

APPROVED

BOARD OF RECREATION AND PARK COMMISSIONERS

BOARD REPORT

NO. 22-114

DATE May 5, 2022

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LOS ANGELES EQUESTRIAN CENTER – ISSUANCE OF NOTICE OF TERMINATION TO LAEC, INC.; APPOINTMENT OF ASM GLOBAL AS INTERIM FACILITY MANAGER; APPROVAL OF PROPOSED FACILITY MANAGEMENT AGREEMENT WITH ASM GLOBAL - CATEGORICAL EXEMPTION FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 1(14) [ISSUANCE OF A LICENSE TO USE AN EXISTING FACILITY INVOLVING NEGLIGIBLE OR NO EXPANSION OF USE] OF CITY CEQA GUIDELINES AS WELL AS TO ARTICLE 19, SECTION 15301 OF CALIFORNIA CEQA GUIDELINES

AP Diaz _____

*M. Rudnick MR

MAY 05 2022

H. Fujita _____

C. Santo Domingo _____

J. Kim _____

N. Williams _____



General Manager

Approved X

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

1. Authorize the General Manager to issue a ninety (90) day notice of termination to LAEC, Inc., operator of the Los Angeles Equestrian Center (LAEC);
2. Appoint ASM Global (ASM) as the interim facility manager of the LAEC;
3. Approve the proposed facility management agreement (Attachment 1) between the City of Los Angeles (City) and ASM for the operation and management of the Los Angeles Equestrian Center for a two-year term with a one-year extension option;
4. Find that the services required are of a professional and expert quality and are temporary and occasional in nature; therefore, competitive bidding under Charter Section 371(e)(2) is neither practicable nor advantageous; and
5. Find that, pursuant to Charter Section 371(e)(10), the services required involve 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 the common law; and

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6. Determine that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(14) [Issuance of a license to use an existing facility involving negligible or no expansion of use] of City CEQA Guidelines as well as to Article 19, Section 15301 of California CEQA Guidelines and direct staff to file a Notice of Exemption (NOE) with the Los Angeles County Clerk; and
7. Authorize RAP's Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of \$75.00 for the purpose of filing a NOE and,
8. Approve the allocation of One Million, Five Hundred Thirty-Seven Thousand Five Hundred Dollars (\$1,537,500) in Concession Improvement from Account No. 89070K-00 for the Los Angeles Equestrian Center Operation Account No. 302-89-89TBD.
9. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee or designee to make technical corrections as necessary to carry out the intent of this Report.
10. Authorize the Board President and Secretary to execute the proposed facility management agreement between the City and ASM upon receipt of the necessary approvals.

SUMMARY

The LAEC is a seventy-five (75) acre equine boarding and training facility and a banquet destination located north of the Los Angeles River and 134 Freeway within the boundaries of Griffith Park. Facilities to board over one thousand (1,000) horses are available at LAEC along with rings for training and competitive equestrian contests and a three thousand five hundred (3,500) seat riding and exhibition arena. In addition, LAEC has a total of 13,000 square feet of multi-use banquet and event space as well as a café that is operated during horse show events.

LAEC has operated the equestrian center under a concession agreement since May 1990, the set term of which is now expired (1990 Agreement). Under the 1990 Agreement, LAEC oversees all services, including: boarding, hosting horse shows and equine competitions, facility and horse barn maintenance, horse riding rentals and instruction, commercial filming coordination and the hosting of banquets, exhibitions, social and business meetings, etc. LAEC, Inc. had the right to hold sub-license agreements for the services listed above.

In 2019, LAEC, generated a total of \$7,054,618 in gross sales and paid \$251,378 in total rent to RAP. Banquet food and non-alcohol beverage sales, alcohol beverage sales, boarding fees and commercial filming made up the bulk of the revenue stream with percentage rent rates of two to four percent by category.

The 1990 Agreement contains a holdover provision for continuity of operations in the absence of a new concession agreement being executed. The holdover provision continues the terms and conditions of the 1990 Agreement forward, subject to termination (the agreement uses the term "cancellation") by either party with 60-days written notice sent by registered mail.

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This report requests approval to issue a 90-day notice of termination to LAEC, Inc. and approval to contract with ASM as an interim operator who will manage the facility on RAP's behalf while a new Request for Proposal (RFP) is developed for a long-term agreement.

Facility Manager Model Option

Staff proposes to contract with ASM as the interim facility manager of LAEC similar to the management model in place at the Greek Theatre. This model will enable RAP to gain a clear understanding of the operation and determine the capital improvement needs and service enhancements necessary to return the LAEC to being a world-class facility. ASM will operate the LAEC on behalf of RAP on an interim basis, which will allow greater operational control by RAP. Responsibilities of ASM will include, but not be limited to: maintenance of the facility and grounds, horse rental operations, banquet food and beverage events, general event management, horse shows and equine competition, and horse riding instructional services.

As noted above, LAEC does have three ballrooms of various sizes comprising approximately 13,000 square feet, a cottage styled building used as a small event facility with an outdoor garden, three outdoor patio areas connected to banquet facilities and the semi-enclosed 3,500 seat Equidome arena which can serve as an event or exhibition venue. While RAP expects that ASM will make these spaces available for special event rentals, the primary focus will be on equestrian related activities.

Currently, equestrian-focused sub-licensees operating on the premises include a riding school, a retail shop and numerous horse trainers. RAP staff will ensure that these businesses remain operational during this transition period, should the operators choose to remain.

In addition, there is the potential to expand horse shows among the various arenas and the Equidome and room on the premises to expand stable space and increase revenue through the addition of horses housed at the facility.

Proposed Interim Agreement with ASM as Facility Manager

ASM is parent company of SMG, which is the current operator of the Greek Theatre and has been a key partner in achieving success with RAP's open venue management model there. Furthermore, ASM currently operates five equestrian centers throughout the U.S. and has the expertise to serve as the interim facility manager. RAP staff will work closely with ASM to ensure a smooth transition for boarders and sub-licensees who operate on the property. The proposed agreement with ASM is attached to this report. Key points of the interim agreement include:

- A term of two years plus a one-year option.
- RAP to pay an annual management fee to ASM of \$250,000 per year.
- ASM shall be entitled to retain twenty percent (20%) of any net operating income generated over and above the first \$250,000 in net operating income, as incentive

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compensation.

- ASM to provide all operational oversight management of the LAEC under direction of RAP staff.
- ASM will facilitate all sub-contracting, boarding, and contracts with trainers.
- ASM will be responsible for all facility and equipment maintenance and procurement on behalf of RAP.
- ASM will manage the booking and coordination of all horse shows, filming, and special events with an emphasis on equestrian activities.
- ASM to facilitate and coordinate with RAP on programming for a diverse population of youth from all parts of the City.
- ASM to represent RAP at equestrian community meetings and remain accessible to the community and stakeholders to address any concerns on behalf of RAP.
- ASM will provide 24-hour security and work in consultation with the Los Angeles Police Department, Los Angeles Fire Department and the Los Angeles Park Rangers.
- ASM will operate under all Federal, State and Local government regulations for the health and safety of the equine community.

ASM has identified a qualified equestrian professional who has more than twenty years of experience in managing equestrian centers throughout the country to oversee the transition. This equestrian facility management advisor will onboard team with the requisite professional experience to successfully manage an equestrian facility of this size, scale, and scope.

Additionally, the existing LAEC, Inc. non-management staff may be retained under the guidelines of the City's Worker Retention Ordinance (WRO). Regular employment may eventually be offered to those employees under the terms of the WRO.

ENVIRONMENTAL IMPACT

The proposed action to authorize RAP's General Manager to terminate the current concession agreement with LAEC, Inc. and execute the proposed two-year agreement with ASM involves the issuance of a license to use an existing facility involving negligible or no expansion of use.

According to the parcel profile report retrieved on March 29, 2022 this area resides in a liquefaction zone. The proposed Board action, however, will not create conditions that could lead to liquefaction.

This site is not within a coastal or methane zone, so there is no reasonable possibility that the project may impact on an environmental resource of hazardous or critical concern or have a significant effect due to unusual circumstances. No other known projects would involve cumulatively significant impacts, and no future projects would result from the proposed project. As of March 29, 2022, the State Department of Toxic Substances Control (DTSC) (Envirostor at

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www.envirostor.dtsc.ca.gov) has not listed the Project site or any contaminated sites near the Project area (within 500 feet). According to the Caltrans Scenic Highway Map there is no scenic highway located within the vicinity of the project or within the project site. Furthermore, the site is located within the boundaries of Griffith Park, a Historic Cultural Monument of the City of Los Angeles (HCM #942), but the issuance of the new agreement will not cause a substantial adverse change in the significance of a historical resource.

Based on this information, staff recommends that the Board determine that it is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(14) of City CEQA Guidelines as well as to Article 19, Section 15301 of California CEQA Guidelines. Staff will file a Notice of Exemption with the Los Angeles County Clerk upon Board's approval.

FISCAL IMPACT

A potential increase in revenue to RAP's General Fund of approximately Two Hundred Thousand Dollars (\$200,000) annually is estimated as a result of this action. All revenue collected during this interim term is intended to be reinvested in making improvements to the LAEC.

STRATEGIC PLAN INITIATIVES AND GOALS

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

Goal No. 3: Create & Maintain World Class Parks and Facilities
Goal No. 6: Build Financial Strength & Innovative Partnerships

This Report was prepared by the RAP Concessions Division.

