

TRANSMITTAL

0150-09930-0002

TO
The City CouncilDATE
08/08/19

COUNCIL FILE NO.

FROM
The MayorCOUNCIL DISTRICT
5**Revised Concession Agreement between The Tavern at Rancho Park, LLC
And the Department of Recreation and Parks for the Redevelopment, Operation and
Maintenance of the Rancho Park Golf Course Food and Beverage Concession**

Approved and transmitted for your consideration.
The Council has 60 days from the date of receipt to act, otherwise the contract will be deemed
approved pursuant to Administrative Code Section 10.5(a).
See the City Administrative Officer report attached.



(Ana Guerrero) for

ERIC GARCETTI
MAYOR

RHL:JSS:0820002t

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

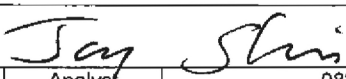
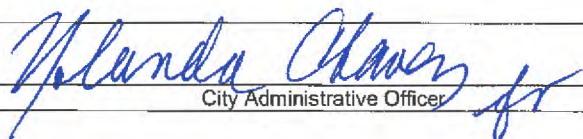
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|--|-------------------|---|----------------------------------|
| To: The Mayor | Date: 07-24-19 | C.D. No. 5 | CAO File No.: 0150-09930-0002 |
| Contracting Department/Bureau: Recreation and Parks | | Contact: Stanley Woo | |
| Reference: Transmittal from the Board of Recreation and Park Commissioners dated July 3, 2019; referred by the Mayor on July 5, 2019 | | | |
| Purpose of Contract: Redevelopment, operation and maintenance of the food and beverage concession at Rancho Park Golf Course | | | |
| Type of Contract: (X) New contract () Amendment, Contract No. | | Contract Term Dates: Ten years with one five-year renewal option | |
| Contract/Amendment Amount: \$0 | | | |
| Proposed amount \$0 + Prior award(s) \$0= Total \$0 | | | |
| Source of funds: Not Applicable | | | |
| Name of Contractor: The Tavern at Rancho Park, LLC 1924 E. Maple Avenue, Suite B El Segundo, CA 90245 | | | |
| | Yes | No | N/A |
| 1. Council has approved the purpose | | X | |
| 2. Appropriated funds are available | | | X |
| 3. Charter Section 1022 findings completed | X | | |
| 4. Proposals have been requested | X | | |
| 5. Risk Management review completed | X | | |
| 6. Standard Provisions for City Contracts included | X | | |
| 7. Workforce that resides in the City: 70% | | | |
| | Yes | No | N/A |
| 8. Business Inclusion Program | X | | |
| 9. Equal Benefits & First Source Hiring Ordinances | X | | |
| 10. Contractor Responsibility Ordinance | X | | |
| 11. Slavery & Border Wall Disclosure Ordinances | X | | |
| 12. Bidder Certification CEC Form 50 | X | | |
| 13. Prohibited Contributors (Bidders) CEC Form 55 | X | | |
| 14. California Iran Contracting Act of 2010 | X | | |

RECOMMENDATION

That the Council authorize the President and Secretary of the Board of Recreation and Park Commissioners to execute the proposed Revised Agreement with The Tavern at Rancho Park LLC for the redevelopment, operation and maintenance of the food and beverage concession at Rancho Park Golf Course, for a term of ten years with one five-year renewal option, subject to review and approval by the City Attorney as to form.

SUMMARY

At its meeting of July 3, 2019, the Board of Recreation and Park Commissioners (Board) approved a Revised Agreement with The Tavern at Rancho Park LLC (Concessionaire) for the redevelopment, operation and maintenance of the food and beverage concession at Rancho Park Golf Course (Concession) located at 10460 W. Pico Blvd. in Council District 5. The proposed Revised Agreement is for a term of ten years with one five-year renewal option. The Department of Recreation and Parks (Department) reports that the Rancho Golf Restaurant, Inc. has been operating the Concession on a month-to-month basis since March 2012.

| | |
|---|--|
|  |  |
| JSS | City Administrative Officer |
| Analyst | |
| 0820002 | |

On March 6, 2019, the Board initially approved an Agreement (Initial Agreement) with the Concessionaire for the redevelopment, operation and maintenance of the food and beverage concession at Rancho Park Golf Course. Prior to Council Committee consideration of the Initial Agreement, the Department became aware of various concerns with some of the proposed improvements and enhancements associated with the Initial Agreement by the Westside Neighborhood Council (WNC) and members of the local community. The Department staff subsequently worked with the Office of Councilmember Paul Koretz (Council District 5), WNC, and various members of the community to revise the Initial Agreement to address their concerns.

Revised Agreement

According to the Department, the Revised Agreement contains language intended to address the primary concerns raised by the WNC and members of the local community. Most notably, it includes the following modifications to the Initial Agreement:

- Movie nights on the driving range, which was proposed as a conceptual community benefit idea, shall not be permitted by the Department unless requested and supported by the local community;
- Any beer produced by the proposed micro-brewery system will be limited exclusively for on-site beer consumption and no off-site sales of beer will be permitted;
- The Department reserves the right to utilize, free of charge, the banquet hall for Department sponsored activities and shall have discretion over the number of special events;
- The Tavern at Rancho Park (TRP) shall take reasonable steps to mitigate noise and provide noise mitigation plans to the Department within 10 business days of any noise complaints received. In addition, TRP agrees to work in good faith with the Department to implement measures to mitigate noise impacts to the neighboring residential community;
- TRP shall coordinate with the Department to implement valet parking when a planned special event or other peak activity is anticipated to affect capacity of the parking lot, at the discretion of the Department. Should valet service be utilized, TRP shall prohibit the valet service from parking cars on nearby residential streets;
- In an effort to mitigate noise impacts to the neighboring residential community, TRP shall employ construction methods and materials that minimize noise, as part of the redevelopment of the facility;
- The Department reserves the right to limit the number of outdoor seats in all patio areas in order to mitigate noise or impacts to the recreational use of the facility and the neighboring residential community;
- The hours of operation for the restaurant and banquet hall / special event space will generally run consistent with the golf course and driving range hours of operation, and may not continue beyond 10:00 pm;

- The number of annual events to be held in the banquet hall to no more than 30 special events involving over 100 guests per event, not including Department -sponsored activities;
- TRP must obtain approval of all design and construction plans and drawings from the Department prior to starting any capital improvements and renovations.

Selection Process

On March 16, 2018, the Department released a Request for Proposal (RFP) for the redevelopment, operation, and maintenance of food and beverage concession at Rancho Park Golf Course. According to the Department, the RFP was distributed to food management and restaurant venue management websites and their contact list, posted on the Los Angeles Business Assistance Virtual Network, Los Angeles Business Journal, and posted on the Department's website, and correspondences were sent to interested parties on a list maintained by the Department.

The RFP outlined the following five criteria to evaluate, rank, and score the RFP respondents:

1. Capital Investment (25 points)
2. Business Plan (20 points)
3. Compensation Plan (20 points)
4. Experiences & References (15 points)
5. Management & Operations Plan (20 points)

On April 11, 2018, the Department received a total of two proposals for the Rancho Park Golf Course, from The Tavern at Rancho Park LLC and Rancho Golf Restaurant, Inc. Both proposers were determined to have the minimum acceptable qualifications specified in the RFP and passed the Level I review, which included evaluating the proposers for financial capacity, experience and background, ability to finance the operations and compliance with all City contracting requirements.

The Level II review included a comprehensive assessment of each proposer's written proposals and in-person interviews. A three-member evaluation panel (Panel) with golf course and concessions experience conducted the Level II review. The Panel interviewed the proposers and scored and ranked the proposals in accordance with the established criteria outlined in the RFP.

The evaluation scores were as follows (100 points times three panelists equals 300 points):

| Evaluation Panel Scoring | | | |
|------------------------------------|---------------------------------|--|--|
| | Maximum Total Points | The Tavern at Rancho Park LLC | Rancho Golf Restaurant Inc. |
| 1) Capital Investment | 75 | 68 | 60 |
| 2) Business Plan | 60 | 59 | 49 |
| 3) Compensation Plan | 60 | 51 | 59 |
| 4) Experiences & References | 45 | 44 | 36 |
| 5) Management & Operations Plan | 60 | 58 | 50 |
| Total | 300 | 280 | 254 |

The Panel unanimously ranked The Tavern at Rancho Park LLC as the highest scoring proposer and recommended the selection of The Tavern at Rancho Park LLC as the successful proposer.

In accordance with Charter Section 1022, the Board determined that the services provided would be performed more feasibly by a contractor than by City employees because the Department does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks.

In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval of the proposed Revised Agreement is required because the term exceeds three years. To the best of our knowledge, the Board and Department have complied with all applicable City procedures, laws, and policies in awarding the agreement and the Contractor has complied with all standard provisions for City contracts, as well as City contracting requirements.

FISCAL IMPACT STATEMENT

The Tavern at Rancho Park LLC will pay the City at least \$1,046,388 during the first ten-year term of the Revised Agreement based on the built-in escalation defined in the RFP. Revenues from the Concession Agreement will be deposited into the Department of Recreation and Parks' Golf Surcharge Account. In addition, the Tavern at Rancho Park LLC will invest \$4,285,184 in capital improvements as part of the Concession Redevelopment Project. There is no additional impact on the General Fund. To the extent applicable, the recommendation stated in this report complies with the City Financial Policies in that user charges and fees are set to support the full cost of operations for which the fees are charged.

Attachments

RHL:JSS:0820002c

DEPARTMENT OF RECREATION
AND PARKS

BOARD OF COMMISSIONERS

SYLVIA PATSAOURAS
PRESIDENT

LYNN ALVAREZ
VICE PRESIDENT

NICOLE CHASE
PILAR DIAZ
JOSEPH HALPER

IRIS L. DAVIS
BOARD SECRETARY (213) 202-2640

CITY OF LOS ANGELES
CALIFORNIA



ERIC GARCETTI
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MICHAEL A. SHULL
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ANTHONY-PAUL (AP) DIAZ, ESQ.
EXECUTIVE OFFICER &
CHIEF OF STAFF

VICKI ISRAEL
ASSISTANT GENERAL MANAGER

SOPHIA PIÑA-CORTEZ
ASSISTANT GENERAL MANAGER

CATHIE SANTO DOMINGO
ACTING ASSISTANT GENERAL MANAGER

(213) 202-2633 FAX (213) 202-2614

July 3, 2019

Honorable Eric Garcetti, Mayor
City of Los Angeles
Room 303, City Hall

Attention: Ms. Heleen Ramirez

Dear Mayor Garcetti:

Attached herewith is a proposed revised Agreement between the City of Los Angeles, Department of Recreation and Parks (RAP) and The Tavern at Rancho Park, LLC (TRP) for the redevelopment, operation and maintenance of the food and beverage concession at Rancho Park Golf Course.

Also attached is Board Report No. 19-135, which was adopted by the Board of Recreation and Park Commissioners at its Regular Meeting held on July 3, 2019. After your review and recommendation, the proposed Agreement will be submitted to the Board for final action.

If you have any questions with regard to the proposed Agreement, please contact Mr. Stanley Woo, Management Analyst II, Concessions Unit, at (213) 202-5670.

Very truly yours,

BOARD OF RECREATION AND
PARK COMMISSIONERS

IRIS L. DAVIS
Commission Executive Assistant II

Attachments

cc: Stanley Woo, Management Analyst II, Concessions Unit, Finance Division (w/out attachments)



APPROVED
JUL 03 2019

BOARD OF RECREATION
AND PARK COMMISSIONERS

BOARD REPORT

NO. 19-135

DATE July 3, 2019

C.D. 5

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RANCHO PARK GOLF COURSE – APPROVE AND AUTHORIZE EXECUTION OF REVISED NEGOTIATED AGREEMENT FOR THE REDEVELOPMENT, OPERATION AND MAINTENANCE OF THE FOOD AND BEVERAGE CONCESSION AT RANCHO PARK GOLF COURSE – CATEGORICAL EXEMPTION FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, CLASS 1(1) [INTERIOR AND EXTERIOR ALTERATIONS INVOLVING REMODELING OR MINOR CONSTRUCTION WHERE THERE BE NEGLIGIBLE OR NO EXPANSION OF USE] AND CLASS 1(14) [ISSUANCE OF LEASE TO USE EXISTING STRUCTURES INVOLVING NEGLIGIBLE OR NO EXPANSION OF USE] OF CITY CEQA GUIDELINES AND TO ARTICLE 19, SECTION 15331 OF CALIFORNIA STATE CEQA GUIDELINES [HISTORICAL RESOURCES REHABILITATION]

AP Diaz

S. Piña-Cortez

H. Fujita

C. Santo Domingo

V. Israel

*N. Williams


General Manager

Approved X
With Amendments

Disapproved

Withdrawn

RECOMMENDATIONS

The Tavern at Rancho Park, LLC

1. Approve a proposed revised Agreement (Attachment 1 – revised Agreement) negotiated between the City of Los Angeles and (TRP) for the redevelopment, operation and maintenance of the food and beverage concession at Rancho Park Golf Course (Project), subject to the approval of the Mayor, the City Council, and the City Attorney as to form;
2. Direct the Board of Recreation and Park Commissioners' (Board) Secretary to transmit the proposed Agreement to the Mayor in accordance with Executive Directive No. 3 (Villaraigosa Series), and to the City Attorney for approval as to form;
3. Find, in accordance with Charter Section 1022, that it is necessary, feasible, and economical to secure these services by contract as the Department of Recreation and Parks (RAP) lacks sufficient and necessary personnel to undertake these specialized professional services;
4. Find, pursuant to Charter Section 371(e)(10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or

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otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by RAP for the redevelopment, operation, and maintenance of the food and beverage concession at Rancho Park Golf Course;

5. Authorize the Board President and Secretary to execute the proposed Revised Agreement upon receipt of all necessary approvals;
6. Find that the proposed Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(1) and Class 1(14) of the City CEQA Guidelines and Article 19, Section 15331 of the California State CEQA Guidelines, and direct RAP staff to file a Notice of Exemption (NOE);
7. Authorize RAP's Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of Seventy-Five Dollars (\$75.00) for the purpose of filing an NOE; ~~and,~~
8. Authorize RAP staff to make technical corrections as necessary to carry out the intent of this Report; and
9. Instruct staff to include a definition of "special event" in the proposed revised agreement and authorize SUMMARY staff to make any necessary amendments to the agreement to implement that definition prior to execution

The food and beverage concession at Rancho Park Golf Course (Concession) includes the Rancho Park Golf Restaurant (Restaurant) located at 10460 W. Pico Blvd., Los Angeles, CA 90064, which continues to be operated under the terms of an expired interim concession agreement between the City of Los Angeles and Rancho Golf Restaurant, Inc., which began February 1, 2010.

