

CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,
COUNCIL/PUBLIC SERVICES DIVISION
ROOM 395, CITY HALL

DATE: January 25, 2011

FROM (DEPARTMENT): Office of the City Clerk / ASD / SAS / B.I.D. Unit

CONTACT PERSON: Paul Makowski PHONE: 213-978-1125

CONTRACT NO.: 0-118452

COUNCIL FILE NO.: 10-0154

ADOPTED BY COUNCIL: 4/9/2010
DATE

APPROVED BY BPW: _____
DATE

- NEW CONTRACT
- AMENDMENT NO. _____
- ADDENDUM NO. _____
- SUPPLEMENTAL NO. _____
- CHANGE ORDER NO. _____

CONTRACTOR NAME: Civitas Advisors, Inc.

TERM OF CONTRACT: Date of Attestation THROUGH: May 1, 2013

TOTAL AMOUNT: \$80,000

PURPOSE OF CONTRACT:

To provide consultant services for the feasibility and formation of a Business Improvement District within the Echo Park area of the City of Los Angeles.

AGREEMENT TO FUND SERVICES FOR
BUSINESS IMPROVEMENT DISTRICT (BID) ESTABLISHMENT ACTIVITIES

AGREEMENT NO. _____

This Agreement ("AGREEMENT") is entered into by and between the CITY OF LOS ANGELES, a municipal corporation of the State of California ("CITY"), and CIVITAS, an economic development consultant ("CONSULTANT"), for services associated with the proposed establishment of the Echo Park Business Improvement District ("BID"), with reference to the following facts:

RECITALS

- A. On April 9, 2010, the City Council (Council File No. 10-0154) authorized the expenditure of up to \$40,000 from the Business Improvement District Trust Fund No. 659 ("Fund"), and \$40,000 from the Echo Park Chamber of Commerce or other entity as matching funds for activities related to the establishment of the Echo Park Business Improvement District in Council Districts 1 and 13.
- B. On April 9, 2010, the City Council authorized the CITY CLERK to prepare, execute, and administer a contract between CITY and CONSULTANT (Council File No. 10-0154).
- C. On November 23, 2010, the Echo Park Evaluation Committee selected CIVITAS to provide consulting services for the formation of the Echo Park Business Improvement District
- D. The CITY CLERK, as administrator of the Fund and as authorized by City Ordinance No. 171,094, is responsible for preparing the documents required to access the Fund, including this AGREEMENT.
- E. CONSULTANT understands that the CITY CLERK will seek input from representatives of the Council District and POTENTIAL ASSESSEES regarding CONSULTANT'S performance under this AGREEMENT.

DEFINITIONS

For purposes of this AGREEMENT, except as otherwise expressly provided or unless the context requires:

- A. "ADMINISTRATION CONTRACT" means a contract between the CITY of Los Angeles and the non-profit organization approved by CITY Council to provide services to the BID if the proposed ECHO PARK BID is established by CITY.
- B. "ASSESSMENT BALLOT" means a document that meets the requirements of Government Code Section 53753(c).
- C. "ASSESSMENT BALLOT DRIVE SUPPLEMENTAL MATERIALS & MAILING SUPPLIES" means copies of attachments and notices to be included with the official mailing of the ASSESSMENT BALLOT, including, but not limited to, copies of the MANAGEMENT DISTRICT PLAN and ENGINEERS REPORT

- D. "CITY" means the City of Los Angeles, California, a municipal corporation.
- E. "CITY CLERK" means the CITY'S Office of the CITY CLERK. CITY CLERK may be used interchangeably with CITY.
- F. "CONSULTANT" means the person, partnership, firm or corporation, to whom CITY awards a CONTRACT as a result of this RFP, and who is a party thereto.
- G. "DATABASE" means a spreadsheet in electronic format that includes, but is not limited to, the following information: Assessor's Parcel Number, name of property owner, situs address, parcel and/or improvement measurements (as applicable), individual assessment amounts, and the total assessment amount.
- H. "ENGINEER'S REPORT" means a document prepared by a Registered Professional Engineer, which, at a minimum, incorporates information detailed in Subsection (D)(1) of Section 3.1.
- I. "FEASIBILITY STUDY" means a report created by CONSULTANT which provides documented support for the possibility of forming a BID within a specific area which may include part or all of the TARGET AREA.
- J. "MANAGEMENT DISTRICT PLAN" means a document that meets the requirements of Streets and Highways Code Section 36622 and any State and local requirements.
- K. "NON-PROFIT ORGANIZATION" means a California non-profit 501(c) organization legally operating within the State of California, and physically located within the vicinity of the BID area, and who has an interest in the BID and who is capable of administering the services to be located in the BID.
- L. "PETITION" means a document signed by a property owner signifying support for the establishment of a business improvement district in which the property owner will be a POTENTIAL ASSESSEE.
- M. "POTENTIAL ASSESSEE" means any person who might be responsible for the payment of an assessment should the proposed BID to be established.
- N. "PROPONENT GROUP" means the core group of community members leading the effort to establish the BID.
- O. "REGISTERED PROFESSIONAL ENGINEER" means an engineer registered pursuant to the Professional Engineers Act (Chapter 7 of Division 3 of the California Business and Professions Code).
- P. "TARGET AREA" means the geographic area which was identified through City Council action as having possible potential to be, in part or in whole, within a feasible BID boundary.

NOW THEREFORE, CITY and CONSULTANT, in consideration of the recitals above and of the covenants, agreements, and representations below, agree as follows:

SECTION 1. TERM OF AGREEMENT

- 1.1. The term of this AGREEMENT will commence on the date of attestation by the CITY CLERK, and will, unless otherwise terminated as set forth herein, end on May 1, 2013. Said term is subject to the provisions herein. Performance shall not commence until the CONSULTANT has obtained the CITY'S approval of the insurance required in PSC-18 of the Standard Provisions for City Contracts (Rev. 3/09), which is attached hereto and incorporated herein as Appendix A.

SECTION 2. TOTAL AMOUNT OF FUNDS

- 2.1. The total amount of funds to be disbursed under this AGREEMENT will not exceed \$80,000. Of the total fund available, \$40,000 comes from the CITY CLERK and can only be used on Deliverables 1 through 5. The remaining \$40,000 comes from the Echo Park Community, including the Echo Park Chamber of Commerce and other business entities in the target BID area, and can only be used on Deliverables 6 and 7 only if a Property-based BID is established by City Council. If a Merchant-based BID is determined more feasible or is established instead of a property-based BID, then the maximum funds available is \$40,000.

SECTION 3. SCOPE OF WORK AND DELIVERABLES

- 3.1 During the term of this AGREEMENT, CONSULTANT will provide the services and deliverables described herein. The obligations of CONSULTANT include, but are not limited to, the following:
 - A. Determine the feasibility of establishing the proposed BID or any alternative to the proposed BID that would provide basic services similar to those that would be provided by a business improvement district and deliver a FEASIBILITY STUDY report to the CITY CLERK. The FEASIBILITY STUDY shall include, but not be limited to, all of the following:
 - a. A detailed explanation of the methods, techniques, and schedules used in concluding all the findings made in the report with supporting documentation for all findings;
 - b. The proposed type of feasible BID (Merchant or Property);
 - c. The proposed boundaries of the feasible BID;
 - d. Descriptions of any alternatives and the reason why those alternatives may/may not be feasible;

NOTE: If it is determined that a merchant-based BID is more feasible or is established instead of a property-based BID, then the maximum funds for consultant is \$40,000. No matching funds are required for establishment of a merchant-based BID;

- B. Develop, implement and document a process that actively engages all POTENTIAL ASSESSEES to include, at a minimum, property owners, property management businesses, community leaders, and political leaders to educate and build a consensus for the establishment of the BID;
- C. Identify and/or create an informal PROPONENT GROUP of property and/or business owners within the Echo Park Business Improvement TARGET AREA by gathering community consensus on possible BID services through the following means, but not limited to:
 - a. Hold open community "scoping" meetings to educate the community on possible BID services and receive feedback on community services desires;
 - b. Distribute surveys, interview stakeholders face-to-face, and conduct phone interviews with property and/or business owners to acquire accurate feedback on the need for potential BID services;
 - c. Facilitate and organize regular meetings of the PROPONENT GROUP (once identified/created);
 - d. Assist the PROPONENT GROUP (once identified/created) through the legislative and other CITY processes necessary for the establishment of the BID, if a BID is determined to be feasible;
 - e. Including the CITY CLERK in PROPONENT GROUP identification/creation process by inviting the CITY CLERK to all meetings and including the CITY CLERK in distribution of all outreach materials;
- D. Have a REGISTERED PROFESSIONAL ENGINEER on staff, or subcontract with one, to perform all necessary services under the contract. The REGISTERED PROFESSIONAL ENGINEER'S duties shall include, but not be limited to:
 - 1. Preparation of a detailed ENGINEER'S REPORT, which:
 - a. Is a complete and stand-alone document that complies with State Law and City Policy;
 - b. Identifies all parcels that will have a special benefit conferred upon them and upon which an assessment will be imposed;
 - c. Identifies and describes, with descriptive and explanatory reasoning, the precise boundaries of the proposed BID and the rationale for exclusion and inclusion of property and/or businesses;
 - d. Identifies with particularity any CITY properties contained in the proposed BID;
 - e. Identifies and defines special and general benefits;
 - f. Separates the general from the special benefits conferred on each parcel, including, but not limited to, an explanation of the boundaries of the BID;
 - g. Provides evidentiary support for all assessments to be imposed on each parcel;
 - h. Clearly identifies benefit zones and differences in assessments;

- i. Identifies all formulas used to calculate assessments for each parcel;
 - j. Provides clear and convincing evidence to support any finding or conclusion that publicly-owned parcels actually receive no benefit, and are therefore exempt from assessment;
 - k. Demonstrates that the assessment imposed on each parcel does not exceed the reasonable cost of the proportional special benefit conferred;
 - l. Identifies the parcel, name, address, and percentage of the total assessment CITY and other Government will pay under the proposed BID for each parcel;
 - m. Specifies the total assessment amount CITY will pay for each proposed year of BID operation;
 - n. Complies with applicable law requirements.
2. Consultation with the CITY CLERK in the initial stages of the BID boundary formation process, which includes, but is not limited to, submitting a draft of the ENGINEER'S REPORT to verify and support the boundaries, assessment formulas, and assessment methodology contained in the BID MANAGEMENT DISTRICT PLAN (described in Section 3.2(E) below) and in the development of the BID MANAGEMENT DISTRICT PLAN, including the possible inclusion of CITY-owned property.
- E. Consult with and include the CITY CLERK and the REGISTERED PROFESSIONAL ENGINEER in the decision-making process to develop a BID MANAGEMENT DISTRICT PLAN that includes, but is not limited to:
- 1. The proposed BID's Governance/Management structure;
 - 2. Assessment formula and methodology, including the formulas and methods used to assess any specified CITY-owned property within the BID, supported and accompanied by the ENGINEER'S REPORT;
 - 3. Assessor Parcel Numbers and assessment amount for all parcels including CITY and Government parcels within the BID, supported and accompanied by the ENGINEER'S REPORT;
 - 4. Appeal process during BID operation, if applicable;
 - 5. Annual budget for each year of operation;
 - 6. Initial year operating budget;
 - 7. BID improvements and activities;
 - 8. Assessment boundary and benefit zone map(s), in accordance with Streets & Highways Code Section 36622 or other applicable laws, supported and accompanied by the ENGINEER'S REPORT.
- F. Submit drafts of the following documents to the CITY CLERK for review, and refrain from releasing any of these documents to non-CITY CLERK personnel without written CITY CLERK approval (draft documents distributed to the PROPONENT GROUP during document development must be clearly marked as "draft" and distributed on the expressed condition that "any and all of the content is subject to change");

1. ENGINEER'S REPORT, if applicable;
 2. MANAGEMENT DISTRICT PLAN;
 3. PETITION, if applicable;
 4. ASSESSMENT BALLOT DRIVE SUPPLEMENTAL MATERIALS and mailing supplies, if applicable;
 5. Any other documentation required by the CITY CLERK.
- G. Evaluate potential boundaries with the assistance of a REGISTERED PROFESSIONAL ENGINEER, identify potential benefit zones within the proposed BID (if appropriate), and make recommendations to the PROPONENT GROUP;
- H. Create, implement and execute communication and marketing programs aimed at developing a consensus of support for the establishment of the BID;
- I. Coordinate and attend all necessary meetings with, POTENTIAL ASSESSEES and the CITY CLERK;
- J. Work with representatives of the City Council to gain authorization for the establishment of the BID, if a BID is determined to be feasible;
- K. Provide a current DATABASE satisfactory to the CITY CLERK and update the DATABASE as needed;
- L. Provide a map and a description of the BID boundaries to the CITY CLERK as required by Streets & Highways Code Section 36622 or other applicable laws;
- M. Advise the CITY CLERK of all CITY-owned properties that may be included in any proposed BID as soon as such information is known to CONSULTANT;
- N. Prepare and deliver, in a form acceptable to the CITY CLERK, property assessment data or other information required by the CITY CLERK to bill for any assessments that may be imposed;
- O. Create and manage the proposed BID PETITION Campaign and assist CITY CLERK by providing materials for the ASSESMENT BALLOT Drive. ASSESSMENT BALLOT DRIVE SUPPLEMENTAL MATERIALS include mailing supplies for all POTENTIAL ASSESSEES and supplemental materials to be added to the ASSESMENT BALLOT packet as requested by the CITY CLERK. Provide an updated, current DATABASE to the CITY CLERK for the mailing of the ASSESSMENT BALLOT packets;
- P. Provide additional periodic status reports or intermittent progress reports in a timely fashion as requested by the CITY CLERK and CITY's Council members or their authorized representatives;
- Q. Assist in the creation of a NON-PROFIT ORGANIZATION or the identification of an existing NON-PROFIT ORGANIZATION, which would serve as the owners

association that administers the BID in accordance with Streets and Highways Code Section 36614.5 or other applicable laws;

- R. Work with the BID Board to ensure bank accounts of the operating NON-PROFIT ORGANIZATION are established, financial and accounting systems and controls are in place; Board established committee(s), policies, and procedures; compliance with Brown Act requirements in holding meetings, adequate insurance coverage is in effect as required by CITY policy, an executed ADMINISTRATIVE CONTRACT with the CITY CLERK, and initial assistance with CITY reporting requirements as stated in the ADMINITRATIVE CONTRACT.

3.2 CONSULTANT will provide the following deliverables to the CITY CLERK:

- A. A FEASIBILITY STUDY Report which includes, but is not limited to:
 - 1. Detailed results of the study of the TARGET AREA;
 - 2. Proposed boundaries of a potential BID;
 - 3. Proof of contact with each POTENTIAL ASSESSEE;
- B. A current DATABASE in Microsoft Excel format;
- C. A report regarding all CITY-owned and other government-owned properties that may be included in any proposed BID as soon as such information is known to CONSULTANT;
- D. Property assessment or other data required by the CITY CLERK to bill for any assessments that may be imposed;
- E. A BID MANAGEMENT DISTRICT PLAN developed in conjunction with the PROPONENT GROUP and approved by the CITY CLERK that must include:
 - 1. The proposed BID's Governance/Management structure;
 - 2. Assessment formula and methodology, including the formulas and methods used to assess any specified CITY-owned and other government-owned property within the BID, supported and accompanied by the ENGINEER'S REPORT;
 - 3. Assessor Parcel Numbers, supported and accompanied by the ENGINEER'S REPORT;
 - 4. Appeal process during BID operation;
 - 5. Annual budget for each year of operation;
 - 6. Initial year operating budget;
 - 7. BID improvements and activities;
 - 8. Assessment boundary and benefit zone map(s), with narrative descriptions of the proposed boundaries, in accordance with Streets & Highways Code Section 36622, and other applicable laws, supported and accompanied by the ENGINEER'S REPORT;
- F. A map and description of the proposed BID boundaries as required by Streets & Highways Code Section 36622 or other applicable laws.

- G. All draft and final copies of any ENGINEER'S REPORT and any other documentation required by the CITY CLERK;
- H. A BID PETITION in a format approved by the CITY CLERK and signed in accordance with California Streets & Highways Code Section 36622 or other applicable laws or CITY policy;
- I. Supplemental material, mailing supplies and an updated DATABASE for the ASSESSMENT BALLOT Drive in the format(s) approved by the CITY CELRK. Supplement material shall include copies for all POTENTIAL ASSESEES of the final approved MANAGEMENT DISTRICT PLAN and ENGINEERS REPORT, instructions for completing the ASSESSMENT BALLOT, and any additional documentation which meets requirements of California Government Code Sections 53753(c);
- J. Report on the results of the FEASIBILITY STUDY, and periodic status reports or intermittent progress reports as requested by the CITY CLERK, CITY's Council members or their authorized representatives.
- K. The following documentation associated with CONSULTANT'S assistance to CITY in identifying the NON-PROFIT ORGANIZATION that could administer the BID: tax-exemption letter from either the Internal Revenue Service or the California Franchise Tax Board; Articles of Incorporation approved by the California Secretary of State; Bylaws; and letter of exemption for a business tax license from CITY'S Office of Finance Tax and Permit Division.
- L. An Originally executed ADMINISTRATIVE CONTRACT between the NON-PROFIT ORGANIZATION and CITY including draft copies of the 1st quarter documents required by the executed ADMINISTRATIVE CONTRACT

SECTION 4. PERFORMANCE SCHEDULE

- 4.1 CONSULTANT shall perform the tasks listed in the Project Tasks and Schedule, attached hereto as Appendix 1 and incorporated into and made a part of this AGREEMENT, for the maximum fees indicated in Appendix 1.

SECTION 5. KEY PERSONNEL

- 5.1 CITY awards this AGREEMENT to CONSULTANT based on CITY'S confidence and reliance on the expertise of the CONSULTANT. CONSULTANT will not reassign key personnel or assign other personnel to key personnel roles until the CITY CLERK approves a replacement in writing.

SECTION 6. SUBCONTRACTORS

- 6.1 CONSULTANT may require the assistance of public finance, urban economics or other professionals to provide expert or technical services which are outside of CONSULTANT'S primary area of expertise, in order to fulfill CONSULTANT'S

obligations, as described in this AGREEMENT. CONSULTANT agrees that any such subcontracting will be performed with the prior consent and written approval of CITY and that any subcontractors paid to assist CONSULTANT will be bound by all applicable CITY policies and regulations and will be responsible for fully complying with any such policies and regulations. CONSULTANT agrees to assume full responsibility for the accuracy of any such subcontracted services.

SECTION 7. COMPENSATION AND METHOD OF PAYMENT

7.1 The following are authorized to bill under this AGREEMENT:

A. CIVITAS

John Lambeth
Lorena Parker
Melanee Cardoza
Giancarlo Cretaro

B. PROPOSED SUBCONTRACTORS

Orin Bennett, Bennett Engineering Services

7.2 CITY will compensate CONSULTANT for the satisfactory performance of the tasks listed in Appendix 1 for duties performed by those listed in Section 7.1. Any compensation to CONSULTANT for duties performed by parties other than those listed in Section 7.1 is contingent with CONSULANT compliance with terms stated in Section 6 of this AGREEMENT

7.3 CITY'S total obligation for services performed under this AGREEMENT will not exceed forty thousand dollars (\$40,000).

7.4 Billing and Invoicing Requirements

A. The CONSULTANT is required to submit invoices that conform to CITY standards and include, at a minimum, the following information:

1. Name and address of CONSULTANT
2. Name and address of CITY department being billed
3. Date of invoice and period covered
4. CONTRACT number or authority (purchase order) number
5. Task Order or Notice to Proceed
6. Description of completed task and amount due for task, including:
 - a. Name of personnel working on task
 - b. Hours spent on task and timesheet supporting charges (if applicable)
 - c. Rate per hour and total due
7. Original manufacturer's invoice for items where the cost or cost plus is supported by the CONTRACT
8. Certification by a duly authorized officer
9. Discount and terms (if applicable)
10. Remittance Address (if different from company address)

- B. All invoices shall be submitted on CONSULTANT's letterhead, contain CONSULTANT's official logo, or other unique and identifying information such as the name and address of CONSULTANT. Evidence that tasks have been completed, in the form of a report, brochure, or photograph, shall be attached to all invoices. Invoices shall be submitted within 30 days of service, or monthly, and shall be payable to CONSULTANT no later than 30 days after acknowledged receipt of a complete invoice. Invoices are considered complete when appropriate documentation or services provided are signed off as satisfactory by CITY.
- C. Invoices and supporting documentation shall be prepared at the sole expense and responsibility of CONSULTANT. CITY will not compensate the CONSULTANT for costs incurred in invoice preparation. CITY may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. CITY reserves the right to request additional supporting documentation to substantiate costs at any time.
- D. Subcontractors' Requirements

Tasks that are completed by subcontractors shall be supported by subcontractor invoices, copies of pages from reports, brochures, photographs, or other unique documentation that substantiates their charges.
- E. Failure to adhere to these policies may result in nonpayment or non-approval of demands, pursuant to Charter Section 262(a), which requires the Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any CITY office or department, and approve demands before they are drawn on the Treasury.

7.5 Withholds and Retentions

The CITY CLERK may withhold an amount equal to fifteen (15) percent of the amount of each invoice submitted by CONSULTANT until all Deliverables of the project have been satisfactorily completed. When the project has been completed, the CITY CLERK will authorize the final payment, consisting of the cumulative amount of the withheld funds, to be disbursed to CONSULTANT

SECTION 8. TERMINATION OF AGREEMENT

8.1 Termination for Convenience

CITY may terminate this Agreement for CITY's convenience at any time by giving CONSULTANT ten (10) days written notice thereof. Upon receipt of said notice, CONSULTANT shall immediately take action not to incur any additional obligations, cost or expenses, except as may be reasonably necessary to terminate its activities. CITY shall pay CONSULTANT its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by CONSULTANT to effect such termination. Thereafter, CONSULTANT shall have no further claims against CITY under this Agreement. All finished or unfinished documents and materials

procured for or produced under this Agreement shall become CITY property upon date of such termination.

8.2 Termination for Breach of Contract

- A. If CONSULTANT fails to perform any of the provisions of this Agreement or so fails to make progress as to endanger timely performance of this Agreement, CITY may give CONSULTANT written notice of such default. If CONSULTANT does not cure such default or provide a plan to cure such default, which is acceptable to the CITY within the time permitted by CITY, then CITY may terminate this Agreement due to CONSULTANT's breach of this Agreement.
- B. If a federal or state proceeding for relief of debtors is undertaken by or against CONSULTANT, or if CONSULTANT makes an assignment for the benefit of creditors, then CITY may immediately terminate this Agreement.
- C. If CONSULTANT engages in any dishonest conduct related to the performance or administration of this Agreement or violates CITY's lobbying policies, then CITY may immediately terminate this Agreement.
- D. In the event CITY terminates this Agreement as provided in this Section 8.2, CITY may procure, upon such terms and in such manner as CITY may deem appropriate, Services similar in scope and level of effort to those so terminated, and CONSULTANT shall be liable to CITY for all of its costs and damages, including, but not limited, any excess costs for such Services.
- E. All finished or unfinished documents and materials produced or procured under this Agreement shall become CITY property upon date of such termination.
- F. If, after notice of termination of this Agreement under the provisions of this Section 8.2, it is determined for any reason that CONSULTANT was not in default under the provisions of this Section, or that the default was excusable under the terms of this Agreement, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 8.1, Termination for Convenience.
- G. The rights and remedies of CITY provided in this Article shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

SECTION 9. NOTICES AND REPRESENTATIVE OF THE PARTIES

- 9.1 The representatives of the parties who are authorized to administer this AGREEMENT and to whom formal notices, demands, and communications will be given are as follows:

CITY: June Lagmay, City Clerk
City of Los Angeles
City Hall, Room 360
200 North Spring Street
Los Angeles, California 90012

CONSULTANT: John Lambeth, President
c/o CIVITAS
7700 College Town Drive, Suite 111
Sacramento, CA 95826

- 9.2 Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of receipt.
- 9.3 If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice must be given in accordance with Section 9.2 within five (5) working days of said change.

SECTION 10. RATIFICATION CLAUSE

10.1 Due to the need for CONSULTANT'S Services to begin immediately following the City Council's authorization of the execution of this AGREEMENT, CONSULTANT has provided services prior to the effective date of this AGREEMENT. To the extent said services were performed in accordance with the terms and conditions of this AGREEMENT, those services are hereby ratified.

SECTION 11. STANDARD CONTRACT PROVISIONS

11.1 CONSULTANT agrees to comply with the Standard Provisions for City Contracts (Rev. 3/09), attached hereto as Appendix A and made a part hereof. In the event of any inconsistency between the provisions in the body of this Agreement and the attachments, the provisions in the body of this Agreement take precedence, followed by the Standard Provisions for City Contracts (Appendix A).

(Signature page follows)

IN WITNESS WHEREOF, this Agreement is duly executed by the CITY OF LOS ANGELES and CIVITAS for activities related to the establishment of the proposed Echo Park Business Improvement District on behalf of the parties to this Agreement.

CONSULTANT:
CIVITAS, an economic development consultant

By: *John C. Lambeth*
Title: President
Print Name: JOHN LAMBETH
Date: 12/15/10

CITY:
CITY OF LOS ANGELES, a municipal
CONSULTANT, acting by and through the
Office of the City Clerk

By: *June Lagmay*
JUNE LAGMAY
City Clerk
Date: 1/11/11

APPROVED AS TO FORM:
CARMEN A. TRUTANICH, City Attorney

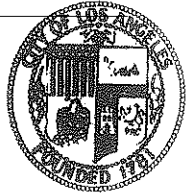
By: *Carmen A. Trutanich*
Deputy City Attorney
Date: 1-6-11

ATTESTATION:
JUNE LAGMAY, City Clerk

By: *June Lagmay*
Deputy City Clerk
Date: 1/25/11

Council File No: 10-0154

Agreement No. C-118452



**MAXIMUM FEE AND PERFORMANCE SCHEDULE
FOR THE PROPOSED ECHO PARK BID**

DELIVERABLES	COMPLETION DATE	AMOUNT
<p>DELIVERABLE 1 – FEASIBILITY STUDY Including, but not limited to: Surveying POTENTIAL ASSESSEES utilizing written surveys, focus groups, and/or interviews to determine probability of success of creating a BID in the proposed area. <u>Deliverable:</u> Report detailing the results of the feasibility study. Provide proposed boundaries to Analyst. Proof of contact with each POTENTIAL ASSESSEE (e.g. copy of mailing list, copy of sign in sheets from scoping meetings, etc.)</p>	FEBRUARY 2011	\$10,000
<p>DELIVERABLE 2 – DATABASE OF POTENTIAL ASSESSEES Including, but not limited to: Developing a current DATABASE, as defined in Section 2 of this RFP, that is satisfactory to the CITY CLERK and updated as needed. <u>Deliverable:</u> A current DATABASE in Microsoft Office Excel format; property assessment and other data; and a report of CITY-owned property.</p>	MARCH 2011	\$5,000
<p>DELIVERABLE 3 – MANGEMENT DISTRICT PLAN AND ENGINEER'S REPORT Including but not limited to: Developing a BID MANAGEMENT DISTRICT PLAN in conjunction with a REGISTERED PROFESSIONAL ENGINEER, the PROPONENT GROUP, and the CITY CLERK pursuant to all applicable laws and Sections 3 and 4 of this RFP. <u>Deliverable:</u> A MANAGEMENT DISTRICT PLAN supported and accompanied by a legible map with parcels easily identifiable and a stand-alone detailed ENGINEER'S REPORT.</p>	DECEMBER 2011	\$14,000
<p>DELIVERABLE 4 – PETITION DRIVE Including but not limited to: Creating a PETITION in a format approved by the CITY CLERK and obtaining signatures adhering to the requirements of Sections 3 and 4 of this RFP, the CITY CLERK and all applicable laws. <u>Deliverable:</u> Draft and final signed copies of PETITIONS adhering to the requirements of the CITY CLERK and all applicable laws and submitted by the deadline determined by the CITY CLERK.</p>	MARCH 2012	\$8,000
<p>DELIVERABLE 5 – ASSESSMENT BALLOT DRIVE Including but not limited to: Providing supplemental and mailing materials for an ASSESSMENT BALLOT drive as approved by the CITY CLERK, including an updated DATABASE, related to the ASSESSMENT BALLOT drive as required by the CITY CLERK and all applicable laws <u>Deliverable:</u> Submit an updated DATABASE, mailing materials, and copies of the final CITY CLERK approved MANAGEMENT DISTRICT PLAN, ASSESSMENT BALLOT completion instructions, and all additional documentation as required by the CITY CLERK and applicable laws by the deadline determined by the CITY CLERK</p>	MAY 2012	\$3,000
<p>DELIVERABLE 6 – PROOF OF NONPROFIT STATUS Including but not limited to: Documentation associated with CONTRACTOR'S assistance to CITY with identifying a NON-PROFIT ORGANIZATION that could administer the BID <u>Deliverable:</u> Copies of the tax-exemption letter from either the Internal Revenue Service or the California Franchise Tax Board; Articles of Incorporation approved by the California Secretary of State; Bylaws; and letter of exemption for a business tax license from the City of Los Angeles Office of Finance Tax and Permit</p>	DECEMBER 2012	\$20,000
<p>DELIVERABLE 7 – BID INITIAL OPERATION Including but not limited to: Assist appointed NON-PROFIT ORGANIZATION to begin BID operation and ensure compliance with ADMINITRATIVE CONTRACT requirements (In the event the BID is established and approved by City Council) <u>Deliverable:</u> Original executed ADMINISTRATIVE CONTRACT and Standard Provisions completed by owners association, including certificates of required insurance; copies of minutes from meetings showing adherence to the Brown Act; draft copies of 1st quarter newsletter and activity report.</p>	MAY 2013	\$20,000

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Contract shall be construed according to its fair meaning and not strictly for or against the **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" herein in this Contract includes the party or parties identified in the Contract. The singular shall include the plural; if there is more than one **CONTRACTOR** herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. NUMBER OF ORIGINALS

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party. At the **CITY'S** option, one or more additional original texts of this Contract may also be retained by the City.

PSC-3. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Contract.

In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Contract, the validity of the remaining parts, terms or provisions of the Contract shall not be affected thereby.

PSC-4. TIME OF EFFECTIVENESS

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR** hereto;
- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and
- D. This Contract has been signed on behalf of the **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

PSC-5. INTEGRATED CONTRACT

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

PSC-6. AMENDMENT

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-4.

PSC-7. EXCUSABLE DELAYS

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

PSC-8. BREACH

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights

and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC-9. WAIVER

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-10. TERMINATION

A. TERMINATION FOR CONVENIENCE

The CITY may terminate this Contract for the CITY'S convenience at any time by giving CONTRACTOR thirty days written notice thereof. Upon receipt of said notice, CONTRACTOR shall immediately take action not to incur any additional obligations, cost or expenses, except as may be reasonably necessary to terminate its activities. The CITY shall pay CONTRACTOR its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by CONTRACTOR to affect such termination. Thereafter, CONTRACTOR shall have no further claims against the CITY under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights thereto, shall become CITY property upon the date of such termination. CONTRACTOR agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.

B. TERMINATION FOR BREACH OF CONTRACT

1. Except for excusable delays as provided in PSC-7, if CONTRACTOR fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, the CITY may give CONTRACTOR written notice of such default. If CONTRACTOR does not cure such default or provide a plan to cure such default which is acceptable to the CITY within the time permitted by the CITY, then the CITY may terminate this Contract due to CONTRACTOR'S breach of this Contract.
2. If a federal or state proceeding for relief of debtors is undertaken by or against CONTRACTOR, or if CONTRACTOR makes an assignment for the benefit of creditors, then the CITY may immediately terminate this Contract.
3. If CONTRACTOR engages in any dishonest conduct related to the performance or administration of this Contract or violates the

CITY'S lobbying policies, then the **CITY** may immediately terminate this Contract.

4. In the event the **CITY** terminates this Contract as provided in this section, the **CITY** may procure, upon such terms and in such manner as the **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to the **CITY** for all of its costs and damages, including, but not limited, any excess costs for such services.
5. All finished or unfinished documents and materials produced or procured under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.
6. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-10(A) Termination for Convenience.
7. The rights and remedies of the **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

PSC-11. INDEPENDENT CONTRACTOR

CONTRACTOR is acting hereunder as an independent contractor and not as an agent or employee of the **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the **CITY**.

PSC-12. CONTRACTOR'S PERSONNEL

Unless otherwise provided or approved by the **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. The **CITY** shall have the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** agrees to remove personnel from performing work under this Contract if requested to do so by the **CITY**.

CONTRACTOR shall not use subcontractors to assist in performance of this Contract without the prior written approval of the **CITY**. If the **CITY** permits the use of subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of

this Contract. The **CITY** has the right to approve **CONTRACTOR'S** subcontractors, and the **CITY** reserves the right to request replacement of subcontractors. The **CITY** does not have any obligation to pay **CONTRACTOR'S** subcontractors, and nothing herein creates any privity between the **CITY** and the subcontractors.

PSC-13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

CONTRACTOR may not, unless it has first obtained the written permission of the **CITY**:

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-14. PERMITS

CONTRACTOR and its directors, officers, partners, agents, employees, and subcontractors, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance hereunder and shall pay any fees required therefor. **CONTRACTOR** certifies to immediately notify the **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

PSC-15. CLAIMS FOR LABOR AND MATERIALS

CONTRACTOR shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible or intangible matter produced by **CONTRACTOR** hereunder), against **CONTRACTOR'S** rights to payments hereunder, or against the **CITY**, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

PSC-16. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

If applicable, **CONTRACTOR** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code. For the term covered by this Contract, **CONTRACTOR** shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended.

PSC-17. RETENTION OF RECORDS, AUDIT AND REPORTS

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form, in accordance with

requirements prescribed by the CITY. These records shall be retained for a period of no less than three years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this Contract or within the three years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. CONTRACTOR shall provide any reports requested by the CITY regarding performance of this Contract. Any subcontract entered into by CONTRACTOR, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

PSC-18. FALSE CLAIMS ACT

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the CITY under the False Claims Act (Cal. Gov. Code §§ 12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

PSC-19. BONDS

All bonds which may be required hereunder shall conform to CITY requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

PSC-20. INDEMNIFICATION

Except for the active negligence or willful misconduct of the CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, CONTRACTOR 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, for death or injury to any person, including CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by CONTRACTOR or its subcontractors of any tier. 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 PSC-20 shall survive expiration or termination of this Contract.

PSC-21. 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 firmware used by **CONTRACTOR**, or its subcontractors of any tier, in performing the work under this Contract; 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 PSC-21 shall survive expiration or termination of this Contract.

PSC-22. 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, rights of publicity and proprietary information.

PSC-23. OWNERSHIP AND LICENSE

Unless otherwise provided for herein, all Work Products originated and prepared by **CONTRACTOR** or its subcontractors of any tier under this Contract shall be and remain the exclusive property of the **CITY** for its use in any manner it deems appropriate. Work Products are all works, tangible or not, created under this Contract including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property. **CONTRACTOR** hereby assigns, and agrees to assign, all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by **CONTRACTOR** under this Contract. **CONTRACTOR** further agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.

For all Work Products delivered to the **CITY** that are not originated or prepared by **CONTRACTOR** or its subcontractors of any tier under this Contract, **CONTRACTOR** hereby grants a non-exclusive perpetual license to use such Work Products for any **CITY** purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of the **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract to contractually bind or otherwise oblige its subcontractors performing work under this Contract such that the **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-24. INSURANCE

During the term of this Contract and without limiting **CONTRACTOR'S** indemnification of the **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR**, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146 in Exhibit 1 hereto), covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto) and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-25. DISCOUNT TERMS

CONTRACTOR agrees to offer the **CITY** any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discount to payments made under this Contract which meet the discount terms.

PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S** profession, doing the same or similar work under the same or similar circumstances.

PSC-27. NON-DISCRIMINATION

Unless otherwise exempt, this Contract is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the **CITY**. In performing this Contract, **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, disability, domestic partner status, marital status or medical condition. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-28. EQUAL EMPLOYMENT PRACTICES

Unless otherwise exempt, this Contract is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of this Contract, **CONTRACTOR** agrees and represents that it will provide equal employment practices and **CONTRACTOR** and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
 - 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. **CONTRACTOR** agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, **CONTRACTOR** shall certify in the specified format that he or she has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of

race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of **CITY** contracts. On their or either of their request **CONTRACTOR** shall provide evidence that he or she has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Equal Employment Practices provisions of this Contract may be deemed to be a material breach of **CITY** contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has failed to comply with the Equal Employment Practices provisions of a **CITY** contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until **CONTRACTOR** shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this Contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. At the time a supplier registers to do business with the **CITY**, or when an individual bid or proposal is submitted, **CONTRACTOR** shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of **CITY** Contracts.

- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Hiring practices;
 2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 3. Training and promotional opportunities; and
 4. Reasonable accommodations for persons with disabilities.
- L. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR'S** Contract with the **CITY**.

PSC-29. AFFIRMATIVE ACTION PROGRAM

Unless otherwise exempt, this Contract is subject to the affirmative action program provisions in Section 10.8.4 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of a **CITY** contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 3. **CONTRACTOR** shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to

their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, **CONTRACTOR** shall certify on an electronic or hard copy form to be supplied, that **CONTRACTOR** has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of **CITY** contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Affirmative Action Program provisions of **CITY** contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has breached the Affirmative Action Program provisions of a **CITY** contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that **CONTRACTOR** has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a **CITY** contract, there may be deducted from the amount payable to **CONTRACTOR** by the **CITY** under the contract, a penalty of ten dollars

(\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a **CITY** contract.

