

# CONSTRUCTION CONTRACT

THIS CONSTRUCTION CONTRACT ("Contract") is dated as of \_\_\_\_\_, 2012, by and between Restore Neighborhoods LA, Inc. (hereinafter, "RNLA") and. **COMPANY NAME** (hereinafter, "Contractor").

RNLA and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

## Article 1. The Parties

### Section 1.1 RNLA

RNLA is a nonprofit entity, whose overall purpose includes the revitalization of existing residential stock in targeted neighborhoods in Los Angeles to create quality homes for ownership by low and moderate income homeowners and apartments for rent to very low income residents;

### Section 1.2 Los Angeles Housing Department (LAHD)

RNLA is a subrecipient to the LAHD for the Neighborhood Stabilization Program (NSP). Since these projects are funded under the NSP, LAHD will approve all construction work, change orders and construction disbursements. LAHD will disburse progress, final and retention payments to the Contractor on RNLA's behalf.

### Section 1.3 The Contractor

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

## Article 2. Contract Documents

The Contract Documents which comprise the entire Contract between RNLA and Contractor concerning the Work consist of this Construction Contract, the Contract Addendum attached hereto as Exhibits "A-F", the Work Write Up attached hereto as Exhibit "G," the Trade Cost Breakdown attached hereto as Exhibit "H", the Rehab Timeline attached hereto as Exhibit "I", the plans and specifications prepared by Contractor ("Plans and Specifications"), and all Change Orders which may occur.

## Article 3. The Work

Contractor shall supply the labor and materials (the "Work") in accordance with the Contract Documents on property which is located at **Property Address, Los Angeles, CA** (hereinafter, the "Property").

## Article 4. Contract Time

### Section 4.1 Time for Performance

With respect to the scheduled completion of the Work, time is of the essence. Contractor shall commence Work upon receiving a written notice to proceed from RNLA. The notice to proceed will set forth the commencement date for Work. All work must obtain substantial completion within 120 days from the commencement date. "Substantial Completion" shall mean the time when the Work is complete in accordance with the Contract Documents and RNLA has signed a notice of completion for the work.

#### 4.1.2 Incentives and Penalties for Performance

If Contractor completes the Work and RNLA signs a notice of completion for the Work on a date that is less than 106 days after the commencement of Work date set forth in the notice to proceed, RNLA will pay Contractor an incentive payment equal to 3% of the contract price as set forth in Article 5 below. If the 106<sup>th</sup> day is a Saturday or Sunday, the following work day is deemed to be the 106<sup>th</sup> day. If the 106<sup>th</sup> day is a holiday observed by the State of California, the work day immediately following the holiday is deemed to be the 106<sup>th</sup> day.

No incentive payment will be paid to Contractor if the notice of completion is dated after the 106<sup>th</sup> day. If Contractor does not finish the Work by 120 days after the commencement of Work date set forth in the notice to

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Contractor

proceed, the amount payable by RNLA to Contractor shall decrease by \$150 every business day until this deduction reaches 3% of the contract price as set forth in Article 5 below. Contractor can only extend the completion date for Work by obtaining an approved change order signed by RNLA/LAHD. By initialing below, both Contractor and RNLA acknowledge the incentives and penalties set forth in this Construction Agreement.

\_\_\_\_\_ Owner \_\_\_\_\_ Contractor

Section 4.2 Pre-Construction Meeting

(a) The Construction Agreement, together with the necessary Performance, Labor and Material bonds, Insurance, and other required documents, shall be forwarded to RNLA for approval prior to scheduling the pre-construction conference. RNLA shall schedule a pre-construction meeting to enable RNLA to explain the Federal Regulations and Reporting Requirements to the General Contractor and its sub-contractors.

Section 4.3 Force Majeure

Except as otherwise provided in this Contract, if the Contractor is delayed at any time in the progress of the Work by fire, labor disputes, acts of God or other causes beyond the Contractor's control, the completion schedule for the work or affected parts of the Work may be extended by the same amount of time caused by the delay.

Article 5. Contract Price

RNLA shall pay to Contractor the amount of Price **Thousand Dollars and cents (\$000,000.00)** for completion of the Work within the time period specified in this Contract.

Article 6. Change Orders

Any increase or decrease in the Contract Price, change in the Work, or change in the Contract Time, must be set forth in a written change (hereinafter "Change Order") order signed by both RNLA and Contractor.

Article 7. Payment Procedures

Section 7.1 Progress Payments and Draw Requests

Contractor shall be paid based on draw requests. Contractor is required to make a draw request each month that the Work is in progress. Draw requests shall be based on percentage completion of Work and payments of draw requests are subject to approval or change by RNLA. After issuing an notice to proceed, RNLA will establish a draw schedule for the Work. The tentative draw schedule for the Work is:

Draw #1 – Permits, Fees, etc: \_\_\_\_\_

Draw #2 – 30% Completion \_\_\_\_\_

Draw #3 – 60% Completion \_\_\_\_\_

Draw #4 – 100% Draw and Retention Draw: \_\_\_\_\_

The retention draw will be paid (35) days after the later of (a) the issuance of a Certificate of Occupancy or (b) the recordation of a Notice of Completion

By initialing below, both Contractor and RNLA acknowledge the draw schedule incentives and penalties set forth in this Construction Agreement.

\_\_\_\_\_ Owner \_\_\_\_\_ Contractor

Payment may be withheld for: (1) failure to perform the Work in accordance with the Contract Documents; (2) defective Work that is not corrected; or (3) failure of the Contractor to pay subcontractors or to pay for labor, materials, or equipment when due. As part of each Draw Request, Contractor must give to RNLA conditional labor and material releases for the present draw, and unconditional labor and material releases as to prior draws. As

\_\_\_\_\_ Owner \_\_\_\_\_ Contractor

used herein, "labor and material releases" means mechanics', materials' or other liens, encumbrances or claims thereof on the Property.

#### Section 7.2 100% Completion of Work Draw Request

Payment of the final draw request in month four, indicating 100% Completion of the Work, shall be made in accordance with the following procedure:

- (a) When Contractor considers the Work substantially complete, Contractor shall notify RNLA in writing and will request an on-site meeting to review the work. RNLA, LAHD and Contractor shall inspect the Work. Promptly after such inspection, RNLA shall deliver to Contractor a written itemization of work that must be completed in order for the Work to achieve Substantial Completion (hereinafter, "Punch List"). Alternatively, RNLA shall deliver to Contractor a written statement that Substantial Completion has been achieved.
- (b) If RNLA delivers a Punch List to Contractor, then Contractor shall undertake the items identified and shall deliver to RNLA a written notice that Substantial Completion has been achieved when Contractor believes that the Punch List has been completed. RNLA, LAHD and Contractor shall again promptly inspect the Property. Promptly after such inspection, RNLA shall deliver to Contractor either (i) a written statement that Substantial Completion has been achieved or (ii) another Punch List. The Punch List procedure described in this Article shall be repeated until Substantial Completion has been achieved.
- (c) When Substantial Completion has been achieved, and after Contractor has delivered to RNLA all maintenance and operating instructions, schedules, guarantees, certificates of inspection, marked-up record documents and other documents, Contractor may make an application for the final draw, following the procedure for Progress Payments specified in Section 7.1. Retention will be withheld from this draw request. The final draw shall be accompanied by all documentation described in the Contract Documents, together with complete and legally effective unconditional releases or waivers, satisfactory to RNLA and LAHD, of all potential liens arising out of or filed in connection with the Work.

