

# SunQuest Industrial Park Project

## Community Benefits Plan

### SECTION I. PURPOSE.

The purpose of this Community Benefits Plan for the SunQuest Industrial Park Project is to provide for a concerted and coordinated effort between the City and the Developer to maximize the benefits of the Project to the Sun Valley, Arleta, and Pacoima communities. This Community Benefits Plan is agreed upon this October 25th day of 2001, by and between the Coalition and the Developer.

### SECTION II. DEFINITIONS.

As used in this Community Benefits Plan, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

“Agency” shall mean the Community Redevelopment Agency of the City of Los Angeles.

“Business User” shall mean any entity that (i) purchases land at the Site or enters into a lease agreement or similar agreement for use of space at the Site, and (ii) intends to operate or actually operates an ongoing business at Site other than development or construction of the Project.

“CBP” shall mean this Community Benefits Plan, in its entirety.

“CC&Rs” shall mean covenants, conditions, and restrictions related to the Site.

“City” shall mean the City of Los Angeles.

“Coalition” shall mean the Valley Jobs Coalition, as represented by Ron Hall, Richard Gallegos, Maria Navarro, Kathy Finn, and the Los Angeles Alliance for a New Economy (LAANE). Documents can be mailed to the Coalition c/o LAANE, 548 South Spring Street, Suite 630, Los Angeles, CA 90013. LAANE will promptly distribute Coalition documents to the named individuals.

“Developer” shall mean SunQuest Development, LLC, a California limited liability company.

“Development Agreement” shall mean an Owner Participation Agreement, Disposition and Development Agreement, purchase/sale agreement, or similar agreement regarding the Site, between the Developer and either the Agency or the City.

“Exempt Business User” shall mean any Business User that (i) owns or leases less than 15,000 square feet of space at the Site, (ii) owns or leases space at the Site under a deed, lease, or contract stating a term of lease or ownership of less than one year, (iii) actually owns or leases space at the Site for less than one year, and (iv) owns or leases space at the Site that was purchased or is being leased from another Business User.

“Low-income individuals” shall mean individuals earning less than 80% of the median income for the Primary Metropolitan Statistical Area.

“Project” shall mean (i) the development of an industrial park at the Site or (ii) construction or design of buildings, landscaping, parking facilities, and any other improvements on or to the Site.

“Sun Valley Community” shall mean U.S. Postal Service zip codes 91352 and 91331.

“Site” shall mean the approximately 33 acres located at the southwest corner of San Fernando Road and Branford Street in the City of Los Angeles, California (Assessor Parcel numbers 2629-001-001; 2629-001-003; and 2629-001-901).

### **SECTION III. TRAFFIC MANAGEMENT.**

**A. Truck Traffic.** The Developer and Business Users, as applicable, shall require that all commercial trucks that will access the Site, during construction or at any other time, shall, when within a two-city-block radius of the Site, refrain from using residential streets, such as Telfair Street or Hadden Street. If despite this requirement commercial trucks are utilizing residential streets within two city blocks of the Site, the Developer shall pay for, and the City shall install, physical barriers or other deterrents, such as visible traffic signs, to prevent or discourage commercial truck traffic on residential streets within two city blocks of the Site. If traffic signs installed under this Section are ineffective in deterring commercial truck traffic on such residential streets, the Developer shall pay for, and the City shall install, physical barriers preventing commercial truck traffic on such residential streets.

**B. Truck Idling.** The Developer and Business Users, as applicable, shall require that any commercial truck that will be on Site without moving for more than ten minutes shall have its engine turned off, rather than idling. Signs that outline this policy shall be visible wherever commercial trucks may park at the Site.

**C. Turn Lanes.** In conjunction with the Coalition, the Developer shall request that the City designate left turn lanes to access the Site from San Fernando Road and Branford Street. This request shall occur within three months of the Developer signing a Development Agreement.

**D. Incorporation into CC&Rs.** The Developer shall record CC&Rs related to the Site, and shall include in such CC&Rs provisions requiring all subsequent owners to comply with Sections III.A (first sentence only) and III.B, above.

### **SECTION IV. COMMUNITY DESIGN REVIEW.**

**A. Designs and Plans.** The Developer shall make available to the Coalition designs and plans setting forth in detail the aspects of the Project listed below. The Developer shall make available to the Coalition any designs and plans containing information on any of these aspects of the Project, including concept plans and final draft plans, as soon as such designs or plans are completed to the satisfaction of the Developer, but in any event at least two weeks prior to the Developer’s submittal of such designs and plans to the City for approval.

1. Landscape plans, depicting in detail the visual appearance of the buildings, grounds, parking lot, and all external aspects of the Site, including plants and coloration of all surfaces.
2. Plans for parking areas, describing color of pavement, methods and materials used to affect temperature, drainage, maintenance, and irrigation systems for trees, plants, or other vegetation.
3. Design of buildings and surrounding grounds, including lighting, ventilation and irrigation systems.
4. Drainage plans, including both on-site and off-site drainage.
5. Traffic routing plans, describing entrances and exits, parking areas, loading docks, and so forth.
6. Maintenance plans for all external areas and surfaces at the Site, including trees and other landscaping elements.

