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EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT

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DATE: May 25, 2011

TO: Honorable Members of the Los Angeles City Council

FROM: Robert L. Andrade, General Manager
El Pueblo de Los Angeles Historical Monument

SUBJECT: **OLVERA STREET TENANT MASTER CONCESSION AGREEMENT**

On May 5, 2011, the City Council approved the Olvera Street tenant master concession agreement (Concession Agreement) (C.F. 11-0449) and adopted related actions. The Council forwarded the Concession Agreement to the El Pueblo de Los Angeles Historical Commission (Commission). In addition to approving the Concession Agreement as amended (in a motion by Huizar/LaBonge), the Council requested that:

1. The Commission approve expeditiously the Council approved Concession Agreement and forward the item to the Council;
2. El Pueblo de Los Angeles Historical Monument Department (Department) verify and resolve the outstanding issues relative to the appropriate allocation of space and rates for retail, office and storage and report to Council as part of the final concession approval; and,
3. The Department finalizes Concession Agreement exhibits and obtains Commission approval for the exhibits.

Commission Actions

At the Commission's May 12, 2011 meeting, the Commission unanimously approved the Council-approved Concession Agreement, as adopted on May 5, 2011.

In related actions, on May 12, 2011 the Commission unanimously approved two motions. The first motion (Martella/See) reads: *"On July 1, 2011 all merchants shall pay the April 1, 2010 commission approved rental rates, unless the merchant has signed the new Concession Agreement. If a merchant fails to sign the new concession agreement and does not pay the*



April 1, 2010 rent rate, then the City shall proceed to evict the merchant forthwith from the premises."

The Commission unanimously approved a second motion (Martella/See) concerning a sunset clause for signing the Concession Agreement as follows: *"After June 30, 2011, the Concession Agreement offered by the City to the Olvera Street tenants will no longer be available to the tenants."*

Space Issues - Measurements

Per Council direction, in May 2011, the Department measured nine of ten Olvera Street businesses to ascertain and verify existing square footage. In the spirit of cooperation, the tenants were invited to measure their businesses as well; the tenants (with the exception of E-14) completed their measurements the week of May 13, 2011. The measuring of E-14 is scheduled to be completed by June 30, 2011.

If the business space measurement for E-14 is not completed by June 30, 2011, it is recommended that the tenant begin paying rent based on the measurement on file.

The table below (Table 1) compares the department's and tenants' measurements. In every case, the Department and the tenants agreed on the revised total square footage. Square footage varied from those noted in 1984 concession agreements; some business space decreased over the years because of earthquake retrofitting, new electrical rooms, and/or related code compliance improvements. Other business spaces increased. The new Concession Agreements should reflect the adjusted agreed upon total measurements.

Table 1

Business	Square Footage			
	Existing Measurements	Tenant Measurements	Department Measurements	Variance
W-1 (a) (Restaurant)	3,651	3,252	3,252	(399)
W-1 (b) (Office)	2,275	2,099	2,099	(176)
W-3 (Retail)	1,402	1,382	1,382	(20)
W-7 (Retail)	2,230	2,154	2,154	(76)
W-10 (Retail)	1,749	2,145	2,145	396
W-17 (a) (Restaurant)	5,363	5,003	5,003	(360)
W-17 (b) (Office)	1,650	1,757	1,757	107
W-20 (Retail)	413	386	386	(27)
W-23 (Retail)	3,898	3,425	3,425	(473)
E-14 (Retail)	960	TBD by 06/30/11	TBD by 06/30/11	TBD by 06/30/11

Space Issues - Reclassification

The Council instructed the Department to verify and resolve issues relative to the allocation of space and rates for retail, office, and storage.

Five tenants have elected to use a portion of their retail or office space for storage. The tenants have indicated their rental rates should be adjusted downward to reflect the usage of the space. The Department respects the rights of tenants to make business decisions; however, the changes proposed have operational and financial implications and need to be thoroughly evaluated prior to any action taking place.

Several tenants on Olvera Street have approved storage space which comes with a separate agreement from their concession agreements. However, none of the five tenants mentioned above currently have storage agreements. The Department recommends that no change take place concerning tenants re-designating usage of office and retail space.

Table 2 compares the Department's retail and office square footage measurements with tenants' measurements of retail, office and storage categories.

Table 2

Business	Square Footage							
	Department Measurements				Tenant Measurements			
	Office	Retail	Storage	Total	Office	Retail	Storage	Total
W-1 (b)	2099	--	--	2099	1050	--	1049	2099
W-3	--	1382	--	1382	--	1009	373	1382
W-7	--	2154	--	2154	--	1828	326	2154
W-10	--	2145	--	2145	--	1559	586	2145
W-17 (b)	1757	--	--	1757	257	--	1500	1757

Concession Agreement Exhibits

Per Council's request, the Department assembled exhibits referenced in the Concession Agreement. Attachment A of this report provides a summary description of each exhibit. The exhibits are:

- 1) Exhibit A – Site Plan
- 2) Exhibit B – Floor Plan
- 3) Exhibit C – Rules And Regulations
 - C-1 Non-Encroachment Policy
 - C-2 Merchandise Policy for Olvera Street Concessions
- 4) Exhibit D – Annual Performance Evaluation Standards and Guidelines
 - D-1 Annual Performance Evaluation

- 5) Exhibit E – Concessionaire's Individual Merchandise Plan
- 6) Exhibit F – Facility Maintenance Program
- 7) Exhibit G – Affidavit Tier One B Phase-In Rent
G-1 Tier Two B Financial Hardship Affidavit and Policy
- 8) Exhibit H – Insurance
- 9) Exhibit I – Quit Claim Deed State of California
- 10) Exhibit J – Standard Contract Provisions

RECOMMENDATIONS

That the City Council:

- 1. Approve the adjusted square footage (Tenant Measurements) as seen in Table 1 of this report; this action may result in rent adjustments to the Olvera Street businesses identified;
- 2. Approve the adjusted square footage (Department Measurements) as seen in Table 2 of this report; this action may result in rent adjustments to Olvera Street businesses identified; and,
- 3. Request 60 days from execution date to re-measure E-14. It is recommended that the tenant begin paying rent based on the measurement on file with the Department.

Attachment A

Olvera Street Concession Agreement Exhibits

- 1) Exhibit A - Business site plan; Identifies the business location in relation to Olvera Street
- 2) Exhibit B - Business floor plan; a diagram of each business' dimensions.
- 3) Exhibit C - Rules and Regulations; Monument Rules and Regulations first established in 1980 provide operational rules to ensure a clean and safe family-oriented environment for the conduct of business. The Rules and Regulations reference
 - C-1 Non-Encroachment Policy
 - C-2 Merchandise Policy for Olvera Street Concessions
- 4) Exhibit D - Annual Performance Evaluation Standards and Guidelines; Used to evaluate tenant concession agreement performance annually
 - D-1 Annual Performance Evaluation Form
- 5) Exhibit E - Concessionaire's Individual Merchandise Plan
- 6) Exhibit F- Facility Maintenance Program; during the term of concession agreement Concessionaires' shall maintain and operate their business areas in a clean, safe, wholesome, and sanitary condition free of trash, garbage, or obstructions of any kind. Concessionaire may make modifications, improvements, or additions to the Premises with approval in writing of the City.
- 7) Exhibit G- Affidavit Tier One B Phase-In Rent; Form for self certification required if a tenant selects Tier One B payment formula
 - G-1 Tier Two B Financial Hardship Affidavit and Policy; Form for certification of Hardship required if a tenant selects Tier Two B payment formula.
- 8) Exhibit H - Insurance
- 9) Exhibit I - Quit Claim Deed State of California
- 10) Exhibit J - Standard Contract Provisions

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FLOOR PLAN FOR _____
OLVERA STREET CONCESSION
EXHIBIT B

EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT

RULES AND REGULATIONS FOR OLVERA STREET CONCESSIONAIRES EXHIBIT C

The following Rules and Regulations are established for Olvera Street and the Monument to make a pleasant, clean, safe and family-oriented environment to conduct a business. The Rules and Regulations are a part of the Concession Agreement and compliance is important. The Commission may amend these Rules and Regulations during open public meetings.

Concessionaires shall comply with all applicable laws, rules, regulations, and orders existing during the term of the concession agreement, including obtaining and maintaining all necessary permits, insurance and licenses.

Concessionaire acknowledges and warrants that it is or will make itself through its responsible concession managers, knowledgeable of all pertinent laws, rules, ordinances, regulations, or other requirements having the force of law affecting the operation of the concession facilities, including but not limited to laws affecting health and safety, hazardous materials, pest control activities, historic preservation, environmental impacts, and City building codes and regulations.

I. NOTICES:

All notices, payments, copies of insurance, etc., required to be filed with or given to EL PUEBLO shall be filed or given at the EL PUEBLO Property Management Office as identified in Article 1. Basic Provisions, Section 2.2. All decisions to be rendered by EL PUEBLO shall be made by its General Manager or his representative. All notices required to be filed or given to CONCESSIONAIRE shall be addressed to his/her home residence as indicated Article 1. Basic Provisions, Section 2.2.

II. DAYS AND HOURS OF OPERATIONS:

All concessions shall be operated at least six days each week. CONCESSIONNAIRE shall declare his one closure day, if any, in writing to EL PUEBLO. Mondays or Tuesdays are considered to be the most appropriate closure days. In no instance are the concessions to be closed on weekends, holidays or during EL PUEBLO special events. Although CONCESSIONNAIRE may hire employees, personal attention is also mandatory. Each individual named as CONCESSIONNAIRE (or each manager, if CONCESSIONNAIRE is a corporation) shall devote substantial and on-going personal ON-PREMISES attention to the operation of the business. (Concession Agreement, Article 4, Merchant's Conduct of Business, Item 4.3)

CONCESSIONNAIRE shall operate his concession an adequate number of hours each day to meet public demand. EL PUEBLO may establish given hours and may vary said hours seasonally or otherwise.

III. APPEARANCE AND CONDUCT:

The following provisions apply to all CONCESSIONNAIRES and their employees. Non-compliance by an employee shall be deemed non-compliance by the CONCESSIONNAIRE.

- A. All CONCESSIONNAIRE must maintain a neat and clean appearance at all times.
- B. Wearing of Mexican-style period costumes is required. Non-compatible clothing is prohibited.

