



COUNTY OF LOS ANGELES  
DEPARTMENT OF PARKS AND RECREATION

*"Parks Make Life Better!"*

Russ Guiney, Director

John Wicker, Chief Deputy Director

---

Executive Offices • 433 South Vermont Avenue • Los Angeles, CA 90020-1975 • (213) 738-2961

June 11, 2013

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**DETACHMENT OF ZONE NUMBER 74  
TESORO DEL VALLE FROM  
LOS ANGELES COUNTY LANDSCAPING AND LIGHTING ACT  
DISTRICT NUMBER 4  
(SUPERVISORIAL DISTRICT 5) (3 VOTES)**

**SUBJECT**

Adoption of the Resolution of Intent to detach Zone Number 74 Tesoro Del Valle, from the Los Angeles County Landscaping and Lighting Act District 4, and approve the execution of the Detachment Agreement and the Operating Agreement with the Tesoro Del Valle Master Homeowners Association for the continued operation and maintenance of this Zone.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find the proposed detachment of Zone Number 74 Tesoro Del Valle from the Los Angeles County Landscaping and Lighting Act District Number 4 is not subject to the California Environmental Quality Act because the action does not meet the definition of a project and for the reasons stated herein.
2. Find that the Los Angeles County Landscaping and Lighting Act District Number 4 will not be adversely impacted by the detachment of Zone Number 74 Tesoro Del Valle.
3. Adopt the enclosed Resolution of Intention, declaring the Board of Supervisor's intent to detach Zone Number 74 Tesoro Del Valle, from the Los Angeles County Landscaping and Lighting Act District Number 4, pursuant to the provisions of the Landscaping Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, Section 22500 et. Seq., and as provided by Article XIID of the California Constitution.

4. Authorize the Director of the Department of Parks and Recreation to execute the Detachment Agreement with the Tesoro Del Valle Master Homeowners Association declaring the County's intent to detach Zone Number 74, Tesoro Del Valle, from the Los Angeles County Landscaping and Lighting Act District Number 4, effective April 30, 2014.
5. Set June 25, 2013, as the public hearing date regarding the detachment of Zone Number 74 Tesoro Del Valle from the Los Angeles County Landscaping and Lighting Act District Number 4, and the cessation of the proposed assessments described herein, as specified in Section 22625 of the Streets and Highways Code.
6. Instruct the Executive Officer-Clerk of the Board of Supervisors to give notice of the public hearing by causing the Resolution of Intention to be published as required by Section 22626(a) of the Streets and Highways Code.
7. Authorize the Director of the Department of Parks and Recreation to execute a Management Agreement with the Tesoro Del Valle Master Homeowners Association for the implementation of a Capital Improvement Program to expend excess funds currently in the Zone Number 74, Tesoro Del Valle, Los Angeles County Landscaping and Lighting Act District Number 4 funding account, effective July 1, 2013.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is for the Board of Supervisors (Board) to order the detachment of Zone Number 74, Tesoro Del Valle (Zone No. 74) from Los Angeles County Landscaping and Lighting Act District (LLD) Number 4 (No.4); and to set a date for a public hearing regarding the detachment of Zone No. 74.

#### **DETACHMENT OF ZONE NUMBER 74 TESORO DEL VALLE**

The Tesoro Del Valle Master Homeowners Association (Tesoro HOA), together with its community, has requested the detachment of Zone No. 74 from Los Angeles County LLD No. 4. The Tesoro HOA has elected to provide for the maintenance and servicing of the detached open space areas, open space lots and common areas within the Zone No. 74. The Tesoro HOA took a vote of its community to determine whether or not a majority supporting the detachment of Zone No. 74. The outcome of the vote is as follows: Yes = 295, No = 55. As a result of this vote, the Department of Parks and Recreation (Department) recommends that Zone No. 74 be detached from Los Angeles County LLD No. 4, effective April 30, 2014. Prior to the detachment, the Tesoro HOA, through a management agreement with the Department, will be making improvements to the open space areas and common areas with prior approval from the Department, in order to expend the fund balance in Zone No. 74, which has an approximate balance of \$1.8 million.

#### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) by providing the continuation of services by the Tesoro HOA to maintain the landscaped areas and the appurtenant improvements will benefit those who live within these Zones. Furthermore, Fiscal Sustainability (Goal 2) of landscape services will be maintained by the establishment of association fees to provide the funding necessary for the operation and maintenance of the landscaping and appurtenant improvements within the community.

**FISCAL IMPACT/FINANCING**

The detachment of territory within Zone No. 74 will not adversely impact Los Angeles County LLA District No. 4. California Streets and Highways Code allows proceedings for detachment of territory to be initiated by a Resolution of Intention. Pursuant to Section 22609 of the Streets and Highways Code, in detachment proceedings, resolution, report, notice of hearing, and right of majority protest shall be limited to the territory proposed to be detached. In addition, detachment proceedings allow for your Board to dispense with posted and mailed notices of the hearing.

**OPERATING BUDGET IMPACT**

The recommended actions will have no impact on the Department's Operating Budget.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

As authorized by the State Legislation, pursuant to the Streets and Highways Code, Section 22500 et. seq., a public agency may form an assessment district for the purposes of installing, planting, maintaining or servicing landscape facilities including, but not limited to, ornamental structures and facilities appurtenant to or which is necessary or convenient for the maintenance of/or servicing landscape areas. Pursuant to this authority, on July 3, 2001, your Board formed Landscape and Lighting Act District Number 4 (District), Zone No. 74, and ordered the levying of an assessment for the purpose of maintaining and improving landscaping and other improvements within Zone No. 74.

Your Board further authorized the Director of Parks and Recreation (Director) to accept on behalf of formed Zone No. 74 the Grants of Easement to designated landscaped areas and open space pursuant to the Engineer's Report, as amended, which was prepared for the District outlining the areas of responsibility which consisted of approximately 105 acres of Open Space common areas. Tesoro Del Valle Community is currently comprised of approximately 1,077 homes and is located in the Santa Clarita area of Los Angeles County. As a master homeowners association for the community, Tesoro HOA holds fee title to all of the common areas within the Community. Currently, approximately 79 acres of common areas are maintained by the District and approximately 26 acres of common areas are maintained by the Tesoro HOA.

Since fiscal year 2001-2002, the LLAD has levied and collected from property owners within Zone No. 74 a benefit assessment for the purpose of providing maintenance of the zone. As a result, sufficient funds have been collected by Zone No. 74 to fund allowable improvements as well as landscape service and maintenance within the Open Space Common Areas. On February 19, 2013, the homeowners of Zone No. 74, by majority vote, requested the detachment of the Tesoro Del Valle Community, including the Open Space therein, from District No. 4 and the transfer of management and oversight of Capital Improvements and Landscape Service and Maintenance for Zone No. 74 from District to Tesoro HOA.

The Detachment Agreement provides for the detachment of Zone No. 74 from the LLAD effective April 30, 2014. Moreover, the Tesoro HOA and the District shall enter into a Management Agreement so that the Tesoro HOA has the authority to make certain Capital Improvements throughout the Open Space areas using Zone No. 74 funds until all such funds are expended. The term of the Management Agreement shall be from July 1, 2013 to April 30, 2014. It may be extended, upon mutual agreement, on a month to month basis so as to accommodate the expenditure of all Zone 74 funds on Capital Improvements within the Open Space and utilities, for a maximum of eighteen (18) additional months, through October 31, 2015. Any Zone No. 74 funds

remaining as of November 1, 2015, may only be used for allowable expenditures of utility costs. The Management Agreement may be terminated at any time if all Zone No. 74 funds are expended.

County Counsel has approved the enclosed Resolution as to form.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed detachment of Zone Number 74 Tesoro Del Valle from the Los Angeles County Landscaping and Lighting Act District Number 4 is not subject to the California Environmental Quality Act (CEQA) in that the action does not meet the definition of a project according to Section 15378 (b) (5) of the State CEQA Guidelines because the action includes administrative activities which by their terms do not involve any commitments to any specific projects which may result in a potentially significant physical impact on the environment.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this action will cause no impact on current services or programs.

### **CONCLUSION**

It is required that an adopted copy of this document be forwarded to the Auditor Controller Tax Division, and two adopted copies be forwarded to the Department of Parks and Recreation.

Should you have any questions, please contact Kandy Hays at (562) 756-9098 or khays@parks.lacounty.gov, Susan Sherman at (661) 294-3580 or ssherman@parks.lacounty.gov, Vanessa Paniagua at (213) 738-2986 or vpaniagua@parks.lacounty.gov or Kaye Michelson at (213) 738-2955 or kmichelson@parks.lacounty.gov.

Respectfully submitted,



RUSS GUINEY

Director

RG:KEH:MK:

CM:SS:rc

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Clerk of the Board  
Auditor Controller

**COUNTY OF LOS ANGELES  
BOARD OF SUPERVISORS**

**RESOLUTION OF INTENTION TO DETACH ZONE NO. 74  
TESORO DEL VALLE FROM  
LOS ANGELES COUNTY LLA DISTRICT NO. 4**

**WHEREAS**, the Board of Supervisors of the County of Los Angeles previously approved the formation of Los Angeles County LLA District No. 4, Zone 74 for the purpose of providing funds for the provision of landscape maintenance services located therein pursuant to the Landscaping and Lighting Act of 1972 of Part 2 of Division 15 of the Streets and Highways Code of the State of California; and

**WHEREAS**, on February 19, 2013, the community of Zone No. 74 Tesoro Del Valle voted overwhelmingly to request that the Board of Supervisors of the County of Los Angeles consider the detachment of said zone from Los Angeles County LLA District No. 4; and

**WHEREAS**, the Streets and Highways Code of the State of California, Section 22609 authorizes the detachment of Zone No. 74 from Los Angeles County LLA District No. 4 by adoption of this Resolution of Intention; and

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Supervisors of the County of Los Angeles, State of California find:

**SECTION 1.** That public interest and convenience require, and that it is the intent of said Board of Supervisors of the County of Los Angeles, State of California to order the detachment of all territory within Zone No. 74 Tesoro Del Valle from Los Angeles County LLA District No. 4.

**SECTION 2.** That the proceedings for the detachment of the aforesaid territory shall be taken under and in accordance with an act of the Legislature of the State of California, known and designated as the Landscape and Light Act of 1972 (Division 15, Part 2, of the Streets and Highway Code).

**SECTION 3.** That the detachment of this territory will have no fiscal impact on the assessments for the remaining zones within Los Angeles County LLA District No. 4.

**SECTION 4.** That on June 25, 2013 at the hour of \_\_\_\_\_ a.m. of said day, is the day and hour, and the Chambers of the Board of Supervisors of the County of Los Angeles, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012, is the place fixed by said Board of Supervisors when and where any and all persons may be heard.

**SECTION 5.** The Executive Officer-Clerk of the Board of Supervisors shall cause notice of hearing, in the form and manner specified in Section 6061 of the Government Code to be published in a Newspaper of general circulation, not less than ten days prior to the date of said hearing as stated in this Resolution.

The foregoing Resolution was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2013 passed by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI, Executive Officer-  
Clerk of the Board of Supervisors of  
the County of Los Angeles

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM  
BY COUNTY COUNSEL  
JOHN KRATTLI

By: Christina A. Salseda  
Christina A. Salseda  
Principal Deputy County Counsel

## DETACHMENT AGREEMENT

This Detachment Agreement (“**Agreement**”), effective as of the first day of July, 2013 (“**Effective Date**”), is made and entered into by and between the Tesoro Del Valle Master Homeowners Association, a California nonprofit mutual benefit corporation (“**Association**”) and the County of Los Angeles (“**County**”) with reference to the following facts. Tesoro and County may hereafter be individually referred to as a “**Party**” and collectively referred to as the “**Parties**”.