- H. Notwithstanding any other provisions of a **CITY** contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- I. Intentionally blank.
- J. Nothing contained in **CITY** contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. **CONTRACTOR** shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the **CITY**. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, **CONTRACTOR** may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, **CONTRACTOR** must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.
 - 1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 - 2. **CONTRACTOR** may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the **CITY** with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and **CONTRACTOR**.

- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the **CITY'S** Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the **CITY** and may be used at the discretion of the **CITY** in its Contract Compliance Affirmative Action Program.
- P. Intentionally blank.

- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the **CITY** and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the **CITY**.

PSC-30. CHILD SUPPORT ASSIGNMENT ORDERS

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, **CONTRACTOR** will fully comply with all applicable State and Federal employment reporting requirements for **CONTRACTOR'S** employees. **CONTRACTOR** shall also certify (1) 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; (2) that **CONTRACTOR** will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, *et seq.* of the California Family Code; and (3) that **CONTRACTOR** will maintain such compliance throughout the term of this Contract.

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract, subjecting this Contract to termination if such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to obtain compliance of its subcontractors shall constitute a default by **CONTRACTOR** under this Contract, subjecting this Contract to termination where such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

CONTRACTOR certifies 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 Section 7110(b) of the California Public Contract Code.

PSC-31. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

- A. Unless otherwise exempt, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:
1. **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 compensated and uncompensated days off and health benefits, as defined in the LWO.
 2. **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** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. **CONTRACTOR**, 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 opposing any practice proscribed by 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**.
 4. Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.

5. **CONTRACTOR** shall comply with all rules, regulations and policies promulgated by the **CITY'S** Designated Administrative Agency which may be amended from time to time.
- B. Under the provisions of Sections 10.36.3(c) and 10.37.6(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the **CITY** determines that the subject **CONTRACTOR** has violated provisions of either the LWO or the SCWRO, or both.
- C. Where under the LWO Section 10.37.6(d), the **CITY'S** Designated Administrative Agency has determined (a) that **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 **CITY** in such circumstances may impound monies otherwise due **CONTRACTOR** in accordance with the following procedures. Impoundment shall mean that from monies due **CONTRACTOR**, **CITY** may deduct the amount determined to be due and owing by **CONTRACTOR** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures described therein through final and binding arbitration. Whether **CONTRACTOR** is to continue work following an impoundment shall remain in the sole discretion of the **CITY**. **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.
- D. **CONTRACTOR** shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). **CONTRACTOR** shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from **CONTRACTOR**.

PSC-32. AMERICANS WITH DISABILITIES ACT

CONTRACTOR hereby certifies that it will comply with the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*, and its implementing regulations. **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. **CONTRACTOR** will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by **CONTRACTOR**, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time, 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** fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility 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, wages and hours, and licensing laws which affect employees. **CONTRACTOR** further agrees to: (1) notify the **CITY** within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that **CONTRACTOR** is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the **CITY** within thirty calendar days of all findings by a government agency or court of competent jurisdiction that **CONTRACTOR** has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the **CITY**; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the **CITY** within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

PSC-34. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM

CONTRACTOR agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. **CONTRACTOR** certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. **CONTRACTOR** shall not change any of these designated subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of the **CITY**, provided that such approval shall not be unreasonably withheld.

PSC-35. EQUAL BENEFITS ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of the Contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** will comply with the EBO.
- B. The failure of **CONTRACTOR** to comply with the EBO will be deemed to be a material breach of this Contract by the **CITY**.
- C. If **CONTRACTOR** fails to comply with the EBO the **CITY** may cancel, terminate or suspend this Contract, in whole or in part, and all monies due or to become due under this Contract may be retained by the **CITY**. The **CITY** may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.
- E. If the **CITY'S** Designated Administrative Agency determines that a **CONTRACTOR** has set up or used its contracting entity for the purpose of evading the intent of the EBO, the **CITY** may terminate the Contract. Violation of this provision may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.

CONTRACTOR shall 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 its 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, Office of Contract Compliance at (213) 847-1922."

PSC-36. SLAVERY DISCLOSURE ORDINANCE

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

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

1. Additional Insured/Loss Payee. The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

2. Notice of Cancellation. All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

3. Primary Coverage. CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

4. Modification of Coverage. The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

5. Failure to Procure Insurance. All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

6. Workers' Compensation. By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-4, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Exhibit 1 (Continued) Required Insurance and Minimum Limits

Name: _____ Date: _____

Agreement/Reference: _____

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

	Limits
<input type="checkbox"/> Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)	WC _____ EL _____
<input type="checkbox"/> Waiver of Subrogation in favor of City	
<input type="checkbox"/> Longshore & Harbor Workers	
<input type="checkbox"/> Jones Act	

<input type="checkbox"/> General Liability	
<input type="checkbox"/> Products/Completed Operations	<input type="checkbox"/> Sexual Misconduct _____
<input type="checkbox"/> Fire Legal Liability _____	
<input type="checkbox"/> _____	

Automobile Liability (for any and all vehicles used for this Contract, other than commuting to/from work) _____

Professional Liability (Errors and Omissions) _____

Property Insurance (to cover replacement cost of building – as determined by insurance company) _____

- | | |
|--|---|
| <input type="checkbox"/> All Risk Coverage | <input type="checkbox"/> Boiler and Machinery |
| <input type="checkbox"/> Flood _____ | <input type="checkbox"/> Builder's Risk |
| <input type="checkbox"/> Earthquake _____ | <input type="checkbox"/> _____ |

Pollution Liability _____

Surety Bonds – Performance and Payment (Labor and Materials) Bonds 100 % of Contract Price

Crime Insurance _____

Other: _____

CITY OF LOS ANGELES

INSTRUCTIONS AND INFORMATION
ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker.)

1. **Agreement/Reference** All evidence of insurance must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and minimum dollar amounts** specified on the Required Insurance and Minimum Limits sheet (Form Gen. 146) included in your CITY documents.

2. **When to submit** Normally, no work may begin until an Office of the City Administrative Officer, Risk Management insurance approval number has been obtained, so documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings, but before construction commences.

3. **Acceptable Evidence and Approval** An **Insurance Industry Certificate of Insurance (such as an ACORD Certificate)** containing a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) AND an Additional Insured Endorsement naming the CITY an additional insured completed by your insurance company or its designee is the preferred form of evidence of insurance. If policy includes an automatic or blanket additional insured endorsement, the ACORD certificate must state the City is covered by this endorsement. An endorsement naming the CITY an Additional Named Insured and Loss Payee as Its Interests May Appear is required on property policies. All evidence of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter.

Acceptable Alternatives to Insurance Industry Certificates of Insurance:

- A **copy of the full insurance policy** which contains a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) and additional insured and/or loss-payee status, when appropriate, for the CITY.
- **Binders and Cover Notes** are also acceptable as interim evidence for up to 90 days from date of approval.

Additional Insured Endorsements DO NOT apply to the following:

- Indication of compliance with statute, such as Workers' Compensation Law or the California Financial Responsibility Law for Automobile Liability.
- Professional Liability insurance.

Completed **Insurance Industry Certificates of Insurance** can be sent electronically (CAO.insurance.bonds@lacity.org) or faxed to the Office of the City Administrative Officer, Risk Management ((213) 978-7615 or (213) 978-7616). Electronic submission is the preferred method of submitting your documents. Verification of approved insurance and bonds may be obtained by checking the Office of the City Administrative Officer, Risk Management, Insurance & Bonds Compliance System at <http://www.lacity.org/cao/risk/index.htm>.

4. **Renewal** When an existing policy is renewed, submit an Insurance Industry Certificate of Insurance or a renewal endorsement. If your policy number changes, you must submit a new Additional Insured Endorsement.

5. **Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed the relevant audited financial statements. To initiate a review for approval of your program, you should complete and submit the Applicant's Declaration of Self Insurance form (<http://www.lacity.org/cao/risk/InsuranceForms.htm>) to the Office of the City Administrative Officer, Risk Management for consideration.

6. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third-party claims which may arise out of your work or your presence or special event on CITY premises. **Sexual Misconduct** coverage is a required coverage when the work performed involves minors. **Fire Legal Liability** is required for persons occupying a portion of CITY premises. (Information on two City insurance programs, the SPARTA program, an optional source of low-cost insurance which meets most minimum requirements, and PROMPT COVER, which provides liability coverage for short-term special events on CITY premises or streets, is available at www.2sparta.com, or by calling (800) 420-0555.)

7. **Automobile Liability** insurance is required only when vehicles are used in performing the work of your Contract or when they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

8. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed or other professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

9. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement form from www.lacity.org/cao/risk. **A Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc. The Waiver of Subrogation waives the insurer's right to recover (from the CITY) any workers' compensation paid to an injured employee of CONTRACTOR/CONSULTANT.

10. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Builder's Risk/Course of Construction** is required during construction projects and should include building materials in transit and stored at the project site.

11. **Surety** coverage may be required to guarantee performance of work. A **Crime Policy** may be required to handle CITY funds or securities, and under certain other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the CITY-required bid, payment and performance surety bonds, please see the Bond Assistance Program Los Angeles at <http://www.imwis.com/citylosangeles.htm> or call (213) 327-0298 for more information.

**CITYWIDE BUSINESS IMPROVEMENT DISTRICT PROGRAM
NONPROFIT SERVICE PROVIDER AGREEMENTS
INSURANCE REQUIREMENTS**

EXHIBIT 1

Unless otherwise specified, Corporation/Consultant shall maintain limits no less than:

General Liability

General Liability Coverage of \$1,000,000 per occurrence is required. If commercial general liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit (i.e. \$2,000,000).

Directors and Officers Liability Coverage

Director and Officers Liability coverage with a minimum liability limit of \$500,000 is required.

Workers' Compensation Coverage

Workers' Compensation coverage with a minimum statutory liability limit of \$500,000 is required.

Note

The SPARTA Insurance Program may be appropriate for purposes of this Agreement. For additional information regarding the SPARTA Program, telephone (714) 550-5040 or (800) 420-0555. (Municipality Insurance Services, Inc. License No. 0C04849.)

The SPARTA Program provides commercial general liability, excess auto and professional liability coverage which is pre-approved by the City of Los Angeles and is available to general contractors, subcontractors, service providers, artisans, tradespersons and tenants of the City.

**LOS ANGELES CITY CLERK
ADMINISTRATIVE SERVICES DIVISION
SPECIAL ASSESSMENTS SECTION
BUSINESS IMPROVEMENT DISTRICT PROGRAM
200 NORTH SPRING STREET, ROOM 224
LOS ANGELES, CA 90012**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

PRODUCER INSURED	THIS CERTIFICATION IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">INSURERS AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A:</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> </tbody> </table>	INSURERS AFFORDING COVERAGE	NAIC #	INSURER A:		INSURER B:		INSURER C:		INSURER D:		INSURER E:	
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COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR/ADD'L LTR/INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS								
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR _____ GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ _____ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ _____ MED EXP (Any one person) \$ _____ PERSONAL & ADV INJURY \$ _____ GENERAL AGGREGATE \$ _____ PRODUCTS - COMP/OP AGG \$ _____ \$ _____								
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS _____				COMBINED SINGLE LIMIT (Ea accident) \$ _____ BODILY INJURY (Per person) \$ _____ BODILY INJURY (Per accident) \$ _____ PROPERTY DAMAGE (Per accident) \$ _____								
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO _____				AUTO ONLY - EA ACCIDENT \$ _____ OTHER THAN EA ACC \$ _____ AUTO ONLY: AGG \$ _____								
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE _____ <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$ _____				EACH OCCURRENCE \$ _____ AGGREGATE \$ _____ \$ _____ \$ _____ \$ _____								
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below _____ OTHER				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">WC STATU- TORY LIMITS</td> <td style="width: 50%; text-align: center;">OTH- ER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$ _____</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$ _____</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$ _____</td> </tr> </table>	WC STATU- TORY LIMITS	OTH- ER	E.L. EACH ACCIDENT	\$ _____	E.L. DISEASE - EA EMPLOYEE	\$ _____	E.L. DISEASE - POLICY LIMIT	\$ _____
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E.L. DISEASE - EA EMPLOYEE	\$ _____												
E.L. DISEASE - POLICY LIMIT	\$ _____												

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER City of Los Angeles Office of the City Administrative Officer, Risk Management 200 North Main Street, Room 1240 Los Angeles, CA 90012	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE
---	--

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

**GENERAL LIABILITY CERTIFICATE
FOR THE CITY OF LOS ANGELES**

Form Gen 133 GL (Rev. 12/2004)

2. Issue Date (mm/dd/yy)

3. **Producer**

Telephone:

5. **Policy Information**

Carrier:

Policy No.:

Policy Period:

Coverage Trigger (Check one): Occurrence Claims Made

Check if Loss Adjustment Expense is included in Limits

4. **Named Insured**

6. Deductible Self-Insured Retention (check which) of \$ _____ with a stop loss cap of \$ _____ applies to _____ coverage. Per occurrence Per Claim

7. **Applicability** This insurance pertains to the operations and/or tenancy of the Named Insured under all written agreements and permits in force with the City of Los Angeles unless checked here in which case only the following specific agreements and permits with the City of Los Angeles are covered:
City Agreement/Permit No.:

8. **Type of Insurance**

General Liability (Check one)

Commercial General Liability

Comprehensive Form (1973 Occurrence) (Retroactive Date)

10. **Other Provisions:** (Description of operations, premises, vehicles, pertinent exclusions, names of other insureds, etc.)

9. Coverages	Liability Limits in Thousands \$	
	Each Occurrence	Aggregate
<input type="checkbox"/> Premises/Operations		
<input type="checkbox"/> Underground & Collapse Hazard		
<input type="checkbox"/> Products/Completed Operations		
<input type="checkbox"/> Contractual		
<input type="checkbox"/> Independent		

11. **Claims:** Underwriter's representative for claims pursuant to this insurance.

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this certificate applies or any certificate now or hereafter applied thereto, it is agreed as follows:

- 12. **Additional Insured.** The City of Los Angeles and its officers and employees are included as additional insureds with regard to liability and defense of suits arising from the operations and uses performed by or on behalf of the Named Insured.
- 13. **Contribution Not Required.** The insurance program of the City of Los Angeles shall be excess of this insurance and shall not contribute with it.
- 14. **Separation of Insureds.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the Company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
- 15. **Cancellation Notice.** If the Company elects to cancel this insurance before the stated expiration date, or declines to renew in case of a continuous policy, or reduces the stated limits other than by impairment of an aggregate limit, the Company will, with respect to the City's interests, provide the City at least thirty (30) days prior written notice of such election. Ten (10) days written notice for non-payment of premium is acceptable. Notice will be addressed as follows: **City Administrative Officer, Risk Management, 200 North Main Street, Room 1240, City Hall East, Los Angeles, CA 90012.**

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this certificate is applied.

Guarantor Holder

16. **City Department/Bureau**

17. **Authorized Representative** Broker/Agent Underwriter _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this certificate.

Signature _____ (Authorized Representative)

Telephone: _____ Date Signed _____

**PROFESSIONAL LIABILITY CERTIFICATE
FOR THE CITY OF LOS ANGELES**

Form No. 1-00-01 (Rev. 12/2007)

2. Issue Date (mm/dd/yy)

3. Producer

Telephone

5. Type of Insurance: Errors and Omissions

6. Policy Information

Insurer:
Policy No.
Policy Period:
Retroactive Date:
Extended Discovery Period:

4. Named Insured

7. Deductible - Self-Insured Retention of \$ _____ with a stop-loss cap of \$ _____ applies to each claim.

8. Liability Limits (in thousands of dollars)

Each Claim	Each Occurrence	Aggregate

9. Nature of Professional Services Insured:

10. Applicability. This insurance pertains to the following specific City Contracts or Projects:

In addition, this insurance applies to all other written agreements in force between the insured and the City of Los Angeles unless Checked here _____ in which case coverage is restricted to only the above-mentioned agreements.

11. Other Provisions:

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this certificate applies or any certificate now or hereafter applied thereto, it is agreed as follows:

12. **Contractual Liability.** The insurance afforded by this policy shall apply also to the liability assumed by the Insured under the contract with the City of Los Angeles as noted in item 9 above, provided that such liability results from an error, omission or negligent act of the insured.

13. **Subcontractors.** This coverage _____ does _____ does not extend to subcontractors of the Named Insured under the contract with the City of Los Angeles.

14. **Service of Suit.** The underwriters will submit as necessary to any court of competent jurisdiction in California and all matters arising thereunder will be determined in accordance with the law and practice of such court. Service of process may be made upon the California Insurance Commissioner, 600 South Commonwealth Avenue, Los Angeles, CA 90005 or upon:

The above-named are authorized and directed to accept service of process on behalf of the insurer as its true and lawful attorney and to give a written undertaking to the Insured that they will enter a general appearance upon the Insurer's behalf in the event that any action, suit or proceeding shall be instituted.

15. **Cancellation Notice.** If the Company elects to cancel this insurance before the stated expiration date, or declines to renew in case of a continuous policy, or reduces the stated limits other than by impairment of an aggregate limit, the Company will, with respect to the City's interests, provide the City at least thirty (30) days prior written notice of such election. Ten (10) days written notice for non-payment of premium is acceptable. Notice will be addressed as follows: **City Administrative Officer, Risk Management, 200 North Main Street, Room 1240, City Hall East, Los Angeles, CA 90012.**

Except as stated above, nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this certificate is applied.

Certificate Holder

16. City Department/Bureau

17. Authorized

Representative Broker/Agent Underwriter

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this certificate.

Signature _____
(Authorized Representative)

Telephone: _____ Date Signed _____

**WORKERS' COMPENSATION CERTIFICATE
FOR THE CITY OF LOS ANGELES**

Form Gen. 137AVC (Rev. 12/2003)

2. Issue Date (mm/dd/yy)

3. **Producer**

Telephone

5. **Policy Information**
Carrier:
Policy No.:
Policy Period:

4. **Named Insured**

6. **Applicability** This insurance pertains to the operations and/or tenancy of the named insured under all written agreements and permits in force with the City of Los Angeles unless checked here in which case only the following specific agreements and permits with the City of Los Angeles are covered:
City Agreement/Permit No.:

7. **Type of Insurance**

Workers' Compensation

8. Coverages	Liability Limits in Thousands \$
Workers' Compensation and Employer's Liability	\$ Statutory (Each Accident) (Disease-Policy Limit) (Disease-Each Employee)

9. Includes (check as applicable):
 Waiver of Subrogation against the City.
 Longshore and Harbor Workers.

10. **Other Provisions:** (Description of operations, premises, vehicles, pertinent exclusions, names of other insureds, etc)

11. **Claims:** Underwriter's representative for claims pursuant to this insurance.

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this certificate applies or any certificate now or hereafter is applied thereto, it is agreed as follows:

12. **Cancellation Notice.** If the Company elects to cancel this insurance before the stated expiration date, or declines to renew in case of a continuous policy, or reduces the stated limits other than by impairment of an aggregate limit, the Company will, with respect to the City's interests, provide the City at least thirty (30) days prior written notice of such election. Ten (10) days written notice for non-payment of premium is acceptable. Notice will be addressed as follows: **City Administrative Officer, Risk Management, 200 North Main Street, Room 1240, City Hall East, Los Angeles, CA 90012.**

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this certificate is applied.

Certificate Holder

13. **City Department/Bureau**

14. **Authorized Representative** Broker/Agent Underwriter _____
I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this certificate.

Signature _____
(Authorized Representative)
Telephone: _____ Date Signed _____

City of Los Angeles
Request for Waiver
Workers' Compensation Insurance Requirement

Business

Legal Name: _____

Address: _____

Legal Form _____ Sole Proprietor _____ Limited Partnership _____ General Partnership _____ Corporation
 _____ Business Trust _____ Limited Liability Company _____ Other: _____

Contact Person (Name and Telephone): _____

City Reference

City Agency _____ Contact Name/Telephone _____

Document Reference: _____ Any work performed on City Premises? _____ Yes _____ No
(bid, contract, job no., location, etc.)

Nature of work to be performed for City: _____

Declaration:

With respect to the above-mentioned business, I hereby warrant that the business has no employees other than the owners, officers, directors, partners or other principals who have elected to be exempt from Worker's Compensation coverage in accordance with California law. I further warrant that I understand the requirements of Section 3700 et seq. of the California Labor Code with respect to providing Worker's Compensation coverage for any employees of the above mentioned business. I agree to comply with the code requirements and all other applicable laws and regulations regarding workers compensation, payroll taxes, FICA and tax withholding and similar employment issues. I further agree to hold the City of Los Angeles harmless from loss or liability which may arise from the failure of the above-mentioned business to comply with any such laws or regulations. I therefore request that the City of Los Angeles waive its requirement for evidence of Workers' Compensation insurance in connection with the above-referenced work.

Signature

Risk Management Approval:

Owner, Officer, Director, Partnership or other Principal

Title

Date

City of Los Angeles

CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS

This document must be returned with the Proposal/Bid Response

The undersigned hereby agrees that Civitas Advisors Inc. will:
Name of Business

- 1. Fully comply with all applicable State and Federal employment reporting requirements for its employees.
2. Fully comply with and implement all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment.
3. Certify that the principal owner(s) of the business are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally.
4. Certify that the business will maintain such compliance throughout the term of the contract.

I declare under penalty of perjury that the foregoing is true and was executed at:

Sacramento / Sacramento / California
City/County/State

12/15/10
Date

Civitas Advisors Inc. 7700 College Town #111, Sacramento, CA 95826

Name of Business

Address

Signature of Authorized Officer or Representative

John Lambeth
Print Name

President
Title

916-325-0604
Telephone Number

**CITY OF LOS ANGELES
LIVING WAGE ORDINANCE
(Los Angeles Administrative Code Section 10.37 et seq.)**

1. What is the Living Wage Ordinance?

The Living Wage Ordinance (LWO) requires employers who have agreements with the City to pay their employees at least a minimum "living wage" and to provide certain benefits. If the agreement is subject to the LWO, the employer must do the following:

- Pay employees working on the subject agreement a wage rate that is at least equal to the "living wage" rate. The "living wage" is adjusted annually and becomes effective July 1 of each year. Employers can obtain information about the living wage rate currently in effect by going to Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC) website at www.bca.lacity.org.
- Provide employees with at least 12 paid days off per year for sick leave, vacation, or personal necessity; and at least 10 unpaid sick days off per year.
- Tell employees who make less than \$12.00 per hour that they may qualify for the federal Earned Income Tax Credit and provide them with the forms required to apply for the credit.
- Cooperate with the City by providing access to the work site and to payroll and related documents so that the City can determine if the employer is complying with the LWO.
- Pledge to comply with federal laws prohibiting an employer from retaliating against employees for union organizing.
- Not retaliate against any employee who makes claims about non-compliance with the LWO.

2. When was the Ordinance adopted?

The LWO was adopted in May, 1997 and amended in January, 1999.

3. What types of agreements are subject to the Ordinance?

Generally, the LWO covers the following types of agreements:

- An agreement in an amount over \$25,000.00 and for at least three months in which an employer will provide services to or for the City.
- An agreement for the lease or license of City property if the service being performed on the property is something that City employees would otherwise do.
- An agreement for the lease or license of City property that is in a location where a substantial number of the general public might visit.
- An agreement in which the City gives financial assistance for the purpose of promoting economic development or job growth.
- An agreement in which the City determines that applying the LWO would be in the best interest of the City.

4. Is an agreement subject to the LWO if it was entered into before May, 1997?

Agreements executed after May, 1997 are subject to the LWO. An agreement entered into before May, 1997 may become subject to LWO if it is later amended or modified in order to add time or money to the original agreement.

5. Are there any requirements that would apply to an employer who does not have an agreement with City that is subject to the LWO?

All employers are required to comply with the LWO's prohibition against retaliation, even if the employer does not have an agreement with the City that is subject to the Ordinance.

6. Are all employees covered by the Ordinance?

Intentionally left blank 8/18/06

7. Are an employer's subcontractors subject to the requirements of the Ordinance?

A subcontractor may be covered by the Ordinance if the subcontractor performs work on the subject agreement. If so, the subcontractor must also comply with the requirements of the LWO, including all reporting requirements. The prime contractor is responsible for the making sure that the subcontractor complies with the LWO.

8. What happens if an employer is found to be in violation of the Ordinance?

Payments due may be withheld. Also, the employer may be deemed to be in material breach of the agreement. When that happens, the City may take the following steps:

- Terminate the agreement and pursue all available contractual remedies.
- Debar the employer from doing business with the City for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last.
- Bring a lawsuit against the employer for all unpaid wages and health benefit premiums and/or seek a fine of up to one hundred dollars (\$100.00) for each day the violation remains uncorrected.

9. What if a subcontractor is found to be in violation of the Ordinance?

Because the prime contractor is responsible for making sure that all its subcontractors comply with the LWO, the sanctions listed in answer #8 may be applied to the prime contractor if the subcontractor does not correct the violation(s).

10. What can an employee do if an employer is in violation of the Ordinance?

The employee can submit a complaint to the Office Contract Compliance which will investigate the complaint. Also, the employee can bring his or her own lawsuit against the employer for:

- Back pay for failing to pay the correct wages or correct health benefit premiums.
- Reinstatement and back pay for retaliation.
- Triple the amount of the back pay that is owed if the violation was found by the court to be willful.

11. Are there any exemptions available under the Ordinance?

An employer may apply for an exemption based on the following categories:

- Service agreements that are less than 3 months or \$25,000 or less.
- Agreements for the purchase of goods, property, or the leasing of property (with City as the lessee).
- Construction contracts that do not meet the definition of a service agreement.
- Employees who are required to have an occupational license in order to provide services to or for the City are exempt.
- Employers who are party to a collective bargaining agreement (CBA) that has language stating that the CBA shall supersede the LWO.
- Financial assistance recipients who meet the requirements stated in Section 10.37.1(c) of the LWO.
- Employers (contractors, subcontractors, financial assistance recipients) organized under IRS Code, Section 501(c)(3) whose chief executive officer's hourly wage rate is less than eight times the hourly wage rate of the lowest paid worker are be exempt. However, this exemption does not apply to child care workers.
- Lessees or licensees who have no more than a total of seven employees and who have annual gross revenue of less than \$440,792 (effective July 1, 2008). The qualifying annual gross revenue is adjusted every July.
- One-person contractors, lessees, licensees or financial assistance recipients who employ no workers.
- Agreements that involve other governmental entities.

12. Who is responsible for the administration and enforcement of the Ordinance?

The Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance, located at 1149 S. Broadway Street, 3rd Floor, Los Angeles, CA 90015. For additional information, please call (213) 847-1922, or go to the Office of Contract Compliance website at <http://www.bca.lacity.org>.

City of Los Angeles

CALIFORNIA



Antonio Villaraigosa
MAYOR

CURRENT AND PRIOR LIVING WAGE RATES FOR AIRPORT EMPLOYEES

EFFECTIVE DATES	CASH WAGE + HEALTH BENEFITS (HB)	FULL CASH WAGE
July 1, 2010 - June 30, 2011	No Increase**	
Jan 19, 2010 - June 30, 2010	\$10.30 + \$4.50* per hour in HB	\$14.80 per hour
July 1, 2009 - June 30, 2010	\$10.30 + \$1.25 per hour in HB	\$11.55 per hour
July 1, 2008 - June 30, 2009	\$10.00 + \$1.25 per hour in HB	\$11.25 per hour
July 1, 2007 - June 30, 2008	\$9.71 + \$1.25 per hour in HB	\$10.96 per hour
July 1, 2006 - June 30, 2007	\$9.39 + \$1.25 per hour in HB	\$10.64 per hour
July 1, 2005 - June 30, 2006	\$9.08 + \$1.25 per hour in HB	\$10.33 per hour
July 1, 2004 - June 30, 2005	\$8.78 + \$1.25 per hour in HB	\$10.03 per hour
July 1, 2003 - June 30, 2004	\$8.53 + \$1.25 per hour in HB	\$9.78 per hour
July 1, 2002 - June 30, 2003	\$8.27 + \$1.25 per hour in HB	\$9.52 per hour
July 1, 2001 - June 30, 2002	\$7.99 + \$1.25 per hour in HB	\$9.24 per hour
July 1, 2000 - June 30, 2001	\$7.72 + \$1.25 per hour in HB	\$8.97 per hour
July 1, 1999 - June 30, 2000	\$7.51 + \$1.25 per hour in HB	\$8.76 per hour
July 1, 1998 - June 30, 1999	\$7.39 + \$1.25 per hour in HB	\$8.64 per hour
July 1, 1997 - June 30, 1998	\$7.25 + \$1.25 per hour in HB	\$8.50 per hour

* Amendment to the Living Wage Ordinance to increase the health benefits effective January 19, 2010.

** The CPI applicable to the COLA for the July 2010 annual adjustment is -0.8% thereby resulting in a 0% adjustment to both the living wage rate and the health benefit contribution.

For additional information or assistance, call:

City of Los Angeles
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway Street, Suite 300
Los Angeles, CA 90015
Phone: (213) 847-2625 – Fax: (213) 847-2777

City of Los Angeles

CALIFORNIA



Antonio Villaraigosa
MAYOR

CURRENT AND PRIOR LIVING WAGE RATES

EFFECTIVE DATES	CASH WAGE + HEALTH BENEFITS (HB)	FULL CASH WAGE
July 1, 2010 - June 30, 2011	No Increase*	
July 1, 2009 - June 30, 2010	\$10.30 + \$1.25 per hour in HB	\$11.55 per hour
July 1, 2008 - June 30, 2009	\$10.00 + \$1.25 per hour in HB	\$11.25 per hour
July 1, 2007 - June 30, 2008	\$9.71 + \$1.25 per hour in HB	\$10.96 per hour
July 1, 2006 - June 30, 2007	\$9.39 + \$1.25 per hour in HB	\$10.64 per hour
July 1, 2005 - June 30, 2006	\$9.08 + \$1.25 per hour in HB	\$10.33 per hour
July 1, 2004 - June 30, 2005	\$8.78 + \$1.25 per hour in HB	\$10.03 per hour
July 1, 2003 - June 30, 2004	\$8.53 + \$1.25 per hour in HB	\$9.78 per hour
July 1, 2002 - June 30, 2003	\$8.27 + \$1.25 per hour in HB	\$9.52 per hour
July 1, 2001 - June 30, 2002	\$7.99 + \$1.25 per hour in HB	\$9.24 per hour
July 1, 2000 - June 30, 2001	\$7.72 + \$1.25 per hour in HB	\$8.97 per hour
July 1, 1999 - June 30, 2000	\$7.51 + \$1.25 per hour in HB	\$8.76 per hour
July 1, 1998 - June 30, 1999	\$7.39 + \$1.25 per hour in HB	\$8.64 per hour
July 1, 1997 - June 30, 1998	\$7.25 + \$1.25 per hour in HB	\$8.50 per hour

* The CPI applicable to the COLA for the July 2010 annual adjustment is -0.8% thereby resulting in a 0% adjustment to the Living Wage rate. Consequently, the rate remains unchanged.

For additional information or assistance, call:

City of Los Angeles
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway Street, Suite 300
Los Angeles, CA 90015
Phone: (213) 847-2625 – Fax: (213) 847-2777

LWO – EMPLOYEE INFORMATION FORM
REQUIRED DOCUMENTATION FOR ALL CONTRACTS SUBJECT TO LWO

This form must be submitted to the AWARDING DEPARTMENT within 30 DAYS of contract execution. INCOMPLETE SUBMISSIONS WILL BE RETURNED.

THE LIVING WAGE ORDINANCE (LWO) REQUIRES THAT SUBJECT EMPLOYERS PROVIDE TO EMPLOYEES:

- As of July 1, 2008 a wage of at least \$10.00 per hour with health benefits of \$1.25 per hour, or \$11.25 per hour without health benefits (to be adjusted annually) (Regulation #4);
- At least 12 compensated days off per year for sick leave, vacation or personal necessity at the employee's request (pro-rated for part-time employees) (Regulation #4); and
- At least 10 additional days off per year of uncompensated time off for personal or immediate illness only (pro-rated for part-time employees) (Regulation #4). Refer to the LWO Rules and Regulations, available from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC) website, for details regarding the wage and benefit requirements of the Ordinance.
- Making less than \$12.00 per hour information of their possible right to the federal Earned Income Tax Credit (EITC) and make available the forms required to secure advance EITC payments from the employer (Regulation #4).

THE LIVING WAGE ORDINANCE (LWO) ALSO REQUIRES EMPLOYERS:

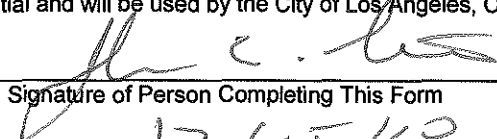
- Not to retaliate against any employee claiming non-compliance with the provisions of these Ordinances and to comply with federal law prohibiting retaliation for union organizing (Regulation #4).

TO BE FILLED OUT BY THE CONTRACTOR:

1. Company Name: CIVITAS
2. STATE the number of employees working ON THIS CITY CONTRACT: 3
3. ATTACH a copy of your company's 1st PAYROLL under THIS CITY CONTRACT.
4. INDICATE (highlight, underline) on the payroll which employees are working ON THIS CITY CONTRACT.
5. Do you provide health benefits (such as medical, dental, vision, mental health, and disability insurance) to your employees? Yes No If YES:
 - 5a. SUBMIT a copy of the most recent health benefit premium statement(s) showing which employees receive health benefits.
 - 5b. STATE how much, if any, employees pay for co-premiums: \$ 0
6. SUBMIT a copy of your company's current PAID time off policy for the employees working on the City contract.
7. SUBMIT a copy of your company's current UNPAID time off policy for the employees working on the City contract.

FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL RESULT IN WITHHOLDING OF PAYMENTS BY THE CITY CONTROLLER, OR A RECOMMENDATION TO THE AWARDING AUTHORITY FOR CONTRACT TERMINATION. ALL INFORMATION SUBMITTED IS SUBJECT TO VERIFICATION, AND FALSE INFORMATION MAY RESULT IN CONTRACT TERMINATION.

I understand that the employee information provided herein is confidential and will be used by the City of Los Angeles, Office of Contract Compliance for the purpose of monitoring the Living Wage Ordinance.

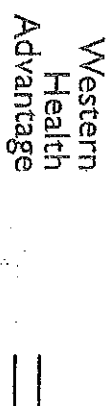
<u>John Lambert</u> Print Name of Person Completing This Form	 Signature of Person Completing This Form
<u>President</u> Title	<u>916-325-0604</u> Phone #
	<u>12/15/10</u> Date

AWARDING DEPARTMENT USE ONLY:

Dept: City Clerk Dept Contact: Paul Makowski Contact Phone: 213-978-1125 Contract #: _____

WESTERN HEALTH ADVANTAGE
2349 GATEWAY OAKS DRIVE, SUITE 100
SACRAMENTO, CA 95833

Forwarding Service Requested



CIVITAS ADVISORS INC
7700 COLLEGE TOWN DRIVE
SACRAMENTO, CA 95834

Billing Date: 11/10/2010
Billing Period: 12/01/2010-12/31/2010
Group #: 104759 A000
Invoice #: 0000779178

PREMIUM BILLING STATEMENT

Summary of Charges	
Previous Balance (as shown on previous statement)	\$943.96
Payment(s) Received	\$0.00
Current Premiums	\$707.97
Adjustments	\$0.00
Total Due on 12/01/2010	\$1,651.93

FOR ELIGIBILITY INQUIRIES PLEASE CALL (916) 563-2250
FOR BILLING INQUIRIES PLEASE CALL (916) 563-2206
OR VISIT WWW.WESTERNHEALTH.COM TO ACCESS YOUR ACCOUNT AND MAKE CHANGES ONLINE.

Tear here and return the portion below with your payment.