- C. Courtesy shall be practiced at all times.
- D. Prices must be posted at all times for all merchandise.
- E. Cash register receipts shall be recorded at time of sale, in the presence of the customer, all receipts from sales or other transactions whether for cash or credit in a cash register or in cash registers having a cumulative total which shall be sealed in a manner approved by El Pueblo, and having such other features as required and approved by El Pueblo.
- F. Public complaints should be settled by CONCESSIONNAIRE as quickly and as amicably as possible. Merchandise exchanges and refunds are encouraged.
- G. The EL PUEBLO Administration is empowered to arbitrate all customer disputes and its decision shall be binding.
- H. CONCESSIONNAIRE shall conduct his business in a manner consistent with the objectives of a park atmosphere and "customer is always right" service. Aggressive selling is prohibited.
- I. CONCESSIONNAIRE will maintain or cause to be available adult supervision adequate to supervise and control visitors to the premises and shall not permit anyone not otherwise connected with the concession to be on the premises.
- J. Drinking of intoxicants by CONCESSIONNAIRES or employees during working hours is prohibited.
- K. Nothing is more important to the City of Los Angeles than the safety and security of its employees, customers, and visitors. El Pueblo is committed to maintaining El Pueblo free from violence or threats of violence. Threats, threatening behavior, or acts of violence against a CONCESSIONNAIRE, City employee, a customer, a visitor, or any other individual cannot and will not be tolerated. All reports of El Pueblo violence will be taken seriously and will be investigated promptly and thoroughly by the Administration.
- L. It is prohibited to harass and discriminate on the basis of race, religion, gender, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, and gender identity, source of income, or Vietnam era veteran's status, or other protected status under applicable law.

IV. MERCHANDISE:

CONCESSIONNAIRE will provide visitors with high-quality experience that exemplifies the vibrancy and conviviality of the historic ambiance of the City of Los Angeles' birthplace. Olvera Street is part of the Los Angeles story. In 1926, Christine Sterling's saved the Avila Adobe from demolition and started the first themed tourist destination in California, the Olvera Street Mexican Marketplace. The no-bid Concession Agreements were awarded to established 1999 Olvera Street concessionaires to preserve the ambiance of a Mexican Marketplace. To restore and protect the Mexican Marketplace, the Department will have the authority to approve the nature, type, and quality of merchandise to be offered by concessionaires on Olvera Street. All merchandise must support a Mexican-themed marketplace and the tradition that Christine Sterling instilled by creating opportunities for Mexican Artisans. A Mexican Artisan is defined as, a craftsperson who continues to practice the tradition reflective of their religion, gender, occupation and recreation, region, ethnicity, age, and other ways that define as part of their heritage from generation to generation. Therefore, all CONCESSIONNAIRES will follow their individual Merchandise Plan as established by the Merchandise Policy for their Concession as approved by the General Manager and made a part of their concession agreement.

V. VENDING MACHINES AND INAPPROPRIATE EQUIPMENT

CONCESSIONAIRE will be allowed to operate existing Automated Teller Machines (ATMS) or cash dispenser machines in their Premises until ATM or cash dispenser machines installed by City on Monument property are operational. After the ATM or cash dispenser machines installed by City are operational, City will give CONCESSIONAIRE 30 days notice to remove all ATMs and cash dispenser machines from their Premises. Free standing mechanical, self operating or automatic vending machines, including but not limited to soda and water machines, arcade or game machines in, on, or about the Premises are not allowed and must be removed.

VI. NON ENCROACHMENT

Per the direction of El Pueblo de Los Angeles Historical Monument Commission Authority, the General Manager or City representative is directed to conduct regular inspections of the El Pueblo de Los Angeles Historical Monument (Monument) property to verify compliance with Encroachment Rules and Los Angeles Municipal Code (LAMC) Section 57.33.11 fire code requirements, to ensure park safety for visitors, businesses and staff. Should a business encroach and a violation occurs, a City representative will verbally request the business to correct the violation. If the business complies with the request, the Monument will take no further action. If a CONCESSIONAIRE continues to display merchandise in violation of the Non Encroachment Policy, the CONCESSIONAIRE shall promptly pay to the Department the applicable service charge consistent with the Non Encroachment Policy.

VII. PUESTO, STORE AND RESTAURANT MAINTENANCE REQUIREMENTS:

CONCESSIONAIRE shall be responsible for the cleanliness of their premises. EL PUEBLO shall regularly sweep and wash the brick surface of Olvera Street, but CONCESSIONNAIRES shall also be responsible for sweeping adjacent sidewalks when necessary. Rubbish containers on Olvera Street shall be for the exclusive use of the public. CONCESSIONNAIRES shall only use off-street containers, such as EL PUEBLO'S trash compactor.

VIII. FILMING:

El Pueblo Management shall not allow commercial filming, including but not limited to motion picture, television or commercial photography, in a Concessionaire's Premises.

IX. NO RELOCATION ASSISTANCE

CONCESSIONAIRE acknowledges that their business is not entitled to relocation assistance or any other benefits under the California Relocation Assistance Act. No form of relocation assistance is available to a Merchant other than what is authorized by City law at the time of the relocation

X. RESOURCE CONSERVATION:

- A. Environmental Conservation Program: Concessionaire shall set a positive example in waste management and environmental awareness that shall lead to preservation of the resources of the City. Accordingly, Concessionaire shall prepare and execute a program, subject to the prior written approval of the City, designed to reduce environmental impacts that result from concession operations. This program shall address, but not be limited to: solid waste management, including reduction, reuse and recycling; water and energy conservation, pest management, grease removal and disposal, hazardous materials handling and storage, and air quality. Specifically, the program must include the following:

1. Recycling and Beverage Container Programs: The Concessionaire shall implement a source reduction and recycling program designed to minimize concession and patron use of disposable products, per Public Contract Codes Sections 12161 and 12200 et seq. Reusable and recyclable products are preferred over "throwaways". Where disposable products are needed, products that have the least impact on the environment will be selected. No Styrofoam containers or other non-biodegradable containers are to be used or sold by Concessionaire. The use of "post-consumer" recycled products is encouraged wherever possible.

The Concessionaire shall participate fully in the California beverage container redemption/recycling program. Products to be recycled include, but are not limited to, paper, newsprint, cardboard, bimetal, plastics, aluminum and glass. At the start of each contract year, Concessionaire and City shall review items sold, and containers or utensils used or dispensed by Concessionaire, and, whenever possible, eliminate the use of non-returnable or non-recyclable containers or plastics.

2. Water and Energy Conservation: The Concessionaire shall implement water and energy conservation measures. As new technologies are developed, Concessionaire shall explore the possibility of integrating them into existing operations where there is potential for increased efficiency, reduced water or energy consumption, and/or reduced impacts on the environment.

XI. FIRE AND SAFETY PRECAUTIONS:

- A. Fire extinguishers must be kept in all locations where required, be accessible and maintained in good repair.
- B. The storage or accumulation of combustible merchandise or materials is prohibited.
- C. EL PUEBLO may conduct periodic and unannounced inspections and compliance with its findings is required.
- D. Merchandise must be kept away from automatic sprinkler heads for a distance of at least 18" in all directions.
- E. Merchandise must not be hung from pipes that supply water to automatic sprinkler heads.
- F. Merchandise must be kept away from exposed light bulbs. (Such as sun shades hung by Puestos).
- G. CONCESSIONNAIRE must comply with instructions of authorized representatives of the City Fire Department.

XII. OTHER PROVISIONS:

- A. CONCESSIONNAIRES shall refrain from the use of personal radios and television sets for programs not compatible with Olvera Street objectives. Every effort shall be made to minimize objectionable noises. Volume of any electronic device shall be kept at such a level so as not to create discomfort to other merchants or the public. EL PUEBLO shall be the judge of the appropriate volume and location of such devices.
- B. CONCESSIONNAIRES are responsible for all necessary licenses and taxes pertaining to their businesses and records of same.
- C. CONCESSIONNAIRE shall pay any and all taxes levied by any legally constituted government agency.

- D. Retail prices established for the general public shall be the price charged to all. No commission or gratuity shall be paid to any person furnishing customers.
- E. No signs, names, place cards or advertising matter shall be inscribed, painted or affixed upon said premises, circulated or published without EL PUEBLO'S prior written consent.
- F. CONCESSIONNAIRE shall dismiss undesirable employees upon request of the El Pueblo General Manager.
- G. ONE STAFF PARKING space will be provided to the CONCESSIONNAIRE at a thirty-five percent (35%) discount off the then-prevailing rate in the facility (subject to change and as availability of the City parking lots). The additional rent payable for this parking permit includes the 10% surcharge imposed by the City of Los Angeles parking occupancy tax (Ordinance No. 165.949). Concessionaire will be billed monthly in advance for this parking. Public parking at the posted rates may be obtained in the Monument on a space available basis.

EXHIBIT C-1 NON ENCROACHMENT POLICY

Non-Encroachment is defined as the area of rented space or premises the Concessionaire is allowed to conduct business as described in the Concession Agreement. Encroachment is defined as entering or moving merchandise into an area beyond the usual or proper limits (defined rental space of the business or public footpaths).

Per the direction of El Pueblo de Los Angeles Historical Monument Commission Authority, the General Manager or City representative is directed to conduct regular inspections of the El Pueblo de Los Angeles Historical Monument (Monument) property to verify compliance with Encroachment Rules and Los Angeles Municipal Code (LAMC) Section 57.33.11 fire code requirements, to ensure park safety for visitors, businesses and staff.

Compliance with the Encroachment Rules ensure that visitors and shoppers can pass freely between shops and businesses in the public right of way and avoid potentially unsafe walkways and clearances. Most importantly, compliance ensures adequate ingress and egress for emergency personnel and evacuation of the public during an emergency.

East Side Olvera Street Businesses

- No merchandise may be hung or displayed more than eighteen inches (18") from the surface wall of any Puesto along an aisle facing Olvera Street per LAMC Section 57.33.11. No merchandise may block access to any doorway or stairway, or hang from surface walls of any building.
- No merchandise may be displayed in, on, or around planter area, fountains, or common areas.
- Tables, rack, poles, and similar items, may be displayed eighteen (18") inches from the walls facing Olvera Street, on both the east and west aisles. Racks and poles must be secured to prevent tipping over in the event of an emergency, and to prevent injury to the public. Racks and poles must be stored at the end of business each day.
- For those businesses not located at the end of a row, merchandise may be hung directly against the sidewalls, three (3') feet away from fire life safety equipment. Passage between the Puestos/businesses **must not** be impeded.
- For those businesses located at the end of a row, merchandise may be hung directly against sidewalls under the roof line, from the side accessible to the public.
- No soft canopies are permitted without prior written approval from El Pueblo's General Manager. Any approved soft canopy must be seven (7') feet high, and flame retardant as approved by LAMC Section 57.33.11.