On September 5, 2018, the Board approved the selection of proposer TRP as the highest ranked and best qualified proposer from RAP's Request for Proposal (RFP) for the food and beverage concession at Rancho Park Golf Course Concession and authorized RAP staff to negotiate the terms and conditions of the concession agreement with TRP for a period of ten years with one five-year extension option exercisable at the sole discretion of RAP's General Manager.

On March 6, 2019, the Board approved and authorized execution of the Agreement between the City of Los Angeles and TRP for the redevelopment, operation and maintenance of the food and beverage concession at Rancho Park Golf Course (Report No. 19-048).

Following the approval of the Agreement by the Board, prior to consideration by City Council Committee, RAP staff attended a Westside Neighborhood Council (WNC) meeting at which members of the local community expressed various concerns with some of the proposed improvements and enhancements associated with the Agreement. Topics of concerns raised by the community included, but were not limited to: the concept of proposed movie nights on the driving range; parking and traffic impacts; hours of operation; the proposed microbrewery

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feature and the possible off-site sale of beer, potential impacts of special events, and noise concerns.

Following discussions with the Office of Councilmember Paul Koretz (CD 5), leadership of the WNC, and various members of the local community, a letter was sent from the General Manager of RAP to the WNC on May 29, 2019 (Attachment 2), which provided clarifications and outlined proposed solutions to address the concerns voiced by the community.

Following the distribution of the General Manager's May 29th, 2019 letter, RAP received additional feedback from community members requesting that certain mitigation measures be implemented to address sound, parking and traffic management, and communication.

On June 19th, 2019 the Board considered a revised Agreement with new language providing RAP with the ability to implement mitigation measures consistent with the aforementioned community feedback (Board Report 19-127). At the June 19th, 2019 meeting the Board took action to rescind recommendations 1 through 7 of Board Report 19-048 dated March 6, 2019 and voted to continue consideration of the proposed revised Agreement to allow for additional discussion at the next Commission Task Force on Concessions meeting.

Subsequently, RAP staff has incorporated additional revisions to the revised Agreement for Board consideration, consistent with the feedback received at the June 19th, 2019 Board meeting.

REVISED CONCESSION AGREEMENT

The revised Agreement contains language intended to address the primary concerns raised by the WNC and members of the local community. Most notably, it includes the following modifications:

- Movie nights on the driving range, which was proposed as a conceptual community benefit idea, shall not be permitted by RAP unless requested and supported by the local community;
- Any beer produced by the proposed micro-brewery system will be limited exclusively for on-site beer consumption and no off-site sales of beer will be permitted;
- RAP reserves the right to utilize, free of charge, the banquet hall for RAP sponsored activities and shall have discretion over the number of special events.
- TRP shall take reasonable steps to mitigate noise and provide noise mitigation plans to RAP within 10 business days of any noise complaints received. In addition, TRP agrees to work in good faith with RAP to implement measures to mitigate noise impacts to the neighboring residential community.

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- TRP shall coordinate with RAP to implement valet parking when a planned special event or other peak activity is anticipated to affect capacity of the parking lot, at the discretion of RAP. Should valet service be utilized, TRP shall prohibit the valet service from parking cars on nearby residential streets.
- In an effort to mitigate noise impacts to the neighboring residential community, TRP shall employ construction methods and materials that minimize noise, as part of the redevelopment of the facility.
- RAP reserves the right to limit the number of outdoor seats in all patio areas in order to mitigate noise or impacts to the recreational use of the facility and the neighboring residential community.
- The hours of operation for the restaurant and banquet hall / special event space will generally run consistent with the golf course and driving range hours of operation, and may not continue beyond 10:00pm.

The proposed revisions above are marked in the attached revised Agreement in red for ease of reference. In addition to these revisions, the revised Agreement includes one additional revision from that form previously presented to the Board at its meeting on June 19, 2019, shown in blue font for ease in the revised agreement, which limits the number of annual events to be held in the banquet hall to no more than 30 special events involving over 100 guests per event, not including RAP-sponsored activities.

All other pertinent terms and conditions of the Agreement as detailed in the previous Board Report No. 19-048 remain unchanged. It should be noted that the revised Agreement requires RAP approval of all design and construction plans and drawings prior to commencement of all work regarding capital improvements and renovations. This pre-approval process will allow RAP staff to continue to work in good faith with golfers, community members and other stakeholders to address feedback and concerns related to the proposed capital improvements.

In addition, Attachment 3 provides a proposed site layout that has been revised to include the re-orientation of the Golf Shop and the Starter's Office, and a scaled-back furniture plan for the banquet hall area and patio seating. This proposed site layout will be subject to further modification as may be approved by RAP as part of the design process.

ENVIRONMENTAL IMPACT

The proposed Project consists of a concession agreement to use an existing park structure and of associated capital improvements that would modify an existing structure involving negligible expansion of use. Such capital improvements would maintain and rehabilitate the Rancho Park Golf Restaurant (built in 1921), which has been deemed as representative of Public & Private Institutional Development, 1850-1980 in the West Los Angeles Community Planning Area by Survey LA. Modifications to the building that could alter its historic significance will be conducted in a manner consistent with the Secretary of the Interior's Standards for the

BOARD REPORT

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Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings. Therefore, RAP staff recommends the Board determine the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(1) and Class 1(14) of the City CEQA Guidelines and to Article 19, Section 15331 of the California State CEQA Guidelines. An NOE will be filed with Los Angeles County Clerk upon approval.

FISCAL IMPACT STATEMENT

TRP's proposed compensation combined with the built-in escalation defined in the proposed Agreement guarantees revenue to RAP of at least One Million, Forty-Six Thousand, Three Hundred Eighty-Eight Dollars (\$1,046,388) during the first ten-year term.

In addition, an amount of \$4,285,184 will be invested in the facility as part of the capital improvement plan.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP's Strategic Plan by supporting:

Goal No. 6: Build Financial Strength & Innovative Partnerships

Outcome No. 2: Improved management of Department rental facilities and concessions enhance the quality of services offered to the public

This Report was prepared by Rachel Ramos, Concessions Manager, Finance Branch, and Matthew Rudnick, Chief Management Analyst, Finance Branch.

LIST OF ATTACHMENTS

- 1) Revised Concession Agreement
- 2) Letter from RAP to WNC
- 3) Proposed Site Layout

REVISED AGREEMENT
FOR THE REDEVELOPMENT, OPERATION AND MAINTENANCE OF
RANCHO PARK GOLF COURSE
FOOD AND BEVERAGE CONCESSION

BETWEEN

THE CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS

AND

THE TAVERN AT RANCHO PARK, LLC

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**AGREEMENT FOR REDEVELOPMENT, OPERATION AND MAINTENANCE OF THE
RANCHO PARK GOLF COURSE
FOOD & BEVERAGE CONCESSION**

THIS Agreement (hereinafter "AGREEMENT") is made and entered into this _____ day of _____, 2019, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Department of Recreation and Parks (hereinafter referred to as "CITY"), and The Tavern at Rancho Park, LLC (hereinafter referred to as "CONCESSIONAIRE").

WHEREAS, the Department of Recreation and Parks (hereinafter referred to as "RAP") seeks to serve the public by providing food and beverage services including the sale of alcoholic beverages at Rancho Park Golf Course Restaurant (hereinafter "CONCESSION"); and

WHEREAS, RAP seeks to improve the quality and condition of the CONCESSION as an amenity for golfers and the local community; and

WHEREAS, the CITY finds, in accordance with Charter Section 1022, that it is necessary, feasible and economical to secure these services by contract as it lacks available personnel in its employ with sufficient expertise to undertake these specialized services; and

WHEREAS, the CITY finds, pursuant to Charter Section 371(e)(10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by RAP for the redevelopment, operation and maintenance of this CONCESSION; and

WHEREAS, RAP found it is necessary to utilize a standard request for proposal process and to evaluate proposals received based upon the criteria included in a Request for Proposal (RFP); and

WHEREAS, RAP advertised for proposals for the redevelopment, operation and maintenance of the CONCESSION, to include providing food, beverage and related services to the public; and

WHEREAS, RAP received and evaluated two proposals which were received on April 11, 2018; and

WHEREAS, The Tavern at Rancho Park, LLC was scored as the highest-ranked proposer, and selected to provide food, beverage and related services at the CONCESSION in accordance with the terms and conditions of this AGREEMENT; and

WHEREAS, CONCESSIONAIRE desires to enter into such AGREEMENT to provide services of the type and character required therein by CITY to meet the needs of the public at Rancho Park Golf Course Restaurant.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter to be kept and performed by the respective parties, it is agreed as follows:

SECTION 1. DEFINITIONS

For the purpose of this AGREEMENT, the following words and phrases are defined and shall be construed as hereinafter set forth:

| | |
|----------------------|--|
| AGREEMENT: | This Concession Agreement consisting of thirty-four (34) pages and fourteen (14) exhibits (A-N) attached hereto. |
| BOARD: | Board of Recreation and Park Commissioners |
| CITY: | City of Los Angeles, Acting by and through its Department of Recreation and Parks. |
| CONCESSION: | Rancho Park Golf Course Food and Beverage Concession |
| CONCESSIONAIRE: | The Tavern at Rancho Park, LLC |
| FACILITY: | Rancho Park Golf Course |
| GENERAL MANAGER: | General Manager of RAP, or that person's authorized representative, acting on behalf of the CITY. All actions of the General Manager are subject to review by the BOARD. |
| LAAC: | Los Angeles Administrative Code |
| LAMC: | Los Angeles Municipal Code |
| PREMISES: | The geographical area, as defined in Section 3 of this AGREEMENT, in which the Concession may be operated. |
| RAP: | Department of Recreation and Parks |
| SPECIAL EVENT: | A prearranged gathering, scheduled through the CONCESSIONAIRE's designated Special Events manager, involving the exclusive use of any or all portions of the Banquet Hall area of the PREMISES by the event participants (as identified in Exhibit B). |
| STANDARD PROVISIONS: | Standard Provisions for City Contracts (Rev. 10/17 V.3), attached hereto as "Exhibit A" and incorporated herein. |

SECTION 2. PERMISSION GRANTED

For and in consideration of the payment of the fees and charges as hereinafter provided, and subject to all of the terms, covenants, and conditions of this AGREEMENT, RAP hereby grants to CONCESSIONAIRE, the exclusive right and obligation within the CONCESSION to sell food and beverages and offer related services as approved by the GENERAL MANAGER. Value-priced meals; pre-prepared and packaged items; and beverages for quick take-away service will also be available. Designated space authorized for use and activities by the CONCESSIONAIRE is identified in Exhibit B, and shall not be used for any other purpose without the prior written consent of GENERAL MANAGER.

The CONCESSION rights herein granted shall be carried on at the FACILITY solely within the limits and confines of said areas designated as PREMISES (Section 3) in this AGREEMENT. CONCESSIONAIRE, by accepting the AGREEMENT, agrees for itself, and its successors and assigns, that it shall not make use of the PREMISES in any manner which might interfere with the recreational uses of the FACILITY. Activities involving the screening of movies on the driving range of the FACILITY, which is not included as part of the PREMISES, is not and shall not be permitted unless requested by the community and authorized by the GENERAL MANAGER or designee at his/her sole discretion.

While CONCESSIONAIRE is granted the exclusive right to sell food and beverages to the general public at the CONCESSION PREMISES (which shall include any kiosks, vending machines or other mobile/temporary solutions for providing food and beverage services as permitted hereunder), this exclusive right does not prohibit private parties from preparing or bringing their own food and drinks to the golf course. In addition, CONCESSIONAIRE is prohibited from producing, manufacturing or brewing in any manner on the PREMISES any alcoholic beverages or non-alcoholic beers or spirits which will not be consumed in total on the FACILITY, and CONCESSIONAIRE shall not distribute or sell any such beverages for consumption off of the FACILITY.

CONCESSIONAIRE is granted the exclusive right to operate and manage the banquet hall space to be developed as described in Section 6 of this Agreement. RAP reserves the right to utilize, free of charge, the banquet hall for RAP-sponsored activities such as golf tournaments and meetings in coordination with CONCESSIONAIRE. No more than 30 special events involving over 100 guests per event, not including RAP-sponsored activities, shall be held in the banquet hall on an annual basis. RAP shall have discretion over the number of special events and any other events for which the banquet hall is rented.

In the event of a conflict between CONCESSIONAIRE and any other concessionaire or any lessee at the FACILITY regarding the services to be offered or products to be sold by respective concessionaires or lessees, RAP shall meet and confer with all necessary parties to determine the services to be offered or products to be sold by each, and CONCESSIONAIRE hereunder agrees thereafter to be bound by said determination.