### RECITALS

**WHEREAS**, Association is the master homeowners association for the Tesoro Del Valle community which is currently comprised of approximately 1,077 homes and is located in the Santa Clarita area of Los Angeles County, California (“**Community**”), and as the master homeowners association for the Community, Association holds fee title to all of the common areas within the Community (“**Common Areas**”); and

**WHEREAS**, on June 25, 2001, the Board of Supervisors adopted the Engineer’s Reported dated April 2001, and the formation of Los Angeles County Landscaping and Lighting Act district No. 4, (“**LLAD**”) Tesoro Del Valle Zone No. 74 (“**Zone**”). The purpose of the LLAD has been to maintain, service and install improvements, as those terms are defined in California Streets and Highways Code (“**S&H Code**”) Sections 22525, 22531 and 22538, respectively (collectively, “**Maintain**” or “**Maintenance**”) located in those portions of the Common Areas where County was provided with easements for the purpose of Maintenance; and

**WHEREAS**, based on the Engineer’s Report dated April, 2001, Maintenance of the Zone includes landscape easements of the Common Areas consisting of 105 acres within a residential community comprising of 1,551 assessable lots or parcels. The LLAD boundary is legally described on the document attached hereto as Exhibit A and depicted on the map attached hereto as Exhibit B; and

**WHEREAS**, a revised Engineer's Report dated May, 2004, was submitted adjusting the Common Areas to be maintained by the LLAD, pursuant to various landscape easements to 79 acres within a residential community comprising of 911 assessable lots or parcels. The remaining 26 acres are presently maintained by Association. The site map indicating the Common Areas where the LLAD provides Maintenance and where the Association provides maintenance is attached hereto as Exhibit C; and

**WHEREAS**, since fiscal year 2001-2002, the LLAD has levied and collected from property owners within the Zone a benefit assessment for the purpose of providing Maintenance of the Zone; and

**WHEREAS**, on February 19, 2013, the homeowners of the Zone, by majority vote, requested the detachment of the Zone from the LLAD, and

**WHEREAS**, Association and County now desire, pursuant to the provisions of S&H Code Section 22500 *et. seq.*, to agree upon and provide for the detachment of the Community from the LLAD and Zone as of April 30, 2014.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein and other good and valuable consideration, receipt of which is hereby acknowledged, Association and County agree as follows:

**1.0 Detachment Date** Association and County shall cooperate in accomplishing the detachment of the Community from the LLAD and Zone on April 30, 2014 ("**Detachment Date**").

**2.0 Maintenance of the Common Areas** After the Detachment Date, Association shall be responsible for the Maintenance of the Common Areas in their entirety, and, except as provided in Paragraph 3 below, Association shall not seek from County any assistance from, or make any demands on, County, as to the Maintenance of the Common Areas.



2.1 Funding for Maintenance. After the Detachment Date, Maintenance of the Common Areas shall be funded solely by the Association without any contribution, whether monetary or in kind, by County, except as provided in Paragraph 3 below.

**3.0 Reserve Funds** It is the intent of the Parties to simultaneously execute an Operating Agreement so as to allow Association to manage projects at the Common Areas from LLAD funds held for the purpose of providing Maintenance in the Zone ("**Reserve Funds**"). It is further the intent of the Parties that the Reserve Funds be spent in their entirety, prior to the Detachment Date. In the event that the Reserve Funds have not been spent in their entirety prior to the Detachment Date, the Reserve Funds shall continue to be utilized to pay Association for its costs incurred in connection with the Maintenance of the Common Areas pursuant to the Operating Agreement until such time that the Operating Agreement has expired or is terminated.

**4.0 Reduction and Cessation of Assessments** Commencing, July 1, 2013, County shall, during the 2013-2014 fiscal year reduce the amount of the LLAD assessment that it levies against the parcels within the Community as follows:

For the fiscal year 2013-2014, a reduction of the LLAD assessment amount to twenty-five percent (25%) of the 2012-2013 fiscal year LLAD assessment amount;

For the 2014-2015 fiscal year and thereafter, County shall cease levying LLAD assessments against the parcels within the Zone, since the Zone will detach on April 30, 2014.

**5.0 Independent Contractor Status** This Agreement is by and between the County and Association and is not intended, and shall not be construed, to create the

relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and Association. The employees and agents of one Party shall not be, or be construed to be, the employees or agents of the other Party for any purpose whatsoever. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Association or its contractors.

**6.0 Indemnification** Association shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Association's negligence, errors and/or omissions relating to or arising from the performance of the services provided by Association under or in connection with this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County.

**7.0 Governing Law, Jurisdiction and Venue** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Parties agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agree and consent that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

**8.0 Compliance with Laws and Responsibility** Association and its contractors shall comply with all applicable laws, ordinances and regulations with respect to their activities on and about the LLAD maintained Common Areas.

**9.0 Notices** All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed

receipt or mailed by first-class registered or certified mail, postage prepaid or by a recognized overnight delivery service (e.g. FedEx, UPS Overnight etc.). The address to be used for any given notice served by mail upon the Association shall be c/o Euclid Management Corporation, Attention: Shuana Gatlin, 25115 West Ave. Stanford Suite A111, Valencia, CA 91355 or such other place as may hereinafter be designated in writing to the County by Association. Any notice served by mail upon the County shall be sent to: County of Los Angeles, Department of Parks and Recreation, Contracts, Golf and Special Districts, 301 North Baldwin Avenue, Arcadia, CA 91007, or such other place as may hereinafter be designated in writing to Association by County. Addresses may be changed by either Party giving ten (10) days prior written notice thereof to the other Party. The Director of the Department of Parks and Recreation shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

**10.0 Annexation of The Tesoro Community to City of Santa Clarita** In the event that the Community is annexed to the City of Santa Clarita (“**City**”) prior to the expenditure of the Reserve Funds and the detachment and dissolution referred to herein, this Agreement shall, nonetheless, remain in full force and effect, provided, however, County may assign its rights and obligations hereunder to the City.

**11.0 Entire Agreement** This Agreement, including the Exhibits attached hereto and the Operating Agreement constitute all agreements between County and Association in connection with the detachment of the Community from the LLAD as described herein. All other agreements, promises and representations with respect thereto, other than those contained herein and in the Operating Agreement, are expressly revoked, as it is the intention of the Parties to provide for a complete integration within the provisions of the Operating Agreement and this Agreement, including the Exhibits attached hereto, the terms, conditions, promises and covenants relating to the Maintenance of the LLAD maintained

Common Areas and the detachment of the Community from the LLAD as described herein. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions thereof unenforceable, invalid or illegal. This Agreement may be modified only by a written amendment signed by both Parties.

**12.0 Waiver** No waiver by a Party of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of a Party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

**13.0 Validity** If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

**14.0 Counterparts** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

**15.0 Further Assurances** Each of the Parties agrees to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be appropriate or necessary to effectuate the agreements of the parties set forth herein.

**16.0 Headings** Headings used in this Agreement are for convenience of reference only and are not intended to govern, limit, or aide in the construction of any term or provision hereof.

**17.0 Legal Advice** Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to the fair meaning and not for or against any Party based upon any attribution of such Party as the sole source or drafter of the language in question.

**18.0 Time of the Essence** Time shall be of the essence as to all dates and times of performance set forth in this Agreement.

**19.0 Attorneys' Fees** In the event that any Party hereto institutes an action or proceeding for a declaration of the rights of the Parties under this Agreement, for injunctive relief, for an alleged breach or default of, or any other action arising out of, this Agreement, or the transactions contemplated hereby, or in the event any Party is in default of its obligations pursuant thereto, whether or not suit is filed or prosecuted to final judgment, the non-defaulting Party or prevailing Party shall be entitled to its actual attorneys' fees and to any court costs incurred, in addition to any other damages or relief awarded.

**20.0 Due Authority** Each person signing this Agreement on behalf of a Party represents and warrants that he or she has been duly authorized by such Party to sign, and thereby bind such Party to, this Agreement.

**21.0 Binding on Successors** The terms and conditions herein contained shall be binding upon and inure to the benefit of the successors and assignees of Association and County as applicable.

/

/

Christina A. Salseda,  
Principal Deputy County Counsel

By Christina A. Salseda

JOHN KRATTLI  
County Counsel

APPROVED AS TO FORM:

Richard J. Ryan, President, Board of Directors  
Tesoro Del Valle Master Home Owners Association

By [Signature]

ASSOCIATION

Russ Guiney, Director  
Department of Parks and Recreation

By \_\_\_\_\_

COUNTY OF LOS ANGELES

IN WITNESS WHEREOF, Association has executed this Agreement, or caused it to be duly executed and County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Director of the Department of Parks and Recreation, the day and year first above written.

**EXHIBIT A**  
**LEGAL DESCRIPTION OF LLAD BOUNDARY**

LOS ANGELES COUNTY LANDSCAPING AND LIGHTING ACT  
DISTRICT NO. 4  
ZONE NO. 74 – TESORO DEL VALLE  
PORTION OF TENTATIVE TRACT NO. 51644  
ANNEXATION OF ADDITIONAL TERRITORY

PARCEL 1:

PART A:

THOSE PORTIONS OF THE RANCHO SAN FRANCISCO, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PER MAP RECORDED IN BOOK 1 PAGES 521 AND 522, OF PATENTS, RECORDS OF SAID COUNTY AND PORTIONS OF FRACTIONAL SECTIONS 33 AND 34, TOWNSHIP 5 NORTH, RANGE 16 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS PARCELS 2 THROUGH 6 AND 8, INCLUSIVE IN CERTIFICATE OF COMPLIANCE LOT LINE ADJUSTMENT NO. 101,736 RECORDED DECEMBER 9, 1999 AS INSTRUMENT NO. 99-2272936, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY.

PART B:

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER SECTION 34 AND THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34 TOWNSHIP 5 NORTH, RANGE 16 WEST, SAN BERNARDINO MERIDIAN ACCORDING TO THE OFFICIAL PLAT OF SAID LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST AND WEST CENTERLINE OF SAID SECTION 34, WITH THE CENTERLINE OF THE OLD SAN FRANCISQUITO CANYON ROAD, 60 FEET WIDE, AS SHOWN ON COUNTY SURVEYOR MAP B-2111 ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID

X:\Adm\In\Word Docs\LEGALS\Exhibits\6927-B .EXH.doc\Exh.doc



COUNTY; THENCE ALONG THE SAID CENTERLINE OF SAID SECTION 34; THENCE NORTH 89°59'25" EAST 91.01 FEET TO THE CENTER OF SAID SECTION 34; THENCE CONTINUING ALONG SAID EAST AND WEST CENTERLINE SOUTH 87°40'31" EAST 571.10 FEET; THENCE SOUTH 21°50'35" WEST, 185.79 FEET; THENCE NORTH 87°40'31" WEST, (ALONG A LINE PARALLEL WITH SAID EAST AND WEST CENTERLINE AND DISTANT SOUTHERLY THEREFROM, 175.00 FEET) 502.38 FEET, TO THE NORTH AND SOUTH CENTERLINE OF SECTION 34; THENCE SOUTH 89°59'25" WEST (ALONG A LINE PARALLEL WITH SAID EAST AND WEST CENTERLINE AND DISTANT SOUTHERLY THEREFROM 175.00 FEET), 121.08 FEET TO THE CENTERLINE OF SAID OLD SAN FRANCISQUITO ROAD, (60.00 FEET WIDE), AS SHOWN ON SAID COUNTY SURVEYOR'S MAP B-2111; THENCE ALONG SAID LAST MENTIONED CENTERLINE, NORTH 09°51'40" EAST 177.59 FEET, TO THE POINT OF BEGINNING.

PART C:

THAT PORTION OF THE RANCHO SAN FRANCISCO IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 1, PAGES 521 AND 522 OF PATENTS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THAT CERTAIN COURSE DESCRIBED AS "NORTH 58°36'44" WEST 500.85 FEET" ALONG THE SOUTHWESTERLY BOUNDARY OF PARCEL 2 OF LOT LINE ADJUSTMENT CERTIFICATE OF COMPLIANCE NO. 101,736 RECORDED DECEMBER 9, 1999 AS INSTRUMENT NO. 99-2272936 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, DISTANT THEREON 119.48 FEET SOUTHEASTERLY FROM THE NORTHWESTERLY TERMINUS THEREOF; THENCE ON A NEW BASIS OF BEARINGS, SOUTH 58°25'29" EAST 119.48 FEET ALONG SAID BOUNDARY; THENCE ALONG SAID BOUNDARY SOUTH 58°25'29" EAST 259.25 FEET; THENCE LEAVING SAID BOUNDARY, SOUTH 57°43'10" WEST 127.90 FEET TO THE BEGINNING OF A NON-

TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 15.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 32°16'50" WEST; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89°59'56" AN ARC DISTANCE OF 23.56 FEET; THENCE NORTH 32°16'46" WEST 128.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 2955.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1°43'24" AN ARC DISTANCE OF 88.88 FEET TO THE POINT OF BEGINNING.