LIST OF ATTACHMENTS/EXHIBITS

1) Proposed Agreement between the City of Los Angeles and ASM Global

AGREEMENT
FOR TEMPORARY FACILITY
MANAGEMENT OF THE LOS
ANGELES EQUESTRIAN CENTER

Between

THE CITY OF LOS ANGELES DEPARTMENT OF
RECREATION AND PARKS

And

ASM Global

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AGREEMENT FOR OVERSIGHT MANAGEMENT OF THE LOS ANGELES EQUESTRIAN CENTER

THIS AGREEMENT is made and entered into between the CITY OF LOS ANGELES, a municipal corporation (hereinafter referred to as CITY), acting by and through the Department of Recreation and Parks ("RAP"), and ASM Global Arena Management, LLC ("ASM" or "CONTRACTOR") this XXXXX day of XXXX, 2022 ("EFFECTIVE DATE").

WHEREAS, RAP seeks to hire a facility management company for a short term engagement to oversee management of the Los Angeles Equestrian Center (LAEC) while RAP develops and releases a Request for Proposal seeking a long-term operator; and

WHEREAS, ASM has extensive operational experience in managing large equestrian venues around the United States, including venues owned by state and local governments, and is able to engage quickly by taking advantage of staffing synergies via ASM's operational presence at event venues in the Los Angeles area;

WHEREAS, the services required are of a professional and expert quality and are temporary and occasional in nature; therefore, competitive bidding under Charter Section 371(e)(2) is neither practicable nor advantageous; and

WHEREAS, pursuant to Charter Section 371(e)(10) the services required involve 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 the common law; and

WHEREAS, RAP, finds, in accordance with Charter Section 1022, that it is necessary, feasible and economical to secure these services by contract as it lacks sufficient and necessary personnel to undertake these specialized professional services; and

WHEREAS, ASM agrees to enter into this AGREEMENT to assist the RAP in providing the public with high-quality management services at LAEC.

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 or CONTRACT:	This AGREEMENT consisting of thirty-three (33) pages and Exhibits (A thru K) attached thereto.
BOARD:	The Board of Recreation and Park Commissioners.
CITY:	The City of Los Angeles, acting by and through the Board of Recreation and Park Commissioners.
DEPARTMENT:	The Department of Recreation and Parks. Whenever approval of the DEPARTMENT is sought or otherwise required in this AGREEMENT, such approval may be given by the General Manager.
EFFECTIVE DATE:	[Insert date from first page above]
EXECUTIVE DIRECTOR:	The ASM employee designated to oversee, operate and manage the Los Angeles Equestrian Center
FACILITY:	Los Angeles Equestrian Center, located at 480 Riverside Drive., Los Angeles, CA 90027
LAAC:	Los Angeles Administrative Code
LAMC:	Los Angeles Municipal Code

NET OPERATING INCOME	All OPERATIONAL REVENUE plus all interest earned by ASM on any OPERATIONAL REVENUE, minus the NOT-TO-EXCEED EXPENSES authorized to be incurred by ASM in Section 7(B)
NOT-TO-EXCEED EXPENSES	The annual maximum amount DEPARTMENT is obligated to pay ASM for services provided and expenses incurred per this Agreement. Any amount incurred or expended by ASM beyond the amounts authorized in Section 7(B), below, may only be reimbursed following separate approval by the Board.
OPERATIONAL REVENUE	All gross receipts, including but not limited to the total amount charged for any goods, services, venue rentals, filming, special events, catering, or concessions, generated as a result of any and all operations of ASM at LAEC
PREMISES:	The geographical area as defined in Section 3 of this Agreement, which is further depicted in Exhibit C
TRANSITION EXPENSE:	Expenses incurred by ASM in connection with ASM'S preparation to assume operational control of the FACILITY during the period of time between the EFFECTIVE DATE and the date ASM commences full time, on-site operations at the Facility.

SECTION 2. PERMISSION GRANTED

The CITY hereby grants to ASM, subject to all of the terms and conditions of this AGREEMENT, the right to provide operational oversight and coordinated management of the Los Angeles Equestrian Center and to act as the DEPARTMENT'S agent, working with and under the direction of the DEPARTMENT'S staff with respect to the day to day operations of the FACILITY.

The CITY reserves the right to further develop or improve the PREMISES as it sees fit, without interference or hindrance; however the CITY shall consider recommendations of ASM in the planning process and may assign any operation of such improvements to ASM in accordance with this terms of this AGREEMENT. DEPARTMENT agrees that it will consider the impact on horse shows or events that have already been booked when scheduling facility improvement projects.

SECTION 3. PREMISES

The PREMISES (hereinafter referred to as PREMISES) authorized for use by ASM shall only include the Los Angeles Equestrian Center property, as depicted in Exhibit C, which is comprised of administrative offices and banquet facilities; barns; arenas; an equidome; numerous parking lots; polo fields; an equitation school; and other auxiliary buildings within the PREMISES.

ASM shall not use or permit the FACILITY to be used, in whole or in part, for any other purpose other than those set forth in this AGREEMENT except with the prior, written consent of BOARD, nor allow any use in violation of any present or future laws, ordinances, rules and regulations relating to sanitation or the public health, safety or welfare of operations at and use of the FACILITY.

ASM hereby expressly agrees that within 90 days of execution of this Agreement, and at all times during the term of this AGREEMENT, to maintain, use and operate the FACILITY in a safe, clean, wholesome and sanitary condition, and in compliance with any and all present and future laws and ordinances, as well as all rules and regulations and DEPARTMENT standards and directives relating to public health, safety, or welfare.

ASM and CITY agree that the PREMISES will be delivered in an as-is condition.

SECTION 4. TERM OF AGREEMENT

The term of the AGREEMENT shall commence on the EFFECTIVE DATE of this AGREEMENT, and shall be for two (2) years, with a one (1) year extension option, exercisable, via 120 days written notice to ASM, at the sole discretion of the DEPARTMENT.

Termination of this AGREEMENT shall done in accordance with the termination provisions (e.g. PSC-9) in the attached Standard Provisions for City Contracts (Rev.

10/21)[v.4]. Neither CITY, nor any BOARD member, officer, or employee thereof shall be liable to ASM in excess of the then-applicable fees or expense reimbursements, as set forth in Section 7 below, because of any action taken to terminate this AGREEMENT or to decline to exercise an option to extend the AGREEMENT.

SECTION 5. SERVICES TO BE PROVIDED AND OPERATING RESPONSIBILITIES

ASM shall, at all times, provide the following services and comply with the following conditions:

A. Operations:

ASM shall provide management staff which shall, at a minimum, include: Executive and Administrative, Operations, Barn Management, Grounds Keeping, Sales/Special Events, Food and Beverage and IT positions. The DEPARTMENT may require additions to or removals from the list of positions stated above and as shown in the organizational chart in Exhibit D. Any changes to this list of positions must be pre-approved by the DEPARTMENT.

At a minimum, the ASM staff will be responsible for the following duties and responsibilities:

1. Provide operational oversight management at the LAEC.
2. Collect all fees for FACILITY services, maintain proper accounting records for the FACILITY, pay for (as operations and insurance expenses) and obtain all licenses, permits, and insurance (Insurance Requirements and Instructions, Exhibit B).
3. Manage the rental of boarding stalls and provide customer service to boarders and trainers.
4. Facilitate the sub-contracting of peripheral services including, but not limited to: food and beverage service, banquet services, riding school, equine support services, retail shops, veterinary services, horse shows and others as RAP may deem necessary. ASM will provide oversight on behalf of RAP to ensure the sub-contractors are complying with the terms and conditions of their respective agreements. ASM may negotiate short-term sub-license agreements, subject to the approval of the DEPARTMENT.
5. Ensure barns and surrounding areas such as cross ties and wash racks are in good functional condition and regularly maintained.
6. Ensure stalls are in good condition upon move in: gates working; stall ground surfaces should be level; waterers functional and clean; no dangerous, sharp objects or edges; and pest control.
7. Mitigate, throughout the FACILITY, vermin, flooding, and excessive dust, especially, with respect to the latter, during periods of dry weather.
8. Regular maintenance of leveling of stall floors.
9. Within 30 days execution of this Agreement, ASM must submit a plan to RAP for approval for scheduling, management and coordination of overall barn cleaning.

The level of service must exceed the current cleaning schedule. (Specific areas to be cleaned must include aisles, crosstie areas, ceilings, beams, pipes above reach, around tack lockers, and the feed room.)