Subject to the provisions set forth in Section 5.T. of this Agreement, RAP reserves the right to further develop or improve the PREMISES as it sees fit without interference or hindrance.

SECTION 3. PREMISES

The PREMISES (Exhibit B) subject to this AGREEMENT are located at: 10460 W. Pico Blvd., Los Angeles, CA 90064. The PREMISES shall include the restaurant, halfway house, and all, if any, portions of the golf course that the GENERAL MANAGER, by express written consent, approves for offering food and beverage service, and mobile solutions. The location of the PREMISES is as set forth in Exhibit B, attached hereto and incorporated herein. Any discrepancy in the definition or boundaries of PREMISES shall be resolved solely by RAP. City shall deliver PREMISES to Concessionaire in "as is" condition.

CONCESSIONAIRE shall not use or allow the PREMISES to be used, in whole or in part, during the term of the AGREEMENT, for any use in violation of any present or future laws, ordinances, rules, and regulations at any time applicable thereto of any public or governmental authority or agencies, departments or officers thereof, including CITY, relating to sanitation or the public health, safety or welfare or operations at and use of the PREMISES.

SECTION 4. TERM OF AGREEMENT

The term of the AGREEMENT shall be ten years (the "Initial Term") with one five-year extension option (the "Extension Option") exercisable at the sole discretion of RAP's General Manager. The Initial Term shall be effective on the last date of execution of this AGREEMENT ("Commencement Date"). RAP's General Manager shall exercise the Extension Option by providing written notice ("Option Notice") to CONCESSIONAIRE no later than 12 months prior to the expiration of the Initial Term of this AGREEMENT notifying CONCESSIONAIRE of RAP's intent to exercise such option. The option term shall be upon the same terms, covenants and conditions contained in this AGREEMENT, except with respect to the calculation of the monthly rent and MAG (as such term is defined in Section 8) as further specified in Section 8 below, and the construction of the initial capital improvements set forth in Section 6 below. In the event that RAP and CONCESSIONAIRE are unable to agree in good faith on the calculation of the monthly rent and MAG within 120 days after the date of the Option Notice, then CONCESSIONAIRE shall not be bound by RAP's exercise of the Extension Option and RAP's exercise of the Extension Option shall be null and void. This AGREEMENT shall, thereafter, terminate upon the expiration or other earlier termination of the Initial Term in accordance with this AGREEMENT, and the parties shall have no further obligation or liability under this AGREEMENT. Neither CITY, nor any BOARD member, officer, or employee thereof shall be liable in any manner to CONCESSIONAIRE because of any action taken by RAP to decline to exercise an option to extend the term of this AGREEMENT.

SECTION 5. OPERATING RESPONSIBILITIES

CONCESSIONAIRE shall, at all times during the term of the AGREEMENT, comply with the following conditions:

A. Cleanliness

CONCESSIONAIRE shall, at its own expense, keep the PREMISES and the surrounding area at least twenty-five (25) feet clean and sanitary at all times. No offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable, or unlawful fire hazard, nor any material detrimental to the public health, shall be permitted to remain thereon, and CONCESSIONAIRE shall prevent any such matter or material from being or

accumulating upon said PREMISES.

CONCESSIONAIRE, at its own expense, shall see that all garbage or refuse is collected as often as necessary and in no case less than once a day and disposed of in the main dumpster. CONCESSIONAIRE shall furnish all equipment and materials necessary therefore, including trash receptacles of a size, type, and number approved by RAP. If no trash storage area is made available, CONCESSIONAIRE shall provide at its own expense and with RAP's prior written approval, an enclosed area concealing the trash storage from public view. RAP will incur the cost of all garbage pick-up from the main dumpster during the term of this AGREEMENT.

CONCESSIONAIRE shall be responsible for the abatement of any graffiti in the interior of the Premises.

B. Conduct

CONCESSIONAIRE and its representatives, agents, servants, and employees shall at all times conduct its business in a quiet and orderly manner to the reasonable satisfaction of RAP.

C. Disorderly Persons

CONCESSIONAIRE shall use its best efforts to permit no intoxicated person or persons, profane or indecent language, or boisterous or loud conduct in or about the PREMISES and will call upon peace officers to assist in maintaining peaceful conditions. CONCESSIONAIRE shall not knowingly allow the use or possession of illegal drugs, narcotics, or controlled substances on the PREMISES.

D. Non-Discrimination/Equal Employment Opportunity Practices/Affirmative Action

1. CONCESSIONAIRE, in its CONCESSION operations at the FACILITY, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, national origin, religion, ancestry, sex, age, physical disability, or sexual orientation shall be excluded from participation, denied the benefits of or be otherwise subjected to unjust discrimination in access to or in the use of the facilities covered by the AGREEMENT; (2) that in the construction of any improvements on, over or under the PREMISES authorized to be utilized herein and the furnishing of services thereon, no person on the grounds of race, color, national origin, religion, ancestry, sex, age, physical disability, or sexual orientation shall be excluded from participation in, denied the benefits of or otherwise be subjected to unjust discrimination.
2. CONCESSIONAIRE agrees that in the event of breach (as may be reasonably determined by the City) of any of the above nondiscrimination covenants, with proper notification as per Section 21, CITY shall have the right to terminate the AGREEMENT and to reenter and repossess said land and the facilities thereon and hold the same as if said AGREEMENT had never been executed.
3. In addition, CONCESSIONAIRE, during the term of the AGREEMENT, agrees not to unjustly discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, color, religion, national origin, ancestry, sex, age, physical disability, or sexual orientation. All subcontracts entered into by CONCESSIONAIRE shall be approved in advance by

CITY and shall contain a like provision.

E. Personnel

1. Freedom from Tuberculosis

For employees preparing food, and others as required by statute (reference Section 5163 of the California Public Resources Code) or directive of RAP, CONCESSIONAIRE shall provide the General Manager or its designated staff with certificates on applicable employees indicating freedom from communicable tuberculosis.

2. Qualified Personnel

CONCESSIONAIRE will, in the operation of the CONCESSION, employ or permit the employment of only such personnel as will assure a high standard of service to the public and cooperation with RAP. All such personnel, while on or about the PREMISES, shall be neat in appearance and courteous at all times and shall be appropriately attired, with badges or other suitable means of identification. No person employed by CONCESSIONAIRE, while on or about the PREMISES, shall be under the influence of illegal drugs, narcotics, other controlled substances or alcohol, or use inappropriate language, or engage in otherwise inappropriate conduct for a work environment. In the event an employee is not satisfactory pursuant to the terms of this Section, RAP may direct CONCESSIONAIRE to remove that person from the PREMISES.

3. Concession Manager

CONCESSIONAIRE shall appoint, subject to written approval by RAP, which approval shall not be unreasonably withheld or delayed, a Concession Manager of CONCESSIONAIRE'S operations at the FACILITY.

Such person must be a qualified and experienced manager or supervisor of operations, vested with full power and authority to accept service of all notices provided for herein and regarding operation of the CONCESSION, including the quality and prices of goods and services, and the appearance, conduct, and demeanor of CONCESSIONAIRE'S agents, servants, and employees. The Concession Manager shall be available during regular business hours and, at all times during that person's absence, a responsible subordinate shall be in charge and available.

The Concession Manager shall devote the greater part of his or her working time and attention to the operation of the CONCESSION and shall promote, increase and develop the CONCESSION. During the days and hours established for the operation of the CONCESSION, the Concession Manager's personal attention shall not be directed toward the operation of any other business activity.

If, for reasons of ill health, incapacitation, or death, the Concession Manager becomes incapable of performing each and all terms and provisions of the AGREEMENT, CONCESSIONAIRE must immediately assign a new Concession Manager, subject to RAP approval. If a new manager is not assigned within five (5) business days, RAP may, in its sole discretion, suspend the AGREEMENT and all terms and conditions contained therein.

4. Approval of Employees, Volunteers and Subcontractors

RAP shall have the right to approve or disapprove all employees, volunteers and subcontractors (including all employees and volunteers for any subcontractor) of CONCESSIONAIRE, such approval not to be unreasonably withheld or delayed. Failure of CONCESSIONAIRE to obtain RAP's written approval of all persons operating under the authority of this AGREEMENT on PREMISES shall be a material breach of this AGREEMENT. CONCESSIONAIRE shall submit a list of all persons employed by, or volunteering or subcontracting for, CONCESSIONAIRE at PREMISES to RAP prior to commencing operations pursuant to this AGREEMENT. All changes to the approved list of employees, volunteers and subcontractors shall be submitted to RAP for written approval prior to any employee, volunteer or subcontractor commencing work at the PREMISES. CONCESSIONAIRE shall not hire as an employee or volunteer, or subcontract with, any person whom RAP would be prohibited from hiring as an employee or volunteer pursuant to California Public Resources Code Section 5164 to perform work at PREMISES. CONCESSIONAIRE must have each employee, volunteer or subcontractor (including all employees or volunteers of any subcontractor) who is located on site, fingerprinted and each shall be required to fill out a form requesting the information required by Section 5164. RAP reserves the right to conduct a Department of Justice criminal background check on any such person prior to approving their employment, volunteer service or subcontract. Failure to comply with this hiring standard shall be a material breach of this AGREEMENT and CONCESSIONAIRE shall immediately remove any employee, volunteer or subcontractor from the PREMISES at RAP's instruction. In the event any employees, volunteers and/or subcontractors (including all employees and volunteers for any subcontractor) has engaged in any serious act of misconduct, including (but not limited to) an act of dishonesty, theft or misappropriation of City property, moral turpitude, insubordination, or any act injuring, abusing, or endangering others, CONCESSIONAIRE shall immediately remove such employee, volunteers and/or subcontractors from the PREMISES at RAP's instruction. In the event any principal or owner of CONCESSIONAIRE has engaged in any serious act of misconduct, including (but not limited to) an act of dishonesty, theft or misappropriation of City property, moral turpitude, insubordination, or any act injuring, abusing, or endangering others, such actions shall not be deemed a material breach of this AGREEMENT by the CONCESSIONAIRE until CONCESSIONAIRE has first received written notice from RAP of the alleged serious act of misconduct perpetrated by such principal or owner and CONCESSIONAIRE has thereafter had an opportunity to remove such principal or owner from the entity constituting CONCESSIONAIRE pursuant to CONCESSIONAIRE'S procedures for removal of a member in accordance with its organizational documents along with removal of such principal or owner from the Premises, if applicable. In the event CONCESSIONAIRE has not removed the principal or owner within thirty (30) calendar days after receiving the written notice described above, CITY shall have the right to terminate this AGREEMENT pursuant to such breach.

F. Menu and Pricing

1. RAP agrees that CONCESSIONAIRE'S menu items, including its price for same, shall be within CONCESSIONAIRE'S discretion; subject, however, to disapproval by RAP if the selection of items offered is inadequate, of inferior quality, or if any of said prices are excessively high or low in the reasonable opinion of RAP. Such

determination shall not be unreasonable and shall take into account the business considerations presented by CONCESSIONAIRE. All prices shall be comparable to prices charged in similar establishments in the City. CONCESSIONAIRE shall, upon execution of this AGREEMENT, provide RAP with a list of prices for all menu items. This list shall be updated and resubmitted to RAP whenever prices are changed.

2. All menu items and service, offered for sale and/or sold by CONCESSIONAIRE in said PREMISES must be related to the ordinary business of the CONCESSION.
3. CONCESSIONAIRE shall offer for sale to the public a full range of freshly prepared food items, pre-prepared and packaged items and beverages as described in CONCESSIONAIRE's Proposal (Exhibit C to this Agreement).
4. CONCESSIONAIRE shall offer for sale to the public a variety of healthy choice options for food and beverages. This includes the availability of fresh fruits and fresh vegetables, bottled water, 100% juice, beverages that contain at least 50% fruit juice with no added sweeteners, and providing healthy snacks as defined by the California Education Code (Part 27, Chapter 9, Article 2.5, Section 49431(a), Subsections 2 and 3). CONCESSIONAIRE expressly agrees to comply with all CITY and RAP food programs.
5. CONCESSIONAIRE shall not use artificial trans-fat (e.g., industrially created partial hydrogenation plant oils) in the preparation of food products. All prepared food items are to be free of artificial trans-fat. CONCESSIONAIRE shall attempt to use only artificial trans-fat free prepackaged food items.
6. CONCESSIONAIRE shall offer a value-priced express menu for golfers, which includes at least two meal choices for breakfast and lunch with priority for speed of service.
7. CONCESSIONAIRE shall offer pre-set bulk menus with prices for golf tournaments.
8. CONCESSIONAIRE will implement the proposed plan based on the Good Food Purchasing Program from the Los Angeles Food Policy Council as approved by RAP and shall comply with the terms of the Good Food Purchasing Program (Exhibit D). All food/beverage subcontractors selected by CONCESSIONAIRE shall be subject to the approval of GENERAL MANAGER.
9. All menu items sold or kept for sale by CONCESSIONAIRE shall be of first class high quality and acceptable to all industry standards and conform to all federal, state, and municipal laws, ordinances, and regulations in every respect. No imitation, adulterated, misbranded, or impure articles shall be sold or kept for sale by CONCESSIONAIRE and all edible merchandise kept on hand shall be stored and with due regard for sanitation.

In addition, no substitutes, fillers, dilutants, nor reduction in size of standard manufactured or processed food products will be permitted. All menu items kept for sale by CONCESSIONAIRE shall be subject to the approval or rejection of GENERAL MANAGER, and CONCESSIONAIRE shall remove from the PREMISES any article, which may be rejected and shall not offer it for sale without the consent of GENERAL MANAGER. GENERAL MANAGER may order the improvement of the quality of any merchandise kept or offered for sale.