#### Section 7.3 Final Draw Request/Retention

The Contractor, upon completion of construction in month four and at the same time as submission of the 100% draw request, = payment, shall submit to RNLA the following:

- (a) Certification from the appropriate governmental agencies that the work was performed per applicable code requirements.
- (b) Submission of recorded, unconditional lien releases from all subcontractors that performed construction activities and from suppliers and firms from whom materials were purchased; or, if the project involves a public work, evidence of final resolution of any and all stop notices.
- (c) All warranties, guarantees, services agreements, certifications, operational instructions, and manuals and other pertinent documents as required by the plans and specifications.
- (d) Recorded Notice of Completion or Certificate of Occupancy, if the latter is applicable. .

#### Section 7.4 Compliance with City Requirements

No payments will be made to Contractor unless Contractor is in compliance with all City requirements including business license, general liability and workman's compensation insurance.

#### Section 7.5 Payment Disbursement Control

Contractor may request that Owner direct payment to a California state licensed surety company as necessary to obtain performance and payment bonds. Such request shall be in the form of a written Letter of Directive of Payment Agreement signed by the Contractor and its surety and acknowledged by Owner.

### **Article 8. Contractor's Representations**

\_\_\_\_\_Owner

\_\_\_\_\_Contractor

In order to induce RNLA to enter into this Contract, Contractor makes the following representations:

- (a) Contractor possesses the appropriate license from the State of California Contractors Licensing Board, including a Home Improvement Certification, which demonstrates that Contractor is qualified to undertake the Work. Contractor has a City of LA Business License. All said licenses and certifications are currently in good standing proof of which has been provided to RNLA.
- (b) Contractor has familiarized itself with the nature and extent of the Contract Documents, the Property and Work site, the locality, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.
- (c) Contractor is in compliance with all laws, rules and regulations and any determination of an arbitrator, court or other governmental authority. Contractor has informed, and is under a continuing obligation to inform, RNLA of any pending disciplinary action or investigations concerning the quality of Contractor's work and performance.
- (d) Contractor shall comply with all laws, regulations, rules and ordinances applicable to the Property, the Contract and the Work.

## **Article 9. Contractor's Responsibilities**

### Section 9.1 Performance

Contractor shall perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences and procedures of construction, except as may be provided in the Contract Documents or as directed by RNLA. Contractor shall carry out all of the Responsibilities listed in the Contractor's Manual provided with this contract.

### Section 9.2 Personnel

Contractor shall provide competent, suitable personnel to perform the Work. Contractor shall at all times maintain a professional standard of behavior, good discipline and order at the Property.

### Section 9.3 Furnished Items

Contractor shall furnish and be fully responsible for all materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities and all other facilities and incidentals necessary for the furnishing, performance, testing, start-up and completion of the Work.

### Section 9.4 Materials

All materials and equipment shall be of good quality and new, except as otherwise provided in the Contract Documents. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the instructions of the applicable supplier.

### Section 9.5 Subcontractors

Contractor shall be fully responsible to RNLA for all acts and omissions of its subcontractors, suppliers, and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Contractor. Nothing in the Contract Documents shall create any contractual relationship between RNLA and any such subcontractor, supplier or other person or organization, nor shall it create any obligation on the part of RNLA to pay any such subcontractor, supplier or other person or organization, except as may otherwise be required by laws and regulations. Contractor shall not employ any subcontractor to whom RNLA may have a reasonable objection. Contractor shall not be required by RNLA to employ any subcontractor to whom the Contractor may have a reasonable objection. Contractor shall provide RNLA a list of all subcontractors with whom Contractor will contract to perform the Work. Contractor will require that all subcontractors file a preliminary notice before commencing work for Contractor.

### Section 9.6 Permits and Inspections

\_\_\_\_\_ Owner

\_\_\_\_\_ Contractor

Contractor shall obtain and shall pay for all construction permits, fees, inspection and licenses. Contractor shall secure all required state and local permits before commencing construction. RNLA shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the performance of the Work. Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Work.

#### Section 9.7 Taxes

Contractor shall pay all sales, consumer, use and other similar taxes.

#### Section 9.8 Use of Premises

Contractor shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the Property, and shall not unreasonably burden the Property with materials or equipment. Contractor shall be fully responsible for any damage to the Property or areas contiguous to thereto resulting from the performance of the Work. During the progress of the Work, Contractor shall keep the Property free from accumulations of waste materials, rubbish and other debris resulting from the Work. At the completion of the Work, Contractor shall remove all waste materials, rubbish and debris from and about the Property, as well as all tools, appliances, construction equipment and machinery, and surplus materials, and shall leave the Property clean and ready for occupancy.

#### Section 9.9 Record Documents

Contractor shall maintain in a safe place at the Property one record copy of all drawings, specifications, addenda, written amendments, Change Orders, and the like in good order and annotated to show all changes made during construction which will be delivered to RNLA upon completion of project.

[Contractor will also be required to provide access to all records, construction and financial, for audit purposes per City audit requirements. Specific contract language will be added to final version.]

#### Section 9.10 Safety

Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Contractor shall comply with all applicable laws and regulations relating to the safety of persons or property, particularly those of CalOSHA.

#### Section 9.11 Continuing the Work during Disputes

Contractor shall carry on the Work and adhere to the progress schedule set forth in the Contract Documents during all disputes or disagreement with RNLA.

#### Section 9.12 Damage to the Work

Contractor shall repair or replace, at Contractor's sole expense, every portion of the Work that is damaged, destroyed or defective prior to Final Completion and caused in whole or in part by the acts or omissions of Contractor or by the acts or omissions of any tier of subcontractor. Notwithstanding the foregoing, RNLA shall bear the cost of such repair or replacement if the sole cause of the damage or destruction of the Work was RNLA's negligence.

#### Section 9.13 Warranty

Contractor warrants and guarantees to RNLA that all Work will be in accordance with the Contract Documents and will not be defective. If within one year after the date of Final Completion or such longer period of time as may be prescribed by laws or regulations or by the terms of any specific provision or applicable special guarantee in the Contract Documents, any Work is found to be defective, Contractor shall promptly within five (5) business days, and without cost to RNLA or the then title owner of the Property, and in accordance with RNLA's written instructions, either correct such defective Work, or if it has been rejected by RNLA, remove it from the Property and replace it with non-defective Work. In the case of single family properties, the one year warranty period will begin upon transfer of title of Property from RNLA to the new home owner. If Contractor does not

\_\_\_\_ Owner

\_\_\_\_ Contractor

promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, RNLA may have the defective Work corrected or the rejected Work removed and replaced, and all direct, indirect and consequential costs of such removal and replacement (including but not limited to fees and charges of engineers, architects, attorneys and other professionals) will be paid by Contractor.

#### Section 9.14 Related Work at Property

RNLA may perform other work at the Property which is not a part of the Work by RNLA's own forces or hire other contractors to perform such other work. Contractor shall afford RNLA's own forces and each other contractor who is a party to such a direct contract proper and safe access to the Property and a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such work. Contractor shall do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating or otherwise altering their work and will only cut or alter their work with the written consent of RNLA and the others whose work will be affected.

#### Section 9.15 Reporting Requirements

(a) Upon City approval of the Construction Agreement, the General Contractor shall be required to submit the following documents to the Contractor, Architect, and City:

- (1) Construction work schedule.
- (2) List of sub-contractors and persons or entities who will furnish materials or equipment. (A prompt reply to the General Contractor is expected of RNLA and LAHD, in writing, stating whether or not the Contractor or its Architect, after due investigation, has reasonable objection to any such person or entity.
- (3) Reports documenting compliance with all bid requirements including, but not limited to HUD Section 3 and Disadvantaged Business Enterprise (DBE) requirements.
- (4) List of job classifications to be utilized on the project.