Center Puestos

- No merchandise may be hung or displayed more than eighteen inches (18") from the east facing surface wall of any center business along Olvera Street. No merchandise may be hung or displayed more than twenty-four inches (24") from the west facing surface wall per LAMC Section 57.33.11.
- For those businesses not located at the end of a row, merchandise may be hung directly against the sidewalls, three (3') feet away from fire life safety equipment. Adequate room between puestos is required to permit safe passage.
- For those businesses located at the end of a row, merchandise may be hung directly against the sidewalls under the roof line, from the side accessible to the public.
- Tables, rack, poles, and similar items, may be displayed eighteen (18") inches from the walls facing Olvera Street, on both the east and west aisles. Racks and poles must be secured to prevent tipping over in the event of an emergency, and to prevent injury to the public. Racks and poles must be stored at the end of business each day.
- No merchandise may be displayed in, on, or around planter area, fountains, or common areas.

Western Olvera Street Businesses

No merchandise may be hung or displayed or block access to any doorway, railing or stairway, or hang from any surface wall of any building per LAMC Section 57.33.11.

No merchandise may be displayed in, on, or around planter area, fountains, or common areas.

Soft canopies **are not** permitted per LAMC Section 57.33.11.

Doors must fold flat against exterior walls and must not be left ajar or at an angle to display merchandise.

Production and Special Event Companies

Production companies, special event producers and others renting Monument facilities are subject to specific terms and conditions set-forth in executed contracts. The agreements delineate specific Monument areas paid for by these production and special event companies. If a company encroaches beyond the permitted area(s) staff will inform the company to comply and stay within the contracted "foot-print" to keep public footpaths clear and safe, or they will be charged additional rental fees and possibly cited by the Los Angeles Fire Department.

Additionally, any alterations to existing structures that includes nailing, screwing or painting of Monument property is strictly prohibited unless previously authorized by the Monument. Contracted companies are subject to an additional fine for each violation.

Violation Process:

Should a business encroach and a violation occurs, a City representative will verbally request the business to correct the violation. If the business complies with the request, the Monument will take no further action. If, however, the concessionaire/business does not comply with a request to correct the encroachment, the concessionaire will receive a written warning notice to correct the encroachment violation. The business owner will have five (5) days after receipt of the warning letter to correct the encroachment.

If the concessionaire does not correct the violation on or before the sixth (6th) day from receipt of the written warning, the department will issue a 2nd written notice of the violation and the business owner will be required to pay to the City an administrative fee for the cost to enforce the encroachment violation incident. The estimated administrative fee is one hundred dollars (\$100.00) per violation.

The business owner acknowledges and agrees that such enforcement of the encroachment will cause the City to incur costs and expenses, and the exact amounts of which, will be difficult to ascertain for the term of the concession agreement, and that such administrative fees represents a fair estimate of the costs and expenses the City would incur by reason of enforcement.

If the business/concessionaire fails to remove or adhere to the Encroachment Rules on the seventh (7th) day of the violation, a 3rd written notice to the business owner will be issued and the business owner will be required to pay an additional one hundred dollars (\$100.00) per each violation.

If by the tenth (10th) day, the business owner continues to be in violation of the Encroachment Rules, the business owner will be in violation of the Concession Agreement Section 18.2.1 and be charged for cost of such work to remove the merchandise or materials that are causing unsafe conditions.

EXHIBIT C-2
EL PUEBLO DE LOS ANGELES
HISTORICAL MONUMENT

MERCHANDISE POLICY FOR OLVERA STREET CONCESSIONS

It is the objective of the City of Los Angeles El Pueblo de Los Angeles Historical Monument Department (Department) to provide visitors with high-quality experience that exemplifies the vibrancy and conviviality of the historic ambiance of the City of Los Angeles' birthplace. It is the policy of the Department to approve the nature, type, and quality of merchandise to be offered by businesses on Olvera Street that support a Mexican-themed market and the tradition that Christine Sterling instilled by creating opportunities for Mexican Artisans. A Mexican Artisan is defined as, a craftsperson who continues to practice the tradition reflective of their religion, gender, occupation and recreation, region, ethnicity, age, and other ways that define them as learned from their family or community that has been part of their heritage over a long period of time over three or more generations.

All concession agreements for Olvera Street require a Merchandise Plan. The El Pueblo de Los Angeles Historical Monument Authority has authorized the General Manager to approve all Merchandise Plans to maintain diversity, quality and quantity of products and services. Olvera Street has a unique identity achieved through a combination of merchandise, presentation, ambience and services all working together. In this regard, the "one of a kind" businesses play a vital role in creating that sense of a unique historic district distinction.

Due to the uniqueness of each tradition, and the many layers of ethnicity, race and culture over centuries, it is impossible to create a comprehensive list for the term of the Concession Agreement for the next twenty years that name every product and service reflective of Mexican and Latin American folk-art. Therefore, Olvera Street Concessionaires can apply to the General Manager for the right to sell any new Mexican themed product or service not reflected in their Merchandise Plan on file with Property Management for the first twenty years of the Concession Agreement term. Each time a request for a new product or service is requested, the Concessionaire must include a validation statement to the General Manager outlining the origin of the product or service and a brief explanation as it how relates to Mexico or Latin America. The Property Management Division concession file will contain approvals for any addition or deletion of product as listed in the Merchandise Plan on file in 2011. If the Concession Agreement is renewed in 2041, a new Merchandise Plan will be required.

Priority will be given to products and services that foster awareness, understanding, and appreciation of Mexican products and services that interpret the traditions and culture of Mexico and Latin America.

Background:

The historic beginnings of Olvera Street as a Mexican Marketplace began after 1930. However, before 1930 the street had historic significance to the Gabrieleno Yang-na Village, the first Spanish settlement (1818-1822) in Los Angeles County, and for a short period rule under the country of Mexico (1822-1848). After 1848 through the 1920s the flow of history and contributions of Chinese, Italian, French, Jewish, African-Americans, and many other ethnic groups who settled in Los Angeles and are associated with the development of this great City as interpreted through our programs, exhibits and museums. Olvera Street is part of the Los Angeles story that starts with Christine Sterling's drive to save the Avila Adobe in 1926. By the 1920s the area today known as the Plaza and Olvera Street had suffered from decline due to the relocation of many businesses further south to the emerging new downtown business area. With

the help of Harry Chandler, publisher of the LOS ANGELES TIMES, and several other prominent business and professional leaders of the community, Ms. Sterling created a Mexican Marketplace on Olvera Street into a colorful landscape reminiscent of "Old Mexico" to reinvigorate the area into a lively Mexican-themed marketplace. She brought fiestas and Mexican traditions with the help of the Mexican-American community. Colorful handcrafted Mexican products were sold and artisan demonstrations created an opportunity for the visiting public to experience the Mexican culture. The Mexican Marketplace concept became a popular tourist destination peaking in the 1980s.

Merchandise Plans have been a requirement for all businesses on Olvera Street for over 50 years. The Merchandise Plans must be enforced by the Department to ensure Olvera Street is maintained as a viable example of a Mexican themed marketplace, forever preserving the market flavor and Mexican atmosphere and adjoining buildings envisioned by Christine Sterling. The Commission authorizes the General Manager to give exclusivity to businesses that offer hand-made goods that utilize artisan techniques in front of the public that demonstrate their unique craft. The Commission recognizes that single product/service authority, protects individual craftperson's intellectual property and promotes the vision Christine Sterling provided in the 1930s of Mexican Marketplace. Businesses that copy the product from authorized craftspersons and cast them as hand-made items to sell in their businesses will be in violation of the Merchandise Policy. The Merchandise Policy will be strictly enforced.

Today, tourists from around the world continue to visit Olvera Street to enjoy the Mexican Marketplace theme. However, some of the distinct characteristics of Christine Sterling's vision have been blurred by an overwhelming flood of retail goods not connected to Mexican arts or products. Several factors over the last 50 years have lead to the decline in the Mexican Marketplace theme:

1. In 1964, the addition of several center puestos bifurcated the street and eliminated the open air walkway;
2. Many craftspeople and families from the 1930s sold their businesses in the early 1960S and 1970s to individuals that were not Mexican artisans (candlemaker, blacksmith, glass blower, newsprinter, furniture maker, confectioner, etc);
3. Merchandise plans that were in place during Christine Sterlings' management were not enforced after her death in 1964;
4. Items that are not Mexican themed or Mexican made are displayed more prominently than Mexican handcrafts; and
5. Business owners copy/compete to sell the same merchandise as their business neighbors—at reduced prices.

Individual Olvera Street Merchandise Plan Requirements:

The City is cognizant that every retailer is challenged with how to effectively plan and execute unique store-level assortments (mix) that match local consumer demand. However, research has shown and the success of the Mexican Marketplace from the 1930s to the 1980s indicate profit levels can be maintained through specialized mixed merchandise plans. The City recognizes there is a delicate balance that must be facilitated in order for each concession to retain a profit. The regulation and enforcement of a retail merchandising mix plan for all Olvera Street businesses will allow each concession to specialize in a store theme free of competition. The City will work with each business to intelligently build assortments of products that capture and target local and international customers and allow individual businesses to thrive. Businesses that desire to continue selling non Mexican items or non Latin themed items will be allowed to continue to sell only those items, any requests for additional non Mexican or non Latin themed items will be denied. Each Concessionaire will have 30 days to provide to the General Manager

an itemized list of products and services carried before June 1, 2011 and a Merchandise Plan that will become an Exhibit C in the Concession Agreement.