CIVITAS ADVISORS INC - 104759 A000
 Invoice #: 000779178
 Due Date: 12/01/2010
 Page 2

Billing Details

Current Premiums - Class 0001				
Subscriber ID	Subscriber Name	Medical Covered Lives	Premium	Comments
000157727	CARDOZA, MELANEE A	1	235.99	
000164905	CRETARO, GIANCARLO	1	235.99	
000157726	TOYOOKA, MIKA J	1	235.99	
Totals		3	707.97	

PAYROLL JOURNAL

0087 0085-DR49 Civitas Advisors Inc

EMPLOYEE NAME ID (W/C CLASS)	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS DESCRIPTION RATE	HOURS	EARNINGS	REIMB & OTHER PAYMENTS	WITHHOLDINGS		DEDUCTIONS	NET PAY ALLOCATIONS
**** 100 STAFF								
Cardoza, Melanee A 5 (8820)	Regular Holiday Sick Accr-Memo Vac Accrd-Memo	M72:00 M16:00	1,916:67		Social Security Medicare M2:00 Fed Income Tax M3:33 CA Income Tax CA Disability	118:83 27:79 230:99 74:79 21:08		Direct Deposit # 153 Check Amt CHKg 0684 1,443:19
EMPLOYEE TOTAL								
		88:00	1,916:67			473:48		Net Pay 1,443:19
**** 200 CLERICAL								
G. ro, Giancarlo 6 (8820)	Regular Holiday Sick Accr-Memo Vac Accrd-Memo	M72:00 M16:00	1,416:67		Social Security Medicare M2:00 Fed Income Tax M3:33 CA Income Tax CA Disability	87:83 20:54 142:76 39:69 15:58		Direct Deposit # 154 Check Amt CHKg 0994 1,110:27
EMPLOYEE TOTAL								
		88:00	1,416:67			306:40		Net Pay 1,110:27
**** 300 OFFICER								
Wyman, Helen 7 (8820)	Regular Holiday	M72:00 M16:00	1,666:67		Social Security Medicare Fed Income Tax CA Income Tax CA Disability	103:33 24:17 219:53 61:37 18:33		Direct Deposit # 155 Check Amt CHKg 6575 1,239:94
EMPLOYEE TOTAL								
		88:00	1,666:67			426:73		Net Pay 1,239:94
**** 200 CLERICAL								
Toyocka, Mika J 2 (8820)	Regular Holiday Sick Accr-Memo Vac Accrd-Memo	72:00 16:00	1,038:96 230:88		Social Security Medicare M2:00 Fed Income Tax M3:33 CA Income Tax CA Disability	78:73 18:41 97:92 25:11 13:97		Direct Deposit # 156 Check Amt CHKg 2723 1,035:70
EMPLOYEE TOTAL								
		88:00	1,269:84			234:14		Net Pay 1,035:70
**** 300 OFFICER								
Lambeth, John A 1	Regular Holiday	M72:00 M16:00	9,000:00		Medicare Fed Income Tax CA Income Tax	130:50 1,811:98 692:07		Direct Deposit # 157 Check Amt CHKg 8881 6,365:45
EMPLOYEE TOTAL								
		88:00	9,000:00			2,634:55		Net Pay 6,365:45
COMPANY TOTALS								
5 Person(s) 5 Transaction(s)	Regular Holiday Sick Accr-Memo Vac Accrd-Memo	360:00 80:00	15,038:97 230:88		Social Security Medicare 6:00 Fed Income Tax 9:99 CA Income Tax CA Disability	388:72 221:41 2,503:18 893:03 68:96		Check Amt Dir Dep 11,194:55

PAYROLL JOURNAL

0087 0085-DR49 Civitas Advisors Inc

EMPLOYEE NAME ID (MC CLASS)	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				REIMB & OTHER PAYMENTS	WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS
	DESCRIPTION	RATE	HOURS	EARNINGS				
	COMPANY TOTAL		440.00	15,269.85		4,075.30 <i>Employer Liabilities</i>		Net Pay 11,194.55
					TOTAL EMPLOYER LIABILITY 680.13			
					TOTAL TAX LIABILITY 4,755.43			
					Social Security 388.72			
					Medicare 221.41			
					Fed Unemploy 13.33			
					CA Unemploy 56.67			

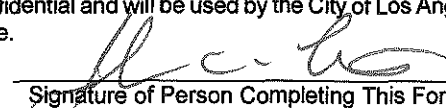
LWO – SUBCONTRACTOR INFORMATION FORM
REQUIRED DOCUMENTATION FOR ALL CONTRACTS SUBJECT TO LWO

This form must be submitted to the AWARDDING DEPARTMENT within 30 DAYS of contract execution. INCOMPLETE SUBMISSIONS WILL BE RETURNED.

SECTION I: CONTRACTOR INFORMATION	
1) Company Name: CIVITAS	Contact Person: John Lambert Phone Number: 916-325-0604
2) Do you have subcontractors working on this City contract? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If NO, This form is now complete – SIGN THE BOTTOM OF PAGE 2 AND SUBMIT TO THE AWARDDING DEPARTMENT.	
If YES, a) STATE the number of your subcontractors ON THIS CITY CONTRACT: _____	
b) Fill in PART A for EACH subcontractor in Section II, continue to Section III & IV (if applicable), AND SIGN Section V.	

SECTION II: SUBCONTRACTOR INFORMATION						
PART A	PART B					
	CHECK OFF ONLY ONE BOX (I-VI) FOR EACH SUBCONTRACTOR (IF APPLICABLE) THEN CONTINUE ONTO SECTION III:					
	I 501 (c)(3) ¹	II One- Person Contractor ²	III CBA ³	IV Occupational License ⁴	V Small Business ⁵	VI Gov. entity ⁶
1. Subcontractor Name: <u>Bennett Engineering</u> 2. Contact Person: <u>Don Bennett</u> Phone #: <u>916-783-4100</u> 3. Address: <u>1082 Sunrise Ave #100 Roseville CA 95661</u> 4. Purpose of Subcontract: <u>Engineer's Report</u> 5. Amount of Subcontract: \$ <u>2,500</u> 6. Term: Start Date <u>2/1/11</u> End Date <u>5/31/12</u> 7. Does the subcontract exceed \$25,000? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 8. Is the length of the subcontract over three (3) months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If you checked off YES for Questions 7 AND 8, this subcontract IS SUBJECT TO THE LWO . Continue onto Part B . If you checked off NO for any questions 7 OR 8, this subcontract IS NOT SUBJECT TO THE LWO . Continue to fill in Part A for additional subs below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Subcontractor Name: _____ 2. Contact Person: _____ Phone #: _____ 3. Address: _____ 4. Purpose of Subcontract: _____ 5. Amount of Subcontract: \$ _____ 6. Term: Start Date ____/____/____ End Date ____/____/____ 7. Does the subcontract exceed \$25,000? <input type="checkbox"/> Yes <input type="checkbox"/> No 8. Is the length of the subcontract over three (3) months? <input type="checkbox"/> Yes <input type="checkbox"/> No If you checked off YES for Questions 7 AND 8, this subcontract IS SUBJECT TO THE LWO . Continue onto Part B . If you checked off NO for any questions 7 OR 8, this subcontract is NOT SUBJECT TO THE LWO . Continue to fill in Part A for additional subs below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Subcontractor Name: _____ 2. Contact Person: _____ Phone #: _____ 3. Address: _____ 4. Purpose of Subcontract: _____ 5. Amount of Subcontract: \$ _____ 6. Term: Start Date ____/____/____ End Date ____/____/____ 7. Does the subcontract exceed \$25,000? <input type="checkbox"/> Yes <input type="checkbox"/> No 8. Is the length of the subcontract over three (3) months? <input type="checkbox"/> Yes <input type="checkbox"/> No If you checked off YES for Questions 7 AND 8, this subcontract IS SUBJECT TO THE LWO . Continue onto Part B . If you checked off NO for any questions 7 OR 8, this subcontract is NOT SUBJECT TO THE LWO . Continue to fill in Part A for additional subs below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION II: SUBCONTRACTOR INFORMATION (continued)

PART A	PART B					
	CHECK OFF ONLY ONE BOX (I-VI) FOR EACH SUBCONTRACTOR (IF APPLICABLE) THEN CONTINUE ONTO SECTION III:					
	I 501 (c)(3) ¹	II One- Person Contractor ²	III CBA ³	IV Occupational License ⁴	V Small Business ⁵	VI Gov. entity ⁶
1. Subcontractor Name: _____ 2. Contact Person: _____ Phone #: _____ 3. Address: _____ 4. Purpose of Subcontract: _____ 5. Amount of Subcontract: \$ _____ 6. Term: Start Date ____/____/____ End Date ____/____/____ 7. Does the subcontract exceed \$25,000? <input type="checkbox"/> Yes <input type="checkbox"/> No 8. Is the length of the subcontract over three (3) months? <input type="checkbox"/> Yes <input type="checkbox"/> No If you checked off YES for Questions 7 AND 8, this subcontract IS SUBJECT TO THE LWO. Continue onto Part B. If you checked off NO for any questions 7 OR 8, this subcontract is NOT SUBJECT TO THE LWO. Continue to fill in Part A for additional subs below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Subcontractor Name: _____ 2. Contact Person: _____ Phone #: _____ 3. Address: _____ 4. Purpose of Subcontract: _____ 5. Amount of Subcontract: \$ _____ 6. Term: Start Date ____/____/____ End Date ____/____/____ 7. Does the subcontract exceed \$25,000? <input type="checkbox"/> Yes <input type="checkbox"/> No 8. Is the length of the subcontract over three (3) months? <input type="checkbox"/> Yes <input type="checkbox"/> No If you checked off YES for Questions 7 AND 8, this subcontract IS SUBJECT TO THE LWO. Continue onto Part B. If you checked off NO for any questions 7 OR 8, this subcontract is NOT SUBJECT TO THE LWO.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SECTION III: SUBCONTRACTS SUBJECT TO THE LWO (AND MAY BE ELIGIBLE FOR EXEMPTIONS)						
1) If you checked off any boxes in Part B, your Subcontractor(s) is subject to the LWO, but may qualify for an LWO exemption. Review the exemptions below, and have your subcontractor fill out the form in the corresponding right-hand column. Continue to Section V, and submit this form and all supporting documentation to the Awarding Department for approval.						
2) If you did NOT check any boxes in Part B or your subs DO NOT qualify for an exemption, Continue to Section IV.						
EXEMPTION			SUPPORTING DOCUMENTATION REQUIRED			
One-person contractors, lessee, licensee 501(c)(3) non-profit organization			LW 13 – Departmental Exemption Form http://bca.lacity.org/index.cfm?nxt=ee&nxt_body=div_occ_lwo_forms.cfm			
Occupational license required Collective bargaining agreement w/supersession language			LW 10 – OCC Exemption Form http://bca.lacity.org/index.cfm?nxt=ee&nxt_body=div_occ_lwo_forms.cfm			
Small Business			LW 26 – Small Business Exemption Form (English & Spanish) http://bca.lacity.org/index.cfm?nxt=ee&nxt_body=div_occ_lwo_forms.cfm			
Governmental Entity			NONE REQUIRED.			
SECTION IV: SUBCONTRACTS SUBJECT TO THE LWO (AND NOT ELIGIBLE FOR EXEMPTIONS)						
Please have EACH of your Subcontractors that ARE SUBJECT to the LWO fill out the three forms below. Submit LW-6 and LW-18 ONLY to the Awarding Department (and supporting documentation, where applicable) and RETAIN LW-5 in your office.						
1) Employee Information Form			LW 6 - http://bca.lacity.org/index.cfm?nxt=ee&nxt_body=div_occ_lwo_forms.cfm			
2) Subcontractor Information Form			LW 18 - http://bca.lacity.org/index.cfm?nxt=ee&nxt_body=div_occ_lwo_forms.cfm			
3) Subcontractor Declaration of Compliance Form (retain)			LW 5 - http://bca.lacity.org/index.cfm?nxt=ee&nxt_body=div_occ_lwo_forms.cfm			
SECTION V: SIGNATURE						
I understand that the Subcontractor Information provided herein is confidential and will be used by the City of Los Angeles, Office of Contract Compliance for the purpose of monitoring the Living Wage Ordinance.						
John Lambeth Print Name of Person Completing This Form			 Signature of Person Completing This Form			
President Title			9163250604 Phone #			
			12/15/12 Date			
AWARDING DEPARTMENT USE ONLY:						
Dept: <u>City Clerk</u> Dept Contact: <u>Paul Makowski</u> Contact Phone: <u>213-978-1125</u> Contract #: _____						

ENDNOTES FOR LWO SUB(CONTRACTOR INFORMATION FORM

¹ **Non-Profit 501(c)(3) Organizations:** A corporation claiming exemption under Section 10.37.1(g) of the LWO as a corporation organized under Section 501 (c)(3) of the United States Internal Revenue Code must provide the following additional documents in support of the application for exemption:

(A) A copy of the most recent IRS letter indicating that the contractor has been recognized as a non-profit corporation organized under section 501 (c)(3) of the United States Internal Revenue Code.

(B) An application for non-coverage or exemption, including the non-profit salary certification on the form referred to in Appendix A. The salary certification must list the salary of the corporation's chief executive officer (CEO), computed on an hourly basis, and the hourly wage rate of the lowest paid worker in the corporation. The salary of the CEO, when computed on an hourly basis, must be less than 8 times what the lowest paid worker is paid on an hourly basis. For purposes of this exemption, the "chief executive officer (CEO)" means the CEO of the 501(c)(3) corporation that entered into the agreement

² **One-Person Contractor:** A contractor may apply for exemption under Section 10.37.1(f) of the LWO if that contractor has no employees. The one-person contractor shall submit an application for non-coverage or exemption to the awarding authority on the form referred to in Appendix A with the appropriate one-person contractor certification. If, subsequent to the approval of the exemption application, the contractor hires any employees, the exemption is no longer valid. Any employee the contractor hires becomes covered by the LWO to the extent that the employee performs work on the City agreement. In such cases, the contractor shall notify the awarding authority of the change in circumstances and submit to the awarding authority all the necessary forms to comply with the LWO reporting requirements, including the employee and subcontractor information forms.

³ **Exemption by Collective Bargaining Agreement – LAAC 10.37.12:** An employer subject to provisions of the LWO may, by collective bargaining agreement (CBA), provide that the CBA, during its term, shall supersede the requirements of the LWO for those employees covered by the CBA. The provisions of the LWO should not be interpreted to require an employer to reduce the wages and benefits required by a collective bargaining agreement. All parties to the CBA must specifically waive in full or in part the benefits required by the LWO. An employer applying for this exemption shall submit a copy of the CBA. If the CBA does not specifically indicate that the LWO has been superseded, the employer shall submit written confirmation from the union representing the employees working on the agreement that the union and the employer have agreed to let the CBA supersede the LWO.

(A) **Provisional Exemption from LWO during negotiation of CBA:** An employer subject to the LWO may apply for Provisional Exemption from the LWO if the employer can document that: (1) the union and the employer are currently engaged in negotiations regarding the terms of the CBA; and (2) the issue of allowing the CBA to supersede the LWO has been proposed as an issue to be addressed during the negotiations. If granted, Provisional Exemption status is valid until the end of the negotiation process, including, if applicable, impasse resolution proceedings. During the negotiation process, the employer shall provide, upon request from the OCC, status reports on the progress of negotiations. At the end of the negotiation process, the employer shall provide the OCC with a copy of the final CBA to verify whether the LWO has been superseded, and the effective dates of the CBA.

(i) If the final CBA signed by the employer and the union supersedes the LWO, the employer shall be considered to be exempt from the LWO's wage and benefits provisions for the time period covered by the effective dates of the superseding CBA. The employer remains subject to all applicable provisions of the LWO for the time period not covered by the superseding CBA. If the employer has not complied with the LWO requirements during the time period not covered by the superseding CBA, the employer shall be required to make retroactive corrections for any period of non-compliance, which may include making retroactive payments to affected employees for the relevant periods of non compliance.

(ii) If the final CBA signed by the employer and the union does not supersede the LWO, the employer shall be required to comply with all applicable LWO requirements, including the wage and benefits provisions. Compliance shall also be required retroactively to the date that the employer first became subject to the LWO. If necessary, the employer shall provide retroactive payments to affected employees for any time period during which the employer did not comply with the LWO.

⁴ **Occupational license - LAAC 10.37.1(f): Exemptions for Employees Requiring Occupational Licenses:** If an employer claims that the LWO does not apply to an employee pursuant to section 10.37.1(f) because an occupational license is required of the employee to perform the work, the employer shall submit to the awarding authority, along with the application for non-coverage or exemption, a list of the employees required to possess an occupational license, the type of occupational license required, and a copy of the occupational license itself. An exemption granted under this provision exempts only the employee who must possess an occupational license to perform work on the City agreement. If an occupational license is not required of an employee to perform the work, the employee remains covered by the LWO.

⁵ **Small Business Exemptions for Public Lessees and Licensees – LAAC 10.37.1(i):** A public lessee or licensee claiming exemption from the LWO under section 10.37.1(i) shall submit the small business application for exemption form referred to in Appendix A along with supporting documentation to verify that it meets both of the following requirements:

(A) The lessee's or licensee's gross revenues from all business(es) conducted on the City premises for the calendar year prior to the date of the application for exemption do not exceed the gross annual revenue amount set by the LWO in Section 10.37.1(i). That gross revenue amount shall be adjusted annually according to the requirements of the LWO. The gross revenue amount used in evaluating whether the lessee or licensee qualifies for this exemption shall be the gross revenue amount in effect at the time the OCC receives the application for exemption.

A public lessee or licensee beginning its first year of operation on a specific City property will have no records of gross annual revenue on the City property. Under such circumstances, the lessee or licensee may qualify for a small business exemption by submitting proof of its annual gross revenues for the last tax year prior to application no matter where the business was located, and by satisfying all other requirements pursuant to these regulations and the LWO.

A lessee or licensee beginning its first year of operation as a business will have no records of gross annual revenue. Under such circumstances, the lessee or licensee may qualify for a small business exemption by satisfying all other requirements pursuant to these regulations and the LWO.

(B) The lessee or licensee employs no more than seven (7) employees.

(i) For purposes of this exemption, a lessee or licensee shall be deemed to employ a worker if the worker is an employee of a company or entity that is owned or controlled by the lessee or licensee, regardless of where the company or entity is located; or if the worker is an employee of a company or entity that owns or controls the lessee or licensee, regardless of where the company or entity is located.

Whether the lessee or licensee meets the seven (7) employee limit provided for in Section 10.37.1(i) of the LWO shall be determined using the total number of workers employed by all companies or businesses which the lessee or licensee owns or controls, or which own or control the lessee or licensee. Control means that one company owns a controlling interest in another company.

(ii) If a business operated by the lessee or licensee is part of a chain of businesses, the total number of employees shall include all workers employed by the entire chain of businesses unless the business operated by the lessee or licensee is an independently owned and operated franchise.

(iii) A public lessee or licensee shall be deemed to employ no more than seven (7) employees if its entire workforce (inclusive of those employees falling within the guidelines stated in subsections (i) and (ii) immediately above) worked an average of no more than 1,214 hours per month for at least three-fourths of the time period that the revenue limitation provided for in section 10.37.1(i) is measured.

Until the OCC approves the application for exemption, the lessee or licensee shall be subject to the LWO and shall comply with its requirements. If the OCC approves the application, the lessee or licensee shall be exempt from the requirements of the LWO for a period of two years from the date of the approval. The exemption will expire two years from the date of approval, but may be renewable in two-year increments upon meeting the requirements.

⁶ **Governmental Entities – LAAC 10.37.1(g):** Agreements with governmental entities are exempt from the requirements of the LWO. If an agreement is exempt from the LWO because the contractor is a governmental entity, subcontractors performing work for the governmental entity on the agreement are also exempt.

**CERTIFICATION REGARDING COMPLIANCE WITH THE
AMERICANS WITH DISABILITIES ACT**

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

1. The Contractor/Borrower/Agency (hereafter Contractor) is in compliance with and will continue to comply with the Americans with Disabilities Act 42 U.S.C. 12101 et seq. and its implementing regulations.
2. The Contractor will provide for reasonable accommodations to allow qualified individuals with disabilities to have access to and participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act.
3. The Contractor will not discriminate against persons with disabilities nor against persons due to their relationship or association with a person with a disability.
4. The Contractor will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative Contracts) and that all subrecipients shall certify and disclose accordingly.
5. This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.

Contract NUMBER _____

CONTRACTOR/BORROWER/AGENCY

Civitas Advisors Inc.

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

John Lambeth, President

SIGNATURE

DATE

[Signature]
12/15/10

CITY OF LOS ANGELES
CONTRACTOR RESPONSIBILITY ORDINANCE

RECEIVED
JAN 13 2011
ADMIN. SVCS

CRO QUESTIONNAIRE RECEIPT VERIFICATION FORM

To verify the Contractor Responsibility Ordinance's (CRO) compliance, this form must be completed by the Awarding Authority and submitted to the appropriate Designated Administrative Agency (DAA) along with the Responsibility Questionnaires. Upon receipt of the Questionnaires, the DAA will return this signed form to the Awarding Authority. The Awarding Authority must attach the certified form to each draft contract for review by the Office of the City Attorney. No contract may be executed unless a certified Receipt Verification Form indicates that the CRO requirement has been met.

1. Information Regarding Proposed Contract

Project Name/Description: ELHO PARK BUSINESS IMPROVEMENT DISTRICT
RFB/RFQ/RFP # (if any): _____ Date RFB/RFQ/RFP Released: _____
Procuring Dept.: CITY CLERK / ASD / SAS Mail Stop #: 159
Name of Dept. Contact: PAUL MAKOWSKI Phone: 213/978 1125

2. Questionnaires Are Submitted for the Following Bidders/Proposers/Proposed Contractors:

Company Name: CIVITAS ADVISORS INC
Company Address: 7700 COLLEGE TOWN DRIVE # 111
City: SACRAMENTO State: CA Zip: 95826

Company Name: _____
Company Address: _____
City: _____ State: _____ Zip: _____

Company Name: _____
Company Address: _____
City: _____ State: _____ Zip: _____

Company Name: _____
Company Address: _____
City: _____ State: _____ Zip: _____

FOR DAA USE ONLY - VERIFICATION REGARDING RECEIPT

The Responsibility Questionnaires for the bidders/proposers/proposed contractors listed above were received on (date) JAN 11 2011

The Questionnaires were processed by:

Dept. of Public Works for Construction Contracts and Contracts
 Dept. of General Services for Procurement Contracts

Authorized DAA Representative (Print Name) Seffy Wiles Phone (213) 847-2408

DAA Representative Signature Seffy Wiles Date JAN 11 2011

CITY OF LOS ANGELES

PLEDGE OF COMPLIANCE WITH CONTRACTOR RESPONSIBILITY ORDINANCE

Los Angeles Administrative Code (LAAC) Section 10.40 et seq. (Contractor Responsibility Ordinance) provides that, unless specifically exempt, City contractors working under service contracts of at least \$25,000 and three months, contracts for the purchase of goods and products of at least \$100,000, contracts for the purchase of garments of at least \$25,000, and construction contracts of any amount; public lessees; public licensees; and certain recipients of City financial assistance or City grant funds, shall comply with all applicable provisions of the Ordinance. Upon award of a City contract, public lease, public license, financial assistance or grant, the contractor, public lessee, public licensee, City financial assistance recipient, or grant recipient, and any its subcontractor(s), shall submit this Pledge of Compliance to the awarding authority.

The contractor agrees to comply with the Contractor Responsibility Ordinance and the following provisions:

- (a) To comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (b) To notify the awarding authority within 30 calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor did not comply with any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (c) To notify the awarding authority within 30 calendar days of all findings by a governmental agency or court of competent jurisdiction that the contractor has violated any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (d) If applicable, to provide the awarding authority, within 30 calendar days, updated responses to the Responsibility Questionnaire if any change occurs which would change any response contained within the Responsibility Questionnaire and such change would affect the contractor's fitness and ability to continue the contract.
- (e) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (f) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, sublicensee that perform or assist in performing services on the leased or licensed premises) submit a Pledge of Compliance.
- (g) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with paragraphs (b) and (c).

Failure to complete and submit this form to the Awarding Authority may result in withholding of payments by the City Controller, or contract termination.

Civitas Advisors Inc. 7700 College Town #111, Sacramento CA 95826 916-325-0004
 Company Name, Address and Phone Number


 Signature of Officer or Authorized Representative

12/15/10
 Date

John Lambeth President
 Print Name and Title of Officer or Authorized Representative

City Clerk / ASD/SAS
 Awarding City Department

Contract Number

**CITY OF LOS ANGELES
CONTRACTOR RESPONSIBILITY ORDINANCE**

CRO QUESTIONNAIRE RECEIPT VERIFICATION FORM

To verify the Contractor Responsibility Ordinance's (CRO) compliance, this form must be completed by the Awarding Authority and submitted to the appropriate Designated Administrative Agency (DAA) along with the Responsibility Questionnaires. Upon receipt of the Questionnaires, the DAA will return this signed form to the Awarding Authority. **The Awarding Authority must attach the certified form to each draft contract for review by the Office of the City Attorney. No contract may be executed unless a certified Receipt Verification Form indicates that the CRO requirement has been met.**

1. Information Regarding Proposed Contract

Project Name/Description: _____

RFB/RFQ/RFP # (if any): _____	Date RFB/RFQ/RFP Released: _____
Procuring Dept.: _____	Mail Stop #: _____
Name of Dept. Contact: _____	Phone: _____

2. Questionnaires Are Submitted for the Following Bidders/Proposers/Proposed Contractors:

Company Name: _____

Company Address: _____

City: _____ State: _____ Zip: _____

Company Name: _____

Company Address: _____

City: _____ State: _____ Zip: _____

Company Name: _____

Company Address: _____

City: _____ State: _____ Zip: _____

Company Name: _____

Company Address: _____

City: _____ State: _____ Zip: _____

FOR DAA USE ONLY – VERIFICATION REGARDING RECEIPT

The Responsibility Questionnaires for the bidders/proposers/proposed contractors listed above were received on (date) _____.

The Questionnaires were processed by:

Dept. of Public Works for Construction Contracts and ~~Service~~ Contracts
 Dept. of General Services for Procurement Contracts

Authorized DAA Representative (Print Name) _____ Seffy Wiles _____ Phone (213) 847-2408

DAA Representative Signature _____ Date _____

CITY OF LOS ANGELES
RESPONSIBILITY QUESTIONNAIRE

RESPONSES TO THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE MUST BE SUBMITTED ON THIS FORM.
In responding to the Questionnaire, neither the City form, nor any of the questions contained therein, may be retyped, recreated, modified, altered, or changed in any way, in whole or in part. Bidders or Proposers that submit responses on a form that has been retyped, recreated, modified, altered, or changed in any way shall be deemed non-responsive.

The signatory of this Questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and return this questionnaire, any false statements, or failure to answer (a) question(s) when required, may render the bid/proposal non-responsive. All responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the Responsibility Questionnaire Attachments. Submit the completed form and all attachments to the awarding authority. Retain a copy of this completed form for future reference. Contractors must submit updated information to the awarding authority if changes have occurred that would render any of the responses inaccurate in any way. Updates must be submitted to the awarding authority within 30 days of the change(s).

A. CONTACT INFORMATION

CITY DEPARTMENT INFORMATION

CITY CLERK / ASD / SPS PAUL MAKOWSKI 213/978-1125
City Department/Division Awarding Contract City Contact Person Phone
ECHO PARK BUSINESS IMPROVEMENT DISTRICT
City Bid or Contract Number (if applicable) and Project Title

BIDDER/CONTRACTOR INFORMATION

Civitas Advisors Inc.
Bidder/Proposer Business Name
1700 College Town Drive #111 Sacramento CA 95826
Street Address City State Zip
John Lambeth, President 916-325-0604 916-325-2312
Contact Person, Title Phone Fax

TYPE OF SUBMISSION:

The Questionnaire being submitted is:

- An initial submission of a completed Questionnaire.
- An update of a prior Questionnaire dated 3/13/01.
- No change. I certify under penalty of perjury under the laws of the State of California that there has been no change to any of the responses since the last Responsibility Questionnaire dated / / was submitted by the firm. Attach a copy of that Questionnaire and sign below.

John Lambeth, President [Signature] 12/15/10
Print Name, Title Signature Date

TOTAL NUMBER OF PAGES SUBMITTED, INCLUDING ALL ATTACHMENTS: _____

B. BUSINESS ORGANIZATION/STRUCTURE

Indicate the organizational structure of your firm. "Firm" includes a sole proprietorship, corporation, joint venture, consortium, association, or any combination thereof.

Corporation: Date incorporated: 7 / 13 / 01 State of incorporation: CA

List the corporation's current officers.

President: John Lambeth

Vice President: _____

Secretary: John Lambeth

Treasurer: _____

Check the box only if your firm is a publicly traded corporation.

List those who own 5% or more of the corporation's stocks. Use Attachment A if more space is needed. Publicly traded corporations need not list the owners of 5% or more of the corporation's stocks.

Limited Liability Company: Date of formation: ____/____/____ State of formation: _____

List members who own 5% or more of the company. Use Attachment A if more space is needed.

Partnership: Date formed: ____/____/____ State of formation: _____

List all partners in your firm. Use Attachment A if more space is needed.

Sole Proprietorship: Date started: ____/____/____

List any firm(s) that you have been associated with as an owner, partner, or officer for the last five years. Use Attachment A if more space is needed. Do not include ownership of stock in a publicly traded company in your response to this question.

Joint Venture: Date formed: ____/____/____

List: (1) each firm that is a member of the joint venture and (2) the percentage of ownership the firm will have in the joint venture. Use Attachment A if more space is needed. **Each member of the Joint Venture must complete a separate Questionnaire for the Joint Venture's submission to be considered as responsive to the invitation.**

C. OWNERSHIP AND NAME CHANGES

1. Is your firm a subsidiary, parent, holding company, or affiliate of another firm?

Yes No

If Yes, explain on Attachment A the relationship between your firm and the associated firms. Include information about an affiliated firm only if one firm owns 50% or more of another firm, or if an owner, partner or officer of your firm holds a similar position in another firm.

2. Has any of the firm's owners, partners, or officers operated a similar business in the past five years?

Yes No

If Yes, list on Attachment A the names and addresses of all such businesses, and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds a similar position in another firm.

3. Has the firm changed names in the past five years?

Yes No

If Yes, list on Attachment A all prior names, addresses, and the dates they were used. Explain the reason for each name change in the last five years.

4. Are any of your firm's licenses held in the name of a corporation or partnership?

Yes No

If Yes, list on Attachment A the name of the corporation or partnership that actually holds the license.

Bidders/Contractors must continue on to Section D and answer all remaining questions contained in this Questionnaire.

The responses to the remaining questions in this Questionnaire will not be posted on the internet but will be made available to the public for review upon request. Contact the appropriate Designated Administrative Agency.

D. FINANCIAL RESOURCES AND RESPONSIBILITY

5. Is your firm now, or has it ever been at any time in the last five years, the debtor in a bankruptcy case?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

6. Is your company in the process of, or in negotiations toward, being sold?

Yes No

If Yes, explain the circumstances on Attachment B.

E. PERFORMANCE HISTORY

7. How many years has your firm been in business? 10 Years.

8. Has your firm ever held any contracts with the City of Los Angeles or any of its departments?

Yes No

If Yes, list on an Attachment B all contracts your firm has had with the City of Los Angeles for the last 10 years. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

9. List on Attachment B all contracts your firm has had with any private or governmental entity (other than the City of Los Angeles) over the last five years that are similar to the work to be performed on the contract for which you are bidding or proposing. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

Check the box if you have not had any similar contracts in the last five years

10. In the past five years, has a governmental or private entity or individual terminated your firm's contract prior to completion of the contract?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

11. In the past five years, has your firm used any subcontractor to perform work on a government contract when you knew that the subcontractor had been debarred by a governmental entity?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

12. In the past five years, has your firm been debarred or determined to be a non-responsible bidder or contractor?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

F. DISPUTES

13. In the past five years, has your firm been the defendant in court on a matter related to any of the following issues? For parts (a) and (b) below, check **Yes** even if the matter proceeded to arbitration without court litigation. For part (c), check **Yes** only if the matter proceeded to court litigation. If you answer **Yes** to any of the questions below, explain the circumstances surrounding each instance on Attachment B. You must include the following in your response: the name of the plaintiffs in each court case, the specific causes of action in each case; the date each case was filed; and the disposition/current status of each case.

(a) Payment to subcontractors?

Yes No

(b) Work performance on a contract?

Yes No

(c) Employment-related litigation brought by an employee?

Yes No

14. Does your firm have any outstanding judgements pending against it?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

15. In the past five years, has your firm been assessed liquidated damages on a contract?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance and identify all such projects, the amount assessed and paid, and the name and address of the project owner.

G. COMPLIANCE

16. In the past five years, has your firm or any of its owners, partners or officers, ever been investigated, cited, assessed any penalties, or been found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed on Attachment C (Page 9)? For this question, the term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation.

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance, including the entity that was involved, the dates of such instances, and the outcome.

17. If a license is required to perform any services provided by your firm, in the past five years, has your firm, or any person employed by your firm, been investigated, cited, assessed any penalties, subject to any disciplinary action by a licensing agency, or found to have violated any licensing laws?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

18. In the past five years, has your firm, any of its owners, partners, or officers, ever been penalized or given a letter of warning by the City of Los Angeles for failing to obtain authorization from the City for the substitution of a Minority-owned (MBE), Women-owned (WBE), or Other (OBE) business enterprise?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance in the last five years.

H. BUSINESS INTEGRITY

19. For questions (a), (b), and (c) below, check Yes if the situation applies to your firm. For these questions, the term "firm" includes any owners, partners, or officers in the firm. The term "owner" does not include owners of stock in your firm if the firm is a publicly traded corporation. If you check Yes to any of the questions below, explain on Attachment B the circumstances surrounding each instance.

(a) Is a governmental entity or public utility currently investigating your firm for making (a) false claim(s) or material misrepresentation(s)?

Yes No

(b) In the past five years, has a governmental entity or public utility alleged or determined that your firm made (a) false claim(s) or material misrepresentation(s)?

Yes No

(c) In the past five years, has your firm been convicted or found liable in a civil suit for, making (a) false claim(s) or material misrepresentation(s) to any governmental entity or public utility?

Yes No

20. In the past five years, has your firm or any of its owners or officers been convicted of a crime involving the bidding of a government contract, the awarding of a government contract, the performance of a government contract, or the crime of fraud, theft, embezzlement, perjury, bribery? For this question, the term "owner" does not include those who own stock in a publicly traded corporation.

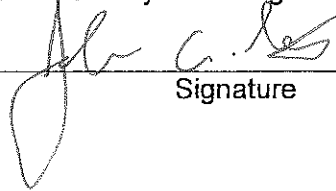
Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this questionnaire and the responses contained on all Attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this Questionnaire is true and accurate to the best of my knowledge and belief.

John Lambeth, President
Print Name, Title


Signature

12/15/10
Date

ATTACHMENT A FOR SECTIONS A THROUGH C

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Information submitted on this Attachment in response to Questions in Sections A through C will be posted on the internet for public review. Make copies of this Attachment if additional pages are needed.

Page 1 of 1

3. Formerly named Downtown Resources. Changed to reflect working in areas beyond downtown.

ATTACHMENT B FOR SECTIONS D THROUGH H

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Information submitted on this Attachment in response to Questions in Sections D through H will not be posted on the internet but will be made available to the public for review upon request. Make copies of this Attachment if additional pages are needed.

Page _____

ATTACHMENT C: GOVERNMENTAL ENTITIES FOR QUESTION NO. 16

Check **Yes** in response to Question No. 16 if your firm or any of its owners, partners or officers, have ever been investigated, cited, assessed any penalties, or found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed below (or any of its subdivisions), including but not limited to those examples specified below. The term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation. If you answered **Yes**, provide an explanation on Attachment B of the circumstances surrounding each instance, including the entity involved, the dates of such instances, and the outcome.

FEDERAL ENTITIES**Federal Department of Labor**

- American with Disabilities Act
- Immigration Reform and Control Act
- Family Medical Leave Act
- Fair Labor Standards Act
- Davis-Bacon and laws covering wage requirements for federal government contract workers
- Migrant and Seasonal Agricultural Workers Protection Act
- Immigration and Naturalization Act
- Occupational Safety and Health Act
- anti-discrimination provisions applicable to government contractors and subcontractors
- whistleblower protection laws

Federal Department of Justice

- Civil Rights Act
- American with Disabilities Act
- Immigration Reform and Control Act of 1986
- bankruptcy fraud and abuse

Federal Department of Housing and Urban Development (HUD)

- anti-discrimination provisions in federally subsidized/assisted/sponsored housing programs
- prevailing wage requirements applicable to HUD related programs

Federal Environmental Protection Agency

- Environmental Protection Act

National Labor Relations Board

- National Labor Relations Act

Federal Equal Employment Opportunity Commission

- Civil Rights Act
- Equal Pay Act
- Age Discrimination in Employment Act
- Rehabilitation Act
- Americans with Disabilities Act

STATE ENTITIES**California's Department of Industrial Relations**

- wage and labor standards, and licensing and registration
- occupational safety and health standards
- workers' compensation self insurance plans
- Workers' Compensation Act
- wage, hour, and working standards for apprentices
- any provision of the California Labor Code

California's Department of Fair Employment and Housing

- California Fair Employment and Housing Act
- Unruh Civil Rights Act
- Ralph Civil Rights Act

California Department of Consumer Affairs

- licensing, registration, and certification requirements
- occupational licensing requirements administered and/or enforced by any of the Department's boards, including the Contractors' State Licensing Board

California's Department of Justice**LOCAL ENTITIES**

City of Los Angeles or any of its subdivisions for violations of any law, ordinance, code, rule, or regulation administered and/or enforced by the City, including any letters of warning or sanctions issued by the City of Los Angeles for an unauthorized substitution of subcontractors, or unauthorized reductions in dollar amounts subcontracted.

OTHERS

Any other federal, state, local governmental entity for violation of any other federal, state, or local law or regulation relating to wages, labor, or other terms and conditions of employment.

EBO & SDO DETERMINATION

CITY OF LOS ANGELES

Office Contract Compliance
1149 S. Broadway, 3rd Floor
Los Angeles, CA 90015
Phone: (213) 847-1922 - Fax: (213) 847-2777

OCC DETERMINATION
EQUAL BENEFITS AND SLAVERY DISCLOSURE ORDINANCES

Contractors must be certified as complying with Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO), and Section 10.41. et seq., Slavery Disclosure Ordinance (SDO), prior to the execution, amendment, or renewal of an agreement. Attach this form to the agreement being processed to verify the Office of Contract Compliance (OCC) determination regarding the Contractor's compliance with the EBO and SDO.

SECTION 1. CONTRACTOR INFORMATION

Company Name Civitas Advisors, Inc. Phone: (916) 325-0604
Company Address 7700 College Town Dr., Suite 111 Fax: (916) 325-2312
City: Sacramento State: CA ZIP: 95826
Contact Person: John Lambeth

SECTION 2. EQUAL BENEFITS ORDINANCE

Status: Full Compliance

The Contractor is in full compliance.