PART D:

THAT PORTION OF THE RANCHO SAN FRANCISCO IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 1, PAGES 521 AND 522 OF PATENTS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERLY TERMINUS OF THE COURSE DESCRIBED AS "SOUTH 72°37'46" WEST 209.10 FEET" IN PARCEL 2 OF LOT LINE ADJUSTMENT CERTIFICATE OF COMPLIANCE NO. 101736 RECORDED DECEMBER 9, 1999 AS INSTRUMENT NO. 99-2272936 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ON A DIFFERENT BASIS OF BEARINGS SOUTH 72°49'14" WEST 209.03 FEET ALONG SAID COURSE; THENCE LEAVING THE BOUNDARY OF SAID PARCEL 2, SOUTH 42°38'36" EAST 72.39 FEET; THENCE NORTH 80°51'49" EAST 80.97 FEET; THENCE SOUTH 32°29'11" EAST 65.86 FEET; THENCE SOUTH 0°25'06" EAST 62.91 FEET; THENCE SOUTH 73°37'11" EAST 65.12 FEET; THENCE SOUTH 5°25'22" EAST 105.99 FEET; THENCE SOUTH 18°06'13" EAST 97.48 FEET; THENCE SOUTH 29°09'26" EAST 71.73 FEET; THENCE SOUTH 12°56'04" WEST 65.03 FEET; THENCE SOUTH 36°45'11" EAST 48.97

X:\Admin\Word Docs\LEGAL5\Exhibits\6927-B .EXR.docExh.doc

FEET; THENCE SOUTH 87°38'44" EAST 89.97 FEET; THENCE NORTH 54°40'52" EAST 43.23 FEET TO SAID BOUNDARY; THENCE ALONG SAID BOUNDARY THE FOLLOWING COURSES: NORTH 24°07'13" WEST 235.66 FEET, NORTH 12°00'44" EAST 82.11 FEET, AND NORTH 29°47'20" WEST 329.19 FEET TO THE POINT OF BEGINNING.

PART E:

THAT PORTION OF RANCHO SAN FRANCISCO IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 1, PAGES 521 AND 522 OF PATENTS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY TERMINUS OF THE COURSE DESCRIBED AS "NORTH 34°05'04" WEST 512.47 FEET ALONG THE SOUTHWESTERLY BOUNDARY OF PARCEL 2 OF LOT LINE ADJUSTMENT CERTIFICATE OF COMPLIANCE NO. 101736 RECORDED DECEMBER 9, 1999, AS INSTRUMENT NO. 99-2272936 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ON A DIFFERENT BASIS OF BEARINGS AND ALONG SAID BOUNDARY SOUTH 33°53'47" EAST 243.94 FEET; THENCE LEAVING SAID BOUNDARY, SOUTH 89°25'49" WEST 73.29 FEET; THENCE NORTH 68°08'57" WEST 92.84 FEET; THENCE NORTH 43°28'28" WEST 118.24 FEET; THENCE NORTH 35°48'02" WEST 137.60 FEET; THENCE NORTH 25°46'57" WEST 72.98 FEET; THENCE NORTH 47°42'09" WEST 113.84 FEET; THENCE NORTH 71°34'31" WEST 101.71 FEET; THENCE NORTH 25°36'55" WEST 48.89 FEET; THENCE NORTH 57°53'25" WEST 46.65 FEET; THENCE NORTH 20°59'05" WEST 59.02 FEET; THENCE NORTH 36°59'04" WEST 106.93 FEET; THENCE NORTH 4°02'49" WEST 91.15 FEET; THENCE NORTH 31°37'21" EAST 47.89 FEET TO A POINT IN THE SOUTHWESTERLY BOUNDARY OF SAID PARCEL 2, DISTANT THEREON 244.23 FEET FROM THE

X:\Admin\Word Docs\LEGALS\Exhibits\6927-B .EXH.docExh.doc

SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED IN SAID INSTRUMENT AS "NORTH 32°28'24" WEST 562.70 FEET", SAID COURSE FOR THE PURPOSE OF THIS DESCRIPTION HAVING BEARING NORTH 32°16'34" WEST; THENCE ALONG SAID SOUTHWESTERLY BOUNDARY THE FOLLOWING 3 COURSES: SOUTH 32°16'34" EAST 244.23 FEET, SOUTH 66°08'53" EAST 195.95 FEET, SOUTH 39°48'23" EAST 336.63 FEET TO THE POINT OF BEGINNING.

PART F:

THAT PORTION OF THE RANCHO SAN FRANCISCO, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PER MAP RECORDED IN BOOK 1 PAGES 521 AND 522, OF PATENTS, RECORDS OF SAID COUNTY AND A PORTION OF FRACTIONAL SECTION 33, TOWNSHIP 5 NORTH, RANGE 16 WEST, SAN BERNARDINO MERIDIAN, INCLUDED WITHIN THE BOUNDARY OF PARCEL 1, INCLUSIVE, AS DESCRIBED IN CERTIFICATE OF COMPLIANCE LOT LINE ADJUSTMENT NO. 101,736 RECORDED DECEMBER 9, 1999 AS INSTRUMENT NO. 99-2272936, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE GENERAL SOUTHERLY LINE OF SAID PARCEL 1 AS DESCRIBED IN SAID INSTRUMENT AS NORTH 75°25'58" WEST 213.74 FEET, SAID COURSE FOR THE PURPOSE OF THIS DESCRIPTION HAVING A BEARING OF NORTH 75°14'27" WEST; THENCE LEAVING SAID SOUTHERLY LINE NORTH 12°20'34" EAST 118.17 FEET; THENCE NORTH 13°34'38" WEST 148.97 FEET; THENCE NORTH 8°42'54" EAST 99.46 FEET; THENCE NORTH 71°16'03" WEST 112.60 FEET; THENCE NORTH 9°19'07" WEST 284.48 FEET; THENCE NORTH 38°26'03" WEST 197.14 FEET; THENCE NORTH 80°56'48" WEST 48.29 FEET; THENCE NORTH 28°11'24" WEST 67.63 FEET; THENCE SOUTH 88°09'40" WEST 66.54 FEET; THENCE SOUTH

X:\Admin\Word Docs\LEGALS\Exhibits\6927-B .EXH.docExh.doc

5°09'13" WEST 93.26 FEET TO A POINT IN THAT CERTAIN COURSE IN THE GENERAL SOUTHERLY LINE OF SAID PARCEL 1 DESCRIBED IN SAID INSTRUMENT AS NORTH 83°45'12" WEST 61.30 FEET, SAID COURSE FOR THE PURPOSE OF THIS DESCRIPTION HAVING A BEARING OF NORTH 83°33'41" WEST, SAID POINT BEING DISTANT THEREON NORTH 83°33'41" WEST 33.44 FEET FROM THE EASTERLY TERMINUS THEREOF; THENCE ALONG THE SOUTHERLY AND SOUTHWESTERLY LINES OF SAID PARCEL 1 THE FOLLOWING 7 COURSES:

1. SOUTH 83°33'41" EAST 33.44 FEET; THENCE
2. SOUTH 34°44'09" EAST 192.61 FEET; THENCE
3. SOUTH 8°22'02" EAST 185.75 FEET; THENCE
4. SOUTH 18°48'17" WEST 77.96 FEET; THENCE
5. SOUTH 0°26'22" WEST 137.68 FEET; THENCE
6. SOUTH 21°13'01" EAST 204.18 FEET; THENCE
7. SOUTH 75°14'27" EAST 213.74 FEET TO THE POINT OF BEGINNING.



DESCRIPTION APPROVED

4/26 2001  
BY Thomas W. Hoagland  
THOMAS W. HOAGLAND  
Land Development Division

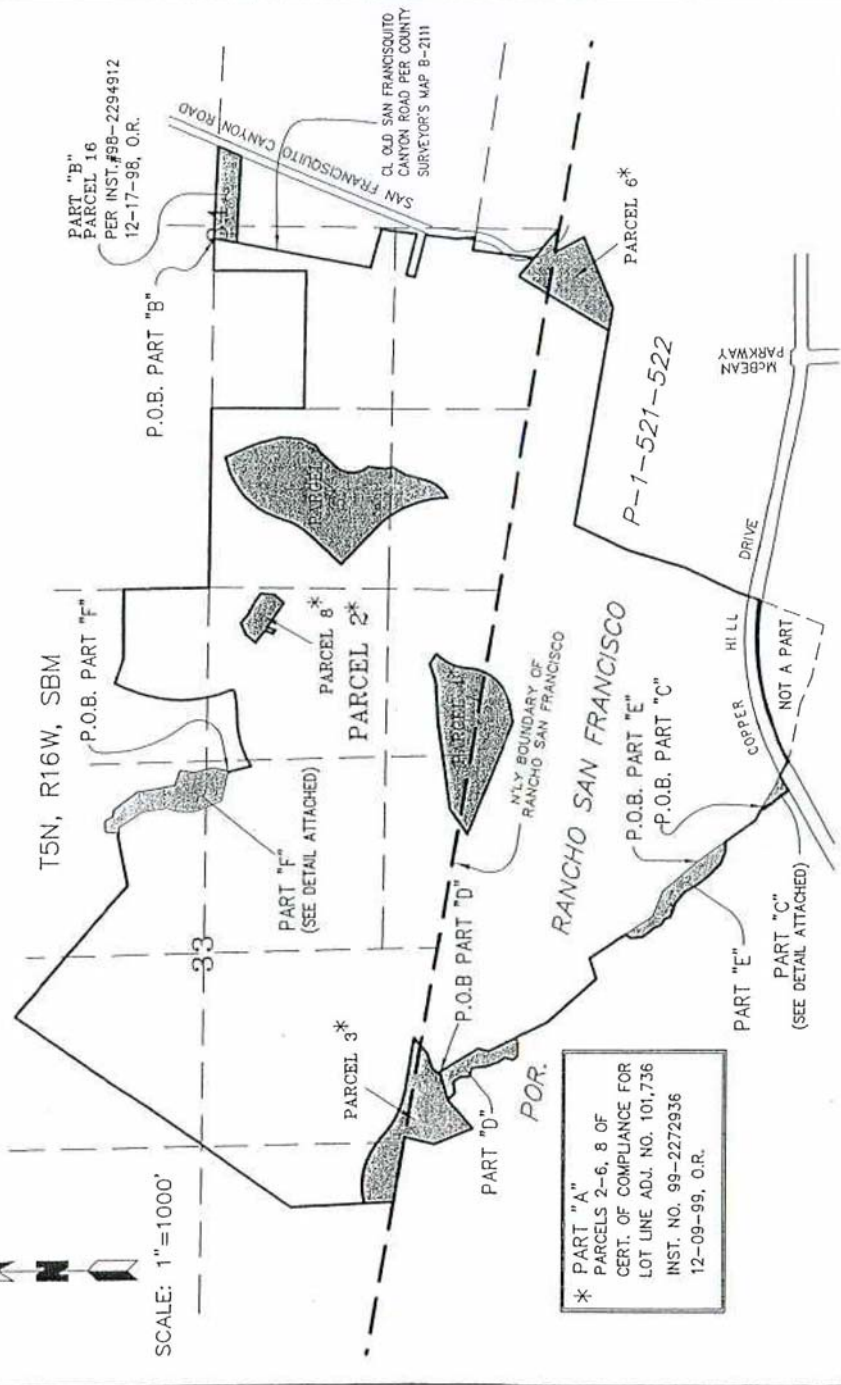
# PARCEL 1

TESORO del VALLE L.L.A.D. NO. 4, ZONE 74  
 IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES  
 STATE OF CALIFORNIA

T5N, R16W, SBM



SCALE: 1" = 1000'



\* PART "A"  
 PARCELS 2-6, 8 OF  
 CERT. OF COMPLIANCE FOR  
 LOT LINE ADJ. NO. 101,736  
 INST. NO. 99-2272936  
 12-09-99, O.R.