General Guidelines

There is value for businesses when there is a balanced mix of retail choices for customers. Olvera Street is located in an ideal setting. Positioned across from Union Station and the 101 Freeway, the gateway to the downtown business district, El Pueblo has some of the oldest remaining intact historic buildings in the City of Los Angeles — there is a particular appeal and character that visitors enjoy that sets this Mexican Marketplace apart from other cities. Thus, each concession will have a role in assuring this independent retail base will be preserved as a historic destination for the general public to enjoy and for businesses to profit. Therefore, the General Manager will ensure there is a balanced mix of retail opportunities for Olvera Street Concessionaires and that the following basic guidelines will be implemented by the Department:

1. A quantity of tenants by category of Mexican merchandise that reinforces a "Theme" for each unique category;
2. A merchandise theme that has one or more of the following factors: relevance to Mexico, location of the concession, contractual obligations, unique physical features, evolving usage, public policy decisions and economic forces, including quantities of existing space by type of use or merchandising category;
3. A critical mass of retail diversity that achieves its identity by the creation of adjacencies or, geographic points of concentration reflective of Mexico or South American merchandise (specifically handcrafted items), thereby causing Olvera Street to stand out in customers' minds as a distinct unique Mexican Marketplace that is not replicated anywhere else in the City of Los Angeles;
4. A unique identity achieved through a combination of merchandise, presentation, ambience, and service all working together, including packaging, shelving, bins, and counters of natural materials supporting the 1930s Mexican Marketplace theme. In this regard, the "one of a kind" businesses on Olvera Street will play a vital role in the Retail Merchandising Mix Plan which is essential in creating that sense of unique Mexican distinction for visitors;
5. A mix of local, regional, and national products that is consistent with the characteristics of Olvera Street's business personality; and
6. The contribution that each unique Olvera Street business can make not only by supporting the Mexican Marketplace theme to improve Olvera Street itself but also by creating a stronger message overall by offering a variety of experiences and shopper opportunities.

Elements of an Individualized Plan for Each Olvera Street Business

Olvera Street businesses are a vital component to the appearance and experience of an "Old Mexico" flavor for visitors. The Olvera Street concession program is an integration of combined efforts with the El Pueblo museums, educational programs, special events, docent activities and entertainment which contribute to the interpretation and span of time from American Indian, Spanish, and Mexican occupation to 1932 when David Alfaro Siqueiros painted the America Tropical mural on what is known today as the Italian Hall roof wall. Olvera Street Concessionaires must have, or be willing to, develop the special knowledge, experience, skills and abilities appropriate for a business that reflects a Mexican Marketplace theme. Therefore, each individual Olvera Street business will be required to submit and adhere to their plan as specified below:

1. A statement of the theme of your business and how the theme relates to a Mexican Marketplace or Latin American culture or an "OPT-OUT" Statement from the

Concessionaire indicating their desire to continue selling non Mexican items or non Latin themed items. The "OPT-OUT" statement be on file in the Property Management Division Concession file and the business will be audited monthly to ensure the business only sells those items on the inventory list. Any request for additional non Mexican or non Latin themed items will be denied by the General Manager.

2. List of all products, merchandise or services for your business. The following are acceptable categories of merchandise and products reflective of Mexican and Latin American cultures: wood/leather/metal furniture, toys, dolls, fine linens, weaver, painting, puppets, carving, stitching, sewing, lacing and beading, jewelry, pottery, silver work, leather work, tinsmithing, Huichol yarn pictures, Amate paper designs, masks, skeletons or calaveras, stamp design in the traditional ancient Mexico and Asian format, gourd designing, musical instruments, henna and body art, needlework, metal work, hammock making, Papel Picado, Ojo de Dios, Paper mache, Andean textile design, flowers, candy, bottled sauces, spices, herbs, bottled drinks from Mexico, novelty items that reflect Olvera Street, clothing, shoes/boots and purses, theatrical and dance wear, packaged food, paintings, kitchen tools and tableware, saddle blankets, hats, wall décor, lamps and shades, plants, cow skulls and mounted horns, animal hides, sporting goods, garden furniture and goods, wreaths, music, saddles, mandallas, baskets, bells, gourds, chile ristras, rugs, books, throws and pillows, horse headstalls/breastcollars/reins/whips, games, textiles, tile, fencing/gates, canes/walking sticks, photography, money clips/key chains, vests/jackets/belts, religious novelties).

****This list is not inclusive; businesses may submit items not listed above if they can document a connection to a Mexican or South American culture.***

3. Approval from the El Pueblo General Manager before a new product, merchandise or service is sold in order to maintain and enhance Olvera Street as a vital commercial hub and cultural destination in the downtown metropolitan area.
4. Prices posted on each item or printed signage above products, merchandise or service with lettering preapproved by the General Manager. All containers, shelving, bins and displays must be of natural material (woods, straw, basket, cloth, metal, paper, or rope) when in public sight. Presentation and décor should be displayed and portrayed in a manner keeping with a Mexican Marketplace theme.
5. Business owners and employees must be dressed in Mexican style clothing when open for business and in sight of the visiting public.
6. Merchandise must be "family friendly" and appropriate in a public park setting.

Merchandise Policy Violation Process:

Should a business sell an unauthorized product or service that is not approved by the General Manager or identified in their Merchandise Plan on file with the Property Management Division, a City representative will verbally request the business to correct the violation. If the business complies with the request, the Monument will take no further action. If, however, the concessionaire/business does not comply with a request to correct the sale of an unauthorized product or service, the concessionaire will receive a written warning notice to correct the violation. The business owner will have five (5) days after receipt of the warning letter to correct the sale of an unauthorized product or service.

If the concessionaire does not correct the violation on or before the sixth (6th) day from receipt of the written warning, the department will issue a 2nd written notice of the violation and the business owner will be required to pay to the City an administrative fee for the cost to enforce the violation incident. The estimated administrative fee is one hundred dollars (\$100.00) per violation.

The business owner acknowledges and agrees that such enforcement of the Olvera Street Merchandise Plan will cause the City to incur costs and expenses and jeopardize revenue for other businesses on Olvera Street, and the exact amounts of which, will be difficult to ascertain for the term of the concession agreement, and that such administrative fees represents a fair estimate of the costs and expenses the City would incur by reason of enforcement.

If the business/concessionaire fails to remove or adhere to the Merchandise Policy on the seventh (7th) day of the violation, a 3rd written notice to the business owner will be issued and the business owner will be required to pay an additional one hundred dollars (\$100.00) per each violation.

If by the tenth (10th) day, the business owner continues to be in violation of the Merchandise Policy, the business owner will be in violation of the Concession Agreement.

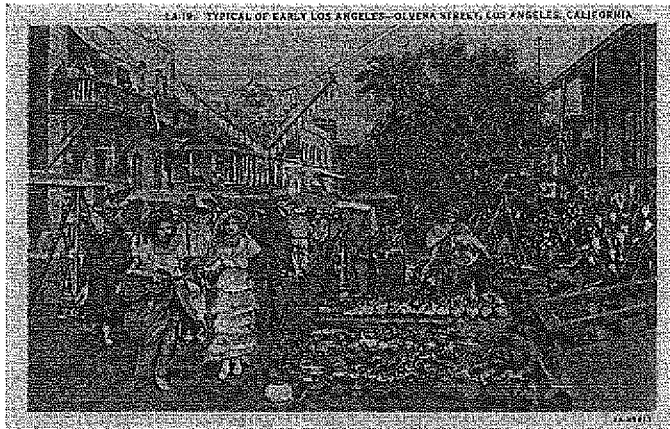
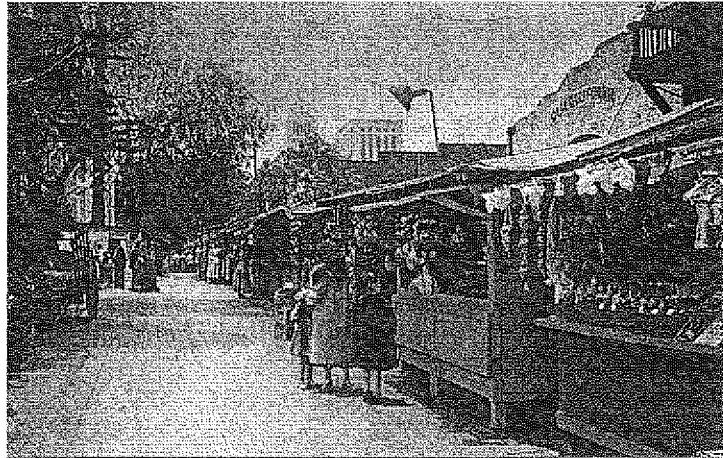


EXHIBIT D

ANNUAL CONCESSIONAIRE PERFORMANCE EVALUATION STANDARDS AND GUIDELINES

At the start of each new concession agreement execution date or at the beginning of each calendar year, the Department will evaluate the performance of the entity. A concessionaire must meet all terms and conditions of the concession agreement under these categories to be rated in **COMPLIANCE**. Any deviation will result in a **NONCOMPLIANCE** rating. All other categories permit numerical ratings ranging from three to twenty points and fall within a scale of "EXCELLENT, SATISFACTORY, OR NEEDS IMPROVEMENT."

The rating for the overall evaluation shall be determined by the percentage score rating unless a concessionaire is rated **NONCOMPLIANCE** or **UNACCEPTABLE** in any category. The **NONCOMPLIANCE** or **UNACCEPTABLE** will result in the termination of the concession/contract and the end of the twenty year term (20).

The standard for the category ratings are as follows:

- An "Excellent" rating in a category shall be given when a concessionaire **always meets** and frequently exceeds the requirements of the agreement/contract obligation for that category.
- A "Satisfactory" rating in a category shall be given when the concessionaire consistently meets the requirements of the agreement/contract obligation for that category.
- A "Needs Improvement" rating in a category shall be given when the concessionaire is deficient in the minimum requirements of the agreement obligation for that category on more than one occasion or when the concessionaire fails to correct a deficiency after notification.

The following examples are meant to assist the rater in illustrating the differences in the rating scores:

"Excellent" – The agreement/contract requires the concessionaire/contractor's operating hours Tuesday through Sunday from 10: A.M. until 9:00 P.M., and closed on Mondays. The concessionaire was open daily from 10:00 A.M. until 10:00 P.M., one hour daily above and beyond the required operating hours.

"Satisfactory" – The concessionaire/contractor's was operating daily from 10: A.M. until 9:00 P.M. and closed on Monday, and met the requirements as stated in the concession agreement.

"Needs Improvement" – The concessionaire was not open daily from 10: A.M. until 9:00 P.M. They were open from 8:00 AM to 3:00 PM Monday through Saturday. Concessionaire was notified in writing and given a notice to correct.

"Non Compliance/Unacceptable"- The concessionaire was not open daily from 10: A.M. until 9:00 P.M. They were open from 8:00 AM to 3:00 PM Monday through Saturday. Concessionaire was notified three times in writing and given a notice to correct. Concessionaire disregarded notice to correct and continues to not comply with their contractual requirements.

CONTRACTUAL OBLIGATIONS

This section covers all financial and operational aspects of the concession agreement.

Rental Payment -The rater must evaluate the concessionaire's payment record preceding year. The rental payments must be current and the correct amount. Rental payments are considered late after the 1st of every month.

Maintains a Register Journal/\$ Trail-Verify a cash register tape is used for all transactions according to the terms of the contract.