10. CONCESSIONAIRE shall minimize the paper items (straw wrappers, serving cartons, etc.) distributed with take-out CONCESSION products. CONCESSIONAIRE shall be prohibited from selling merchandise in non-recyclable bottles, and shall not dispense take-out food or beverage items in glass or Expanded Polystyrene (EPS) / Styrofoam containers. CONCESSIONAIRE shall not sell or give away or otherwise dispose of any commodity which, in the opinion of GENERAL MANAGER, will cause undue litter or, in the reasonable opinion of GENERAL MANAGER, negatively impact the environment. CONCESSIONAIRE expressly agrees to comply with all RAP and CITY recycling programs.
11. CONCESSIONAIRE shall not sell lottery tickets or similar type merchandise.
12. The parties hereto acknowledge that during construction of the Redevelopment Project (with the exception of the Banquet Hall) CONCESSIONAIRE shall provide food and beverage service only from the Airstream food truck, and shall not be required to offer pre-set bulk menus with prices for golf tournaments. In the event that CONCESSIONAIRE declines to provide pre-set bulk food and beverage service, RAP shall have the right to utilize another food service provider.

G. Diversion of Business

CONCESSIONAIRE shall not divert, cause, allow, or permit to be diverted any business from the PREMISES and shall take all reasonable measures, in every proper manner, to develop, maintain, and increase the business conducted by it under this AGREEMENT.

H. Equipment, Furnishings, and Expendables

All equipment, furnishings, and expendables required for said CONCESSION shall be purchased and installed by CONCESSIONAIRE at its sole expense and shall remain its personal property, except for equipment detailed in Section 6 and Exhibit G.

As a courtesy, CITY shall at no cost to CONCESSIONAIRE, provide certain equipment (which shall remain the property of CITY) as specified in the City-Owned Equipment List (Exhibit E). The CITY reserves the right to remove or salvage any and all items of City-Owned Equipment. CITY shall not be responsible for the replacement or repair of said items. No equipment provided by CITY shall be removed or replaced by CONCESSIONAIRE without the prior written consent of RAP.

Upon termination of the AGREEMENT, CONCESSIONAIRE shall have the right to remove its own personal property, but not improvements or RAP property, from the PREMISES and shall be allowed a period of seven (7) calendar days to complete such removal. If not removed within that period, said personal property shall become the property of RAP.

I. Maintenance of Equipment

CONCESSIONAIRE shall, at all times and at its expense, keep and maintain all equipment, whether owned and/or installed by CONCESSIONAIRE or RAP, such as, but not limited to, heat exchangers, fans, controls and electric panels, installed by RAP, together with all of the fixtures, plate and mirror glass, appliances, countertops and kitchen cabinetry, indoor and outdoor furniture and personal property therein, in good repair and in a clean, sanitary, and orderly condition and appearance. RAP will be responsible for utility lines and repairs, including telephone lines, exterior to the PREMISES.

All maintenance, repairs and replacement of all equipment shall be performed at the sole expense of CONCESSIONAIRE. CONCESSIONAIRE may elect to not use RAP-owned equipment, with prior written consent of RAP.

J. Claims for Labor and Materials

The CONCESSIONAIRE shall promptly pay when due all amounts payable for labor and materials furnished in the performance of the AGREEMENT so as to prevent any lien or other claim under any provision of law from arising against RAP property (including reports, documents, and other tangible matter produced by CONCESSIONAIRE hereunder), against CONCESSIONAIRE's rights hereunder, or against RAP, and shall pay all amounts due under the California Unemployment Insurance Code with respect to such labor.

K. Signs and Advertisements

CONCESSIONAIRE shall not erect, construct, or place any signs, banners, ads, or displays of any kind whatsoever upon any portion of RAP property without the prior written approval from RAP, who may require the removal or refurbishment of any sign previously approved. Certain signs and advertisements may also require the prior written approval of other appropriate agencies.

CONCESSIONAIRE shall place a public notice that CONCESSIONAIRE operates the CONCESSION. The address and phone number of CONCESSIONAIRE will be shown along with the notation that all complaints should be referred directly to CONCESSIONAIRE.

At FACILITY, CONCESSIONAIRE shall provide the following credit, or as proportions of signage allow, similar credit as approved by RAP in writing:

"In Collaboration with the City of Los Angeles Department of Recreation and Parks."

Upon expiration or termination of this AGREEMENT, CONCESSIONAIRE shall, at its own expense, remove or paint out, as RAP may direct, any and all of its signs and displays on the PREMISES and in connection therewith, and shall restore said PREMISES and improvements thereto to substantially the same condition as prior to the placement of any such signs or displays.

RAP may, at its discretion, install umbrellas or canopy shade structures bearing the City's or RAP logo. Said umbrellas or canopy shade structures shall be provided by RAP at no cost to CONCESSIONAIRE. RAP-issued umbrellas and/or canopy shade structures shall remain City property and shall be returned to RAP upon the expiration or earlier termination of this CONCESSION.

L. Utilities

CONCESSIONAIRE shall be responsible for utility charges associated with the CONCESSION. Charges may include, but are not limited to, deposits, installation costs, meter deposits, and all service charges for gas, electricity, heat, air-conditioning, and other utility services to PREMISES, excluding water, and shall be paid by CONCESSIONAIRE regardless of whether such utility services are furnished by CITY or by other utility service providers. CONCESSIONAIRE will pay directly for gas, electrical, telephone and internet/Wi-Fi services, which will be in the name of CONCESSIONAIRE. CONCESSIONAIRE must install electrical sub-meters if necessary.

CONCESSIONAIRE hereby expressly waives all claims for compensation, or for any

diminution or abatement of the rental payment provided for herein, for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of the water, heating, or air conditioning systems, electrical apparatus, or wires furnished to the PREMISES which may occur from time to time and from any cause or from any loss resulting from water, earthquake, wind, civil commotion, or riot; and CONCESSIONAIRE hereby expressly releases and discharges CITY and its officers, employees, and agents from any and all demands, claims, actions, and causes of action arising from any of the aforesaid causes.

In all instances where damage to any utility service line is caused by CONCESSIONAIRE, its employees, contractors, sub-contractors, suppliers, agents, or invitees, CONCESSIONAIRE shall be responsible for the cost of repairs and any and all damages occasioned thereby.

The City will incur the cost of water during the term of this Agreement without reimbursement from CONCESSIONAIRE. Water and electricity shall be utilized by CONCESSIONAIRE in the most efficient manner possible, and CONCESSIONAIRE expressly agrees to comply with all CITY water conservation programs. At the discretion of the General Manager, RAP may require CONCESSIONAIRE to establish recyclables collection and/or implement additional waste diversion strategies within the PREMISES.

CONCESSIONAIRE shall reimburse RAP if any utility charges are paid by RAP, excluding water.

M. Vending Machines and Food Carts

CONCESSIONAIRE shall not install, or allow to be installed, any vending machines, electronic games, or other coin-operated machines without prior written approval of RAP. RAP shall have the right to order the immediate removal of any unauthorized machines.

RAP may consider request from CONCESSIONAIRE to install vending machines; and/or may order the installation of vending machines to increase service at the FACILITY at RAP's sole discretion. If installed, gross receipts from vending machine service are subject to Section 8 "Minimum Annual Guarantee and Monthly Rental Payment" terms and conditions.

For the avoidance of doubt, CONCESSIONAIRE may provide a mobile food cart for food and beverage service with items stocked in the mobile food cart and delivery service of food and beverages from the main restaurant. The CONCESSIONAIRE shall be responsible for the storage and maintenance of the mobile food cart, including the cost for all operations and approvals, permitting, and licensing.

N. Safety

CONCESSIONAIRE shall correct safety deficiencies, and violations of safety practices on the Premises, immediately after the condition becomes known or RAP notifies CONCESSIONAIRE of said condition. CONCESSIONAIRE shall cooperate fully with RAP in the investigation of accidents occurring on the PREMISES. In the event of injury to a patron or customer, CONCESSIONAIRE shall reasonably ensure that the injured person receives prompt and qualified medical attention, and as soon as possible thereafter, CONCESSIONAIRE shall submit a CITY Form General No. 87 "Non-Employee Accident or Illness Report" (Exhibit F) - (see SECTION 21, "NOTICES," for mailing address). If CONCESSIONAIRE fails to correct hazardous conditions specified by RAP in a written notice, which have led, or in the opinion of RAP could lead, to injury, RAP may, in addition to all other remedies which may be available to RAP and upon prior notice to

CONCESSIONAIRE, repair, replace, rebuild, redecorate, or paint any such PREMISES to correct the specified hazardous conditions, with the cost thereof, plus fifteen percent (15%) for administrative overhead, to be paid by CONCESSIONAIRE to RAP on demand.

O. **Environmental Sensitivity**

CONCESSIONAIRE must operate the CONCESSION in an environmentally sensitive manner and all operations must comply with RAP policies regarding protection of the environment. CONCESSIONAIRE shall not use or allow the use on the PREMISES of environmentally unsafe products.

P. **Fund Raising Activities**

CONCESSIONAIRE is expected to cooperate with RAP personnel on all matters relative to fund-raising and/or special events at the discretion of RAP.

Q. **Community Outreach**

CONCESSIONAIRE shall coordinate and cooperate with RAP to develop strategies to outreach to all members of the community, particularly those living in low-to-moderate income areas, fixed-income households, youth, the disabled, etc., to provide its services to these members of the community who may not otherwise have the opportunity to partake in the services provided by CONCESSIONAIRE.

R. **Amplified Sound & Noise**

No amplified sound is permitted by CONCESSIONAIRE, without prior approval from RAP. If RAP or CONCESSIONAIRE receive any noise complaints associated with any activity on the PREMISES, CONCESSIONAIRE shall take reasonable steps to mitigate such noise and provide mitigation plans to RAP within 10 business days of the initial noise complaint. CONCESSIONAIRE further agrees to work in good faith with RAP to implement measures to mitigate noise impacts to the neighboring residential community. In particular, noise from outdoor patio areas shall be minimized.

S. **Security**

CONCESSIONAIRE shall be responsible for security of the interior PREMISES. CONCESSIONAIRE may install equipment, approved by RAP, which will assist in protecting the PREMISES from theft, burglary, or vandalism. Any such equipment must be purchased, installed, and maintained by CONCESSIONAIRE.

T. **Quiet Enjoyment**

CITY agrees that CONCESSIONAIRE, upon payment of the fees and charges specified herein, and all other charges and payments to be paid by CONCESSIONAIRE under the terms of this AGREEMENT, and upon observing and keeping the required terms, conditions and covenants of this AGREEMENT, shall lawfully and quietly hold, use and enjoy the PREMISES during the term of this AGREEMENT. In the case of disputes, during the life of the AGREEMENT, over any conditions which may impede upon CONCESSIONAIRE's quiet enjoyment of the PREMISES, RAP shall have final determination, which shall be reasonable, of any solution to such dispute; RAP's final reasonable determination shall be binding upon all parties in such dispute.

U. **Receipts**

1. CONCESSIONAIRE shall offer receipts to customers for every transaction.
2. CONCESSIONAIRE shall at all times place a sign within twelve (12) inches of any cash register, in clear view to the public, and in minimum one-inch lettering, which states: "If

a receipt is not provided for this transaction, please contact the Department of Recreation and Parks - Concessions Unit (213) 202-3280."

V. Parking & Traffic Mitigation

1. CONCESSIONAIRE shall coordinate with RAP to implement valet parking when a planned special event or other peak activity is anticipated to affect the capacity of the parking lot, at the discretion of RAP.
2. If valet service is utilized, CONCESSIONAIRE shall prohibit the valet service operator from placing the valet parking kiosk and from parking cars on neighboring residential streets.
3. CONCESSIONAIRE shall coordinate in good faith with RAP to prioritize parking for golf patrons and mitigate parking and traffic impacts to the neighboring residential communities.

SECTION 6. CAPITAL IMPROVEMENTS, EQUIPMENT, AND ONGOING REFURBISHMENT

CONCESSIONAIRE shall spend the following amounts as listed in the (Exhibit C) Proposal – Section Forms; Capital Investment Form (RFP Exhibit L Form, completed) (the "Redevelopment Project"):

| | |
|---|-------------|
| Main Restaurant; Entry & Bathrooms/Lounge; Halfway House | \$1,961,874 |
| Furniture, Fixtures and Equipment; Airstream Food Truck; Brewing Onsite | \$ 559,956 |
| Architectural, Engineering | \$ 261,326 |
| Banquet Hall Development | \$1,502,028 |
| <hr/> | |
| Total: | \$4,285,184 |

The Four Million Two Hundred Eighty-Five Thousand, One Hundred Eighty-Four Dollars (\$4,285,184) investment must be spent on the CONCESSION Redevelopment Project or the CONCESSIONAIRE will pay the unspent difference to RAP. In the event that the proposed dollar amount listed above is not sufficient to complete the improvements as specified in its Proposal, CONCESSIONAIRE shall be responsible for any additional costs to complete the Redevelopment Project as set forth in its Proposal. Paid invoices by CONCESSIONAIRE for the Redevelopment Project shall be submitted to RAP at the completion of each improvement for the Redevelopment Project for verification.

CONCESSIONAIRE shall complete the above improvements as submitted in the Proposal, as may be further refined and approved by City, within one year from the Commencement Date as set forth in Section 4 of this Agreement, with the exception of the Banquet Hall Development which CONCESSIONAIRE shall complete within two years from the Commencement Date as set forth in Section 4 of this Agreement.