Date Determined: 01/25/2011

SECTION 3. SLAVERY DISCLOSURE ORDINANCE

Status: SDO Affidavit has been submitted.

SDO Affidavit Executed On: 12/15/2010 SDO Affidavit Received On: 01/19/2011

Comments

None

OCC Analyst Faye Serafin FS Phone: 213-847-2643 Date: 1/25/2011

CITY OF LOS ANGELES
 Department of Public Works
 Bureau of Contract Administration
 Office of Contract Compliance
 1149 S. Broadway Street, 3rd Floor, Los Angeles, CA 90015
 Phone: (213) 847-2625 - Fax: (213) 847-2777

INSTRUCTIONS FOR COMPLETING EQUAL BENEFITS ORDINANCE FORMS

1. **Start with the Equal Benefits Ordinance (EBO) Compliance Form (Form OCC/EBO-1).** Your company must be determined to be in compliance with the EBO before a contract with the City may be executed. In Section 2 of the form, indicate what benefits your company currently offers its employees. If a benefit is not offered, indicate the benefit is not offered.

If your company currently does not offer equal benefits to employees with spouses and employees with same or different sex domestic partners, you may, on page two of the EBO Compliance Form, request one of the following by checking the appropriate box on the form:

- a. **Request additional time to come into compliance with the EBO.** This is available to contractors who agree to fully comply with the EBO but need additional time to add domestic partner coverage, to change company policies, or to negotiate the addition of domestic partner coverage to a collective bargaining agreement. Complete the Application for Provisional Compliance (Form OCC/EBO-3) and return it with the EBO Compliance Form (Form OCC/EBO-1). You must submit supporting documentation to verify why additional time is needed.
- b. **Request to be allowed to comply with the EBO by providing employees the cash equivalent.** This is available to contractors who meet both of the following: (1) agree to provide employees with domestic partners the cash equivalent of the benefits offered to employees with spouses; and (2) have demonstrated that they have taken reasonable yet unsuccessful efforts to comply, or that it would be unreasonable under the circumstances to require the contractor to provide equal benefits rather than pay the cash equivalent to employees. Complete the Application for Reasonable Measures Determination (Form OCC/EBO-2) and return it with the EBO Compliance Form (Form OCC/EBO-1). You must submit the supporting documentation requested in the Reasonable Measures Form.
- c. **Request to be allowed to comply with the EBO on a contract-by-contract basis.** If your company can only comply with the EBO for those locations or employees covered by the EBO, you may apply for compliance on a contract-by-contract basis. Contact the Department of Public Works, Office of Contract Compliance for additional information. Check the appropriate box on the EBO Compliance Form (Form OCC/EBO-1) and submit supporting documentation regarding the locations and employees affected by the EBO.
2. **Obtain supporting documentation.** The City must verify that each benefit offered by your company is offered equally. Refer to the EBO supporting documentation information sheet for the type of documentation that will be required. You must submit supporting documentation for each benefit checked in Question 2 of the EBO Compliance Form (Form OCC/EBO-1).
- Unless otherwise specified in the RFB/RFP/RFQ,** you do not need to submit supporting documentation with the bid or proposal. However, because supporting documentation will be required if you are selected for award of a contract, you must have the supporting documentation readily available for submission. A delay in the submission of documentation will result in a delay in the execution of your contract. **If you have already been notified that you have been selected for the award of a contract, supporting documentation must be submitted immediately to avoid delays.**
3. **Submit the EBO Compliance Form (Form OCC/EBO-1) to the awarding department.** If you are requesting additional time to comply or to be allowed to pay employees the cash equivalent, you must also submit the appropriate forms (see #1 above) and supporting documentation with the EBO Compliance Form.
4. **The forms and documentation will be forwarded to the Office of Contract Compliance for review.** If additional information or supporting documentation is needed, the Contractor Enforcement Section will contact you to obtain the information. Because your contract cannot be executed until you have been determined to be in compliance with the EBO, you must respond promptly to any request for additional information.

CITY OF LOS ANGELES
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway Street, 3rd Floor, Los Angeles, CA 90015
Phone: (213) 847-2625 - Fax: (213) 847-2777

DOCUMENTATION TO VERIFY COMPLIANCE WITH THE EQUAL BENEFITS ORDINANCE

Section 2 of the Equal Benefits Ordinance Compliance Form (Form OCC/EBO-1) requires that you submit supporting documentation to the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance to verify that all benefits marked in your response(s) are offered in a nondiscriminatory manner. This list is intended to be used only as a guide for the type of documentation needed.

Health, Dental, Vision Insurance: A statement from your insurance provider that spouses and domestic partners receive equal coverage in your medical plan. This may be in a letter from your insurance provider or reflected in the eligibility section of your official insurance plan document. Note that "domestic partner" includes same-sex as well as different-sex partners so that the definition of "domestic partner" contained in the plan document must include different-sex partners.

Pension (including 401k plans): Documentation should indicate that participating employees may designate a beneficiary to receive the amount payable upon the death of the employee.

Bereavement Leave: Your bereavement leave or funeral leave policy indicating the benefit is offered equally. If your policy allows employees time off from work because of the death of a spouse, it should also allow for time off because of the death of a domestic partner. If the policy allows time off for the death of a parent in-law or other relative of a spouse, it must include time off for the death of a domestic partner's equivalent relative.

Family Leave: Your company's Family and Medical Leave Act policy. All companies with 50 or more employees must offer this benefit. Your policy should indicate that employees may take leave because of the serious medical condition of their spouse or domestic partner.

Parental Leave: Your company's policy indicating that employees may take leave for the birth or adoption of a child. If leave is available for step-children (the spouse's child) then leave should also be made available for the child of a domestic partner.

Employee Assistance Program (EAP): The benefit typically refers to programs that allow employees and their family members access to counselors who provide short-term counseling and referrals to assist in dealing with issues such as family problems, addiction, and financial and legal difficulties. Your company's EAP policy must confirm that spouses, domestic partners and their parents and children are equally eligible (or ineligible) for such benefits. If provided through a third party, a statement from the third party provider regarding eligibility is required.

Relocation & Travel: Your company's policy confirming that expenses for travel or relocation will be paid on the same basis for spouses and domestic partners of employees.

Company Discounts, Facilities & Events: Your company's policy confirming that to the extent discounts, facilities (such as a gym) and events (such as a company holiday party) are equally available to spouses and domestic partners of employees.

Credit Union: Documentation from the credit union indicating that spouses and domestic partners have equal access to credit union services.

Child Care: Documentation that the children of spouses (step-children) and children of domestic partners have equal access to child care services.

Other Benefits: Documentation of any other benefits listed to indicate that they are offered equally.

COMPLIANCE

CITY OF LOS ANGELES
 Department of Public Works
 Bureau of Contract Administration
 Office of Contract Compliance
 1149 S. Broadway, 3rd Floor, Los Angeles, CA 90015
 Phone: (213) 847-2625 - Fax: (213) 847-2777

EQUAL BENEFITS ORDINANCE COMPLIANCE FORM

Your company must be certified as complying with Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance, prior to the execution of a City agreement. This form must be returned to the City department awarding the agreement. If responding to a request for bid/proposal, submit this form with the bid/proposal.

City Dept. Awarding Contract: CITY CLERK Contact/Phone: PAUL MAKOWSKI 213/9781125

SECTION 1. CONTACT INFORMATION

Company Name: Civitas Advisors Inc.
 Company Address: 7700 College Town Drive, Suite 111
 City: Sacramento State: CA Zip: 95826
 Contact Person: John Lambeth Phone: 9163250604 Fax: 9163252312

I am a one-person contractor, and I have no employees. Yes No (if you answered "Yes," go to Section 3)

Approximate Number of Employees in the United States: 5

Are any of your employees covered by a collective bargaining agreement or union trust fund? Yes No

SECTION 2. COMPLIANCE QUESTIONS

Has your company previously submitted a Compliance Form and all supporting documentation? Yes No
 If Yes, AND the benefits provided to your employees have not changed since that time, continue onto Section 3.
 If No, OR if the benefits provided to your employees have changed since that time, complete the rest of this form.

In the table below, check all benefits that your company currently provides to employees or to which your employees have access. Provide information for each benefits carrier if your employees have access to more than one carrier. Note: some benefits are available or apply to employees because they have a spouse or domestic partner to whom the benefit applies, such as bereavement leave that allows an employee time off because of the death of a spouse or domestic partner; other benefits are provided directly to the spouse or domestic partner, such as medical insurance that covers the spouse or domestic partner as a dependent.

	BENEFIT(S) YOUR COMPANY CURRENTLY OFFERS	This Benefit is Not Offered to Employees	This Benefit is Available to Employees	Available/Applies to Spouses of Employees	Available/Applies to Domestic Partners of Employees
1	Health Insurance (List Name of Carrier(s))				
	Health Carrier 1:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Health Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> additional carriers on attachment.				
2	Dental Insurance (List Name of Carrier(s))				
	Dental Carrier 1:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Dental Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> additional carriers on attachment.				
3	Vision Plan (List Name of Carrier(s))				
	Vision Carrier 1:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Vision Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Pension/401(k) Plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Bereavement Leave	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Family Leave	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Parental Leave	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Employee Assistance Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Relocation & Travel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Company Discount, Facilities & Events	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Credit Union	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Child Care	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMPLIANCE

YOU MUST SUBMIT SUPPORTING DOCUMENTATION TO VERIFY EACH BENEFIT MARKED. Without proper documentation for each carrier and each benefit marked, your company cannot be certified as complying with the EBO. If documentation for a particular benefit does not exist, attach an explanation. Refer to the "Documentation to Verify Compliance with the Equal Benefits Ordinance" fact sheet for more information on the type of documentation that must be submitted to verify compliance with the EBO.

If in the Table in Section 2 you indicated that your company does not provide all benefits equally throughout its entire operations to all your employees with spouses and employees with domestic partners of the same and different sex, you may:

- a. Request additional time to comply with the EBO.** Provisional Compliance may be granted to Contractors who agree to fully comply with the EBO but need more time to incorporate the requirements of the EBO into their operations. Submit the Application for Provisional Compliance (OCC/EBO-3) and supporting documentation with this Compliance Form.
- b. Request to be allowed to comply with the EBO by providing affected employees with the cash equivalent.** Your company must agree to provide employees with a cash equivalent. In most cases, the cash equivalent is the amount of money equivalent to what your company pays for spousal benefits that are unavailable for domestic partners, or vice versa. Submit a completed Application for Reasonable Measures Determination (OCC/EBO-2) and supporting documentation with this Compliance Form.
- c. Comply on a Contract-by-Contract Basis.** Compliance may be granted on a contract-by-contract basis for those Contractors who have multiple locations in the U.S. but cannot comply with the EBO throughout the Contractor's operations. Indicate below the compliance category you are requesting:
 - Contractor has multiple operations located both within and outside City limits. Contractor will comply with the EBO only for the operation(s) located within City limits and for employee(s) located elsewhere in the United States who perform work relating to the City agreement. Supporting documentation for the affected operation(s)/employees must be submitted.
 - Contractor has no offices within City limits but does have (an) employee(s) working on the City agreement located elsewhere in the United States. Contractor will comply with the EBO only for employee(s) located elsewhere in the United States who perform work relating to the City agreement. Supporting documentation for the affected employee(s) must be submitted.

SECTION 3. EXECUTE THE DECLARATION AND SUBMIT THE FORM TO THE AWARDING DEPARTMENT

This form must be returned to the City department awarding the agreement. If responding to a request for bid/proposal, submit this form with the bid/proposal to the awarding department. The awarding department will forward the form to the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance for review.

DECLARATION UNDER PENALTY OF PERJURY

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

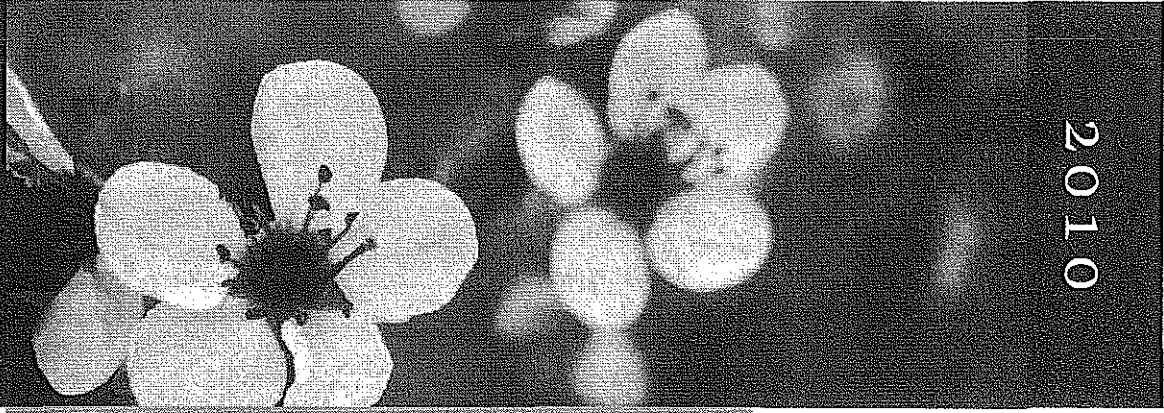
Executed this 15 day of December, in the year 2010, at Sacramento, CA
(City) (State)

Signature [Handwritten Signature]
Name of Signatory (please print) John Lambeth
Title President

Mailing Address 7700 College Town # 111
City, State, Zip Code Sacramento, CA 95826
EIN/TIN 90-0045609

COMMERCIAL

2010



Combined Evidence
of Coverage

AND DISCLOSURE FORM

Western
Health
Advantage



*within reach,
beyond expectation*

Changes Effective July 2010

Please make note of the following changes and/or clarifications to the Combined Evidence of Coverage and Disclosure Form, effective July 1, 2010.

- Under Mental Health Services and Severe Mental Health Services, "Residential Treatment Center or other inpatient facility" is added as a type of facility where WHA covers inpatient mental health services.
- Under Alcoholism and Drug Abuse, details about coverage are deleted and members are instead referred to their updated Copayment Summary for details.
- Several changes are made to make the language more uniform.

None of these changes is a reduction in coverage or benefits. Updated Copayment Summaries can be downloaded through "Personal Access" online at westernhealth.com, or a hard copy can be requested from the member's employer and/or WHA Member Services (whose contact information is listed below).

The language below replaces the "Behavioral Health Services" section under "Principal Benefits and Covered Services" in your EOC/DF booklet.

If you have any questions, please feel free to contact our Member Services Department at one of the numbers listed below, Monday through Friday between 8 a.m. and 5 p.m.

Behavioral Health Services

WHA has contracted with Human Affairs International of California (HAI-CA), an affiliate of Magellan Behavioral Health, to administer all mental health and alcohol and drug abuse benefits under the plan. If you need behavioral health treatment or have questions about your behavioral health benefits, please call HAI-CA at (800) 424-1778.

Mental Health Services

(A) Inpatient

Members are entitled to receive Inpatient Hospital Services for the treatment of Mental Health Disorders/Conditions at a participating acute care facility, Residential Treatment Center or other inpatient facility, with Prior Authorization by HAI-CA, subject to Copayment listed on Copayment Summary.

(B) Outpatient

Members are entitled to receive evaluation and care for Mental Health Disorders/Conditions by a Participating Provider, with Prior Authorization by HAI-CA, subject to Copayment listed on the Copayment Summary.

Severe Mental Health Services

Diagnosis and Medically Necessary Treatment of Severe Mental Illnesses of a Member of any age and Serious Emotional Disturbances of Children (SED) are included under Mental Health Services (above). Severe Mental Illness is defined as one of the following: schizophrenia,

schizoaffective disorder, pervasive developmental disorder or autism, obsessive-compulsive disorder, panic disorder, major depressive disorder, bipolar disorder (manic depressive syndrome), anorexia nervosa and bulimia nervosa. SED is present when a Member under eighteen (18) meets both of the following criteria: (1) has one or more Mental Disorders as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, that result in behavior inappropriate to the child's age according to expected developmental norms; and (2) meets the criteria in paragraph (2) of subdivision (a) of Section 5600.3 of the Welfare and Institutions Code (copy available through Member Services).

Alcoholism and Drug Abuse Services

(A) Inpatient

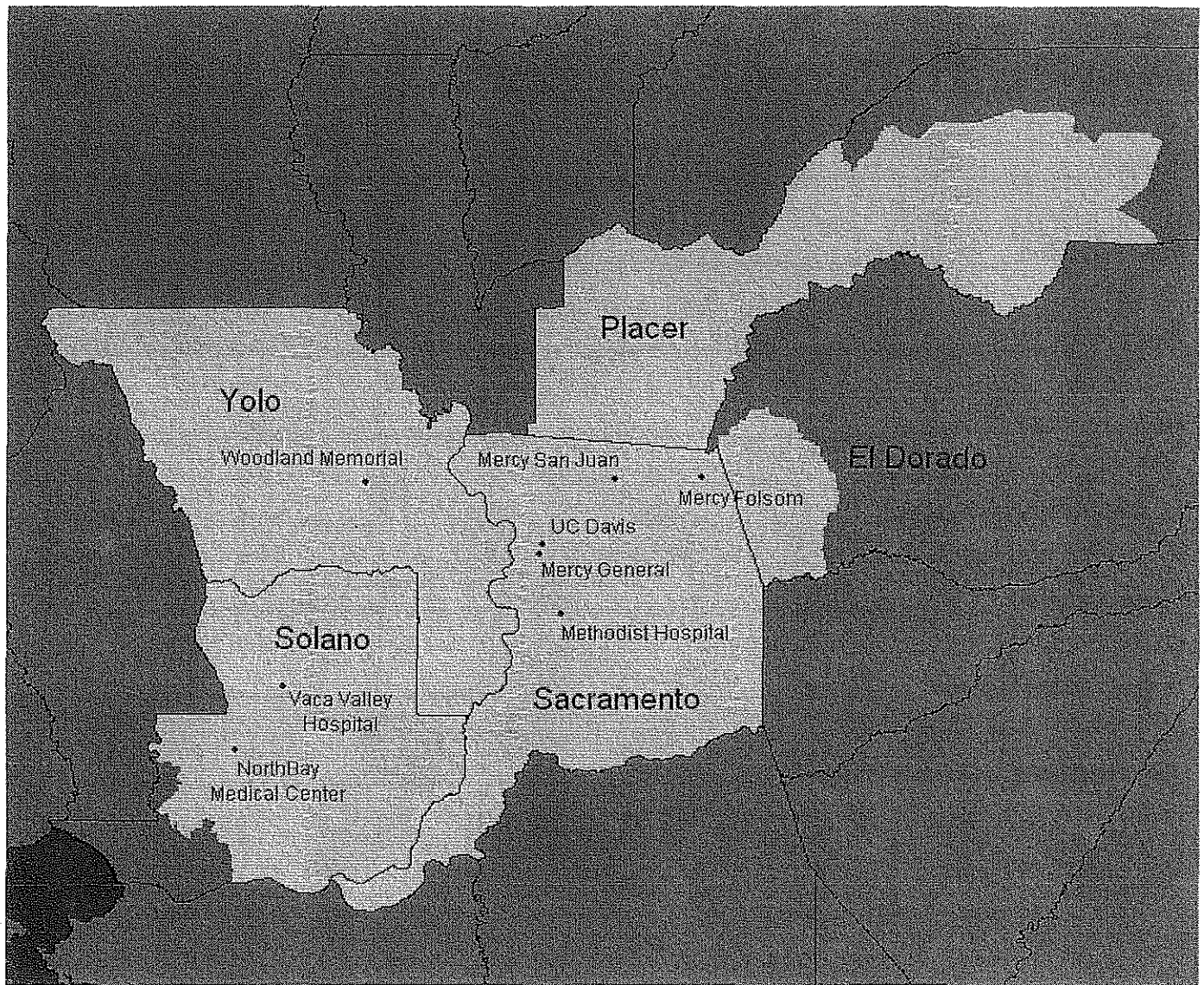
Members are entitled to receive inpatient services for evaluation and care for alcoholism and chemical dependency as outlined in the Copayment Summary at a participating acute care facility, with Prior Authorization by HAI-CA, subject to Copayment listed on the Copayment Summary.

(B) Outpatient

Members are entitled to receive outpatient services for evaluation and care for alcoholism and chemical dependency as outlined in the Copayment Summary, by a Participating Provider, with Prior Authorization by HAI-CA, subject to Copayment listed on Copayment Summary.

WHA Service Area Map

With Contracted Hospitals



10 miles

 Service Area: WHA licensed ZIP codes

Western Health Advantage is licensed in the following Zip Codes:

Sacramento	All ZIP Codes
Yolo	All ZIP Codes
Placer	95602 95603 95604 95631 (partial) 95648 95650 95658 95661 95663 95677 95678 95681 95703 95713 95722 95736 95746 95747 95765
Solano	94512 94533 94534 94535 94571 94585 95620 95625 95687 95688 95694 95696
Western El Dorado	95672 95682 95762

Important Information

(To be completed by Member)

Member name _____

Address _____

Telephone number _____

Eligibility date _____

Name of Primary Care Physician _____

Primary Care Physician's address _____

Pharmacy location _____

Pharmacy telephone number _____

24-hour emergency care telephone number _____

Changes for 2010

Please make note of the following changes and/or clarifications to the Combined Evidence of Coverage and Disclosure Form for 2010. This list assists members to identify key changes. It is not intended to be a comprehensive list of changes.

Changes

New language describes requirements for non-network hospitals to request approval from WHA before performing post-stabilization services for you after an emergency.....	14
Under “What Are My Responsibilities?”, language is changed to state that the Combined Evidence of Coverage and Disclosure Form booklet is available on the WHA website. WHA will not automatically mail a new one to you each year	16
Physical therapy, speech therapy and occupational therapy will now be covered as long as they are medically necessary	18
The limits on inpatient days and visits for mental health disorders/conditions are removed. (Note: alcohol and chemical dependency rehabilitation services continue to be excluded)	19
A new requirement was added that all members provide their Social Security Numbers to WHA for purposes of coordinating benefits with Medicare	34
“Third Party Responsibility – Subrogation” section was revised to apply to illnesses due to the act or omission of a third party; also, definition of “Recovery” revised to include compensation from uninsured and underinsured motorist claims.....	35-36

If you have any questions, please feel free to contact our Member Services Department at one of the numbers listed below, Monday through Friday between 8 a.m. and 5 p.m.

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Privacy Notice

Western Health Advantage (“WHA”) Notice of Privacy Practices (“Notice”)

Notice of Privacy Practices for the Use and Disclosure of Private Health Information (PHI)

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION.

PLEASE REVIEW IT CAREFULLY.

WHA is required by law to maintain the privacy of your health information and to provide you this Notice about our legal duties and privacy practices. We must follow the privacy practices described in this Notice while it is in effect. This Notice takes effect April 14, 2003, and will remain in effect until we replace or modify it.

Protecting Your Privacy

At WHA, we understand the importance of keeping your health information confidential and we are committed to use your health information consistent with state and federal law. This Notice explains how we use your health information, and describes how we may share your health information with others involved in your health care. This Notice also lists your rights concerning your health information and how you may exercise those rights.

Protected Health Information (PHI)

For the purposes of this Notice, “health information” or “information” refers to Protected Health Information. Protected Health Information is defined as information that identifies who you are and relates to your past, present, or future physical or mental health or condition, provision of care, or payment for care. The information we use and share includes, but is not limited to:

- Your name and address;
- Personal information about your circumstances;
- Medical care given to you; and
- Your medical history.

How We Use Your PHI

WHA uses and shares your health information for the purposes of treatment, payment, health care operations, and other uses permitted or required by federal, state, or local law. In instances where your health information is not used for such purposes, WHA would require your written authorization prior to sharing it.

Treatment

WHA may use or disclose your health information to health care providers (doctors, hospitals, pharmacies and other caregivers) who request it in connection with your treatment without your written authorization. For example:

We may share information with physicians, nurses, other health care professionals, and your medical group or hospital when necessary for you to receive appropriate care and treatment.

Payment

WHA may use and disclose your health information for the purposes of payment of the health care services you receive, without your written authorization. This may include claims payment, eligibility, utilization management, and care management activities. For example:

We may provide your eligibility information to your medical group so they are paid accurately and timely, or to a third party entity to ensure that your doctor or hospital is paid accurately and timely.

We may share information about you to a hospital to ensure that claims are billed properly.

Health Care Operations

WHA may use and disclose your PHI in order to administer our health plan. For example, WHA may use and disclose your health information to support various business activities without your written authorization. Health care operations are activities related to the normal business functions of WHA. For example, we may share information with others for any of the following purposes:

- Quality management and improvement activities in order to review and improve the quality of health care services you receive;
- Planning and general administration;
- Research and studies, such as member satisfaction surveys;
- Compliance and regulatory activities;
- Risk management activities;
- Population and disease management studies and programs; and
- Grievance and appeals activities.

Other Permitted Uses and Disclosures

WHA may use or disclose your health information without your written authorization, for the following purposes under limited circumstances:

- To state and federal agencies that have the legal right to receive data, such as to make sure WHA is making proper payments and to assist federal/state Medicaid programs. As required otherwise by federal, state, or local law;
- For public health activities, such as births, deaths, and reporting disease outbreaks or disaster relief. We may provide coroners, medical examiners, and funeral directors information that relates to a person's death;
- For government healthcare oversight activities, such as fraud and abuse investigations or the Food and Drug Administration (FDA);

- For judicial, arbitration, and administrative proceedings, such as in response to a court order, subpoena, or search warrant. For law enforcement purposes, such as providing limited information to locate a missing person;
- To a probate court investigator to determine the need for conservatorship or guardianship;
- For research studies that meet all privacy law requirements, such as research related to the prevention of disease or disability;
- To avoid a serious and imminent threat to health or safety;
- To contact you about new or changed benefits under Medicare and/or WHA;
- To contact you to remind you of visits/deliveries;
- To create a collection of information that can no longer be traced back to you;
- For purposes when issues concern child or elder abuse and neglect;
- For specialized government functions, such as providing information for national security and military activities;
- To Workers' Compensation claims or authorities as required by state Workers' Compensation laws;
- To the Plan Sponsor of a Group Health Plan or employee welfare benefit plan;
- To law enforcement officials if you are an inmate or under custody. These would be permitted if needed to provide medical services to you or for the protection and safety of others; and
- To friends or family members who are assisting you with your health care, with confirmation of that status.

WHA will not use or disclose your PHI for purposes other than those described in this Notice, unless authorized by you in writing. You may revoke this authorization as explained in the section titled "Your Rights With Respect to Your PHI."

Sharing Your PHI with Others

As part of normal business, WHA shares your information with contracted Plan Providers (i.e. medical groups, hospitals, pharmacy benefit management companies, social service providers, etc.). In all cases where your PHI is shared with Plan Providers, we have a written contract that contains language designed to protect the privacy of your health information. Our Plan Providers are required to keep your health information confidential, and protect the privacy of your information in accordance with state and federal law.

Your Rights With Respect to Your PHI

You may give us written authorization to use your PHI or to disclose it to anyone for any purpose. If you give us an authorization, you may revoke it in writing at any time. However, your revocation will not affect any use or disclosures permitted by your authorization while it was in effect.

The following are your rights with respect to your health information. If you would like to exercise any of the following rights, please refer to the section below titled "How to Obtain Additional Information About This Notice".

Right to Request Restrictions

You have the right to ask us to restrict how we use and disclose your information for treatment, payment, or health care operations as described in the Notice. You also have the right to ask us to restrict information that we have been asked to give to family members or to others who are involved in your health care. However, we are not required to agree to these restrictions. If we deny your request, we will notify you in writing with the specific reason(s) the request was denied. If we do agree to your request to restrict health information, we may not use or disclose your PHI for that purpose, except as needed to provide treatment in an Emergency. We also do not have to honor your restriction if we are required by law to disclose the information or when the information is needed for your treatment.

You also have the right to terminate a request for restriction that we have granted. You may do this by calling or writing us. We also have the right to terminate the restriction if you agree to it or if we inform you in writing that we are terminating it. If we do this, it will only apply to medical information that we create or receive after we have informed you.

Your request for a restriction must be in writing and provide us with specific information needed to fulfill your request. This would include the information you wish to be restricted and to whom you want the limits to apply.

Right to Inspect and Copy

You and your personal representative have the right to review or obtain copies of your PHI that may be used to make decisions about you. This includes medical records and billing records. It does not include the following: psychotherapy notes, information to be used in a lawsuit or administrative proceedings, and certain information subject to a law concerning laboratory improvements. Your request must be in writing and provide us with specific information needed to fulfill your request. If you call Member Services at one of the numbers listed below, we will send you a form to use to do this. Or if you prefer, you may send your written request to our Member Services Department at the address listed in the "Complaints" section of this Notice. If you request copies, we can charge a reasonable fee for the cost of producing the copies and postage. You must pay this fee before we give you the copies. You may also request that we provide you with summary information about your PHI instead of all the information. If so, you must pay us the cost of preparing this summary information before we give it to you.

In certain situations, we may deny your request to inspect or obtain a copy of your PHI. If we deny your request, we will notify you in writing with the specific reason(s) the request was denied. Our letter to you will also include information about how you may request a review of our denial if you are

entitled to such a review. You are entitled to request a review of our denial in three instances only. These three instances involve situations where a licensed health care professional has determined that such access would endanger the life or physical safety of you or of another person. Our letter will also tell you about any other rights you have to file a complaint. These are the same rights described in this Notice.

Right to Request an Amendment

You have the right to request that we amend your PHI. Your request must be in writing, and it must explain why the information should be amended. Your request should be sent to our Member Services Department at the address listed in the "Complaints" section of this Notice.

We will deny your request if you fail to submit it in writing or if you fail to include the reasons for your request. We may also deny your request if you ask us to amend information that is (1) accurate and complete; (2) not part of our records; (3) not allowed to be disclosed; or (4) not created by WHA.

If we deny your request, we will provide you a written explanation. This letter will tell you how you can file a complaint with us or with the Secretary of the Department of Health and Human Services. It will also tell you about the right you have to file a statement disagreeing with our denial and other rights you may have.

If we accept your request to amend the information, we will make the changes requested in your amendment. But first we will contact you to identify the persons you want notified and to get your approval for us to do so. We will make reasonable efforts to inform others of the amendment and to include the changes in any future disclosures of that information.

Right to Receive Confidential Communications

You have the right to request that we communicate with you in confidence about your PHI by alternative means or to an alternative location (e.g. mail to a post office box address or fax to a designated number, or by phone at a number you give us). Your request must be made in writing and must clearly state that if the request is not granted it could endanger the member. WHA will accommodate reasonable requests.

Right to Receive an Accounting of Disclosures

You and your personal representative have the right to receive an accounting of disclosures regarding your health information. Typically the accounting would include disclosures found in the section titled "Other Permitted Uses and Disclosures" of this Notice. The accounting will not cover those disclosures made for the purposes of treatment, payment, and health care operations, and ones that you have authorized.

All requests for an accounting must be in writing and include specific information needed to fulfill your request. This accounting requirement applies for six years from the date of the disclosure, beginning with disclosures occurring after April 14, 2003, unless you request a lesser period of time. If you request this accounting more than once in a 12-month period, we may charge you a reasonable fee to produce the

accounting of disclosures. Before doing so, we will notify you of the fee, and give you an opportunity to withdraw or limit your request in order to reduce the fee.

******* IMPORTANT *******

WHA DOES NOT HAVE COMPLETE COPIES OF YOUR MEDICAL RECORDS. IF YOU WANT TO LOOK AT, GET A COPY OF, OR CHANGE YOUR MEDICAL RECORDS, PLEASE CONTACT YOUR DOCTOR OR MEDICAL GROUP.

Right to Copies of this Notice

You have the right to receive an additional copy of this Notice at any time. You can also find this notice on our website at westernhealth.com.

How to Complain about Our Privacy Practices

If you believe WHA has violated your privacy rights, or you disagree with a decision we made about access to your health information, you may contact us or the Department of Health and Human Services (DHHS) to make a complaint. We will not retaliate in any way if you choose to file a complaint with us or DHHS. Filing a complaint will not affect your benefits under WHA or Medicare.

Complaints to WHA

If you want to file a complaint with us, you can call or write to:

Attn: Privacy Complaints
Western Health Advantage
2349 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833
(916) 563-3180

Complaints to the Federal Government

You also have the right to file a complaint with the federal government. You can write to:

Director, Office of Civil Rights
U.S. Department of Health and Human Services
200 Independence Avenue, S.W. Room 596F
Washington, D.C. 20201

How to Obtain Additional Information about this Notice

If you have any questions about our privacy practices or would like an additional copy of the Notice, please contact Member Services at one of the numbers listed below.

Changes to this Notice

The terms of this Notice apply to all records containing your health information that are created or retained by WHA. We reserve the right to revise or amend this Notice of Privacy Practices. Any revision or amendment to the Notice will be effective for all of your records that we have created or

maintained in the past. Such revision or amendment shall also be effective for any of your records that we may create or maintain in the future. If we do revise this Notice you will receive a copy and the new notice will be posted on our website at westernhealth.com.

Questions

If you have any questions about this notice or want further information, please contact us at:

Attn:WHA Privacy Officer
Western Health Advantage
2349 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

Effective Date of this Notice

This Notice is effective **April 14, 2003** and remains in effect until changed.

Introduction

We at WHA are pleased that you have chosen our health plan for your medical needs. The information in this Combined Evidence of Coverage and Disclosure Form (EOC/DF) was designed for you as a new Member to familiarize you with WHA. It describes the Medical Services available to you and explains how you can obtain treatment.

Please read this EOC/DF completely and carefully and keep it handy for reference while you are receiving Medical Services through WHA. It will help you understand how to get the care you need.

This EOC/DF is a summary only of the group health plan. The Group Service Agreement between WHA and your employer that has sponsored your participation in this health plan must be consulted to determine governing contractual provisions as to the exact terms and conditions of coverage. You may request to see the Group Service Agreement from your employer. An applicant has the right to view the EOC/DF prior to enrollment. You may request a copy of the EOC/DF directly from the plan by calling one of the numbers listed below, or view the document on our web page, westernhealth.com.

By enrolling or accepting services under this health plan, Members are obligated to understand and abide by all terms, conditions and provisions of the Group Service Agreement and this EOC/DF.

This EOC/DF, the Group Service Agreement and benefits are subject to amendment in accordance with the provisions of the Group Service Agreement without the consent or concurrence of Members.

This EOC/DF and the provisions within it are subject to regulatory approval by the Department of Managed Health Care. Modifications of any provisions of this document to conform to any issue raised by the Department of Managed Health Care shall be effective upon notice to the employer; shall not invalidate or alter any other provisions; and shall not give rise to any termination rights other than as provided in this EOC/DF.

Members are obligated to inform WHA's Member Services Department of any change in residence and any circumstance which may affect entitlement to coverage or eligibility under this health plan, such as Medicare eligibility. Members must also immediately disclose to WHA's Member Services Department whether they are or became covered under another group health plan, have filed a Workers' Compensation claim, were injured by a third party, or have received a recovery as described in this EOC/DF.

If you have any questions after reading this EOC/DF or at any other time, please contact Member Services at one of the numbers listed below.

WHA is committed to providing language assistance to Members whose primary language is not English. Qualified interpreters are available at no cost to help you talk with WHA or your doctor's office.

To get help in your language, please call Member Services at the phone numbers below.

Written information, including this EOC/DF and other vital documents, is available in Spanish. Call Member Services to request Spanish-language versions of WHA vital documents.

WHA está comprometido a brindarles asistencia a aquellos miembros cuyo idioma principal no sea el inglés. Tenemos intérpretes calificados sin costo alguno que le pueden ayudar a comunicarse con WHA o con el consultorio de su médico.

Para ayuda en su idioma, por favor llame al Servicio a los Miembros a los números enlistados abajo.

Información escrita, incluyendo este EOC/DF y otros documentos esenciales, está disponible en español. Llame al Departamento de Servicio a los Miembros para solicitar versiones en español de los documentos esenciales de WHA.

Thank you for choosing Western Health Advantage.

Choice of Physicians and Other Providers

Please read the following information so you will know from whom or what group of providers health care may be obtained.

As a Member of WHA, you have access to a large network of Participating Providers from which to choose your Primary Care Physician (PCP). These providers are conveniently located throughout the WHA Service Area.

All non-Emergency Care must be accessed through your PCP, with the exception of obstetrical and gynecological services, which may be obtained through direct access without a referral. Your PCP is responsible for coordinating health care you receive from specialists and other medical providers. Referral requirements will be described later in this EOC/DF.

Some hospitals and other providers do not provide one or more of the following services that may be covered under your EOC/DF and that you or your Family Member might need: family planning; contraceptive services, including emergency contraception; sterilization, including tubal ligation at the time of labor and delivery; infertility treatments; or abortion. You should obtain more information before you enroll. Call your prospective doctor, Medical Group, independent practice association or clinic, or call WHA's Member Services Department at one of the numbers listed below to ensure that you can obtain the health care services that you need.

WHA Participating Providers include a wide selection of PCPs, specialists, hospitals, laboratories, pharmacies, ambulance services, skilled nursing facilities, home health agencies, and other ancillary care services. You will be provided with a copy of WHA's Provider Directory, which at the time it was printed and sent was current. However, this list is updated and reprinted four (4) times a year, so changes may have occurred that could affect your Physician choices. If you need another copy of the directory, contact Member Services at one of the numbers listed below. To view our online Provider Directory, WHA's website address is westernhealth.com.

Liability of Member for Payment

Copayments

You must pay Copayments for the Covered Services listed in the "Principal Benefits and Covered Services" section of this EOC/DF. Copayments are due when you receive the Covered Service, but for items ordered in advance, you pay the Copayment in effect on the order date. Note: WHA will not cover the item unless you still have coverage for it on the date you receive it. See your Copayment Summary for Copayment amounts.