Bonds/Insurance-The rater must verify that all bond and insurance requirements are met as stipulated in the contract (i.e., performance bond, liability, automobile insurance, construction, payment bond, and fire insurance)

Compliance with Rules and Regulations-The rater verifies the concessionaire is adhering to Rules and Regulations as adopted by the Commission and the concession agreement. Any violation will result in a lower score.

Concessionaire Presence (or each manager, if a corporation) shall devote substantial and on-going personal ON-PREMISES attention to the operation of the business. (Per Article 4, Merchant's Conduct of Business, Item 4.3).

BUSINESS OPERATIONS

This section covers compliance with the concessionaire's the Rules and Regulations as stated in the concession agreement.

Operating Days and Hours-The rater verifies the concession has been open as stipulated in the Merchandise Plan.

Merchandise Policy-The rater verifies that goods and services for sale are authorized in the Merchandise Plan,

Appropriate Signage/Advertising -The rater evaluates the appropriateness of the signage for location, accuracy, professionalism, and maintenance and verifies prior approval by the General Manager?

Compliance with Non-Encroachment Policy- The rater verifies the concessionaire is adhering to Encroachment Rules, identified in Exhibit G). Any violation will result in a lower score. More than three violations and the concessionaire will receive a noncompliance/unacceptable score

MAINTENANCE

This Section covers the maintenance of the premises and adjacent areas in a clean, safe, wholesome, and sanitary condition, and in compliance with any and all laws, general rules, or regulations of any government authority during the term of the operating agreement/contract.

Maintenance Project Compliance-Rater determines if any repairs to the facility have been performed and verifies approval of the repairs or improvements by the General Manager. If a repair or improvement has not been preapproved, concessionaire may receive a noncompliance/unacceptable score.


Fire Safety Prevention-Rater checks fire extinguishers to see if they are visible and adequately marked, contain the proper chemical, and have been serviced annually. Look for evacuation routes posted in conspicuous locations, check fire exits for demarcation---free from debris and hazards. Make sure there are no explosives or hazardous goods, merchandise, or materials kept, stored, or sold in proper containers?

Utilities, Sewer, Water and Trash-Meters are kept free of litter and debris, uncluttered, and properly illuminated. Any outstanding reimbursement payments to the City for water, gas or electricity has been settled.

Interior/Exterior Cleanliness-Rater verifies there are no violations for garbage/trash containers (exterior), unclean doorways, walkways and graffiti.

After the evaluation, the rater reviews the score with the concessionaire. The rater then informs the concessionaire that a copy of the evaluation will be sent in the mail and within 14 days of receipt, the concessionaire is required to submit the signed form to El Pueblo de Los Angeles Historical Monument, 125 Paseo de la Plaza, Suite 300, Los Angeles, CA 90012, attention to the General Manager for processing.

If a dispute arises, the concessionaire may submit in writing their dispute. Final arbitration will be with the General Manager within 14 days of receipt of response. If the concessionaire fails to respond or turn in the completed evaluation, the evaluation will stand and be finalized with the signature of the General Manager.

ANNUAL CONCESSIONAIRE'S PERFORMANCE RATING					Business Address:		Date:	
Business Name:					Type of Business:			
CATEGORIES		Excellent	Satisfactory	Needs Improvement	Noncompliance Unacceptable	Compliance	Not Applicable	COMMENTS (Explain items which are rated excellent, needs improvement or noncompliance/unacceptable. Make recommendations for correction for needs improvement and noncompliance/unacceptable)
CONTRACTUAL OPERATIONS	Rental Payments Current	15	6	4	0			
	Maintains Register Journal/Trail							
	Bonds/Insurance Current							
	Compliance with Rules and Regulations (Exhibit F)							
	Concessionaire presence on premises	15	6	4	0			
ADHERING TO RULES AND REGULATIONS	Operating Days and Hours	15	10	5	0			
	Compliance with Merchandise Policy	15	10	5	0			
	Appropriate Signage/Advertising	10	5	3	0			
	Compliance with Non Enroachment Policy	20	11	7	0			
MAINTENANCE	Maintenance Project Compliance							
	Fire Safety Prevention							
	Utilities, Sewer, Water and Trash							
	Interior/Exterior Cleanliness	10	5	3	0			
TOTAL POINTS PER COLUMN					0			
Received from all Categories (_____ ÷ _____) x 100 = _____		Possible for Rated Categories		Percent Rating		Are there any Noncompliance or Unacceptable Ratings in any Category? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Rater's (City Staff) Name: _____		Title: _____		Date: _____		Rater Discussed Report with Concessionaire. <input type="checkbox"/> Yes <input type="checkbox"/> No		
General Manager's Signature and Approval _____		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No				
Primary Concessionaire's Signature _____		Title _____		Date _____				

ANNUAL PERFORMANCE EVALUATION EXHIBIT D-1

EXHIBIT E
USE OF PREMISES
CONCESSIONAIRES'S MERCHANDISE PLAN

MERCHANDISING PLAN
"OPT-OUT" STATEMENT BY THE CONCESSIONAIRE

I, _____, the undersigned, under penalty of perjury, certify that my concession business located at _____ will not sell any merchandise or service not listed in my June 1, 2011 inventory statement provided to the Department and attached and verified by the City of Los Angeles on an ongoing basis. I desire to continue selling non Mexican items or non Latin themed items and understand that any requests for additional non Mexican or non Latin themed items will be denied.

DATE: _____

DATE: _____

CONCESSIONAIRE:

CONCESSIONAIRE:

By: _____
INDIVIDUAL

By: _____
INDIVIDUAL

FACILITY MAINTENANCE PROGRAM

EXHIBIT F

During the term of this contract at Concessionaire's own cost and expense, Concessionaire shall maintain and operate the Premises and areas in, on, or adjacent to a distance of not less than FIVE (5) feet, including personal property and equipment, in a clean, safe, wholesome, and sanitary condition free of trash, garbage, or obstructions of any kind. Concessionaire shall remedy without delay any defective, dangerous, or unsanitary conditions.

In the event that Concessionaire desires to make modifications, improvements, or additions to the Premises or any part of the Premises, including changes to structural design, required accessibility barrier removal work, landscape design, or interior or exterior fixtures, design, and/or furnishings, (collectively "Alteration(s)"), the approval in writing of City shall be obtained prior to the commencement of any Alterations. City shall dictate the plan approval process.

A. Housekeeping: Housekeeping activities are defined as all those activities concerned with keeping facilities clean, neat, and orderly, and includes, but is not limited to, mowing, raking, sweeping, vacuuming, mopping, stripping, waxing, dusting, wiping, washing, hosing, and other general care or cleaning of interior and exterior floors, walls, ceilings, doors, windows, facility fixtures, and all adjacent grounds and walks.

B. Maintenance and Repairs: Concessionaire shall maintain all concession facilities and personal property and equipment on the Premises in good condition and repair at Concessionaire's sole cost and expense at all times during the term of this contract. Such maintenance shall conform to City standards. For the purposes of this contract, the term "maintenance" is defined as all repair and preservation work necessary to maintain concession facilities and personal property and

equipment in a good City of repair, as well as to preserve them for their intended purpose for an optimum useful life.

Pest inspections shall be performed regularly. Concessionaire will remedy all pest infestations in a timely manner. Concessionaire shall provide to City copies of all pest inspection reports or other professional assessments of the condition of the facilities.

Should Concessionaire fail, neglect, or refuse to undertake and complete any required maintenance, City shall have the right to perform such maintenance or repairs for Concessionaire. In this event, Concessionaire shall promptly reimburse City for the cost thereof provided that City shall first give Concessionaire ten (10) days written notice of its intention to perform such maintenance or repairs. City shall not be obligated to make any repairs to or maintain any improvements on the Premises. Concessionaire hereby expressly waives the right to make repairs at the expense of City and the benefit of the provisions of Sections 18.2.1 relating thereto if any there be. City has made no representations respecting the condition of the Premises, except as specifically set forth in this contract.

C. Removal and Restoration. At the expiration or sooner termination of this contract, Concessionaire at its own expense shall remove all personal property brought onto the Premises by Concessionaire. Concessionaire, at Concessionaire's expense, shall restore and repair the Premises, and any of Concessionaire's improvements or fixtures remaining thereon, to a good, clean, safe, and fit condition, reasonable wear and tear excepted, and shall completely remedy all injuries to the Premises.



MAINTENANCE PROJECT CONCESSIONAIRE REQUEST FOR APPROVAL

Name of Business _____ Date _____

Concessionaire's Name: _____

All requests must be submitted ten (10) days in advance as indicated in the Concession Agreement, Article 18 Maintenance and Housekeeping, Section 182.2 Merchant's Obligations

Maintenance Category: [Please check appropriate category(s)]

<input type="checkbox"/> Plumbing	<input type="checkbox"/> Exterior Painting	<input type="checkbox"/> Landscaping	<input type="checkbox"/> Termite Extermination
<input type="checkbox"/> Electrical	<input type="checkbox"/> Roofing	<input type="checkbox"/> Heating and Air Conditioning	<input type="checkbox"/> Other _____
<input type="checkbox"/> Interior Painting	<input type="checkbox"/> Carpentry	<input type="checkbox"/> Masonry	<input type="checkbox"/> Needs Dept. assistance

Need Plans ☐ Yes ☐ No

Proposed Start Date: _____

Estimated Cost: _____

Maintenance Project Description: _____

(Do not write below, El Pueblo Personnel only.)

Museum Director's Signature of Approval

Date

Property Manager's Signature of Approval

Date

Project Evaluation Form Attached: Yes _____ No _____

Proposal Denied: Yes _____ No _____

Reason for Denial: _____

General Manager's Signature of Approval

Date

(The General Manager must approve the Maintenance Project before the Concessionaire can start)

**CONCESSION AGREEMENT
AFFADAVIT FOR TIER ONE B PHASE-IN RENT
EXHIBIT G**

I, _____, the undersigned, under penalty of perjury, certify that my concession business located at _____ would not be profitable on an ongoing basis and on a commercially sustainable basis with a reasonable profitability from _____ 2011 to _____ 2012. I further certify that business revenues for the concession would not exceed expenses by 10% if I paid Tier One A Rent as indicated in the Concession Agreement in Article 6, Rent 6.2.1. I understand that falsification of this form, or any part thereof will be grounds for rejection of the application to pay Tier One B, Phase-In rental rates as indicated in the Concession Agreement in Article 6, Rent 6.2.2, as well as the rescission of any subsequent information based upon any material misrepresentations of fact found by the Department of El Pueblo.