In an effort to mitigate noise impacts to the neighboring residential community, CONCESSIONAIRE shall employ construction methods and materials, particularly in the Banquet Hall Development and patio areas, to minimize noise.

In the event that CONCESSIONAIRE becomes aware that it will be unable to complete the required improvements within the one year period set forth above due to the discovery of any unforeseen

material structural issues with the building or any other circumstances beyond the control of CONCESSIONAIRE that delay the timely construction of the required improvements, CONCESSIONAIRE shall promptly notify the CITY in writing of such anticipated delay and the parties shall negotiate a reasonable extension of time beyond the one year period during which CONCESSIONAIRE shall complete the required improvements. During any such period, the MAG shall continue to be suspended, CONCESSIONAIRE shall not be deemed to be in default or breach for failure to complete the improvements, and any penalties for failure to complete the improvements shall be waived.

A. Capital Improvements

CONCESSIONAIRE shall undertake and complete the following improvements as part of the Redevelopment Project:

- For compliancy with the Americans with Disabilities Act (ADA), upgrade seating in both restaurant and bar area; cash transaction counter, and doors.
- Aesthetic upgrades through paint, flooring, furniture, and lighting fixtures.
- Remodel/reconfiguration of the main lobby and restrooms.
- Remodel of the restaurant and bar lounge with removal of the dividing wall to create a larger uniform space.
- Installation of a grease interceptor
- Installation of a back deck with trellis
- Installation of a front patio
- Remodel of the Halfway House
- Design and construction of banquet hall
- If necessary for direct billing, install an electrical sub-meter.
- Provision of Wi-Fi (up to 80% of the maximum capacity of customers will be able to access Wi-Fi simultaneously with a concurrent download speed of 3 megabits per second.)

RAP shall hold CONCESSIONAIRE responsible for guaranteeing the completion of all improvements in the Redevelopment Project, or substitutions permitted by RAP, according to approved plans, regardless of cost. RAP will approve all design and construction plans and drawings prior to commencement of any work at the PREMISES. CONCESSIONAIRE shall bear all costs for all necessary permits, insurance, and taxes required for compliance of such improvements. Any breach of this condition for Redevelopment Project improvements shall be a material breach of this AGREEMENT. RAP reserves the right to recover damages from CONCESSIONAIRE if the improvements are not completed, not completed as stipulated, or not completed to the reasonable satisfaction of RAP pursuant to the approved plans. Such damages may include, but are not limited to, recovering up to the entire cost of the improvements from CONCESSIONAIRE's performance deposit. The performance deposit must be recompensed as stipulated in Section 14, "Performance Deposit," herein. Failure to complete the required improvements within the time frame specified in the written approval, or as prescribed by RAP pursuant to the terms of this AGREEMENT, are subject to a penalty of One Hundred Dollars (\$100.00) per day for each calendar day over the appropriate time limit. At the conclusion of each improvement, CONCESSIONAIRE shall submit proof of project completion to RAP. At that point, RAP will inspect the submitted improvement to confirm completion. All improvements shall become the property of RAP. Additionally, if the value of all completed required and optional improvements is less than the amount specified in Section 6 of this AGREEMENT (i.e. \$4,285,184), CONCESSIONAIRE will be responsible to RAP for payment of the difference within thirty (30) days of written notification.

RAP reserves the right to limit the number of outdoor seats in all patio areas in order to mitigate noise or impacts to the recreational use of the FACILITY and the neighboring residential community.

Subject to Section 5.T., RAP reserves the right to further develop or improve the FACILITY and the PREMISES as it sees fit, and without interference or hindrance by CONCESSIONAIRE. Such development or improvement may require the suspension or termination of the AGREEMENT. RAP shall not be liable for loss of business which results from the construction of any development or improvements to the FACILITY or the PREMISES.

Improvements by CONCESSIONAIRE to the PREMISES are subject to:

1. Compliance with Applicable Rules and Regulations

All structural or other improvements, equipment and interior design and decor constructed or installed by CONCESSIONAIRE, including the plans and specifications therefore, shall in all respects conform to and comply with the applicable statutes (including the California Environmental Quality Act), ordinances (including those regarding historic and cultural monuments), building codes, rules and regulations of CITY and such other authorities that may have jurisdiction over the facility areas or CONCESSIONAIRE'S operations therein. The written approval by RAP of any improvements as provided above shall not constitute a representation or warranty as to such conformity or compliance, but responsibility therefore shall at all times remain with CONCESSIONAIRE.

2. Procurement of Permits and Approvals

CONCESSIONAIRE shall, at its sole expense, and prior to construction of any improvements, procure all building, fire, safety, aesthetic, environmental, and other permits and approvals necessary for the construction of the structural and other improvements, installation of equipment, and interior design and decor. Copies of all said permits and approvals shall thereafter be submitted to RAP. No permission to begin said improvements shall be granted by RAP prior to CONCESSIONAIRE's obtaining of said permits and approvals.

3. Subcontractors

CONCESSIONAIRE shall require by any contract that it awards in connection with structural or other improvements, the installation of any and all equipment, and the interior designing and decor, that the contractor doing, performing or furnishing the same shall comply with all applicable statutes, ordinances, codes, rules and regulations, and submit to RAP evidence of required insurance coverage.

B. Equipment Investments

CONCESSIONAIRE shall purchase the new equipment valued at Five Hundred Fifty-Nine Thousand, Nine Hundred Fifty-Six Dollars (\$559,956) as set forth in Exhibit G attached hereto. All new equipment which includes kitchen equipment, furniture, audio visual/security equipment, signage on building, Airstream food truck, onsite brewing equipment, or substitutions permitted by RAP, as set forth on Exhibit G, shall become the property of RAP and CONCESSIONAIRE shall ensure that title to all such new equipment shall be vested in RAP.

C. Ongoing Refurbishment

CONCESSIONAIRE shall perform annually maintenance and repair to the CONCESSION and equipment (including any improvements thereto, including the Redevelopment Project

improvements), regardless if equipment is City-owned or property of CONCESSIONAIRE, during the term of the AGREEMENT in order to maintain operations in a safe, clean, attractive environment.

RAP shall have reasonable discretion to schedule/order refurbishments with CONCESSIONAIRE upon inspection of the PREMISES.

SECTION 7. HOURS / DAYS OF OPERATION

The CONCESSIONAIRE must operate the CONCESSION 365 days a year. CONCESSIONAIRE shall coordinate hours of operation with RAP to coincide with golf operations. For the avoidance of doubt, if the Facility is closed, the CONCESSION may be closed accordingly. However, CONCESSIONAIRE may elect to open the CONCESSION when the FACILITY is closed. Notwithstanding the foregoing, the restaurant and banquet hall shall not be open to the public beyond 10:00 p.m.

Minimum hours of operations are thirty minutes before the first tee-time until thirty minutes after sunset.

Any deviation from the hours specified shall be subject to prior written approval of GENERAL MANAGER.

CONCESSIONAIRE must post the hours of operation in a location visible to the public, and must be open for business during the hours posted. Hours of operation may not be changed without prior written approval of RAP. Any deviation from such days and hours shall be subject to the prior written approval of RAP.

SECTION 8. MINIMUM ANNUAL GUARANTEE AND MONTHLY RENTAL PAYMENT

A. Minimum Annual Guarantee

The Minimum Annual Guarantee (MAG) for year one of this AGREEMENT, which is the 12-month period commencing on the Commencement Date, is One Hundred Thousand Dollars (\$100,000) ("YEAR ONE MAG"); equaling Eight Thousand Thirty-Three Dollars and Thirty-Three Cents (\$8,033.33) per month, provided, however, that the YEAR ONE MAG shall be suspended and not apply during the months of the first year of this AGREEMENT when CONCESSIONAIRE is undertaking to complete the Redevelopment Project improvements (not including the Banquet Hall Development). During the time the YEAR ONE MAG is suspended, CONCESSIONAIRE shall be responsible for monthly rental payments based on percentage of gross receipts as set forth in Section 8.B. below.

In the event CONCESSIONAIRE completes the Redevelopment Project improvements (not including the Banquet Hall Development) prior to the end of the first year of this AGREEMENT, which completion shall be evidenced by the issuance of a Certificate of Occupancy (or the legal equivalent thereof) by the CITY or other appropriate governmental authority and CONCESSIONAIRE has commenced permanent operations at the Premises, the YEAR ONE MAG shall be reinstated and apply on a pro-rated basis for the remaining months of the first year of this AGREEMENT. In no event shall the YEAR ONE MAG be suspended for longer than the first year of this AGREEMENT, except in accordance with Section 6.

The MAG for years two through ten is the greater of 103% of the previous year's MAG or Ninety Percent (90%) of the actual paid rent for the previous contract year. For avoidance of doubt, the MAG for year two of this AGREEMENT shall be the greater of 103% of the previous year's MAG of \$100,000 (regardless of whether the YEAR ONE MAG has been suspended for any portion of the first year of this AGREEMENT) or Ninety Percent (90%) of the actual paid rent for the first year of this AGREEMENT. Each subsequent year's MAG shall be determined at the conclusion of the previous contract year.

If the Extension Option is exercised by RAP, MAG for years eleven (11) through fifteen (15) shall be negotiated pursuant to Section 4.

B. Rental Payment Calculation

As part of the consideration for RAP's granting the CONCESSION rights herein above set forth, CONCESSIONAIRE shall pay to RAP a monthly rental payment as follows:

The greater of:

- One-twelfth of the Minimum Annual Guarantee, provided, however that the YEAR ONE MAG shall not apply during certain portions of the first year of this AGREEMENT as provided in Section 8.A. above.

or

- Six percent (6%) of gross receipts on all sales of food and non-alcoholic beverages; twelve percent (12%) on gross receipts of all sales on alcohol; twelve percent (12%) on gross receipts of all special events; and six percent (6%) on gross receipts of all vending machine sales.

Refer to SECTION 8.D for the definition of "Gross Receipts."

C. Payment Due

Said payment shall be due and payable (postmarked) by the fifteenth day of each calendar month based on the gross receipts received in each previous month. The payment and Monthly Revenue Report (Exhibit H) shall be addressed to:

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS
ATTENTION: Concessions Division
P. O. Box 86328
Los Angeles, CA 90086

D. Gross Receipts Defined

The term "gross receipts" is defined as the total amount charged for the sale of any goods or services (whether or not such services are performed as a part of or in connection with the sale of goods) provided in connection with this CONCESSION, but not including any of the following:

1. Cash discounts allowed or taken on sales;
2. Any sales tax, use tax, or excise tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser and paid by CONCESSIONAIRE;

3. Receipts from the sale of waste or scrap materials resulting from the CONCESSION operation;
4. Receipts from the sale of or the trade-in value of any furniture, fixtures, or equipment used in connection with the CONCESSION, and owned by CONCESSIONAIRE;
5. The value of any merchandise, supplies, or equipment exchanged or transferred from or to other business locations of CONCESSIONAIRE where such exchanges or transfers are not made for the purpose of avoiding a sale by CONCESSIONAIRE which would otherwise be made from or at the CONCESSION;
6. Refunds from, or the value of, merchandise, supplies, or equipment returned to shippers, suppliers, or manufacturers;
7. Receipts from the sale at cost of uniforms, clothing, or supplies to CONCESSIONAIRE'S employees where such uniforms, clothing, or supplies are required to be worn or used by said employees;
8. Receipts from any sale where the subject of such sale, or some part thereof, is thereafter returned by the purchaser to and accepted by CONCESSIONAIRE, to the extent of any refund actually granted or adjustment actually made, either in the form of cash or credit;
9. Fair market trade-in allowance, in the event merchandise is taken in trade;
10. The amount of any cash or quantity discounts received from sellers, suppliers, or manufacturers; and
11. Discounts or surcharges applied to receipts for services or merchandise, with the concurrence of both CONCESSIONAIRE and RAP, including discounts to employees, if concurred by RAP.

CONCESSIONAIRE shall not reduce or increase the amount of gross receipts, as herein defined, as a result of any of the following:

12. Any error in cash handling by CONCESSIONAIRE or CONCESSIONAIRE's employees or agents;
13. Any losses resulting from bad checks received from consumers or purchasers; or from dishonored credit, charge, or debit card payments; or any other dishonored payment to CONCESSIONAIRE by customer or purchaser; and
14. Any arrangement for a rebate, kickback, or hidden credit given or allowed to customer.

E. Monthly Revenue Reports

CONCESSIONAIRE shall transmit with each payment a Monthly Revenue Report (Exhibit H) for the month for which a payment is submitted.

F. Late Payment Fee

Failure of CONCESSIONAIRE to timely pay any of the monthly rental payment or any other fees, charges, or payments required herein is a breach of the AGREEMENT for which RAP

may terminate same or take such other legal action as it deems necessary, provided that RAP shall not terminate or take such other legal action until RAP has first provided CONCESSIONAIRE with written notice of such non-payment and CONCESSIONAIRE has had a period of thirty (30) days from receipt thereof to cure such non-payment, pursuant to Section 20 hereof.

Without waiving any rights available at law, in equity or under the AGREEMENT, in the event of late or delinquent payments by CONCESSIONAIRE, the latter recognizes that RAP will incur certain expenses as a result thereof, the amount of which is difficult to ascertain. Therefore, in addition to monies owing, CONCESSIONAIRE agrees to pay RAP a late fee set forth below to compensate RAP for all expenses and/or damages and loss resulting from said late or delinquent payments.

The charges for late or delinquent payments shall be One Hundred Fifty Dollars (\$150.00) for each month late plus interest calculated at the rate of eighteen percent (18%) per annum, but in no event higher than the maximum rate allowed by law, assessed monthly, on the balance of the unpaid amount. Payments shall be considered past due if postmarked after the fifteenth (15th) day of the month in which payment is due.