(b) During the term of the construction agreement, the Contractor, shall within eight (8) business days after the close of the workweek, submit to RNLA all certifications, weekly payroll forms, employment utilization or daily worker sign-in forms, code inspection reports and sign-offs, and other related documents as required by the City and/or HUD. It is understood that failure to adhere to the reporting requirements may delay processing of requisitions and release of construction funds.

### Article 10 Insurance and Bonds

#### Section 10.1 Contractor's Insurance

Contractor shall procure and maintain, at its sole cost, the following types and limits of insurance for the benefit of Contractor and RNLA, insuring its work and operations as described in this Agreement:

Statutory Workers' Compensation including Employer's Liability Coverage: Contractor shall maintain insurance (or furnish proof of qualification as a self-insurer if the firm has no employees) to afford protection for all claims under the California Workers' Compensation Act and other employee benefit acts, and in addition shall maintain employer's liability insurance for a minimum limit of \$1,000,000.

Commercial General Liability Insurance, including not less than the following coverages and limits:

- (a) Premises and Operations,
- (b) Products and completed operations coverage,
- (c) Third party liability coverage for injury to employees of subcontractors
- (d) Personal and advertising Injury Liability,
- (e) Loss resulting from the hazards of explosion, collapse, or underground operations, if any digging operations
- (f) Minimum limits of coverage for the above shall be:
  - Bodily Injury & Property Damage
  - \$2,000,000.00 each occurrence
  - \$3,000,000.00 aggregate

- (g) Deductible - Maximum \$25,000.00
- (h) Waiver of transfer of rights (subrogation waiver), for the benefit of RNLA. Waiver shall be accomplished by endorsement to Contractor's policy, with endorsement language approved by RNLA.

Automobile Liability, including all Owned, Hired, and Non-Owned Automobiles, with minimum coverage limits of \$1,000,000.00 each occurrence.

Insurance required under this section 10 shall include provision that RNLA shall be given written notice not less than thirty (30) days prior to the effective date of any cancellation or expiration in all such insurance, excepting cancellation for non-payment of premiums which shall not be less than 10 days written notice.

All insurance policies or evidence of the insurance required of the Contractor shall provide that insurance required of Contractor is primary and that any insurance carried by RNLA is excess over any coverage carried by Contractor or any sub tier. Contractor and its insurance carriers will not seek contribution from any similar coverage carried by RNLA despite any conflicting provisions in Contractor's policies to the contrary. RNLA shall not by any reason of inclusion as an additional insured under any of Contractor's insurance incur any liability to insurance carriers for the payment of any premiums therefore.

RNLA, RNLA's lenders and designees shall be included as additional insureds under each insurance required of the Contractor. Contractor shall submit certificates and policy endorsement forms evidencing such insurance to RNLA and RNLA's lenders prior to commencing the Work. Contractor will also require certification of coverage, required herein, from all sub tier contractors, naming RNLA prior to allowing any sub tier to commence any work.

Contractor shall require proof of insurance of the same kind and coverage, as required in this section 10, in an amount not less than \$1,000,000.00 per occurrence and \$2,000,000 in the aggregate from all tiers of Subcontractors. Contractor may include subcontractors under a Contractor Controlled Insurance Program ("CCIP"), subject to RNLA's written approval of the CCIP's conditions and limits, as adequate for all enrolled parties and covered locations combined. Contractor and all Subcontractors shall be named insureds on all such CCIP program coverage, or Contractor shall require non-enrolled Subcontractors to comply with the same requirements outlined herein for Contractor. Additional insured endorsements shall be provided on ISO form CG2010 form B edition date 11/85, providing additional insured protection for both premises liability (operations) and completed operations exposures (your work). Equivalent endorsement(s) will be accepted following review and approval by RNLA. Contractor shall maintain all of the foregoing insurance in force until final completion of the Work, including the period under which any warranty, supplemental or corrective work is performed and following the acceptance of the property by RNLA as complete.

Section 10.2 Performance and Other Bonds

Contractor acknowledges that RNLA is in the process of acquiring a number of properties for rehabilitation and subsequent resale, and that Contractor may enter into more than one Construction Contract with RNLA with respect to such properties.

Contractor shall provide security for performance and the payment of labor and materials in a form acceptable to RNLA for all Construction Contracts. This security shall be a Faithful Performance Bond in the amount of one hundred percent (100%) of the Contract Price and a Labor and Material Payment Bond in the amount of fifty percent (50%) of the Contract Price.

By initialing here, RNLA and Contractor acknowledge that performance and payment security is required, and have agreed upon a suitable form of security, the identification of which is part of the Contract Documents.

\_\_\_\_\_ Contractor

\_\_\_\_\_ RNLA

\_\_\_\_\_ Owner

\_\_\_\_\_ Contractor

## Section 10.3 RNLA's Insurance

RNLA shall be responsible for purchasing and maintaining RNLA's Liability insurance and other reasonably appropriate insurance at its sole cost. RNLA shall be responsible for purchasing property insurance against the perils of fire and other perils RNLA deems appropriate at its sole cost.

**Article 11. Termination**

## Section 11.1 Termination by RNLA

If the Contractor breaches any of its obligations under this Contract, then RNLA may give Contractor written notification identifying such breach. If Contractor has not cured such breach within five (5) business days from its receipt of RNLA's written notification, or if such breach cannot be cured with such five (5) day period, then if Contractor either does not begin the cure within such five (5) day period or fails to diligently cure the breach, RNLA may terminate this Contract and take possession of the Work. Alternatively, instead of terminating the Contract, RNLA may cure the breach and deduct the cost thereof from amounts otherwise owed to the Contractor.

## Section 11.2 Termination by Contractor

If RNLA breaches any of its obligations under this Contract, then Contractor may give RNLA written notification identifying such breach. If RNLA has not cured such breach within five (5) business days from its receipt of Contractor's written notification, or if such breach cannot be cured within such five (5) day period, then if RNLA either does not begin cure within such five (5) day period or fails to diligently cure the breach, Contractor may terminate this Contract.

**Article 12. Miscellaneous**

## Section 12.1 Assignment

Assignment or transfer of any rights or interests under this Contract shall not be binding on any part to this Contract without the written consent of each party and without the prior written consent of RNLaCity . Payments due under this Contract may not be assigned.

## Section 12.2 All Parties Bound

RNLA and the Contractor each bind itself, its partners, successors, assigns and legal representatives, to the other party hereto, its partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

## Section 12.3 Choice of Law

This Contract and all issues, disputes and matters arising out of it shall be governed by and construed in accordance with the laws of the State of California.

## Section 12.4 Arbitration

All claims, disputes, and other matters in question arising out of, or relating to, this Agreement or a breach thereof, except for claims that have been waived by the making or acceptance of final payment, may be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association or by an Alternate Dispute Resolution Process. The Venue for any such arbitration shall be in Los Angeles County California. Should RNLA elect to arbitrate a claim or dispute, notice of the demand for arbitration shall be filed in writing with Contractor and with the American Arbitration Association. The demand shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations. The Parties shall be able to conduct discovery as permitted in the California Code of Civil Procedure. The award rendered by the arbitrators shall be final, and judgment may be entered on it in accordance with applicable law in any court having jurisdiction thereof.