10. Ensure that all facilities, buildings, enclosures, and footing are well maintained (interiors and exteriors).
11. Ensure that the entire FACILITY and PREMISES are always maintained in a safe and clean condition, including landscape maintenance, irrigation repairs, tree trimming, turf maintenance and building maintenance (clean gutters, make repairs, paint, etc.).
12. Provide bedding (with a minimum standard of quality for material and volume).
13. Facilitate daily stall cleaning: mucking, cleaning of auto-waterer, and additional optional services.
14. Within 30 days of the execution of this Agreement, ASM must submit to RAP for approval a horse-feeding schedule for implementation. The plan must include additional service options for boarders.
15. Ensure access to cool drinking water for horses. ASM agrees to provide RAP with a detailed plan to provide solutions for hot months within 60 days of the EFFECTIVE DATE.
16. Ensure that the entire FACILITY and PREMISES are always maintained in a safe and clean condition, including:
 - a. Plumbing: (water for horses: access to cool drinking water), proximate spigots/hoses for cleaning, and any kitchens and restrooms.
 - b. Electrical: for barn and facility lights, running fans in stalls and aisles, plugging in small appliances like grinders for supplements.
 - c. Natural gas service.
17. Manage, set standards and assign storage for boarders, which may include spaces for:
 - a. riding equipment, tack, supplies
 - b. Feed: hay, grains, carrots, supplements
 - c. Muck bucket(s), muckrakes
18. Within 30 days of the execution of this Agreement, develop and enforce standards for running fans in stalls and elsewhere. Also propose alternative cooling methods such as misters or other solutions.
19. Ensure fair and equitable use of facilities, including: lunge/circular rings, pens, wash racks, cross ties, all internal trails, and hot-walker, et. al.
20. Upon taking over the operation of the Facility, transition and manage the booking of **horse shows** and **special events**. ASM shall provide a report to the DEPARTMENT and stakeholders on the first day of every month which lists all scheduled events for that month and clearly and timely communicate to boarders and trainers any anticipated impacts to access or operations of equestrian activities.
21. Oversee the care of boarded horses including hiring and managing staff who conduct mucking, feeding, cleaning and maintenance of the FACILITY.
22. Coordinate and collaborate with horse show promoters and special event clients before, during and after the event.
23. Maintain public and event staff ingress and egress at all times to the LAEC.

24. Manage all **parking operations**, including subcontracting (if necessary) of the operation as well as collecting and remitting all parking fees levied by RAP.
25. Prepare and manage a **traffic control plan** with the community, RAP and City of Burbank for large scale (over 500 participants and spectators) events, as necessary. This number may be adjusted by written approval of the General Manager of the Department.
26. Be reasonably accessible to stakeholders, including the **surrounding community**, to answer questions and to collaborate on all aspects of the operation.
27. Coordinate with **RAP Park Rangers, Los Angeles Fire and Police Department** on all large-scale (over 500 attendees) scheduled events regarding Fire, EMS and Security services necessary for public protection. In an emergency call 911.
28. Perform annual **Fire/Life testing** of the LAEC with a licensed contractor in conformance with LAFD Regulation 4.
29. Develop a new temporary website, logo, branding, keeping all up to date, including but not limited to the calendar and promotional information in collaboration with the DEPARTMENT. ASM will coordinate and manage all social media apps for the LAEC including, but not limited to Twitter, Facebook, Instagram or other designated ASM social media outlets. ASM shall provide full administrative access to City staff, including log in information and passwords, to all social media accounts during the term of this AGREEMENT. Upon expiration or termination of this AGREEMENT, ASM shall provide administrative access and information to all social media accounts and, if necessary, assign or transfer ownership of said accounts to the City. ASM shall provide designated City staff with access to the FACILITY's highest-speed available non-public Wi-Fi, including log in information and passwords for such Wi-Fi.
30. Ensure the FACILITY is reasonably safe and clean.
31. Coordinate with RAP for the use of the LAEC for programming that may provide equine experiences for youth from communities throughout Los Angeles.
32. Manage the **transition** of the LAEC from the current operator. This includes but is not limited to determining best strategies for ensuring continuity of service to current boarders, trainers and sub-tenants; coordinating with possible horse show or event promoters that could be holding dates with the current operator; touring the facility and identifying any fire life safety concerns that should be immediately addressed; and managing the transition and hosting of any special events that were booked as of the EFFECTIVE DATE of this AGREEMENT.
33. Provide a representative at the meetings of the **Los Angeles Equine Advisory Committee** and host regular meetings for boarders, trainers, and other stakeholders to exchange ideas and provide updates on happenings at the LAEC.
34. Provide owners with 24-hour access to their horse(s).
35. Provide security twenty-four hours/day, seven days a week.
36. Direct staff to conduct minimum twice nightly horse safety checks.
37. ASM agrees to use its Venue Management Software, at no additional cost to DEPARTMENT, to manage, book and coordinate the execution of all events. ASM will provide DEPARTMENT access to all information and databases related to the FACILITY. All data captured within the Venue Management Software belongs to

the DEPARTMENT and shall 1) be provided to the DEPARTMENT upon request, and 2) exported and delivered to the DEPARTMENT prior to the termination of this AGREEMENT.

38. Within 30 days of execution of this Agreement, ASM may request written approval from the DEPARTMENT to offer additional premium service upgrades to boarders and trainers for services that are provided above and beyond the minimum standards listed above.
39. ASM shall within the first 30 days of execution of this Agreement, start a community engagement process for all boarders, instructors, community members, sub-contractors, sub-licensees, etc. and be held monthly on an on-going basis.
40. ASM shall within the first 60 days of execution of this Agreement, provide a detailed assessment with recommendations and projected costs to resolve any fire/life/safety issues.
41. ASM shall within the first 90 days of execution of this Agreement, present the DEPARTMENT with a proposal for horse rental operations. These services may be provided by a sub-licensee.
42. ASM shall coordinate with the Department of Water and Power and other City Departments to facilitate possible future installation of solar panels throughout the Facility.
43. ASM shall provide continuous dust control of the Facility.
44. ASM will coordinate with RAP for the boarding of the park ranger mounted unit boarding and expenses.
45. ASM shall serve as RAP's fiscal agent for the procurement of supplies, equipment, and horses for the park ranger mounted unit.
46. Create an emergency evacuation plan in coordination with the City, to be posted and shared at all areas of the FACILITY.
47. Create a biosecurity action plan in coordination with the City to protect horses from infectious diseases, including EHV-1, in conformance with California Department of Agriculture standards.

B. Fiscal Responsibilities

ASM shall act as the DEPARTMENT'S fiscal agent for the LAEC facility. Accordingly, ASM will collect all fees associated with FACILITY operations, including food and beverage and merchandise sales by ASM or third-party vendors, and will ensure proper accounting for all monies collected and any interest earned. Any proposed increases to the rental rates for boarding stalls and fees and charges for any associated services must be approved by the BOARD. ASM shall propose increases in such rates, fees and charges only for a reasonable amount and reflecting the economic diversity of the region.

ASM will include any sub-licensee financial sales data in all financial reports. This includes monthly gross revenues and rent paid to ASM; and profit and loss statements for each operating year.

ASM will prepare an annual FACILITY operating budget, monthly financial reports (using the form attached as Exhibit G), marketing plans and pro-forma for the length

of the AGREEMENT. In addition, ASM will submit audited financials, profit and loss statements, on an annual basis. DEPARTMENT may request additional reports to assist DEPARTMENT with managing the FACILITY, including an accounting detailing all revenues and expenditures for each horse show/special event. ASM will cooperate with DEPARTMENT to provide the requested reports. The reports may be changed from time to time to include additional information as required by the DEPARTMENT.

C. Sub-Licenses

ASM may elect to retain the current food, beverage and banquet sub-licensee and shall retain the riding school sub-licensee and the retail shop licensee; as well as, continue the existing commercial rental agreements with equine service providers and trainers. After six months of operation ASM shall evaluate existing sub-licensee relationships and make a recommendation to RAP as to any changes to service providers and/or sub-licensees.

D. Transition Management

ASM agrees to manage the transition of the FACILITY from the current operator, including but not limited to implementing a strategy for retaining existing LAEC staff in accordance with the CITY's worker retention ordinance.

ASM, will designate an agreed upon number of employees to work on transition activities, as requested by DEPARTMENT. The cost for the employee(s) is a TRANSITION EXPENSE and will be reimbursed to ASM.

E. Filming and Special Events

It is the policy of the CITY to facilitate the use of CITY properties as film locations when appropriate. DEPARTMENT has established a Park Film Office to coordinate the use of park property for film production purposes. All fees for use of park property by film production companies shall be established and collected in accordance with CITY and DEPARTMENT policies. ASM shall establish a FACILITY rental fee schedule for filming, and collect, on behalf of the DEPARTMENT, any fees for film production conducted at FACILITY. All filming conducted at FACILITY must be approved in advance by the DEPARTMENT.

ASM may host equestrian and non-equestrian special events as long as they do not unreasonably impede or disrupt the use of the FACILITY by boarders and trainers. Any non-equestrian special event with more than 499 expected attendees shall be pre-approved in writing, prior to booking, by the DEPARTMENT. ASM shall emphasize service to boarders and trainers and prioritize the booking of equestrian shows. Filming and special events shall be secondary.

F. Community Satisfaction

ASM shall be accessible to the surrounding community to address questions and concerns and to collaborate on all aspects of FACILITY operations in conjunction with DEPARTMENT'S designated representative(s).

G. Facility Management Meetings

ASM shall attend meetings upon the request of the DEPARTMENT, including, but not limited to, the Board of Recreation and Park Commissioners and CITY Council and Committee meetings relating to the management and operations of the Facility. ASM may be called upon and agrees to assist the DEPARTMENT in the preparation and presentation of these matters.

H. Cleanliness

ASM shall ensure the FACILITY is always maintained in a reasonably safe and clean condition and will work in conjunction with the DEPARTMENT to keep the PREMISES, including all equine, administrative, commercial, and banquet structures, parking lots, perimeter property, including fencing, clean, uncluttered, and sanitary at all times.

Horse barn cleanliness shall follow the guidelines as issued by the United States Equestrian Federation (USEF) as well as the State of California.

ASM shall not permit any offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable, or unlawful fire hazard, nor any material detrimental to the public health, to remain on the PREMISES, and ASM shall prevent any such matter or material from being or accumulating upon said PREMISES.

I. Conduct

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

J. Disorderly Persons

ASM shall use its commercially reasonable 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 the aid of peace officers to assist in maintaining peaceful conditions. ASM shall not knowingly allow the use or possession of illegal drugs, narcotics, or controlled substances on the PREMISES.