You may also have one or more Deductibles. Please refer to the section of this EOC/DF titled "Financial Considerations", "Deductibles".

Your Liability for Payment

Our contracts with our Contracted Medical Groups provide that you are not liable for any amounts we owe. However, you may be liable for the cost of non-Covered Services or for services you obtain from non-Participating Providers.

Please refer to the section in this EOC/DF titled "Financial Considerations" for further information.

Participating Providers

All non-Urgent Care and non-Emergency Care must be provided by your PCP, his/her on-call Physician or a Participating Provider referred by your PCP, with the exception of obstetrical and gynecological services, which may be obtained through direct access without a referral. WHA will not be liable for costs incurred if you seek care from a provider other than your PCP. WHA's contract agreements with Participating Providers state that you, the Member, are not liable for payment for Covered Services, except for required Copayments. Copayments are fees that you pay to providers at the time of service. For services that are not Medically Necessary Covered Services, if the Provider has advised you as such in advance, in writing of such non-coverage and you still agree to receive the services, then you will be financially responsible. (See "Definitions" for Provider Reimbursement.)

Non-Participating Providers

Any coverage for services provided by a Physician or other health care provider who is not a Participating Provider requires written Prior Authorization before the service is obtained, except in Medically Necessary Urgent Care and Emergency Care situations. If you receive services from a non-Participating Provider without first obtaining Prior Authorization from WHA or your Medical Group, you will be liable to pay the non-Participating Provider for the services you receive.

How to Use WHA

Selecting Your Primary Care Physician

When you enroll in WHA, you must select a Primary Care Physician (PCP) for yourself and each of your covered Family Members. Each new Member must select a PCP close enough to his or her home or place of work to allow reasonable access to care. You may designate a different PCP for each Member if you wish. Your PCP is responsible for coordinating your health care by either direct treatment or referral to a participating specialist. All non-Urgent Care or non-Emergency Care should be received from your PCP or other Participating Provider as referred by your PCP.

If you have never been seen by the PCP you choose, please call his/her office before designating him/her as your PCP. Not only are some practices temporarily closed because they are full, but this also gives the office the opportunity to explain any new patient requirements. The name of your PCP will appear on your WHA identification card. If you do not designate a PCP at the time of enrollment, WHA will assign one for you.

Changing Your Primary Care Physician

Since your PCP coordinates all your covered care, it is important that you are completely satisfied with your relationship with him or her. If you want to choose a different PCP, call Member Services **before** your scheduled appointment. Member Services will ask you for the name of the Physician and your reason for changing.

Once a new PCP has been assigned to you, WHA will issue a new ID card confirming the Physician's name. The effective date is the first day of the month following notification. You must wait until the effective date before seeking care from your new PCP, or the services may not be covered.

Transferring to another Primary Care Provider or Medical Group

Any individual Member may change PCPs or Medical Groups/IPAs. You may transfer from one to another:

- When the Group's Open Enrollment Period occurs;
- When the Member moves to a new address (notify WHA in writing within thirty (30) days of the change);
- When the Member's employment work-site changes (notify WHA in writing within thirty (30) days of the change);
- When the Member chooses to use the once-a-month transfer option; or
- When deemed necessary by WHA.

Exceptions

WHA will not allow a once-a-month transfer at the Member's request:

- 1) If the Member is confined to a Hospital;
- 2) If the Member is more than three-months pregnant;
- 3) If the Member is in a surgery follow-up period and not yet released by the surgeon; or
- 4) If the Member is receiving treatment for an acute illness or injury and the treatment is not complete.

Note: If you are experiencing one of the above listed exceptions and believe you should be allowed to transfer to another PCP or Medical Group/IPA because of unusual or serious circumstances, please contact WHA's Member Services Department at one of the numbers listed below and request a review for special consideration to your situation.

Referrals to Participating Specialists

Advantage Referral

In order to expand the choice of specialists for you, WHA implemented a unique program called "Advantage Referral". The Advantage Referral program allows Members to access **most of the Specialist Physicians within WHA's network (listed in the Provider Directory)**, instead of limiting each Member's access to those specialists who have a direct relationship with the Member's PCP. While your PCP will treat most of your health care needs, if your PCP determines that you require specialty care, your PCP will refer you to an appropriate provider. You may request to be referred to any of the WHA network specialists who participate in the Advantage Referral program. Your WHA Provider Directory designates the providers who do not participate in the Advantage Referral program, or you may call Member Services.

If medically appropriate, your PCP will provide a written referral to your selected participating specialist. Please remember that if you receive care from a participating specialist without first receiving a referral (or if you see a non-participating specialist without Prior Authorization - see "Prior Authorization" below), you may be liable for the cost of those services. You will receive a notification of the details of your referral to a participating specialist and the number of visits as ordered by your Physician. You need to bring this referral form to your appointment. If you receive a same-day appointment, the specialist will receive verbal or fax authorization, which is sufficient along with your ID card.

OB/GYN services for women and annual eye exams are included in the Advantage Referral program and do not require a PCP referral or Prior Authorization, as long as the provider is listed in the WHA Provider Directory and participates in the Advantage Referral program.

If you have a certain Life-Threatening, degenerative or disabling condition or disease requiring specialized medical care over a prolonged period of time, including HIV or AIDS, you may be allowed a standing referral. A standing referral is a referral for more than one visit, to a specialist or "specialty care center" that has demonstrated expertise in treating a medical condition or disease involving a complicated treatment regimen that requires ongoing monitoring. Those

specialists designated as having expertise in treating HIV or AIDS are designated with a ‡ in our Provider Directory under their licensed specialty.

The following services do not require a referral from your Primary Care Physician:

On-call Physician Services: The on-call Physician for your PCP can provide care in place of your Physician.

Urgent Care: When an Urgent Care situation arises while you are in WHA's Service Area, call your PCP any time of the day, including evenings and weekends. Your doctor or the Physician on call will direct your care. (See "Definitions" for Urgent Care.)

Emergency Care: If you are in an emergency situation, please call "911" or go to the nearest hospital emergency room. Notify your PCP the next business day or as soon as possible. (See "Definitions" for Emergency Care.)

Gynecology Examination: A referral is not needed for gynecological services from a Participating Provider.

Obstetrical Services: A referral is not needed for obstetrical care from a Participating Provider.

Vision: An annual eye exam from a Participating Provider does not require a referral.

Prior Authorization

Certain Covered Services require Prior Authorization by WHA in order to be covered. Your PCP must contact WHA or, in some cases, the participating Medical Group with which your PCP is affiliated to request the service or supply be approved for coverage before it is rendered. If Prior Authorization is not obtained, you may be liable for the payment of services or supplies. Requests for Prior Authorization will be denied if the requested services are not Medically Necessary as determined by WHA or the Medical Group.

Prior Authorization is required for:

- Services from non-Participating Providers except in Urgent Care or Emergency situations. For example, a Covered Service may be Medically Necessary but not available from Participating Providers. Then, your Physician must obtain Prior Authorization from WHA or its delegated Medical Group before you receive services from a non-Participating Provider.
- Behavioral health services (except in Urgent Care or Emergency situations).

Requests for Prior Authorization will be authorized or denied within a timeframe appropriate to the nature of the Member's condition. In non-Urgent situations, a decision will be made within five (5) business days of WHA's or the Medical Group's receipt of the information requested that is reasonably necessary to make the decision. If the Member's condition poses an imminent and serious threat to the Member's health, or the normal timeframe for the decision-making process would be detrimental to the Member's health or would jeopardize the Member's ability to regain maximum function,

the decision will be made within seventy-two (72) hours of receipt of the requested information. Any Prior Authorization is conditioned upon the Member's being enrolled at the time the Covered Services are received. If the Member is not properly enrolled or if coverage has ended at the time the services are received, the Member will be responsible for the cost of the services.

Your WHA ID card lets your provider know that you are a WHA Member and that certain services will require Prior Authorization. If you do not present your ID card each time you receive services, he/she may fail to obtain Prior Authorization when needed, and you could be responsible for the resulting Charges. Your Physician will receive written notice of authorized or denied services and you will be notified of any denials. If Prior Authorization is not received when required, you may be responsible for paying all the Charges. Please direct your questions about Prior Authorization to your PCP.

Second Medical Opinions

A Member may request a second medical opinion regarding any diagnosis and/or any prescribed medical procedure. Members may choose any WHA Participating Provider of the appropriate specialty to render the opinion. All opinions performed by non-Participating Providers require Prior Authorization from WHA or its delegated Medical Group.

All requests for second medical opinions should be directed to the Member's PCP. Members may also contact WHA's Member Services Department at one of the numbers listed below for assistance or for additional information regarding second opinion procedures. Decisions regarding second medical opinions will be authorized or denied within the following timelines:

- Urgent/emergent conditions – within one (1) working day
- Expedited condition – within seventy-two (72) hours
- Elective conditions – within five (5) working days

Urgent Care and Emergency Care

WHA covers you for Urgent Care and Emergency Care services wherever you are in the world. Please note that emergency room visits are not covered for non-Emergency situations. (See the "Definitions" section of this booklet for explanation of Urgent Care and Emergency Care.) See the Copayment Summary for the applicable Copayments for emergency room visits and Urgent Care facility visits.

If care is obtained from a non-Participating Provider, WHA will reimburse the provider for Covered Medical Services received for Urgent Care or Emergency situations, less the applicable Copayment.

If an **Emergency** situation arises whether you are in WHA's Service Area or outside of the Service Area, call "911" immediately or go directly to the nearest hospital emergency room. If an **Urgent Care** situation arises while you are in WHA's Service Area, call your PCP. You can call your doctor at any time of the day, including evenings and weekends.

Explain your condition to your doctor or the Physician on call and he/she will direct your care. In the event you are not able to reach your Physician, you may go to an Urgent Care facility affiliated with your Medical Group.

If you are hospitalized at a non-participating facility because of an Emergency, WHA must be notified within twenty-four (24) hours or as soon as possible. This telephone call is extremely important. If you are unable to make the call, have someone else make it for you, such as a family member, friend, or hospital staff member. WHA will work with the hospital and Physicians coordinating your care, make appropriate payment provisions and, if possible, arrange for your transfer back to a Participating Hospital.

Post-Stabilization Care

Once your Emergency Medical Condition is stabilized, your treating health care provider at the hospital emergency room may believe that you require additional post-stabilization services prior to your being safely discharged. If the hospital is a non-Participating Hospital, the hospital will contact your assigned Contracted Medical Group or WHA to obtain timely Prior Authorization for these post-stabilization services. If WHA or its Contracted Medical Group determines that you may be safely transferred to a Participating Hospital and you refuse to consent to the transfer, you will be financially responsible for 100% of the cost of services provided to you at the non-Participating Hospital after your Emergency Medical Condition is stable. Also, if the non-Participating Hospital is unable to determine your name and WHA contact information in order to request Prior Authorization for post-stabilization services, it may lawfully bill you for such services. If you feel that you were improperly billed for services that you received from a non-Participating Hospital, please contact WHA Member Services.

Follow-Up Care

Follow-up care after an emergency room visit is not considered an Emergency situation. If you receive Emergency treatment from an emergency room Physician or non-Participating Physician and you return to the emergency room or Physician for follow-up care (for example, removal of stitches or redressing a wound), you will be responsible for the cost of the service.

Call your PCP for all follow-up care. If your health problem requires a specialist, your PCP will refer you to an appropriate Participating Provider as needed.

Provider Network Adequacy

WHA will ensure the provider network is in sufficient numbers to assure that all Covered Services are accessible without unreasonable delay, which includes access to Emergency Services twenty-four (24) hours a day, seven (7) days per week.

Direct Access to Qualified Specialists for Women's Health Services

WHA provides women access to Participating Providers – gynecologists, obstetricians, certified nurse midwives, and other qualified health care practitioners – for routine and preventive women's health services.

Access to Specialists

Members with complex or serious medical conditions who require frequent specialty care can arrange for direct access to a network specialist. To ensure continuity of care, WHA has processes in place which provide for ongoing authorizations and/or referrals to a particular specialist for a chronic or serious medical condition for up to a year at a time, if applicable.

Transition of Care and Continuity of Care

In certain circumstances, you may temporarily continue care with a non-Participating Provider. If you are being treated by a provider who has been terminated from WHA's network, or if you are a newly enrolled Member who has been receiving care from a provider not in WHA's network, you may continue care with that provider if you meet the continuity of care criteria explained below. In order for you to be eligible for continued care, the non-Participating Provider must have been treating you for one of the following conditions:

- An acute condition (care continued for the duration of the acute condition).
- A serious chronic condition. A serious chronic condition is a medical condition due to disease, illness, or other medical problem or medical disorder that is serious in nature and that persists without full cure, worsens over an extended period of time or requires ongoing treatment to maintain remission or prevent deterioration. Covered Services will be provided for the period of time necessary to complete a course of treatment and to arrange for a safe transfer to another provider, as determined by WHA in consultation with the Member and the terminated provider or non-Participating Provider, consistent with good professional practice. Completion of Covered Services under this paragraph shall not exceed twelve (12) months from the contract termination date or twelve (12) months from the effective date of coverage for a newly enrolled Member.
- A pregnancy (care continued for the duration of the pregnancy and the immediate postpartum period).
- A terminal illness, an incurable or irreversible condition that has a high probability of causing death within one year (care continued for the duration of the terminal illness).
- Care of a newborn child whose age is between birth and thirty-six (36) months (care continued for a period not to exceed twelve (12) months).
- Performance of surgery or other procedure that has been authorized by WHA or the Medical Group as part

of a documented course of treatment that is to occur within one hundred eighty (180) days.

If you are a newly enrolled Member and you had the opportunity to enroll in a health plan with an out-of-network option, or had the option to continue with your previous health plan or provider but instead voluntarily chose to change health plans, you are not eligible for continuity of care.

WHA and/or the Medical Group will require the terminated provider whose services are continued beyond the contract termination date to agree in writing to be subject to the same contractual terms and conditions that were imposed upon the provider prior to termination, including but not limited to credentialing, hospital privileging, utilization review, peer review and quality assurance requirements. If the terminated provider does not comply with these contractual terms and conditions, WHA will not continue the provider's services beyond the contract termination date, and you will not be eligible to continue care with that provider.

WHA and/or the Medical Group will require a non-Participating Provider whose services are continued pursuant to this section for a newly covered enrollee to agree in writing to be subject to the same contractual terms and conditions that are imposed upon currently contracting providers of similar services who are not capitated and who are practicing in the same or a similar geographic area as the non-Participating Provider, including but not limited to credentialing, hospital privileging, utilization review, peer review and quality assurance requirements. If the non-Participating Provider does not agree to comply or does not comply with these contractual terms and conditions, WHA will not continue the provider's services, and you will not be eligible to continue care with that provider.

Unless otherwise agreed upon by the terminated or non-Participating Provider and WHA or the Medical Group, the services rendered shall be compensated at rates and methods of payment similar to those used by WHA or the Medical Group for currently contracting providers of similar services who are not capitated and who are practicing in the same or a similar geographic area as the terminated or non-Participating Provider. Neither WHA nor the Medical Group is required to continue the services of a terminated or non-Participating Provider if the provider does not accept the payment rates as specified here.

If you believe that your medical condition meets the criteria for continuity of care outlined above, you may be entitled to continue your care with your current provider. Please contact the WHA Member Services Department prior to enrollment, and no later than thirty (30) days from the Effective Date of your WHA coverage or from the date your provider terminated with WHA to request a Continuity of Care form. You also may go to WHA's web page, westernhealth.com, to obtain a copy of the Continuity of Care form. Complete and return this form to WHA as soon as possible. After receiving the completed form, WHA will notify you if you qualify for continuity of care with your provider. If you do qualify for continuity of care, you will be provided with the appropriate plan for your care. If you do not qualify, you will be notified

in writing and offered alternative Participating Providers. Individual circumstances will be evaluated by the Medical Director on a case-by-case basis. To request a copy of our continuity of care policy, please call our Member Services Department at one of the numbers listed below.

Your Medical Group must preauthorize or coordinate services for continued care. If you have any questions or want to appeal a denial, call our Member Services Department at one of the numbers listed below, Monday through Friday, 8:00 a.m. to 5:00 p.m.

Please note: You should not continue care with a non-Participating Provider without WHA's or your Medical Group's approval. If you do not receive this approval in advance, payment for services performed by a non-Participating Provider will be your responsibility.

Access to Emergency Services

Members have the right to access Emergency Services, including the "911" emergency response system, when and where the need arises. WHA has processes in place which ensure payment when a Member presents to an emergency department with acute symptoms of sufficient severity – including severe pain – such that a "prudent layperson" or reasonable person could expect the absence of medical attention to result in placing the Member's health in serious jeopardy.

Member Rights and Responsibilities

General Information

WHA's Member Rights and Responsibilities outline not only the Member's rights but also the Member's responsibilities as a Member of WHA. You may request a separate copy of this Member Rights and Responsibilities by contacting our Member Services staff. It is also available on the WHA website – westernhealth.com.

What Are My Rights?

Member rights may be exercised without regard to age, sex, marital status, sexual orientation, race, color, religion, ancestry, national origin, disability, health status or the source of payment or utilization of services. Western Health Advantage Member rights include but are not limited to the following:

- To be provided information about WHA's organization and its services, providers and practitioners, managed care requirements, processes used to measure quality and improve Member satisfaction, and your rights and responsibilities as a Member.
- To be treated with respect and recognition of your dignity and right to privacy.
- To actively participate with practitioners in making decisions about your healthcare, to the extent permitted by law, including the right to refuse treatment or leave a hospital setting against the advice of the attending Physician.
- To expect candid discussion of appropriate, or Medically Necessary, treatment options regardless of cost or benefit coverage.
- To voice a Complaint or to appeal a decision to WHA about the organization or the care it provides, and to expect that a process is in place to assure timely resolution of the issue.
- To make recommendations regarding WHA's Member Rights and Responsibilities policies.
- To know the name of the Physician who has primary responsibility for coordinating your care and the names and professional relationships of others who may provide services, including the practitioner's education, certification or accreditation, licensure status, number of years in practice and experience performing certain procedures.
- To receive information about your illness, the course of treatment and prospects for recovery in terms that can be easily understood.
- To receive information about proposed treatments or procedures to the extent necessary for you to make an informed consent to either receive or refuse a course of treatment or procedure. Except in emergencies, this information shall include: a description of the procedure or treatment, medically significant risks associated with

it, alternate courses of treatment or non-treatment including the risks involved with each and the name of the person who will carry out a planned procedure.

- To confidential treatment and privacy of all communications and records pertaining to care you received in any health care setting. Written permission will be obtained before medical records are made available to persons not directly concerned with your care, except as permitted by law or as necessary in the administration of the Health Plan. WHA's policies related to privacy and confidentiality are available to you upon request.
- To full consideration of privacy and confidentiality around your plan for medical care, case discussion, consultation, examination and treatment, including the right to be advised of the reason an individual is present while care is being delivered.
- To reasonable continuity of care along with advance knowledge of the time and location of an appointment, as well as the name of the practitioner scheduled to provide your care.
- To be advised if the Physician proposes to engage in or perform human experimentation within the course of care or treatment and to refuse to participate in such research projects if desired.
- To be informed of continuing health care requirements following discharge from a hospital or practitioner's office.
- To examine and receive an explanation of bills for services regardless of the source of payment.
- To have these Member rights apply to a person with legal responsibility for making medical care decisions on your behalf. This person may be your Physician.
- To have access to your personal medical records.
- To formulate advance directives for health care.

What Are My Responsibilities?

It is the expectation of WHA and its providers that enrollees adhere to the following Member responsibilities to facilitate the provision of high level quality of care and service to Members. Your Member responsibilities include but are not limited to the following:

- To know, understand and abide by the terms, conditions, and provisions set forth by WHA as your Health Plan. The EOC/DF document you received at the time of enrollment and available on WHA's website at westernhealth.com contains this information.
- To supply WHA and its providers and practitioners (to the extent possible) the information they need to provide care and service to you. This includes informing WHA's Member Services Department when a change in residence occurs or other circumstances arise that may effect entitlement to coverage or eligibility.

- To select a PCP who will have primary responsibility for coordination of your care and to establish a relationship with that PCP.
- To learn about your medical condition and health problems and to participate in developing mutually agreed upon treatment goals with your practitioner, to the degree possible.
- To follow preventive health guidelines, prescribed treatment plans and guidelines/instructions that you have agreed to with your health care professionals and to provide to those professionals information relevant to your care.
- To schedule appointments as needed or indicated, to notify the Physician when it is necessary to cancel an appointment and to reschedule cancelled appointments if indicated.
- To show consideration and respect to the providers and their staff and to other patients.
- To express Grievances regarding WHA, or the care or service received through one of WHA's providers, to the Plan's Member Services Department for investigation through WHA's Grievance process.

To facilitate greater communication between patients and providers, WHA will:

- Upon the request of a Member, disclose to consumers factors, such as methods of compensation, ownership of or interest in healthcare facilities, that can influence advice or treatment decisions;
- Ensure that provider contracts do not contain any so-called "gag clauses" or other contractual mechanisms that restrict the healthcare provider's ability to communicate with or advise patients about Medically Necessary treatment options.

Principal Benefits and Covered Services

The following services and benefits are covered when determined to be Medically Necessary by WHA and provided by your PCP or other Participating Providers to whom you have been referred by your PCP. You will be responsible for all applicable Copayments as described on your Copayment Summary or in this EOC/DF, and any Charges related to non-Covered Services or limitations.

Note: A full description of exclusions and limitations can be found in the "Principal Exclusions and Limitations" section of this EOC/DF.

Outpatient Services

The following outpatient services are covered by WHA. The Copayment Summary defines the Member's Copayment responsibility.

- Office visits for adult and pediatric care, well-baby care, and immunizations;
- Pre-natal and post-natal maternity care;
- Gynecological exams;
- Surgical procedures;
- Periodic physical examinations;
- Office visits for consultations or care by a non-participating specialist when referred and authorized by WHA or your delegated Medical Group;
- Eye examinations (including eye refraction);
- Hearing examinations;
- Laboratory, x-rays, electrocardiograms and all other tests determined to be Medically Necessary;
- Therapeutic injections, including allergy testing and shots;
- Health education and family planning services, including counseling and examination;
- Rehabilitative services including physical therapy, speech therapy and occupational therapy, when authorized in advance and determined to be Medically Necessary;
- Short-term respiratory therapy, cardiac rehabilitation and pulmonary rehabilitation, when authorized in advance, determined to be Medically Necessary and determined to lead to continued improvement of the Member's condition.

Cancer Screenings: Includes but is not limited to all generally medically accepted cancer screening tests, an annual cervical cancer screening test including a conventional Pap smear test and a human papillomavirus screening test that is approved by the federal Food and Drug Administration; upon referral by the Member's Physician, nurse practitioner, or certified nurse midwife, the option of any cervical cancer screening test approved by the federal Food and Drug Administration; mammography screening or diagnostic; periodic prostate cancer screening including prostate-specific antigen testing; digital rectal examinations; fecal occult blood

tests; and flexible sigmoidoscopy. Cancer screening is subject to all terms and conditions that would otherwise apply.

Cancer Clinical Trials: Routine patient care costs related to the participation of a Member who has been diagnosed with cancer in a clinical trial, if the Member's treating Physician has recommended such participation after determining that such participation may potentially provide a benefit to the Member.

"Routine patient care costs" do not include the following:

- 1) Drugs or devices associated with the clinical trial that have not been approved by the FDA;
- 2) Services other than health care services, such as travel or housing expenses, companion expenses, and other non-clinical expenses that a Member might incur as a result of participation in the clinical trial;
- 3) Any item or service provided solely for the purpose of data collection and analysis;
- 4) Health care services that are otherwise specifically excluded from coverage under the Member's plan; or
- 5) Health care services customarily provided by researchers free of charge to participants in the clinical trial.

Note: Some outpatient services, such as diagnostic testing, x-rays, and surgical procedures require Prior Authorization. For clarification, please contact WHA's Member Services Department.

Inpatient Services

Note: All inpatient hospitalization requires Prior Authorization, except in an Emergency situation.

The following inpatient services are covered by WHA. The Copayment Summary defines the Member's Copayment responsibility.

- Semi-private room and board (private room when determined to be Medically Necessary by a Participating Provider);
- Physician's services including surgeons, anesthesiologists and medical consultants;
- Hospital specialty services including the use of the operating room and the recovery room, anesthesia, inpatient drugs, x-ray, laboratory, radiation therapy and nursery care for newborns;
- Medical, surgical and cardiac intensive care;
- Private-duty nurse when prescribed by a Participating Provider;
- Blood transfusion services;
- Rehabilitative services including physical therapy, speech therapy and occupational therapy, if required incident to an admission for Covered Services and determined to be Medically Necessary;
- Short-term respiratory therapy, cardiac rehabilitation and pulmonary rehabilitation, if required incident to an admission for Covered Services, determined to be Medically Necessary and determined to lead to continued improvement of the Member's condition.

Behavioral Health Services

WHA has contracted with Human Affairs International of California (HAI-CA), an affiliate of Magellan Behavioral Health, to administer all mental health and alcohol and drug abuse benefits under the plan. If you need behavioral health treatment or have questions about your behavioral health benefits, please call HAI-CA at (800) 424-1778.

Mental Health Services (other than Severe Mental Health and Alcoholism and Drug Abuse)

(A) Inpatient

Members are entitled to receive Inpatient Hospital Services for the treatment of Mental Health Disorders/ Conditions at a participating acute care facility, subject to Copayment listed on Copayment Summary. Services are covered with Prior Authorization by HAI-CA. Inpatient mental health benefits for Medicare Supplement Members are limited to one hundred ninety (190) days per lifetime.

(B) Outpatient

Members are entitled to receive evaluation and care by a Participating Provider, subject to Copayment listed on the Copayment Summary. Outpatient services for evaluation and care are covered with Prior Authorization by HAI-CA.

Severe Mental Health Services

Diagnosis and Medically Necessary Treatment of Severe Mental Illnesses of a Member of any age and Serious Emotional Disturbances of Children (SED) are covered when pre-authorized by HAI-CA. Severe Mental Illness is defined as one of the following: schizophrenia, schizoaffective disorder, pervasive developmental disorder or autism, obsessive-compulsive disorder, panic disorder, major depressive disorder, bipolar disorder (manic depressive syndrome), anorexia nervosa and bulimia nervosa. SED is present when a Member under eighteen (18) meets both of the following criteria: (1) has one or more Mental Disorders as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, that result in behavior inappropriate to the child's age according to expected developmental norms; and (2) meets the criteria in paragraph (2) of subdivision (a) of Section 5600.3 of the Welfare and Institutions Code (copy available through Member Services).

(A) Inpatient

Members are entitled to receive Inpatient Hospital Services for the treatment of Severe Mental Illnesses and SED as defined above, at a participating acute care facility with Prior Authorization by HAI-CA, subject to the Copayment listed on Copayment Summary. (Unlimited Days)

(B) Outpatient

Members are entitled to receive evaluation and care with Prior Authorization by HAI-CA. (Unlimited Visits)

Alcoholism and Drug Abuse Services

(A) Inpatient

Members are entitled to receive inpatient detoxification at an HAI-CA participating acute care facility, subject to Copayment listed on the Copayment Summary, upon Prior Authorization by HAI-CA. Such facility must provide medical management of the Member for detoxification. Inpatient services do not include alcohol and chemical dependency rehabilitation services.

(B) Outpatient

Members are entitled to receive outpatient services for evaluation and care for alcoholism and chemical dependency by a Participating Provider, subject to Copayment listed on Copayment Summary. Outpatient services do not include alcohol and chemical dependency rehabilitation services.

Other Health Services

Home Health Care Services, short-term intermittent care, up to one hundred (100) visits per calendar year, when prescribed by a Participating Provider and determined to be Medically Necessary. This benefit does not include meals, housekeeping, childcare, personal comfort or convenience items, services or supplies.

Home Self-Injectable Medications are covered regardless of whether you have Prescription coverage. These are injectable drugs that can be safely self-administered by the patient or administered by the patient's caregiver with minimal training by health professionals. These injections are generally given by the subcutaneous route and occasionally by intramuscular administration. They may also be administered via an implantable pump or an in-dwelling catheter.

Hospice Care is covered when you have met the Hospice Care requirements:

- 1) A Participating Physician has diagnosed you with a terminal illness and certifies, in writing, that your life expectancy is one (1) year or less;
- 2) A Participating Physician authorizes the services;
- 3) A Participating Physician has written a plan of care;
- 4) The Hospice Care team approves the care;
- 5) The services are to be provided by a licensed Hospice agency approved by WHA or the Medical Group;
- 6) The services are Medically Necessary for palliation or management of the terminal illness; and
- 7) You elect Hospice Care in writing.

If all of these requirements are met, you may choose Hospice Care instead of traditional services and supplies otherwise provided for your illness.

If you elect Hospice Care, you are not entitled to any other services for the terminal illness under this EOC/DF. You may change your decision about Hospice Care at any time.

The signed election statement and contracting Physician certification must accompany all Hospice claims submitted for payment.

Under Hospice Care, we cover the following services and supplies when the above requirements are met:

- Participating Physician services.
- Skilled nursing services.
- Physical, occupational or respiratory therapy, or therapy for speech-language pathology.
- Medical social services.
- Home health aide and homemaker services.
- Palliative drugs prescribed for pain control and symptom management of the terminal illness in accordance with our drug formulary and Plan guidelines, obtained from a contracting Plan pharmacy. (These drugs are covered only if (i) Prescriptions are listed as covered on your Copayment Summary or (ii) the employer has purchased an optional Prescription rider plan.)
- Durable Medical Equipment in accordance with Plan guidelines.
- Short-term inpatient care including respite care, care for pain control and acute and chronic symptom management.
- Counseling and bereavement services.

Skilled Nursing Facility, short-term care to a maximum of one hundred (100) days in each calendar year is covered if Medically Necessary.

Durable Medical Equipment (DME), Prosthetic Devices and Orthotic Devices when prescribed by a Participating Provider and determined to be Medically Necessary, covered at a Copayment set forth in the Copayment Summary. A Member's Copayment will not apply towards annual out-of-pocket maximum unless the item is required for the management and treatment of diabetes or pediatric asthma supplies and equipment, or is an Orthotic or Prosthetic Device. Examples of DME include: standard wheelchair, oxygen and oxygen equipment. Orthotic Devices include special footwear that is Medically Necessary as a result of foot disfigurement that arises out of cerebral palsy, arthritis, polio, spina bifida, diabetes and accidental or developmental disabilities. See the "Definitions" section for definitions of covered Orthotic and Prosthetic Devices.

- WHA may, in its sole discretion, determine whether the covered device should be purchased or rented and directly order or coordinate the ordering of the covered device.
- Wheelchairs provided as a benefit under this health plan are limited to standard wheelchairs. A standard wheelchair is one that meets the minimum functional requirements of the Member.
- Where two or more alternative covered devices are appropriate to treat the Member's condition, the most cost-effective device will be covered.

- Coverage for Devices is limited to the basic type of DME, Prosthetic Device or Orthotic Device that WHA determines to be necessary to provide for the Member's medical needs.
- The allowable cost of covered devices will not be applied toward similar services and supplies that are not covered devices.

Reconstructive Surgery is covered to improve function or to create a normal appearance, to the extent possible, or to repair "abnormal structures" of the body that are caused by congenital defects, developmental abnormalities, trauma, infection, tumors or disease.

Mastectomy and Reconstructive Breast Surgery to restore and achieve symmetry is covered in full. Coverage for a mastectomy includes coverage for all complications from a mastectomy. This includes Medically Necessary physical therapy to treat the complications of mastectomy, including lymphedema; Prosthetic Devices; or reconstruction of the breast on which the mastectomy is performed, including areola reconstruction and the insertion of a breast implant. Reconstructive surgery for a healthy breast is also covered if, in the opinion of the attending Physician, this surgery is necessary to achieve normal symmetrical appearance. The attending Physician, consistent with sound clinical practice and in consultation with the patient, will determine the length of the hospital stay for mastectomies and lymph node dissections.

Testing and treatment of PKU includes formula and special food products that are prescribed and are Medically Necessary for treatment of PKU.

Transplants that are non-experimental or non-investigational are covered and must be ordered by the Member's Participating Physician and approved by WHA's Medical Director in advance of surgery. The transplant must be performed at a center specifically approved and designated by WHA to perform these specific procedures. Coverage for a transplant where a Member is the recipient includes coverage for the medical and surgical expenses of a live donor, to the extent these services are not covered by another plan or program.

Diabetes supplies, equipment, and services for the treatment and/or control of diabetes are covered. Services include outpatient self-management training education and medical nutrition therapy for the treatment and/or control of diabetes necessary to enable you to properly use the equipment, supplies, and medications upon the direction or prescription of those services by your Participating Physician. The following equipment and supplies for the management and treatment of insulin-using diabetes, non-insulin using diabetes, and gestational diabetes are also covered as Medically Necessary, even if the items are available without a Prescription:

- Blood glucose monitors and blood glucose testing strips.
- Blood glucose monitors designed to assist the visually impaired.
- Insulin pumps and all related necessary supplies.

- Ketone urine testing strips.
- Lancets and lancet puncture devices.
- Pen delivery systems for the administration of insulin.
- Podiatric devices to prevent or treat diabetes-related complications.
- Insulin syringes.
- Visual aids, excluding eyewear, to assist the visually impaired with proper dosing of insulin.

Pediatric Asthma supplies, equipment, and services

when Medically Necessary for the management and treatment of pediatric asthma, including outpatient self-management training education to enable you to properly use the equipment, supplies and medications upon the direction or prescription of those services by your Participating Physician. The following equipment and supplies for the management and treatment of pediatric asthma are covered as Medically Necessary, even if the items are available without a prescription:

- Nebulizers, including face masks and tubing.
- Inhaler spacers.
- Peak flow meters.

Acupuncture and Chiropractic care are covered through Landmark Healthplan of California, Inc., a Knox-Keene licensed specialty plan. For full disclosure of benefit coverage, please see the Landmark EOC and benefit summary information included with this EOC/DF. For additional information, you may call Landmark's Customer Service Department at (800) 638-4557, Monday through Friday, 8:00 a.m. to 5:00 p.m.

Emergency medical transport services are covered when ordered by a Participating Provider and determined to be Medically Necessary. If a Member reasonably believes he/she is having an emergency, the Member should call "911". Ambulance services are covered if the Member reasonably believes he or she is in an emergency situation.

Principal Exclusions and Limitations

The following services and supplies are excluded or limited:

Exclusions

- 1) Any services or supplies obtained before the Member's effective date of coverage.
- 2) Services and supplies which are not Medically Necessary. If a service is denied or is not covered based on Medical Necessity, a Member may appeal the decision through the Independent Medical Review (IMR) process found in the section of this EOC/DF titled "Independent Medical Review" under "Member Satisfaction Procedure".
- 3) Non-emergent services and supplies rendered by non-Participating Providers without written referral by the Member's PCP. Prior Authorization and care by non-Participating Providers will only be provided as a Covered Service if the care is determined to be Medically Necessary and not available through Participating Providers.
- 4) Experimental medical or surgical procedures, services or supplies. Please refer to the section of this EOC/DF titled "Independent Medical Review of Investigational/ Experimental Treatments" under "Member Satisfaction Procedure".
- 5) Long term care benefits including skilled nursing care and respite care, except for Medically Necessary Covered Services described in the "Other Health Services", "Hospice Care" under the "Principal Benefits and Covered Services" section.
- 6) Cosmetic services and supplies, except for Prosthetic Devices incident to a mastectomy or laryngectomy or reconstructive surgery necessary to repair a functional disorder as a result of disease, injury or congenital anomaly, or to improve function and/or create a normal appearance to the extent possible. The exclusion includes services and supplies performed in connection with the reformation of sagging skin; the enlargement, reduction or change in the appearance of a portion of the body; hair transplant or analysis; and chemical face peels or abrasions of the skin.
- 7) Penile Prostheses, unless prescribed by a Participating Physician and determined to be both Medically Necessary (e.g., secondary to penile trauma, tumor or physical disease to the circulatory system or nerve supply) and not of a psychological cause.
- 8) Non-emergent medical transport or ambulance care inside or outside the Service Area, except with Prior Authorization.
- 9) Vision therapy, eyeglasses, contact lenses and surgical procedures for the correction of visual acuity in lieu of eyeglasses or contact lenses (except for intraocular lenses in connection with cataract removal).
- 10) Hearing aids and batteries.
- 11) Services or supplies in connection with the storage of body parts, fluids or tissues, except for autologous blood.
- 12) Dental care, except for (1) non-dental surgical and hospitalization procedures incidental to facial fractures, tumors or congenital defects, such as cleft lip or cleft palate, or (2) surgery on the maxilla or mandible that is Medically Necessary to correct temporomandibular joint disease (TMJ) or other medical conditions, when Medically Necessary and Prior Authorized. Other Dental Services excluded include:
 - a) Items or services in connection with the care, treatment, filling, removal, replacement, or artificial restoration of the teeth or structures directly supporting the teeth.
 - b) Treatment of dental abscesses, braces, bridges, dental plates, dental prostheses and dental orthoses, including anesthetic agents or drugs used for the purpose of dental care.
- 13) Any services or supplies provided by a person who lives in the Member's home, or by an immediate relative of the Member.
- 14) Personal comfort or convenience items (e.g., television, radio), home or automobile modifications or improvements (e.g., chair lifts, purifiers).
- 15) Vitamins except prenatal prescription vitamins or vitamins in conjunction with fluoride.
- 16) Routine foot care (e.g., treatment of or to the feet for corns or calluses), except when Medically Necessary. Orthotic Devices for routine foot care are also excluded. This exclusion does not apply to special footwear required as a result of foot disfigurement caused by diabetes.
- 17) All immunizations required by an employer as a condition of employment.
- 18) Custodial Care or services and supplies furnished by an institution which is primarily a place for rest and provides primarily non-nursing supervision of the patient. Other excluded services include homemaker services and convalescent care. This exclusion does not apply to Covered Services included in the Hospice benefit described under the "Principal Benefits and Covered Services" section of this EOC/DF.
- 19) Non-prescription weight loss aids and programs and non-Participating Provider programs.
- 20) Smoking cessation products and programs.
- 21) Repair and replacement of DME, Orthotics or Prosthetics when necessitated by the Member's abuse, misuse or loss. Any device not medical in nature (e.g., exercise equipment, whirlpool, spa), more than one device for the same body part, or more than one piece of equipment that serves the same function.
- 22) Food supplements or infant formulas, except in the treatment of PKU.

