SCHEDULE C

PERMANENT WORK FORCE OF THE OWNER AND RETAIL TENANTS

I. PURPOSE. The purposes of the Agency and the Owner in entering into this Schedule C are to ensure:

A. that minority group persons and women are provided equal opportunity for and are not discriminated against in employment in the Owner's permanent work force that occupies the improvements on the Site covered by the OPA/DDA and in the work forces of retail businesses which lease space in the Site.

B. that San Francisco residents obtain 50 percent of the permanent jobs in the work forces of the Owner and retail tenants at the Site.

C. that residents of the BVHP area and then other San Francisco residents are given first consideration for employment by the Owner and retail tenants for permanent employment at the Site.

II. APPLICATION OF THIS SCHEDULE TO RETAIL TENANTS. The Owner shall include verbatim in its leases and require the incorporation verbatim in all subleases for retail space in the Site the provisions of §§I, II, III, IX and XI of Attachment H of the OPA/DDA and this Schedule C. The lease shall make the incorporated provisions binding on and enforceable by the Agency against the retail tenant to the same extent as the provisions are binding on and enforceable against the Owner; except that:

A. Unless agreed otherwise by the Agency, a retail tenant with 26 or more employees shall submit its equal opportunity plan (EOP) through the Owner to the Agency not later than 90 days prior to hiring any permanent employees to work on the tenant's premises; rather than pursuant to the requirements set forth in §V.B of this Schedule C.

B. A retail tenant with 25 or less employees shall not be required to submit an EOP pursuant to §IV, but instead shall undertake and document in writing the good faith efforts it made to meet the goals and first consideration in employment requirements set forth in §III of this Schedule C. The standards and requirements of Subpart C of Revised Order 4, 41 CFR Part 60-2, shall be applied in determining if such a retail tenant has exercised good faith efforts.

C. A retail tenant with less than 25 employees shall submit to the Agency the reports required by §VII of this Schedule C not later than 60 days after it opens for business and annually thereafter.
III. GOALS AND OBJECTIVES.

A. The Owner and each retail tenant shall:

1. make good faith efforts to achieve in each job category in its permanent work force at the Site an ethnic and gender mix that reflects the composition of the civilian work force of the City and County of San Francisco. These goals are not to be perceived as inflexible quotas, but rather as objectives to be pursued by the mobilization of available resources and by good faith efforts to fulfill the respective equal opportunity plans.

2. make good faith efforts to employ 50 percent of its work force at the Site in each job category from residents of the City and County of San Francisco.

3. as provided in §IV.B.1 of this Schedule C, give first consideration for employment at the Site to HP-IB area residents and then to other residents of San Francisco.

B. If a conflict arises, achieving the ethnic and gender goals set forth in subparagraph A.1 shall take precedence over the San Francisco residency goal and the requirement to give first consideration in employment as set forth in subparagraphs A.2 and A.3 respectively, of this §III.

IV. EQUAL OPPORTUNITY PLAN.

A. The Owner and each retail tenant with more than 26 employees, whether or not it is a federal contractor, shall prepare and adopt an EOP for its permanent work force at the Site which meets the requirements of Executive Order 11246 and all applicable regulations promulgated pursuant thereto (in effect as of March 1, 1990), including Revised Order No. 4, 41 CFR Part 60-2. The utilization analysis and the goals shall be based on the civilian labor force of the City and County of San Francisco according to the most recent census data. A separate utilization analysis shall be performed and a separate goal shall be set for each ethnic group, i.e., American Indian, Asian/Pacific Islander, Black, Latino, and for women.

B. In addition to the elements required under paragraph A of this §IV, the EOP shall contain the following:

1. Detailed procedures for ensuring that HP-IB area residents and then other San Francisco residents who are equally or more qualified than other candidates obtain first consideration for employment. These procedures shall include specific recruiting, screening and hiring procedures (e.g., phased hiring) which ensure that qualified residents (of the HP-IB and
then other San Franciscans) receive offers of employment prior to other equally or less qualified candidates. If a candidate(s) who is entitled to first consideration is not selected for the position, the Owner or retail tenant shall have the burden of establishing to the Agency and the arbitrator (if the matter is taken to arbitration), that the candidate who was selected was better qualified for the position than the candidate(s) who was entitled to first consideration.

2. Where it is a reasonable expectation that 10 percent or more of the employees in any job category will regularly work less than 35 hours per week, detailed procedures for ensuring that minority group persons, women, HP-IB area residents and San Francisco residents do not receive a disproportionate share of the part time work.

3. An agreement that not more than 15 percent of the positions in any job category will be filled by persons transferred from other facilities operated by the Owner, without the prior approval of the Agency. The Agency shall grant approval upon a showing that transfers in excess of 15 percent do not unreasonably interfere with the objective of creating new jobs for WA and San Francisco residents and that such transfers further legitimate business needs of the Owner. Transfers shall be counted in determining if the Owner has met the employment goals for each ethnic group and women.