The acceptance of late payments by RAP shall not be deemed as a waiver of any other breach by CONCESSIONAIRE of any term or condition of this AGREEMENT other than the failure of CONCESSIONAIRE to timely make the particular payment so accepted.

G. Compliance with Identity Theft Laws and Payment Card Data Security Standards:

CONCESSIONAIRE agrees to comply with all Identity Theft Laws including without limitation, Laws related to: 1) Payment Devices; 2) Credit and Debit Card Fraud; and 3) the Fair and Accurate Credit Transactions Act (FACTA), including its requirement relating to the content of Transaction Receipts provided to Customers. CONCESSIONAIRE also agrees to comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (PCI DSS). During the performance of any service to replace, install, program or update Payment Devices equipped to conduct Credit or Debit Card transactions, including PCI DSS services, CONCESSIONAIRE agrees to verify proper truncation of receipts in compliance with FACTA. CONCESSIONAIRE understands that failure to ensure proper truncation will result in the imposition of liability and defense costs that may arise out of consequent litigation.

SECTION 9. ADDITIONAL FEES AND CHARGES

- A. If RAP pays any sum or incurs any obligations or expense, for which CONCESSIONAIRE has agreed to pay or reimburse RAP, or if RAP is required or elects to pay any sum or to incur any obligations or expense by reason of the failure, neglect, or refusal of CONCESSIONAIRE to perform or fulfill any one or more of the conditions, covenants, or agreements contained in the AGREEMENT, or as a result of an act or omission of CONCESSIONAIRE contrary to said conditions, covenants, and agreements, CONCESSIONAIRE agrees to pay RAP the sum so paid or the expense so incurred, including all interest, costs, (including RAP'S fifteen percent (15%) administrative overhead cost), damages, and penalties. This amount shall be added to the rental payment thereafter due hereunder, and each and every part of the same shall be and become additional rental payment, recoverable by RAP in the same manner and with like remedies as if it were originally a part of the basic rental payment set forth in Section 8 hereof.
- B. For all purposes under this Section, and in any suit, action, or proceeding of any kind

between the parties hereto, any receipt showing the payment of any sum by RAP for any work done or material furnished shall be prima facie evidence against CONCESSIONAIRE that the amount of such payment was necessary and reasonable. Should RAP elect to use its own personnel in making any repairs, replacements, and/or alterations, and to charge CONCESSIONAIRE with the cost of same, receipts and timesheets will be used to establish the charges, which shall be presumed to be reasonable in absence of contrary proof submitted by CONCESSIONAIRE.

- C. Use of the PREMISES for purposes not expressly permitted herein, whether approved in writing by RAP or not, may result in additional charges; however, any such use without the prior written approval of RAP shall also constitute a material breach of AGREEMENT and is prohibited.

SECTION 10. INSURANCE

CONCESSIONAIRE shall follow insurance guidelines in the STANDARD PROVISIONS (Exhibit A); provide and maintain the Required Insurance and Minimum Limits (Exhibit I); and follow the Instructions and Information on Complying with City Insurance Requirements (Exhibit I).

SECTION 11. MAINTENANCE OF PREMISES

During all periods that the PREMISES are used or are under the control of CONCESSIONAIRE for the uses, purposes, and occupancy aforesaid, CONCESSIONAIRE shall be responsible for all necessary janitorial duties and damage/maintenance repairs, to the satisfaction of RAP. The cause of said maintenance, cleaning and repairs may result from normal wear and tear, as well as vandalism.

A. Interior of Premises

1. Areas to be maintained by CONCESSIONAIRE:

CONCESSIONAIRE shall, at its own expense, keep and maintain all the interior walls and surfaces of PREMISES and all improvements, fixtures, and utility systems which may now or hereafter exist thereon, whether installed by RAP or CONCESSIONAIRE. Improvements shall include all buildings and appurtenances recessed into or attached by any method to the ground or to another object which is recessed or attached to the ground or to other CITY-owned facilities (such as buildings, fences, posts, signs, electrical hook-ups, plumbing, tracks, tanks, etc.).

CONCESSIONAIRE shall provide all maintenance, repair, and service required on all interior areas, surfaces, and equipment used in the PREMISES and keep such equipment in good repair and in a clean and orderly condition and appearance. CONCESSIONAIRE shall also be responsible for electrical, mechanical, and plumbing maintenance in the interior of the PREMISES, such as lighting fixtures, sinks, and faucets; however, CITY shall be responsible for maintenance of utility lines and drains within the walls and floors of the concession PREMISES. Insofar as sanitation and appearance of the PREMISES is concerned, RAP may direct CONCESSIONAIRE to perform necessary repairs and maintenance to the interior of the structure or to the equipment, whether the equipment is CONCESSIONAIRE or RAP property.

CONCESSIONAIRE shall clean and restock all shared restrooms every day after 1:00 p.m. until closing. RAP will provide paper goods and hand soap. CITY shall clean and stock the restrooms from morning until 1:00 p.m. daily.

2. Duties:

CONCESSIONAIRE'S maintenance duties shall include all sweeping, washing, servicing, repairing, replacing, cleaning, and interior painting that may be required to properly maintain the premises in a safe, clean, operable, and attractive condition. CONCESSIONAIRE shall provide for such repairs, replacements, rebuilding, and restoration as may be required by or given prior written approval by RAP to comply with the requirements hereof. Those duties shall also include electrical, mechanical, and plumbing maintenance in the interior of the premises, such as light fixtures, toilets, and faucets.

B. **Exterior of Premises and Common Passageways**

RAP shall maintain the exterior of all buildings and will endeavor to perform all exterior repairs occasioned by normal wear and tear, and the elements, unless otherwise provided for in the AGREEMENT. Common passageways leading to other CONCESSION facilities or offices maintained by RAP which also lead to the PREMISES shall not be considered under the control of CONCESSIONAIRE for purposes of this Section. In addition, RAP shall be responsible for maintenance of the lawn area within the perimeter of the PREMISES, including mowing and watering, and shall maintain all existing landscaping, trees, and bushes on the PREMISES. CITY shall also maintain the existing water, drain and sewer systems, provided, however, that CONCESSIONAIRE shall make every effort not to clog such systems with debris from all operations.

C. **Correction of Conditions Leading to Damage**

If CONCESSIONAIRE fails, after written notice, to correct such conditions which have led or, in the opinion of RAP, could lead to significant damage to CITY property, RAP may at its option, and in addition to all other remedies which may be available to it, repair, replace, rebuild, redecorate or paint any such PREMISES included in said notice, with the cost thereof, plus fifteen percent (15%) for administrative overhead, to be paid by CONCESSIONAIRE to RAP on demand. If, for any reason, payment of such fees becomes delinquent, RAP may, in its sole discretion, suspend the AGREEMENT and all terms and conditions contained therein.

D. **Property Damage and Theft Reporting**

CONCESSIONAIRE shall complete and submit to RAP a "Special Occurrence and Loss Report," (Exhibit J) in the event that the PREMISES and/or CITY-owned property is damaged or destroyed, in whole or in part, from any cause whatsoever, and in the event of theft, burglary, or other crime committed on the PREMISES. Blank forms for this purpose shall be provided by RAP.

E. **Damage or Destruction to Premises**

1. **Partial Damage**

If all or a portion of the PREMISES are partially damaged by fire, explosion, flooding inundation, floods, the elements, public enemy, or other casualty, but not rendered uninhabitable, the same will be repaired with due diligence by RAP at its own cost and expense, subject to the limitations as hereinafter provided; if said damage is caused by the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, CONCESSIONAIRE shall be responsible for reimbursing RAP for the cost and expense incurred in making such repairs.

2. **Extensive Damage**

If the damages as described above in "Partial Damage" are so extensive as to render the PREMISES or a portion thereof uninhabitable, but are capable of being repaired within a reasonable time not to exceed sixty (60) days, the same shall be repaired with due diligence by RAP at its own cost and expense and a negotiated portion of the fees and charges payable hereunder shall abate from the time of such damage until such time as the PREMISES are fully restored and certified by RAP as again ready for use; provided, however, that if such damage is caused by the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, said fees and charges will not abate and CONCESSIONAIRE shall be responsible for the cost and expenses incurred in making such repairs.

3. **Complete Destruction**

In the event all or a substantial portion of the PREMISES are completely destroyed by fire, explosion, the elements, public enemy, or other casualty, or are so damaged that they are uninhabitable and cannot be replaced except after more than sixty (60) days, RAP shall be under no obligation to repair, replace or reconstruct said PREMISES, and an appropriate portion of the fees and charges payable hereunder shall abate as of the time of such damage or destruction and shall henceforth cease until such time as the said PREMISES are fully restored. If within four (4) months after the time of such damage or destruction said PREMISES have not been repaired or reconstructed, CONCESSIONAIRE may terminate this AGREEMENT in its entirety as of the date of such damage or destruction. Notwithstanding the foregoing, if said PREMISES, or a substantial portion thereof, are completely destroyed as a result of the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, said fees and charges shall not abate and RAP may, in its discretion, require CONCESSIONAIRE to repair and reconstruct the same within twelve (12) months of such destruction and CONCESSIONAIRE shall be responsible for reimbursing RAP for the cost and expenses incurred in making such repairs. CONCESSIONAIRE shall continue paying RAP rent as determined above during the rebuilding of the facility.

4. **Limits of RAP'S Obligation Defined**

In the application of the provisions set forth in Paragraph 1 and 2 of this Section 11.E., RAP shall be obligated to, repair or reconstruct the PREMISES, subject to the provisions set forth therein. CITY'S obligation shall also be limited to repair or reconstruction of the PREMISES to the same extent and of equal quality as obtained by CONCESSIONAIRE at the commencement of its operations hereunder. Redecoration and replacement of furniture, equipment and supplies shall be the responsibility of CONCESSIONAIRE and any such redecoration and refurbishing/reequipping shall be equivalent in quality to that originally installed.

F. **Pest Control**

Unless otherwise specified in the AGREEMENT, CONCESSIONAIRE shall be responsible for pest control in and around the PREMISES, including but not limited to, abatement of insects (including roaches, bees, etc.), spiders, rodents, vermin, and other nuisance pests, if the pests are found in or on structures or areas used and maintained by CONCESSIONAIRE, such as any of the following portions of the PREMISES:

Any portion of a building or enclosed structure with walls, roof, and doors, such as the restaurant, storage facilities, banquet facilities, halfway houses, offices and storage containers owned and/or used by CONCESSIONAIRE.

In the course of conducting pest control, CONCESSIONAIRE shall adhere to RAP's Integrated Pest Management (IPM) Program which emphasizes commitment to utilize the safest and least toxic means available to control harmful and unwanted pests. Use of all second generation anticoagulant rodenticides are prohibited. They are not allowed anywhere on park property, whether in or outside buildings. All anticoagulant rodenticides are known to be detrimental to wildlife but second generation rodenticides are especially detrimental to the natural order of ecosystems. Natural predators, such as hawks, owls, coyotes and bobcats feed on rodents, thus helping control rodent populations.

Efforts should be made to use mechanical or electronic traps rather than poisons. If bait boxes are used, California law mandates bait boxes be securely anchored and labeled with the agent used.

CONCESSIONAIRE shall submit a scope of work for any proposed pest management services subcontracted and shall not subcontract without prior RAP approval. Requests for approval shall be sent to Marty.Friedman@lacity.org with a copy to Rachel.Ramos@lacity.org.

RAP shall be responsible for pest control if pests are found in or on structures or areas maintained by RAP, such as:

1. Open, unfenced areas such as those locations permitted for mobile food if applicable.
2. Shared spaces, starter offices, pro shops, restrooms, and other facilities occupied in part by CONCESSIONAIRE but maintained by RAP.
3. Other areas, structures, or facilities adjacent to the PREMISES, but not used by or under the control of CONCESSIONAIRE; or areas, structures, or facilities shared by CONCESSIONAIRE and RAP.

Pest control for pests which may cause permanent structural damage to RAP property (for example, termite infestation) shall be the responsibility of RAP. CONCESSIONAIRE shall take all reasonable measures to reduce the proliferation of pests, including maintaining the PREMISES clean and orderly in accordance with this Section, and keeping wood components painted. RAP may direct CONCESSIONAIRE to take additional measures to abate pests which are an immediate threat to public health or safety.

SECTION 12. PROHIBITED ACTS

CONCESSIONAIRE shall not:

1. Use the PREMISES to conduct any other business operations of CONCESSIONAIRE not related to the CONCESSION.
2. Do or allow to be done anything which may interfere with the effectiveness or accessibility of utility, heating, ventilating, or air conditioning systems or portions thereof on the PREMISES or elsewhere on the FACILITY, nor do or permit to be done anything which may interfere with free access and passage in the PREMISES or the public areas adjacent thereto, or in the streets or sidewalks adjoining the PREMISES, or hinder police, fire fighting or other emergency personnel in the discharge of their duties;

3. Interfere with the public's enjoyment and use of the FACILITY or use of the PREMISES for any purpose which is not essential to the CONCESSION operations;
4. Rent, sell, lease or offer any space for storing of any articles whatsoever within or on the PREMISES other than specified herein, without the prior written approval of RAP;
5. Overload any floor in the PREMISES;
6. Place any additional lock of any kind upon any window or interior or exterior door in the PREMISES, or make any change in any existing door or window lock or the mechanism thereof, unless a key therefore is maintained on the PREMISES, nor refuse, upon the expiration or sooner termination of the AGREEMENT, to surrender to RAP any and all keys to the interior or exterior doors on the PREMISES, whether said keys were furnished to or otherwise procured by CONCESSIONAIRE, and in the event of the loss of any keys furnished by RAP, CONCESSIONAIRE shall pay RAP, on demand, the cost for replacement thereof;
7. Do or permit to be done any act or thing upon the PREMISES which will invalidate, suspend or increase the rate of any insurance policy required under the AGREEMENT, or carried by RAP, covering the PREMISES, or the buildings in which the same are located or which, in the opinion of RAP, may constitute a hazardous condition that will increase the risks normally attendant upon the operations contemplated under the AGREEMENT, provided, however, that nothing contained herein shall preclude CONCESSIONAIRE from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary;
8. Use, create, store or allow any hazardous materials as defined in Title 8, Section 339 of the California Code of Regulations or those which meet the criteria of the above Code, as well as any other substance which poses a hazard to health and environment, provided, however, that nothing contained herein shall preclude CONCESSIONAIRE from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary except that all hazardous materials must be stored and used in compliance with all City, State and Federal rules, regulations, ordinances and laws;
9. Allow any sale by auction upon the PREMISES;
10. Permit undue loitering on or about the PREMISES;
11. Use the PREMISES in any manner that will constitute waste;
12. Use or allow the PREMISES to be used for, in the opinion of RAP, any improper, immoral, or unlawful purposes.