Unless otherwise agreed in writing, Contractor shall carry on Work during any arbitration proceedings, and RNLA  
 \_\_\_\_\_Owner \_\_\_\_\_Contractor

shall continue making payments in accordance with this Agreement. The arbitrator shall be vested with the authority to award the prevailing party attorney fees and costs. All claims that are related to or dependent on each other, shall be heard by the same arbitrator or arbitrators, even though the parties are not the same, unless a specific contract prohibits such consolidation. Claims and disputes between the parties will be submitted to the American Arbitration Association for resolution. Award or judgment may be entered in any court having jurisdiction thereof.

#### Section 12.4 Attorneys' Fees

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees and costs of suit from the other party.

#### Section 12.5 Waivers

Any waiver by RNLA of any obligation or condition in this Agreement must be in writing from RNLA and LAHD. No waiver will be implied from any delay or failure by RNLA to take action on any breach or default of the Contractor or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Contractor to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by RNLA to any act or omission by Contractor shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for RNLA's written consent to future waivers.

#### Section 12.6 Negotiated Agreement

This Agreement has been arrived at through negotiation and neither party is to be deemed the party which prepared this Agreement within the meaning of California Civil Code Section 1654.

#### Section 12.7 Notices, Demands, Communications

Any notice, tender, delivery or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered, mailed, or faxed in the manner provided in this Section, to the following persons:

If to RNLA: John Perfitt  
Restore Neighborhoods LA, Inc.,  
315 West Ninth Street, Suite 801  
Los Angeles, CA 90015  
FAX: (213) 833-7989

If to LAHD: Doug Swoger  
Director of Homeownership and Preservation  
1200 W. 7<sup>th</sup> Street 8<sup>th</sup> Floor  
Los Angeles CA 90017  
FAX: (213) 808-8515

If to Contractor: COMPANY NAME.  
Address.  
City, State Zip  
Tel: (555) 555 5555

If sent by mail, any notice, delivery or other communication shall be deemed effective forty-eight (48) hours after deposited in the United States Mail, with postage prepaid, and addressed as set forth above. If sent by facsimile, any notice, delivery or other communication shall be deemed effective upon the receipt by the sender of a faxed acknowledgment of receipt from the recipient. If personally delivered, or if delivered by overnight mail, any notice, delivery or other communication shall be deemed effective upon the delivery to a person apparently authorized to accept receipt at the locational address set forth above.

#### Section 12.8 Relationship of Parties

Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any \_\_\_\_\_ Owner \_\_\_\_\_ Contractor

third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between RNLA and Contractor or their respective agents, employees or contractors, and Contractor shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. The Contractor has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. Contractor shall be solely responsible for all matters relating to payment of its employees, including but not limited to compliance with Social Security, State Disability Insurance, Payroll Taxes, Workers' Compensation Insurance, Employee Benefits, and any applicable withholding or contribution, and any and all other laws and regulations governing employment matters.

#### Section 12.9 No Claims

Nothing contained in this Agreement shall create or justify any claim against RNLA by any person that Contractor may have employed or with whom Contractor may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the subject of this Agreement. Contractor shall not permit any lien to be placed upon any Subject Property by any person with whom Contractor has contracted, without the express written permission of RNLA.

#### Section 12.10 Amendments

No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties.

#### Section 12.11 Indemnification

Contractor shall indemnify, defend and hold harmless the City of Los Angeles, RNLA and its officers, agents and employees, from and against any and all claims, liabilities and losses whatsoever (including but not limited to, damages to property, and injuries to or death of persons, court costs and attorneys fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies hired by Contractor in connection with the performance of this Agreement, and from any and all claims, liabilities and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with Contractor's performance of this Agreement. These indemnification, defense and hold harmless obligations shall extend to allegations of injury, damage or liabilities by or on behalf of employees of Contractor and any tier of subcontractor. This indemnification and hold harmless obligation shall not extend to any claim arising from the sole negligence or willful misconduct of RNLA, its agents, and employees. Contractor's performance includes Contractor's action or inaction and the action or inaction of Contractor's officers, employees, agents, contractors and/or subcontractors.

#### Section 12.12 Compliance with Regulations

This Agreement is subject to the terms and conditions set forth in the Neighborhood Stabilization Program Professional Services and Rehabilitation Agreement between the City of Los Angeles and RNLA, including but not limited to provisions outlined in Attachment A, and summarized here: Applicable labor standard provisions; State Prevailing Wage and David-Bacon Requirements; Nondiscrimination and Affirmative Action; Conflict of Interest; Americans with Disabilities Act; Political and Sectarian Activity Prohibited; Suspension and Debarment; Inventions, Patents and Copyrights; Living Wage Ordinance and Service Contractor Worker Retention Ordinance; Equal Benefits Ordinance; Contractor Responsibility Ordinance; Slavery Disclosure Ordinance; Child Support Assignment Orders; Security Clearance and Tuberculosis Test of Staff and Volunteers; Confidentiality of Information; Local Hiring and Employment Opportunities for Low Income Persons and Small Businesses (Section 3).

This Agreement must comply with all applicable federal regulations including Community Development Block Grantors and other funding source regulations.

This Agreement is subject to all applicable labor standard provisions including, but not limited to City, and/or Federal Affirmative Action requirement, the Davis-Bacon Act, as amended, the Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback Act", as well as all regulations issued pursuant to these acts and other Federal laws. Labor provision references hereinabove may be obtained from the City on request.

**IN WITNESS WHEREOF**, RNLA and Contractor have signed this Contract.

**RESTORE NEIGHBORHOODS LA, INC.**

Signed : \_\_\_\_\_  
John E. Perfitt

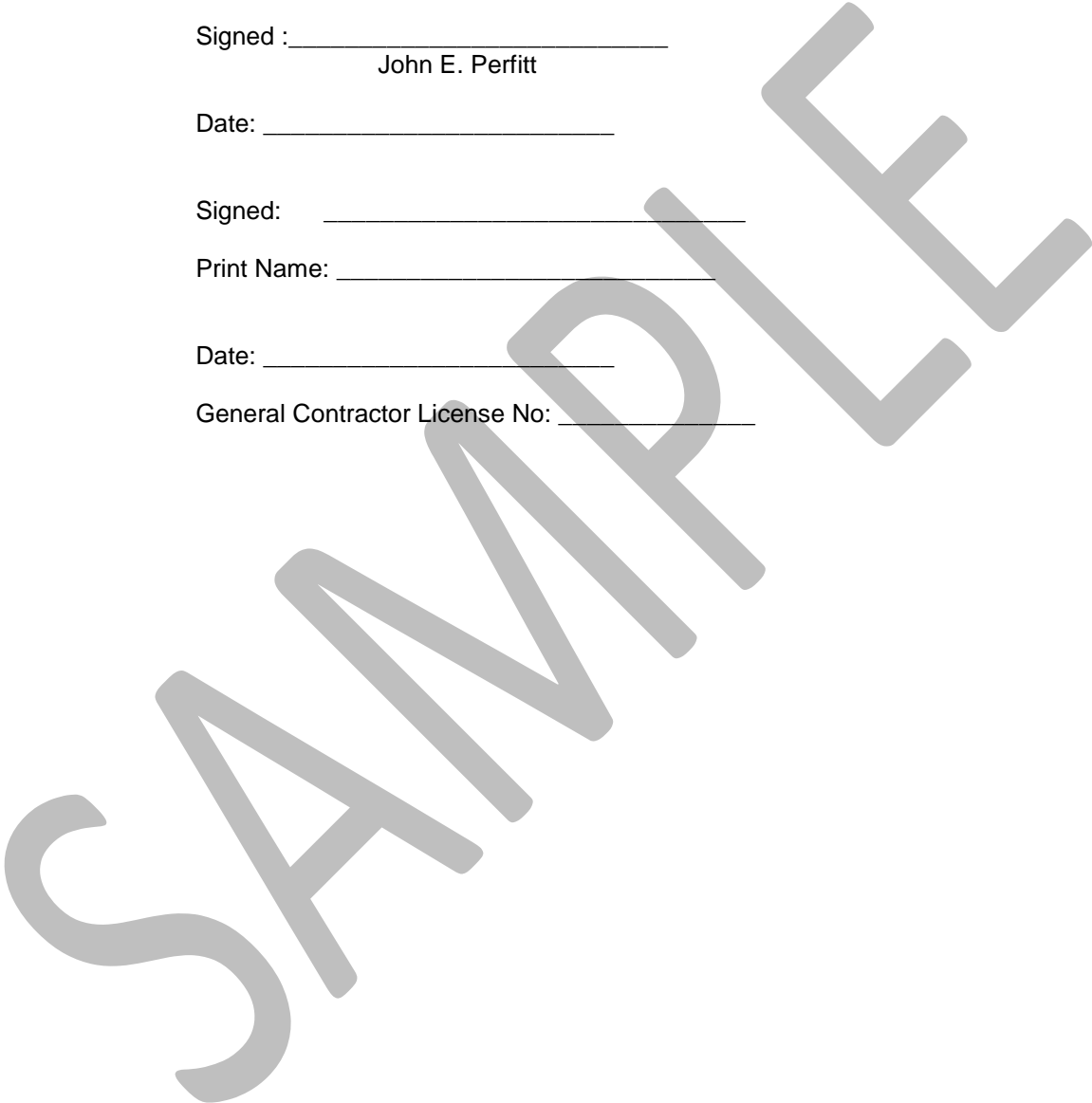
Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