K. Personnel

Within 30 days of the execution of this Agreement, ASM shall develop and submit a protocol, for the DEPARTMENTs approval, for the engagement of any employee or subcontractor. ASM's protocol shall comply with all applicable CITY, STATE,

and/or Federal labor laws.

i. Existing Personnel

ASM may choose to retain current LAEC management staff, including: the General Manager, Stabling Manager; Operations/Event Manager; Finance Manager; Receptionist; Event Manager; and stable, custodial and maintenance workers upon consultation with DEPARTMENT staff. ASM shall comply with the CITY's worker retention ordinance.

Existing LAEC salary schedules and job descriptions shall be considered as well as the existing work force employment promotional process.

The positions listed in this subsection shall at all times be filled as much as possible and maintained to perform the services required in this AGREEMENT. Failure to maintain these positions may be considered a material breach and may result in reductions of the NOT-TO-EXCEED EXPENSES authorized in Section 7(B) and/or termination of AGREEMENT.

ii. Qualified Personnel

ASM will employ or permit the employment of only such personnel as will assure a high standard of service to the public and cooperation with the CITY. All personnel will be trained in accordance with ASM'S submitted training plan prior to starting work at the PREMISES. All such personnel, while on or about the PREMISES, shall be neat in appearance and directed to be courteous at all times and shall be appropriately attired in conjunction with agreed upon appearance standards attached, with badges or other suitable means of identification. ASM shall prohibit persons employed by ASM, while on or about the PREMISES, to 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, the DEPARTMENT may direct ASM to remove that person from the PREMISES. ASM will create an employee handbook that will delineate these requirements to be signed by all employees.

iii. EXECUTIVE DIRECTOR of the Los Angeles Equestrian Center:

The EXECUTIVE DIRECTOR must be a qualified and experienced manager or supervisor of operations with a minimum of ten years' experience in equestrian venue management, vested with full power and authority to accept service of all notices provided for herein and to manage and supervise the operation of the FACILITY, including the quality services to boarders, and the appearance, conduct, and demeanor of SMG's agents, servants, and employees. The EXECUTIVE DIRECTOR shall be available during regular business hours, including show times and, at all times during that person's absence, a responsible subordinate shall be in charge and available. The authority of the EXECUTIVE DIRECTOR includes, but is not limited to the ability to: hire, fire,

and schedule personnel; order merchandise and materials; oversee inventory control and tracking; implement a marketing plan; maintain accounting records; book parties and events; oversee operations; train employees (to include such areas as customer service); and have ultimate on-site decision-making responsibility.

The EXECUTIVE DIRECTOR shall devote the greater part of their working time and attention to the operation of the FACILITY and shall promote, increase and develop the business. During the days and hours established for the operation of the subject FACILITY, the EXECUTIVE DIRECTOR'S personal attention shall not be directed toward the operation of any other business activity.

iv. Approval of Personnel

THE DEPARTMENT shall have the right to approve or disapprove senior level employees of ASM who are providing services to the LAEC.

L. Diversion of Business

ASM shall not divert, cause, allow, or permit to be diverted any commercially-viable 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 the AGREEMENT.

M. Equipment and Furnishings

All equipment, furnishings, and expendables required to operate the PREMISES shall be purchased using the funds provided for the NOT-TO-EXCEED EXPENSES authorized in Section 7(B) of this AGREEMENT. The equipment, furniture, and expendables shall remain the CITY'S real or personal property (all such property being referred to herein as "CITY'S FF&E"). ASM shall deliver an inventory of all existing equipment within 90 days of the EFFECTIVE DATE of this AGREEMENT and at the beginning of each calendar year for each year of the term of the AGREEMENT thereafter. The inventory report shall include updated equipment lists as well as equipment status, length of remaining useful life, and explanations of any reduction in inventory.

Office space and utilities at the FACILITY will be provided to ASM by CITY at no cost to ASM, but it shall but used for no purpose other than the operation of the FACILITY.

N. Maintenance of Equipment

ASM shall, at all times, keep and maintain all CITY FF&E, in good repair and in a clean, sanitary, and orderly condition and appearance. ASM will be

responsible for maintenance and repair of the PREMISES, the FACILITY, and all CITY FF&E. This maintenance shall be paid for using the funds provided for the NOT-TO-EXCEED EXPENSES authorized in Section 7(B) of this AGREEMENT.

The CITY reserves the right to conduct inspections of the FACILITY and make additional requirements to the maintenance of equipment at any time. No equipment provided by CITY shall be removed or replaced by ASM without the prior written consent of the DEPARTMENT.

O. Permits and Licenses

ASM shall obtain any and all permits, approvals, and licenses that may be required in connection with the operation of the FACILITY including, but not limited to: tax permits, business licenses, LA County Health permits and CITY Los Angeles Police Department, Animal Services Department, Fire Department and Building and Safety Department permits. All permits, approvals and licenses shall be posted in the appropriate areas on a year-round basis.

P. Signs and Advertisements

ASM shall not erect, construct, or place any signs, banners, ads, or displays of any kind whatsoever upon any portion of CITY property without the prior written approval from the DEPARTMENT, who may require the removal or refurbishment of any previously approved sign.

ASM shall not permit vendors to display wares inside or outside the FACILITY or on said property unless written permission is secured from the DEPARTMENT in advance of installation, and such permission shall be subject to revocation at any time but shall not be unreasonably withheld, unless signage is part of a concessionaire or approved horse show/special event merchandise. The type of sign or advertisement and the duration of display shall be approved in advance and in writing by the DEPARTMENT.

At the FACILITY, a sign shall be posted in a public place stating that the FACILITY is operated under an AGREEMENT issued by CITY through the DEPARTMENT.

Q. Utilities

The DEPARTMENT shall directly pay for all water, electricity, and gas utility charges associated with the PREMISES and FACILITY. ASM shall obtain and directly pay for (as an operations expense) telephone and internet service. The telephone number shall be placed in the FACILITY'S name and shall not be transferable to any other location.

ASM will comply with all water and energy saving policies and produce a yearly report on achieving improvements in water and energy usage.

Except to the extent of CITY's fault, including failure to maintain and repair as provided in this AGREEMENT, ASM hereby expressly waives all claims for compensation, or for any diminution or abatement of the revenue-sharing 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 ASM 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 of damage to any utility service line, CITY shall be responsible for the cost of repairs and any and all damages occasioned thereby, except to the extent that such damage is caused by the negligence of ASM or its employees or subcontractors.

ASM shall use best efforts to assure that water and energy are utilized by ASM and its subcontractors in the most efficient manner possible, and ASM expressly agrees to comply with all CITY water and energy conservation programs.

R. Safety

ASM will prepare a safety plan with specific training programs for all employees. ASM will designate a safety officer to report on safety statistics including employee and patron injuries on a monthly basis. ASM will review all workers compensation claims that arise from PREMISES.

ASM shall correct violations of safety practices immediately and shall cooperate fully with CITY in the investigation of accidents occurring on the PREMISES. ASM agrees to respond to and correct any safety or hazardous condition or incident identified by the DEPARTMENT immediately or to provide a written response within twenty-four (24) hours of necessary corrective action. In the event of injury to an employee, staff person, manager, boarder or other person(s) while at the FACILITY, ASM shall summon medical attention as soon as reasonably possible thereafter. ASM shall keep internal documentation of the incident and shall submit to the DEPARTMENT a CITY Form General No. 87 "Non-Employee Accident or Illness Report" (Exhibit E) within forty-eight (48) hours of the incident, two (2) copies of all Accident/Incident reports shall be sent to address identified in SECTION 20. NOTICES.

If after reasonable notice, ASM fails to correct hazardous conditions which have

led or, in the reasonable opinion of the DEPARTMENT, could lead to injury, the DEPARTMENT may, at its option, and in addition to all other remedies (including termination of this AGREEMENT) which may be available to it, take the necessary action to remedy that condition and recover the cost thereof, to be paid by ASM to CITY; provided that ASM shall not be responsible for such hazardous conditions to the extent caused by CITY or which are otherwise an obligation of the CITY.

S. Security

ASM shall be responsible for the security of the PREMISES. ASM will designate a security director to report on security statistics on a quarterly basis. ASM may install equipment, which will assist in protecting the PREMISES from theft, burglary, or vandalism. Any security equipment purchased, installed, and maintained by ASM shall be CITY FF&E and paid for using the funds provided for the NOT-TO-EXCEED EXPENSES authorized in Section 7(B) of this AGREEMENT. ASM shall obtain the DEPARTMENT'S prior written approval for any security equipment expenditure.

T. Intellectual Property

The "Los Angeles Equestrian Center" is a trademark of the CITY. Use of this trademark without permission may constitute trademark infringement and unfair competition in violation of federal and state law. Except as permitted in this AGREEMENT or by prior written consent of the DEPARTMENT, ASM may not:

1. Use the trademark in connection with any products or services unrelated to this AGREEMENT;
2. Use any trademarks confusingly similar to the CITY's trademark in connection with any products or services unrelated to this AGREEMENT;
3. Create or maintain a website, unrelated to this AGREEMENT, using a domain name confusingly similar to the trademark or including the words "Los Angeles Equestrian Center" or "LAEC";
4. Register or attempt to register the trademark or any marks confusingly similar to it; and
5. Challenge or dispute CITY's ownership of and rights to the trademark and the validity of any of CITY's registrations or applications for the trademark.