**B. Community Design Review.** Within two weeks after any designs or plans are made available to the Coalition and prior to the Developer's submittal of such designs and plans to the City for approval, there shall be a meeting or meetings between the Developer and the Coalition to discuss the designs or plans in question if the Coalition so requests. Representatives from relevant City departments may be invited by the Coalition to attend these meetings. At these meetings, the Coalition may provide to the Developer recommendations on how to meet the design components including, but not limited to, those described in Section IV.C, below. Although the Coalition has no right to reject the designs or plans in question, the Developer must adequately meet the design criteria listed in Section IV.C, below.

**C. Design Components.** The Developer shall incorporate the following components and requirements into the design of the relevant aspects of the Project.

1. **Mitigation Measures.** Developer shall take all mitigation measures required in the Mitigated Negative Declaration for the Project (No. MND-1999-3266-GPA/ZC(SCR)(SUB)).
2. **Storm Drainage.** The Project shall be designed to ensure storm drainage adequate to prevent any runoff from the Site to surrounding streets.
3. **Landscaping.** The Developer shall incorporate landscaping elements, irrigation elements, and trees as required in the Mitigated Negative Declaration for the Project (No. MND-1999-3266-GPA/ZC(SCR)(SUB)). The Project shall be designed so as to ensure adequate irrigation and soil for the health of trees, shrubs, and other ground cover. The Developer shall develop and implement a maintenance plan adequate to maintain the health and appearance of all landscaping elements.
4. **Lot coverage.** The Developer shall ensure that no part of the Site shall have as its visible surface bare dirt, except during periods of active construction or landscaping.
5. **Truck Routing.** The Project shall be designed so as to discourage commercial trucks from utilizing Telfair Street north of Branford Street to access the Site. The Project shall not incorporate an entrance from or an exit to Telfair Street north of Branford Street.
6. **Avoidance of Heat Islands.** The Project shall be designed so as to minimize the "heat island" effect by designing roof and parking lot surfaces in a light color.

7. **Avoidance of Vehicular Gas Inhalation.** The Project shall be designed and operated so as to minimize workers' exposure to smoke inhalation created by commercial trucks congregating at the Site. This shall be done by installing air curtains at doors that are in direct contact with potential sources of smoke inhalation.

## **SECTION V. NEIGHBORHOOD IMPROVEMENT FUND.**

Prior to any construction of any buildings on the Site (excluding any grading activities and soil gas mitigation system installation), the Developer shall provide to the City \$150,000 for the purpose of financing neighborhood improvement projects in the Sun Valley Community. Within one year of receipt of such funds, the City shall spend at least \$300,000 on neighborhood improvement projects in the Sun Valley Community. Examples of neighborhood improvement projects include new sidewalks, new street lights, improved storm drains, and new bus shelters adequate to shelter all employees from the Site who use public transportation. Bus shelters must be adequate to fully protect users from the elements. The City shall not use these funds for any neighborhood improvement projects that the Coalition has not approved in advance. In conjunction with the Coalition, the City shall establish a process to receive community input regarding the particular improvements to be provided. The Developer shall not be responsible with respect to how the City spends the funds or with respect to the City's funding obligation.

## **SECTION VI. PUBLIC ART FUND.**

The Developer shall satisfy City Administrative Code Division 19, Chapter 6, Article 2 (the "Public Works Improvement Arts Program"), by making direct expenditures on approved public art, pursuant to City Administrative Code Section 19.85.4. If the City's Board of Cultural Affairs Commissioners grants the requisite approval, such expenditures shall be for arts programs agreed upon by the Developer and the Coalition, for students at the following seven schools within the Sun Valley Community:

- Poly High School;
- San Fernando High School;
- Richard Byrd Middle School;
- Pacoima Middle School;
- Montague Charter Academy;
- Venna Elementary School; and
- Fernangeles Elementary School

If the City's Board of Cultural Affairs Commissioners does not grant approval for compliance with the Public Works Improvement Arts Program through expenditures for such school arts programs, expenditures shall be for an art project or several art projects agreed upon by the Developer and the Coalition, and approved by the City's Board of Cultural Affairs Commissioners. Expenditures pursuant to this Section VI shall be made in full prior to completion of construction of any building on the Site (excluding any grading activities and soil gas mitigation system installation), as evidenced by the issuance of a temporary or permanent certificate of occupancy or similar certificate for any building on the Site. Compliance with the Public Works Improvement Arts Program through expenditures described in this Section VI shall constitute complete compliance by the Developer with the Public Works Improvement Arts Program. The Developer shall fund an art project or art projects as described in this section and in the Public Works Improvement Arts Program, regardless of whether or not the City requires the Developer to comply with the Public Works Improvement Arts Program.