CONCESSIONAIRE:

By: _____
Print Name

Signature

DATE: _____

County and State where signed: _____

EXHIBIT G-1
CERTIFICATION OF HARDSHIP

I, _____, the undersigned, under penalty of perjury, certify that my concession business located at _____ would not be profitable on an ongoing basis and on a commercially sustainable basis with a reasonable profitability from _____ 2011 to _____ 2012. I further certify that business revenues for the concession would not exceed expenses by 10% if I paid Tier One A rent as indicated in the Concession Agreement in Article 6, Rent 6.2.1. I understand that misrepresentation or falsification of this certification or the records or documents submitted to support the application will be grounds for rejection of the application and might subject the Concessionaire to civil and criminal liability.

CONCESSIONAIRE:

By: _____
Print Name

Signature

DATE: _____

County and State where signed: _____

EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT CONCESSION AGREEMENT FINANCIAL HARDSHIP POLICY

FINANCIAL HARDSHIP

- 1) **Who should apply?** – Any Concessionaire who has signed the City-approved 2011 Olvera Street Concession Agreement and claims that paying Tier One A or Tier One B rent would cause them a financial hardship as defined in the Concession Agreement Article 6.
- 2) **In order to receive Tier Two Rent**, the Concessionaire shall submit to an audit by the City Controller using the protocol and criteria described in Article 6 of the Concession Agreement.
- 3) **Recommendation by the General Manager and Approval by the Commission** – After the City Controller has audited all records and documents as described in the Concession Agreement in Article 6 and confirmed the Concessionaire is eligible for Tier Two Rent due to a lack of profitability (where revenues exceed expenses by less than **10%**), the General Manager will recommend to the Commission for approval Hardship Application and reduction in rent.
- 4) **Other Supporting Documents** – The Concessionaire applying for Tier Two hardship rent shall timely make available all records and documents requested by the City Controller. Some of the records that might be requested by the City Controller include, but are not limited to, sales tax reported to the state, any bank records into which deposits or withdrawals are made relating to the concession, disbursements, including invoices or receipts for all expenses, totaling receipts from receipt books and/or cash register tapes and tracing to deposit records and bank statements, certified daily ledgers maintained by a Concessionaire of cash or other receipts and/or paid expenses.

SEND YOUR COMPLETED CERTIFICATION OF FINANCIAL HARDSHIP TO:

Robert Andrade, General Manager
El Pueblo de Los Angeles Historical Monument
125 Paseo de la Plaza, Suite 400
Los Angeles, CA 90012

EXHIBIT H: INSURANCE REQUIREMENTS*for Contractors, Vendors, Lessees, and Permittees doing business with the City of Los Angeles*

Name: _____

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 ("CSL"). For Automobile Liability, split limits may be substituted if the total per occurrence equals or exceeds the CSL amount.

Limits

 X Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)

WC	<u>Statutory</u>
EL	<u>\$1,000,000</u>

☒ Waiver of Subrogation in favor of City☐ Longshore & Harbor Workers☐ Jones Act X General Liability\$ 1,000,000☒ Products/Completed Operations☒ Sexual Misconduct☒ Premises and Operations☐ Collapse & Underground☒ Contractual Liability☒ Fire Legal Liability \$100,000☒ with 180 days rental interruption☒ Independent Contractors X Automobile Liability (for any and all vehicles used for this contract, other than commuting to/from work)\$ 1,000,000 X Professional Liability (Errors and Omissions)\$ 1,000,000Discovery Period Twelve (12) months from completion of work or termination of contract X Property Insurance (to cover replacement cost of building – as determined by insurance company)

\$ Replacement Cost
80% co-

Insurance

☒ All Risk Coverage☐ Boiler and Machinery☐ Flood _____☒ Builder's Risk Full value of construction costs☐ Earthquake _____ Pollution Liability\$ 1,000,000☐ _____ X Surety Bonds – from construction contractor for full value of the project price.100% of contract Crime Insurance

Other: _____

EXHIBIT I
STATE DEED

1 When Recorded Mail To:

2 State Department of Parks and Recreation.
3 P. O. Box 942896
4 Sacramento, CA 94296-0001

5 Attn: Betty Paris, Acquisition Division

6 _____ Space above for Recorder's Use

SSL-403

7 STATE OF CALIFORNIA

8 QUITCLAIM DEED

9 Pursuant to the provisions of Chapter 1358, Statutes of 1987, the
10 STATE OF CALIFORNIA, acting through its Director of General Services, hereby
11 quitclaims to CITY OF LOS ANGELES, all its right, title and interest in and to
12 the real property described in Exhibit A hereto, which Exhibit is incorporated
13 herein by this reference, in the County of Los Angeles, State of California.

14 EXCEPTING AND RESERVING to the State of California all mineral
15 deposits as defined in Section 6407 of the Public Resources Code below a depth
16 of 500 feet, without surface rights of entry.

17 This deed is subject to the following express conditions subsequent:

18 1. The property shall be known as El Pueblo de Los Angeles
19 Historic Monument and shall be used as a public park or monument.

20 2. The development and operation shall conform to the General Plan
21 for El Pueblo de Los Angeles State Historic Park adopted April 11, 1980
22 pursuant to Section 5002.2 of the Public Resources Code. The Plan may be
23 amended by the CITY in accordance with procedures for amendment set forth in
24 Article 8 (commencing with Section 65450) and Article 9 (commencing with
25 Article 8 (commencing with Section 65450) and Article 9 (commencing with
26 Article 8 (commencing with Section 65450) and Article 9 (commencing with
27 Article 8 (commencing with Section 65450) and Article 9 (commencing with

1 Section 6500) of Chapter 3 of Division 1 of Title 7 of the Government Code.
2 The CITY shall consider the development criteria of Section 5019.59 of the
3 Public Resources Code.
4

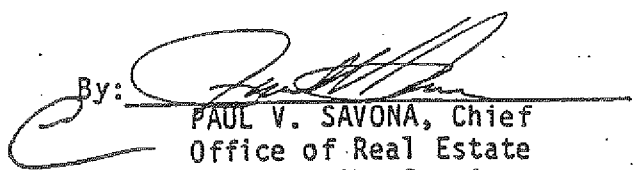
5 3. The City of Los Angeles shall operate, improve, maintain,
6 construct, remodel, and perform any and all necessary activities at the
7 Historic Monument in compliance with the U.S. Secretary of the Interior's
8 "Standards for Rehabilitation and Guidelines for Rehabilitating Historic
9 Structures".
10

11 4. The State of California shall be allowed, at the STATE'S
12 option, free occupancy of the existing STATE offices on the entire first and
13 second floors of the Hellman Quan Building, located at 128 Paseo De La Plaza,
14 Los Angeles, California (See Exhibit B, Sheet 1) incorporated herein by this
15 reference, with the exception of the CITY Archives Room on the second floor
16 (See Exhibit B, Sheet 2) together with four existing parking spaces located
17 along Sanchez Street. Upon termination of parking along Sanchez Street, the
18 CITY will provide four new parking spaces to be identified within future
19 parking Lot No. 2 located on the corner of Main Street and Macy Street.
20

21 Should any of said express conditions be violated, the State of
22 California shall have the right to reenter and take possession of the real
23 property and upon such re-entry title thereto shall revert to the STATE.
24 ---
25 ---
26 ---
27 ---

1 IN WITNESS WHEREOF, The STATE has caused this Quitclaim Deed to be
2 executed this 27th day of October, 1988.

3
4 STATE OF CALIFORNIA
5 DEPARTMENT OF GENERAL SERVICES
6 W. J. ANTHONY, DIRECTOR

7
8 By: 
9 PAUL V. SAVONA, Chief
Office of Real Estate
and Design Services

10 APPROVED:
11 DEPARTMENT OF PARKS AND RECREATION

12 By: 
13

14 Attachment
15
16
17
18
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27

STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

} SS.

On this 1st day of November, 1988, before me, the undersigned, a Notary Public in and for the State of California, personally appeared PAUL V. SAVONA

personally known to be or proved to me on the basis of satisfactory evidence to be the person who executed this instrument as Chief of the Office of Real Estate and Design Services, Department of General Services of the State of California, and acknowledged to me that the State of California executed it.

WITNESS my hand and official seal.



Eunice I. Matlock

EUNICE I. MATLOCK
NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

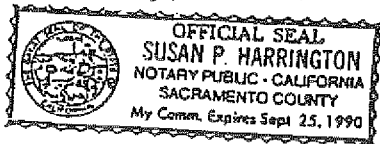
STATE OF CALIFORNIA)

) SS.

COUNTY OF SACRAMENTO)

On this 27th day of October, in the year of 1988, before me, SUSAN P. HARRINGTON, a Notary Public in the State of California, duly commissioned and sworn, personally appeared Les McCargo, known to me to be the Deputy Director of Parks and Recreation of the State of California and acknowledged to me that he executed the within instrument in the name of and in behalf of the State of California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said county, the day and year first written above.



Susan P. Harrington
Notary Public

EXHIBIT "A"

All that real property situate in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

PARCEL 1

All those lands conveyed to the State of California by the McLaughlin Corporation by Corporation Grant Deed dated July 17, 1953 and recorded December 29, 1953 in Book 43478 at Page 430, Official Records of said County.

PARCEL 2

All those lands conveyed to the State of California by the Union Bank and Trust Company of Los Angeles, as Executor of the Estate of Constance D. Simpson, also known as Constance Doria Simpson, deceased, by Deed dated September 17, 1953 and recorded December 29, 1953 in Book 43481 at Page 359, Official Records of said County, and by Irving M. Walker, as Trustee, under the Will of Doria C. Lankershim, by Quitclaim Deed dated March 5, 1963 and recorded May 27, 1963 in Book D2043 at Page 496, Official Records of said County.

PARCEL 3

All those lands conveyed to the State of California by James A. Rimpau, Trustee, by Deed dated July 14, 1953 and recorded December 31, 1953 in Book 43498 at Page 295, Official Records of said County.

1 PARCEL 4

2

3 All those lands conveyed to the State of California by Los Nietos, Company, a
4 corporation, by Deed dated August 4, 1953 and recorded December 31, 1953 in
5 Book 43498 at Page 287, Official Records of said County and by Final Order of
6 Condemnation dated March 2, 1961 and recorded March 3, 1961 as Document
7 No. 4201 in Book D1143 at Page 905, Official Records of said County.

8

9 PARCEL 5

10

11 All those lands conveyed to the State of California by Mae N. Lombardi, et al.
12 by Deed dated November 4, 1953 and recorded February 1, 1954 in Book 43717 at
13 Page 437, Official Records of said County.