General Contractor License No: \_\_\_\_\_



**Exhibit A**

**Incorporation of the Terms of the  
Neighborhood Stabilization Program  
Professional Services and Rehabilitation Agreement  
Between the City of LA and RNLA (the "Agreement")**

**The Agreement**

Contractor shall ensure that the terms of the Agreement with the City are incorporated into all subcontractor agreements.

**Applicable labor standard provisions**

Applicable labor standard provisions including, but not limited to City, and/or Federal Affirmative Action requirements, the Davis-Bacon Act, as amended, the Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback Act", as well as all regulations issued pursuant to these acts and other Federal laws and the General Conditions shall be a part of all construction subagreements awarded pursuant to this Agreement. Labor provisions references hereinabove may be obtained from the City on request.

**Prevailing Wage and David-Bacon Requirements**

If a project includes the construction of eight (8) or more residential units, the Contractor shall and shall cause all the Contractor's subcontractors to pay the higher of prevailing wages in the construction of the Project as those wages are determined pursuant to the State of California Labor Code Section 1720 *et seq.* and implementing regulations of the State of California Department of Industrial Relations, or as those wages are determined pursuant to the Davis-Bacon Act (40 USC 276a-7) (29 CFR, Part 5.0) and related Federal Acts, as applicable. The Contractor shall and shall cause all the Contractor's subcontractors to comply with the other applicable provisions of the State Labor Code Section 1720 *et seq.* and implementing regulations of the State Department of Industrial Relations. The Contractor shall and shall cause all subcontractors to keep and retain such records as are necessary to determine if such prevailing wages have been paid as required pursuant to State Labor Code Sections 1720 *et seq.* and/or applicable federal laws and regulations. Copies of the currently applicable per diem prevailing wages are available from the City of Los Angeles Housing Department, 1200 W. 7th Street, 8th Floor, Los Angeles, California 90017. During the construction of the Project, the Contractor shall or shall cause all the Contractor's subcontractors to post at the Project property the applicable prevailing rates of per diem wages. Contractor shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the City) the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including the Contractor and all its subcontractors) to pay prevailing wages as determined pursuant to Labor Code Section 1720 *et seq.* and implementing regulations, as well as applicable federal laws and regulations, or the failure to comply with other applicable provisions of Labor Code Section 1720 *et seq.* and implementing regulations of the Department of Industrial Relations, as well as applicable federal regulations, in connection with Project construction or any other work undertaken or in connection with the each Project property.

**Nondiscrimination and Affirmative Action**

The Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, the Contractor shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status, or medical condition. The Contractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

The Contractor shall comply with the provisions of the Los Angeles Administrative Code Section 10.8 through 10.13, to the extent applicable hereto. If this Agreement contains a consideration in excess of One Thousand Dollars (\$1,000), but no more than One Hundred Thousand Dollars (\$100,000), the Equal Employment practices provisions of this Agreement shall be the mandatory contract provisions set forth in Los Angeles Administrative Code Section 10.8.3, in which event said provisions are incorporated herein by this reference. If this Agreement contains a consideration in excess of One Hundred Thousand Dollars (\$100,000), the Affirmative Action Program of this Agreement shall be the mandatory contract provisions set forth in Los Angeles Administrative Code 10.8.4, in which event said provisions are incorporated herein by this reference. The Contractor shall also comply with all

\_\_\_\_ Owner

\_\_\_\_ Contractor

rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by City.

Any sub-agreement entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this §408.

No person shall on the grounds of race, ancestry, color, national origin, sex, sexual preference, age, physical handicap, marital status or domestic partner status be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this program/project. For purposes of this section, Title 24 Code of Federal Regulations, § 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in situation as defined therein.

### **Conflict of Interest**

#### A. No City-funded Employees as Board Members

The City will not execute any Agreements and/or Amendments with Contractors where an employee (an individual who is paid or receives any financial benefit from funds from the Agreement with the City), is a member of the Board of Directors. The Board minutes must reflect this requirement.

#### B. Code of Conduct

1. The City requires that all Contractors/Sub-Contractors adopt a Code of Conduct which at minimum reflects the constraints discussed in CDD Directive FY07-0001. No Agreements and/or Amendments will be executed without City approval of this Code of Conduct.

2. Further, the City requires compliance with the following conflict of interest requirements for all City funded contractors.

#### C. Conflict of Interest

1. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

2. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

a. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;

b. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or

c. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

#### 3. Definitions:

a. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.

b. The term "financial or other interest" includes but is not limited to:

(1) Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.

(2) Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.

c. A subcontract is any agreement entered into by Contractor for the purchase of goods or services with any funds provided by this Agreement.

D. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.

E. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.

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\_\_\_\_ Contractor

F. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).

G. The Contractor shall not subcontract with a former director, officer, or employee within a one-year period following the termination of the relationship between said person and the Contractor.

H. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.

I. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.

J. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one (1) year thereafter.

K. The Contractor shall incorporate the foregoing subsections of this section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".

L. The Contractor warrants that it has adopted and shall comply with the Code of Conduct, as approved by the City, that meets the foregoing requirements.

### **Americans with Disabilities Act**

Contractor hereby certifies that it will comply with the Americans with Disabilities Act 42, USC §12101 *et seq.*, and its implementing regulations and the Americans Disabilities Act Amendments Act (ADAAA) Pub.L.110-325 and all subsequent amendments. Contractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act and the Americans Disabilities Act Amendments Act (ADAAA) Pub.L.110-325 and all subsequent amendments. Contractor will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with disability. Any subagreement entered into by the Contractor, relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

### **Political and Sectarian Activity Prohibited**

None of the funds, materials, property, or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

If this Agreement provides for more than \$100,000 in grant funds or more than \$150,000 in loan funds, Contractor shall submit to the City a Certification Regarding Lobbying and a Disclosure Form, if required, in accordance with 31 USC 1352. A copy of the Certificate is attached hereto as Exhibit C. No funds will be released to Contractor until the Certification is filed.

