REPORT OF GENERAL MANAGER

DATE March 5, 2014

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RECREATION AND PARKS EQUIPMENT CONTRACT-USE OF HOUSTON-GALVESTON AREA COUNCIL SELECTION PROCESS FOR RECREATION AND PARKS EQUIPMENT, SERVICE AND INSTALLATION WITH LANDSCAPE STRUCTURES, INC.

RECOMMENDATIONS:

That the Board:

1 Approve the proposed contract, substantially in the form on file in the Board Office, between the City of Los Angeles (City) and Landscape Structures, Inc., a Minnesota corporation, to provide and install recreation and parks equipment on an occasional and as-needed basis with a contract term expiring on October 31, 2014;

2 Find that the Houston-Galveston Area Council (H-GAC), acts as the agent for participating governmental agencies for the purchase and installation of recreation & parks equipment offered by Landscape Structures, Inc., and City is a participating agency;

3 Find that Landscape Structures, Inc., by written communication dated February 3, 2014, attached hereto and incorporated herein by reference as Attachment B, authorized City to utilize the HGAC contract terms and conditions for the purchase and installation of recreation and parks equipment;

4 Find as the contract awarding authority, in accordance with Charter Section 371(e)(2), the professional, scientific, expert, technical or other special services to be provided by
Find in accordance with Charter Section 371(e)(8), that the City may piggyback on the H-GAC Contract with Landscape Structures, Inc., because contracts for cooperative arrangements with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts of those agencies and any implementing agreements are an exception to the City’s competitive bidding requirements;

Find as the contract awarding authority, in accordance with Charter Section 371(e)(10), that the services to be provided by Landscape Structures, Inc., are for the performance of professional, scientific, expert or technical services and the use of competitive bidding would be undesirable, impractical or impossible or is otherwise excused by common law;

Find as the contract awarding authority, in accordance with Charter Section 1022, that the Department of Recreation and Parks (Department) does not have, available in its employ, personnel with the necessary expertise to undertake the specialized professional tasks sought and the work can be performed more economically or feasibly by an independent contractor;

Authorize the General Manager, at his sole discretion, to extend the term of the Agreement, if H-GAC exercises its option to renew its contract with Landscape Structures, Inc., for additional two (2) years;

Direct the Board Secretary to transmit forthwith the proposed Contract to the Mayor for approval and to the City Attorney for review and approval as to form; and,

Authorize the Board President and Secretary to execute the proposed Contract upon receipt of the necessary approvals.

SUMMARY:

The Department has an ongoing need for the purchase and installation of recreation and parks equipment. The ability to purchase and install recreation and parks equipment is critical to meeting the Department’s needs to build new and retrofit and repair existing park property.

The Landscape Structures, Inc., contract will provide the Department with a variety of turnkey designs, manufacturing and installation options for playground equipment, poured in place surfaces, and site furnishing. The contract will allow the Department the ability to select a wide variety of standard manufactured and customized recreation and parks equipment. If desired, the Department may use this contract to install, construct, build new and/or to retrofit, repair and maintain the Department’s existing recreation and parks equipment.
Department staff is recommending that the Board authorize the Department to piggyback on H-GAC’s competitively bid contract with Landscape Structures, Inc. Landscape Structures, Inc., has issued a letter dated February 3, 2014 (attached hereto and incorporated herein by reference as Attachment B) to the City which authorizes use of the contract with H-GAC. Under the H-GAC contract agreement, Article 6 “End User Agreement” expressly allows for other entities to enter into their own contract with Landscape Structures, Inc. utilizing the terms and conditions of H-GAC contract (Attachment A). The Board Office will issue a separate contract number and the Agreement will be executed between the Landscape Structures, Inc. and the City through the Board.

Landscapes Structures, Inc.’s current contract with H-GAC will expire on October 31, 2014. However, H-GAC has the option to extend this contract, which if exercised would extend the term of their Contract two (2) years to October 31, 2016. In the event that H-GAC exercises its option, Department staff recommends that the Department’s General Manager be given the sole discretion to extend the term of the City’s Agreement for two (2) additional years.

FISCAL IMPACT STATEMENT:

This contract will enable the Department to carry out various construction and maintenance projects that involve the construction, maintenance and/or retrofit of various recreation and parks equipment on an occasional and as-needed basis in order to enhance the recreational experience of the public. There will be no direct fiscal impact to the Department’s General Fund as funding will be identified on a per project basis.