SECTION 13. RATIFICATION

At the request of RAP, and because of the need therefore, CONCESSIONAIRE may have begun performance of the responsibilities herein required prior to the execution hereof. By its execution hereof, RAP hereby accepts such service subject to all the terms, covenants, and condition of this AGREEMENT, AND ratifies its AGREEMENT with CONCESSIONAIRE for such services.

SECTION 14. PERFORMANCE DEPOSIT

CONCESSIONAIRE shall provide RAP a sum equal to Twenty-Five Thousand Dollars (\$25,000) (the "Performance Deposit") to guarantee payment of fees and as a damage deposit to be used in accordance with the default provisions of this AGREEMENT. RAP acknowledges receipt of the Performance Deposit as of the date of this AGREEMENT.

Form of Deposit

CONCESSIONAIRE'S Deposit shall be in the following form:

A cashier's check drawn on any bank that is a member of the Los Angeles Clearing House Association, which cashier's check is payable to the order of the City of Los Angeles.

A. Agreement of Deposit and Indemnity

CONCESSIONAIRE unconditionally agrees that in the event of any default beyond all applicable notice and cure periods, RAP shall have full power and authority to use the deposit in whole or in part to indemnify RAP. All deposits of checks must be immediately so deposited by RAP.

B. Maintenance of Deposit

Said Deposit shall be held by RAP during the entire term of the AGREEMENT.

C. Return of Deposit to CONCESSIONAIRE

Said Deposit shall be returned to CONCESSIONAIRE and any rights assigned to the Deposit shall be surrendered by RAP in writing, after the expiration or earlier termination of the AGREEMENT and any exit audits performed in conjunction with the AGREEMENT. RAP reserves the right to deduct from the Performance Deposit, any amounts up to and including the full amount of the Deposit as stated herein, owed to RAP by CONCESSIONAIRE as shown by any exit audits performed by RAP, or as compensation to RAP for CONCESSIONAIRE'S failure to adhere to or execute the terms and conditions of the AGREEMENT.

SECTION 15. TAXES, PERMITS, AND LICENSES

A. CONCESSIONAIRE shall obtain and maintain at its sole expense any and all approvals, permits, or licenses that may be required in connection with the operation of the CONCESSION including, but not limited to, tax permits, business licenses, health permits, animal regulation, building permits, police and fire permits, etc.

B. CONCESSIONAIRE shall pay all taxes of whatever character that may be levied or charged upon the rights of CONCESSIONAIRE to use the PREMISES, or upon CONCESSIONAIRE'S improvements, fixtures, equipment, or other property thereon or upon CONCESSIONAIRE'S operations hereunder. In addition, by executing the AGREEMENT and accepting the benefits thereof, a property interest may be created known

as "Possessory Interest" and such property interest will be subject to property taxation. CONCESSIONAIRE, as the party to whom the Possessory Interest is vested, may be subject to the payment of the property taxes levied by the State and County upon such interest.

- C. Pursuant to Section 21.3.3 of Article 1.3 of the LAMC Commercial Tenants Occupancy Tax, CONCESSIONAIRE must pay to the City of Los Angeles for the privilege of occupancy, a tax at the rate of One Dollar and Forty-Eight Cents (\$1.48) per calendar quarter or fractional part thereof for the first One Thousand Dollars (\$1,000.00) or less of charges (rent and utilities) attributable to said calendar quarter, plus One Dollar and Forty-Eight Cents (\$1.48) per calendar quarter for each additional One Thousand Dollars (\$1,000.00) of charges or fractional part thereof in excess of One Thousand Dollars (\$1,000.00). Said tax shall be paid quarterly to RAP, on or before the fifteenth (15th) of April, July, October, January of each calendar year, for the preceding three (3) months. Should the rate of the Occupancy Tax rise at any time during the term of the AGREEMENT, CONCESSIONAIRE shall be responsible to pay the updated, higher rate.

SECTION 16. ASSIGNMENT, SUBLEASE, BANKRUPTCY

CONCESSIONAIRE shall not under-let or sub-let the subject PREMISES or any part thereof or allow the same to be used or occupied by any other person or for other use than that herein specified, nor assign the AGREEMENT nor transfer, assign or in any manner convey any of the rights or privileges herein granted without the prior written consent of RAP. Neither the AGREEMENT nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceeding in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. Any attempted assignment, mortgaging, hypothecation, or encumbering of the CONCESSION rights or other violation of the provisions of this Section shall be void and shall confer no right, title or interest in or to the AGREEMENT or right of use of the whole or any portion of the PREMISES upon any such purported assignee, mortgagee, encumbrancer, pledgee or other lien holder, successor or purchaser. For purposes of this Section 16, a change in the majority ownership of CONCESSIONAIRE shall constitute a transfer or assignment of this AGREEMENT for which prior written consent of RAP is required.

SECTION 17. BUSINESS RECORDS

CONCESSIONAIRE shall maintain during the term of the AGREEMENT and for three years thereafter, all of its books, ledgers, journals, and accounts wherein are kept all entries reflecting the gross receipts received or billed by it from the business transacted pursuant to the AGREEMENT. Such books, ledgers, journals, accounts, and records shall be available for inspection and examination by RAP, or a duly authorized representative, during ordinary business hours at any time during the term of this Agreement and for three years thereafter.

A. Employee Fidelity Bonds

At RAP's discretion, adequate employee fidelity bonds may be required to be maintained by CONCESSIONAIRE covering all its employees who handle money.

B. Cash and Record Handling Requirements

If requested by RAP, CONCESSIONAIRE shall prepare a description of its cash handling and sales recording systems and equipment to be used for operation of the CONCESSION which shall be submitted to RAP for approval.

CONCESSIONAIRE shall be required to maintain a method of accounting of the CONCESSION which shall correctly and accurately reflect the gross receipts and disbursements received or made by CONCESSIONAIRE from the operation of the CONCESSION. The method of accounting, including bank accounts, established for the CONCESSION shall be separate from the accounting systems used for any other businesses operated by CONCESSIONAIRE or for recording CONCESSIONAIRE'S personal financial affairs. Such method shall include the keeping of the following documents:

1. Regular books of accounting such as general ledgers.
2. Journals including supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.
3. State and Federal income tax returns and sales tax returns and checks and other documents proving payment of sums shown.
4. Cash register tapes shall be retained so that day to day sales can be identified. A cash register must be used in public view which prints a dated double tape, indicating each sale and the daily total.
5. Any other accounting records that RAP, in its sole discretion, deems necessary for proper reporting of receipts.

C. Method of Recording Gross Receipts

CONCESSIONAIRE must install a computerized point-of-sale (POS) system, including hardware and software, to record transactions and receipts. Such POS system must be capable of accepting credit and debit card payments; providing paper receipts to patrons; have a price display which is and shall remain at all times visible to the public; and have controls in place to make it equivalent to a non-resettable cash register. CONCESSIONAIRE shall not purchase or install the POS system, including hardware and software, before obtaining RAP's written approval of the specific hardware and software to be purchased. The POS system must be compatible with RAP's golf management and reservation system, be able to produce end of day reports including gross receipts by sales categories, and RAP shall be able to obtain the reports daily through remote communication of the systems.

D. Annual Statement of Gross Receipts and Expenses

CONCESSIONAIRE shall transmit a Statement of Gross Receipts and Expenses (Profit and Loss Statement) for the CONCESSION operations as specified in the AGREEMENT, in a form acceptable to RAP, on or before April 30th, of each calendar year during the term of the AGREEMENT. Such Statement must be prepared by a Certified Public Accountant (CPA) and shall not include statements of omission or non-disclosure. An extension may be granted in writing, prior to the April 30th due date, by RAP, provided sufficient verification of the need for the extension is provided, as accepted by RAP's General Manager or his designee. The charge for late or delinquent Statements shall be One Hundred Dollars (\$100.00) per month or part thereof late.

In addition, RAP may from time to time conduct an audit and re-audit of the books and businesses conducted by CONCESSIONAIRE and observe the operation of the business

so that accuracy of the above records can be confirmed. If the report of gross sales made by CONCESSIONAIRE to RAP shall be found to be less than the amount of gross sales disclosed by such audit and observation, CONCESSIONAIRE shall pay RAP within thirty (30) days after billing any additional rentals disclosed by such audit. If discrepancy exceeds two percent (2%) and no reasonable explanation is given for such discrepancy, CONCESSIONAIRE shall also pay the cost of the audit.

SECTION 18. REGULATIONS, INSPECTION, AND DIRECTIVES

A. Constitutional and Other Limits on CONCESSIONAIRE'S Rights to Exclusivity

Notwithstanding exclusivity granted to Concessionaire by the terms of this Agreement, the City in its discretion may require Concessionaire, without any reduction in rent or other valuable consideration to Concessionaire, to accommodate the rights of persons to access and engage in expressive activities, as guaranteed by the First Amendment to the United States Constitution, the California Constitution, and other laws, as these laws are interpreted by the City. Expressive activities include, but are not limited to, protesting, picketing, proselytizing, soliciting, begging, and vending of certain expressive, message-bearing items.

B. Conformance with Laws

CONCESSIONAIRE shall conform to:

1. Any and all applicable rules, regulations, orders, and restrictions which are now in force or which may be hereafter adopted by RAP with respect to the operation of the CONCESSION;
2. Any and all orders, directions or conditions issued, given, or imposed by RAP with respect to the use of the roadways, driveways, curbs, sidewalks, parking areas, or public areas adjacent to the PREMISES;
3. Any and all applicable laws, ordinances, statutes, rules, regulations or orders, including the LAMC, LAAC, the Charter of the City of Los Angeles, and of any governmental authority, federal, state or municipal, lawfully exercising authority over CONCESSIONAIRE'S operations; and,
4. Any and all applicable local, state and federal laws and regulations relative to the design and installation of facilities to accommodate disabled persons.

C. Permissions

Any permission required by the AGREEMENT shall be secured in writing by CONCESSIONAIRE from CITY or RAP and any errors or omissions therefrom shall not relieve CONCESSIONAIRE of its obligations to faithfully perform the conditions therein. CONCESSIONAIRE shall promptly comply with any written request or order submitted to it by CITY or RAP in accordance with the terms of this AGREEMENT.

D. Right of Inspection and Access to Concession

CITY, RAP, their authorized representatives, agents and employees shall have the right to enter the PREMISES at any and all reasonable times for the purpose of inspection, evaluation, and observation of CONCESSIONAIRE'S operation. Park Rangers are specifically designated as CITY agents and are empowered by CITY to conduct inspections of the PREMISES, evaluate CONCESSIONAIRE and inform RAP fully as to CONCESSIONAIRE's conduct. During these inspections, they all shall have the right to

photograph, film, or otherwise record conditions and events taking place upon the PREMISES. The inspections may be made by persons identified to CONCESSIONAIRE as CITY Employees, or may be made by independent contractors engaged by CITY also identified to CONCESSIONAIRE by the CITY. Inspections may be made for the purposes set forth below, and for any other lawful purpose for which the CITY or another governmental entity with jurisdiction is authorized to perform inspections of the PREMISES:

1. To determine if the terms and conditions of the AGREEMENT are being complied with.
2. To observe transactions between CONCESSIONAIRE and patrons in order to evaluate the quality of services provided or quality and quantities of items sold or dispensed.
3. To ensure quality control and verify the validity of mandatory operating permits

E. Control of Premises

Subject to Section 5.T, RAP shall have absolute and full access to the PREMISES and all its appurtenances during the term of the AGREEMENT and may make such changes and alterations therein, and in the grounds surrounding same, as may be determined by RAP. Such determination shall not be unreasonable and shall take into account the business considerations presented by CONCESSIONAIRE.

F. Business Inclusion Program

CONCESSIONAIRE agrees and obligates itself to utilize the services of Minority, Women, Small, Emerging, Disabled Veteran and Other Business Enterprise firms on a level so designated in its proposal, Schedule A (Exhibit K). CONCESSIONAIRE certifies that it has complied with Executive Directive No. 14 regarding the Outreach Program. CONCESSIONAIRE shall not change any of these designated sub consultants and subcontractors, nor shall CONCESSIONAIRE reduce their level of effort, without prior written approval of the CITY, provided that such approval shall not be unreasonably withheld or delayed.