## **SECTION VII. YOUTH CENTER.**

The Developer agrees to provide facilities for a youth center in the Sun Valley Community for the purpose of providing accessible and quality recreational opportunities to youths in the Sun Valley Community. The Developer shall provide free of charge (i) a building shell for the Youth Center, totaling at least 4,000 square feet of indoor space and (ii) at least 10,000 square feet of outdoor space. The Developer agrees to provide plumbing, electrical, lighting, bathrooms and other basic infrastructure in the above described building shell. The Developer is not required to construct walls or other structural divisions within the building. The Developer agrees to pave sections of the outside space as needed and install recreational equipment identified by the Coalition, such as basketball courts. The Youth Center will have reasonable public access and will be open to the public.

The Developer shall purchase the land and pay all costs reasonably necessary to build the building shell for this purpose. The Developer shall then convey the land and facilities to the City free of charge, within 90 days of the issuance of a certificate of occupancy or similar certificate for any part of the Site. The City will then allow use of the facilities as a Youth Center, charging as rent only the amounts used for maintenance of the facilities.

The Youth Center shall be operated by the City or by an experienced, non-profit, community-oriented organization, selected by the City. This selection must be approved by the Coalition. The Youth Center shall serve residents of the Sun Valley Community, without any cost to users. The Coalition will assist the Youth Center in fundraising and other efforts to maintain quality of facilities.

Except for the purchase of the land, the construction of the building shell, and the conveyance of such to the City, each as described in this Section VII, the Developer shall have no other obligations with respect to the Youth Center.

## **SECTION VIII. LIVING WAGES.**

**A. Seventy Percent Living Wage Proportion.** The Developer shall make all reasonable efforts to maximize the number of living wage jobs at the Site. The Developer and the Coalition agree that on the first date that all Business Users have commenced operation at the Site, at least 70% of the jobs at the Site will be living wage jobs, as defined below. The Developer and the Coalition agree that this is a reasonable requirement in light of all of the circumstances. No provision of this Section VIII shall apply to Exempt Business Users or employment by Exempt Business Users.

**B. Meet and Confer.** If Developer anticipates difficulty meeting the 70% requirement, Developer shall, prior to entering into transactions or agreements which would preclude meeting the 70% requirement, meet and confer with the Coalition to determine mutually agreeable additional steps which can be taken to meet the 70% requirement.

**C. Default and Remedy.** Notwithstanding any other provision of this Section VIII, the Developer's failure to meet the above-mentioned 70% requirement shall not be a breach or default under this CBP or the Development Agreement. If on the first date that all Business Users have commenced operation at the Site, at least 70% of the jobs at the Site are *not* living wage jobs as defined below, the Developer shall be liable to the Coalition for a one-time payment of liquidated damages in the amount of \$50,000. This one-time payment of \$50,000 shall be the

only liability that Developer shall have regarding the 70% requirement. Money paid by the Developer to the Coalition shall be forwarded by the Coalition to appropriate nonprofit organizations for use for job training of Low-Income Individuals residing in the Sun Valley Community.

**D. Calculation of Living Wage Proportion.** For purposes of determining the percentage of living wage jobs at the Site, the following jobs shall be considered living wage jobs:

- jobs covered by the City's Living Wage Ordinance;
- jobs for which the employee is paid on a salaried basis at least \$16,619.20 per year if the employee is provided with employer-sponsored health insurance, or \$19,219.20 per year otherwise (these amounts will be adjusted in concert with cost-of-living adjustments to wages required under the City's Living Wage Ordinance);
- jobs for which the employee is paid at least \$7.99 per hour if the worker is provided with employer-sponsored health insurance, or \$9.24 per hour otherwise (these amounts will be adjusted in concert with cost-of-living adjustments to wages required under the City's Living Wage Ordinance); and
- jobs covered by a collective bargaining agreement.

The percentage of living wage jobs at the Site will be calculated as the number of on-Site jobs falling into any of the above four categories, divided by the total number of on-Site jobs. Jobs with Exempt Business Users shall not be considered in this calculation.

**E. Selection of Business Users.**

**1. Developer Notifies Coalition Before Selecting Business Users.** At least 45 days prior to executing (i) any lease agreement or contract related to the rental, lease, or occupancy of the entirety of or any portion of the Site, or (ii) any deed conveying title to the entirety of or any portion of the Site, the Developer shall:

- a. notify the Coalition that the Developer is considering executing such a lease agreement, contract or deed;
- b. notify the Coalition of the identity of any prospective Business User; and
- c. if the Coalition so requests, meet with the Coalition regarding the prospective Business User's impact on the 70% living wage requirement.

If exigent circumstances so require, notice may be given less than 45 days prior to executing such a lease agreement, contract, or deed; however, in such cases the Developer shall at the earliest possible date give the Coalition notice of the identity of any prospective Business User, and, if the Coalition requests a meeting, the meeting shall occur on the earliest possible date and shall in any event occur prior to execution of the lease agreement, contract, or deed in question.