DATE: MAR. 15, 2001

X:\Survey\51644\exhib\1\106929.dwg  
 B:\OT\B\A\m\106929.dwg

DETAIL OF PART C



SCALE: 1" = 100'

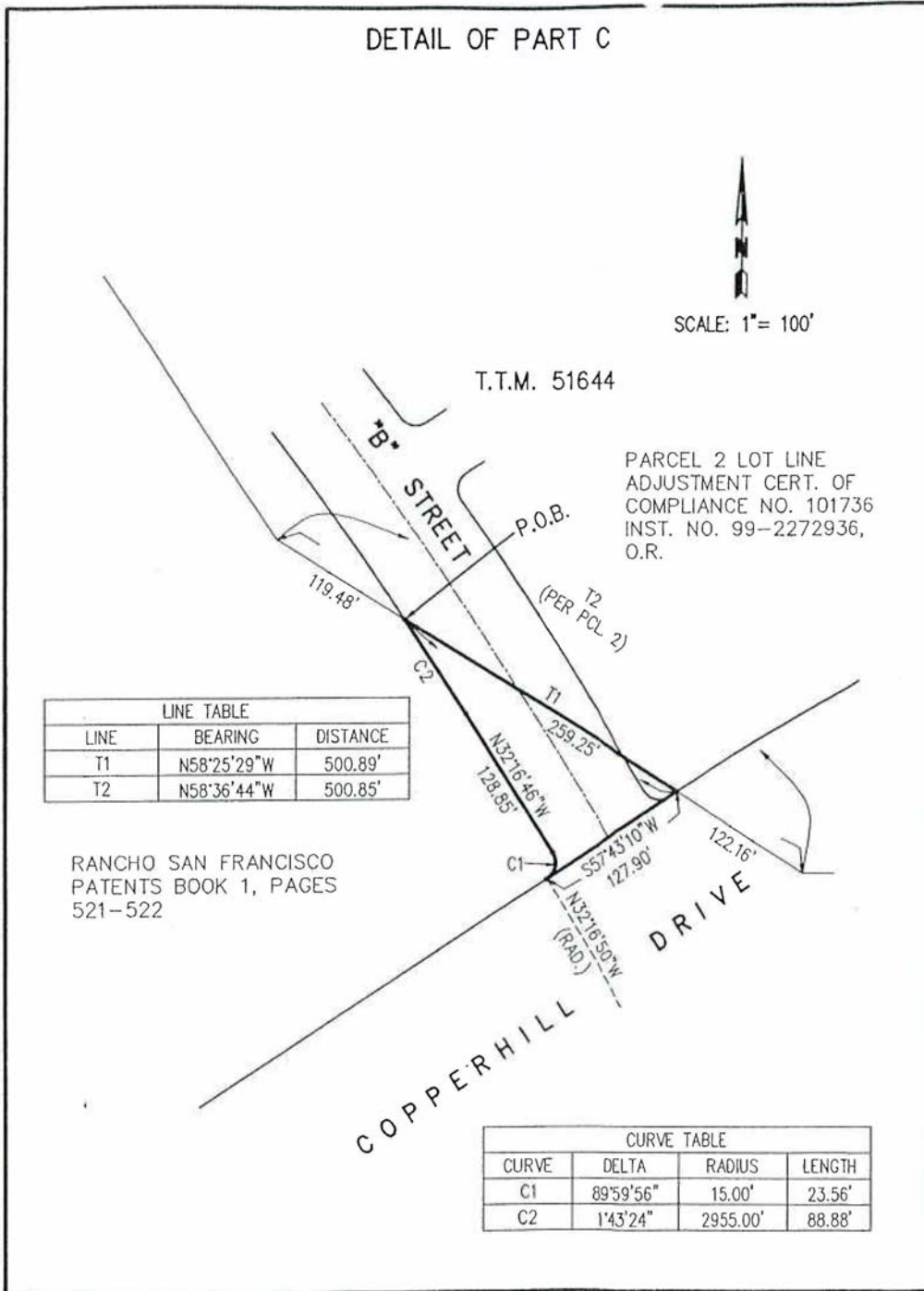
T.T.M. 51644

PARCEL 2 LOT LINE  
ADJUSTMENT CERT. OF  
COMPLIANCE NO. 101736  
INST. NO. 99-2272936,  
O.R.

LINE TABLE		
LINE	BEARING	DISTANCE
T1	N58°25'29"W	500.89'
T2	N58°36'44"W	500.85'

RANCHO SAN FRANCISCO  
PATENTS BOOK 1, PAGES  
521-522

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	89°59'56"	15.00'	23.56'
C2	1°43'24"	2955.00'	88.88'



# DETAIL OF PART F

POR. PARCEL 1 LLA 101.736

T.T.M.51644

POR. SEC 33  
T5N, R16W, SBM



SCALE: 1"=200'

CERTIFICATE OF COMPLIANCE  
LOT LINE ADJUSTMENT  
NO. 101,736, REC.12-6-99  
INST.NO.99-2270936, O.R.

LINE TABLE		
LINE	BEARING	LENGTH
T1	N12°20'34"E	118.17'
T2	N13°34'38"W	148.97'

CENTER SEC. LINE

T3	N08°42'54"E	99.46'
T4	N71°16'03"W	112.60'
T5	N09°19'07"W	284.48'
T6	N38°26'03"W	197.14'
T7	N80°56'48"W	48.29'
T8	N28°11'24"W	67.63'
T9	N88°09'40"E	66.54'
T10	N05°09'13"E	93.26'
T11	N83°33'41"W	33.44'
T12	N34°44'09"W	192.61'
T13	N08°22'02"W	185.75'
T14	N18°48'17"E	77.96'
T15	N00°26'22"E	137.68'
T16	N21°13'01"W	204.18'
T17	N75°14'27"W	213.74'
T18	N83°33'41"W	27.86'
T19	N83°33'41"W	61.30'

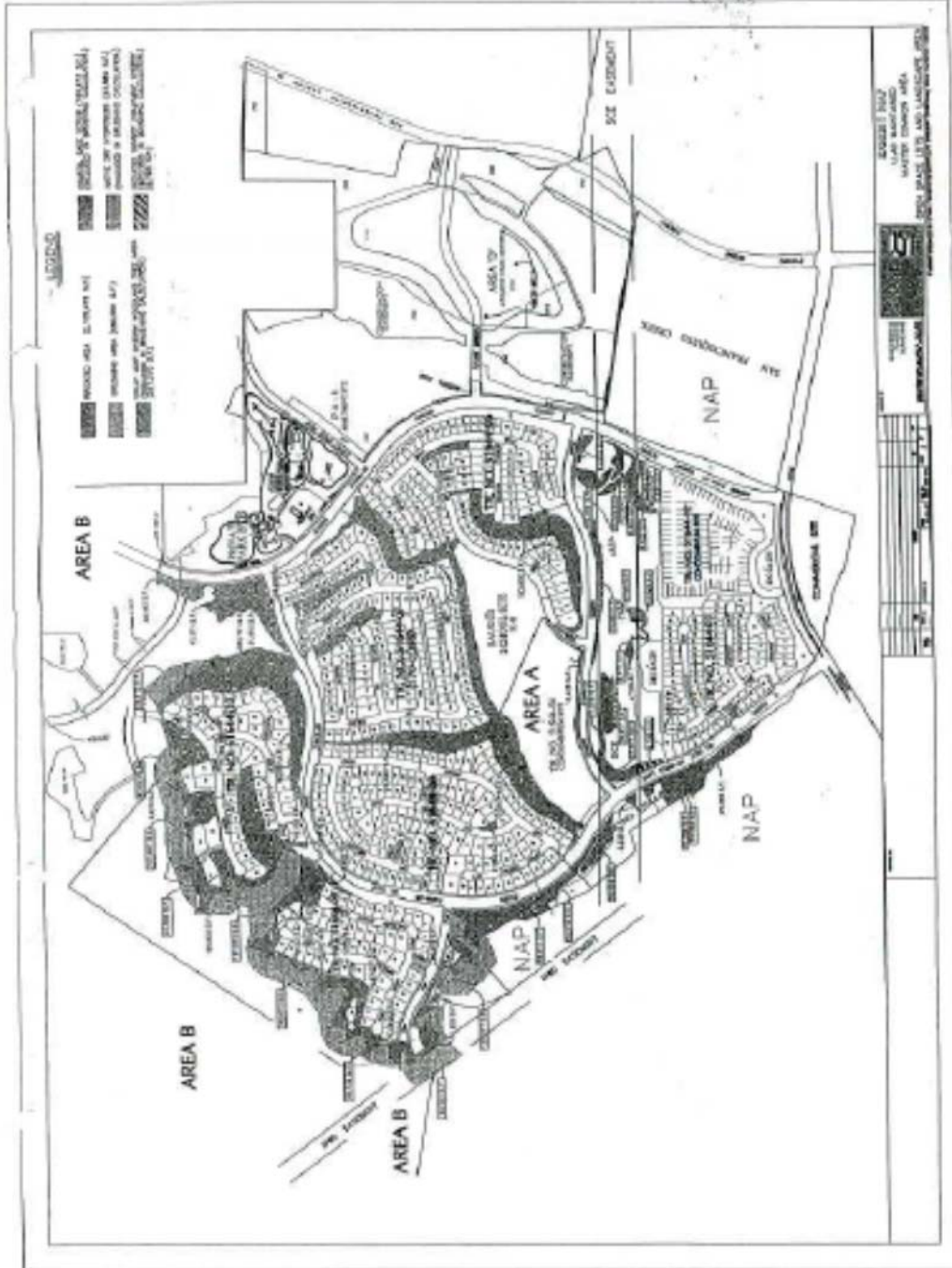
P.O.B.

x:\survey\51644\exhibits\dwg\Slope Exhibit Part F.dwg



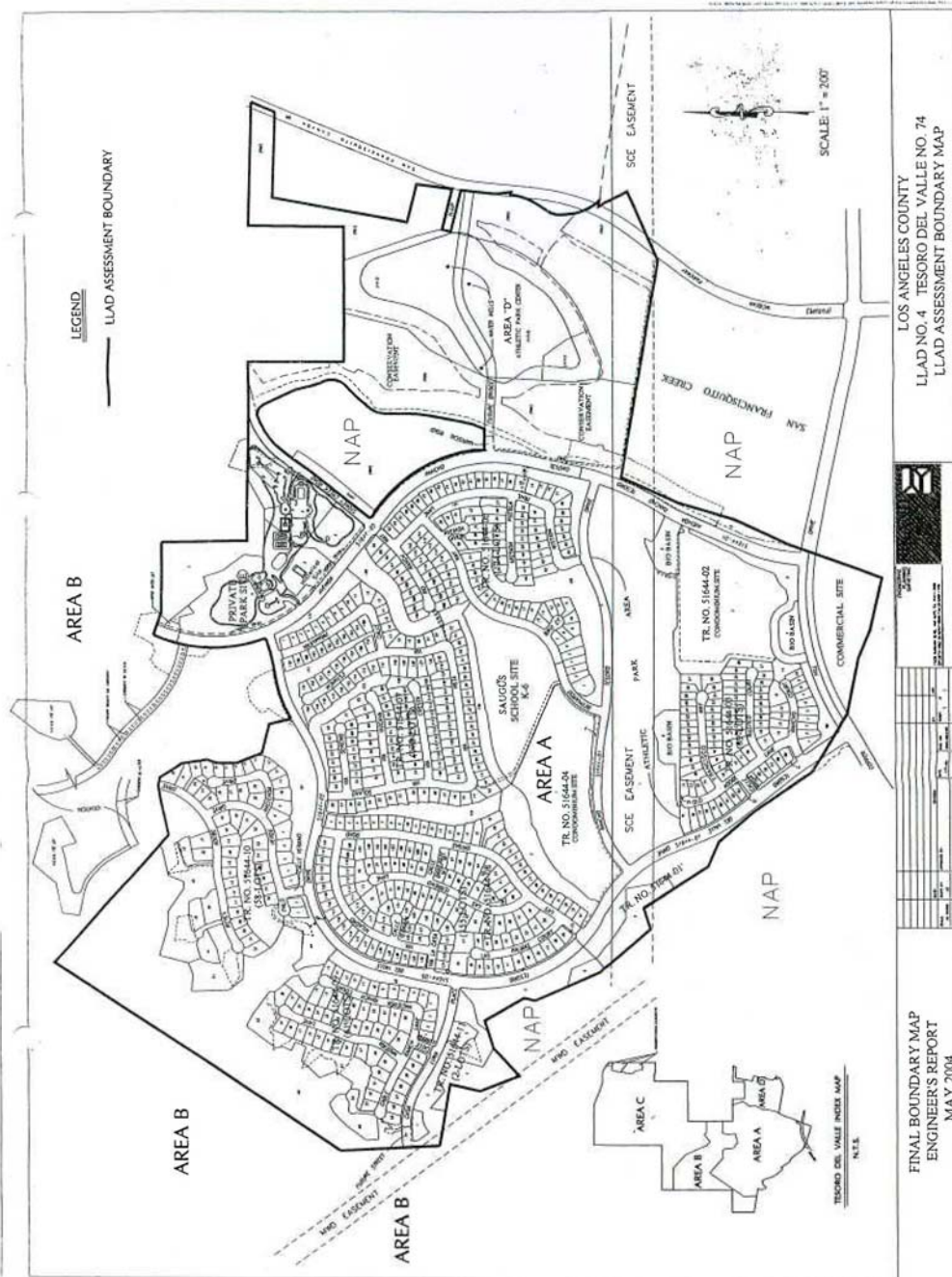
# EXHIBIT B

## MAP DEPICTING LLAD BOUNDARY



# EXHIBIT C

## MAP DEPICTING COMMON AREAS MAINTAINED BY LLAD AND ASSOCIATION



**OPERATING AGREEMENT BETWEEN THE  
COUNTY OF LOS ANGELES AND THE  
TESORO DEL VALLE MASTER HOMEOWNERS ASSOCIATION  
FOR THE MANAGEMENT OF THE INSTALLATION OF CERTAIN IMPROVEMENTS  
TO BE MADE TO THE  
OPEN SPACE AREA WITHIN LANDSCAPE AND LIGHTING DISTRICT NUMBER 4,  
ZONE 74 (TESORO DEL VALLE)**

This Agreement and Exhibits are made and entered into effective as of July 1, 2013 ("Effective Date") by and between the County of Los Angeles, hereinafter referred to as COUNTY, and the Tesoro Del Valle Master Homeowners Association, hereinafter referred to as ASSOCIATION.