During the term of the AGREEMENT, CONCESSIONAIRE must submit the MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile, Schedule B (Exhibit L) when submitting the Monthly Revenue Report. Upon completion of the project, a summary of these records shall be prepared on the "Final Subcontracting Report" form, Schedule C (Exhibit M) and certified correct by CONCESSIONAIRE or its authorized representative. The completed Schedule C shall be furnished to RAP within fifteen (15) working days after completion of the AGREEMENT.

G. First Source Hiring Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this AGREEMENT is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the LAAC, as amended from time to time.

1. CONCESSIONAIRE shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONCESSIONAIRE estimates it will need to fill in order to perform the services under the AGREEMENT. The Department of Public Works, Bureau of Contract Administration is the DAA.

2. CONCESSIONAIRE further pledges that it will, during the term of the AGREEMENT:
 - a. At least seven business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Economic and Workforce Development Department (EWDD), which will refer individuals for interview;
 - b. Interview qualified individuals referred by EWDD; and;
 - c. Prior to filling any employment opportunity, CONCESSIONAIRE shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the CONCESSIONAIRE interviewed and the reasons why referred individuals were not hired.
3. Any subcontract entered into by CONCESSIONAIRE relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
4. CONCESSIONAIRE shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the LAAC the DAA has determined that CONCESSIONAIRE intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under LAAC Section 10.39 et seq., and must be documented in each of CONCESSIONAIRE's subsequent Contractor Responsibility Questionnaires submitted under LAAC Section 10.40 et seq. This measure does not limit the City's authority to act under this article.

Under the provisions of Section 10.44.8 of the LAAC, the Awarding Authority shall, under appropriate circumstances, terminate this AGREEMENT and otherwise pursue legal remedies that may be available if the DAA determines that the subject CONCESSIONAIRE has violated provisions of the FSHO.

H. **CEC Form 50**

Certain contractors agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if those contractors qualify as a lobbying entity under Los Angeles Municipal Code 48.02. CEC Form 50 attached as Exhibit N. Responses submitted without a completed CEC Form 50, by proposers that qualify as a lobbying entity under Los Angeles Municipal Code 48.02 shall be deemed nonresponsive.

Bidder Contributions – City Charter Sections 470(c) (12)

Persons who submit a response to this solicitation (bidders) are subject to Charter section 470(c) (12) and related ordinances. As a result, bidders may not make campaign contributions to and or engage in fundraising for certain elected City officials or candidates for elected City office from the time they submit the response until either the contract is approved or, for successful bidders, 12 months after the contract is signed. The bidder's principals and subcontractors performing One Hundred Thousand Dollars (\$100,000.00) or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

I. CEC Form 55

CEC Form 55 requires bidders to identify their principals, their subcontractors performing One Hundred Thousand Dollars (\$100,000.00) or more in work on the contract, and the principals of those subcontractors. Bidders must also notify their principals and subcontractors in writing of the restrictions and include the notice in contracts with subcontractors. Responses submitted without a completed CEC Form 55 shall be deemed nonresponsive. Bidders who fail to comply with City law may be subject to penalties, termination of contract, and debarment. Additional information regarding restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or ethics.lacity.org.

SECTION 19. SURRENDER OF POSSESSION

CONCESSIONAIRE agrees to yield and deliver possession of the PREMISES to RAP on the date of the expiration or earlier termination of the AGREEMENT promptly, peaceably, quietly, and in as good order and condition as the same now are or may be hereafter improved by CONCESSIONAIRE or RAP, normal use and wear and tear thereof excepted.

No agreement of surrender or to accept a surrender shall be valid unless and until the same is in writing and signed by the duly authorized representatives of RAP and CONCESSIONAIRE. Neither the doing nor omission of any act or thing by any of the officers, agents or employees of RAP shall be deemed an acceptance of a surrender of the PREMISES utilized by CONCESSIONAIRE under the AGREEMENT.

Upon termination of this AGREEMENT other than by forfeiture, CONCESSIONAIRE shall quit and surrender possession of the PREMISES to RAP and shall, without cost to RAP, remove any and all personal property owned by Concessionaire and leave the Premises in good condition, ordinary wear and tear excepted. CONCESSIONAIRE will have seven (7) days to effect removal and restoration. CONCESSIONAIRE may at its option accept all or a portion of the works, structures, or other improvements on behalf of RAP in lieu of all or a portion of the removal or restoration required herein.

SECTION 20. CERTAIN TERMINATION PROVISIONS

A. The AGREEMENT may be terminated by CONCESSIONAIRE, via 30-day written notice, upon the happening of any of the following events:

1. The permanent abandonment by RAP or the CITY of the FACILITY or the permanent removal of all RAP services, or a material portion thereof which materially adversely affects CONCESSIONAIRE'S operations, from the FACILITY; or
2. The assumption by the United States Government or any authorized agency thereof, or the state of California or any authorized agency thereof, of the operation, control or use of the FACILITY or any substantial part thereof, in such manner as to materially restrict CONCESSIONAIRE from operating thereon.

B. In connection with the provisions set forth in Subparagraph 1 of Paragraph B (Termination for Breach of Contract) of PSC-9 of the Standard Provisions of City Contracts, CITY and CONCESSIONAIRE agree that CITY shall provide written notice of default and grant CONCESSIONAIRE a period of thirty (30) calendar days from receipt of such written notice of default to cure a breach of the AGREEMENT involving the non-payment of any monthly or

percentage rental payment or any other fees, charges or payments required to be paid by the CONCESSIONAIRE under this AGREEMENT; provided, however, that CONCESSIONAIRE shall remain responsible for the payment of any late fees associated with any such breach in accordance with Section 8.F.

In connection with the provisions set forth in Paragraph A (Termination for Convenience) of PSC-9 of the Standard Provisions for City Contract (Rev.10/17)[v.3] attached hereto as Exhibit A, CITY and CONCESSIONAIRE agree that the "reasonable and allowable costs" payable to the CONCESSIONAIRE under such paragraph shall include the then undepreciated net Book Value (as calculated based on a 10 year straight-line depreciation) of all improvements completed as part of the Redevelopment Project, as of the date of termination. The term "Book Value" shall mean the following amounts described below:

1. An amount equal to the actual costs incurred by CONCESSIONAIRE (as evidenced by invoices and other supporting documentation as may be reasonably required by CITY) for the design, construction and completion of the Redevelopment Project improvements as set forth in Section 6, but in no event exceeding the costs set forth in Section 6.

SECTION 21. NOTICES

A. To RAP:

Unless otherwise stated in the AGREEMENT, written notices to RAP hereunder shall be addressed to:

Department of Recreation and Parks
Attention: Concession Unit
P.O. Box 86328
Los Angeles, CA 90086

All such notices may either be delivered personally or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail. Service in such manner by registered or certified mail shall be effective upon receipt. Written notices may also be emailed to RAP Concessions Analyst.

RAP shall provide CONCESSIONAIRE with written notice of any address change within thirty (30) days of the occurrence of said change.

B. To CONCESSIONAIRE:

The execution of any notice to CONCESSIONAIRE by RAP shall be as effective for CONCESSIONAIRE as if it were executed by BOARD, or by Resolution or Order of said BOARD.

All such notices may either be delivered personally to CONCESSIONAIRE or to any officer or responsible employee of CONCESSIONAIRE or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail, or transmitted via email by RAP. Service in such manner by registered or certified mail shall be effective upon receipt.

Written notices to CONCESSIONAIRE shall be addressed to CONCESSIONAIRE as follows:

The Tavern at Rancho Park, LLC
Nicholas Crews

1924 E. Maple Avenue, Suite B
El Segundo, CA 90245

ncrews@crews1972.com

CONCESSIONAIRE shall provide CITY with written notice of any address change within thirty (30) days of the occurrence of said address change.

SECTION 22. INCORPORATION OF DOCUMENTS

This AGREEMENT and incorporated documents represent the entire integrated agreement of the parties and supersedes all prior written or oral representations, discussions, and agreements. The following Exhibits are to be attached to and made part of this AGREEMENT by reference:

- A. Standard Provisions for City Contracts (Rev. 10/17 V.3)
- B. Concession Premises Map
- C. Proposal submitted by The Tavern at Rancho Park, LLC on 4/11/18 in response to RFP CON-G18-002
- D. Good Food Purchasing Program (Rev. 9/17)
- E. City-Owned Equipment List
- F. Form General No. 87 "Non-Employee Accident or Illness Report"
- G. New Equipment to be Purchased by Concessionaire
- H. Monthly Revenue Report
- I. Required Insurance and Minimum Limits; Instructions and Information on Complying with City Insurance Requirements
- J. Special Occurrence and Loss Report
- K. Schedule A, MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form
- L. Schedule B, MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile
- M. Schedule C, Final Subcontracting Report
- N. CEC Form 50, Bidder Certification

In the event of any inconsistency between any of the provisions of this AGREEMENT and/or exhibits attached hereto, the inconsistency shall be resolved by giving precedence in the following order: 1) This AGREEMENT exclusive of attachments, 2) Exhibit A, 3) Exhibit B, 4) Exhibit C, 5) Exhibit D, 6) Exhibit E, 7) Exhibit F, 8) Exhibit G, 9) Exhibit H, 10) Exhibit I, 11) Exhibit J, 12) Exhibit K, 13) Exhibit L, 14) Exhibit M, and 15) Exhibit N.

(Signature Page to Follow)

IN WITNESS WHEREOF, THE CITY OF LOS ANGELES has caused this **AGREEMENT** to be executed on its behalf by its duly authorized General Manager of the Department of Recreation and Parks and **CONCESSIONAIRE** has executed the same as of the day and year herein below written.

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through the Department of Recreation and Parks

BY: _____ DATE: _____
MICHAEL A. SHULL
General Manager

THE TAVERN AT RANCHO PARK, LLC

BY: _____ DATE: _____
Title: _____

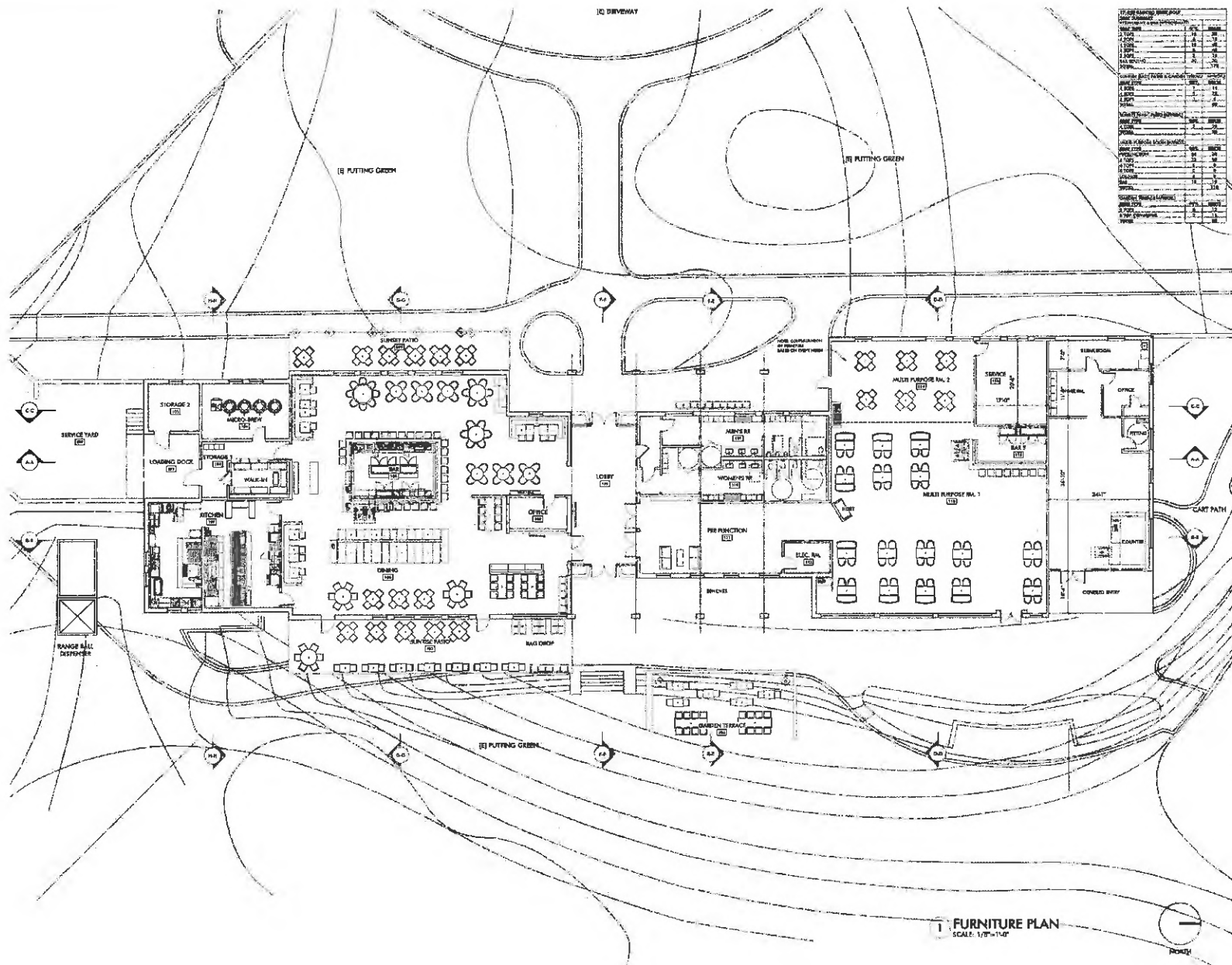
APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

BY: _____ DATE: _____
Deputy City Attorney

Business Tax Registration Certificate Number: _____

Internal Revenue Service Taxpayer Identification Number: _____

AGREEMENT Number: _____



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