Contractor shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Contractor. Contractor shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

### **Suspension and Debarment**

Contractor shall comply with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and Contractor shall submit a Certification Regarding Debarment required by Executive Order 12549 and any amendment thereto. Said Certification shall be submitted to the City concurrent with the execution of this Agreement and shall certify that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department head or agency. Contractor shall require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors shall certify accordingly.

\_\_\_\_\_Owner

\_\_\_\_\_Contractor

## **Inventions, Patents and Copyrights**

### Reporting Procedure for Inventions

If any project produces any invention or discovery (Invention) patentable or otherwise under Title 35 of the U.S. Code, including, without limitation processes and business methods made in the course of work under this Agreement, the Contractor shall report the fact and disclose the Invention promptly and fully to the City. The City shall report the fact and disclose the Invention to the Grantor. Unless there is a prior agreement between the City and the Grantor, the Grantor shall determine whether to seek protection on the Invention. The Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of Title 35 USC §200 *et seq.* (P.L. 95-517, P.L. 98-620, 37 CFR, Part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983; and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp. p. 262). Contractor hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

### Right to Use Inventions

City shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

### Copyright Policy

Unless otherwise provided by the terms of the Grantor or of this Agreement, when copyrightable material (Material) is developed under this Agreement, the author or the City, at the City's discretion, may copyright the Material. If the City declines to copyright the Material, the City shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all governmental purposes, any Material developed under this Agreement.

The Grantor shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.

Contractor shall comply with 24 CFR 85.34.

### Rights to Data

The Grantor and the City shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 USC §401 or §402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404(f) (2) instead of unlimited rights (48 CFR 27.404(a)).

### Trade Secrets

Recognizing that the City has no way to safeguard trade secrets or proprietary information, Contractor shall and hereby keep and bear City harmless from all damages, costs, and expenses by reason of any disclosure by City of trade secrets and proprietary information. City shall not require Contractor to provide technical information that is proprietary to him, except as is requested by City to successfully complete the project that is the subject of the Agreement.

### Intellectual Property Indemnification

CONTRACTOR, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the CITY, and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or

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firmware used by CONTRACTOR, or its subcontractors of any tier, in performing the work under this Agreement; or (2) as a result of the CITY'S actual or intended use of any Work Product furnished by CONTRACTOR, or its subcontractors of any tier, under the Agreement. Rights and remedies available to the CITY under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the CITY. The provisions of this section shall survive expiration or termination of this Agreement.

#### Intellectual Property Warranty

Contractor represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity and proprietary information.

#### Obligations Binding on Subcontractors

Contractor shall require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all sub-agreements.

#### **Living Wage Ordinance and Service Contractor Worker Retention Ordinance.**

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Agreement is subject to the applicable provisions of the Living Wage Ordinance (LWO), §10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), §10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. The Ordinances require the following:

Contractor assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO;

Contractor further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Contractor shall require each of its Subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Contractor shall deliver the executed pledges from each such subcontractor to the City within ninety (90) days of the execution of the Subcontract. Contractor's/Consultant's delivery of executed pledges from each such Subcontractor shall fully discharge the obligation of the Contractor to comply with the provision in the LWO contained in §10.37.6(c) concerning compliance with such federal law.

The Contractor/Consultant, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Contractor shall post the Notice of Prohibition Against Retaliation provided by the City.

Any Subcontract entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the "Living Wage Ordinance and Service Contractor Worker Retention Ordinance" language.

Contractor shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Under the provisions of §10.36.3(c) and §10.37.5(c) of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this Agreement and otherwise pursue legal remedies that may be available if the City determines that the subject Contractor has violated provisions of the LWO and the SCWRO.

Where under the LWO §10.37.6(d), the designated administrative agency has determined (a) that the Contractor is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the Contractor in accordance with the following procedures. Impoundment shall mean that from monies due the Contractor/Consultant, the awarding authority may deduct the amount determined to be due and owing by the Contractor to its employees. Such monies shall be placed in the holding account referred to in LWO §10.37.6(d)(3) and disposed of under procedures there described through final and binding arbitration. Whether the Contractor is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The

\_\_\_\_ Owner

\_\_\_\_ Contractor

Contractor may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

### **Equal Benefits Ordinance**

Unless otherwise exempted in accordance with the provisions of the Equal Benefits Ordinance (EBO) §10.8.2.1 of the Los Angeles Administrative Code, this Agreement is subject to the provisions of the EBO as amended from time to time.

During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the EBO. The Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administrator, Office of Contract Compliance Section at (213) 847-6480.”

The failure of the Contractor to comply with the EBO will be deemed to be a material breach of this Agreement by the Awarding Authority.

If the Contractor fails to comply with the EBO the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under this Agreement may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

Failure to comply with the EBO may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code §10.40 *et seq.*, Contractor Responsibility Ordinance.

If the Office of Contract Compliance determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the EBO, the Awarding Authority may terminate this Agreement on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code §10.40 *et seq.*, Contractor Responsibility Ordinance.

### **Contractor Responsibility Ordinance**

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Agreement is subject to the provisions of the Contractor Responsibility Ordinance, §10.40 *et seq.*, of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code, which requires Contractor to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Contractor’s/Consultant’s fitness and ability to continue performing the contract. In accordance with the provisions of this Ordinance, by signing this Contract, Contractor pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.

The Contractor further agrees to:

Notify the awarding authority within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor is not in compliance with all applicable federal, state and local laws in performance of this contract;

Notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor has violated the provisions of §10.40.3(a) of the Ordinance;

Ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities;

Ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty (30) calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated §10.40.3(a) of the Ordinance in performance of the subcontract.

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**Slavery Disclosure Ordinance**

This Agreement may be subject to the Slavery Disclosure Ordinance in the future. If so, Contractor will be notified of the applicability by the City.

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Agreement is subject to the Slavery Disclosure Ordinance, §10.41 of the Los Angeles Administrative Code, as may be amended from time to time. Contractor certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Agreement.

**Child Support Assignment Orders**

This Agreement is subject to §10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, Contractor certifies that it will (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; 2) that the principal owner(s) of Contractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code §5230 *et seq.*; and (4) maintain such compliance throughout the term of this Contract. Pursuant to §10.10.b of the Los Angeles Administrative Code, failure of Contractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Contractor to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Contractor under the terms of this Contract, subjecting this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor by City. Any subcontract entered into by the Contractor relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Contractor to obtain compliance of its subcontractors shall constitute a default by the Contractor under the terms of this contract, subjecting this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor by the City.

Contractor shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Contractor assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

**Security Clearance and Tuberculosis Test of Staff and Volunteers**

Contractor hereby certifies that by signing this Agreement, Contractor and subcontractor staff working with youth, either as employees or volunteers, who have a supervisory or disciplinary authority over minors must be fingerprinted and pass the background check, as required by California Penal Code §11105.3 and California Education Code §45125.1 and §10911.5. Fingerprinting and a background check may be required of other staff and volunteers depending upon how much contact the staff member will have with minors. The Contractor shall be responsible for obtaining security clearances for staff whose duties require a sufficient level of interaction with youth.

Contractor hereby certifies that by signing this Agreement, Contractor shall have tuberculosis (TB) tests completed on any staff member working with youth.

Contractor shall maintain proof of Security Clearance and TB tests of all staff, including those of the subcontractors, and make these records available for future inspection.