This Report was prepared by Jim Newsom, Management Analyst II, reviewed by Cid Macaraeg, Senior Management Analyst II, Planning, Construction and Maintenance Branch.
Attachment A

Contract executed on November 1, 2012, between Houston-Galveston Area Council (H-GAC) and Landscape Structures, Inc.
A CONTRACT BETWEEN
HOUSTON-GALVESTON AREA COUNCIL
Houston, Texas
AND
LANDSCAPE STRUCTURES INC.
Delano, Minnesota

This Contract is made and entered into by the Houston-Galveston Area Council of Governments, hereinafter referred to as H-GAC, having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, AND, Landscape Structures Inc. hereinafter referred to as the CONTRACTOR, having its principal place of business at 601 7th Street South, Delano, Minnesota 55328.

ARTICLE 1: SCOPE OF SERVICES
The parties have entered into a Parks & Recreation Equipment Contract to become effective as of November 1, 2012, and to continue through October 31, 2014 (the "Contract"), subject to extension upon mutual agreement of the CONTRACTOR and H-GAC. H-GAC enters into the Contract as Agent for participating governmental agencies, each hereinafter referred to as END USER, for the purchase of Parks & Recreation Equipment offered by the CONTRACTOR. The CONTRACTOR agrees to sell Parks & Recreation Equipment through the H-GAC Contract to END USERS.

ARTICLE 2: THE COMPLETE AGREEMENT
The Contract shall consist of the documents identified below in order of precedence:

1. The text of this Contract form, including but not limited to, Attachment A
2. General Terms and Conditions
3. Bid Specifications No: PR11-12, including any relevant suffixes
4. CONTRACTOR’s Response to Bid No: PR11-12, including but not limited to, prices and options offered

All of which are either attached hereto or incorporated by reference and hereby made a part of this Contract, and shall constitute the complete agreement between the parties hereto. This Contract supersedes any and all oral or written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Contract cannot be modified without the written consent of both parties.

ARTICLE 3: LEGAL AUTHORITY
CONTRACTOR and H-GAC warrant and represent to each other that they have adequate legal counsel and authority to enter into this Contract. The governing bodies, where applicable, have authorized the signatory officials to enter into this Contract and bind the parties to the terms of this Contract and any subsequent amendments thereto.

ARTICLE 4: APPLICABLE LAWS
The parties agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, directives, issuances, ordinances, and laws in effect or promulgated during the term of this Contract.

ARTICLE 5: INDEPENDENT CONTRACTOR
The execution of this Contract and the rendering of services prescribed by this Contract do not change the independent status of H-GAC or CONTRACTOR. No provision of this Contract or act of H-GAC in performance of this Contract shall be construed as making CONTRACTOR the agent, servant or employee of H-GAC, the State of Texas or the United States Government. Employees of CONTRACTOR are subject to the exclusive control and supervision of CONTRACTOR. CONTRACTOR is solely responsible for employee payrolls and claims arising therefrom.

ARTICLE 6: END USER AGREEMENTS
H-GAC acknowledges that the END USER may choose to enter into an End User Agreement with the CONTRACTOR through this Contract and that the term of said Agreement may exceed the term of the H-GAC Contract. However, this acknowledgement is not to be construed as H-GAC’s endorsement or approval of the End User Agreement terms and conditions. CONTRACTOR agrees not to offer to, agree to or accept from END USER any terms or conditions that conflict with or contravene those in CONTRACTOR’s H-GAC contract. Further, termination of this Contract for any reason shall not result in the termination of the underlying End User Agreements entered into between CONTRACTOR and any END USER which shall, in each instance, continue pursuant to their stated terms and duration. The only effect of termination of this Contract is that CONTRACTOR will no longer be able to enter into any new End User Agreements with END USERS pursuant to this Contract. Applicable H-GAC order processing charges will be due and payable to H-GAC on any End User Agreements surviving termination of this Contract between H-GAC and CONTRACTOR.
ARTICLE 7: SUBCONTRACTS & ASSIGNMENTS
CONTRACTOR agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Contract or any right, title, obligation or interest it may have therein to any third party without prior written notice to H-GAC. H-GAC reserves the right to accept or reject any such change. CONTRACTOR shall continue to remain responsible for all performance under this Contract regardless of any subcontract or assignment. H-GAC shall be liable solely to CONTRACTOR and not to any of its Subcontractors or Assignees.