4. Where required by the Agency, detailed procedures for utilizing Outreach Organizations as meaningful referral sources for job applicants.

V. ARBITRATION OF DISPUTES: SUBMISSION AND RESOLUTION OF DISPUTES CONCERNING THE EQUAL OPPORTUNITY PLAN.

A. The purpose of this §V is to establish procedures for resolving any disputes concerning the Owner's or retail tenant's EOP prior to the Owner or retail tenant occupying the Site covered by the OPA/DDA. The arbitration provisions contained in this §V are in addition to the provisions contained in Attachment H.

B. The Owner shall submit its EOP to the Agency 120 days prior to the earlier of the following: (1) the date the Owner commences filling any permanent position for the Site, whether by new hire or transfer, or (2) the date the Site is scheduled to open; provided that if the Owner has submitted its EOP to the Agency prior to the execution of the OPA/DDA, the EOP shall be deemed submitted to the Agency 30 days after the OPA/DDA is executed.
C. During the first 30 days after the EOP is submitted, the Agency and the Owner shall negotiate in good faith concerning any alleged deficiencies in the EOP or any questions the Agency may have about the terms of the EOP or how it was prepared (e.g., the utilization analysis).

D. At the expiration of the 30 days, the Agency shall advise the Owner or retail tenant, through a written "Notice of Noncompliance", of any alleged deficiency in the EOP remaining at the close of negotiations. The Notice shall state the specific basis for the alleged deficiency(ies) and the Agency's suggested cure.

E. The Owner or retail tenant shall advise the Agency, within 10 days of the mailing of the Notice of Noncompliance, if the Owner or retail tenant accepts the cure. If the Owner or retail tenant rejects the cure, either party may proceed immediately to arbitration by filing a Request for Arbitration on EOP with any member of the panel of arbitrators attached as Exhibit 1 to Attachment H of the OPA/DDA and serving said Request on the other party. The Request for Arbitration on EOP shall specify the issue presented and the relief requested. Where the Request seeks a temporary restraining order, the arbitrator shall hold a hearing not later than two days after the filing and serving of the Request for Arbitration on EOP. In all other situations, unless the parties agree or the arbitrator orders otherwise, a hearing shall be held within 15 days after the filing and serving of the Request for Arbitration.

F. The arbitrator shall have the authority to:

1. issue temporary restraining orders and preliminary and permanent injunctions, including, but not limited to, orders enjoining the Owner or retail tenant from recruiting, screening or hiring (through new hires, transfers or otherwise) any person for permanent employment at the Site pending resolution of the alleged deficiency(ies) in the EOP;

2. require the inclusion or exclusion of specific terms or provisions in the EOP based on a determination that the term(s) added or removed further the requirements and objectives of Attachment H and this Schedule C. This subparagraph gives the arbitrator the authority to alter, amend, modify, add to or subtract from the EOP submitted by the Owner or retail tenant;

3. issue such other relief deemed necessary to ensure that the EOP is written and implemented in a manner which satisfies the requirements and objectives of Attachment H of the OPA/DDA and this Schedule C.
VI. **ARBITRATION OF DISPUTES: ENFORCEMENT OF PROVISIONS RELATING TO THE OWNER'S OR RETAIL TENANT'S PERMANENT WORK FORCE, INCLUDING THIS SCHEDULE AND EQUAL OPPORTUNITY PLANS.** Apart from the procedures established in §V, the Agency, the Owner or retail tenant may take any dispute concerning the interpretation, implementation or alleged breach of this Schedule C or the Owner's EOP to arbitration pursuant to the arbitration provisions of Attachment H of the OPA/DDA.

VII. **REPORTS.**

A. The Owner and each retail tenant shall prepare, for its Site work force, reports for each job category which show by race, gender, residence (including HP-IB area), and, where required by the Agency, by transfer/non-transfer and referral source:

1. Current work force composition;
2. applicants;
3. job offers;
4. hires;
5. rejections;
6. pending applications;
7. promotions and demotions; and
8. employees working, on average, less than 35 hours per week.

B. The reports shall be submitted quarterly to the Agency, unless otherwise required by the Agency. In this regard the Owner and each retail tenant agrees that if a significant number of positions are to be filled during a given period or other circumstances warrant, the Agency may require daily, weekly or monthly reports containing all or some of the above information. The Owner and each retail tenant further agrees that the above reports may not be sufficient for monitoring the Owner's or tenant's performance in all circumstances, that they will negotiate in good faith concerning additional reports, and that the arbitrator shall have authority to require additional reports if the parties cannot agree.

VIII. **TERM.** The obligations of the Owner and its retail tenants with respect to their permanent work forces as set forth in the OPA/DDA, Attachment H and this Schedule C shall arise from the date the Owner or its retail tenants first assigns employees to the Site on a permanent basis and remain in effect for three years thereafter.