**Confidentiality of Information**

The Grantor, the City, and the Contractor will exchange various kinds of information pursuant to this Agreement. That information will include data, applications, program files and databases. These data and information are confidential when they define an individual or an employing unit. Confidential information requires special precautions to protect it from unauthorized use, access, disclosure, modification, and destruction. The sources of information may include, but are not limited to, the Employment Development Department, the California Department of Social Services, the California Department of Education, the County Welfare Department(s), the County IV-D Directors Office of Child Support, the Office of the District Attorney, the California Department of Mental Health, the California Office of Community Colleges, and the Department of Alcohol and Drug Programs.

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The City and the Contractor agree that:

Each party shall keep all information that is exchanged between them in the strictest confidence and make such information available to their own employees only on a "need-to-know" basis.

Each party shall provide written instructions to all of its employees with access to information provided by the other party of the confidential nature of the information and of the penalties for unauthorized use or disclosure found in §1798.55 of the Civil Code, §502 of the Penal Code, §2111 of the Unemployment Insurance code, §10850 of the Welfare and Institutions Code and other applicable local, state, and federal laws.

Each party shall (where appropriate) store and process information in an electronic format, in such a way that unauthorized persons cannot reasonably retrieve the information by computer, remote terminal, or other means. Each party shall promptly return to the other party confidential information when its use ends or destroys the confidential information utilizing an approved method of destroying confidential information by shredding, burning, or certified, or witnessed destruction. Magnetic media are to be degaussed or returned to the other party.

If the City or Contractor enters into an agreement with a third party to provide CDBG services, the City or Contractor agrees to include these data and security and confidentiality requirements in the agreement with that third party. In no event shall said information be disclosed to any individual outside of that third party's authorized staff, subcontractors(s), service providers, or employees.

Each party shall designate an employee who shall be responsible for overall security and confidentiality of its data an information systems, and each party shall notify the other of any changes in that designation. In no event shall said information be disclosed to any individual outside of that third party's authorized staff, subcontractors(s), service providers, or employees.

#### **Employment Opportunities for Low Income Persons and Small Businesses**

Any project/program funded in part or in whole with Housing and Community Development funds, shall comply with the following provisions (referred to as a Section 3 clause):

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

The parties to this Agreement agree to comply with HUD's regulations in 24 CFR Part 135, which implements Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number of job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin. The Contractor agrees to include this Section 3 clause in every subagreement subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in applicable provision of the subagreement or in this Section 3 clause, upon a finding that the subcontractors is in violation of the regulations in 24 CFR Part 135. The Contractor will not subagreement where the Contractor has notice or knowledge that the subcontractors has been found in violation of the regulations in 24 CFR Part 135.

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

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Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD-assisted agreements.

With respect to work performed in connection with Section 3 covering Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (24 USC 450e), also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preferences in the award of contacts and subagreements shall be given to Indian Organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

SAMPLE

**EXHIBIT B**

**CERTIFICATION REGARDING  
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION  
LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Orders 12459 and 12689, Debarment and Suspension, 24 CFR Part 24 Section 24.510, and 29 CFR Parts 97.35 and 98.510, Participants' responsibilities.

(READ ATTACHED INSTRUCTIONS FOR CERTIFICATION BEFORE COMPLETING)

1. The prospective recipient of Federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

AGREEMENT NUMBER  C-115683

CONTRACTOR/BORROWER/AGENCY

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_

SIGNATURE

DATE

**Exhibit B (cont.)**  
**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to whom this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Orders 12459 and 12689.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non-Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntary excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

\_\_\_\_ Owner

\_\_\_\_ Contractor

**EXHIBIT C**

**CERTIFICATION REGARDING LOBBYING**

Certification for Contracts, Grants, Loans  
and Cooperative Agreements

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

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.
- 3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- 4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less that \$10,000 and not more than \$100,000 for each such failure.

AGREEMENT NUMBER   C-115683  

CONTRACTOR/BORROWER/AGENCY

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

**EXHIBIT D****A. MANAGEMENT REPRESENTATION**

As a prerequisite to receipt of a City funded Contract, and as material facts upon which the City may rely in preparing the Contract, I, am authorized representative of the Contractor, make the following representations:

1. I am responsible for the fair presentation of the Contractor's financial records/reports in conformity with Generally Accepted Accounting Principles (GAAP) and have provided such records/reports accordingly to the City. I will make available to City all related data and information. I am not aware of any material transactions that have not been properly recorded and disclosed.

True  False

2. The Contractor has adopted sound accounting policies and procedures in accordance with GAAP that include procedures for maintaining internal controls, and preventing and detecting fraud and abuse.

True  False

3. I have advised and will continue to advise the City of any actions taken at meetings of Contractor's Board of Directors, and Committees of the Board of Directors which may have a material impact on Contractor's ability to perform the City's Contract.

True  False

4. Except as recorded or disclosed to you herein, I know of no instances of:

a. Conflict of interests (direct or indirect), nepotism, related (direct or indirect) party transactions including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

True  False

b. Guarantees, whether written or oral, under which the Contractor is contingently liable.

True  False

c. Actual, forthcoming or possible terminations of funding from regulatory agencies or other sources due to noncompliance, deficiencies, or for any other reason, that would affect the financial records and/or continuing viability of the Contractor as an on-going concern.

True  False

5. I have no knowledge that a board member/s is/are also an employee of this Contractor whose salary costs are reimbursed under this agreement.

True  False

6. I have no knowledge of and am not in receipt of any communication regarding allegations of fraud, suspected fraud or abuse affecting the Contractor involving management, employees who have significant roles in internal control, or others where fraud/abuse could have a material effect on the financial records or performance of the City Contract.

True  False

7. I have no knowledge of any allegations, written or oral, of misstatements or misapplication of funds in the Contractor's conduct of its financial affairs or in its financial records.

True  False

8. I am not aware of any pending litigation, bankruptcy, judgment, liens and other significant issues that may threaten the financial viability, legal and continuing existence of the Contractor.

\_\_\_\_ Owner

\_\_\_\_ Contractor

True  False

9. The Contractor has satisfactory title to all assets being used in the City’s program, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.

True  False

10. The Contractor has complied with all aspects of contractual agreements, related laws and regulations that could have a material effect on the financial records, the program/s, or on the organization as a whole.

True  False

11. I have properly reported and paid to the appropriate governmental agencies all payroll taxes due on employees’ (City program related or otherwise) compensation.

True  False

12. I have responded fully to all the City’s inquiries related to the Contractor’s financial records and/or reports.

True  False

13. I understand that the City’s auditing and monitoring procedures of Contractor are limited to those which the City determines best meet its informational needs and may not necessarily disclose all errors, irregularities, including fraud or defalcation, or illegal acts, that may exist.

True  False

14. I understand that the City audit and monitoring reports are intended solely for use by the Contractor and the other authorized parties, and are not intended for other purposes, unless otherwise required by law.

True  False

15. If one or more of the above statements is found to be false, I understand that the City may terminate this contract immediately. I also understand that I have a continuing duty to report to City any material factual change to any of these statements.

True  False

Use this space to provide any additional information:

I declare under penalty of perjury that I have read the foregoing statements and they are true and complete to the best of my knowledge.