ARTICLE 8: EXAMINATION AND RETENTION OF CONTRACTOR'S RECORDS
CONTRACTOR shall maintain during the course of its work, complete and accurate records of items that are chargeable to END USER under this Contract. H-GAC, through its staff or its designated public accounting firm, the State of Texas, or the United States Government shall have the right at any reasonable time to inspect copy and audit those records on or off the premises of CONTRACTOR. Failure to provide access to records may be cause for termination of this Contract. CONTRACTOR shall maintain all records pertinent to this Contract for a period of not less than five (5) calendar years from the date of acceptance of the final contract closeout and until any outstanding litigation, audit or claim has been resolved. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. CONTRACTOR further agrees to include in all subcontracts under this Contract, a provision to the effect that the subcontractor agrees that H-GAC'S duty authorized representatives, shall, until the expiration of five (5) calendar years after final payment under the subcontract or until all audit findings have been resolved, have access to, and the right to examine and copy any directly pertinent books, documents, papers, invoices and records of such subcontractor involving any transaction relating to the subcontract.

ARTICLE 9: REPORTING REQUIREMENTS
CONTRACTOR agrees to submit reports or other documentation in accordance with the General Terms and Conditions of the Bid Specifications. If CONTRACTOR fails to submit to H-GAC in a timely and satisfactory manner any such report or documentation, or otherwise fails to satisfactorily render performance hereunder, such failure may be considered cause for termination of this Contract.

ARTICLE 10: MOST FAVORED CUSTOMER CLAUSE
If CONTRACTOR, at any time during this Contract, routinely enters into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to H-GAC on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to H-GAC, CONTRACTOR shall notify H-GAC within ten (10) business days thereafter of that offering and this Contract shall be deemed to be automatically amended effective retroactively to the effective date of the most favorable contract, wherein CONTRACTOR shall provide the same prices, warranties, benefits, or terms to H-GAC and its END USER. H-GAC shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If CONTRACTOR is of the opinion that any apparently more favorable price, warranty, benefit, or term charged and/or offered a customer during the term of this Contract is not in fact most favored treatment, CONTRACTOR shall within ten (10) business days notify H-GAC in writing, setting forth the detailed reasons CONTRACTOR believes aforesaid offer which has been deemed to be a most favored treatment, is not in fact most favored treatment. H-GAC, after due consideration of such written explanation, may decline to accept such explanation and thereupon this Contract between H-GAC and CONTRACTOR shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties, benefits, or terms to H-GAC.

The Parties accept the following definition of routine: A prescribed, detailed course of action to be followed regularly; a standard procedure. EXCEPTION: This clause shall not be applicable to prices and price adjustments offered by a bidder, proposer or contractor, which are not within bidder's/ proposer's control (example; a manufacturer's bid concession), or to any prices offered to the Federal Government and its agencies.

ARTICLE 11: SEVERABILITY
All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 12: DISPUTES
Any and all disputes concerning questions of fact or of law arising under this Contract, which are not disposed of by agreement, shall be decided by the Executive Director of H-GAC or his designee, who shall reduce his decision to writing and provide notice thereof to CONTRACTOR. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, CONTRACTOR requests a rehearing from the Executive Director of H-GAC. In connection with any rehearing under this Article, CONTRACTOR shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. CONTRACTOR may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, CONTRACTOR shall proceed diligently with the performance of this Contract and in accordance with H-GAC'S final decision.
ARTICLE 13: LIMITATION OF CONTRACTOR’S LIABILITY
Except as specified in any separate writing between the CONTRACTOR and an END USER, CONTRACTOR’s total liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify H-GAC described in Article 14, is limited to the price of the particular products/services sold hereunder, and CONTRACTOR agrees either to refund the purchase price or to repair or replace products that are not as warranted. In no event will CONTRACTOR be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. CONTRACTOR understands and agrees that it shall be liable to repay and shall repay upon demand to END USER any amounts determined by H-GAC, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Contract.

ARTICLE 14: LIMIT OF H-GAC’S LIABILITY AND INDEMNIFICATION OF H-GAC
H-GAC’s liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to its order processing charge. In no event will H-GAC be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor agrees, to the extent permitted by law, to defend and hold harmless H-GAC, its board members, officers, agents, officials, employees, and indemnities from any and all claims, costs, expenses (including reasonable attorney fees), actions, causes of action, judgments, and liens arising as a result of CONTRACTOR’s negligent act or omission under this Contract. CONTRACTOR shall notify H-GAC of the threat of lawsuit or of any actual suit filed against CONTRACTOR relating to this Contract.