14

15 PARCEL 6

16

17 All those lands conveyed to the State of California by Quon How Shing by Deed
18 dated August 28, 1953 and recorded February 26, 1954 in Book 43939 at
19 Page 247, Official Records of said County.

20

21 PARCEL 7

22

23 All those lands conveyed to the State of California by Audette Marie Garnier
24 and Yvonne Garnier by Deed dated January 11, 1954 and recorded April 22, 1954
25 in Book 44389 at Page 74, Official Records of said County.

26 ---

27 ---

1 PARCEL 8

2
3 All those lands conveyed to the State of California by Stella Anne Valla
4 Hamilton, et al. by Deed dated November 2, 1953 and recorded April 30, 1954 in
5 Book 44460 at Page 218, Official Records of said County and by Final Order of
6 Condemnation dated February 21, 1958 and recorded February 27, 1958 as
7 Document No. 3409 in Book D27 at Page 369, Official Records of said County.

8
9 PARCEL 9

10
11 All those lands conveyed to the State of California by G. Pagliano and Dora C.
12 Pagliano by Deed dated September 4, 1953 and recorded June 4, 1954 in
13 Book 44735 at Page 317, Official Records of said County, and by Anita
14 Brodrick, et al. by Quitclaim Deed dated April 21, 1958 and recorded
15 September 18, 1958 in Book D220 at Page 181, Official Records of said County.

16
17 PARCEL 10

18
19 All those lands conveyed to the State of California by Paul Mance and Amalia
20 Mance by Deed dated June 3, 1954 and recorded December 21, 1954 in Book 46434
21 at Page 81, Official Records of said County.

22
23 PARCEL 11

24
25 All those lands conveyed to the State of California by Title Insurance and
26 Trust Company by Grant Deed dated March 13, 1956 and recorded September 28,
27 1956 in Book 52429 at Page 437, Official Records of said County.

1 PARCEL 12

2

3 All those lands conveyed to the State of California by Final Order of
4 Condemnation dated November 24, 1958 and recorded November 28, 1958 as
5 Document No. 5617 in Book D289 at Page 777, Official Records of said County.

6

7 PARCEL 13

8

9 All those lands conveyed to the State of California by Final Order of
10 Condemnation dated December 22, 1958 and recorded December 23, 1958 as
11 Document No. 4426 in Book D313 at Page 894, Official Records of said County.

12

13 PARCEL 14

14

15 All those lands conveyed to the State of California by Virginia Nicolas Miles,
16 et al. by Deed dated September 4, 1958 and recorded January 26, 1959 in
17 Book D343 at Page 528, Official Records of said County.

18

19 PARCEL 15

20

21 All those lands conveyed to the State of California by Final Order of
22 Condemnation dated January 22, 1959 and recorded January 30, 1959 as Document
23 No. 4155 in Book D350 at Page 540, Official Records of said County.

24 ---

25 ---

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1 PARCEL 16

2

3 All those lands conveyed to the State of California by Dora C. Pagliano, et
4 al. by Quitclaim Deed dated February 10, 1958 and recorded February 17, 1959
5 in Book D367 at Page 644, Official Records of said County.

6

7 PARCEL 17

8

9 All those lands conveyed to the State of California by Justino Jimenez by Deed
10 dated December 3, 1958 and recorded February 20, 1959 in Book D372 at
11 Page 869, Official Records of said County.

12

13 PARCEL 18

14

15 All those lands conveyed to the State of California by Final Order of
16 Condemnation dated May 25, 1959 and recorded May 25, 1959 as Document No. 4400
17 in Book D479 at Page 210, Official Records of said County.

18

19 PARCEL 19

20

21 All those lands conveyed to the State of California by Final Order of
22 Condemnation dated July 17, 1959 and recorded July 20, 1959 as Document
23 No. 3818 in Book D542 at Page 155, Official Records of said County.

24 ---

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1 PARCEL 20

2

3 All those lands conveyed to the State of California by Louis Foix, et al. by
4 Deed dated May 14, 1959 and recorded August 17, 1959 in Book D573 at Page 537,
5 Official Records of said County.

6

7 PARCEL 21

8

9 All those lands conveyed to the State of California by Rose Segale by Deed
10 dated June 16, 1959 and recorded September 24, 1959 in Book D612 at Page 293,
11 Official Records of said County.

12

13 PARCEL 22

14

15 All those lands conveyed to the State of California by the City of Los Angeles
16 by Grant Deed dated April 17, 1959 and recorded September 22, 1959 in
17 Book D609 at Page 712, Official Records of said County and by Quitclaim Deed
18 dated January 26, 1961 and recorded April 15, 1961 in Book D1178 at page 907,
19 Official Records of said County.

20

21 PARCEL 23

22

23 All right, title and interest to Sanchez Street between Arcadia Street and
24 Plaza Street and to Plaza Street between Main Street and Los Angeles Street
25 which the State of California may have acquired from Isabel J. Sepulveda Lugo,
26 et al. by unrecorded Quitclaim Deed dated October 10, 1954.

27 ---

1 PARCEL 24

2

3 All those lands conveyed to the State of California by the Los Angeles
4 Metropolitan Transit Authority by Grant Deed dated July 30, 1964 and recorded
5 October 1, 1964 in Book D2647 at Page 939, Official Records of said County,
6 and by Los Angeles Transit Lines by Quitclaim Deed dated June 1, 1955 and
7 recorded October 21, 1955 in Book 49303, at Page 341, Official Records of said
8 County.

9

10 0-1545Q

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State of California
TO
The City of Los Angeles

DO NOT WRITE ON THIS SIDE OF LINE. LEAVE FOR BINDING.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed or grant to The City of Los Angeles, a municipal corporation, is hereby accepted under the authority of the City Council of The City of Los Angeles, pursuant to Ordinance No. 123653, approved January 23, 1963, and the grantee consents to the recordation thereof by its duly authorized officer.

By

Robert S. Horii

Authorized Officer

TITLE OFFICER

Date: FEB 8 1963

When Recorded Return to
Director
Bureau of Right of Way and Land
DEPARTMENT OF PUBLIC WORKS
City of Los Angeles

Division _____ Dist. _____
Platted _____ D. M. 132A215, 132A213, 133.5A215
By _____ C. E. _____
Conditions _____ Escrow _____
Signature _____ Date _____

R/W No. 28001-514

JOB TITLE Acquisition of E1
Pueblo de Los Angeles
Historic Monument

NOT A STANDARD INSTRUMENT

Checked as to parties, marital status, dates, natures, acknowledgments and corporate :

Engineering
Bureau of Right of Way and Land

By

TITLE OFFICER

Title Officer.

Approved as to Authority FEB 8 1963
Engineering

Bureau of Right of Way and Land

By

TITLE OFFICER

Principal Real Estate Agent.

Approved as to descriptions _____, 19.

ROBERT S. HORII
City Engineer.

By

Deputy.

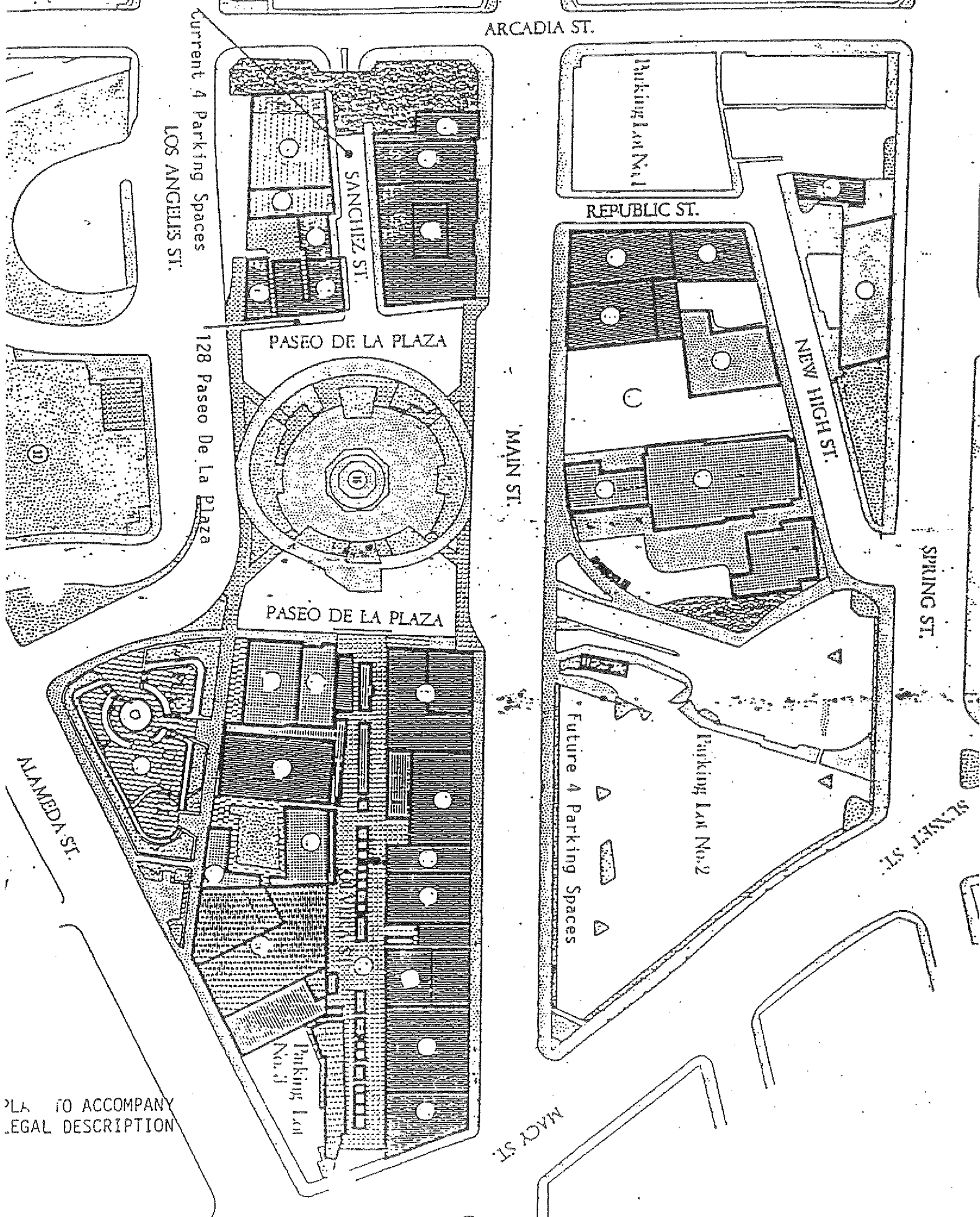
Approved as to form _____, 19.