**2. Coalition Meeting with Prospective Business Users.** At least 30 days prior to executing (i) any lease agreement or contract related to the rental, lease, or occupancy of the entirety of or any portion of the Site, or (ii) any deed conveying title to the entirety of or any portion of the Site, the Developer shall arrange and attend a meeting between the Coalition and any prospective Business User, if the Coalition so requests. At such a meeting, the Coalition and the Developer will discuss with the prospective Business User the Site's living wage proportion, available incentives to pay living wages, available assistance in providing health insurance to employees, and related matters. If exigent circumstances so require, such a meeting may occur less than 30 days prior to executing such a lease agreement, contract, or deed; however, in such cases the meeting shall be scheduled to occur on the earliest possible date and shall in any event

occur prior to execution of the lease agreement, contract, or deed in question. The Developer shall not execute any such lease agreement, contract, or deed with any prospective Business User that has not offered to meet with the Coalition and the Developer regarding these issues prior to execution of the lease agreement, contract, or deed in question.

#### **SECTION IX. SECURITY.**

The Developer agrees that it will provide adequate private security for the Site during construction and that it will minimize reliance on public police resources.

#### **SECTION X. COMMUNITY OVERSIGHT COMMITTEE.**

A Community Oversight Committee (the "Committee") will be composed of representatives from each organization currently comprising the Coalition, as well as interested representatives from other nonprofit organizations located in the Sun Valley Community. If requested by the Committee, the Developer and the City shall meet with the Committee on a quarterly basis until the completion of construction at the Site, and on a semiannual basis thereafter. At such meetings, all parties will engage in a cooperative effort to develop strategies for successful implementation of the policies and programs set forth in this CBP. Upon request by the City or by the Committee, the Developer shall provide to the requesting party access to the portion of the Site owned by the Developer (but not within the buildings themselves), during normal business hours, to enable the requesting party to monitor implementation of this CBP. The Developer shall provide information to the Committee reasonably sufficient to enable the City and the Committee to monitor implementation of all sections of this CBP.

#### **SECTION XI. MONITORING AND ENFORCEMENT.**

**A. Reports.** The Developer shall prepare detailed quarterly reports on the implementation of all sections of this CBP during construction at the Site. These reports shall be provided to the City and the Coalition.

**B. Enforcement by City.** The City shall investigate complaints relating to implementation of this CBP. The Developer shall cooperate fully and promptly with any such investigation, and shall make available to the City all requested records and information the City reasonably deems relevant to monitoring the implementation of this CBP. If the City determines that the provisions of this CBP are not being followed, it will engage in a good-faith effort to hear all sides and to negotiate a resolution. If the City cannot negotiate a resolution within a reasonable period of time, the City may pursue any available legal remedies, including but not limited to any or all of the following penalties and relief:

(1) A legal action to enforce this CBP and/or any term or covenant thereof. The court shall award reasonable attorneys' fees and costs to the prevailing party in an action enforcing or interpreting the requirements of this CBP.

(2) A declaration of ineligibility for future City contracts and/or redevelopment agreements with the Agency until penalties and restitution have been paid in full.

Nothing in this Subsection XI.B shall derogate or limit the rights of the parties to this CBP to enforce this CBP through pursuit of any available legal or equitable remedies.

**C. Injunctive Relief.** This CBP may be the basis for a request for injunctive relief with respect to performance of any term of this CBP. The parties hereto agree that money damages may not be an adequate remedy for any breach (or threatened breach) of this CBP, and agree that this CBP may be enforced by an application for a preliminary or permanent injunction, by a decree of specific performance, or other such order or decree of a court of competent jurisdiction. The agreed remedies set forth in this subsection XI.C shall not be construed to limit or derogate any legal or equitable remedy authorized by applicable law or a court's ability to determine facts, weigh evidence, and exercise its own discretion with respect to enforcement of any term or condition of this CBP.

## **SECTION XII. MISCELLANEOUS LEGAL PROVISIONS.**

### **A. Inclusion of Attachment A, in Leases, Contracts, Purchase Agreements, and CC&Rs.**

**1. Lease Agreements and Contracts.** The Developer shall not execute any lease agreement or contract related to the rental, lease, or occupancy of the entirety of or any portion of the Site unless Attachment A hereto, "First Source Hiring and Traffic Management Policy," is included as a material term of the lease agreement or contract in question.

**2. Purchase Agreements.** The Developer shall not execute any deed conveying title to the entirety of or any portion of the Site, unless (i) the Developer and the entity receiving title have executed a purchase agreement governing conveyance of title, and (ii) that purchase agreement includes as a material term, binding on the entity receiving title, Attachment A hereto, "First Source Hiring and Traffic Management Policy."

**3. CC&Rs.** The Developer shall record CC&Rs related to the Site, and the Developer shall include in such CC&Rs provisions requiring Business Users to comply with all terms of Attachment A.

**4. All-Tex, Inc.** Notwithstanding any provisions of this Section XII.A, the Developer shall not be required to include Attachment A in any agreement, contract or purchase agreement between the Developer and All-Tex, Inc., a California corporation ("All-Tex"), nor shall the CC&Rs include Attachment A with respect to any portion of the Site purchased by All-Tex; provided, however, the Developer will use its reasonable efforts to require that Attachment A shall apply to any agreement or contract between the Developer and All-Tex. The Developer shall not convey title to more than eight acres of land at the Site to All-Tex (calculated at one acre per 43,500 square feet); any leases, contracts, or deeds executed between All-Tex and the Developer for real estate bringing the total land owned by All-Tex at the Site to an amount in excess of eight acres shall be subject to Sections XII.A.1, XII.A.2, and XII.A.3.