ARTICLE 15: TERMINATION FOR CAUSE
H-GAC may terminate this Contract for cause based upon the failure of CONTRACTOR to comply with the terms and/or conditions of the Contract, provided that H-GAC shall give CONTRACTOR written notice specifying CONTRACTOR’S failure. If within thirty (30) days after receipt of such notice, CONTRACTOR shall not have either corrected such failure, or thereafter proceeded diligently to complete such correction, then H-GAC may, at its option, place CONTRACTOR in default and the Contract shall terminate on the date specified in such notice. CONTRACTOR shall pay to H-GAC any order processing charges due from CONTRACTOR on that portion of the Contract actually performed by CONTRACTOR and for which compensation was received by CONTRACTOR.

ARTICLE 16: TERMINATION FOR CONVENIENCE
Either H-GAC or CONTRACTOR may cancel or terminate this Contract at any time by giving thirty (30) days written notice to the other. CONTRACTOR may be entitled to payment from END USER for services actually performed; to the extent said services are satisfactory to END USER. CONTRACTOR shall pay H-GAC any order processing charges due from CONTRACTOR on that portion of the Contract actually performed by CONTRACTOR and for which compensation is received by CONTRACTOR.

ARTICLE 17: CIVIL AND CRIMINAL PROVISIONS AND SANCTIONS
CONTRACTOR agrees that it will perform under this Contract in conformance with safeguards against fraud and abuse as set forth by H-GAC, the State of Texas, and the acts and regulations of any funding entity. CONTRACTOR agrees to notify H-GAC of any suspected fraud, abuse or other criminal activity related to this Contract through filing of a written report promptly after it becomes aware of such activity.

ARTICLE 18: GOVERNING LAW & VENUE
This Contract shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with this Contract shall lie exclusively in Harris County, Texas. Disputes between END USER and CONTRACTOR are to be resolved in accord with the law and venue rules of the state of purchase. CONTRACTOR shall immediately notify H-GAC of such disputes.

ARTICLE 19: PAYMENT OF H-GAC ORDER PROCESSING CHARGE
CONTRACTOR agrees to sell its products to END USERS based on the pricing and other terms of this Contract, including, but not limited to, the payment of the applicable H-GAC order processing charge. On notification from an END USER that an order has been placed with CONTRACTOR, H-GAC will invoice CONTRACTOR for the applicable order processing charge. Upon delivery of any product/service by CONTRACTOR and acceptance by END USER, CONTRACTOR shall, within thirty (30) calendar days or ten (10) business days after receipt of payment, whichever is less, pay H-GAC the full amount of the applicable order processing charge, whether or not CONTRACTOR has received an invoice from H-GAC. For sales made by CONTRACTOR based on this contract, including sales to entities without Interlocal Contracts, CONTRACTOR shall pay the applicable order processing charges to H-GAC. Further, CONTRACTOR agrees to encourage entities who are not members of H-GAC’s Cooperative Purchasing Program to execute an H-GAC Interlocal Contract. H-GAC reserves the right to take appropriate actions including, but not limited to, contract termination if CONTRACTOR fails to promptly remit H-GAC’s order processing charge. In no event shall H-GAC have any liability to CONTRACTOR for any goods or services an END USER procures from CONTRACTOR.
ARTICLE 20: LIQUIDATED DAMAGES
Any liquidated damages terms will be determined between CONTRACTOR and END USER at the time END USER’s purchase order is placed.

ARTICLE 21: PERFORMANCE BONDS FOR INDIVIDUAL ORDERS
Except as described below for fire apparatus, CONTRACTOR agrees to provide a Performance Bond at the request of END USER within ten (10) days of receipt of END USER’s purchase order.

It shall be standard procedure for every order received for fire apparatus that a Performance Bond in the amount of the order be provided to the END USER. Failure of CONTRACTOR to provide such performance bond within ten (10) days of receipt of END USER’s order may constitute a total breach of contract and shall be cause for cancellation of the order at END USER’s sole discretion. END USER may choose to delete the requirement for a Performance Bond at END USER’s sole discretion. If the bond requirement is waived, END USER shall be entitled to a price reduction commensurate with the cost that would have been incurred by CONTRACTOR for the bond.