**RECITALS**

**WHEREAS**, on July 3, 2001 the Board of Supervisors of the County of Los Angeles formed Landscape and Lighting Act District Number 4 (District), Zone 74 Tesoro Del Valle (Zone 74), and ordered the levying of an assessment for the purpose of maintaining and improving landscaping and other improvements within Zone 74; and

**WHEREAS**, on July 3, 2001 the Board of Supervisors of the County of Los Angeles further authorized the Director of Parks and Recreation (Director) to accept on behalf of formed Zone 74 the Grants of Easement to designated landscaped areas and open space pursuant to the Engineer's Report, as amended, prepared for the District outlining the areas of responsibility; and

**WHEREAS**, approximately 79 acres of common areas have been and are currently being maintained by the District ("District Areas") and approximately 26 acres of common areas have been and are currently being maintained by the Association ("Association Common Areas"); and

**WHEREAS**, both the District Areas and the Association Areas totaling 105 acres within the Tesoro Del Valle Community (collectively referred to as "Open Space") are entirely and wholly within Zone 74; and

**WHEREAS**, the entirety of the Open Space is owned by the Association; and

**WHEREAS**, sufficient funds have been collected by Zone 74 to fund allowable Capital Improvements (defined below) as well as Landscape Service and Maintenance (defined below) in the Open Space; and

**WHEREAS**, on February 19, 2013, the homeowners of Zone 74, by majority vote, requested the detachment of the Tesoro Del Valle Community, including the Open Space therein, from District and Zone 74 and the transfer of management and oversight of Capital Improvements and Landscape Service and Maintenance for Zone 74 from District to Association pending completion of such detachment; and

**WHEREAS**, the District and the Association desire that certain Capital Improvement management functions, as stated hereinafter be transferred to the Association pending the expenditure of all funds of Zone 74 and the detachment of the Tesoro Del Valle Community from the District and Zone 74; and

**WHEREAS**, Association and District desire that Association have the authority to make Capital Improvements throughout the Open Space areas using District funds until the detachment of the Tesoro Del Valle Community from the District and Zone 74 is completed and all such funds are expended; and

**WHEREAS**, Association and District further desire that all funds of Zone 74 be expended prior to the final detachment of Association but, if not practical, in any event, prior to termination or expiration of this Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

## 1.0 APPLICABLE DOCUMENTS

- 1.01 Exhibits A, B, C, D, E, F, G, and H are attached to and form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between this Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Agreement and then to the Exhibits.
- 1.02 This Agreement and the Exhibits hereto constitute the complete and exclusive understanding between the parties, and supersede all previous Agreements, written and oral, and all previous communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Paragraph 13.01 - Amendments and signed by both parties.

## 2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.01 **Agreement:** This Agreement executed between County and Association.
- 2.02 **Association:** The Tesoro Del Valle Master Homeowners Association
- 2.03 **Board of Supervisors:** The Board of Supervisors of the County of Los Angeles acting as governing body or their designee.
- 2.04 **Capital Improvements:** Capital improvements, and their incidental or otherwise allowable costs, authorized pursuant to California Streets and Highways Code ("S&H Code") §22500 *et seq.*
- 2.05 **Department:** The County of Los Angeles Department of Parks and Recreation on behalf of the County for matters relating to this Agreement.

- 2.06 **Director:** The Director of the Department of Parks and Recreation, County of Los Angeles, or his authorized representative(s).
- 2.07 **District:** Landscape and Lighting District 4, Zone 74 administered by the Department.
- 2.08 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.09 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30<sup>th</sup>.
- 2.10 **Landscape Service and Maintenance:** Includes, but is not limited to, mowing, weeding, tree trimming, and vermin abatement.
- 2.11 **Open Space:** Collectively, the Tesoro Del Valle Master Common Areas and the District Areas, as depicted on the Open Space Plan attached hereto and incorporated herein as Exhibit A.

### **3.0 AGREEMENT REGARDING MANAGEMENT OF TESORO DEL VALLE OPEN SPACE**

- 3.01 County and Association agree to cooperatively manage the Open Space in order to assure a continued operation in a manner consistent with the highest standards for the benefit of the Association and its members.
- 3.02 In accordance with all terms and conditions of this Agreement, County agrees to continue to provide Landscape Service and Maintenance for the District Areas until and including April 30, 2014. Likewise, Association agrees to continue to provide landscape service and maintenance for the Association Areas. Effective May 1, 2014, Association agrees to provide Landscape Service and Maintenance to the entire Open Space.
- 3.03 Further in accordance with the terms and conditions of this Agreement, Association shall have the exclusive right and responsibility for the management of the design and installation of Capital Improvements deemed appropriate by Association and approved by District as set forth in Paragraph 10 below within the entirety of the Open Space.

#### **4.0 INTEGRATION OF EFFORT, MUTUAL ASSISTANCE AND COOPERATION**

4.01 The functions of Association and District shall be integrated in the management and operation of this Agreement and shall be administered by the following designated representatives:

- The County's Special District Administrator, or his/her designee, who will be responsible for inspections of any and all tasks, deliverables, goods, services and other work authorized and administered by the Association. District Administrator shall further review all Capital Improvements as provided for in Paragraph 10 and to ensure appropriateness pursuant to S&H Code § 22500 *et seq.*
- The President of the Association or an individual designated by the Association who shall provide supporting documentation and approvals in the management of this Agreement.

#### **5.0 TRANSFER OF FUNCTIONS TO ASSOCIATION**

5.01 Pursuant to the provisions of this Agreement, Association expressly agrees at all times during the term of the Agreement, to manage the design and installation of all Capital Improvements to the Open Space as authorized by this Agreement, in compliance with applicable laws, general rules or regulations relating to its operation and faithfully obey and comply with all laws, rules and regulations applicable thereto.

5.02 Notwithstanding Paragraph 5.01 above, County shall not transfer any rights or responsibilities in connection with Landscape Service and Maintenance presently performed by Oakridge Landscaping pursuant to contract between County and Oakridge Landscaping for the District Areas.

5.03 To the extent Association desires District to pay for Capital Improvements to the Open Space, such Capital Improvements must be provided by a contractor selected by Association as a result of a County-approved competitive solicitation process and subject to all terms and conditions contained in this Agreement.

- 5.04 Association agrees to cooperate with the Director, County Contract Managers and Monitors, and any appropriate Federal or State representative, in the review and monitoring of the Association's Capital Improvement program, records and procedures at any reasonable time, as requested by the County

## **6.0 TERM OF AGREEMENT**

- 6.01 The term of this Agreement shall be from July 1, 2013 to and including April 30, 2014, unless sooner terminated or extended, in whole or in part, as provided in this Agreement. Notwithstanding the foregoing, the Parties mutually agree that this Agreement shall be terminated sooner if all Zone 74 funds held by District have been expended prior to April 30, 2014, or its term automatically extended, on a month to month basis so as to accommodate the expenditure of all Zone 74 funds on Capital Improvements within the Open Space and utilities, for a maximum of eighteen (18) additional months. Notwithstanding the foregoing, in the event that Association reasonably determines that the Zone 74 Funds might not be fully spent within such term, as extended (*i.e.* October 31, 2015), the term shall be further automatically extended on a month to month basis until such time that all Zone 74 funds have been expended, provided, however, during such period subsequent to October 31, 2015, such Zone 74 funds may be spent solely for the purpose of reimbursing Association amounts incurred by Association for utilities and for no other purpose.

The Parties mutually agree that County shall not be responsible for any overages in utility costs which exceed the balance in the Zone 74 fund, regardless of the amount of the actual utility invoice(s).

- 6.02 Both parties shall make best efforts to notify each other when this Agreement is within two (2) months from the expiration of the term as provided for hereinabove, and/or when the Zone 74 fund balance is at or about \$1,000.



## **7.0 PAYMENT TO ASSOCIATION**

- 7.01 **Payment Amount:** County agrees to pay to the Association for the actual direct and verifiable costs of authorized Capital Improvements within the Open Space, initially, up to an amount not to exceed eighty percent (80%) of the balance of Zone 74 funds held by the District at the time of execution of this Agreement ("Initial 80%"). Such costs may include, without limitation, costs of permitting, design and engineering of such Capital Improvements as allowable pursuant to S&H Code.
- 7.02 Upon the first to occur of exhaustion of the Initial 80% or January 5, 2014, County and Association shall meet and mutually agree on an expenditure plan/budget and schedule for the expenditure of any remaining Zone 74 funds held by the District.
- 7.03 Upon the expenditure of the Initial 80%, County reserves the right to request an escrow account, to be paid for entirely by Association, prior to approving any additional Capital Improvements. Said escrow account shall ensure that the Zone 74 funds held by District are not fully expended before all allowable invoices have been paid.
- 7.04 As consideration for Association's performance of responsibilities pursuant to this Agreement, Association may invoice the District for an all-inclusive management fee (Management Fee) in the amount of fifteen percent (15%) of allowable costs contained in an invoice submitted to County for such Capital Improvements. Similarly, as consideration for County's performance of responsibilities pursuant to this Agreement, and effective May 1, 2014, County shall charge an all-inclusive construction oversight fee (Construction Oversight Fee) in the amount of five percent (5%) of allowable costs contained in an invoice submitted to County for such Capital Improvements. Neither the Association nor the County shall receive a Management Fee or Construction Oversight Fee, as applicable, for the processing and payment of utility invoices.
- 7.05 Association shall have no claim against County for payment of any money or reimbursement for any service provided or contracted for by the Association after the expiration or termination of this Agreement. Should

Association receive any such payment to which it is not entitled, it shall immediately notify County and shall immediately return all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Association. This provision shall survive the expiration or other termination of this Agreement.

7.06 Association shall maintain a system of record keeping that will allow the Association to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Agreement. Upon occurrence of this event, the Association shall send written notification to the Director at the address herein provided hereunder in Paragraph 13.28, Notices.

**7.07 INVOICES AND PAYMENTS**

7.07.1 Association shall invoice County approximately monthly, in arrears, for costs incurred by it in connection with the design, engineering and construction of Capital Improvements to the Open Space and, in its discretion, for costs incurred by it for utility services to the Open Space.

7.07.2 Association shall present two (2) copies of the monthly invoice for payment of services performed during the preceding month and, in its discretion, reimbursement of its utility costs for the most recent month for which it is billed, no later than the 15<sup>th</sup> of any given month. Association shall prepare invoices, which shall include the charges owed to the Association by the County under the terms of this Agreement. Said invoices shall include all required certifications and reports as provided for in this Agreement, including Paragraph 14.0, Compliance with the County's Living Wage Program. No invoice will be approved for payment unless the required subject documents identified hereinabove are included with the invoice.

7.07.3 A claim for the payment of a Management Fee must be included in the invoice for the project or service with which it is associated

and may not be initially charged or carried over in a subsequent invoice.

- 7.07.4 No Management Fee will be paid to Association and no Construction Oversight Fee will be paid to County for the processing and payment of utilities such as gas, water or electricity.
- 7.07.5 County agrees to pay Association within thirty (30) days from the date of receipt of an invoice from Association, which shall include detailed statements from contractor(s) and subcontractor(s) of work performed and certification by Association that those statements represent the true actual costs incurred and invoiced to the Association for Capital Improvements within Open Space.
- 7.07.6 Because Association has limited funds and may not be in a financial position to pay its consultants, contractors and subcontractors prior to receipt of payment from County, Association's payment of invoices shall not be a prerequisite to County's payment to Association hereunder. However, whenever Association receives payment for any invoice submitted to County, County reserves the right to thereafter require documentation which evidences that the same payment (less the Management Fee) was subsequently made by Association to the subject consultant, contractor, or subcontractor.

## **8.0 RIGHT OF ENTRY**

District shall have the right to ingress and egress at all times to inspect the Open Space as deemed necessary by District to ensure that work has been properly performed in accordance with this Agreement.

## **9.0 BOOKS, RECORDS, ACCOUNTS AND REPORTS**

9.01 Association shall maintain separate books, records and accounts concerning its activities herein. Such books, records and accounts, including all tax return records and other required reports or returns to state or federal regulatory authorities shall be available to County Auditor-

Controller or its designee for inspection during business hours on reasonable notice.