SECTION 6. HOURS / DAYS OF OPERATION

ASM shall manage and operate the FACILITY twenty-four hours a day, seven days a week, on a year-round basis per applicable CITY and DEPARTMENT codes,

rules, regulations, ordinances, and laws regarding levels of noise and public/private access. The DEPARTMENT recognizes the need for periods of closure of certain areas for maintenance and facility improvements.

SECTION 7. OPERATIONAL REVENUES AND EXPENSE REIMBURSEMENT

A. OPERATIONAL REVENUE AND NET OPERATING INCOME

Except as authorized in Section 7(C) below, ASM shall remit to DEPARTMENT one hundred percent (100%) of all NET OPERATING INCOME.

ASM shall act as the DEPARTMENT's fiscal agent in collecting OPERATIONAL REVENUE and shall ensure proper accounting for all monies collected.

For the duration of the AGREEMENT, ASM shall transfer NET OPERATING INCOME to the DEPARTMENT as follows:

- i. NET OPERATING INCOME shall be remitted to the DEPARTMENT in one single payment each AGREEMENT year. The annual payment shall be due from ASM no later than sixty (60) days after the end of ASM's fiscal year, or in the event the AGREEMENT is terminated prior to the end of an AGREEMENT year, no later than sixty (60) days after the termination of the AGREEMENT. ASM's obligation to pay the DEPARTMENT shall survive the termination of this Agreement.
- ii. In any time when the combined total of 1) NOT-TO-EXCEED EXPENSES authorized in Section 7(B) and 2) the base management fee in Section 7(C) exceeds the combined total of OPERATIONAL REVENUE and any interest earned by ASM on that OPERATIONAL REVENUE for the current Fiscal Year, the DEPARTMENT agrees to pay to ASM, as reimbursement, within 30 days of receipt of a written demand from ASM, the actual shortfall. ASM agrees, upon request from the DEPARTMENT, to provide records reasonably necessary to verify the accuracy of the shortfall.

B. AUTHORIZED NOT-TO-EXCEED EXPENSES

Except as set forth below, ASM may incur only the following expenses, in performing its obligations under this AGREEMENT:

Wages and benefits for mutually agreed upon positions - \$3,120,000;

General and Administrative Expenses -\$400,000.00;

Contracted Services-\$620,000

Operations-\$450,000

Equipment-\$300,000

Repair and Maintenance-\$360,000

Supplies-\$350,000

Insurance-\$200,000

Boarding and expenses for Park Rangers mounted unit -\$50,000

ASM shall not incur more than \$5,850,000 in any AGREEMENT year, nor incur in excess of the amount listed above for any expense category in any AGREEMENT year, unless ASM receives prior approval from the BOARD, except that the DEPARTMENT is hereby authorized, without further BOARD approval and at its sole discretion, to approve, in writing, up to \$300,000 in additional contingency expenses above and beyond the \$5,850,000 listed above (for a total annual operating budget of \$6,150,000).

C. BASE MANAGEMENT FEE AND INCENTIVE COMPENSATION

ASM shall be paid \$250,000 per AGREEMENT year, which may be deducted by ASM from OPERATIONAL REVENUE in equal monthly installments, as an annual base management fee. In the event the AGREEMENT is terminated prior to the end of an AGREEMENT year, the base management fee shall be pro-rated and reduced accordingly to reflect the final portion of the year of the AGREEMENT.

On an annual AGREEMENT year basis, ASM shall be entitled to retain twenty percent (20%) of any NET OPERATING INCOME generated over and above the first \$250,000 in NET OPERATING INCOME, as incentive compensation. Any such incentive compensation may be retained by ASM prior to making the annual remittance set forth in Section 7(A)(i) above.

Because operating revenues may not be immediately available during the transition of operations from the Facility's current operator, DEPARTMENT shall be responsible for cash flowing any expenditures that must be made in advance of receipt of operating revenues. As such, DEPARTMENT agrees to deposit into an account owned by CITY, with ASM acting as fiscal agent for operational expenses, within fourteen (14) days of the effective date of this AGREEMENT, an amount equal to 25% of the proposed operating budget. Upon written agreement of the PARTIES, this requirement may be lifted as receipt of operating revenues becomes sufficient to cash flow ongoing operating expenses.

D. ACCOUNTING

The City will establish two new bank accounts for the FACILITY: Operations, and Disbursement. RAP shall be the owner of these two accounts and will give ASM

authority to access these two bank accounts based on the FACILITY's operational needs as determined by RAP.

1. OPERATIONS ACCOUNT:

ASM shall deposit any funds derived from the FACILITY's operations to the Operations Account. CITY's staff will transfer funds from the Operations Account to the Disbursement Account as needed to pay for FACILITY operational expenses. ASM shall have no disbursement authority on the Operations Account.

2. DISBURSEMENT ACCOUNT:

CITY shall give ASM authorization to disburse funds from the Disbursement Account to pay for the FACILITY's operational expenses and refund customers' refundable deposits. CITY's staff will transfer cash from the Operations Account to the Disbursement Account for FACILITY operations on an as-needed basis. ASM will provide cash outflow projections to the City as requested. The City shall give ASM authorization as necessary to sign checks and perform electronic funds transfer (EFT) to pay for FACILITY's operation invoices.

SECTION 8.

[This section left intentionally blank.]

SECTION 9. ADDITIONAL FEES

Failure of ASM to pay any of the revenue-sharing payments or any other fees, charges, or payments within ten (10) days following notice of such failure to pay is a breach of the AGREEMENT for which CITY may terminate same or take such other legal action as it deems necessary.

Without waiving any rights available at law, in equity or under the AGREEMENT, in the event of late or delinquent payments by ASM, the latter recognizes that CITY will incur certain expenses as a result thereof, the amount of which is difficult to ascertain. Therefore, in addition to monies owing, ASM agrees to pay the CITY a late fee set forth below to compensate CITY 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, 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 CITY shall not be deemed as a waiver of any

other breach by ASM of any term or condition of this AGREEMENT other than the failure of ASM to timely make the particular payment so accepted.

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 CITY for any work done or material furnished shall be prima facie evidence against ASM that the amount of such payment was necessary and reasonable. Should CITY elect to use its own personnel in making any repairs, replacements, and/or alterations chargeable to ASM, and charge ASM 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 ASM.

SECTION 10. MAINTENANCE OF PREMISES

A. During all periods that the PREMISES are used or are under the control of ASM for the uses, purposes, and occupancy aforesaid, ASM staff shall perform all necessary damage/maintenance repairs, including general exterior appearance of all equipment and facilities and regular graffiti removal, to the satisfaction of the DEPARTMENT. The cause of said maintenance, cleaning and repairs may result from normal wear and tear, as well as vandalism.

B. ASM shall complete and submit to the DEPARTMENT a "Special Occurrence and Loss Report," 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. The DEPARTMENT shall provide blank forms for this purpose.

C. Damage or Destruction to Premises

a. 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 CITY 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 ASM, its agents, officers, or employees, ASM shall be responsible for reimbursing CITY for the cost and expense incurred in making such repairs.

b. 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 CITY 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 DEPARTMENT as again ready for use; provided, however, that if such damage is caused by the negligent acts or omissions of ASM, its agents, officers, or employees, said fees and charges will not abate and ASM shall be responsible for the cost and expenses incurred in making such repairs.

c. 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, CITY 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, ASM may terminate this AGREEMENT in its entirety as of the date of such damage or destruction; provided, however, that if said destruction is caused by the negligent acts or omissions of ASM, its agents, officers, or employees, ASM shall be responsible for reimbursing CITY for the cost and expense of rebuilding or replacing the portions(s) of the PREMISES that were destroyed.

d. Limits of CITY'S Obligation Defined

In the application of the foregoing provisions, CITY may, but shall not be obligated to, repair or reconstruct the PREMISES. If CITY chooses to do so, 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 ASM at the commencement of its operations hereunder.

D. Pest Control

ASM shall perform pest control at the PREMISES. ASM shall take all reasonable measures to reduce the proliferation of pests, including maintaining the PREMISES in clean condition. DEPARTMENT may direct ASM to take additional measures to abate pests, which are an immediate threat to public health or safety.

SECTION 11. PROHIBITED ACTS

ASM shall not:

1. Use the PREMISES to conduct any other business operations of ASM not related to the Los Angeles Equestrian Center;

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 the PREMISES for any purpose which is not essential to the FACILITY 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 the DEPARTMENT;
5. Overload any floor or roof on the PREMISES;
6. Not including boarder's and trainer's personal item storage, place any additional lock of any kind upon any window or interior or exterior door on 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 DEPARTMENT any and all keys to the interior or exterior doors on the PREMISES, whether said keys were furnished to or otherwise procured by ASM, and in the event of the loss of any keys furnished by DEPARTMENT, ASM shall pay CITY, 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 (except in connection with increased or changed usage) the rate of any insurance policy required under the AGREEMENT, or carried by CITY, covering the PREMISES, or the buildings in which the same are located or which, in the opinion of DEPARTMENT, 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 ASM 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, substance or waste as defined in Section 25260 of the California Health and Safety Code, 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 ASM 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. Permit undue loitering on or about the PREMISES or allow any individual(s) to live or stay overnight on the PREMISES, unless pre-approved by the DEPARTMENT;
10. Use the PREMISES in any manner that will constitute waste;
11. Use or allow the PREMISES to be used for any improper, immoral or unlawful purposes.
12. Install or allow the installation of video games, or vending machines including but not limited to Automated Teller Machines (ATMs) without the prior written approval of the DEPARTMENT.
13. Permit gambling on the PREMISES or install or operate or permit to be installed or operated thereon, any device which is illegal; or use the PREMISES or permit it to be used for any illegal business or purpose.
14. Permit smoking on the FACILITY PREMISES, in conformance with AB13 California Smoke-Free Workplace Law and City and County regulations.