For: \_\_\_\_\_

\_\_\_\_\_  
Signature (Person Authorized by the Board of Directors to Bind Corporation)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

\_\_\_\_\_ Owner

\_\_\_\_\_ Contractor

**EXHIBIT E****NOTICE OF PROHIBITION AGAINST RETALIATION**

An employer subject to the Living Wage Ordinance shall post in a prominent place in an area frequented by employees a copy of the below notice to employees regarding the LWO prohibition against retaliation (also available in English at [www.lacity.org/BCA/lwo\\_retaliation\\_English.pdf](http://www.lacity.org/BCA/lwo_retaliation_English.pdf) and in Spanish at [www.lacity.org/BCA/lwo\\_retaliation\\_spanish.pdf](http://www.lacity.org/BCA/lwo_retaliation_spanish.pdf). The retaliation notice must be posted by an employer even if the employer has been exempted from the LWO.

NOTICE TO EMPLOYEES  
WORKING ON CITY CONTRACTS  
RE: LIVING WAGE ORDINANCE AND  
PROHIBITION AGAINST RETALIATION

“Section 10.37.5 Retaliation Prohibited” of the Living Wage Ordinance (LWO) provides that any employer that has a contractual relationship with the City may not discharge, reduce the pay of, or discriminate against his or her employees working under the City contract for any of the following reasons:

1. Complaining to the City if your employer is not complying with the Ordinance.
2. Opposing any practice prohibited by the Ordinance.
3. Participating in proceedings related to the Ordinance, such as serving as a witness and testifying in a hearing.
4. Seeking to enforce your rights under this Ordinance by any lawful means.
5. Asserting your rights under the Ordinance.

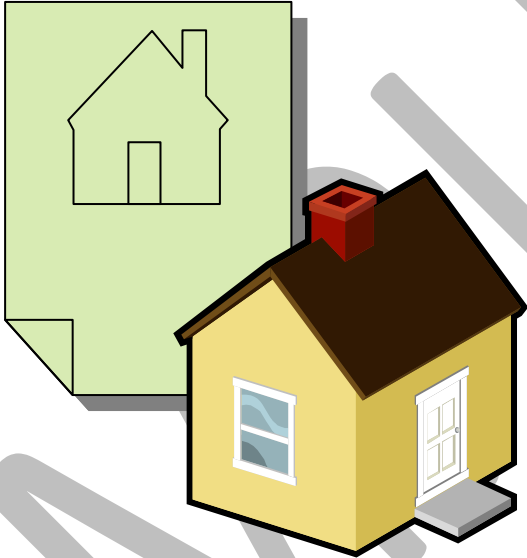
Also, you may not be fired, lose pay or be discriminated against for asking your employer questions about the Living Wage Ordinance, or asking the City about whether your employer is doing what is required under the LWO. If you are fired, lose pay, or discriminated against, you have the right to file a complaint with the Equal Employment Opportunities Enforcement Section, as well as file a claim in court.

For more information, or to obtain a complaint form, please call the Equal Employment Opportunities Enforcement Section at (213) 847-1922.

CITY OF LOS ANGELES  
Department of Public Works  
Bureau of Contract Administration  
Office of Contract Compliance  
1149 S. Broadway Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90015  
Phone: (213) 847-1922 — Fax: (213) 847-2777

Exhibit F

**CONTRACTOR'S MANUAL**  
Los Angeles Housing Department  
Neighborhood Stabilization Program



**RIGHTS AND RESPONSIBILITIES OF CONTRACTORS**

The General Contractor is responsible for completing the work identified in the contract and scope of work within the agreed-upon timeframe. Contractor is responsible for himself and his staff and subcontractors behaving in a professional manner. Contractor is also responsible for the following:

1. All bid proposals must be on required forms and must accurately reflect the scope of work, and any additional addenda of work list items.
2. All written proposals will be considered firm quotes and not price estimates.
3. The proposal must include all phases of construction that will produce a functional and attractive finished product.. In other words, all aspects of construction leading to a finished product must be included in proposals, whether expressly stated in the bid specifications or customarily assumed to be included as a logical and expected part of the work. For example, if a door is called for in the bid specifications, then it must include the jambs, header, sill, hinges, doorknob, bolt, striker, trim, painting, etc.
4. When any item, such as a light fixture, plumbing fixture, stove, etc. has to be temporarily removed and later re-installed, the cost of this work must be included in the bid. For example, if new flooring is called for in the bathroom, the installer must include the cost of removal and re-installation of the toilet in the proposal.
5. All materials must be installed according to the manufacturer's recommendations.
6. No "seconds" or inferior materials will be permitted.
7. Any materials damaged while being removed or installed will be replaced by the contractor at his own expense, if, in the opinion of the rehabilitation specialist, care or good judgment was not exercised.
8. If any work is unsatisfactory to the rehabilitation specialist, it must be done again and/or modified until satisfactory at the contractor's expense, or another contractor will complete the work and the original contracted line item price will not be paid.
9. If a tradesman hired and contracted by General Contractor accidentally harms another tradesman's work, the General Contractor will be responsible for required repairs, and the rehabilitation specialist will be notified immediately.
10. All trades must adhere to state, federal, and local codes.
11. All necessary permits must be applied for and inspections arranged by the sub-contractors and contractors.
12. All work must be accomplished in an acceptable, professional and diligent manner. The contract will specify a reasonable time for completion of a project. A project should be completed within the specified time limits in the contract with as few delays as possible. The finished product should be pleasing to the eye.
13. The general contractor is responsible for coordination of the work of all trades with other trades such as plumbing, wiring, and carpentry. Where and when it is required, General Contractor will coordinate with Lead and Asbestos Abatement contractors. All trades must comply with state, federal, and local regulations governing other trades. For example, during asbestos and lead removal, no other work can proceed on the project.
14. The Owner will choose all colors and patterns.
15. Owners must be contacted at least one day prior to the start of the work.
16. No Owner will be left without the use of facilities (bathroom, heat, kitchen, etc.) overnight, unless homeowner has agreed. (where applicable)
17. Rubbish from construction must be removed on a regular and frequent basis and should be confined to one location which is approved by the Owner. It is particularly important not to leave rubbish or any staging up at the project during any brief hiatus in the work which might be caused by delay in the delivery of materials.
18. All suggested name brands are for quality and Energy Star standards and may be substituted with LAHD-approved products of equal quality unless name brands need to be used to maintain consistency with existing materials or fixtures. This will be indicated in the specification.

The Contractor must:

1. Communicate with the Owner and the LAHD regarding status of the work during the construction period.
2. Adhere to warranty agreements and performing warranted work within the warranty period(s).
3. Notify RN:A/LAHD in writing, including justification(s) for any change orders and negotiating with RNLA/LAHD regarding the cost of such change orders and time required to complete them.
4. Complete any items identified at the final inspection prior to execution of the Certificate of Completion.
5. Make reasonable accommodation with City Code Inspectors, CMS, and RCSs regarding scheduling of inspections and completion of the work.

Contractor will be terminated from the program for the following reasons:

1. Failure to perform work in a workmanlike manner.
2. Failure to complete a contract or failure to make every attempt to fulfill the contractual obligations.
3. Failure to adhere to an established time schedule for work completion.
4. Failure to honor a bid.
5. Failure to maintain a professional working relationship with the client, RNLA and LAHD.
6. Failure to comply with all the requirements of the Rehabilitation Contract and related documents.
7. Discrimination against, or denial of employment to, any individual in the performance of any rehabilitation contract on the grounds of race, color, national origin, age, sex, sexual orientation, handicap, belief or political affiliation,
8. Collusion between the Owner, contractor or other party involving kickback or other mutual effort to fix a bid.
9. Engaging in a "side" deal with the homeowner to undertake other items of work during the time the Contractor is completing the NSP rehabilitation contract.

SAMPLE