ARTICLE 22: CHANGE OF CONTRACTOR STATUS
CONTRACTOR shall immediately notify H-GAC, in writing, of ANY change in ownership, control, dealership/franchisee status, Motor Vehicle license status, or name, and shall also advise whether or not this Contract shall be affected in any way by such change. H-GAC shall have the right to determine whether or not such change is acceptable, and to determine what action shall be warranted, up to and including cancellation of Contract.

ARTICLE 23: LICENSING REQUIRED BY TEXAS MOTOR VEHICLE BOARD [IF APPLICABLE]
CONTRACTOR will for the duration of this Contract maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Contract period, any CONTRACTOR’S license is not renewed, or is denied or revoked, CONTRACTOR shall be deemed to be in default of this Contract unless the Motor Vehicle Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to H-GAC upon request.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their duly authorized representatives.

Signed for Houston-Galveston Area Council, Houston, Texas: ____________________________
Jack Clark, Executive Director

Attest for Houston-Galveston Area Council, Houston, Texas: ____________________________
Deidre Vick, Director of Public Services
Date: 10/03/2012

Signed for Landscape Structures Inc. Delano, Minnesota: ____________________________
Fred Caslavka, CFO
Date: September 20, 2012

Attest for Landscape Structures Inc. Delano, Minnesota: ____________________________
Elaine Harkess, Contract Administrator
Date: 9/20/2012
Applicable items are the catalogs and associated price books described in the table below, as well any options priced in Offeror’s response.

<table>
<thead>
<tr>
<th>HGAC CODE</th>
<th>MFGR</th>
<th>CATALOG</th>
<th>DISCOUNT OFF LIST</th>
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<tbody>
<tr>
<td>PR29</td>
<td>Landscape Structures, Inc.</td>
<td>2012 Landscape Structures Park &amp; Playground Equipment Catalog</td>
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<td>PR52</td>
<td>PlaySense (Landscape Structures, Inc.)</td>
<td>2012 PlaySense Catalog</td>
<td>6.00%</td>
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<td>PR65</td>
<td>Skatewave (Landscape Structures, Inc.)</td>
<td>2012 Skatewave Catalog</td>
<td>6.00%</td>
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</table>
January 9, 2014

Elaine Harkess
Contract Administrator
Landscape Structures, Inc.
601 7th Street South
Delano, MN 55328

Dear Mrs. Harkess:

RE: Contract Changes on Contract PR11-12 for Parks & Recreation Equipment

H-GAC has reviewed your request for contract changes in the above referenced contract. We have determined that the changes are reasonable and conform to the provisions of the contract. Therefore, the request is approved.

Sincerely,

Deidre Nick
Public Services Director
December 9, 2013

Houston-Galveston Area Council of Governments
Attn: Ronnie Barnes, Purchasing Program Coordinator
3555 Timmons Lane, Suite 120
Houston, TX 77027

RE: Parks & Recreation Equipment Contract PR11-12 – Request for Price Increase

Dear Mr. Barnes:

In accordance with paragraph 45 PRICE CHANGES; Landscape Structures Inc. respectfully submits the enclosed manufacturer’s price lists as the basis for a price increase effective January 1, 2014. Price lists submitted are Landscape Structures’ 2014 Price List Playground Equipment (effective January 1, 2014), 2014 Price List PlaySense (effective January 1, 2014) and 2014 Price List Skatewave (effective January 1, 2014).

Price increase under the HGAC contract will be effective upon approval. Prices will remain firm until December 31, 2014.

Also included is the 2013 versus 2014 price comparison spreadsheet (Landscape Structures, PlaySense and Skatewave are on separate tabs).

Price lists dated January 1, 2014 supersede all previous catalogs/product offerings.

If you have any questions, please feel free to contact me at 800-358-8598 or email at elaineharkess@playlsi.com.