JAMES K. HAHN
BURT PAVES
City Attorney.

By

Deputy.

Council File No. _____



Current 4 Parking Spaces
LOS ANGELES ST.

128 Paseo De La Plaza

PASEO DE LA PLAZA

PASEO DE LA PLAZA

Parking Lot
No. 3

Parking Lot No. 1

REPUBLIC ST.

NEW HIGH ST.

SPRING ST.

STANLEY ST.

Parking Lot No. 2

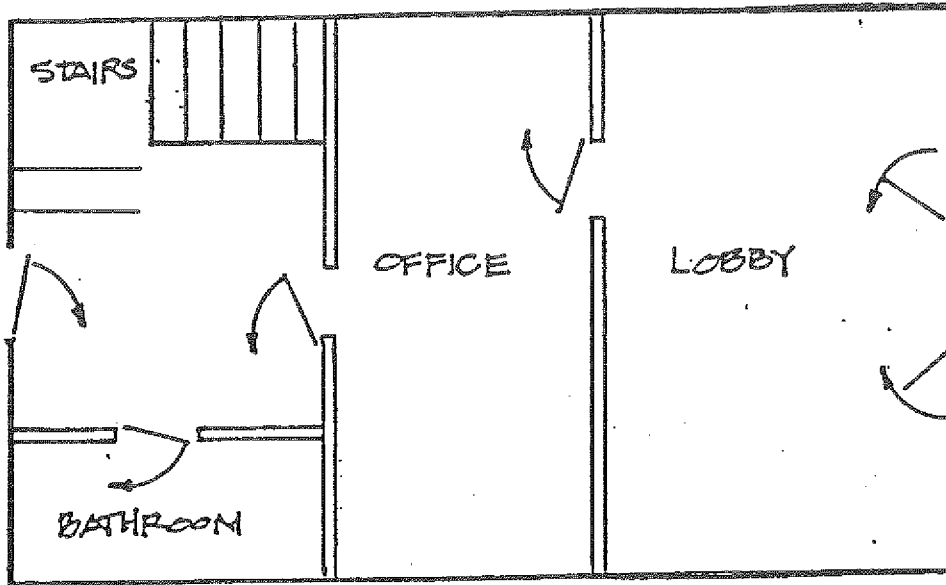
Future 4 Parking Spaces

MACY ST.

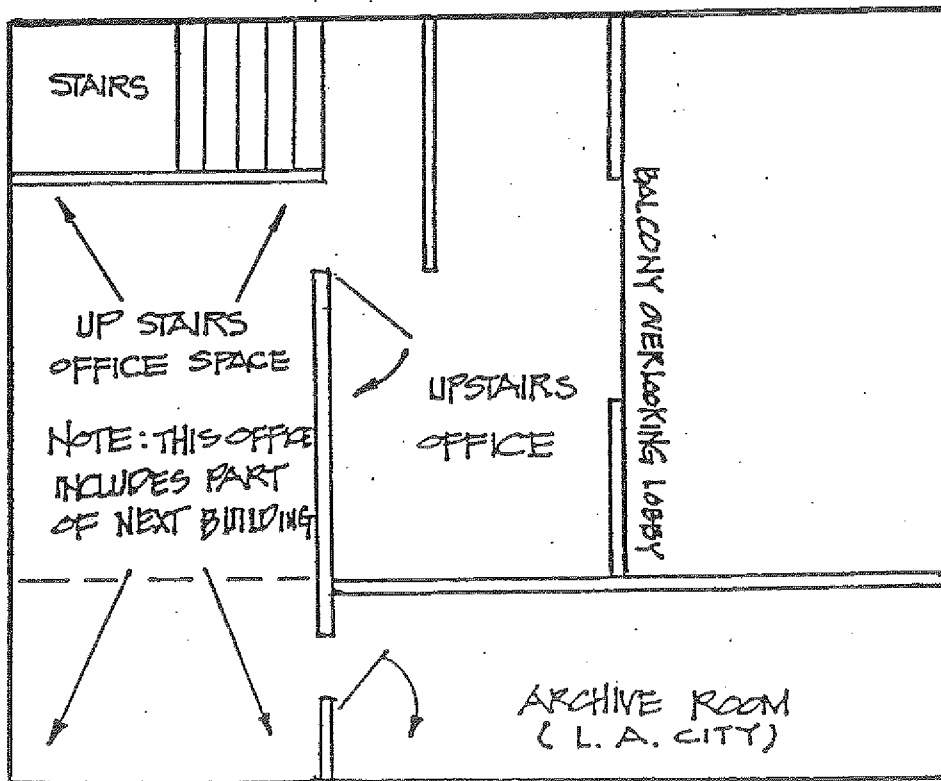
ALAMEDA ST.

PLA TO ACCOMPANY
LEGAL DESCRIPTION

EXHIBIT "B"
Sheet 2



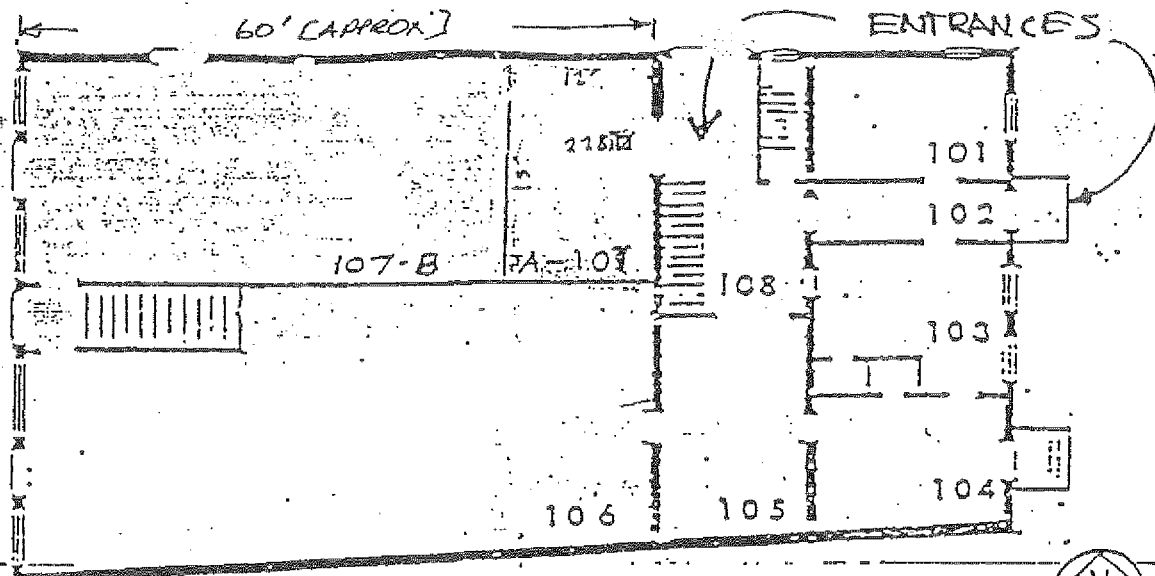
FIRST FLOOR



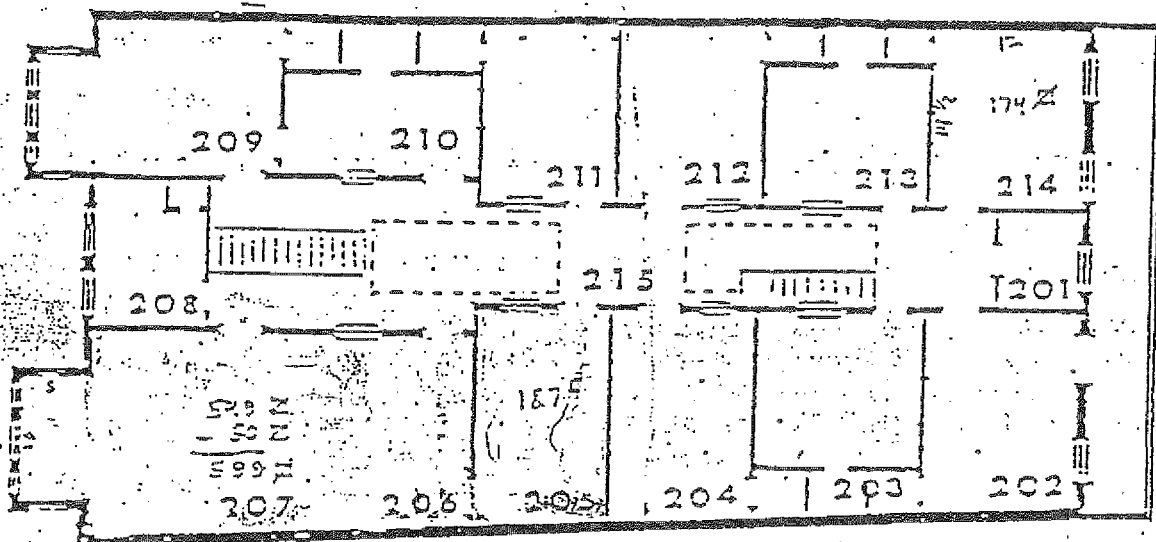
SECOND FLOOR

NORTH MAIN STREET

OLVERA STREET



FIRST FLOOR



SECOND FLOOR

- | | | | |
|-----|-------------------------------|-----|-----------------------|
| 201 | Bedroom Exhibit | 201 | Restroom Exhibit |
| 202 | Hall | 202 | Business Officer |
| 203 | Kitchen (Dining Exhibit) | 203 | Clerical |
| 204 | Kitchen (Dining Room Exhibit) | 204 | EPPA & Clerical |
| 205 | Restroom Exhibit | 205 | Boarding Room Exhibit |
| 206 | Visitors' Center & Hall | 206 | Gibbs Family Exhibit |
| 207 | Display Room (General Store) | 207 | Gibbs Family Exhibit |
| 208 | Steeple Exhibit | 208 | Director's Secretary |
| | | 209 | Park Director |
| | | 210 | Sequeiros Exhibit |
| | | 211 | Administrative Assis |
| | | 212 | Restrooms |
| | | 213 | Clerical |
| | | 214 | Accounting |
| | | 215 | Restored Hall |

CITY OFFICES
OLVERA STREET

1,000 SQ. FT. (APPROX.)

EXHIBIT J
CONCESSIONAIRE REQUIRED STANDARD PROVISION FORMS