**5. Developer Assurance Regarding Preexisting Contracts.** Developer warrants and represents that as of the date of mutual execution of this CBP, it has executed no lease agreement, contract, or purchase agreement that would violate any provision of this Section XII.A had it been executed after the date of mutual execution of this CBP.

**B. Compliance with State and Federal Law.** This CBP shall only be enforced to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this CBP is held by a court of law to be in conflict with state or federal law, the



applicable law shall prevail over the terms of this CBP, and the conflicting provisions of this CBP shall not be enforceable.

**C. Severability Clause.** If any term, provision, covenant, or condition of this CBP is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

**D. Binding on Successors.**

1. This CBP shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of each of the parties hereto. Any reference in this CBP to a specifically named party shall be deemed to apply to any successor in interest, heir, administrator, executor, or assign of such party.

2. Notwithstanding Section XII.D.1, so long as the Developer holds fee title to any portion of the Site, the following provisions of this CBP (the “Developer Retained Obligations”) shall remain the sole obligation of the Developer and shall not be binding on any successor owner of fee title to any portion of the Site (unless such successor owner specifically assumes such obligations in a binding agreement with the Developer) and, except as set forth below, shall not be covenants that run with the land:

- Section III.A. (second and third sentences) (“Traffic Management”);
- Section V (“Neighborhood Improvement Fund”);
- Section VI (“Public Art Fund”);
- Section VII (“Youth Center”);
- Section VIII (“Living Wages”);
- Section X (“Community Oversight Committee”); and
- Section XI.A (“Reports”).

3. Notwithstanding Section XII.D.2, if a successor owner of fee title to any portion of the Site is not a Business User, then Section X and Section XI.A of this CBP shall be binding upon that successor owner, and shall be covenants that run with the land with respect to the portion of the Site owned by such successor owner.

4. Notwithstanding Section XII.D.2, upon execution of a deed conveying fee title to the entirety of or to all of the remaining portion of the Site owned by the Developer, any Developer Retained Obligations that have not been satisfied by the Developer shall be binding on the entity receiving fee title to the portion of the Site conveyed in such deed, and the unsatisfied Developer Retained Obligations shall be covenants that run with the land with respect to such portion of the Site.

**E. Intended Beneficiaries.** The City is an intended third-party beneficiary of contracts and other agreements which incorporate this CBP, with regard to the terms of this CBP. The City shall therefore have the right to enforce the provisions of this CBP against all parties incorporating this CBP into contracts or other agreements.

**F. Material Terms.** The provisions of this CBP are material terms of the Development Agreement for the SunQuest Industrial Park Project. The Provisions of this CBP are material terms of any deed, lease, or contract in which it is included.

**G. Covenants Run with Land.** Except as otherwise specifically set forth in Section XII.D.2, the provisions of this CBP are covenants that run with the land and bind all grantees, lessees, or other transferees thereto for the benefit of and in favor of the City.

**H. Term.**

1. Section XI (“Monitoring and Enforcement”), and Section XII (“Miscellaneous Legal Provisions”) of this CBP shall become effective on the date of mutual execution of this CBP, and shall remain in effect until seven years from the date that the City conveys to the Developer fee title to any of the City-owned land at the Site. However, if, prior to the City executing a purchase agreement or similar agreement regarding conveyance to the Developer of fee title to any City-owned land at the Site, the Developer provides written notification to the Coalition that the Developer has terminated its negotiations with the City to purchase the City-owned land at the Site, then Section XI and Section XII of this CBP shall immediately terminate and be of no further force and effect, unless and until the City, within six months of the date of mutual execution of this CBP, executes a purchase agreement or similar agreement for the purchase by the Developer of fee title to any City-owned land at the Site. The Developer shall not, within three months of providing notification to the Coalition that it has terminated negotiations with the City, execute a purchase agreement or similar agreement for the purchase by the Developer of fee title to any City-owned land at the Site, unless the Coalition provides written consent for the Developer to execute such purchase agreement or similar agreement.

2. Except as set forth in Section XII.H.1 above, provisions of this CBP shall become effective on the date that the City conveys to the Developer fee title to any of the City-owned land at the Site, and shall remain effective until seven years from that date.

**I. Correspondence.** All correspondence shall be in writing and shall be addressed to the affected parties at the addresses set forth below. A party may change its address by giving notice in compliance with this subsection XII.I. The addresses of the parties are:

a. If to Developer:

Attn: Randall Roth  
SunQuest Development, LLC.  
15477 Ventura Boulevard, Suite 303  
Sherman Oaks, California 91403

with a copy to:

William S. Waller  
Pillsbury Winthrop, LLP  
725 South Figueroa Street, Suite 2800  
Los Angeles, CA 90017-5406

b. If to Coalition:

Madeline Janis-Aparicio  
Los Angeles Alliance for a New Economy  
548 South Spring Street, Suite 630  
Los Angeles, CA 90013

with copies to:

Richard Gallegos  
Pacoima Beautiful  
11243 Glenoaks Blvd., Suite 3  
Pacoima, CA 91331

Julian Gross  
Attorney at Law  
Post Office Box 460309  
San Francisco, CA 94146

**J. Waiver.** The waiver of any provision or term of this CBP shall not be deemed as a waiver of any other provision or term of this CBP. The mere passage of time, or failure to act upon a breach, shall not be deemed as a waiver of any provision or term of this CBP.