Respectfully,

Elaine Harkess
Contract Administrator

Enclosures
<table>
<thead>
<tr>
<th>HGAC LINE ITEM</th>
<th>OPTION DESCRIPTION</th>
<th>OFFERED PRICE</th>
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<tr>
<td>PR25</td>
<td>Quantity Discount on Landscape Structures Playground Equipment for a single order over $80,000</td>
<td>-2%</td>
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<tr>
<td>PR45</td>
<td>Quantity Discount on Landscape Structures PlaySense Playground Equipment for a single order over $80,000</td>
<td>-2%</td>
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<tr>
<td>PR57</td>
<td>Quantity Discount on Landscape Structures Skatewave Skatepark Equipment for a single order over $80,000</td>
<td>-2%</td>
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<tr>
<td>PR25, PR45, PR57</td>
<td>Installation of Landscape Structures Inc. and PlaySense Playground Equipment and Skatewave Skatepark Equipment</td>
<td>per LSI current Installation Chart</td>
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<tr>
<td>PR25, PR45, PR57</td>
<td>Freight for Landscape Structures Inc. and PlaySense Playground Equipment and Skatewave Skatepark Equipment; Freight is “F.O.B. Destination, Freight Prepaid and Added”</td>
<td>per LSI current Freight Chart</td>
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<td>PR25, PR45</td>
<td>Poured-in-Place Rubber Safety Surfacing (for a single order total of PIP Surfacing up to $80,000)</td>
<td>Not to exceed Cost plus 25%</td>
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<tr>
<td>PR25, PR45</td>
<td>Poured-in-Place Rubber Safety Surfacing (for a single order total of PIP Surfacing over $80,000)</td>
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<td>PR25, PR45</td>
<td>Engineered Wood Fiber Safety Surfacing (for a single order total of Eng. Wood Fiber Surfacing up to $80,000)</td>
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<td>Rubber Safety Surfacing Tiles (for a single order total of Rubber Tile up to $80,000)</td>
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<td>PR25, PR45, PR57</td>
<td>Miscellaneous Related Products and Services necessary to provide turnkey project solutions, including, but not limited to, shelters, water play, site work and site furnishings (for a single order total of Miscellaneous Product up to $80,000)</td>
<td>Not to exceed Cost plus 25%</td>
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<td>PR25, PR45, PR57</td>
<td>Miscellaneous Related Products and Services necessary to provide turnkey project solutions, including, but not limited to, shelters, water play, site work and site furnishings (for a single order total of Miscellaneous Product over $80,000)</td>
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<td>PR25, PR45, PR57</td>
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<td>Landscape Structures Inc. PebbleFlex® safety surfacing</td>
<td>quoted on per project basis</td>
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<td>PR25, PR45</td>
<td>Landscape Structures Inc. AquaFlex® Waterplay Surfacing</td>
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<td>PR25, PR45, PR57</td>
<td>Landscape Structures Inc. Replacement Parts</td>
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<td>Safety audits</td>
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<td>Structural calculations</td>
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<td>Landscape Structures Inc. Maintenance Kit (Model # 107048A)</td>
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<td>Bonding Fee (Payment and Performance Bonds when required by customer)</td>
<td>3% of total PO amount</td>
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# 2014 Installation Rates*

Rates apply to Landscape Structures and PlaySense Playground Equipment and Skatewave Skatepark Equipment

<table>
<thead>
<tr>
<th>State</th>
<th>Installation Rate*</th>
<th>State</th>
<th>Installation Rate*</th>
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<tr>
<td>Alabama</td>
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<td>Nebraska</td>
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<td>Indiana</td>
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<td>South Carolina</td>
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<td>South Dakota</td>
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<td>Maine</td>
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<td>Wyoming</td>
<td>39%</td>
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</tbody>
</table>

*Rates are a maximum allowable percentage under the contract.

1. Minimum Installation Fee is $5,000.00

2. To calculate Installation Fee:
   Multiply Total List Price of Equipment x State Installation Rate = Cost of Installation

3. Prices listed above are for installation only and do not include off loading of equipment at time of delivery, storage, security, or any applicable taxes, bonds, or permits.

4. Standard Terms and Conditions for Installation apply
Attachment B

Letter dated February 3, 2014 from Landscape Structures, Inc., to the City of Los Angeles, Department of Recreation and Parks authorizing the City to piggyback on the H-GAC Contract.
February 3, 2014

City of Los Angeles
111 East First Street
Los Angeles, CA 90012

RE: HGAC Contract No. PR11-12 For the Supply of Parks & Recreation Equipment

To Whom It May Concern:

Landscape Structures Inc. authorizes the City of Los Angeles to utilize the HGAC contract terms and conditions for park and playground purchases, installation and related products and services.

Sincerely,

Fred Caslavka
CFO