- 23) Over-the-counter medications, supplies or equipment that may be obtained without a Prescription, except for diabetes and pediatric asthma supplies as described under the headings "Diabetes supplies, equipment and services" and "Pediatric Asthma supplies, equipment, and services".
- 24) Services and supplies associated with the donation of organs when the recipient is not a Member of WHA. Medically Necessary services for the treatment of organ transplants when the Member is the organ recipient are covered (see "Transplants").
- 25) Court-ordered health care services and supplies when not Medically Necessary.
- 26) Travel expenses, including room and board, even if the purpose is to obtain a Covered Service.
- 27) Expenses incurred obtaining copies of the medical records if requested by the Member for personal use.
- 28) Weight control surgery or procedures including without limitation gastric bubble, gastroplasty, gastric bypass, gastric stapling, liposuction and HCG injections; and any Experimental Procedures for the treatment of obesity. However, Medically Necessary services as determined by WHA for the treatment of morbid obesity with Prior Authorization are covered.
- 29) Testing for the sole purpose of determining paternity.
- 30) Diagnostic procedures or testing for genetic disorders, except for prenatal diagnosis of fetal genetic disorders in cases of high-risk pregnancy or when medically indicated.
- 31) Diagnosis and treatment for personal growth and/or development, for personality reorganization or in conjunction with professional certification.
- 32) Ancillary services such as Vocational Rehabilitation, behavioral training, sleep therapy, employment counseling, training or education therapy for learning disabilities or other Educational Services.
- 33) Marriage counseling, except for the treatment of a Mental Health Disorder/Condition.
- 34) Psychological examination, testing or treatment for purposes of licensing or insurance, judicial or administrative proceedings (including but not limited to parole or probation proceedings), or satisfying an employer's, prospective employer's or other party's requirements for obtaining employment.
- 35) Psychological testing, except when conducted for the purpose of diagnosis of a Mental Health Disorder/Condition or a condition related to drug or alcohol dependence.
- 36) Mental health treatment of obesity or for weight reduction (except in connection with anorexia nervosa or bulimia), including supplies.
- 37) Stress management therapy.
- 38) Aversion therapy.
- 39) Mental health treatment of pain, except for Medically Necessary treatment of pain with psychological or psychosomatic origins.
- 40) Treatment of short stature unless treatment is Medically Necessary.
- 41) Sex Change (Transsexual) surgery and/or treatment related to changing a Member's physical characteristics to those of the opposite sex.
- 42) All services involved in surrogacy, including but not limited to embryo transfers, services and supplies related to donor sperm or sperm preservation for artificial insemination. Surrogacy is pregnancy under a surrogate arrangement. A surrogate pregnancy is one in which a woman (the surrogate) has agreed to become pregnant with the intention of surrendering custody of the child to another person. If the surrogate is a Member of WHA, she is entitled to maternity services, but in the event pregnancy services are rendered to a woman in a surrogate arrangement, the Plan has the right to impose a lien against any amount received by the surrogate/ Member for reasonable costs incurred by WHA or its contracted Medical Groups.
- 43) Home birth delivery.
- 44) Services and supplies in connection with the reversal of voluntary sterilization.
- 45) Services related to assisted reproductive technology, including but not limited to harvesting or stimulation of the human ovum, ovum transplants, gamete intrafallopian transfer (GIFT), donor semen or eggs (and services related to their procurement and storage), artificial insemination, including related medications, laboratory, and radiology services, services or medications to treat low sperm count, in vitro fertilization (IVF) and zygote intrafallopian transfer (ZIFT).
- 46) Infertility services, which are services related to the diagnosis and treatment of infertility, unless Infertility Benefit Rider has been purchased.
- 47) Acupressure (unless provided through the acupuncture benefit), biofeedback, sex therapy, dance therapy and recreational therapy.
- 48) Outpatient Prescription Medications are covered only if (i) listed as covered on your Copayment Summary or (ii) the employer has purchased an optional prescription rider plan.

Limitations

All benefits for Covered Services are provided in connection with determining Medical Necessity. The services and supplies used to diagnose and treat any disease, illness or injury must be used in accordance with professionally recognized standards of practice.

- 1) Services and supplies rendered by non-Participating Providers are covered for Urgent Care and Emergency Care only, or when care from the non-Participating Provider has been authorized in advance.
- 2) Respiratory therapy, cardiac rehabilitation and pulmonary rehabilitation are limited to short-term rehabilitative services that are authorized in advance, determined

to be Medically Necessary and determined to lead to continued improvement of the Member's condition. Therapy and rehabilitation are not covered when:

- a) medical documentation does not support the Medical Necessity because of the Member's inability to progress toward the treatment plan goals; or
 - b) a Member has already met the treatment plan goals.
- 3) Physical exams and/or laboratory, x-ray or other diagnostic tests ordered in conjunction with a physical exam will **not** be a covered benefit if the purpose of the test is exclusively to fulfill an employment, licensing, sports, or school-related requirement.
 - 4) If services or supplies are received while a Member is entitled to receive benefits from another health plan or collect damages due to a third party's liability, including Workers' Compensation, the Member is required to assist in the assignment, liens and recovery of any WHA or HAI-CA expense. WHA may file a lien on any proceeds received by a Member for any expense incurred by WHA or HAI-CA. Members not legally required to be covered by Workers' Compensation benefits are eligible for twenty-four (24) hour coverage under WHA. See "Third Party Responsibility – Subrogation".
 - 5) WHA will not be held liable for the lack of available services in the event of a major disaster, epidemic, war, riot or other like circumstance beyond the control of WHA which renders a Participating Provider unable to provide services. However, Participating Providers will provide or attempt to arrange for Covered Services according to their best judgment within the limitations of available facilities or personnel. If the Plan is unable to provide services it will refer Members to the nearest hospital for Emergency Services and later provide reimbursement to the Member for such Covered Services.
 - 6) For Covered Services, WHA reserves the right to coordinate your care in a cost-effective and efficient manner.
 - 7) Private hospital rooms and/or private duty nursing are not covered unless determined to be Medically Necessary and authorized by WHA.

Becoming and Remaining a Member of WHA

Eligibility and Application for Group Coverage

Eligibility requirements and enrollment dates for your participation in WHA's group health coverage are set by your employer and WHA. You and your eligible Family Members apply for membership through your employer group. The date on which you become eligible to enroll is established by your employer and agreed to by WHA. WHA must receive your written application within thirty (30) days of your becoming eligible to enroll.

The eligibility rules shown below are WHA's eligibility rules for you and your dependents. Subscribers must also fulfill their employers' eligibility requirements.

These rules apply at the time of enrollment and throughout your membership in WHA.

Employer Group Subscribers

All Subscribers and dependents must live or work within a WHA licensed zip code (see map and list of zip codes on the first page), meaning that either the primary workplace or Primary Residence is within a WHA licensed zip code.

Eligible Dependents ("Family Members") and Age Limits

Eligible Family Members include:

- Your legal spouse or adult registered domestic partner (see below for details). (The term "spouse" used in this EOC/DF includes your adult registered domestic partner as defined below.)
- You and your spouse's unmarried children under the age of nineteen (19), including natural children, stepchildren, legally adopted children and children under legal guardianship of the Subscriber and the Subscriber's spouse ("Child(ren)").

A Child may enroll even if:

- a) The Child was born out of wedlock.
- b) The Child is not claimed as a dependent on the parent's federal income tax return.
- c) The Child does not reside with the parent.
- d) The Child does not reside within WHA's Service Area, but only if the parent is subject to a qualified medical support order requiring the parent to provide coverage for the Child. Note: Participating Providers still required. Eligibility for children residing outside the Service Area does not relieve the Child from the requirement that all Covered Services must be obtained from WHA's network of Participating Providers, except in an Urgent Care or Emergency Care situation. Please see "Choice

of Physicians and Other Providers" for more information.

Children Over Nineteen (19)

Full-time students. Coverage can be extended up to the age of twenty-four (24) if the Child is a full-time student at an accredited institution of higher learning. Student verification is required. A full-time student is one taking at least nine (9) semester units (or equivalent hours) at a qualified college, university or vocational school. Any break in the school calendar shall not disqualify the Child from coverage as a full-time student.

1) Medical leaves of absence from full time status:

If a Child who is eligible and covered as a full-time student as described above takes a medical leave of absence from the accredited institution of higher learning, the following apply:

a) If the nature of the Child's injury, illness or condition would render the Child incapable of self-sustaining employment, the Child may be eligible for continued coverage as described below under "Physically or mentally disabled" if the Child is chiefly dependent on the Subscriber for support and maintenance.

b) If the nature of the Child's injury, illness or condition does not make the Child eligible for continued coverage as described below under "Physically or mentally disabled", the Child's coverage shall not terminate for a period not to exceed twelve (12) months or until the date on which the coverage is scheduled to terminate pursuant to the terms and conditions of the Group Service Agreement and this EOC/DF, whichever comes first. The period of coverage under this paragraph shall commence on the first day of the medical leave of absence from the school or on the date the Physician determines the illness prevented the Child from attending school, whichever comes first.

c) Documentation or certification of the Medical Necessity for a leave of absence from school shall be submitted to WHA at least thirty (30) days prior to the medical leave of absence from the school, if the medical reason for the absence and the absence are foreseeable, or thirty (30) days after the start date of the medical leave of absence from school.

2) Participating Providers still required: Eligibility as a full-time student does not relieve the full-time student Member from the requirement that all Covered Services must be obtained from WHA's network of Participating Providers, except in an Urgent Care or Emergency Care situation. Please see "Choice of Physicians and Other Providers" for more information.

Physically or mentally disabled. Covered dependent children over age nineteen (19) who are incapable of self-sustaining employment due to a physically or mentally disabling injury, illness or condition incurred prior to age nineteen (19), and who are dependent upon you for support. WHA will send

you a notice that a covered dependent Child will be terminated at least ninety (90) days in advance of the covered dependent child's nineteenth (19th) birthday. If the covered dependent child qualifies as set forth in this paragraph, the Subscriber must submit written proof of the disability and certification of the dependent child's dependence upon the Subscriber for support within sixty (60) days of the date you receive the notice. WHA will determine whether the child meets the criteria in this section before the child's nineteenth (19th) birthday. If the child does meet the criteria, after two (2) years WHA may request proof each year.

Adult Registered Domestic Partners

Your adult registered domestic partner (and the domestic partner's children) are defined as in Section 297 of the Family Code and summarized below. Domestic partners are two adults who have chosen to share one another's lives in an intimate and committed relationship of mutual caring. All benefits described in this EOC/DF apply to the registered domestic partner of an employee or Subscriber to the same extent and subject to the same terms and conditions as they apply to a spouse of the employee or Subscriber. A domestic partner relationship is deemed to be established when all of the following requirements are met:

- 1) Both persons have a common residence.
- 2) Both persons agree to be jointly responsible for each other's basic living expenses incurred during the domestic partnership.
- 3) Neither person is married or a member of another domestic partnership.
- 4) The two persons are not related by blood in a way that would prevent them from being married to each other in this state.
- 5) Both persons are at least eighteen (18) years of age.
- 6) Any of the following:
 - a) Both persons are members of the same sex, or
 - b) The persons are of opposite sex and one or both of the persons meet the eligibility criteria under Title II of the Social Security Act as defined in 42 U.S.C. Section 402(a) for old-age insurance benefits or Title XVI of the Social Security Act as defined in 42 U.S.C. Section 1381 for aged individuals. Notwithstanding any other provision of this section, a relationship between persons of the opposite sex may not constitute a domestic partnership unless one or both of the persons are over the age of sixty-two (62), or
 - c) The persons are of opposite sex and do not meet the criteria of 6b. above, but the employer has approved eligibility of opposite-sex partners.
- 7) Both persons are capable of consenting to the domestic partnership.
- 8) Neither person has previously filed, for a different domestic partner, a Declaration of Domestic Partnership with the California Secretary of State that has not been terminated.

- 9) If eligible for registration under California law, both file a Declaration of Domestic Partnership with the California Secretary of State pursuant to state law; or they have validly filed a legal domestic partnership in another jurisdiction.

Ineligibility

If you were previously a Member of WHA and your coverage was cancelled for any of the reasons listed under "Termination of Benefits, Fraud and Exception to Cancellation", "Termination", you are not eligible to enroll. Grandchildren born to a covered dependent Child are ineligible for coverage.

Effective Date of Coverage

Your effective date of health coverage is as follows:

- If your employer is new to WHA and you are enrolling in the Plan, coverage begins on the date the group health plan becomes effective.
- If you are newly eligible to enroll, coverage begins on the first day of the month following the month in which you meet eligibility requirements.
- Your or your spouse's newborn Child is covered under the mother for thirty (30) days from the date of birth. To continue coverage beyond this initial period, the Child must be enrolled with WHA no later than the thirtieth (30th) day after the Child's birth date; coverage under the Child's name will then be effective on the first day of the month following the Child's birth.
- For children adopted after you have enrolled, WHA must receive notification to enroll the Child along with documentation within thirty (30) days of the date adoptive custody starts. Coverage begins on the date adoptive custody starts.
- Coverage for other Family Members who become eligible after you have enrolled (i.e., through marriage) begins on the first of the month following the date of the qualifying event. WHA must receive notification within thirty (30) days of eligibility.

Open Enrollment

All employers hold Open Enrollment at least once a year. Coverage begins on the date established by your employer and agreed to by WHA. If you fail to enroll during an Open Enrollment Period or within thirty (30) days of becoming newly eligible, you must wait until your employer's next Open Enrollment Period.

Late Enrollment

If you fail to enroll during an Open Enrollment Period or within thirty (30) days of becoming newly eligible, you must wait until your employer's next Open Enrollment Period to enroll, unless one of the following applies:

- 1) All of the following:
 - a) You were or your eligible dependent was covered under another employer health benefit plan, COBRA

continuation coverage, Healthy Families or no share-of-cost Medi-Cal when initially eligible to enroll in this health plan;

- b) You or your eligible dependent certified in writing when first eligible for enrollment in this health plan that coverage under another employer health benefit plan, COBRA continuation coverage, Healthy Families, or no share-of-cost Medi-Cal was the reason for declining enrollment in this health plan, provided that you were or your eligible dependent was given the opportunity to make such certification and notified that failure to do so could result in WHA's excluding coverage;
 - c) You have or your eligible dependent has lost or will lose coverage under another employer health benefit plan as a result of termination of employment, change in employment status, termination of the other plan's coverage, cessation of an employer's contribution toward coverage, the death of or divorce or legal separation from the person through whom you were or your eligible was covered as a dependent, exhaustion of COBRA continuation coverage, loss of Healthy Families or no share-of-cost Medi-Cal coverage; and,
 - d) You request or your eligible dependent requests enrollment in this health plan within thirty (30) days after termination of coverage or cessation of employer contribution toward coverage provided under another employer health benefit plan.
- 2) A court has ordered coverage for your spouse or minor child.
 - 3) WHA cannot produce a written statement from your employer that you or your eligible dependent, prior to declining coverage, signed explicit notice in boldface type that failure to elect coverage at the time you or your eligible dependent initially became eligible to enroll permits WHA to impose an exclusion from coverage for a period of twelve (12) months.
 - 4) You previously declined coverage and subsequently acquired an eligible dependent, and you enroll yourself and your eligible dependent within thirty (30) days following the date that person becomes your dependent.

The effective date of coverage for late enrollment under this section will be the first day of the first calendar month following the date the completed request for enrollment is received by WHA.

Loss of Eligibility

If you or your enrolled Family Member(s) cease to meet the eligibility requirements of WHA (see "Eligibility and Application for Group Coverage" section and the rules that follow that section), your coverage will terminate at midnight on the last day of the month in which loss of eligibility occurs, unless otherwise specified in your Group Service Agreement. WHA must be notified immediately if you or your Family Member(s) cease to meet eligibility requirements.

Loss of eligibility does not affect your right to continue group coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as described below.

In addition to termination for loss of eligibility as described above:

Your spouse loses eligibility if:

- You divorce, or you become legally separated.

Your children lose eligibility as dependents if they:

- Marry, regardless of age.
- Reach the age limits for continuing group coverage or cease to meet other eligibility requirements for dependency status.

Renewal Provisions

Annual renewal is automatic provided that you seek to renew coverage under the same Group Service Agreement and all Premiums have been properly paid. Premiums may change upon renewal. If your or your dependents' coverage is terminated, you must submit a new application in order to be reinstated.

Termination of Group Service Agreement

Your employer's group coverage can be terminated for any reason set forth in the Group Service Agreement. Also, your employer may terminate coverage with a written notice of cancellation to WHA. Coverage for all enrolled Members of the group, including any COBRA and Cal-COBRA members under the group, will end if the Group Service Agreement is terminated for any reason. Benefits cease on the date the Group Service Agreement terminates.

Effective Date of Termination of Coverage for Group Members

Coverage as a Member of a group ceases on one of the following effective dates:

- Midnight on the last day of the month in which you were eligible and for which payment has been received.
- Midnight on the termination date specified in the section "Termination of Benefits, Fraud and Exception to Cancellation", "Termination". (Consult your employer's Group Service Agreement for further details.)
- On the termination date established by WHA and your employer as specified in your employer's Group Service Agreement, or as otherwise agreed by your employer.

Individual Continuation of Benefits

If you lose your coverage through your employer group, you may be eligible to continue your benefits through COBRA, Cal-COBRA, HIPAA or a Conversion Option. Each of these is described in detail below.

Please examine your options carefully before declining this coverage. You should be aware that

companies selling individual health insurance typically require a review of your medical history that could result in a higher Premium, or you could be denied coverage entirely.

Optional Continuation of Group Coverage (COBRA and Cal-COBRA)

Introduction to COBRA and Cal-COBRA.

Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (a federal law usually known simply as "COBRA"), if you lose coverage under the Western Health Advantage medical plan due to certain "Qualifying Events" (described below), you or your spouse or dependent children may be entitled to elect continuation coverage at your own expense. In certain instances (e.g., your death), your spouse or dependent children may also have a right to elect coverage for themselves. (You, your eligible dependent spouse and your eligible dependent children are sometimes called "Qualified Beneficiaries" in this summary.)

Not everyone is entitled to elect COBRA continuation coverage. In general, COBRA benefits are only available to Qualified Beneficiaries that are covered by a group health plan maintained by an employer with twenty (20) or more employees. However, California has enacted a separate law known as the California Continuation Benefits Replacement Act, or "Cal-COBRA", that may give you an additional right to elect continuation coverage. Under Cal-COBRA you may be entitled to elect continuation coverage even if you are covered by a small employer (2-19 employees) group health plan and are ineligible to elect federal COBRA coverage.

Effective September 1, 2003, Cal-COBRA provides an additional benefit to Qualified Beneficiaries eligible for federal COBRA coverage: at your option you may extend your continuation coverage up to a total of thirty-six (36) months as a matter of state law after your right to receive COBRA continuation coverage has expired.

Under both COBRA and Cal-COBRA, all benefits you receive under continuation coverage are the same as the benefits available to active eligible employees and their eligible dependents. If coverage is modified for active eligible employees and their eligible dependents, it will be modified in the same manner for you and all other Qualified Beneficiaries. In that case, an appropriate adjustment in the Premium for continuation coverage may be made. If your employer's group health plan with Western Health Advantage terminates before your continuation coverage expires, you may maintain your coverage for the balance of your continuation period as if the group health plan had not terminated as long as, within thirty (30) days of your receipt of notice of the termination, you comply with any requirements that may be imposed regarding enrollment and payment of Premiums resulting from the termination. (See "Normal Period of Cal-COBRA Continuation Coverage" on the following pages.)

You do not need to submit evidence of insurability to obtain COBRA or Cal-COBRA continuation coverage. Additionally, if you meet all the eligibility requirements and you submit your election form and Premium on time, you cannot be

denied COBRA or Cal-COBRA continuation coverage.

If you are self-employed and are not covered by a group health plan maintained by an employer with at least two (2) employees, you are not eligible for either COBRA or Cal-COBRA. Certain other people are not eligible to elect continuation coverage under COBRA or Cal-COBRA. See the sections below entitled "COBRA Benefits" and "Cal-COBRA Benefits" for more information about coverage and exclusions.

COBRA Benefits.

Your Right to Elect Continuation Coverage. In general, you are entitled to elect federal COBRA continuation coverage if you are a covered employee under your employer's group health plan, or if you are the spouse or dependent child of a covered employee. COBRA benefits also extend to any child born to or placed for adoption with a covered employee during a period of COBRA continuation coverage. However, small-employer group health plans (generally, fewer than twenty (20) employees) are exempt from COBRA, as are government health plans and church plans.

If your employer's health plan is subject to COBRA, you have the right to elect continuation coverage for yourself and your eligible dependent spouse and children if your ordinary plan coverage would have ended for either of the following events (events triggering a right to elect continuation coverage are called "Qualifying Events"):

- 1) Your employment ends for a reason other than gross misconduct; or
- 2) Your work hours are reduced (including approved leave without pay or layoff).

Right of your Dependent Spouse & Children to Elect COBRA Continuation Coverage. Your eligible dependent spouse and each eligible dependent child has the separate right to elect continuation coverage upon the occurrence of any of the following Qualifying Events, if written notification is sent to Western Health Advantage – or to the employer if the employer administers the plan under contract with Western Health Advantage – not later than sixty (60) days after the date of the Qualifying Event:

- 1) In the case of your eligible dependent spouse: your spouse may elect continuation coverage, which may include enrolled dependent children, if your spouse's coverage would have ended because of any of the following Qualifying Events:
 - a) Your death; or
 - b) The termination of your employment for a reason other than your gross misconduct, or the reduction of your work hours (including approved leave without pay or layoff); or
 - c) Your divorce or legal separation from your spouse, or the annulment of your marriage; or
 - d) You become entitled to Medicare benefits; or
 - e) A dependent enrolled in your group benefit plan loses dependent status.

- 2) In the case of your eligible dependent Child: your Child may continue coverage for himself or herself if your Child's coverage would have ended because of any of the following Qualifying Events:
- a) Your death; or
 - b) The termination of your employment for a reason other than gross misconduct, or the reduction of your work hours (including approved leave without pay or layoff); or
 - c) Your divorce or legal separation from your spouse, or the annulment of your marriage; or
 - d) You become entitled to Medicare benefits; or
 - e) Your eligible dependent child ceases to be an eligible dependent under the rules of the plan.

Cal-COBRA Benefits.

Under Cal-COBRA, you may be able to take advantage of additional benefits not available to you under federal COBRA. If you are covered by a small employer group health plan (fewer than twenty (20) employees) and thus are ineligible for COBRA continuation coverage, you and/or your eligible dependent spouse and eligible dependent children may elect continuation coverage under Cal-COBRA for up to thirty-six (36) months following the occurrence of a Qualifying Event by notifying Western Health Advantage in writing, or notifying your employer in writing if your employer administers the plan under contract with Western Health Advantage, not later than sixty (60) days after the Qualifying Event.

Additionally, if you exhaust your federal COBRA benefits after September 1, 2003, you and/or your eligible dependent spouse and eligible dependent children may elect and maintain additional continuation coverage under Cal-COBRA, up to a total of thirty-six (36) months of combined COBRA and Cal-COBRA continuation coverage, following the occurrence of a Qualifying Event. To elect additional Cal-COBRA coverage after exhaustion of your federal COBRA benefits, you must notify Western Health Advantage in writing not later than thirty (30) days prior to the date your federal COBRA coverage period ends.

Multiple Qualifying Events. The total period of continuation coverage under Cal-COBRA cannot exceed thirty-six (36) months no matter how many Qualifying Events may occur. For example, if you elect continuation coverage for yourself and your spouse because your employment is terminated (the first Qualifying Event), but you die during the continuation period (the second Qualifying Event), your spouse may elect to continue the coverage by sending the required notice within sixty (60) days after the second Qualifying Event (i.e., your death). However, your spouse may not receive, in total, more than thirty-six (36) months of continuation coverage, beginning from the date your employment was originally terminated.

Exclusions from Cal-COBRA. Cal-COBRA will not apply, and your entitlement to continuation coverage will terminate if it is already in effect, if: (i) you become eligible for Medicare benefits (even if you do not choose to enroll in Medicare Part

B); (ii) you become covered by another group health plan that does not exclude or limit any preexisting condition you may have; (iii) you become eligible for federal COBRA by virtue of certain provisions of the Internal Revenue Code or ERISA; (iv) you become eligible for coverage under a government health plan governed by the Public Health Service Act; or (v) you fail to notify WHA within applicable time limits of a Qualifying Event or coverage election, you fail to pay your Premium on time or you commit fraud or deception in the use of WHA's health plan services.

COBRA and Cal-COBRA Election, Premium, Termination, Normal Period and Premature Termination.

Electing COBRA and Cal-COBRA Continuation Coverage.

You elect continuation coverage under COBRA and Cal-COBRA in the same way, although the rates for COBRA and Cal-COBRA may be different. Once you have made Western Health Advantage or your employer aware of a Qualifying Event, you will be given a form with which to elect continuation coverage. The form will advise you of the amount of Premium required for the continuation coverage. (See below for Premium limits.) Please follow the directions on the form to elect continuation coverage. Send the form to the following address, unless directed otherwise on the form:

Attn: COBRA Enrollment Department
Western Health Advantage
2349 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833-9754

The form must be delivered by first class mail, overnight courier or some other reliable means of delivery. Personal delivery is also acceptable. Please remember that the form must be completed and returned to the address above within sixty (60) days of the later of: (1) the date of the Qualifying Event; or (2) the date you received notice informing you of the right to elect continuation coverage. **Failure to return the form within the sixty (60) days time limit will disqualify you from participating in Cal-COBRA continuation coverage.**

COBRA and Cal-COBRA Premium Payments. Your first Premium payment must be delivered to Western Health Advantage, or to your employer if your employer administers the plan under contract with Western Health Advantage, not later than forty-five (45) days following the date you provided written notice of your coverage election. The Premium must be delivered by first class mail, overnight courier or some other reliable means of delivery. Personal delivery is also acceptable. The amount remitted must be sufficient to pay all Premium amounts due. **Please note that failure to pay the required Premium within the forty-five (45) days time limit will disqualify you from participating in Cal-COBRA or COBRA continuation coverage, even if you have previously made a timely election.**

The cost of continuation coverage under both COBRA and Cal-COBRA will include the Premium previously paid by the employee as well as any portion previously paid by the employer. Under federal COBRA, the rate will be not more

than one hundred two percent (102%) of the applicable group coverage rate. Under Cal-COBRA, the rate can be up to one hundred ten percent (110%) of the applicable group coverage rate. Finally, you may be required to pay up to one hundred fifty percent (150%) of the applicable group coverage rate if you are receiving continuation coverage past the eighteen (18) months federal COBRA period due to disability.

Termination of COBRA/Cal-COBRA Continuation Coverage.

Once continuation coverage is elected, the coverage period will run concurrently with any other continuation provisions (e.g., during leave without pay) except continuation under the Family and Medical Leave Act (FMLA).

Normal Period of COBRA Continuation Coverage.

Continuation coverage begins on the date of the Qualifying Event and – unless terminated prematurely (see “Premature Termination of COBRA or Cal-COBRA” below) – continues for eighteen (18) months from the date of the Qualifying Event. However, if you or your eligible dependent spouse or children are disabled within the meaning of Title II or XVI of the Social Security Act, coverage will continue for twenty-nine (29) months.

Normal Period of Cal-COBRA Continuation Coverage.

Continuation coverage begins on the date of the Qualifying Event and continues for thirty-six (36) months, unless earlier terminated (see “Premature Termination of COBRA or Cal-COBRA” below).

If you (or your eligible dependent spouse or children) are covered by federal COBRA and have elected Cal-COBRA continuation coverage not later than thirty (30) days prior to the expiration of the federal COBRA coverage period, Cal-COBRA continuation coverage will terminate thirty-six (36) months following the date of the first Qualifying Event.

If your employer's group health plan with Western Health Advantage terminates before your continuation coverage expires, you may nevertheless maintain your coverage for the balance of your continuation period as if the group health plan had not terminated as long as, within thirty (30) days of your receipt of notice of the termination, you comply with any requirements that may be imposed regarding enrollment and payment of Premiums resulting from the termination. Failure to comply with applicable enrollment and Premium requirements will cause your continuation coverage to end.

Premature Termination of COBRA or Cal-COBRA. Your coverage (or the coverage of your eligible dependent spouse or children) under both COBRA and Cal-COBRA will terminate before the end of the normal continuation coverage periods upon the occurrence of any of the following events:

- 1) If you (or your eligible dependent spouse or children) fail to make a required Premium payment. (Continuation coverage will automatically terminate as of the end of the period for which all required payments have been made.)
- 2) As of the date new coverage takes effect for you (or your eligible dependent spouse or children) under any other group health plan.
- 3) As of the date you (or your eligible dependent spouse or children) become entitled to Medicare benefits.

- 4) As of the date you or your employer no longer provides group health coverage to any of its employees.
- 5) As of the date you (or your eligible dependent spouse or children) move out of Western Health Advantage's Service Area, or commit fraud or deception in the use of its plan services.

Health Insurance Portability and Accountability Act (HIPAA)

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is comprehensive federal legislation which provides, among other things, portability of health care coverage for individuals changing jobs or who otherwise lose their group health care coverage. To protect individuals who lose coverage, including those whose loss is due to a job change or selection of a new health plan, HIPAA restricts the use of preexisting condition limitations. Individuals who lose coverage must choose COBRA coverage or individual continuation and pay for this coverage the entire time it is offered in order to qualify as an “eligible individual” under HIPAA. WHA will provide certificates of coverage for Subscribers and dependents automatically.

If Subscribers or dependents have questions concerning HIPAA, they may contact Office of Civil Rights at (866) 627-7748 or at the following Internet address: www.hhs.gov/ocr/hipaa. To the extent that the provisions of the Group Service Agreement and EOC/DF do not comply with any provision of the HIPAA of 1996, they are hereby amended to comply.

Conversion Option

An employee or Member whose coverage under the Group Service Agreement has been terminated by the employer may be entitled to convert to a non-group conversion plan without evidence of insurability. It is the duty of the employer to notify a Subscriber of the availability, terms and conditions of the conversion coverage within fifteen (15) days of termination of a Subscriber's group coverage. A conversion contract shall not be required to be made available in the following circumstances:

- 1) The Group Service Agreement or an employer's participation terminated, and the Group Service Agreement is replaced by similar coverage under another group contract within fifteen (15) days of the date of termination of the group coverage or the Subscriber's participation.
- 2) The employee or Member failed to pay amounts due.
- 3) The employee or Member was terminated from the plan by the health care service plan for good cause.
- 4) The employee or Member knowingly furnished incorrect information or otherwise improperly obtained the benefits of the plan.
- 5) The employee or Member is covered by or is eligible for benefits under Title XVIII of the United States Social Security Act.

- 6) The employee or Member is covered by or is eligible for benefits under any group contract.
- 7) The employee or Member is covered for similar benefits by an individual policy or contract.
- 8) The employee or Member has not been continuously covered during the three-month period immediately preceding that person's termination of coverage.

Termination of Benefits, Fraud and Exception to Cancellation

Termination

Once you are enrolled in WHA, your coverage cannot be canceled because of health conditions. A Member may be terminated for the reasons specified in this EOC/DF.

If your WHA coverage is terminated for any of the reasons listed below, you will be notified in writing of the reason for cancellation and the Grievance process for Appeals. Since you will remain a WHA Member until your termination date, any Medically Necessary services will continue to be provided in accordance with this EOC/DF. Your rights to benefits end on your coverage termination date. Refer to the section titled "Exception to Cancellation of Group Benefits" for a list of exceptions to cancellation of coverage.

If you believe your membership was terminated improperly by WHA, you may request a review of the termination by the California Department of Managed Health Care.

- 1) You fail to pay the required Copayments to any Participating Provider or pharmacy benefit manager for services rendered after being properly notified and billed. Members who are unwilling to make payment arrangements within forty-five (45) days of the date payment is due, or fail to comply with such arrangements when made, will be mailed a notice of cancellation. Termination will be effective fifteen (15) days after the date the notice was mailed, as stated on the notice of cancellation.
- 2) You provide incorrect or misleading information that is material, or you intentionally omit material information that pertains to your and/or your family's receipt of "healthcare services". Termination shall be effective upon the mailing of written notice by the Plan to the Subscriber and employer.
- 3) You seek and/or obtain medications under false pretenses to support a drug dependency or for the illegal sale of the medications.
- 4) You threaten the safety of Plan employees or providers, a HAI-CA provider or employee, Members, or other patients; or your repeated behavior has substantially impaired the Plan's ability to furnish or arrange services for you or other Members, or a provider's ability to provide services to other patients.
- 5) If a Subscriber no longer works or maintains a Primary Residence within the Service Area, coverage will be terminated for the Subscriber and any enrolled Family

Members effective midnight of the last day of the month in which such event occurred. However, coverage may be continued for a Subscriber and any enrolled Family Members if the Subscriber is temporarily assigned by the employer to work or study outside of the Service Area. In this case, the Subscriber must maintain a Primary Residence within the Service Area, and the temporary residency outside the Service Area must not continue beyond four (4) months. Coverage may also be continued for any Family Member who is a registered, full-time student at an accredited college, university or vocational school outside the Service Area as long as the Subscriber either works or maintains a Primary Residence within the Service Area. In such cases, coverage for services received outside the Service Area shall be limited to Urgent or Emergency Care. All non-Urgent Care and non-Emergency Care services must be provided by Participating Providers within the Service Area in order to be covered under this Health Plan.

- 6) You make a false statement, misrepresentation or omission in the application and enrollment forms, a response to a subrogation request from WHA or HAI-CA or any other correspondence or communication with WHA or HAI-CA, including but not limited to misrepresentations regarding a Member's health history or a Member's eligibility for membership which is/are material; you intentionally omit information regarding a Member's health history or a Member's eligibility for membership; you obtain or attempt to obtain Covered Services by means of material, false statements, material misrepresentations or intentional omissions; you permit any other person to use a Member's identification card to obtain services under this Health Plan or otherwise misuse your identification card; or you engage in any fraudulent conduct. In any of these cases, WHA may terminate coverage immediately upon written notice.
- 7) The employer fails to pay Premiums due.
- 8) Loss of eligibility under the terms of this EOC/DF.

Please note that you may terminate coverage by giving written notice that you wish to disenroll. You are responsible for notifying any Family Members that coverage has been canceled.

Fraud

Coverage for a Subscriber or covered dependents may be terminated for fraud or deception in the use of the services of the Plan, or for knowingly permitting such fraud or deception by another. Such termination shall be effective upon the mailing of written notice by the Plan to the Subscriber and employer. Termination of coverage of a dependent for fraud shall not cancel the enrollment of other Family Members. Termination of coverage for a Subscriber shall automatically cancel the enrollment of all covered dependents.

Exception to Cancellation of Group Benefits

WHA does not cover any services or supplies provided after termination of the Group Service Agreement or after

any Member's coverage terminates. Coverage will cease regardless of whether a course of treatment or condition commenced while coverage was in effect. Exceptions are as follows:

- 1) The Member is a registered bed patient in a hospital at the date of termination. The Member will continue to receive all benefits of coverage for the condition confining the Member to the hospital, subject to the prepayment fees and applicable Copayments, until those benefits expire or the Member is discharged from the hospital, whichever occurs first.
- 2) The Member is receiving inpatient obstetrical care at the date of termination and there has been no default in prepayment fees. Inpatient obstetrical care will continue only through discharge.
- 3) The Member is Totally Disabled by a condition for which the Member is receiving covered benefits. WHA will continue to maintain full coverage during the disabling condition for collection of the full monthly Premium. Coverage will end (1) at the close of the twelfth (12th) month following termination, (2) when it is determined the Member is no longer disabled or (3) when the Member is covered under a replacement agreement or policy without limitations as to the disabling condition, whichever occurs first.

Refunds

If your coverage terminates, payment of Premiums for any period after the termination date and any other amounts due to you will be refunded to your employer within thirty (30) days, minus any amount due to WHA. Exceptions include termination by WHA for fraud or deception in the use of health services or facilities or for knowingly permitting such fraud or deception by another.

Financial Considerations

Prepayment Fees

Your employer is responsible for prepayment of monthly Premiums for WHA coverage by the first business day of each month. You will be notified by your employer if you are required to pay a portion of these Charges. Health services are covered only for Members whose prepayment fees have been received by WHA and coverage extends only through the period for which such payment is received. (For COBRA and Cal-COBRA Members, see the information on the previous pages.)