Any exceptions to this policy will require the prior written approval of the DEPARTMENT.

SECTION 12. NUMBER OF ORIGINALS

The number of original texts of this AGREEMENT shall be equal to the number of parties hereto, one text being retained by each party

SECTION 13. RATIFICATION LANGUAGE

Due to the need for the ASM'S services to be provided continuously on an ongoing basis, ASM may have provided services prior to the execution of this AGREEMENT. To the extent that said services were performed in accordance with the terms and conditions of this AGREEMENT, those services are hereby ratified.

SECTION 14. PERFORMANCE DEPOSIT

- A. ASM shall provide the DEPARTMENT a sum equal to One Hundred Fifty Thousand Dollars (\$150,000.00) for the term of the AGREEMENT ("Deposit").
- B. ASM's Deposit shall be in the form a cashier's check drawn on any recognized local bank, which cashier's check is payable to the order of the City of Los

Angeles.

- C. ASM unconditionally agrees that in the event of any material default of this AGREEMENT by ASM and consequent termination by CITY, CITY shall have full power and authority to use the Deposit in whole or in part to indemnify CITY. All deposits of cash or checks must be immediately so deposited by the DEPARTMENT.
- D. Deposit shall be returned to ASM and any rights assigned to Deposit shall be surrendered by CITY in writing, after the expiration or earlier termination of the AGREEMENT and the later of (i) any exit audits and inspections performed in conjunction with the AGREEMENT, or (ii) ninety (90) days thereafter. The CITY reserves the right to deduct from the Deposit, any amounts up to and including the full amount of the Deposit as stated herein, owed to the CITY by ASM as shown by any exit audits performed by CITY, or as compensation to CITY for material breach by ASM of this AGREEMENT. ASM shall have the right to challenge the accuracy of such audit and/or the propriety of any claim by CITY against the funds, and in the event that the parties fail to reach AGREEMENT concerning the disposition of the funds, may institute appropriate dispute resolution or legal proceedings.

SECTION 15. TAXES, PERMITS, AND LICENSES

- A. ASM shall obtain and maintain any and all approvals, permits, or licenses that may be required in connection with the operation of the FACILITY including, but not limited to, tax permits, business licenses, health permits, building permits, police and fire permits, etc.
- B. ASM shall pay as an operations expense all applicable CITY, STATE and Federal taxes associated with ASM'S business activities in performance of the services required in AGREEMENT, including any possessory interest tax pursuant to California Revenue and Taxation Code Section 107.6. By executing this AGREEMENT and accepting the benefits thereof, ASM may be creating a property interest known as "possessory interest" which may be subject to property taxation. ASM, as the party in whom the possessory interest would be vested, shall be responsible for the payment of all property taxes as an operations expense, if any, levied upon such interest. ASM acknowledges that the notice required under California Revenue and Taxation Code section 107 .6 has been provided.
- C. During the entire term of the AGREEMENT, ASM must hold a current Los Angeles Business Tax Registration Certificate (BTRC) as required by the CITY'S Business Tax Ordinance (LAMC Article 1, Chapter 2, Sections 21.00 et. seq.)

SECTION 16. ASSIGNMENT, SUBLEASE, BANKRUPTCY, INDIRECT TRANSFERS RESULT IN CITY'S RIGHT TO TERMINATE

ASM 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 CITY. 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 FACILITY 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, encumbrance, pledgee or other lien holder, successor or purchaser

ASM may not, without prior written permission of the DEPARTMENT:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment, except that the parties acknowledge that the foregoing does not preclude the assignment by ASM of its rights to receive fees hereunder to its lender(s) as collateral security for ASM'S obligations under any credit facilities provided to it by such lender(s), provided that such collateral assignment shall not in any event cover ASM'S rights to manage, promote or operate the Facility hereunder.
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

SECTION 17. BUSINESS RECORDS

- A. ASM shall maintain for three (3) years after termination of this AGREEMENT 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 DEPARTMENT, or a duly authorized representative, during ordinary business hours at any time during the term of this AGREEMENT and for at least three (3) years thereafter.
- B. Employee Fidelity Bonds
Adequate employee fidelity bonds may be required to be maintained by ASM, covering all its employees who handle money.
- C. Cash And Record Handling Requirements
If requested by the DEPARTMENT, ASM shall prepare a description of its cash handling and sales recording systems and equipment to be used for operation of the FACILITY, which shall be submitted to DEPARTMENT for approval.
- D. ASM shall be required to maintain a method of accounting in compliance with Generally Accepted Accounting Principles of the FACILITY, which shall correctly and accurately reflect the gross receipts and disbursements received or made

by ASM from the operation of the FACILITY. The method of accounting, including bank accounts, established for the FACILITY shall be separate from the accounting systems used for any other business operated by ASM or for recording ASM'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. Point of Sales shall be retained so that day-to-day sales can be identified.
5. Any other accounting records that CITY, in its sole discretion, deems necessary for proper reporting of receipts.

E. Method of Recording Gross Receipts

Unless otherwise specified in the AGREEMENT, ASM and approved subcontractors shall obtain and install a point-of-sale (POS) system on which it shall record all gross sales. The POS shall be non-resettable and sufficient to supply an accurate recording of all sales on tape. ASM shall not purchase or install the POS before obtaining the DEPARTMENT'S written approval of the specific POS to be purchased. All POS shall have a price display, which is and shall remain at all times visible to the public.

F. Annual Statement of Gross Receipts and Expenses

ASM shall transmit certified financial statements for the FACILITY operations, prepared in a form and by a Certified Public Accounting firm acceptable to the DEPARTMENT, within 90 days of the conclusion of the foregoing AGREEMENT year during the term of the AGREEMENT. Notwithstanding the expiration of the AGREEMENT, the certified financial statements provisions shall survive the expiration of the AGREEMENT and the final certified financial statements shall be filed on or prior to March 1st of the calendar year after the expiration of the AGREEMENT.

The annual certified financial statements shall include an attachment containing the following information for each horse show/special event of the preceding calendar year:

- a. All actual revenue, categorized by source (i.e. boarding, banquets, etc.)

Failure to provide the certified financial statements described above, within the prescribed time allowed, shall be cause for the DEPARTMENT to call for an immediate audit of the FACILITY operations. ASM shall be charged for the full cost of labor, mileage, and materials expended in the investigation and

preparation of the audit, plus 30 percent (30%) of said costs for administrative overhead.

All records obtained or created in connection with CITY'S inspections of record or audits, will be or become subject to public inspection and production as public records, except to the extent that certain records or information are not required by law to be disclosed.

All documents, books and accounting records shall be open for inspection and reinsertion at any reasonable time during the term of the AGREEMENT, and for a reasonable period, not to exceed one year, thereafter. In addition, CITY may from time to time conduct an audit and re-audit of the books and businesses conducted by ASM 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 ASM to CITY shall be found to be less than the amount of gross sales disclosed by such audit and observation, ASM shall pay CITY within 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, ASM shall also pay the cost of the audit.

SECTION 18. REGULATIONS. INSPECTION. AND DIRECTIVES

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

Notwithstanding exclusivity granted to ASM by the terms of this AGREEMENT, the CITY in its discretion may require ASM, without any reduction in rent or other valuable consideration to ASM, 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:

ASM shall comply with:

- a. Any and all applicable rules, regulations, orders, and restrictions which are now in force or which may be hereafter adopted by CITY with respect to the operation of the FACILITY;
- b. Any and all orders, directions or conditions issued, given, or imposed by DEPARTMENT with respect to the use of the roadways, driveways, curbs, sidewalks, parking areas, or public areas adjacent to the PREMISES;
- c. Any and all 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, now in force or which may be hereafter adopted, lawfully exercising authority over ASM's operations; and,

- d. Any and all applicable local, state, and federal laws and regulations, now in force or which may be hereafter adopted, 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 ASM from CITY or the DEPARTMENT and any errors or omissions therefrom shall not relieve ASM of its obligations to faithfully perform the conditions therein. ASM shall immediately comply with any written request or order submitted to it by CITY or the DEPARTMENT.

D. Right of Inspection

CITY and the DEPARTMENT, their authorized representatives, agents and employees shall possess and maintain the right to enter upon the PREMISES at any and all times. Said access and/or inspections may be made at any time by persons identified to ASM as CITY employees, or CITY authorized persons. Inspections may be made for the purpose set forth below, however, the enumerations below shall not be construed to limit CITY'S right of inspection for any purpose incidental to the rights of CITY:

- a. To determine if ASM is complying with the terms and conditions of the AGREEMENT.
- b. To observe transactions between ASM and patrons in order to evaluate the quality and quantities of services provided or items sold or dispensed, the courtesy extended to and method of dealing with the public, the performance and caliber of ASM'S employees, subcontractor employees and the methods for recording receipts.

The information gathered on these inspections may be used to evaluate ASM to provide a basis for an action by CITY for the termination, renewal or denial of extensions of the AGREEMENT or for any other appropriate action.

E. Control of Premises

CITY shall at all times retain and possess 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 said CITY. Such determination

shall not be unreasonable and shall take into account the business considerations presented by ASM.