- 9.02 Association shall at all times during Agreement period and for five (5) years after the termination/expiration of the Agreement, keep, or cause to be kept, locally, to the reasonable satisfaction of County true, accurate, and complete records for all accounting years covered by this Agreement. Records will show all transactions relative to the conduct of operations, and be supported by data of original entry. Records shall detail transactions conducted on or from the premises separate and apart from those in connection with Association's other business operations, if any.
- 9.03 Association shall submit to the Director and County's Auditor-Controller, within a reasonable period of time, not to exceed one hundred twenty (120) days from the end of the term of this Agreement a Financial Report of the costs and expenses of the management, design and installation of the Capital Improvements pursuant to this Agreement, to be compiled or verified by an independent, licensed accountant in such form as County's Auditor-Controller shall prescribe.
- 9.04 Association agrees to submit to Director from time to time such other reports necessary to verify expenditures as Director may reasonably request subject to reasonable prior notice.
- 9.05 In the event that an audit of Association is conducted specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by Association or otherwise, then Association shall file a copy of such audit report with County's Auditor-Controller within thirty (30) days of Association's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 9.06 Failure on the part of Association to comply with any of the provisions of this Paragraph 9.0 shall, subject to the cure provision set forth Paragraph 13.32 herein, constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.

## 10.0 IMPROVEMENTS

10.01 **Building Permit Required:** Any proposed Capital Improvement undertaken by Association which requires the issuance of a building permit, including, but not limited to construction of utilities, irrigation, site improvements such as paths, walkways, benches, lighting, demolition, relocation of existing buildings, and construction of new buildings, shall be submitted to and have the prior written approval of the District. Notice of a proposed Capital Improvement project shall be provided to the District in writing and shall include reasonable detail regarding proposed scope, cost estimate, time frame and proposed funding for the project. Except in the event of an emergency (e.g. a situation which if, unrepaired, will cause or threaten to cause personal injury or material property damage), District shall make a good faith effort to provide written approval, or estimated time required to provide such approval (which shall not exceed a total of thirty (30) days) to Association within 20 days of receipt of all necessary documents. Any proposed Capital Improvement, which does not have a pending request for additional information from District to Association, and has not otherwise been disapproved within such thirty (30) day period, shall be deemed approved.

10.02 **Building Permit Not Required:** Any proposed Capital Improvement which does not require a building permit shall be submitted to District for appropriateness pursuant to S&H Code §22525. Except in the event of an emergency, District shall make a good effort attempt to provide written approval, or estimated time required to provide such approval (which shall not exceed a total of twenty (20) days) to Association within 10 days of receipt of all necessary documents. Any proposed Capital Improvement, which does not have a pending request for additional information from District to Association, and has not otherwise been disapproved within such twenty (20) day period, shall be deemed approved.

10.03 Association shall ensure that all Capital Improvement plans are prepared by qualified professionals such as architects, engineers and landscape architects who are licensed by the State of California. In addition, District

may require Association to utilize the services of an experienced construction management consultant reasonably acceptable to Association in connection with any project performed hereunder.

- 10.04 Copies of all contracts for projects requiring the issuance of a building permit between Association and Association's architects, engineers, and contractors shall be furnished to the District within 10 days after execution.
- 10.05 In connection with any Capital Improvement project performed hereunder, Association shall comply with, and shall require all of its contractors to comply with, all provisions of the Labor Code of the State of California, including but not limited to, the payment of prevailing wages to all persons providing labor on any such project.
- 10.06 Association shall comply with, and require its contractors to comply with, all applicable laws, including Building Code requirements in connection with any projects performed hereunder.
- 10.07 In the event of an emergency (e.g. a situation which if, unrepaired, will cause or threaten to cause personal injury or material property damage), District shall act promptly under the circumstances in providing written approval of such Capital Improvement and expenditure.

## **11.0 COUNTY'S DUTIES**

- 11.01 The Director shall be responsible for the enforcement of this Agreement on behalf of the County and shall be assisted therein by those officers and employees of District having duties in connection with the administration thereof. The Director hereby reserves the right to: (a) assign such personnel as are needed to serve as Contract Monitor(s) in order to inspect and review Association performance of, and compliance with, all contractual services, duties, obligations, responsibilities, administrative procedures and staffing as set forth in this Agreement, and (b) require Association to provide such written documentation and/or regular reports as the Director deems reasonably necessary to verify and review Association's performance under this Agreement.

11.02 County reserves the right to perform inspections at any time for the purpose of ensuring Association's compliance with all Contract terms and conditions and performance standards.

## **12.0 ASSOCIATION EMPLOYEES**

Association has no employees. All personnel used by Association in the performance of this Agreement, shall be employees of unaffiliated third party agents and contractors and not of Association or County. Association's contractors and agents shall select the number, function, qualifications, compensation and other terms and conditions relating to such personnel.

## **13.0 STANDARD TERMS AND CONDITIONS**

### **13.01 AMENDMENTS**

This document may be modified only by further written Agreement between the parties. Any such modification shall not be effective unless and until executed Association and in the case of the County, until approved by the Board of Supervisors.

### **13.02 CONTRACTORS AND SUBCONTRACTORS**

13.02.1 Association shall enter into agreements with licensed contractors for the provision of the Capital Improvements. Such agreements and any material amendments thereto are subject to the prior approval of the Director. The Director shall approve or disapprove each such agreement within fourteen (14) days after submittal by Association. Failure of the Director to disapprove an agreement within such fourteen (14) day period shall be deemed to constitute its approval.

13.02.2 Association shall provide the following information when seeking Director's request for approval of an agreement for work to be performed by a contractor:

- A description of the work to be performed by the contractor;
- Detailed information as to the solicitation process utilized by Association, so as to ensure that County-approved competitive bid process was utilized;

- A copy of the proposed contract; and
- Other pertinent information and/or certifications requested by County.

13.02.3 Association shall be solely liable and responsible for all payments or other compensation to all contractors and subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, subject to its rights to payment and/or reimbursement from County hereunder.

13.02.5 Association shall obtain certificates of insurance, which establish that the contractors and or subcontractors maintain all the programs of insurance required by County. Association shall ensure delivery of all such documents to: County of Los Angeles, Department of Parks and Recreation, Attn: Contracts, Golf and Special Districts, 301 North Baldwin Avenue, Arcadia, CA 91007, prior to the commencement of any work approved herein.

### 13.03 **ASSIGNMENT**

13.03.1 The Association shall not assign its rights under this Agreement, whether in whole or in part, during the term of this Agreement.

### 13.04 **AUTHORIZATION WARRANTY**

Association represents and warrants that the person executing this Agreement for Association is an authorized agent who has actual authority to bind Association to each and every term, condition, and obligation of this Agreement and that all requirements of Association have been fulfilled to provide such actual authority.

### 13.05 **COMPLAINTS**

13.05.1 Association shall maintain and operate procedures for receiving, investigating and promptly responding to written complaints received by it for any and all work or services provided pursuant to this Agreement.

13.05.2 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.



13.05.3 Copies of written complaints shall be sent to the Director within five (5) business days after Association's receipt of said written complaint. Association shall also include any written response that it provided.

**13.06 COMPLIANCE WITH LAW AND INDEMNIFICATION**

13.06.1 In the performance of this Agreement, Association shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

13.06.2 Association shall indemnify, defend, and hold harmless County its Special Districts, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Association, its officers, employees, agents, contractors or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment.

**13.07 COMPLIANCE WITH CIVIL RIGHTS LAWS**

Association hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement. Association shall comply with Exhibit B attached hereto – Association's EEO Certification.

**13.08 CONFLICT OF INTEREST**

Association shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Association warrants that it is not now aware of any facts that create a conflict of interest. If Association hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Paragraph shall be a material breach of this Agreement.

**13.8 INTENTIONALLY OMITTED**

**13.9 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST**

While Association does not currently employ any employees, should Association decide to hire employees or require additional or replacement personnel after the Effective Date of this Agreement to perform the services set forth herein, Association shall give reasonable consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement.

**13.10 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS**

13.10.1 While Association does not currently employ any employees, should Association decide to hire employees or require additional or replacement personnel after the Effective Date of this Agreement, Association shall give consideration for any such employment openings to participants in County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Association's minimum qualifications for the open position. For this purpose, consideration shall mean that

Association will interview qualified candidates. County will refer GAIN/GROW participants by job category to Association.

13.10.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

**13.11 ASSOCIATION'S ACKNOWLEDGEMENT OF COUNTY'S**

**COMMITMENT TO THE SAFELY SURRENDERED BABY LAW**

Association acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Association understands that it is County's policy to encourage all County contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at the contractor's place of business. Association will encourage its contractors and subcontractors, if any, to post this poster (Exhibit E) in a prominent position in such contractor's or subcontractor's place of business. County's Department of Children and Family Services will supply Association with the poster to be used. Information on how to receive the poster can be found on the Internet at [www.babysafela.org](http://www.babysafela.org).

**13.12 ASSOCIATION'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

13.12.1 Association acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

13.12.2 As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Association's duty under this Agreement to comply with all applicable provisions of law, Association warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California

Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

**13.13 ASSOCIATION'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

13.13.1 Association acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through agreement are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

13.13.2 Unless Association qualifies for an exemption or exclusion, Association warrants and certifies that to the best of its knowledge it is now in compliance by completing Exhibit C attached hereto, and during the term of this Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

**13.14 COUNTY'S QUALITY ASSURANCE PLAN**

County or its agent will evaluate Association's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Association's compliance with all Agreement terms and conditions and performance standards. Association deficiencies which County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Association. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

### **13.15 EMPLOYMENT ELIGIBILITY VERIFICATION**

13.15.1 Association warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Although Association does currently employ any employees, in the event it were to hire any employees, Association shall obtain, from all employees of Association performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. Association shall retain all such documentation for all covered employees for the period prescribed by law.

13.15.2 Association shall indemnify, defend, and hold harmless, County its Special Districts, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against Association or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

### **13.16 FACSIMILE REPRESENTATIONS**

County and Association hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to sub-Paragraph 13.01, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Agreement, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

### **13.17 FAIR LABOR STANDARDS**

Association shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless County its Special Districts and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by Association's employees, contractors and/or subcontractors, for which County may be found jointly or solely liable.

### **13.18 FORCE MAJEURE; TIME EXTENSIONS**

13.18.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's contractor, freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Paragraph as "Force Majeure Events").

13.18.2 Notwithstanding the foregoing, a default by a contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Association and such contractor, and without any fault or negligence of either of them. In such case, Association shall not be liable for failure to perform, unless the goods or services to be furnished by the contractor were obtainable from other sources in sufficient time to permit Association to meet the required performance schedule. As used in this Paragraph, the term "contractor" and "subcontractors" mean contractors at any tier.

13.18.3 In the event Association's failure to perform arises out of a Force Majeure Event, Association agrees to use commercially reasonable efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such Force Majeure Event.

**13.19 501 (c)(4) ORGANIZATION**

The Association hereby covenants that the Association will take all actions required to maintain and the Association will refrain from any actions that would threaten the Association's status as a nonprofit mutual benefit corporation. Failure to maintain status as a nonprofit mutual benefit corporation will be considered a material breach of this Agreement and thus subject to termination as set forth in Paragraph 13.32 of this Agreement.

**13.20 GOVERNING LAW, JURISDICTION, AND VENUE**

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Association agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in County of Los Angeles.

**13.21 INDEPENDENT STATUS**

13.21.1 This Agreement is by and between County and Association and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Association. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

13.21.2 Association or its contractors or subcontractors, as applicable, shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages,

unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel, including, without limitation, contractors and subcontractors, provided by or on behalf of Association.

13.21.3 Association understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of its contractors or subcontractors and not employees of County. Association or its contractors or subcontractors, as applicable, shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of Association pursuant to this Agreement.

## **13.22 INDEMNIFICATION**

13.22.1 Association shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Association's negligence, errors and/or omissions relating to or arising from services provided under or in connection with this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County.

13.22.2 Association shall require that any contractor(s) or subcontractor(s) performing services pursuant to this Agreement, indemnify, defend, and hold harmless County its Special Districts, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by such contractor(s) or



subcontractor(s), their officers, employees, agents, contractors or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment.

### **13.23 GENERAL INSURANCE REQUIREMENTS**

Without limiting Association's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Association shall provide and maintain at its own expense or require its contractor(s) or subcontractor(s) to maintain at their own expense insurance coverage satisfying the requirements specified in this Paragraph 13.23 of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Association pursuant to this Agreement. County in no way warrants that the Required Insurance is sufficient to protect Association for liabilities which may arise from or relate to this Agreement.

#### **13.23.1 EVIDENCE OF COVERAGE AND NOTICE TO COUNTY**

- a. Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) have been given Additional Insured status under Association's or its contractors' General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement. County shall approve or disapprove such Certificate and Additional Insured Endorsement within fourteen (14) days after submittal by Association. Failure of the Director to disapprove such Certificate and Additional Insured Endorsement within such fourteen (14) day period shall be deemed to constitute its approval.
- b. Renewal Certificates shall be provided to County not less than 10 days prior to Association's or its contractors' policy

expiration dates. County reserves the right to obtain complete, certified copies of any required Association and/or contractor insurance policies at any time.