Changes in Rates/Benefits

Premium rates and Covered Services may be changed by WHA, to the extent permitted by law, during the term of the agreement. WHA will notify your employer in writing thirty (30) days before any change in rates or benefits becomes effective.

Other Charges

Copayments

You are responsible for fees (Copayments) paid to providers at the time the service is rendered. For some Covered Services, you pay the Copayment until your annual out-of-pocket maximum is reached. For services that are subject to the Deductible, you pay the Copayment only after the Deductible is met. See the "Liability of Member for Payment" section under the "Introduction" to this EOC/DF for more information. Also see the Copayment Summary for specified Copayments.

The Charges you pay for percentage Copayments are based on WHA's contracted rates with our Participating Providers and/or Medical Groups.

Deductibles

If you have a Medical Deductible listed on your Copayment Summary, we will not cover certain Covered Services until you meet or your family meets the Deductible each calendar year. See your Copayment Summary for an explanation of individual and family amounts. The only payments that count toward a Deductible are those you make for Covered Services that are subject to the Deductible, but only if the Covered Service would otherwise be covered. Deductibles must be paid to providers at the time the service is rendered.

Also, if you have a pharmacy Deductible listed on your Copayment Summary, in any calendar year, WHA will not cover Preferred and Non-Preferred Brand Name Medications until you meet the pharmacy Deductible during that calendar year. Any payments for non-Covered Services do not apply towards either Deductible.

Please refer to the Copayment Summary to learn if there are Deductibles on your plan and if so, which Covered Services are subject to a Deductible.

Reimbursement Provisions

If, in an emergency, you have to use non-Participating Hospitals or Physicians, WHA will reimburse you for Charges or will arrange to pay the providers directly, minus applicable Copayments and/or Deductibles. Requests for reimbursement must be submitted within one hundred eighty (180) days of the date services were rendered, with proof of payment enclosed.

If you need to submit a claim, contact Member Services at one of the numbers listed below to find out where and how to submit it.

Out-of-Pocket Maximum Liability

The annual out-of-pocket maximum liability (OOP) for Covered Services is described in your Copayment Summary. Please refer to your Copayment Summary to determine your plan's OOP amount for the individual Member (one amount) and for the Subscriber and all of his or her Family Members (a different amount).

The Copayments and Deductibles you pay during the calendar year will be applied to the OOP, except as described below. When you pay a Copayment or Deductible for Covered Services, ask for and keep the receipt. When the receipts add up to the amount of the annual OOP, submit your receipts to WHA. Please call our Member Services Department to find out where to submit your receipts. After you submit your receipts showing that you have met the OOP, WHA will provide you with a document that shows you do not have to pay any additional Copayments or Deductibles for Covered Services through the end of the calendar year.

Unless stated otherwise in your Copayment Summary, Copayments for the following Covered Services will not be applied to the OOP. You are required to continue to pay Copayments for these Covered Services after the OOP has been reached:

- Durable Medical Equipment (DME), unless required for management and treatment of diabetes or for pediatric asthma supplies and equipment or unless it is an Orthotic Device or Prosthetic Device.
- Prescription Drugs, including oral and injectable medications. Prescription drugs are covered only if (1) listed as covered on your Copayment Summary or (2) the employer has purchased an optional Prescription rider plan.
- Chiropractic/Acupuncture.
- Home self injectables, unless required for management or treatment of diabetes.
- Any payments for any benefits purchased separately as a rider, including but not limited to infertility benefits.

Members are responsible for keeping all Copayment receipts and submitting these receipts to WHA as verification that the OOP has been reached for that calendar year.

Coordination of Benefits

Coordination of benefits ("COB") is a process used by WHA and other health plans, employer benefit plans, union welfare plans, HMOs, insurance companies, government programs and other types of payors ("Insurers") to make sure that duplicate payments are not made for the same claims when more than one Insurer covers a Member. This section summarizes the key rules by which WHA and other Insurers will determine the order of payment of claims while providing that the Member does not receive more than one hundred percent (100%) coverage from all Insurers combined.

All of the benefits provided under this EOC are subject to COB. You are required to cooperate and assist with WHA's coordination of benefits by telling all of your health care providers if you or your dependents have any other coverage. You are also required to give WHA your Social Security Number and/or Medicare identification number to facilitate coordination of benefits.

Definitions

"Primary Carrier" means the Insurer whose coverage is primary to other Insurers and should pay first, up to its limits. If any covered expenses remain after the Primary Carrier has paid, those would be paid by a "Secondary Carrier".

Rules When There is More Than One Commercial (Non-Medicare) Insurer

These rules should be applied in the order in which they are listed in determining which Insurer is the Primary Carrier and which is a Secondary Carrier:

1) Insurer Without COB Provision is Primary Carrier

The following rules apply when there are two Insurers and both have a COB provision:

2) Insurer covering Patient as an active or retired Employee is the Primary Carrier

When the Patient is the Employee with one Insurer and the dependent with another, the Insurer that covers the Patient as the Employee is the Primary Carrier.

3) When the Patient is a Dependent Child With Both Insurers, the Birthday Rule Applies

The Insurer of the Subscriber whose birthday occurs earliest in the calendar year is the Primary Carrier for the dependents covered under that Subscriber's group health plan. The Insurer of the Subscriber whose birthday occurs later in the calendar year is the Secondary Carrier for dependents covered under that Subscriber's group health plan.

4) How Primary Carrier for Divorced or Legally Separated Spouses is Determined

a) If spouses are legally separated or divorced and a court decree directs one parent to be financially responsible for the child's medical, dental, or other health care expenses, the Insurer of the parent who is financially responsible will be the Primary Carrier.

b) If there is no court decree regarding health care responsibility, the Insurer of the parent with custody is the Primary Carrier.

5) Unmarried Spouses With Legal Custody

When there has been a divorce and the court has not assigned financial responsibility for the child's medical, dental, or other health care expenses, and the parent with legal custody of the child has not remarried, the Insurer of the parent with legal custody of the child is the Primary Carrier for the child, and the Insurer of the parent who does not have legal custody is the Secondary Carrier.

6) Remarried Spouses

In the case of a divorced parent, when the court has not assigned financial responsibility for the child's medical, dental, or other health care expenses, and the parent has remarried, the Insurer who covers the child as the dependent of the parent with custody is the Primary Carrier, and the stepparent's Insurer is the Secondary Carrier. The Insurer of the parent without custody is tertiary. If the parent with custody does not have his or her own health coverage, the stepparent's Insurer is then the Primary Carrier and the Insurer of the parent without custody becomes the Secondary Carrier.

7) When the Court Orders Joint Custody

When the court has awarded joint custody of dependent children to divorced or legally separated parents, WHA applies the birthday rule.

8) Retired and Laid-off Employees

When a retired or laid-off employee has more than one Insurer, the Insurer who provides coverage to the Member as an active employee is primary; the Insurer providing coverage as a retirement benefit is secondary.

9) When rules one through eight do not establish an order of benefit determination the Insurer who has covered the patient the longest is the Primary Carrier.

Rules for Coordination with Medicare Coverage

Note: Medicare coordination of benefits rules are complex. Following is a general summary of the Medicare rules. If there is any conflict between this summary and the federal statutes and/or regulations, the federal statutes/regulations control.

WHA is the Primary Carrier for Members meeting the following criteria:

1) Working Aged

A Medicare working aged individual is a person who meets either a, b, or c:

a) An age 65 or over working individual who:

- 1) Works for an employer that employs 20 or more employees, and
- 2) Is covered under that employer's health plan and entitled to Part A & B

b) Age 65 or over and a spouse of a worker employed

by an employer of 20 or more employees who is covered under an employer's health plan and entitled to Part A & B, or

- c) A self employed worker or spouse age 65+ who is:
 - 1) Covered by the employer's health plan through association with a firm which employs 20 or more employees, and
 - 2) Entitled to Part A & B.

2) Retiree

If Member is retired, over age 65, and part of an Employer Group Health Plan (EGHP), Medicare is primary regardless of group size. If Member is age 65 or over and covered by Medicare and COBRA, Medicare is always primary to the COBRA plan.

3) End Stage Renal Disease/Permanent Kidney Failure

A WHA commercial plan is primary to Medicare during a 30-month coordination period for beneficiaries who have Medicare because of permanent kidney failure. This rule applies to both those with permanent kidney failure who have their own coverage under WHA and to those covered under WHA as dependents. Additionally, this rule applies without regard to the number of employees or to the enrollee's employment status (i.e., Member can be on COBRA). The period for which WHA would be the primary payer begins with the earlier of:

- a) The first month of the enrollee's entitlement to Medicare Part A on the basis of permanent kidney failure, or
- b) The first month in which the enrollee would have been entitled to Medicare Part A if he or she had filed an application for Medicare on the basis of permanent kidney failure.

4) Disability

- a) A WHA commercial plan is primary for Members under the age of 65 who have Medicare because of a disability and who are covered under a Large Group Health Plan (LGHP) through their current employment or through the current employment of any family member. An LGHP is an employer which employs at least 100 employees.
- b) Note: This does not apply to disabled retirees. Medicare is always primary for retirees with a disability. Medicare is also primary to disabled Members who are on COBRA.

Other COB Rules

1) Duplicate Coverage

- a) If a Member is covered by more than one WHA commercial group plan and is enrolled with the same PCP for both plans, all Copayments are waived. In addition, when a benefit stipulates a maximum number of visits, the Member is entitled to the number of visits in the plan with the greater benefit. Example: If one plan covers 20 visits and the other

50 visits, the Member is limited to a total of 50 visits.

- b) WHA's Copayments are also waived when WHA is the Secondary Carrier, provided that the payment as the Secondary Carrier does not exceed the amount that WHA would have paid as the Primary Carrier. In the event that the payment would exceed WHA's liability as Primary Carrier if the Copayment is waived, the Member may be charged the WHA Copayment.

2) Pharmacy Benefits

With regards to pharmacy benefits, when WHA is the Secondary Carrier, or Member has dual WHA coverage, the Member must pay their Copayments at the time of service and submit their receipts to WHA for reimbursement. Reimbursement will be made to the Member as long as the Prescription is covered under their pharmacy benefit plan and Member obtained the Prescription from a Participating Pharmacy. The maximum reimbursement to a Member can not exceed what WHA would have paid if WHA were the Primary Carrier.

3) Disagreements With Other Insurers

For various reasons, WHA may encounter Insurers, administrators, and others who would ordinarily be the Primary Carrier but refuse to pay. When disagreements arise with Insurers, WHA abides by the rules employed by the other Insurer. WHA is obligated to provide all Covered Services regardless of WHA's ability to coordinate benefits.

Third Party Responsibility – Subrogation

In the event a Member suffers injury, illness or death due to the act or omission of a third party (including but not limited to vehicle accidents, slip and falls, dog bites, work injuries, etc.) and complications incident thereto, WHA will furnish Covered Services. In the event any Recovery is obtained by the Member or his or her Representative due to such injury, illness or death, the Member and his or her Representative must reimburse WHA for the value of Covered Services as set forth below. By executing an enrollment application or otherwise enrolling in this Plan, each Member grants WHA a lien on any such Recovery and agrees to protect the interests of WHA when there is any possibility that a Recovery may be received. Each Member also specifically agrees as follows:

- 1) Immediately following the initiation of any injury, illness or death claim, the Member or his or her Representative shall provide the following information to WHA's Recovery Agent in writing: the name and address of the third party; the name of any involved attorneys; a description of any potentially applicable insurance policies; the name and telephone number of any adjusters; the circumstances which caused the injury, illness or death; and copies of any pertinent reports or related documents;
- 2) Each Member or Representative shall execute and deliver to WHA or its Recovery Agent any and all lien

authorizations, assignments, releases or other documents requested which may be needed to fully and completely protect the legal rights of WHA;

- 3) Immediately upon receiving any Recovery, the Member or Representative shall notify WHA's Recovery Agent and shall reimburse WHA for the value of the services and benefits provided, as set forth below. Any such Recovery by or on behalf of the Member and/or Representative will be held in trust for the benefit of WHA and will not be used or disbursed for any other purpose without WHA's express prior written consent. If the Member and/or Representative receives any Recovery which does not specifically include an award for medical costs, WHA will nevertheless have a lien against such Recovery; and
- 4) Any Recovery received by the Member or Representative shall first be applied to reimburse WHA for Covered Services provided and/or paid, regardless of whether the total amount of Recovery is less than the actual losses and damages incurred by the Member and/or Representative.

Where used within this provision, "WHA" means Western Health Advantage, Participating Hospitals or Physicians providing Covered Services and/or their designees.

"Recovery" means any compensation received from a judgment, decision, award, insurance payment or settlement in connection with a civil, criminal or administrative claim, complaint, lawsuit, arbitration, mediation, grievance or proceeding which arises from the act or omission of a third party, including uninsured and underinsured motorist claims.

"Recovery Agent" means the law firm of Tennant & Ingram at the following contact information:

WHA TPL
c/o Tennant & Ingram
2101 W Street
Sacramento, CA 95818
(916) 244-3400
(916) 244-3440 fax

WHA reserves the right to change the Recovery Agent upon written notification to employer groups, Subscribers or Members via a Plan newsletter, direct letter, e-mail or any other written notification.

"Representative" means any person pursuing a Recovery due to the injury, illness or death of a Member, including but not limited to the Member's estate, representative, family member, appointee, heir or legal guardian.

The following section is not applicable to workers' compensation liens, may not apply to certain ERISA plans, hospital liens, and Medicare plans and certain other plans, and may be modified by written agreement.*

The amount WHA is entitled to recover for capitated and/or noncapitated Covered Services pursuant to its reimbursement rights described in this EOC/DF is determined in accordance with California Civil Code Section 3040. Normally, this amount will not exceed one third (1/3) of the Recovery if the Member or Representative engages and pays an attorney or

one half (1/2) of the Recovery if no attorney is engaged and paid. WHA's lien is subject to reduction if any final judgment includes a special finding by a judge, jury or arbitrator that the Member was partially at fault for the incident. In that case, the lien will be reduced commensurate with the Member's percentage of fault as determined by the final judgment. This reduction will be calculated using the total value of the lien, and prior to any other reductions.

** Reimbursement related to worker's compensation benefits, ERISA plans, hospital liens, Medicare and other programs not covered by Civil Code Section 3040 will be determined in accordance with the provisions of this EOC/DF and applicable law.*

Other Limitations on Coverage

Limitations on your coverage may apply in the event of major disasters, epidemics, labor disputes and other circumstances beyond WHA's control.

Member Satisfaction Procedure

WHA strives to provide exceptional health care services to you. If you have a concern about your medical care, you should discuss it with your PCP. If you need help answering your questions, clarifying procedures or investigating Complaints, call Member Services between 8 a.m. and 5 p.m. Monday through Friday, at one of the numbers listed below.

If you prefer, you can visit or write to:

Attn: Appeals and Grievance Coordinator
Member Services Department
Western Health Advantage
2349 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

A Member Services representative will research and respond to your questions. If you are not satisfied with the response or action taken, you may pursue a formal Appeal or Grievance.

Appeal and Grievance Procedure

If you have a Complaint with regard to WHA's failure to authorize, provide or pay for a service that you believe is covered, or any other Complaint, please call Member Services for assistance. If your Complaint is not resolved to your satisfaction after working with a Member Services representative, a verbal or written Appeal or Grievance may be submitted to:

Attn: Appeals Department
Western Health Advantage
2349 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

Please include a complete discussion of your questions or situation and your reasons for dissatisfaction and submit the Appeal or Grievance to WHA Member Services within one hundred eighty (180) days of the incident or action that caused your dissatisfaction. If you are unable to meet this period, please contact Member Services on how to proceed.

WHA sends an acknowledgment letter to the Member within five (5) calendar days of receipt of the Appeal or Grievance. If the Complaint involves a quality of care issue or involves medical decision-making, it is reviewed by WHA's Medical Management Department, under the direction of the Chief Medical Officer. A determination is rendered within thirty (30) calendar days of receipt of the Member's Appeal. WHA will notify the Member of the determination, in writing, within three (3) working days of the decision being rendered.

A Grievance Form and a description of the Grievance procedures are available at every Medical Group and Plan facility and on WHA's web site. In addition, a Grievance Form will be promptly sent to you if you request one by calling Member Services. If you would like assistance in filing a Grievance or an Appeal, please call Member Services and a representative will assist you in completing the Grievance Form or explain how to write your letter. We will also be happy to take the information over the phone verbally.

It is the policy of WHA to resolve all Appeals and Grievances within thirty (30) days of receipt. Written notification of the disposition of the Grievance or Appeal will be sent to the Member and will include an explanation of the contractual or clinical rationale for the decision. Contact Member Services for more detailed information about the Appeal and Grievance procedure.

The California Department of Managed Health Care (DMHC) is responsible for regulating health care service plans. If you have a Grievance against your health plan, you should first telephone your health plan at one of the numbers listed below and use your health plan's Grievance process before contacting the department. Utilizing this Grievance procedure does not prohibit any potential legal rights or remedies that may be available to you. If you need help with a Grievance involving an emergency, a Grievance that has not been satisfactorily resolved by your health plan or a Grievance that has remained unresolved for more than thirty (30) days, you may call the department for assistance. You may also be eligible for an Independent Medical Review (IMR). If you are eligible for an IMR, the IMR process will provide an impartial review of medical decisions made by a health plan related to the medical necessity of a proposed service or treatment, Coverage Decisions for treatments that are experimental or investigational in nature and payment disputes for emergency or urgent medical services. The department also has a toll-free telephone number, (888) HMO-2219 ((888) 466-2219), and a TDD line, (877) 688-9891, for the hearing and speech impaired. The department's Internet Web site, www.hmohelp.ca.gov, has Complaint forms, IMR application forms and instructions online.

The Plan's Grievance process and the Department's Complaint review processes are in addition to any other dispute resolution procedures that may be available to you, and your failure to use these processes does not preclude your use of any other remedy provided by law.

Grievances Related to Mental Health and Alcoholism and Drug Abuse Benefits

HAI-CA administers all levels of review under WHA's Grievance Process for Complaints regarding mental health or chemical dependency/detoxification services. If you have an inquiry or concern regarding your mental health or chemical dependency/detoxification benefits, you should first call HAI-CA's Customer Service Department at (800) 424-1778.

Every effort will be made to resolve your inquiry or concern informally through the Customer Service Department. If you are not satisfied with this resolution, you may submit a formal verbal or written Grievance to HAI-CA's Grievance Unit at:

Attn: Comment Coordinator
300 Continental Boulevard, Suite 240
El Segundo, CA, 90245
(800) 424-1778

A Grievance form and a description of the Grievance procedures are available at every HAI-CA Participating Provider office and HAI-CA facility, and on HAI-CA's web

site. In addition, a Complaint Form will be promptly sent to you if you request one by calling HAI-CA's Customer Service Department.

Expedited Appeal Review

An expedited Appeal is a request by the Member, by a practitioner on behalf of the Member or by a representative for the Member requesting reconsideration of a denial of services which requires that a review and determination be completed within seventy-two (72) hours, as the treatment requested may be addressing severe pain or an imminent and serious threat to the health of the Member, including but not limited to potential loss of life, limb or major bodily function.

The expedited Appeal process is initiated upon receipt of a letter, fax and/or verbal request in person or by telephone from the Member, a practitioner on behalf of the Member or a representative of the Member. To request an expedited Appeal via telephone, please call Member Services at one of the numbers listed below.

The request is logged and all necessary information is collected in order to review and render a decision. You will be notified of your right to immediately contact the Department of Managed Health Care and that it is not necessary to participate in WHA's Grievance process prior to applying to the Department of Managed Health Care for review of an urgent Grievance.

If WHA determines that a delay of the requested review would result in severe pain or would compromise the Member's life or health, the Appeal is then reviewed under expedited conditions.

After an appropriate clinical peer reviewer has reviewed all of the information, a decision is rendered. The decision is then communicated verbally via telephone to the Member and practitioner no later than seventy-two (72) hours after the review began. A letter documenting the decision, whether it is to overturn or to uphold the original denial, is sent to the practitioner, with a copy to the Member, within two (2) working days of the decision. The letter contains all clinical rationale used in making the decision.

Independent Medical Review (IMR)

Members may seek an Independent Medical Review (IMR) through the Department of Managed Health Care (DMHC) whenever covered health care services have been denied, modified or delayed by WHA, its contracting Medical Groups or its Participating Providers if the decision was based in whole or in part on findings that the proposed services were not Medically Necessary. A decision regarding a Disputed Health Care Service relates to the practice of medicine and is not a Coverage Decision. All Disputed Health Care Services are eligible for an IMR if the following requirements are met:

- 1) a. The Member's provider has recommended the health care services as Medically Necessary; or
- b. The Member has received an Urgent Care or

Emergency service that a Provider determined was Medically Necessary; or

- c) In the absence of a. and b. above, the Member has been seen by an in-plan provider for the diagnosis or treatment of the medical condition for which the Member seeks an IMR.
- 2) The Disputed Health Care Service has been denied, modified or delayed based on WHA's decision that it is not Medically Necessary.
- 3) The Member has filed a Grievance with WHA and the decision has been upheld or remains unresolved past thirty (30) days. The DMHC (also called the "Department") may waive the requirement that the Member participate in the Plan's Grievance process in extraordinary or compelling cases.

There is no application or processing fee required.

When WHA receives notice from the Department that the Member's request for an IMR has been approved, WHA will submit the documents required by Health & Safety Code §1374.30(n) within three (3) days. The decision of the Independent Medical Review agency is binding on WHA.

To apply for an IMR, please call our Member Services Department between 8 a.m. and 5 p.m., Monday through Friday, at one of the numbers listed below to request the application form. Or if you prefer, you can come directly to our office or request the form in writing at:

Attn: Appeals and Grievance Coordinator
Member Services Department
Western Health Advantage
2349 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

Independent Medical Review of Investigational/Experimental Treatments

WHA excludes from coverage services, medication or procedures which are considered investigational and/or experimental and which are not accepted as standard medical practice for the treatment of a condition or illness.

If a specific procedure is requested and, after careful review by the appropriate medical personnel, the Plan's determination is that the therapy is experimental or investigational and, therefore, not a Covered Service, the Member will be notified of the denial in writing within five (5) business days of the decision.

If the Member has a Life-Threatening or Seriously Debilitating Condition and it is determined by a Physician that the Member is likely to die within two (2) years or that the Member's health or ability to function could be seriously harmed by waiting the usual thirty (30) business days for review; if the Member's treating Physician certifies that the Member has a condition for which the standard therapies have not been effective or would not be medically appropriate; or if we do not cover a more beneficial standard therapy than the one proposed by the Member or his/her

Physician, an expedited review may be requested. In that case, a decision will be rendered within seven (7) business days. The Appeal request may be verbal or written. You may apply to the Department of Managed Health Care (DMHC) for Independent Medical Review. The DMHC does not require that an enrollee participate in the Plan's Grievance system prior to seeking an IMR of a decision to deny coverage on the basis that the treatment or service is considered experimental/investigational.

The written request can be submitted to the Plan at:

Attn: Appeals Department
Western Health Advantage
2349 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

A WHA Member has the right to request an Independent Medical Review when coverage is denied as an Experimental or Investigational Procedure and the Member's Physician certifies that the Member has a terminal condition for which standard therapies are not or have not been effective in improving the Member's condition, or would not be medically appropriate for the Member, or that there is no more beneficial standard therapy covered by WHA than the therapy recommended, pursuant to the following:

- 1) Either the Member's Physician, contracted with WHA, has recommended treatment that he/she certifies in writing is likely to be more beneficial to the Member than any available standard therapies, or
- 2) The Member, or his/her Physician who is a licensed, board-certified or board-eligible Physician not contracted with WHA but qualified to practice in the specialty appropriate to treat the Member's condition, has requested a therapy that, based on two (2) documents from the medical and scientific evidence, is likely to be more beneficial for the Member than any available standard therapy. The Physician's certification must include a statement of evidence relied upon by the Physician in certifying his/her recommendation.

Note: WHA is not financially responsible for payment to non-contracted providers that are not Prior Authorized.

If a Member with a Life-Threatening or Seriously Debilitating Condition who meets the criteria above disagrees with the denial of a service, medication, device or procedure deemed to be experimental, he/she may request a review by outside medical experts. This request can be made verbally or in writing. The Member may also request a face-to-face meeting with WHA's Chief Medical Officer to discuss the case. WHA will gather all medical records and necessary documentation relevant to the patient's condition and will forward all information to an external independent reviewer within five (5) days of the date of the request.

You may apply to the Department of Managed Health Care (DMHC) for an Independent Medical Review (IMR) of the denial of a treatment or service that is experimental or investigational. The DMHC does not require that an enrollee participate in the Plan's Grievance system prior to seeking an IMR of a decision to deny coverage on the basis

that the treatment or service is considered experimental/investigational. There is no application or processing fee required. When WHA receives notice from the DMHC regarding the Member's application for an IMR, WHA will submit all of the enrollee's medical records from the Plan or its contracting providers within three (3) business days. The decision of the IMR review agency is binding on WHA.

If the Member is not in a Life-Threatening or Seriously Debilitating Condition or if his/her health or ability to function will not be seriously harmed by waiting, the decision will be rendered within thirty (30) business days. The independent expert may request that the deadline be extended by up to three (3) days due to a delay in receiving all of the necessary documentation from WHA, the Member and/or the Physician.

If the enrollee's in-network or out-of-network Physician determines that the proposed experimental / investigational therapy would be significantly less effective if not promptly initiated, the analyses and recommendations of the experts on the IMR panel shall be rendered within seven (7) days of the request for expedited review.

Binding Arbitration

Disputes between you and WHA are typically handled and resolved through WHA's Grievance, Appeal and Independent Medical Review processes described above. However, in the event that a dispute is not resolved in those processes, WHA uses binding arbitration as the final method for resolving all such disputes.

As a condition of your membership in WHA, you agree that any and all disputes between yourself (including any heirs or assigns) and Western Health Advantage, including claims of medical malpractice (that is as to whether any Medical Services rendered under the health plan were unnecessary or unauthorized or were improperly, negligently or incompetently rendered), except for Small Claims Court cases and claims subject to ERISA, shall be determined by binding arbitration. Any such dispute will not be resolved by a lawsuit or resort to court process, except as California law provides for judicial review of arbitration proceedings. You and WHA, including any heirs or assigns to this agreement, are giving up their constitutional right to have any such dispute decided in a court of law before a jury, and instead are accepting the use of binding arbitration.

This agreement to arbitrate shall be enforced even if a party to the arbitration is also involved in another action or proceeding with a third party arising out of the same matter. WHA's binding arbitration process is conducted by mutually acceptable arbitrator(s) selected by the parties.

If the parties fail to reach an agreement on arbitrator(s) within thirty (30) days of the filing of the arbitration with the American Arbitration Association, then either party may apply to a court of competent jurisdiction for appointment of the arbitrator(s) to hear and decide the matter.

A Member may initiate arbitration by submitting a demand for arbitration to WHA at the address that follows.

The demand must have a clear statement of the facts, the relief sought and a dollar amount and be sent to:

Attn: CFO
Western Health Advantage
2349 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

The arbitration procedure is governed by the American Arbitration Association commercial rules. Copies of these rules and other forms and information about arbitration are available through the American Arbitration Association at adr.org or (800) 778-7879.

The arbitrator is required to follow applicable state or federal law. The arbitrator may interpret this EOC/DF, but will not have any power to change, modify or refuse to enforce any of its terms, nor will the arbitrator have the authority to make any award that would not be available in a court of law. At the conclusion of the arbitration, the arbitrator will issue a written opinion and award, setting forth findings of fact and conclusions of law. The award will be final and binding on all parties except to the extent that state or federal law provide for judicial review of arbitration proceedings.

The parties will share equally the arbitrator's fees and expenses of administration involved in the arbitration. Each party also will be responsible for their own attorneys' fees. In cases of extreme hardship to a Member, WHA may assume all or a portion of the Member's share of the fees and expenses associated with the arbitration. Upon written notice by the Member requesting a hardship application, WHA will forward the request to an independent, professional dispute resolution organization for a determination. Such a request for hardship should be submitted to the address provided above. Effective July 1, 2002, Members who are enrolled in an employer's plan that is subject to ERISA, 29 U.S.C. §1001 et seq., a federal law regulating benefit plans, are not required to submit to mandatory binding arbitration any disputes about certain "adverse benefit determinations" made by WHA. Under ERISA, an "adverse benefit determination" means a decision by WHA to deny, reduce, terminate or not pay for all or a part of a benefit. However, you and WHA may voluntarily agree to arbitrate disputes about these "adverse benefit determinations" at the time the dispute arises.

Definitions

Capitalized terms used in this EOC/DF that aren't listed here are defined in the body of the EOC/DF.

Appeal means a formal request, either verbal or written, by a practitioner or Member for reconsideration of a decision, such as a utilization review recommendation, a benefit payment, an administrative action or a quality-of-care or service issue, with the goal of finding a mutually acceptable solution.

Charges means the Participating Provider's contracted rates or the actual charges payable for Covered Services, whichever is less. Actual Charges payable to non-Participating Providers shall not exceed usual, customary and reasonable charges as determined by WHA.

Complaint means any written or oral expression of dissatisfaction and shall include any complaint, dispute, request for reconsideration or appeal made by a Member or the Member's representative or Provider about their experience with WHA, a Medical Group and/or any WHA Participating Providers.

Copayment means an additional fee charged to a Member which is approved by the California Department of Managed Health Care, provided for in the Group Service Agreement and disclosed in this EOC/DF or in the Member's Copayment Summary. Percentage Copayments are based on WHA's contracted rates for service.

Coverage Decision means the approval or denial of health care service by the Plan or by one of its Contracted Medical Groups, substantially based on a finding that the provision of a particular service is included or excluded as a covered benefit under the terms and conditions of the Plan contract. It does not encompass a decision regarding a Disputed Health Care Service.

Covered Services means those Medically Necessary health care services and supplies which a Member is entitled to receive, as defined solely by WHA, described in the "Principal Benefits and Covered Services" section and not excluded or limited by the "Principal Exclusions and Limitations" section of this EOC/DF.

Custodial Care means care which can be provided by a layperson, which does not require the continuing attention of trained medical or paramedical personnel and which has no significant relation to treatment of a medical condition.

Deductible means the amount of money a Member or family must pay for Covered Services before WHA will cover those services.

Dental Services means any services or x-ray exams involving one or more teeth, the tissue or structure around them, the alveolar process or the gums. Such services are considered dental even if a condition requiring any of these services involves a part of the body other than the mouth, such as treatment of Temporomandibular Joint Disorders (TMJD) or malocclusion involving joints or muscles by such methods as crowning, wiring or repositioning teeth.

Disputed Health Care Service means any health care service eligible for coverage and payment under a health

care service plan contract that has been denied, modified or delayed by a decision of the Plan or by one of its contracting Medical Groups or Participating Providers, due in whole or in part to a finding that the service is not Medically Necessary. A decision regarding a Disputed Health Care Service relates to the practice of medicine and is not a Coverage Decision.

Durable Medical Equipment means Medically Necessary standard equipment that can withstand repeated use, that is primarily and customarily used to serve a medical purpose and that generally is not useful to a person in the absence of an illness or injury.

Educational Services means services or supplies whose primary purpose is to provide any of the following: training in the activities of daily living, instruction in scholastic skills such as reading or writing, preparation for an occupation or treatment for learning disabilities.

Emergency Medical Condition means a medical condition, including a Mental Disorder or Condition, manifesting itself by acute symptoms of sufficient severity, including severe pain, such that a prudent layperson with an average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in:

- Serious danger to the health of the Individual or, in the case of a pregnant woman, the health of the woman and/or her unborn child; or
- Serious damage to bodily functions; or
- Serious dysfunction of any bodily organ or part.

Emergency Services and Care also pertain to:

- Psychiatric screening, examination, evaluation and treatment by a Physician or other personnel, to the extent permitted by applicable law and within the scope of their licensure and privileges.
- Care and treatment necessary to relieve or eliminate the psychiatric Emergency Medical Condition within the capability of a facility.

Experimental or Investigational Procedures means services, tests, treatments, supplies, devices or drugs which WHA determines are not accepted as either standard medical practice by informed medical professionals in the United States at the time the services, tests, treatments, supplies, devices or drugs are rendered, or as safe and effective in treating or diagnosing the condition for which their use is proposed.

Family Member means any of the following persons who meet the eligibility requirements and have duly enrolled in the Plan:

- 1) The legal spouse of the Subscriber; and
- 2) The qualifying Child of the Subscriber.

Grievance means any written or oral expression of dissatisfaction and shall include any complaint, dispute, request for reconsideration or appeal made by a Member, the Member's representative or Provider about their experience with WHA, a Medical Group and/or any WHA Participating Providers.

Group Service Agreement means the Group Service Agreement between your employer and WHA.

Hospice means a public agency or private organization that is a Participating Provider and is primarily engaged in providing pain relief, symptom management and supportive services to terminally ill people and their families.

Hospice Care means services provided by Participating Providers to Members who are certified in writing by a Participating Physician to be terminally ill (i.e., the Member's medical prognosis is that the life expectancy is twelve months or less), emphasizing supportive services and dietary counseling under the direction of a Participating Physician in accordance with a written plan of care, including but not limited to services that are home-based.

Hospital Services means all Inpatient and Outpatient Hospital Services as herein defined.

Independent Medical Review means a review that the Member has the opportunity to seek whenever health care services have been denied, modified or delayed by the Plan or by one of its contracting Medical Groups or Providers if the decision was based on a finding that the proposed services are not Medically Necessary.

Inpatient Hospital Services means those Covered Services which are provided on an inpatient basis by a hospital, excluding long term, non-acute care.

Life-Threatening means either or both of the following:

- 1) Diseases or conditions where the likelihood of death is high unless the course of the disease is interrupted.
- 2) Diseases or conditions with potentially fatal outcomes, when the goal of clinical intervention or treatment is survival.

Medical Director means a Physician employed by or under contract with WHA, having the responsibility for implementing WHA's utilization management system and quality of care review system. The Medical Director is the Physician who determines appropriate Prior Authorization of Covered Services.

Medical Group or Contracted Medical Group means a group of Physicians who have entered into a written agreement with WHA to provide or arrange for the provision of Medical Services and to whom a Member is assigned for purposes of primary medical management.

Medical Services means those professional services of Physicians and other health care professionals, including medical, surgical, diagnostic, therapeutic and preventive services, which are included in "Principal Benefits and Covered Services" and which are performed, prescribed or directed by a Primary Care Physician or Specialist Physician.

Medically Necessary means that which WHA determines:

- Is appropriate and necessary for the diagnosis or treatment of the Member's medical condition, in accordance with professionally recognized standards of care;
- Is not mainly for the convenience of the Member or the Member's Physician or other provider; and

- Is the most appropriate supply or level of service for the injury or illness.

For hospital admissions, this means that acute care as an inpatient is necessary due to the kind of services the Member is receiving, and that safe and adequate care cannot be received as an outpatient or in a less intensive medical setting.

Medicare is the name commonly used to describe Health Insurance Benefits for the Aged and Disabled provided under Public Law 89-97 as amended to date or as later amended.

Member means a Subscriber or qualified dependent Family Member who is entitled to receive Covered Services.

Mental Disorders/Conditions means disturbances or disorders of mental, emotional, or behavioral functioning that include the physical symptoms of such disorders, regardless of cause or origin, except as excluded or limited in this EOC/DF. Examples of Mental Disorders/Conditions include, without limitation: (1) Severe Mental Illnesses as defined in the "Severe Mental Health Services" section of this EOC/DF; (2) stress disorders or ailments; (3) anxiety disorders; (4) somatoform disorders (psychosomatic illness) and mental illness; and (5) the Serious Emotional Disturbances of Children as defined in the "Severe Mental Health Services" section of this EOC/DF. The following types of illnesses are excluded from the definition of Mental Health Disorders/Conditions: congenital and/or organic brain disorders, mental retardation, Alzheimer's disease, multiple sclerosis, amyotrophic lateral sclerosis, traumatic brain injuries and demonstrable structural brain damage. Conditions related to drug or alcohol dependence are not included under the "Mental Health Services" benefits. See the "Alcoholism and Drug Abuse Services" section under "Behavioral Health Services" for details about coverage.

Open Enrollment Period means a yearly thirty (30) day period as mutually agreed upon by the employer and WHA, during which eligible persons who have not previously enrolled in WHA may do so.

Orthotic Device means a rigid or semi-rigid device used as a support or brace and affixed to the body externally to support or correct a defect or function of an injured or diseased body part, which is Medically Necessary to the medical recovery of the Member, excluding devices to enable the Member to participate in athletic activity, whether this activity is prior to any injury or as a part of the medical recovery service.

Outpatient Hospital Services means those Covered Services which are provided by a hospital to Members who are not inpatients at the time such services are rendered.

Participating Hospital means a duly licensed hospital which, at the time care is provided to a Member, has a contract in effect with WHA or a Contracted Medical Group to provide Hospital Services to Members. The Covered Services which some Participating Hospitals may provide to Members are limited by WHA's utilization review and quality assurance policies or by WHA's contract with the hospital.

Participating Physician means a Physician who, at the time care is provided to a Member, has a contract in effect with WHA or a Contracted Medical Group to provide Medical Services to Members.

Participating Provider means a Contracted Medical Group, Participating Physician, Participating Hospital or other licensed health professional or licensed health facility who or which, at the time care is provided to a Member, has a contract in effect with WHA to provide Covered Services to Members. Information about Participating Providers may be obtained by telephoning WHA at one of the numbers listed below.

Physician means a duly licensed "physician and surgeon" under California law.

Premium means the prepayment fee to be paid by or on behalf of Members in order to be entitled to receive Covered Services.