F. Business Inclusion Program

ASM agrees and obligates itself to utilize the services of Minority, Women, Small, Emerging, Disabled Veteran and Other Business Enterprise firms. ASM shall obtain written pre-approval of the DEPARTMENT for all or any sub-consultants and sub-contractors, provided that such approval shall not be unreasonably withheld.

During the term of the AGREEMENT, ASM must submit the MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile, Schedule B (Exhibit I) when submitting any Event Closing Statement. Upon completion of the project, a summary of these records shall be prepared on the "Final Subcontracting Report" form, Schedule C (Exhibit J) and certified correct by ASM or its authorized representative. The completed Schedule C shall be furnished to the DEPARTMENT 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.

ASM shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that ASM 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.

ASM 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 of Los Angeles (EWDD), which will refer individuals for interview;
- b. Interview qualified individuals referred by EWDD;
and
- c. Prior to filling any employment opportunity, ASM 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 ASM interviewed and the reasons why referred individuals were not hired.

Any subcontract entered into by ASM relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.

ASM 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 ASM intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's ASM'S evaluation, required under LAAC Section 10.39 et seq., and must be documented in each of the ASM'S subsequent ASM 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 ASM has violated provisions of the FSHO.

H. CEC Form 50

ASM agrees 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 K.

SECTION 19. SURRENDER OF POSSESSION

ASM agrees to yield and deliver possession of the PREMISES to CITY 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 ASM or CITY.

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 CITY and ASM. Neither the doing nor omission of any act or thing by any of the officers, agents or employees of CITY shall be deemed an acceptance of a surrender of the PREMISES utilized by ASM under the AGREEMENT.

SECTION 20. NOTICES

A. To CITY:

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

Department of Recreation and Parks
Attention: Special Operations Branch/Concessions Unit
P. O. Box 86610
Los Angeles, California 90086-0610

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.

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

B. To ASM:

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

All such notices may either be delivered personally to ASM or to any officer or responsible employee of ASM 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 to ASM shall be addressed as follows:

ASM GLOBAL
800 W. Olympic Blvd., Suite 309
Los Angeles, CA 90015
Attn.: President

With copy to:

ASM Global
300 Conshohocken State Rd., Suite 770
West Conshohocken, PA 19428
Attn: General Counsel

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

SECTION 21. 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. 10/21)[v.4]
- B. Insurance Requirements and Instructions
- C. Premises Map
- D. [Intentionally Omitted]
- E. Form General No. 87 "Non-Employee Accident or Illness Report
- F. Sponsorship Recognition Policy, Procedures and Guidelines for Recognizing Organizations and Individuals who Contribute to and/or Support City of Los Angeles Park and Programs
- G. Monthly Revenue Report
- H. Schedule A, MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form
- I. MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile, Schedule B
- J. Final Subcontracting Report form, Schedule C
- K. CEC Form 50

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,

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 ASM GLOBAL 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: _____
MICHAEL A. SHULL
General Manager

DATE: _____

BY: _____
President, ASM Global

DATE: _____

APPROVED AS TO FORM:

BY: _____
Deputy City Attorney

DATE: _____

DATE: _____

Business Tax Registration Certificate Number: **2858497-0001-9**

Internal Revenue Service Taxpayer Identification Number: **23-2511871**

AGREEMENT Number:

Standard Provisions for City Contracts (Rev. 10/21) [v.4]

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this Contract. The language of this Contract shall be construed according to its fair meaning and not strictly for or against **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" includes the party or parties identified in this Contract. The singular shall include the plural and if there is more than one **CONTRACTOR**, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Applicable Law, Interpretation and Enforcement

Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to **CONTRACTOR**.

In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this Contract shall not be affected.

PSC-3. Time of Effectiveness

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR**;
- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and
- D. This Contract has been signed on behalf of **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

PSC-4. Integrated Contract

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter of this Contract, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in the provisions of PSC-5 hereof.

PSC-5. Amendment

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-3.

PSC-6. Excusable Delays

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this Contract, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a Subcontractor of **CONTRACTOR** shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both **CONTRACTOR** and Subcontractor, and without any fault or negligence of either of them. In such case, **CONTRACTOR** shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit **CONTRACTOR** to perform timely. As used in this Contract, the term "Subcontractor" means a subcontractor at any tier.

In the event **CONTRACTOR'S** delay or failure to perform arises out of a Force Majeure Event, **CONTRACTOR** agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

PSC-7. Waiver

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-8. Suspension

At **CITY'S** sole discretion, **CITY** may suspend any or all services provided under this Contract by providing **CONTRACTOR** with written notice of suspension. Upon receipt of the notice of suspension, **CONTRACTOR** shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to **CITY** until **CITY** gives written notice to recommence the services.

PSC-9. Termination

A. Termination for Convenience

CITY may terminate this Contract for **CITY'S** convenience at any time by providing **CONTRACTOR** thirty days written notice. Upon receipt of the notice of termination, **CONTRACTOR** shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to effect the termination. Thereafter, **CONTRACTOR** shall have no further claims against **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights **CITY** is entitled to, shall become **CITY** property upon the date of the termination. **CONTRACTOR** agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

B. Termination for Breach of Contract

1. Except as provided in PSC-6, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, **CITY** may give **CONTRACTOR** written notice of the default. **CITY'S** default notice will indicate whether the default may be cured and the time period to cure the default to the sole satisfaction of **CITY**. Additionally, **CITY'S** default notice may offer **CONTRACTOR** an opportunity to provide **CITY** with a plan to cure the default, which shall be submitted to **CITY** within the time period allowed by **CITY**. At **CITY'S** sole discretion, **CITY** may accept or reject **CONTRACTOR'S** plan. If the default cannot be cured or if **CONTRACTOR** fails to cure within the period allowed by **CITY**, then **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If the default under this Contract is due to **CONTRACTOR'S** failure to maintain the insurance required under this Contract, **CONTRACTOR** shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and Contractor's obligation to suspend performance of

services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY'S** requirements.

3. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then **CITY** may immediately terminate this Contract.
4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates **CITY'S** laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.
5. Acts of Moral Turpitude
 - a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If **CONTRACTOR** or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, an Act of Moral Turpitude, **CITY** may immediately terminate this Contract.
 - c. If **CONTRACTOR** or a Key Person is charged with or indicted for an Act of Moral Turpitude, **CITY** may terminate this Contract after providing **CONTRACTOR** an opportunity to present evidence of **CONTRACTOR'S** ability to perform under the terms of this Contract.
 - d. Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.

- e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of **CONTRACTOR**.
 6. In the event **CITY** terminates this Contract as provided in this section, **CITY** may procure, upon such terms and in the manner as **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to **CITY** for all of its costs and damages, including, but not limited to, any excess costs for such services.
 7. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-9(A) Termination for Convenience.
 8. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- C. In the event that this Contract is terminated, **CONTRACTOR** shall immediately notify all employees and Subcontractors, and shall notify in writing all other parties contracted with under the terms of this Contract within five working days of the termination.

PSC-10. Independent Contractor

CONTRACTOR is an independent contractor and not an agent or employee of **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **CITY**.

PSC-11. Contractor's Personnel

Unless otherwise approved by **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. **CITY** has the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** shall remove personnel from performing work under this Contract if requested to do so by **CITY**.

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of **CITY**. If **CITY** permits the use of Subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract and paying all Subcontractors. **CITY** has the right to approve **CONTRACTOR'S** Subcontractors, and **CITY** reserves the right to request replacement of any

Subcontractor. **CITY** does not have any obligation to pay **CONTRACTOR'S** Subcontractors, and nothing herein creates any privity of contract between **CITY** and any Subcontractor.

PSC-12. Assignment and Delegation

CONTRACTOR may not, unless it has first obtained the written permission of **CITY**:

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-13. Permits

CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance of this Contract. **CONTRACTOR** shall immediately notify **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to **CONTRACTOR'S** performance of this Contract.

PSC-14. Claims for Labor and Materials

CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible or intangible matter produced by **CONTRACTOR** hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this Contract.

PSC-15. Current Los Angeles City Business Tax Registration Certificate Required

For the duration of this Contract, **CONTRACTOR** shall maintain valid Business Tax Registration Certificate(s) as required by **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

PSC-16. Retention of Records, Audit and Reports

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form or as otherwise approved by **CITY**. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by **CITY**, (2) the expiration of this Contract or (3) termination of this Contract. The records will be subject to examination and audit by authorized **CITY** personnel or **CITY'S** representatives at any time. **CONTRACTOR** shall provide any reports requested by **CITY** regarding

performance of this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, **CONTRACTOR** may, upon **CITY'S** written approval, submit the required information to **CITY** in an electronic format, e.g. USB flash drive, at the expiration or termination of this Contract.

PSC-17. Bonds

All bonds required by **CITY** shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 *et seq.*, as amended from time to time.

PSC-18. Indemnification

Except for the active negligence or willful misconduct of **CITY**, or any of its boards, officers, agents, employees, assigns and successors in interest, **CONTRACTOR** shall defend, indemnify and hold harmless **CITY** and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by **CONTRACTOR**, Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-19. Intellectual Property Indemnification

CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the **CITY**, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its Subcontractors, in performing the work under this Contract; or (2) as a result of **CITY'S** actual or intended use of any Work Product (as defined in PSC-21) furnished by **CONTRACTOR**, or its Subcontractors, under this Contract. The rights and remedies of **CITY** provided in this section shall not be exclusive

and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-20. Intellectual Property Warranty

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

PSC-21. Ownership and License

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this Contract including, without limitation, documents, materials, data, reports, manuals, specifications, artwork, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by **CONTRACTOR** or its Subcontractors under this Contract (each a "Work Product"; collectively "Work Products") shall be and remain the exclusive property of **CITY** for its use in any manner **CITY** deems appropriate. **CONTRACTOR** hereby assigns to **CITY** all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this Contract. **CONTRACTOR** further agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

CONTRACTOR agrees that a monetary remedy for breach of this Contract may be inadequate, impracticable, or difficult to prove and that a breach may cause **CITY** irreparable harm. **CITY** may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude **CITY** from seeking or obtaining any other relief to which **CITY** may be entitled.