- c. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Association identified as the contracting party in this Agreement or that of Association's applicable contractor. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- d. Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Association, its contractors or their insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- e. Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles  
Department of Parks and Recreation  
Contracts, Golf and Special Districts  
301 North Baldwin Avenue  
Arcadia, CA 91007

- f. Association also shall promptly report to County any injury or property damage accident or incident, including any injury to an Association employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of

County property, monies or securities entrusted to Association. Association also shall promptly notify County of any third party claim or suit filed against Association or any of its contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Association and/or County.

**13.23.2 ADDITIONAL INSURED STATUS AND SCOPE OF COVERAGE**

County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided Additional Insured status under Association's or its contractors' General Liability policy with respect to liability arising out of Association's or its contractors ongoing and completed operations performed on behalf of District. District and its Agents' Additional Insured status shall apply with respect to liability and defense of suits arising out of Association's or its contractors' acts or omissions. The full policy limits and scope of protection also shall apply to County and its Agents as an Additional Insured, even if they exceed County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

**13.23.3 CANCELLATION OF OR CHANGES IN INSURANCE**

Association or its contractors' insurance policies, as applicable, shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the

Agreement, in the sole discretion of County, upon which County may suspend or terminate this Agreement.

**13.23.4 FAILURE TO MAINTAIN INSURANCE**

Association's failure to maintain or to provide acceptable evidence that it or its contractors maintain the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Association, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Association resulting from said breach. Alternatively, County may purchase the Required Insurance, and without further notice to Association, deduct the premium cost from sums due to Association or pursue Association reimbursement.

**13.23.5 INSURER FINANCIAL RATINGS**

Coverage shall be placed with insurers acceptable to County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

**13.23.6 ASSOCIATION'S INSURANCE SHALL BE PRIMARY**

Association's or its contractors' insurance policies, as applicable, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Association. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Association coverage.

**13.23.7 WAIVERS OF SUBROGATION**

To the fullest extent permitted by law, Association hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. Association shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

**13.23.8 CONTRACTOR AND SUB-CONTRACTOR INSURANCE COVERAGE REQUIREMENTS**

Association shall provide County with each contractor or subcontractor's separate evidence of insurance coverage. Association shall be responsible for verifying each contractor or subcontractor complies with the Required Insurance provisions herein, and shall require that each contractor or subcontractor name County and Association as additional insured on contractor or subcontractor's General Liability policy. Association shall obtain County's prior review and approval of any contractor or subcontractor request for modification of the Required Insurance.

**13.23.9 DEDUCTIBLES AND SELF-INSURED RETENTIONS (SIRs)**

Association's policies shall not obligate County to pay any portion of any Association deductible or SIR.

**13.23.10 CLAIMS MADE COVERAGE**

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the Effective Date of this Agreement. Association understands and agrees it or its contractors shall maintain such claims made coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

**13.23.11 APPLICATION OF EXCESS LIABILITY COVERAGE**

Contractors may use a combination of primary and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

**13.23.12 SEPARATION OF INSURED**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insured provision with no insured versus insured exclusions or limitations.

**13.23.13 ALTERNATIVE RISK FINANCING PROGRAMS**

County reserves the right to review, and then approve, Association's use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. County and its Agents shall be designated as an Additional Covered Party under any approved program.

**13.23.14 COUNTY REVIEW AND APPROVAL OF INSURANCE REQUIREMENTS**

County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's reasonable determination of changes in risk exposures.

**13.24 INSURANCE COVERAGE**

13.24.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

13.24.2 Association neither owns nor operates automobiles and, accordingly, does not maintain automobile liability insurance. Association shall, however, contractually obligate its contractors, at all times during the term of this Agreement, to maintain Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of such contractors' use of autos in connection with the performance of the services contemplated hereunder, including

owned, leased, hired, and/or non-owned autos, as each may be applicable.

13.24.3 Association does not employ any employees and, accordingly, does not maintain Workers Compensation and Employers' Liability insurance. Association shall, however, contractually obligate its contractors, at all times during the term of this Agreement, to maintain Workers Compensation and Employers' Liability insurance or a qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Association will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Association's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

### **13.25 NONDISCRIMINATION AND AFFIRMATIVE ACTION**

13.25.1 Association certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

13.25.2 Association shall certify to, and comply with; the provisions of Exhibit B attached hereto - Association's EEO Certification.

- 13.25.3 Association shall take affirmative action to ensure that applicants for employment with it are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 13.25.4 Association certifies and agrees that it will deal with its contractors, subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 13.25.5 Association certifies and agrees that it, its affiliates, subsidiaries, or holding companies, if any, shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.
- 13.25.6 If County finds that any provisions of this Paragraph 13.25 have been violated, such violation shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Association has



violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Association has violated the anti-discrimination provisions of this Agreement

13.25.7 The parties agree that in the event Association violates any of the anti-discrimination provisions of this Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

**13.26 NOTICE OF DELAYS**

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

**13.27 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT**

Association shall notify its employees, and shall require each contractor or subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015, Exhibit D.

**13.28 NOTICES**

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as follows:

To County:

County of Los Angeles  
Department of Parks and Recreation  
Contracts, Golf and Special Districts  
301 North Baldwin Avenue  
Arcadia, CA 91007

To Association: Attention: Shauna Gatlin  
Tesoro Del Valle Master Homeowners Association  
25115 West Avenue Stanford, Suite A111  
Valencia, California 91355

With copy to: Attention: Joseph M. Manisco  
Samuels Green & Steel, LLP  
19800 MacArthur Blvd. Suite 1000  
Irvine, CA 92612

Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Director shall have the authority to issue all notices or demands required or permitted by County under this Agreement.

### 13.29 **PUBLIC RECORDS ACT**

13.29.1 Any documents submitted by Association for purposes of invoicing, including but not limited to, contracts, permits and business records, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

13.29.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", Association agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

**13.30 RECYCLED BOND PAPER**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Association agrees to use recycled-content paper to the maximum extent possible in its activities under this Agreement.

**13.31 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Failure of Association to maintain compliance with the requirements set forth in Paragraph 13.12, Association's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Association to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 13.32, Termination for Cause, and pursue debarment of Association, pursuant to County Code Chapter 2.202.

**13.32 TERMINATION FOR CAUSE**

13.32.1 This Agreement may be terminated by County or Association for cause in the event of a default of the other which is not cured (or a cure commenced and diligently pursued thereafter) within forty-five (45) days after delivery of a notice of default to the defaulting party specifying the nature of the default and the action necessary to cure such default. Such termination shall be subject to all rights and remedies of the respective parties.

**13.33 TERMINATION FOR INSOLVENCY**

13.33.1 County may terminate this Agreement forthwith in the event of the occurrence of any of the following:

- a. Insolvency of Association. Association shall be deemed to be insolvent if it has ceased to pay its debts for at least ninety (90) days in the ordinary course of business or cannot pay its

debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not Association is insolvent within the meaning of the Federal Bankruptcy Code;

- b. The filing of a voluntary or involuntary petition regarding Association under the Federal Bankruptcy Code;
- c. The appointment of a Receiver or Trustee for Association; or
- d. The execution by Association of a general assignment for the benefit of creditors.

13.33.2 The rights and remedies of County provided in this Paragraph 13.33.2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

**13.34 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE**

Association, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by Association, shall fully comply with County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of Association or any County Lobbyist or County Lobbying firm retained by Association to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which County may in its sole discretion, immediately terminate or suspend this Agreement.

**13.35 VALIDITY**

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

**13.36 WAIVER**

13.36.1 Any waiver by County of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition,

term or agreement herein contained, nor shall failure on the part of County to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this Agreement or estoppels County from enforcing the full provisions thereof.

- 13.36.2 No delay, failure, or omission of County to re-enter Association Open Space or to exercise any right, power, privilege or option, arising from any default, nor any subsequent acceptance of payments then or thereafter accrued shall impair any such right, power, privilege or option, or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right.
- 13.36.3 No notice to Association shall be required to restore or revive "time of the essence" after the waiver by County of any default.
- 13.36.4 No option, right, power, remedy or privilege of County shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options and remedies given County by this Agreement shall be cumulative.

**13.38 TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM**

- 13.38.1 This Agreement is subject to the provisions of County's ordinance entitles Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.
- 13.38.2 Association shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.
- 13.38.3 Association shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the

purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

13.38.4 If Association has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Agreement to which it would not otherwise have been entitled, it shall:

- a. Pay to County any difference between the Agreement amount and what County's costs would have been if the Agreement had been properly awarded;
- b. In addition to the amount described in subdivision (a), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the Agreement; and
- c. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Association Non-responsibility and Association Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting an Agreement award.

**13.39 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTIONS PROGRAM**

Failure of Association to maintain compliance with the requirements set for in Paragraph 13.13, Association's Warranty of Compliance with County's Defaulted Property Tax Reduction Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to

County under any other provisions of this Agreement, failure of contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Association, pursuant to County code chapter 2.206.

#### **14.0 COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM**

##### **14.01 LIVING WAGE PROGRAM**

This Agreement is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as Exhibit F and incorporated by reference into and made a part of this Agreement. Association shall ensure that all contractors and subcontractors comply with the following Living Wage requirements. In addition, Association shall ensure that Paragraph 14.02 through and including 14.12 be included in their entirety, in any and all contracts that Association enters into for the provision of services pursuant to this agreement.

##### **14.02 PAYMENT OF LIVING WAGE RATES**

14.02.1 Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its employees no less than the applicable hourly living wage rate, as set forth immediately below, for the employees' services provided to the County, including, without limitation, "Travel Time" as defined below in Subsection 5 of this Paragraph 14.02.1, under the Contract:

- a. Not less than \$11.84 per hour if, in addition to the per-hour wage, the Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or

b. Not less than \$9.64 per hour if, in addition to the per-hour wage, the Contractor contributes at least \$2.20 per hour towards the provision of bona fide health care benefits for its employees and any dependents. The Contractor will be deemed to have contributed \$2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

14.02.2. For purposes of this Paragraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Contract. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual, who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under the Contract. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.

a. If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.



- b. If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its “exemption status” from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program’s definition of “Employer” or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the County’s satisfaction that the Contractor either continues to remain outside of the Living Wage Program’s definition of “Employer” and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.
- c. For purposes of the Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Agreement, “Travel Time” shall have the following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Agreement, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two

different contracts between the Contractor and the County (of which both contracts are subject to the Living Wage Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time.

**14.03 CONTRACTOR'S SUBMITTAL OF CERTIFIED MONITORING REPORTS**

The Association shall submit to the County, Contractor's certified monitoring reports at a frequency instructed by the County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by the County as Exhibit G and Exhibit H attached hereto, or other form approved by the County which contains the above information. The County reserves the right to request any additional information it may deem necessary. If the County requests additional information, the Contractor shall promptly provide such information. The Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

**14.04 CONTRACTOR'S ONGOING OBLIGATION TO REPORT LABOR LAW/PAYROLL VIOLATIONS AND CLAIMS**

During the term of the Contract, if the Association becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working

conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), Association shall immediately inform the County of any pertinent facts known by Association regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Association's contract with the County, but instead applies to any labor law/payroll violation or claim arising out of any of Association's operations in California.

**14.05 COUNTY AUDITING OF CONTRACTOR RECORDS**

Upon a minimum of twenty-four (24) hours' written notice, the County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Contract, including all documents and information relating to the certified monitoring reports. The Contractor is required to maintain all such records in California until the expiration of five (5) years from the date of final payment under the Contract. Authorized agents of the County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

**14.06 NOTIFICATIONS TO CONTRACTOR AND EMPLOYEES**

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where the Contractor's employees are working. The Contractor shall also distribute County-provided notices to each of its employees at least once per year. The Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Contractor employees.

**14.07 ENFORCEMENT AND REMEDIES**

If the Contractor fails to comply with the requirements of this Paragraph, the County shall have the rights and remedies described in this Paragraph in addition to any rights and remedies provided by law or equity.

1. Remedies for Submission of Late or Incomplete Certified Monitoring Reports.

If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of

the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Association up to the full amount of any invoice that would otherwise be due, until the Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of \$100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed

liquidated damages from any payments otherwise due the Contractor.

- c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights or remedies:

- a. Withholding Payment. If the Contractor fails to pay one or more of its employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its employees for a given pay period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its employees at least the applicable hourly living wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion,

assess against the Contractor liquidated damages of \$50 per Contractor's employee per day for each and every instance of an underpayment to Contractor's employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

- c. Termination. The Contractor's continued failure to pay any of its employees the applicable hourly living wage rate may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.
- d. Debarment. In the event the Contractor breaches a requirement of this Subsection, the County may, in its sole discretion, bar the Contractor from the award of future County contracts as described in Paragraph 14.12.