Prescription is a written or oral order for a Prescription medication directly related to the treatment of an illness or injury and is issued by the attending Physician within the scope of his or her professional license.

Primary Care Physician or PCP means a Participating Physician who:

- 1) Practices in the area of family practice, internal medicine, pediatrics, general practice or obstetrics/gynecology; and
- 2) Acts as the coordinator of care, including such responsibilities as supervising continuity of care, record keeping and initiating referrals to Specialist Physicians for Members who select such a Primary Care Physician.

Primary Residence applies to each Subscriber and dependent individually, and means a residence in which the Subscriber or dependent presently, permanently and physically resides on a full-time basis, no fewer than eight (8) continuous months out of the calendar year. **A residence in which a Subscriber or dependent resides only on a limited basis (such as only on weekends) does not qualify as a Primary Residence.**

Prior Authorization means written approval from the Medical Director before a service or supply is received.

Prosthetic Device means an artificial device externally affixed to the body to replace a missing part of the body or a device to restore a method of speaking incident to a laryngectomy. "Prosthetic Devices" does not include electronic voice producing machines.

Provider Reimbursement means the contractual arrangement between WHA and the Participating Providers with which WHA contracts for the provision of covered benefits on behalf of the Members of WHA. The basic method of Provider Reimbursement used by WHA is "capitation": a per Member, per month payment by WHA to its contracted providers. Because WHA is a not for profit Plan, owned and directed by local healthcare systems, there are no bonus schedules or financial incentives in place between WHA and its contracted providers which will restrict or limit the amount of care which is provided under the benefits of this EOC/DF. For additional information

regarding provider compensation issues, Members may request additional information from WHA, the provider or the provider's Medical Group or IPA.

Seriously Debilitating means diseases or conditions that cause major, irreversible morbidity or sickness.

Service Area means the geographic area in which WHA has been authorized by applicable regulatory agencies to provide routine Covered Services to Members. See the first page for a Service Area map and a list of zip codes within the Service Area.

Specialist Physician means a Physician contracted to provide more specialized health care services.

Subscriber means the person whose employment or other status (except for family dependency) is the basis for eligibility, who meets all applicable eligibility requirements and has enrolled in accordance with WHA's enrollment procedures.

Totally Disabled means that an individual is either confined in a hospital as determined to be Medically Necessary or is unable to engage in any employment or occupation for which the individual is (or becomes) qualified by reason of education, training or experience and is not, in fact, engaged in any employment or occupation for wage or profit.

Urgent Care means services that are medically required within a short time frame, usually within twenty-four (24) hours, in order to prevent the serious deterioration of a Member's health due to an unforeseen illness or injury. Members must contact their Primary Care Physician, whenever possible, before obtaining Urgent Care.

Vocational Rehabilitation means evaluation, counseling and placement services designed or intended primarily to assist an injured or disabled individual in finding appropriate employment.

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Published: March 2010

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Western
Health
Advantage



*within reach,
beyond expectation*

Bereavement Leave

- Civitas recognizes the traumatic effect that the death of an “immediate” family member or close personal friend can have on an employee and his or her ability to continue to work. Civitas provides bereavement leave in accordance with the following policy to employees who have suffered such a loss.
- Employees who have completed their training period will be paid, at the employee’s regular hourly rate for the employee’s regularly scheduled hours for up to **eight hours per day, for up to three consecutive days** of bereavement leave for a death which occurs in their “immediate” family. The employee must utilize the leave during the three days immediately following a death unless otherwise approved by an employee’s supervisor. Bereavement leave cannot be used on employee’s day(s) off.
- An “immediate” family member is defined as your current spouse, registered domestic partner, child, child of domestic partner, parent, legal guardian, brother, sister, grandparent, grandchild, mother-in-law, father-in-law, or parent of a registered domestic partner. An employee may be granted up to one day to attend the funeral or relative or personal friend not within the definition of “immediate” family. This time off will be unpaid. Time off for deaths outside the “immediate” family will be provided in a case-by-case basis at the discretion of the employee’s immediate supervisor.
- An employee who has not completed the training period will only be granted bereavement leave upon the death of an “immediate” family member. However the employee will not be paid for the leave.
- If possible, an employee must provide advance notification of its intention to take bereavement leave. This notification should be given to an employee’s supervisor at the earliest possible opportunity.
- Civitas retains the discretion to request verification of an employee’s bereavement leave request (such as a newspaper clipping, obituary or death certificate) prior to or following an employee’s bereavement leave.
- Bereavement leave cannot be used by using a scheduled holiday, a scheduled vacation, or when an employee is absent due to illness.

Family Care and Medical Leave (FCML) Policy

Civitas will grant Family Care and Medical Leave (FCML) in accordance with the requirements of applicable state and federal law in effect at the time the leave is granted. No longer or lesser leave benefits will be granted than those set forth in such state or federal laws. In certain situations, the federal law requires that provisions of state law apply. In any case, employees will be eligible for the most liberal benefits available under either law.

Please contact your supervisor as well as Civitas as you become aware of the need for a family care and medical leave.

Employee Eligibility: To be eligible for FCML benefits, an employee must: (1) have worked for Civitas for a total of at least 12 months; (2) have worked at least 1,250 hours over the previous 12 months; and (3) work at an eligible location.

Leave Available: Eligible employees may receive up to a total of 12 work weekends of unpaid leave during a rolling 12-month period, measured backward, from the date an employee last used any FCML, for one or more of the following reasons: (1) for the birth or placement of a child for adoption or foster care; (2) to care for an immediate family member (spouse, child, parent, domestic partner or child of domestic partner) with serious health condition; (3) when the employee is unable to work because of a serious health condition.

Under some circumstances, employees may take family and medical leave intermittently – which means taking leave in blocks of time, or by reducing their normal weekly or daily work schedule.

Pregnant employees may have the right to take a pregnancy disability leave in addition to a family leave; such employees should contact Civitas regarding their individual situations.

Certain restrictions on these benefits apply.

Notice and Certification: Employees seeking to use FCML are required to provide:

1. 30-day notice when the need for the leave is foreseeable;
2. medical certification (both prior to the leave and prior to reinstatement);
3. periodic recertification; and
4. periodic reports during the leave.

Family Care and Medical Leave (FCML) Policy (cont.)

When leave is needed to care for an immediate family member or the employee's own serious health condition, and is for planned medical treatment, the employee must try to schedule treatment so as not to disrupt the client's operation.

Compensation During Leave: FCML is unpaid. If the leave is to care for your own condition, you must use your accrued sick leave. If the leave is to care for a sick family member, you may use up to half a year's worth of sick leave (if already accrued). And, you must use any accrued vacation during your family leave. Use of your vacation or sick leave will count against your family leave allotment and your accrued vacation sick leave.

Benefits During Leave: Civitas will maintain group health insurance coverage for an employee on FCML for up to a maximum of 12 workweeks if such insurance was provided before the leave was taken on the same terms as if the employee had continued to work. Civitas may recover premiums it aid to maintain health coverage for an employee who fails to return to work following FCML.

Job Reinstatement: Under most circumstances, upon return from FCML, an employee will be reinstated to his or her original job, or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. If an employee fails to return to work immediately after the period of the approved leave expires, the employee will be considered to have voluntarily separated from the employer's employ. In addition, an employee's use of FCML will not result in the loss of any employment benefits that the employee earned or was entitled to before using such leave.

Unlawful Acts: It is unlawful for Civitas to interfere with, restrain, or deny the exercise of any right provided by state or federal law. It is also unlawful for Civitas to refuse to hire or to discharge or discriminate against any individual for opposing any practice, or because of involvement in any proceeding related to FCML.

VACATION "B"

Vacation Leave Policy

Use of vacation compensation is subject to the following conditions:

- Vacation compensation will be used to make up an employee's regular pay for absences from scheduled work. Vacation compensation cannot be used for an absence due to any other reason or for absences outside of an employee's regular work schedule. For example, an employee cannot use vacation compensation to engage in work that creates a conflict of interest with Civitas.
- When a regular Civitas holiday falls during an employee's vacation, the employee will be paid holiday compensation for the holiday and will not use vacation compensation for that day.
- An employee may not use sick leave during a scheduled vacation.
- An employee cannot substitute bereavement leave for scheduled vacation.
- Vacation cannot be used in advance of its accrual. Any vacation that is used prior to its accrual comprises an advance on wages to be earned, and the employee's use of the vacation comprises an authorization by the employee to deduct any advance vacation from the employee's future wages, including the employee's final paycheck.
- Accrued and unused vacation compensation is cashed out at the time of an employee's termination.
- A full-time employee shall begin accruing vacation at the completion of their 90-day training period, in the amount of **3.85%** of each hour worked. This accrual amount/rate will result in **two (2) weeks of vacation** accrual for each complete year of hours worked, and continue until the 4th anniversary date of their employment.
- At such time, employees will begin accruing at the rate of **5.77%** of each hour worked. This policy will result in **three (3) weeks of vacation** accrual during their 5th year of employment.
- Then, on your 9th anniversary of employment, employees will begin accruing at the rate of **7.70%** of each hour worked. This accrual will result in **four (4) weeks of vacation** during the 10th and subsequent years in which the employees work on a full-time basis.

Vacation Leave Policy (cont.)

- The accrual of vacation will be prorated for regular part-time employees who are regularly scheduled to work 30 hours per week or more.
- An employee may accrue vacation compensation up to a maximum amount of vacation that is equal to two times an employee's annual accrual rate. If an employee reaches this cap on the accrual of the vacation, then the employee may not accrue any additional vacation until the employee uses a portion of that which the employee had previously accrued. If an employee reaches the cap and later uses some of the accrued vacation, the employee will once again begin to accrue vacation. However, the employee will not receive any retroactive accrual for the period of time during which the employee's vacation accrual had reached the cap. If thereafter, the employee reaches the cap, once again they will cease accruing additional vacation benefits.
- Employees should request to schedule vacation as far in advance as possible. In particular, employees should request permission to schedule any vacation of one week or more at least four weeks in advance in order to ensure that the time can be taken off. Civitas reserve the right to withhold approval to use vacation for any business reason.
- No vacation accrues during leaves-of-absence or other periods of inactive service.

Sick Leave Policy

Civitas realizes that sudden illness can create a financial hardship to employees. Civitas also realizes that medical and dental appointments must sometimes be scheduled during working hours. Sick leave is an effort on the part of Civitas to help alleviate the financial stress of missing work for these reasons.

Sick leave is to be used only in the case of actual illness or injury of an employee or the employee's spouse or children who reside in the employee's household. Sick leave may also be used for medical or dental appointments scheduled during an employee's regular working hours. All such appointments should be scheduled either as early or as late as possible in the employee's shift. If extensive medical treatment is anticipated, it should be scheduled on a Friday or a light scheduled work day to minimize loss of workdays.

Sick leave is not to be used for personal absences. An employee may not use sick leave while on other leaves such as vacation or holidays unless specifically allowed herein.

1. Each full-time employee working 40 hours per week accumulates a total of -6- sick days per year. Employees working 30-39 hours per week receive a prorated accrual based on a percentage of hours worked per week.
2. An employee may accumulate unused sick leave up to a maximum of 160.00 hours.
3. Sick pay begins on the first day of an illness or injury.
4. Accrued sick time is not paid out to an employee upon termination of employment.

Sick leave may not be used prior to its accrual. If an employee uses sick leave prior to its accrual, it will be considered as no pay.

If the employee is absent due to illness or other disability, certification by their doctor of their disability and their fitness to return to work will be required for any absence of three (3) days or more. If there is reason to believe that sick pay has been misused, certification may be required for shorter absences.

1. If an employee is absent for three (3) consecutive days without contacting the supervisor, it will be considered the employee had voluntarily terminated employment with Civitas.

Sick Leave Policy (cont.)

Employees who know of an expected date of disability for surgery, pregnancy or any other anticipated illness should notify their supervisors of the date and expected date of return for work. In all other cases, an employee should notify their supervisor as soon as they become aware of the need to be absent and in no event later than the start of their shift.

Every effort will be made to keep an employee's position available for the employee's return. If it is not possible to keep the employee's job open, the employee will be given the next available job for which they are qualified. It is essential for employees to keep Civitas advised of their anticipated date of return to facilitate the employers' efforts to place workers in a position immediately upon return from leave.

"Kin Care" Policy

- Employees may use up to one-half their yearly sick leave accrual for the purpose of attending to a child, parent, spouse, domestic partner or child of domestic partner who is ill. Leave for this purpose may not be taken until it has actually accrued.
- Days available for Kin Care do not carry over from year to year. The amount of Kin Care leave is one-half of the year's allotment of sick leave regardless of what was or was not taken the year before.
- For purposes of sick leave use, a "child" is defined as a biological, foster, adopted child, stepchild, domestic partner's child or legal ward. A "child" also may be someone you have accepted the duties and responsibilities for raising, even if he/she is not your legal child.
- A "parent" is your biological, foster, or adoptive parent, stepparent or legal guardian.
- A "spouse" is your legal spouse according to the laws of California. There is no "common law" spouse in the state of California.
- A "domestic partner" is defined in California law as "two adults who have chosen to share one another's lives in an intimate and committed relationship of mutual caring" and who file a Declaration of Domestic Partnership with the Secretary of State.
- All conditions and restrictions placed on an employee's use of sick leave apply also to sick leave used for care of a child, parent or spouse, domestic partner or child of domestic partner.
- Supervisors have the discretion to require a doctor's note from the attending physician of the sick child, parent, spouse, domestic partner or child of domestic partner.

Employees are required to identify to their managers whether they are taking sick leave for themselves or a family member and also inform them of the family member's relationship so it can be determined whether the person is covered by law.

Paid sick leave is a privilege extended by Civitas, and may be regulated or otherwise modified as necessary. Civitas reserves the right to adjust sick leave benefits for an employee who continually takes maximum period allowed or abuses the benefit. Abuse of sick leave, failure to return to work when able to return to work or other violation of this policy may result in discipline up to and including termination.



SUMMARY OF BENEFITS AND ELECTIONS

(Please verify all information below)

Group: Civitas Advisors

Broker: Marty O'Hara

COVERAGE	HEALTH PLAN	OPTION
Dental	Ameritas DeltaCare USA	Employer Sponsored
Vision	VSP	Employee Voluntary
Chiropractic/ Acupuncture (CA only)	N/A	N/A
Life	N/A	N/A

ADDITIONAL ELECTIONS	
Section 125 (P.O.P.)	No
COBRA	Cal-COBRA
Waiting period	90 DAYS

Choice Builder Program

DEPOSIT & EMPLOYEE CONTRIBUTION STATEMENT

BROKER INFORMATION

MARTY O'HARA
(916) 943-2700 Quote # 000014426.004

GROUP INFORMATION

CIVITAS ADVISORS
EFFECTIVE DATE: 12/01/10
Group Number: B01347

	Dental Benefits	Vision Benefits	Chiropractic Benefits
Employer Contribution for Employee	100% of DeltaCare® USA Gold	Employee Voluntary	N/A
Employer Contribution for Dependents	N/A	N/A	N/A

Employee Information	Plan Type	Coverage Selected	Carrier	Plan	Employee Premium	Dependent Premium	Total	Employer Contrib.	Employee Contrib.	EE Total Deduction
Cardoza, Melanee A. XXX-XX-6910 F Age 29 95834	Dental	EE ONLY	DeltaCare® USA	Gold	\$ 21.15	\$ 0.00	\$ 21.15	\$ 21.15	\$ 0.00	\$ 0.00
Cretaro, Giancarlo XXX-XX-6877 M Age 23 95816	Dental	EE ONLY	DeltaCare® USA	Gold	\$ 21.15	\$ 0.00	\$ 21.15	\$ 21.15	\$ 0.00	
	Vision	EE ONLY	VSP	Platinum	\$ 12.85	\$ 0.00	\$ 12.85	\$ 0.00	\$ 12.85	\$ 12.85
Toyooka, Mika J. XXX-XX-3034 F Age 29 95831	Dental	EE ONLY	DeltaCare® USA	Gold	\$ 21.15	\$ 0.00	\$ 21.15	\$ 21.15	\$ 0.00	\$ 0.00
Total Employees = 3	(Excluding COBRA Employees)			Totals			\$ 76.30	\$ 63.45		\$ 12.85
							Administration Fee			\$ 20.00
							Less Deposit Premium			\$ 76.30
							Total Balance Due			\$ 20.00

CITY OF LOS ANGELES - SLAVERY DISCLOSURE ORDINANCE

Unless otherwise exempt from the Slavery Disclosure Ordinance (SDO), a Company entering into a Contract with the City must complete an Affidavit disclosing any and all records of Participation or Investment in, or Profits derived from Slavery, including Slaveholder Insurance Policies, during the Slavery Era. The Company must complete and submit the Affidavit and any attachments to the Awarding Authority. This is required only of the Company actually selected for award of a Contract. It must be done before the Contract or Contract amendment can be executed. Questions regarding the Affidavit may be directed to the Department of Public Works, Office of Contract Compliance located at 1149 S. Broadway Street, 3rd Floor, Los Angeles, California 90015. Phone: (213) 847-1922; Fax: (213) 847-2777.

City Department Awarding Agreement CITY CLERK Department Contact Person PAUL NAKAJIKI

AFFIDAVIT DISCLOSING SLAVERY ERA PARTICIPATION, INVESTMENTS, OR PROFITS

1. I, John Lambeth, am authorized to bind contractually the Company identified below.

2. Information about the Company entering into a Contract with the City is as follows:

<u>Civitas Advisors Inc</u>	<u>9163250604</u>	<u>90-00451609</u>	
Company Name	Phone	Federal ID #	
<u>7700 College Town #11</u>	<u>Sacramento</u>	<u>CA</u>	<u>95826</u>
Street Address	City	State	Zip

3. Has the Company submitted the SDO Affidavit previously? NO YES Date of prior submission: _____
If "NO," complete Section 4, 5, and 6. If "YES," list the date of prior submission and skip to Section 6 and execute the form.

4. The Company came into existence in 2001 (year).

5. The Company has searched its records and those of any Predecessor Companies for information relating to Participation or Investments in, or Profits derived from Slavery or Slaveholder Insurance Policies. Based on that research, the Company represents that:

The Company found no records that the Company or any of its Predecessor Companies had any Participation or Investments in, or derived Profits from, Slavery or Slaveholder Insurance Policies during the Slavery Era.

The Company found records that the Company or its Predecessor Companies Participated or Invested in, or derived Profits from Slavery during the Slavery Era. The nature of that Participation, Investment, or Profit is described on the attachment to this Affidavit and incorporated herein.

The Company found records that the Company or its Predecessor Companies bought, sold, or derived Profits from Slaveholder Insurance Policies during the Slavery Era. The names of any Enslaved Persons or Slaveholders under the Policies are listed on the attachment to this Affidavit and incorporated herein.

6. I declare under penalty of perjury under the laws of the State of California that the representations made herein are true and correct to the best of my knowledge.

Executed on December 15, 2012 at Sacramento, CA
(Date) (City) (State)

Signature: [Signature] Title: President

DEFINITIONS

Awarding Authority means a subordinate or component entity or person of the City, such as a City Department or Board of Commissioners, that has the authority to enter into a Contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

Company means any person, firm, corporation, partnership or combination of these.

Contract means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies or rendering of any service to the City of Los Angeles or the public, which is let, awarded or entered into with or on behalf of the City of Los Angeles or any Awarding Authority of the City.

Designated Administrative Agency (DAA) means the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance.

Enslaved Person means any person who was wholly subject to the will of another and whose person and services were wholly under the control of another and who was in a state of enforced compulsory service to another during the Slavery Era.

Investment means to make use of an Enslaved Person for future benefits or advantages.

Participation means having been a Slaveholder during the Slavery Era.

Predecessor Company means an entity whose ownership, title and interest, including all rights, benefits, duties and liabilities were acquired in an uninterrupted chain of succession by the Company.

Profits means any economic advantage or financial benefit derived from the use of Enslaved Persons.

Slavery means the practice of owning Enslaved Persons.

Slavery Era means that period of time in the United States of America prior to 1865.

Slaveholder means holders of Enslaved Persons, owners of business enterprises using Enslaved Persons, owners of vessels carrying Enslaved Persons or other means of transporting Enslaved Persons, merchants or financiers dealing in the purchase, sale or financing of the business of Enslaved Persons.

Slaveholder Insurance Policies means policies issued to or for the benefit of Slaveholders to insure them against the death of, or injury to, Enslaved Persons.

Affidavit means the form developed by the DAA and may be updated from time to time. The Affidavit need not be notarized but must be signed under penalty of perjury.

CITY OF LOS ANGELES

CALIFORNIA



ANTONIO VILLARAIGOSA
MAYOR

BOARD OF PUBLIC WORKS MEMBERS

CYNTHIA M. RUIZ
PRESIDENT

ANDREA A. ALARCON
VICE PRESIDENT

PAULA A. DANIELS
PRESIDENT PRO-TEMPORE

STEVEN T. NUTTER
COMMISSIONER

VALERIE LYNNE SHAW
COMMISSIONER

WILLIAM P. WEEKS
EXECUTIVE OFFICER

JOHN L. REAMER, JR.
Inspector of Public Works
and
Director

Bureau of
CONTRACT ADMINISTRATION
1149 S. Broadway, 3rd Floor
Los Angeles, CA 90015

(213) 847-1922
<http://bca.lacity.org>

January 19, 2011

John Lambeth
Civitas Advisors, Inc.
7700 College Town Drive. #111
Sacramento, CA 95826

We received your EEO and Affirmative Action documents that you submitted to fulfill your contract requirement, as mandated by Los Angeles Administrative Code 10.8.4, and is approved as follows:

AFFIRMATIVE ACTION PLAN APPROVAL

PLAN NO: 16065

Project Title:
Civitas Advisors, Inc.
7700 College Town Drive. #111
Sacramento, CA 95826

- Approved – Contractor completed, signed and submitted the City's Affirmative Action Plan.
- Approved – Contractor submitted its own Affirmative Action Plan which meets the City's minimum requirements.

- **APPROVAL EXPIRATION DATE:** 2/1/2012
- **This Plan is valid through the date shown above. The contractor may reference this approval for other City-funded contracts within the approval period. If the approval is 30 days or less from the expiration, the contractor must submit a new Plan to the Office of Contract Compliance and the Plan must be approved before any new contract is awarded.**

If you have any questions regarding this matter, please call Faye Serafin at 213-847-2643. The Bureau of Contract Administration, Office of Contract Compliance is located at 1149 S. Broadway St., Suite 300, Los Angeles, CA 90015.

Sincerely,

Helmut Peindl, Sr. Management Analyst I
EEOE Section Supervisor

NONDISCRIMINATION • EQUAL EMPLOYMENT PRACTICES • AFFIRMATIVE ACTION
CONSTRUCTION & NONCONSTRUCTION CONTRACTORS (VENDORS, SUPPLIERS, CONSULTANTS)

Los Angeles Administrative Code (LAAC), Division 10, Chapter 1, Article 1, Section 10.8 requires entities doing business with the City to comply with a Nondiscrimination/Affirmative Action Program. (Refer questions regarding these requirements to the Bureau of Contract Administration, Office of Contract Compliance, Equal Employment Opportunities Enforcement Section, at (213) 847-1922.) In order to comply, it is necessary that the bidder/proposer/respondent complete, sign and return with the bid/proposal/response, the following:

- A. For all contracts, the contractor agrees to adhere to the following Nondiscrimination Clause:
 1. The contractor agrees and obligates the company not to discriminate during the performance of this contract against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, age, sexual orientation, disability, marital status, domestic partner status, or medical condition; and
 2. All subcontracts awarded under this contract shall contain a like Nondiscrimination Clause.
- B. For construction contracts from \$1,000 to under \$5,000 and nonconstruction contracts from \$1,000 to under \$100,000, the contractor agrees to:
 1. Adhere to the Nondiscrimination Clause above;
 2. Designate a management level Equal Employment Opportunity Officer as provided for in Section "E" below; and
 3. Adhere to Equal Employment Practices provisions as outlined in LAAC § 10.8.3 and on Page A-3 of this document.
- C. For construction contracts of \$5,000 or more and non-construction contracts of \$100,000 or more, the contractor agrees to:
 1. Adhere to the Nondiscrimination Clause above;
 2. Designate a management level Equal Employment Opportunity Officer as provided for in Section "E" below;
 3. Adhere to Equal Employment Practices provisions as outlined in LAAC § 10.8.3 and on Pages A-4 and A-5 of this document;
 4. Complete the Ethnic Composition of Total Work Force Report provided on Page A-2 of this document; and
 5. Sign and submit an Affirmative Action Plan. The bidder must submit one of the two following plans:
 - a. Plan A. Los Angeles City Affirmative Action Plan ("Los Angeles City Affirmative Action Requirements") on Page A-6 and Page A-7 which is an approved plan requiring only signature of acceptance along with the Ethnic Composition of Work Force (Page A-2) and submittal to be effective; or,
 - b. Plan B. The Bidder's own Affirmative Action Plan for approval, which must contain at a minimum all of the elements of the City's Plan.
- D. Subcontractors:
 1. The contractor shall require the same documents indicated above to be submitted for subcontractors of any contract awarded by the City; and
 2. The contractor shall be responsible for obtaining the Affirmative Action Plans from its subcontractors. Additional forms are Available from the Office of Contract Compliance or the awarding authority.

E. Equal Employment Opportunity Officer:

Please be advised that John Lambeth President is hereby
NAME OF DESIGNEE TITLE

designated as the Company's Equal Employment Opportunity Officer. The Officer has been given the authority to establish, disseminate and enforce the Equal Employment and Affirmative Action Policies of this firm to ensure nondiscrimination in all of its employment practices. The Officer may be contacted at:

7700 College Town #111 Sacramento CA 95826 (916) 325-0604
WORK ADDRESS TELEPHONE

F. Signed Certification - The Contractor by its signature affixed hereto declares under penalty of perjury that:

1. The contractor has read the Nondiscrimination Clause in "A" above and certifies that it will adhere to the practices in the performances of all contracts;
2. The contractor has read the Equal Employment Practices provisions on Page A-3 and certifies that it will adhere to the practices in the performance of any construction contract \$1,000 to under \$5,000 and nonconstruction contract \$1,000 to under \$100,000;
3. The contractor has designated the Equal Employment Opportunity Officer as noted in Section "E" above;
4. The contractor has read the Affirmative Action Program provisions on Pages A-4 and A-5, certifies that it will adhere to the practices in the performance of any construction contract of \$5,000 or more and nonconstruction contract of \$100,000 or more and submits an Affirmative Action Plan. Indicate which plan is submitted: City Plan; Company Plan.
5. The information contained herein is true and correct.

All Certificates and Plans are effective for 12 months from date of approval by the Office of Contract Compliance.

Civitas Advisors Inc.
COMPANY NAME
7700 College Town Dr. #111
ADDRESS
Sacramento CA 95826
CITY, COUNTY, STATE, ZIP

[Signature]
AUTHORIZED SIGNATURE
John Lambeth, President
NAME AND TITLE (TYPE OR PRINT)
916-325-0604 12/15/10
A-1 TELEPHONE DATE

PRIME SUB

BCA Form (6/08)

TOTAL COMPOSITION OF WORK FORCE

OCC#

Length of Contract NO BIDS

Project Title ECHO PARK PAID

Contractor CIVITAS ADVISORS INC

(If you have no employees, write "no employee at this time.")

Work Force as of (Date) 12-8-10

Contractor Address 1700 College Town #111 Sacramento

FOR CONSTRUCTION PROJECTS (L.A. County Only)

	AFRICAN AMERICAN (BLACK)		HISPANIC		ASIAN/PACIFIC ISLANDER		AMERICAN INDIAN/ALASKAN NATIVE		CAUCASIAN (NON-HISPANIC)		TOTAL EMPLOYEES		% MINORITY		GENDER		
	J	A	T	J	A	T	J	A	T	J	A	T	J	A	T	M	F
CRAFT																	
Brick Layers																	
Carpenters																	
Electricians																	
Gunite Workers																	
Iron Worker																	
Laborers																	
Operator Engineers																	
Painters																	
Pipe Trades																	
Plasters / Cement Masons																	
Sheet Metal Workers																	
Teamsters																	
Clerical																	
Supervisory																	
TOTAL																	

FOR NON-CONSTRUCTION PROJECTS

	AFRICAN AMERICAN (BLACK)		HISPANIC		ASIAN OR PACIFIC ISLANDER		AMERICAN INDIAN/ALASKAN NATIVE		CAUCASIAN (NON-HISPANIC)		TOTAL EMPLOYEES		% MINORITY		GENDER	
	Regular	Trainee	Regular	Trainee	Regular	Trainee	Regular	Trainee	Regular	Trainee	R	T	R	T	M	F
Official & Managers																
Professionals	1															
Technicians																
Sales Workers																
Office / Clerical																
Semi-Skilled																
Laborers (Unskilled)																
Service Workers																
TOTAL																

Employment statistics were obtained from:

Available Records Visual Check Other (Specify)

EQUAL EMPLOYMENT PRACTICES PROVISIONS
Construction Contracts in excess of \$1,000 or more but less than \$5,000 and
Nonconstruction Contracts of \$1,000 or more but less than \$100,000

Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be designated as the EQUAL EMPLOYMENT PRACTICES provision of such contract:

- A. During the performance of this contract, the contractor agrees and represents that it will provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
 - 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that he or she has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- D. The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.
- E. The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.
- F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with City of Los Angeles for a period of two years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish the contract Compliance program.
- I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conducted of City Contracts.
- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
 - 1. Hiring practices;
 - 2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 - 3. Training and promotional opportunities; and
 - 4. Reasonable accommodations for persons with disabilities.
- L. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

AFFIRMATIVE ACTION PROGRAM PROVISIONS
Construction Contracts of \$5,000 or More and
Nonconstruction Contracts of \$100,000 or More

Sec. 10.8.4. Affirmative Action Program Provisions.

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

- A. During the performance of a City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any contractor to comply with the Affirmative Action program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.
- F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.
- H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- I. The public Works board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.
- J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

- K. The contractor shall submit an Affirmative Action Plan which shall meet the requirements of this Chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.
- (1) Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 - (2) A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation.
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's work force to achieve the requirements of the city's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.
- P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

LOS ANGELES CITY AFFIRMATIVE ACTION PLAN
LOS ANGELES CITY AFFIRMATIVE ACTION MANDATORY PROVISIONS

Notwithstanding any other provision of this Division to the contrary, every construction contract involving an expenditure of \$5,000 or more of City funds, except in cases of urgent necessity, as provided in Section 371 of the Charter of the city of Los Angeles and except as provided in Section 10.9 of this Code, shall contain as part of the contract an Affirmative Action Plan substantially as set forth in this section and which by the contractor's signature affixed thereto, shall constitute and be established as the contractor's Affirmative Action Plan. The Plan, which may be a plan proposed by the contractor or the City's proposed Plan prepared by the Office of Contract Compliance, shall be subject to the approval of the Office of Contract Compliance prior to award of the contract. The Plan may consist of a Plan approved by the Office of Contract Compliance within the previous twelve months. If the previously approved Plan is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance which shall be subject to approval before the contract may be awarded.

Sec. 10.13. Mandatory Provisions Pertaining to Nondiscrimination in Employment and Affirmative Action in Hiring Employees in the Performance of Work on Certain City Construction Contracts.

1. Construction Contracts Included.

The contractor shall not be eligible for an award of a City Construction Contract in excess of \$5,000, unless the contractor has submitted as part of the bid a written Affirmative Action Plan embodying both (1) anticipated levels of minority*, women and all other staffing utilization, and (2) specific affirmative action steps directed at applying good faith efforts in a nondiscriminatory manner to recruit and employ minority, women and all other potential staff or is deemed to have submitted such a program pursuant to Subsection 3 of this section. Both the anticipated levels and the affirmative action steps must be taken and applied in good faith and in a nondiscriminatory manner to attempt to meet the requirements of this section for all trades which are to be utilized on the project, whether subcontracted or not.

*"Minority" is defined as the term "minority person" is defined in subsection (f) of section 2000 of the California Public Contract Code.

2. Anticipated Utilization.

The plan must set forth anticipated minority, women, and all other staffing utilization by the contractor and all subcontractors on each project constructed by the City using those trades within the area of jurisdiction of the Los Angeles Building and Construction Trades Council within the City of Los Angeles in each work class and at all levels in terms of staff hours. The anticipated levels of minority, women and other staffing utilization shall be the levels at which each of those groups are represented in the relevant workforce in the Greater Los Angeles Area as determined by the U. S. Bureau of the Census and made available by the Office of Contract Compliance. Attainment of the anticipated levels of utilization may only be used as an indicia of whether the contractor has complied with the requirements of this section and has applied its Affirmative Action Plan in good faith and in a nondiscriminatory manner. Failure to attain the anticipated levels of utilization shall not, by itself, disqualify the contractor for award of a contract or subject the contractor to any sanctions or penalties.

In no event may a contractor utilize the requirements of this section in such a manner as to cause or result in discrimination against any person on account of race, color, religion, ancestry, age, disability, medical condition, marital status, domestic partner status, sex, sexual orientation, or national origin.

3. An Affirmative Action Plan.

The contractor certifies and agrees to immediately implement good faith efforts measures to recruit and employ minority, women, and other potential staff in a nondiscriminatory manner including, but not limited to, the following actions. The contractor shall:

a. Recruit and make efforts to obtain such employees through:

- (1) Advertising employment opportunities in minority and other community news media. Notifying minority, women and other community organizations of employment opportunities.
- (2) Maintaining contact with schools with diverse populations of students to notify them of employment opportunities.
- (3) Encouraging present minority, women and other employees to refer their friends and relatives.
- (4) Promoting after school and vacation employment opportunities for minority, women and other youth.
- (5) Validating all job specifications, selection requirements, tests, etc.
- (6) Maintaining a file of names and addresses of each worker referred to the contractor and what action was taken concerning such worker.
- (7) Notifying the appropriate awarding authority of the City and the Office of Contract Compliance in writing when a union with whom the contractor has a collective bargaining agreement has failed to refer a minority, woman or other worker.

b. Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in nondiscriminatory manner so as to achieve and maintain a diverse work force.

c. Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in such training programs to enhance their skills and advancement.

d. Secure cooperation or compliance from the labor referral agency to the contractor's contractual affirmative action obligations.

e. Establish a person at the management level of the contracting entity to be the Equal Employment Opportunity Office; such individual to have the authority to disseminate and enforce the company's Equal Employment and Affirmative Action Policies.

- f. Maintain such records as are necessary to determine compliance with equal employment and affirmative action obligations, and making such records available to City, State and Federal authorities upon request.
4. The contractor shall make a good faith effort with respect to apprenticeship and training program to:
- Recruit and refer minority, women and other employees to such programs;
 - Establish training programs within the company and/or its association that will prepare minority, women and other employees for advancement opportunities.
 - Abide by the requirements of the Labor Code of the State of California with respect to the provision of apprenticeship job opportunities.
5. The contractor shall establish written company policies, rules, and procedures which shall be encompassed in a company-wide Affirmative Action Plan for all its operations and contracts. Said policies shall be provided to all employees, subcontractors, vendors, unions and all others with whom the contractor may become involved in fulfilling any of its contracts. The company's Affirmative Action Plan shall encompass the requirements contained herein as a minimum and shall be submitted with its bid to the appropriate awarding authority of the City and to the Office of Contract Compliance of the City.
6. Where problems are experienced by the contractor in complying with its obligations pursuant to this section, the contractor shall document its good faith effort to comply with the requirements by the following procedure. The contractor shall state:
- What steps were taken, how and on what date.
 - To whom those efforts were directed.
 - The responses received, from whom and when.
 - What other steps were taken or will be taken to comply and when.
 - Why the contractor has been or will be unable to comply.
7. The contractor shall complete and file, and require each of its known subcontractors to complete and file with the contractor's bid for the subject project an acceptable Affirmative Action Plan.
8. The contractor shall submit and require each of its subcontractors to submit an Ethnic Composition of the Company's Total Work Force (by employees) prior to the date of award of the contract.
9. No contract shall be executed until the appropriate awarding authority of the City of Los Angeles, and the Federal funding agency (if Federal funds are involved), has determined in writing that such contractor has executed and filed with the awarding authority and the City Office of Contract Compliance the required Affirmative Action Plan.
10. It shall be no excuse that the union with which the contractor has a collective bargaining agreement providing for referral, exclusive or otherwise, failed to refer minority, women or other employees.
11. Subject to this subsection the contractor shall execute such further forms and documentation at such times and as may be required by the appropriate awarding authority of the City of Los Angeles.
12. Where the contractor has failed to comply with the requirements contained in this section, any and all sanctions allowed by law may be imposed upon the contractor.
13. The Office of Contract Compliance within the Department of Public Works shall be responsible for administering the City's Contract Compliance Program in the manner described in Sections 22.359 through 22.359.5 of this Code.
14. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

By its execution hereof, the contractor accepts and submits the foregoing as its Affirmative Action Plan.

DATE

12/15/10

Civitas Advisers Inc.

FIRMNAME

A-7

OFFICER'S SIGNATURES

John Lambeth, President

OFFICER'S NAME AND TITLE (TYPE OR PRINT)

Request for Taxpayer Identification Number and Certification

Give form to the
 requester. Do not
 send to the IRS.

Print or type
 See Specific instructions on page 2.

Name (as shown on your income tax return) Civitas Advisors, Inc.	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.) 7700 College Town Drive, Suite 111	Requester's name and address (optional)
City, state, and ZIP code Sacramento, CA 95826	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
OR
Employer identification number
90 0045609

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶ <u>September 9, 2009</u>
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,