**K. Construction.** Each of the parties has been represented by counsel in the negotiation and drafting of this CBP. Accordingly, this CBP shall not be strictly construed against any party, and the rule of construction that any ambiguities be resolved against the drafting party shall not apply to this CBP.

**L. Entire Agreement.** This CBP contains the entire agreement between the parties and supersedes any prior agreements, whether written or oral.

**M. Amendments.** This CBP may not be altered, amended or modified, except by an instrument in writing signed by the parties.

**N. Authority of Signatories.** The individuals executing this CBP represent and warrant that they have the authority to sign on behalf of the respective parties.

**O. Release of Developer's Liability.** The Developer shall have no liability for any breach of this CBP by (i) a Business User, if the Developer has fully complied with Section XII.A with regard to all leases, contracts, purchase agreements, and similar agreements between the Developer and that Business User and (ii) a successor owner, if the Developer has fully complied with provisions of Section XII.A with regard to conveyances of land to that successor owner.

**P. Cooperation.** From and after the date of mutual execution of this CBP, the Coalition shall not make statements in the media, in public forums, to public officials or their staffs, or to community groups or other organizations, opposing the City's sale to the Developer of City-owned land at the Site, or opposing approvals related to the Site. Obligations of the Coalition under this Section XII.P shall be obligations only of Coalition member organizations signing this CBP, and of individuals who are paid staff members or members of the Board of Directors of such organizations when such individuals are speaking or acting in the capacity of members of such organizations.

**Q. Estoppel Certificate.** The Developer may at any time request from the Coalition an estoppel certificate pertaining to any provision of this CBP that the Developer reasonably believes has been satisfied. Such request shall be in writing and shall be sent by U.S. Mail as described in Section XII.I ("Correspondence"). Such request shall identify with particularity the provision or provisions that the Developer believes has been satisfied. If the Developer has not received a response from the Coalition in writing within twenty days of having sent the request, the Developer shall notify by telephone the Executive Director of the Los Angeles Alliance for a New Economy (213-486-9880) that a request for an estoppel certificate has been sent. If the Coalition has not responded in writing to the request within 30 days of the Coalition's receipt of the original request, the provision or provisions of the CBP to which the request pertained shall be deemed to have been satisfied by the Developer. The Coalition will not unreasonably withhold or delay provision of a written estoppel certificate.

## **Attachment A**

## SUNQUEST INDUSTRIAL PARK PROJECT

# First Source Hiring and Traffic Management Policy

### SECTION I. PURPOSE

The purpose of this First Source Hiring and Traffic Management Policy is to (a) provide qualified, low-income individuals the opportunity to interview for job openings in the SunQuest Industrial Park Project and (b) manage certain commercial truck uses at the SunQuest Industrial Park Project.

### SECTION II. DEFINITIONS

As used in this First Source Hiring and Traffic Management Policy, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

“Agency” shall mean the Community Redevelopment Agency of the City of Los Angeles.

“Business User” shall mean any entity that (i) purchases land at the Site or enters into a lease agreement or similar agreement for use of space at the Site, and (ii) intends to operate or actually operates an ongoing business at Site other than development or construction of the Project.

“CBP” shall mean this Community Benefits Plan, in its entirety.

“City” shall mean the City of Los Angeles.

“Coalition” shall mean the Valley Jobs Coalition, as represented by Ron Hall, Richard Gallegos, Maria Navarro, Kathy Finn, and the Los Angeles Alliance for a New Economy (LAANE). Documents can be mailed to the Coalition c/o LAANE, 548 South Spring Street, Suite 630, Los Angeles, CA 90013. LAANE will promptly distribute Coalition documents to the named individuals.

“Developer” shall mean SunQuest Development, LLC, a California limited liability company.

“Exempt Business User” shall mean any Business User that (i) owns or leases less than 15,000 square feet of space at the Site, (ii) owns or leases space at the Site under a deed, lease, or contract stating a term of lease or ownership of less than one year, (iii) actually owns or leases space at the Site for less than one year, and (iv) owns or leases space at the Site that was purchased or is being leased from another Business User.

“Low-income individuals” shall mean individuals earning less than 80% of the median income for the Primary Metropolitan Statistical Area.

“Project” shall mean (i) the development of an industrial park at the Site or (ii) construction or design of buildings, landscaping, parking facilities, and any other improvements on or to the Site.

“Sun Valley Community” shall mean U.S. Postal Service zip codes 91352 and 91331.

“Site” shall mean the approximately 33 acres located at the southwest corner of San Fernando Road and Branford Street in the City of Los Angeles, California (Assessor Parcel numbers 2629-001-001; 2629-001-003; and 2629-001-901).