#### **14.08 USE OF FULL-TIME EMPLOYEES**

The Contractor shall assign and use full-time employees of the Contractor to provide services under the Contract unless the Contractor can demonstrate to the satisfaction of the County that it is necessary to use non-full-time employees based on staffing efficiency or County requirements for the work to be performed under the Contract. It is understood and agreed that the Contractor shall not, under any circumstance, use non-full-time employees for services provided under the Contract unless and until the County has provided written authorization for the use of same. The Contractor submitted with its proposal a full-time employee staffing plan. If the Contractor changes its full-time employee staffing plan, the Contractor shall immediately provide a copy of the new staffing plan to the County.

#### **14.09 CONTRACTOR RETALIATION PROHIBITED**

The Contractor and/or its employees shall not take any adverse action which would result in the loss of any benefit of employment, any contract benefit, or any statutory benefit for any employee, person or entity who has reported a violation of the Living Wage Program to the County or to

any other public or private agency, entity or person. A violation of the provisions of this Paragraph may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

#### **14.10 CONTRACTOR STANDARDS**

During the term of the Contract, the Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by the County, the Contractor shall demonstrate to the satisfaction of the County that the Contractor is complying with this requirement.

#### **14.11 EMPLOYEE RETENTION RIGHTS**

1. The Contractor shall offer employment to all retention employees who are qualified for such jobs. A “retention employee” is an individual:
  - a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
  - b. Who has been employed by a Contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six months prior to the date of this new Contract, which predecessor contract was terminated by the County prior to its expiration; and
  - c. Who is or will be terminated from his or her employment as a result of the County entering into this new contract.
2. The Contractor is not required to hire a retention employee who:
  - a. Has been convicted of a crime related to the job or his or her performance; or
  - b. Fails to meet any other County requirement for employees of a Contractor.
3. The Contractor shall not terminate a retention employee for the first 90 days of employment under the contract, except for cause. Thereafter, the Contractor may retain a retention employee on the same terms and conditions as the Contractor’s other employees.

#### **14.12 NEUTRALITY IN LABOR RELATIONS**

The Contractor shall not use any consideration received under the Contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Contract, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

#### **15.0 DETACHMENT AGREEMENT**

Notwithstanding the execution of this Agreement, it shall be of no force or effect unless and until a Detachment Agreement, which addresses the terms of the detachment of the Tesoro Del Valle Community from the District and Zone 74, has been approved and executed on behalf of Association and County.

#### **16.0 GENERAL PROVISIONS**

##### **16.01 TIME**

Time is of the essence in the performance of this Agreement.

##### **16.02 ATTORNEYS' FEES**

In the event of any action, proceeding or litigation (including, without limitation, an arbitration or a reference pursuant to Section 638, *et seq.*, of the Code of Civil Procedure) brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover reasonably attorneys' fees and costs, including, without limitation, any attorney's fees and costs incurred in connection with any appeal or collection.

##### **16.03 HEADINGS**

Paragraph headings herein are for convenience only and shall not govern or aid in the construction hereof.

##### **16.04 CONSTRUCTION**

This Agreement shall be construed neutrally rather than more strictly in favor of or against one party or the other, inasmuch as it is the product of arm's-length negotiations.



Christina A. Salseda,  
Principal Deputy County Counsel

By Christina A. Salseda

JOHN KRATTLI  
County Counsel

APPROVED AS TO FORM:

Richard J. Ryan, President, Board of Directors  
Tesoro Del Valle Master Home Owners Association

By [Signature]

ASSOCIATION

Russ Guiney, Director  
Department of Parks and Recreation

By \_\_\_\_\_

COUNTY OF LOS ANGELES

IN WITNESS WHEREOF, Association has executed this Agreement, or caused it to be duly executed and County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Director of the Department of Parks and Recreation, the day and year first above written.

## **TABLE OF CONTENTS OF EXHIBITS**

- A OPEN SPACE PLAN
- B ASSOCIATION'S EEO CERTIFICATION
- C CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM
- D INTERNAL REVENUE SERVICE FORM NO. 1015 EARNED INCOME CREDIT
- E SAFELY SURRENDERED BABY LAW
- F LIVING WAGE ORDINANCE
- G MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS
- H PAYROLL STATEMENT OF COMPLIANCE



## ASSOCIATION'S EEO CERTIFICATION

---

 Association Name

---

 Address

---

 Internal Revenue Service Employer Identification Number

## GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the Association, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

## ASSOCIATION'S SPECIFIC CERTIFICATIONS

- |    |  |                              |                             |
|----|--|------------------------------|-----------------------------|
| 1. | The Association has a written policy statement prohibiting discrimination in all phases of employment.   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. | The Association periodically conducts a self analysis or utilization analysis of its work force.   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. | The Association has a system for determining if its employment practices are discriminatory against protected groups.  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. | Where problem areas are identified in employment practices, the Association has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

---

 Authorized Official's Printed Name and Title

---

 Authorized Official's Signature

---

 Date

**CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S  
DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

<u>Name:</u>		
<u>Address:</u>		
<u>City:</u>	<u>State:</u>	<u>Zip Code:</u>
<u>Telephone Number:</u>	<u>Email address:</u>	

The Proposer/Bidder/Contractor certifies that:

- It is familiar with the terms of the County of Los Angeles Defaulted Property Tax Reduction Program, Los Angeles County Code Chapter 2.206; **AND**

To the best of its knowledge, after a reasonable inquiry, the Proposer/Bidder/Contractor is not in default, as that term is defined in Los Angeles County Code Section 2.206.020.E, on any Los Angeles County property tax obligation; **AND**

The Proposer/Bidder/Contractor agrees to comply with the County's Defaulted Property Tax Reduction Program during the term of any awarded contract.

**- OR -**

- I am exempt from the County of Los Angeles Defaulted Property Tax Reduction Program, pursuant to Los Angeles County Code Section 2.206.060, for the following reason:

---



---



---

*I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.*

<u>Print Name:</u>	<u>Title:</u>
<u>Signature:</u>	<u>Date:</u>

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



Department of the Treasury  
Internal Revenue Service

## Notice 1015

(Rev. December 2012)

### Have You Told Your Employees About the Earned Income Credit (EIC)?

---

#### What is the EIC?

The EIC is a refundable tax credit for certain workers.

#### Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

**Note.** You are encouraged to notify each employee whose wages for 2012 are less than \$50,270 that he or she may be eligible for the EIC.

#### How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must

notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2013.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

#### How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

#### How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2012 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2012 and owes no tax but is eligible for a credit of \$800, he or she must file a 2012 tax return to get the \$800 refund.

---

Notice 1015 (Rev. 12-2012)  
Cat. No. 205991

## SAFELY SURRENDERED BABY LAW

# *Safely* Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

[www.babysafela.org](http://www.babysafela.org)





# Safely Surrendered Baby Law

## What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

## How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

## What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

## Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

## Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

## Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

## What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

## What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

## Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

## A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



# *Ley de* Entrega de Bebés *Sin Peligro*



*Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles*

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

[www.babysafela.org](http://www.babysafela.org)



# Ley de Entrega de Bebés Sin Peligro

## ¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

*Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.*

## ¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes igual.

## ¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

## ¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

## ¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

## ¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

## ¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

## ¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

## ¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

## Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazaletes con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

**Sections:**

- 2.201.010 - Findings.**
- 2.201.020 - Definitions.**
- 2.201.030 - Prospective effect.**
- 2.201.040 - Payment of living wage.**
- 2.201.050 - Other provisions.**
- 2.201.060 - Employer retaliation prohibited.**
- 2.201.070 - Employee retention rights.**
- 2.201.080 - Enforcement and remedies.**
- 2.201.090 - Exceptions.**
- 2.201.100 - Severability.**

**2.201.010 - Findings.**

The board of supervisors finds that the county of Los Angeles is the principal provider of social and health services within the county, especially to persons who are compelled to turn to the county for such services. Employers' failure to pay a living wage to their employees causes them to use such services thereby placing an additional burden on the county of Los Angeles.

*(Ord. 2007-0011 § 1, 2007; Ord. 99-0048 § 1 (part), 1999.)*

**2.201.020 - Definitions.**

The general definitions contained in Chapter 2.02 shall be applicable to this chapter unless inconsistent with the following definitions:

- A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.
- B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.
- C. "Employer" means:
  - 1. An individual or entity who has a contract with the county:
    - a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or
    - b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

- c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or
- 2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.
- D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week.
- E. "Proposition A contract" means a contract governed by Title 2, Section 2.121.250 et seq. of this code, entitled Contracting with Private Business.  
*(Ord. 2007-0011 §2, 2007: Ord. 99-0048 § 1 (part), 1999.)*

### **2.201.030 - Prospective effect.**

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter. <sup>[152]</sup> It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable.  
*(Ord. 99-0048 § 1 (part), 1999.)*

### **2.201.040 - Payment of living wage.**

- A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be \$9.64 per hour with health benefits, or \$11.84 per hour without health benefits.
- B. To qualify for the living wage rate with health benefits, an employer shall pay at least \$2.20 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.
- C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. Any adjustments to the living wage rate specified in subsections A and B that are adopted by the board of supervisors shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments which become effective three months or more after the effective date of the ordinance that adjusts the living wage rate.  
*(Ord. 2007-0011 § 3, 2007: Ord. 99-0048 § 1 (part), 1999.)*

### **2.201.050 - Other provisions.**

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

- A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.
- B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.
- C. Administration. The Chief Executive Officer and the Internal Services Department shall be responsible for the administration of this chapter. The Chief Executive Officer and the Internal Services Department may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The Chief Executive Officer in conjunction with the Internal Services Department shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the Chief Executive Officer in conjunction with the Internal Services Department. The Internal Services Department in conjunction with the Chief Executive Officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.
- E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (*Ord. 2011-0066 § 3, 2011: Ord. 99-0048 § 1 (part), 1999.*)

**2.201.060 - Employer retaliation prohibited.**

No employer shall take an adverse action causing a loss of any benefit of employment, of any contract benefit, or any statutory benefit to any employee, person, or other entity, who has reported a violation of this chapter to the board of supervisors or to one or more of their offices, to the county chief administrative officer, or to the county auditor controller, or to the county department administering the Proposition A contract or cafeteria services contract. (*Ord. 99-0048 § 1 (part), 1999.*)

**2.201.070 - Employee retention rights.**

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

In the event that any Proposition A contract or cafeteria service contract is terminated by the county prior to its expiration, any new contract with a subsequent employer for such services shall provide for the employment of the predecessor employer's employees as provided in this section.

- A. A "retention employee" is an employee of a predecessor employer:
1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;
  2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and
  3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.
- B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.
- C. A subsequent employer is not required to hire a retention employee who:
1. Has been convicted of a crime related to the job or his or her job performance; or
  2. Fails to meet any other county requirement for employees of a contractor.
- D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees.  
*(Ord. 99-0048 § 1 (part), 1999.)*

### **2.201.080 - Enforcement and remedies.**

For violation of any of the provisions of this chapter:

- A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.
- B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:
1. Assess liquidated damages as provided in the contract; and/or
  2. Recommend to the board of supervisors the termination of the contract; and/or
- D. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, in accordance with Section 2.202.040 of this code.  
*(Ord. 2007-0011 § 4, 2007; Ord. 99-0048 § 1 (part), 1999.)*

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

**2.201.090 - Exceptions.**

- A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.
- B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.
- D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:
  - 1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and
  - 2. Has 20 or fewer employees during the contract period, including full time and part time employees; and
  - 3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or
  - 4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.

"Dominant in its field of operation" means having more than 20 employees, including full time and part time employees, and more than \$1,000,000.00 in annual gross revenues or \$2,500,000.00 in annual gross revenues if a technical or professional service.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

*(Ord. 99-0055 § 1, 1999; Ord. 99-0048 § 1 (part), 1999.)*

**2.201.100 - Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

*(Ord. 99-0048 § 1 (part), 1999.)*

---

**FOOTNOTE(S):**

<sup>(152)</sup> **Editor's note**— Ordinance 99-0048, which enacted Ch.2.201, is effective on July 22, 1999.







COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM
PAYROLL STATEMENT OF COMPLIANCE

I, \_\_\_\_\_, \_\_\_\_\_
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by \_\_\_\_\_ on the \_\_\_\_\_; that during the payroll period commencing on the \_\_\_\_\_ day of \_\_\_\_\_, and ending the \_\_\_\_\_ day of \_\_\_\_\_ all persons employed on said work site have been paid the full weekly wages earned, that no rebates have been or will be made, either directly or indirectly, to or on behalf of \_\_\_\_\_ from the full weekly wages earned by any person, and that no deductions have been made either directly or indirectly, from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

\_\_\_\_\_
\_\_\_\_\_

2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.

3. That:

A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS

[ ] In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.

B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH

[ ] Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title Owner or Company Representative Signature:
Date:

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD CONSISTENT WITH THE SERIOUSNESS OF THE VIOLATION.