OBEs to achieve participation in subcontracts where such participation

opportunities present themselves and attempt to ensure that all available business enterprises, including SBE's, MBEs, WBEs, and OBEs, have equal participation opportunity which might be presented under this Agreement.

XIV. WAGE AND EARNING ASSIGNMENT ORDERS/NOTICES OF ASSIGNMENTS

The Developer is obligated to fully comply with all applicable state and federal employment reporting requirements for the Developer's employees.

The Developer shall certify that the principal owner(s) are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally. The Developer will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with Cal. Family Code 5230 et. seq. The Developer will maintain such compliance throughout the term of the Agreement.

XV. EQUAL BENEFITS POLICY

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance 172,908, as amended, relating to Equal Benefits (Section 10.8.2 et seq. of the Los Angeles Administrative Code) as a policy of the Harbor Department. Developer shall comply with the policy whenever applicable. Violation of the policy shall entitle the City to terminate any agreement with Developer and pursue any or all other legal remedies that may be available.

XVI. STATE TIDELANDS GRANTS

This Agreement is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929, (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. Developer agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

XVII. WILMINGTON TRUCK ROUTE

It is recognized by both parties that the Developer does not directly control the trucks serving the Port. However, the Developer shall use its best efforts to notify truck drivers, truck brokers and trucking companies that trucks serving FTZ warehouses and originating in the Port of Los Angeles that they must confine their route to the designated Wilmington Truck Route of Alameda Street and "B" Street; Figueroa Street from "B" Street to "C" Street; and Anaheim Street east of Alameda Street. A copy of the Wilmington Truck

Route is attached as Exhibit "C", which may be modified from time to time at the sole discretion of the Executive Director with written notice to Developer."

XVIII. CONFLICT OF INTEREST

It is hereby understood and agreed that the parties to this Agreement have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflict of interest of public officers and employees, as well as the Los Angeles Municipal Code (LAMC) Municipal Ethics and Conflict of Interest provisions of Section 49.5.1 et seq. and the Conflict of Interest Codes of the City and Department. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of City relating to this Agreement. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such financial interest does exist at the inception of this Agreement, City may immediately terminate this Agreement by giving written notice thereof.

XIX. MISCELLANEOUS

- A. Construction. This Agreement shall be governed and construed in accordance with the Foreign-Trade Zones Act, regulations adopted by the Board thereunder and all amendments thereto, and the applicable laws of the State of California.
- B. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same Agreement.
- C. Further Instruments and Actions. Each party shall deliver such further instruments and take such further action as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.
- D. Headings. Headings and captions in this Agreement are solely for the convenience of reference and shall not affect its interpretation.
- E. Integration. This instrument contains the entire agreement of the parties, and no representations, inducements, promises, or agreements, oral or otherwise, not embodied herein shall be of any force or affect.
- F. Severability. If any provision of this Agreement is declared void or defective, that declaration will not affect the validity of any other provision of this Agreement.
- G. Waiver. No failure of either party hereto to exercise any right or power given it hereunder, or to insist upon strict compliance by the other party of any obligation hereunder, and no customs or practice at variance with the

terms hereof, shall constitute a waiver of the party's right to demand exact compliance with the terms hereof.

- H. Gender. All terms and words used in this Agreement, regardless of the number or gender in which they are used, shall be deemed and construed to include any other number, singular or plural, any other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any paragraph or clause herein may require.
- I. Amendment. This Agreement cannot be changed orally but only by an agreement in writing executed by all parties hereto.
- J. Legal Action. If either party brings any action or proceeding to enforce, protect, or establish any right or remedy arising out of or based upon this Agreement, including, but not limited to, the recovery of damages for its breach, the prevailing party in said action or proceeding shall be entitled to recovery of its costs and reasonable attorney's fees, including the reasonable value of the services of the Office of City Attorney or house counsel of Developer. Developer hereby waives any claim against City and Grantee and its officers, agents or employees for damages or loss caused by any suit or proceedings brought by third parties directly or indirectly challenging the validity of this Agreement, or any part thereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void or voidable or delaying the same or any part thereof from being carried out.
- K. City's Business Tax Ordinance - BTRC Number. If the Developer is operating or developing a site within the City of Los Angeles, then the Developer represents that is has obtained and presently holds the Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 et seq., of the Los Angeles Municipal Code). If applicable, the Developer will, upon request, provide evidence that said certificate has been obtained. If required, the Developer shall maintain, or obtain as necessary, all such certificates required by it under the ordinance and shall not allow such certificate to be suspended or revoked.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date next to their signatures.

THE CITY OF LOS ANGELES
HARBOR DEPARTMENT

Date _____, 2013

By _____
Executive Director

Attest _____
Board Secretary

CLPF-REDLANDS BUSINESS CENTER, L.P.,
A Delaware limited partnership

Date 8/16, 2013

By: CLPF-Redlands Business Center, G.P.,
LLC, its general partner

By: Clarion Lion Properties Fund, L.P.,
its sole member

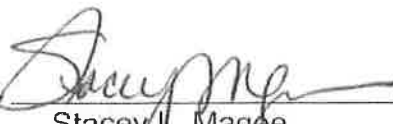
By: CLPF-Holdings, LLC,
its general partner