### **SECTION III. FIRST SOURCE HIRING RESPONSIBILITIES.**

**A. Coverage.** Business Users shall abide by the requirements set forth in this Section III for hiring for any jobs for which at least 50% of the work hours are to be performed at the Site. Notwithstanding any provisions of this Section III, Business Users may at all times consider applicants referred or recruited through any source. Requirements of this Section III do not apply to construction jobs or to jobs for which hiring procedures are governed by a collective bargaining agreement which conflicts with the terms of this Section III. Requirements of this Section III do not apply to any Exempt Business User.

#### **B. Initial Hiring.**

**1. Notification of job opportunities.** At least 30 days prior to hiring for any jobs that will be created as part of a Business User’s initial commencement of operations at the Site, the Business User shall collaborate with the Coalition, the Developer and the organizations listed in Section III.C.1, below, to send by mail a notification of upcoming job opportunities, containing the approximate number and type of jobs that will need to be filled, the basic qualifications necessary, and contact information for obtaining further information and for applying for jobs. The Coalition will design the mailing and will assist Business Users in identifying appropriate job training opportunities. This mailing will go to all households within a one-mile radius of the Site. The Developer will provide to Business Users mailing labels for this purpose. The organizations listed below in Section III.C.1 will, as quickly as possible, refer to Business Users, job applicants who meet stated qualifications.

**2. Pre-opening Meetings.** The Developer shall encourage each Business User to attend at least one meeting with the Coalition and/or the organizations listed below in Section III.C.1, to be held at least three months prior to that Business User’s commencement of operations at the Site. Such meetings will serve to distribute general information on job training needs at the Site. If exigent circumstances so require, this meeting may be held less than three months prior to a Business User’s commencement of operations; however, in such cases the Developer shall encourage the Business User to attend the meeting on the earliest possible date and, in any event, at least 30 days prior to that Business User’s commencement of operations.

#### **C. Ongoing Hiring.**

**1.** After a Business User has commenced operations at the Site, that Business User shall provide job announcements for all hiring by mail and facsimile to the following organizations at least two days before the announcements are released to any other source. Business Users shall promptly consider all applicants meeting the Business Users’ qualifications referred by these organizations, even if job announcements have not yet been released to other sources. Job announcements shall include all qualifications required for the jobs in question.

- a. Sun Valley One-Stop
- b. Pacoima Workforce Initiative
- c. Chrysalis
- d. Employment Development Department

2. When choosing among job applicants meeting the qualifications listed on the job announcement provided under Section III.C.1, above, Business Users shall prefer applicants in the following categories, as prioritized below:

- a. First priority: Low-income individuals living within a one-mile radius of the Site.
- b. Second Priority: Low-Income individuals referred by one of the organizations listed in Section III.C.1, above.
- c. Third Priority: Low-income individuals residing in U.S. Postal Service zip codes 91352 and 91331.

#### **SECTION IV. TRAFFIC MANAGEMENT.**

**A. Truck Traffic.** Business Users shall require that all commercial trucks that will access Business User's facilities at the Site shall, when within a two-block radius of the Site, refrain from using residential streets, such as Telfair Street or Hadden Street.

**B. Truck Idling.** Business Users shall require that any commercial truck accessing Business User's facilities at the Site without moving for more than ten minutes shall have its engine turned off, rather than idling. Signs that outline this policy shall be visible wherever commercial trucks may park on Business User's portion of the Site.

#### **SECTION V. MISCELLANEOUS LEGAL PROVISIONS.**

**A. Inclusion of Attachment A, in Leases, Contracts, and Purchase Agreements.**

1. **Lease Agreements and Contracts.** Business Users shall not execute any lease agreement or contract related to the rental, lease, or occupancy of the entirety of or any portion of the Site unless compliance with the entirety of this First Source Hiring and Traffic Management Policy, is included as a material term of the lease agreement or contract in question.

2. **Purchase Agreements.** Business Users shall not execute any deed conveying title to the entirety of or any portion of the Site, unless (i) the Business User and the entity receiving title have executed a purchase agreement governing conveyance of title, and (ii) that purchase agreement includes as a material term, binding on the entity receiving title, this First Source Hiring and Traffic Management Policy.

**B. Monitoring and Enforcement.** The City shall investigate complaints relating to implementation of this First Source Hiring and Traffic Management Policy. Business Users shall cooperate fully and promptly with any such investigation, and shall make available to the City all requested records and information the City reasonably deems relevant to monitoring the implementation of this First Source Hiring and Traffic Management Policy. If so requested,

