March 14, 2018

REQUEST FOR PROPOSAL
FOOD AND BEVERAGE CONCESSIONS
DTLA FIRST AND BROADWAY PARK
(RFP #CON-F17-006)

Addendum No. 3

The Request for Proposal for Food and Beverage Concessions DTLA First and Broadway Park (RFP) has been modified as follows:

1. Section I – INTRODUCTION, the subsection titled “Concession Fee” is revised as follows:

   The concession fee for year one is a Percentage of Gross Receipts (PGR) as proposed by the Concessionaire. The concession fee for years two through ten is a Minimum Annual Guarantee (MAG) or a PGR, whichever is greater, as determined annually. The minimum acceptable PGR and MAG are identified in Section V of this RFP.

2. Section V – COMPENSATION PLAN is revised as follows:

   The concession fee for year one is a PGR as proposed by the Concessionaire. The concession fee for years two through ten is the greater of a MAG or a PGR as proposed by the Concessionaire. Proposers are to complete the Financial Offer Form (Exhibit I of this Addendum No. 3) and specify their proposed MAG and percentage offered for food and non-alcoholic beverages, and separate percentages for alcohol and special events. Payments of the Concession Fee will commence from the date the Concessionaire begins operation of the Concession.

   The Minimum Acceptable MAG for year two is $462,000. The MAG for years three through ten is the previous year’s MAG or 90% of the combined PGR owed to RAP for the previous contract year, whichever is greater. In no event will the MAG for a given year be less than the previous year’s MAG.

   Example #1: Assuming in year two the MAG is $462,000 and the combined PGR is $400,000, then the Concessionaire would pay $462,000 for year two and the MAG for year three would be $462,000.

   Example #2: Assuming in year two the MAG is $462,000 and the combined PGR is $600,000, then the Concessionaire would pay $600,000 for year two and the MAG for year three would be $540,000 (which is 90% of the previous year’s PGR).
Minimum acceptable percentage rents by category

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Non-alcoholic beverages</td>
<td>8%</td>
</tr>
<tr>
<td>Alcohol</td>
<td>14%</td>
</tr>
<tr>
<td>Special Events</td>
<td>20%</td>
</tr>
</tbody>
</table>

3. RFP Exhibit C – Draft Agreement – Section 8. Monthly Rental Payment, subsection A. is revised as follows:

   A. As part of the consideration for RAP's granting the CONCESSION rights set forth in this AGREEMENT, CONCESSIONAIRE shall pay to RAP:

   For year one:

   XX percent of gross receipts for food and non-alcoholic beverages
   XX percent of gross receipts for alcohol
   XX percent of gross receipts for special events.

   For years two through ten the greater of:

   - A Minimum Annual Guarantee (MAG) as follows:
     - For year two $XXX,XXX
     - For years three through ten the greater of the previous year's MAG or ninety percent (90%) of the combined Percentage of Gross Receipts (PGR) owed to RAP for the previous contract year.

   or

   - A combined PGR as follows:
     XX percent of gross receipts for food and non-alcoholic beverages
     XX percent of gross receipts for alcohol
     XX percent of gross receipts for special events.

   Refer to SECTION 8.C for the definition of “Gross Receipts.”

   If the MAG is not met by December 31st of each calendar year, the difference between the actual concession fee received by the City and the MAG will be due to the City by January 15th of the subsequent year, pro-rated as necessary for the first and final years of operation or fractional part thereof.

4. RFP Exhibit I is replaced with Exhibit I attached to this Addendum No. 3.
FINANCIAL OFFER FORM
(Submit with Proposal)

Monthly Rent Commitment
In year one of this Concession Agreement, for and in consideration of City executing this Concession Agreement and granting the rights herein enumerated, CONCESSIONAIRE shall pay to City a percentage of gross receipts (PGR) by category as shown below (percentage must be equal to or greater than the minimum acceptable percentage shown below by category):

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>MINIMUM ACCEPTABLE PERCENTAGE</th>
<th>PERCENTAGE OF GROSS RECEIPTS OFFERED BY PROPOSER (spell out percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and non-alcoholic beverages</td>
<td>Eight percent (8%)</td>
<td>( %)</td>
</tr>
<tr>
<td>Alcohol</td>
<td>Fourteen percent (14%)</td>
<td>( %)</td>
</tr>
<tr>
<td>Special Events</td>
<td>Twenty percent (20%)</td>
<td>( %)</td>
</tr>
</tbody>
</table>

In year two Concessionaire shall pay to City the greater of the combined PGR as indicated above or a Minimum Annual Guarantee (MAG) of (amount entered below must be at least $462,000):

$________________________________________________________________________

ENTER PROPOSED AMOUNT FOR YEAR TWO MAG (PLEASE SPELL OUT)

THE MAG FOR YEARS THREE THROUGH TEN IS THE PREVIOUS YEAR’S MAG OR 90% OF THE COMBINED PERCENTAGE OF GROSS RECEIPTS PAID FOR THE PREVIOUS CONTRACT YEAR, WHICHEVER IS GREATER.

Event Closure Fee
Please indicate below the amount per space per day that the CITY would reimburse CONCESSIONAIRE, via rent credit, for closure for CITY-sponsored special events:

<table>
<thead>
<tr>
<th>SPACE</th>
<th>Beer Garden</th>
<th>Café</th>
<th>Rooftop</th>
<th>Restaurant</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPOSED FEE</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Prepared By:

________________________________________________________________________

(Authorized Signature) (Print Name)

________________________________________________________________________

(Company Name) (Title)

Date: ________________________________