By: Clarion Lion Properties Fund Holdings,
REIT, LLC, its sole member

By: Clarion Lion Properties Fund, LP,
its managing member

By: Clarion Partners LPF GP, LLC,
its general partner

By: Clarion Partners, LLC,
its sole member

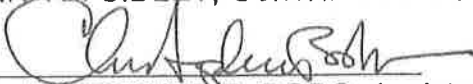
By: 
Stacey L. Magee
Authorized Signatory

APPROVED AS TO FORM AND LEGALITY

~~MICHAEL N. FEUER~~ 9/6, 2013

~~GARMEN A. TRUTANICH~~, City Attorney

JANNA B. SIDLEY, General Counsel

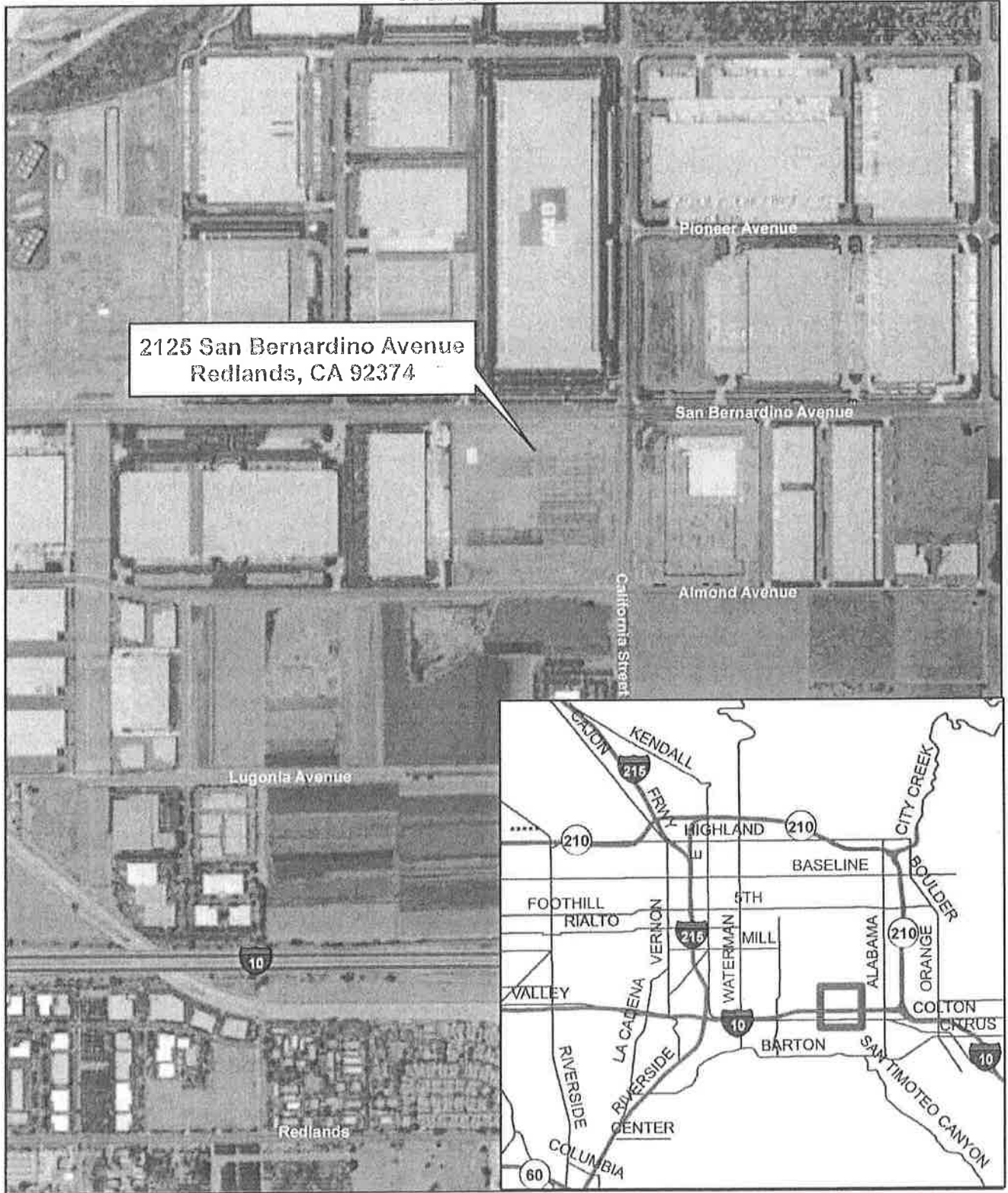
By 

CHRISTOPHER B. BOBO, Assistant City Attorney

CBB:aeb

08/13/13

FTZ 202 - Site 22
Clarion Lion Properties Fund LP
Transmittal 2



Harbor Department
Planning and Economic Development
Map Produced 03/2013



EXHIBIT B - AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

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

- A. During the performance of City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

EXHIBIT B - AFFIRMATIVE ACTION PROGRAM PROVISIONS

- E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.
- F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.
- H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.
- J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it

EXHIBIT B - AFFIRMATIVE ACTION PROGRAM PROVISIONS

registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve

months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 2. A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;

EXHIBIT B - AFFIRMATIVE ACTION PROGRAM PROVISIONS

4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.
- P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

TRUCKS ENTERING AND LEAVING THE PORT MUST USE THE ROUTE SHOWN BELOW.
CAMIONES ENTRANDO Y SALIENDO EL PORTO DEVEN DE USAR LA RUTA INDICADO ABAJO.

Ruta designado de camión de carga Designated Truck Route at the Port of Los Angeles

