

Exhibit 3

LOS ANGELES HOUSING DEPARTMENT SECTION 3 REQUIREMENTS

Goals

**30% employment opportunity to Los Angeles City residents (Form 15); and
10% of contract dollars awarded to qualified Los Angeles Section 3 business
concerns (Form 15A)**

TO BE COMPLETED BY ALL CONTRACTORS AND SUBS WHEN CONSTRUCTION STARTS
FORM 15 AND 15A SHOULD BE SUBMITTED MONTHLY

Section 3 Requirements apply to **all** General Contractors and **all** Subcontractors who are performing construction on a job that has HUD money involved with **total project** costs of \$100,000 or more. Example: If project contract amount is \$150,000.00 and each Subcontractor is performing at least \$1,000 of work at project, they are not exempt from Section 3, all must complete forms because the total project cost is more than \$100,000. This includes ALL Non-Davis-Bacon and Davis-Bacon Projects.

Form 15 and 15A must be completed by General Contractor and Subcontractors and should be submitted with each Draw Request (Non Davis-Bacon projects must be submitted once a month also) to the L.A. Housing Department Prevailing Wage Compliance Unit, 221 N. Figueroa Street, 14th Floor, Los Angeles, CA 90017.

Form 15 should be completed for all L.A. City workers on the job. Identify the number of hours worked for the draw period submitted. If an employee works in another draw period, another Form 15 should be completed with the appropriate number of hours worked for that period. Worker should complete the bottom portion and sign to certify himself as a Section 3 employee. Worker may appear not to qualify based on the income limits, but we are aware that employee may not always receive prevailing wages or have periods when he/she are out of work. For this reason, **complete the Section 3 Form 15 on ALL workers who reside in the City of Los Angeles.**

Los Angeles residents are those who pay utilities to the Department of Water and Power, have a Los Angeles Councilperson, and are serviced by the Los Angeles Police Department.

Form 15A should be completed by ALL Contractors who utilize businesses that employ workers from Los Angeles City. When Prime/General Contractor contracts with a Los Angeles subcontractor, the Prime should complete the Form 15A on that sub showing the contract amt on the form. Also, General and Subcontractors should use Form 15A to report purchases made in the City of Los Angeles, or suppliers who have 30% of their employees who are L.A. City residents. Usually the qualifying basis on this form will be #2. Qualified businesses include stores in Los Angeles, such as Home Depot, Terry Lumber, Sinclair Paint, etc.

A contractor or subcontractor that failed to submit proof of compliance and not meeting numerical goals shall forfeit as penalty an amount of one hundred dollars (\$100) for each full calendar day of noncompliance.

For any information or questions regarding all Davis-Bacon requirements, you may contact LAHD's Prevailing Wage Compliance Unit at 213-808-8905.

LOS ANGELES HOUSING DEPARTMENT
 Prevailing Wage Compliance Unit
 221 N. Figueroa Street, 14th Floor, Los Angeles, CA 90017

SECTION 3 LOS ANGELES EMPLOYEE INFORMATION AND CERTIFICATION REPORT

MONTHLY REPORTING PERIOD: _____
 Indicate starting date to ending date that this form is reporting.

CONSTRUCTION SITE ADDRESS: _____

CONTRACTOR/SUBCONTRACTOR: _____

CONTRACTOR/SUBCONTRACTOR CONTACT PERSON: _____

TELEPHONE NUMBER: _____

A. GENERAL/SUBCONTRACTOR TO COMPLETE

NAME OF SECTION 3 EMPLOYEE: _____

ADDRESS OF SECTION 3 EMPLOYEE: _____

SOCIAL SECURITY # OF SECTION 3 EMPLOYEE: _____

TELEPHONE NO. OF SECTION 3 EMPLOYEE: _____

MALE: _____ OR FEMALE _____ **TOTAL HRS WORKED:** _____

HRLY WAGE: \$ _____ **TRADE/CRAFT/JOB TITLE** _____

ETHNIC CODE: _____

ETHNIC CODES:

- 1 - WHITE AMERICAN
- 2 - BLACK AMERICAN
- 3 - NATIVE AMERICAN
- 4 - HISPANIC AMERICAN
- 5 - ASIAN PACIFIC AMERICAN

B. SECTION 3 EMPLOYEE (LOS ANGELES RESIDENT) TO COMPLETE

I, _____, am a

resident at the following address: _____ ZIP CODE

By marking an "X" in this box I certify that I have not earned more than the Section 3 annual income limits as indicated below: TOTAL FAMILY INCOME LIMITS PER HOUSEHOLD

1 PER	2 PER	3 PER	4 PER	5 PER	6 PER
\$48,650	\$55,600	\$62,550	\$69,450	\$75,050	\$80,600

We are aware employee will not always be on a prevailing wage project and may not earn the hourly wage indicated throughout the entire year. For this reason, please complete this form for all Los Angeles City residents.

 SIGNATURE OF SECTION 3 EMPLOYEE

 DATE

LOS ANGELES HOUSING DEPARTMENT
Prevailing Wage Compliance Unit
221 N. Figueroa Street, 14th Floor, Los Angeles, CA 90017

CERTIFICATION OF SECTION 3 LOS ANGELES BUSINESS CONCERN
MONTHLY REPORTING PERIOD:

Indicate starting date to ending date that this form is reporting.

CONSTRUCTION SITE ADDRESS:

CONTRACTOR/SUBCONTRACTOR:

CONTRACTOR/SUBCONTRACTOR CONTACT PERSON:

TELEPHONE NUMBER:

Name of Business (where supplies purchased in Los Angeles) OR Name of Los Angeles Subcontractor Utilized:

Address of Business

Telephone No.

Total Dollar Amount awarded to Qualified Los Angeles Section 3 Business \$

(Prime should report total contract amt with sub, if the sub is within the City of L.A., or if sub has 30% of employees from L.A. area; OR for all supplies or purchases made by prime or sub from vendors/suppliers/businesses within the City of Los Angeles or Outside of Los Angeles, but who have 30% of their employees from the L.A. area.)

Business Ownership by Racial Ethnic Code (Fill in Appropriate Code No.):

RACIAL ETHNIC CODES:

- 1 - WHITE AMERICAN
2 - BLACK AMERICAN
3 - NATIVE AMERICAN
4 - HISPANIC AMERICAN
5 - ASIAN PACIFIC AMERICAN

Qualifying Basis

Please indicate which qualifying basis applies:

- 1. 51 percent owned by L.A. City Section 3 low-income residents, or
2. Permanent, full-time employees include at least 30% L.A. City Section 3 low-income residents, or
3. Written commitment to subcontract more than 25% of dollar award from L.A.H.D., to business concerns who meet above number 1 and 2 Section 3 qualifications.

I certify that the abovementioned business qualifies as a Section 3 Business as per the above checked off criteria.

Contractor/Subcontractor Authorized Signature

Date