Business Users shall attend meetings with a Community Oversight Committee (the “Committee”) composed of representatives from each organization currently comprising the Coalition, as well as interested representatives from other nonprofit organizations located in the Sun Valley Community. Such meetings will be held no more frequently than on a semiannual basis. At such meetings, all parties will engage in a cooperative effort to develop strategies for successful implementation of this First Source Hiring and Traffic Management Policy. Upon request by the City or by the Committee, Business Users, with respect to their individual ownership or leasing interest in the Site, shall provide to the requesting party access to the Site (but not within the buildings themselves), during normal business hours, to enable the requesting party to monitor implementation of this First Source Hiring and Traffic Management Policy. If the City determines that the provisions of this First Source Hiring and Traffic Management Policy are not being followed, it will engage in a good-faith effort to hear all sides and to negotiate a resolution. If the City cannot negotiate a resolution within a reasonable period of time, the City may pursue any available legal remedies, including but not limited to any or all of the following penalties and relief:

(1) A legal action to enforce this First Source Hiring and Traffic Management Policy and any term or covenant thereof. The court shall award reasonable attorneys’ fees and costs to the prevailing party in an action enforcing or interpreting the requirements of this First Source Hiring and Traffic Management Policy.

(2) A declaration of ineligibility for award of future City contracts and/or participation in future redevelopment projects with the Agency until penalties and restitution have been paid in full.

Nothing in this Subsection V.B shall derogate or limit the rights of the parties to this First Source Hiring and Traffic Management Policy to enforce this First Source Hiring and Traffic Management Policy through pursuit of any available legal or equitable remedies.

**C. Compliance with State and Federal Law.** This First Source Hiring and Traffic Management Policy shall only be enforced to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this First Source Hiring and Traffic Management Policy is held by a court of law to be in conflict with state or federal law, the applicable law shall prevail over the terms of this First Source Hiring and Traffic Management Policy, and the conflicting provisions of this First Source Hiring and Traffic Management Policy shall not be enforceable.

**D. Compliance with Court Order.** Notwithstanding the provisions of this First Source Hiring and Traffic Management Policy, a Business User shall be deemed to be in compliance with Section III of this First Source Hiring and Traffic Management Policy if bound by a court or administrative order or decree, arising from a labor relations dispute, which governs the hiring of workers and the provisions of which conflict with terms of this First Source Hiring and Traffic Management Policy.

**E. Severability Clause.** If any term, provision, covenant, or condition of this First Source Hiring and Traffic Management Policy is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

**F. Binding on Successors.** This First Source Hiring and Traffic Management Policy shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of any party executing a lease agreement, contract, or purchase agreement of which this First Source Hiring and Traffic Management Policy is a term. Any reference in this First Source Hiring and Traffic Management Policy to a specifically named party shall be deemed to apply to any successor in interest, heir, administrator, executor, or assign of such party.

**G. Intended Beneficiaries.** The City is an intended third-party beneficiary of lease agreements, contracts and purchase agreements that incorporate this First Source Hiring and Traffic Management Policy, with regard to the terms of this First Source Hiring and Traffic Management Policy. The City shall therefore have the right to enforce the provisions of this First Source Hiring and Traffic Management Policy against any party executing a lease agreement, contract, or purchase agreement of which this First Source Hiring and Traffic Management Policy is a term.

**H. Material Terms.** The provisions of this First Source Hiring and Traffic Management Policy are material terms of any lease agreement, contract, or purchase agreement in which it is included.

**I. Covenants Run with Land.** The provisions of this First Source Hiring and Traffic Management Policy are covenants that run with the land and bind all grantees, lessees, or other transferees thereto for the benefit of and in favor of the City.

**J. Construction.** Each of the parties has had full and fair opportunity for counsel to review this First Source Hiring and Traffic Management Policy. Accordingly, this First Source Hiring and Traffic Management Policy shall not be strictly construed against any party, and the rule of construction that any ambiguities be resolved against the drafting party shall not apply to this First Source Hiring and Traffic Management Policy.

**I. Term.** This First Source Hiring and Traffic Management Policy shall be effective with regard to any Business User from the date of execution by that Business User of any lease agreement, contract, purchase agreement, or similar agreement of which this First Source Hiring and Traffic Management Policy is a term, and shall remain in effect until seven years from the date that the City conveys to the Developer fee title to any of the City-owned land at the Site.



IN WITNESS WHEREOF, the parties hereto caused this Community Benefits Plan to be duly executed by their respective authorized officers.

Dated: \_\_\_\_\_

SunQuest Development, LLC,  
a California limited liability company

By: Roth Properties, LLC, a California limited liability  
company, its managing member

By: Roth Properties, Inc., a California  
corporation, its sole member

By: \_\_\_\_\_  
Randall Roth, its President.

Dated: \_\_\_\_\_

**The Valley Jobs Coalition, including:**

Los Angeles Alliance for a New Economy, a California  
Nonprofit Corporation

By: \_\_\_\_\_  
Madeline Janis-Aparicio  
Executive Director

Sun Valley Neighborhood Improvement Association, a  
California Nonprofit Corporation

By: \_\_\_\_\_  
Ron Hall  
Director

Pacoima Beautiful, a California Nonprofit Corporation

By: \_\_\_\_\_  
Marlene Grossman  
Executive Director

United Food and Commercial Workers, Local 770,  
chartered by the United Food & Commercial Workers  
International Union, AFL-CIO-CLC

By: \_\_\_\_\_  
Kathy Finn  
Coordinator of Collective Bargaining