For all Work Products delivered to **CITY** that are not originated or prepared by **CONTRACTOR** or its Subcontractors under this Contract, **CONTRACTOR** shall secure a grant, at no cost to **CITY**, for a non-exclusive perpetual license to use such Work Products for any **CITY** purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract shall include this provision to contractually bind its Subcontractors performing work under this Contract such that **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein.

PSC-22. Data Protection

- A. **CONTRACTOR** shall protect, using the most secure means and technology that is commercially available, **CITY**-provided data or consumer-provided data acquired in the course and scope of this Contract, including but not limited to customer lists and customer credit card or consumer data, (collectively, the “City Data”). **CONTRACTOR** shall notify **CITY** in writing as soon as reasonably feasible, and in any event within twenty-four hours, of **CONTRACTOR’S** discovery or reasonable belief of any unauthorized access of City Data (a “Data Breach”), or of any incident affecting, or potentially affecting City Data related to cyber security (a “Security Incident”), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. **CONTRACTOR** shall begin remediation immediately. **CONTRACTOR** shall provide daily updates, or more frequently if required by **CITY**, regarding findings and actions performed by **CONTRACTOR** until the Data Breach or Security Incident has been effectively resolved to **CITY’S** satisfaction. **CONTRACTOR** shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with **CITY**. At **CITY’S** sole discretion, **CITY** and its authorized agents shall have the right to lead or participate in the investigation. **CONTRACTOR** shall cooperate fully with **CITY**, its agents and law enforcement.
- B. If **CITY** is subject to liability for any Data Breach or Security Incident, then **CONTRACTOR** shall fully indemnify and hold harmless **CITY** and defend against any resulting actions.

PSC-23. Insurance

During the term of this Contract and without limiting **CONTRACTOR'S** obligation to indemnify, hold harmless and defend **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 1 hereto). The insurance must: (1) conform to **CITY’S** requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-24. Best Terms

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the best terms, prices, and discounts that are offered to any of **CONTRACTOR’S** customers for similar goods and services provided under this Contract.

PSC-25. Warranty and Responsibility of Contractor

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S** profession, doing the same or similar work under the same or similar circumstances.

PSC-26. Mandatory Provisions Pertaining to Non-Discrimination in Employment

Unless otherwise exempt, this Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.
- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Equal Employment Practices" provisions of this Contract.
- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Affirmative Action Program" provisions of this Contract.

Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-27. Child Support Assignment Orders

CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, **CONTRACTOR** shall fully comply with all applicable State and Federal employment reporting requirements. Failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract. Failure of **CONTRACTOR** or principal owner to cure

the default within 90 days of the notice of default will subject this Contract to termination for breach. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-28. Living Wage Ordinance

CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 *et seq.*, as amended from time to time. **CONTRACTOR** further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-29. Service Contractor Worker Retention Ordinance

CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-30. Access and Accommodations

CONTRACTOR represents and certifies that:

- A. **CONTRACTOR** shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 *et seq.*, the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 *et seq.*, the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. **CONTRACTOR** shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. **CONTRACTOR** shall provide reasonable accommodation upon request to ensure equal access to **CITY**-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Contract are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

CONTRACTOR understands that **CITY** is relying upon these certifications and representations as a condition to funding this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-31. Contractor Responsibility Ordinance

CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 *et seq.*, as amended from time to time.

PSC-32. Business Inclusion Program

Unless otherwise exempted prior to bid submission, **CONTRACTOR** shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. **CONTRACTOR** shall utilize the Business Assistance Virtual Network (“BAVN”) at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. **CONTRACTOR** shall perform subcontractor outreach activities through BAVN. **CONTRACTOR** shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of **CITY**.

PSC-33. Slavery Disclosure Ordinance

CONTRACTOR shall comply with the Slavery Disclosure Ordinance, LAAC Section 10.41 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-34. First Source Hiring Ordinance

CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-35. Local Business Preference Ordinance

CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-36. Iran Contracting Act

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with **CITY** for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

PSC-37. Restrictions on Campaign Contributions and Fundraising in City Elections

Unless otherwise exempt, if this Contract is valued at \$100,000 or more and requires approval by an elected **CITY** office, **CONTRACTOR**, **CONTRACTOR’S** principals, and **CONTRACTOR’S** Subcontractors expected to receive at least \$100,000 for performance under the Contract, and the principals of those Subcontractors (the “Restricted Persons”)

shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles **CITY** to terminate this Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected **CITY** officials or candidates for elected **CITY** office for twelve months after this Contract is signed. Additionally, a **CONTRACTOR** subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any **CONTRACTOR** subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least \$100,000 for performance under this Contract:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract # _____ . Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“**CITY**”) officials and candidates for elected **CITY** office for twelve months after the **CITY** contract is signed. You are required to provide the names and contact information of your principals to the **CONTRACTOR** and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

PSC-38. Contractors’ Use of Criminal History for Consideration of Employment Applications

CONTRACTOR shall comply with the City Contractors’ Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-39. Limitation of City’s Obligation to Make Payment to Contractor

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for **CITY** to comply with its governing legal requirements, **CITY** shall have no obligation to make any payments to **CONTRACTOR** unless **CITY** shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract. **CONTRACTOR** agrees that any services provided by **CONTRACTOR**, purchases made by **CONTRACTOR** or expenses incurred by **CONTRACTOR** in excess of the appropriation(s) shall be free and without charge to **CITY** and **CITY** shall have no obligation to pay for the services, purchases or expenses. **CONTRACTOR** shall have no obligation to provide any services,

provide any equipment or incur any expenses in excess of the appropriated amount(s) until **CITY** appropriates additional funds for this Contract.

PSC-40. Compliance with Identity Theft Laws and Payment Card Data Security Standards

CONTRACTOR shall 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. **CONTRACTOR** also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (“PCI DSS”). During the performance of any service to install, program or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, **CONTRACTOR** shall verify proper truncation of receipts in compliance with FACTA.

PSC-41. Compliance with California Public Resources Code Section 5164

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor, if the person has been convicted of certain crimes as referenced in the Penal Code, and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, **CONTRACTOR** shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by **CITY**. **CONTRACTOR** is required to have all employees, volunteers and Subcontractors (including all employees and volunteers of any Subcontractor) of **CONTRACTOR** working on premises to pass a fingerprint and background check through the California Department of Justice at **CONTRACTOR’S** sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

PSC-42. Possessory Interests Tax

Rights granted to **CONTRACTOR** by **CITY** may create a possessory interest. **CONTRACTOR** agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, **CONTRACTOR** shall pay the property tax. **CONTRACTOR** acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

PSC-43. Confidentiality

All documents, information and materials provided to **CONTRACTOR** by **CITY** or developed by **CONTRACTOR** pursuant to this Contract (collectively “Confidential Information”) are confidential. **CONTRACTOR** shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by **CITY** or as required by law. **CONTRACTOR** shall immediately notify **CITY** of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

PSC-44. COVID-19

Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, “Contractor Personnel”), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, “In-Person Services”) must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”). “Fully vaccinated” means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Agreement. Contractor shall grant medical or religious exemptions (“Exemptions”) to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

- 1. Additional Insured/Loss Payee.** The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.
- 2. Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.
- 3. Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.
- 4. Modification of Coverage.** The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.
- 5. Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

- 6. Workers' Compensation.** By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-3, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Required Insurance and Minimum Limits

Name: _____

Date: _____

Agreement/Reference: _____

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

____ **Workers' Compensation (WC) and Employer's Liability (EL)**

WC Statutory

EL _____

Waiver of Subrogation in favor of City

Longshore & Harbor Workers

Jones Act

____ **General Liability** _____

Products/Completed Operations

Sexual Misconduct _____

Fire Legal Liability _____

____ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work) _____

____ **Professional Liability** (Errors and Omissions) _____

Discovery Period _____

____ **Property Insurance** (to cover replacement cost of building - as determined by insurance company) _____

All Risk Coverage

Boiler and Machinery

Flood _____

Builder's Risk

Earthquake _____

____ **Pollution Liability** _____

____ **Surety Bonds** - Performance and Payment (Labor and Materials) Bonds _____

____ **Crime Insurance** _____

Other: _____

Required Insurance and Minimum Limits

Name: _____

Date: _____

Agreement/Reference: _____

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

___ **Workers' Compensation (WC) and Employer's Liability (EL)** _____

WC Statutory

EL _____

Waiver of Subrogation in favor of City

Longshore & Harbor Workers

Jones Act

___ **General Liability** _____

Products/Completed Operations

Sexual Misconduct _____

Fire Legal Liability _____

___ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work) _____

___ **Professional Liability** (Errors and Omissions) _____

Discovery Period _____

___ **Property Insurance** (to cover replacement cost of building - as determined by insurance company) _____

All Risk Coverage

Boiler and Machinery

Flood _____

Builder's Risk

Earthquake _____

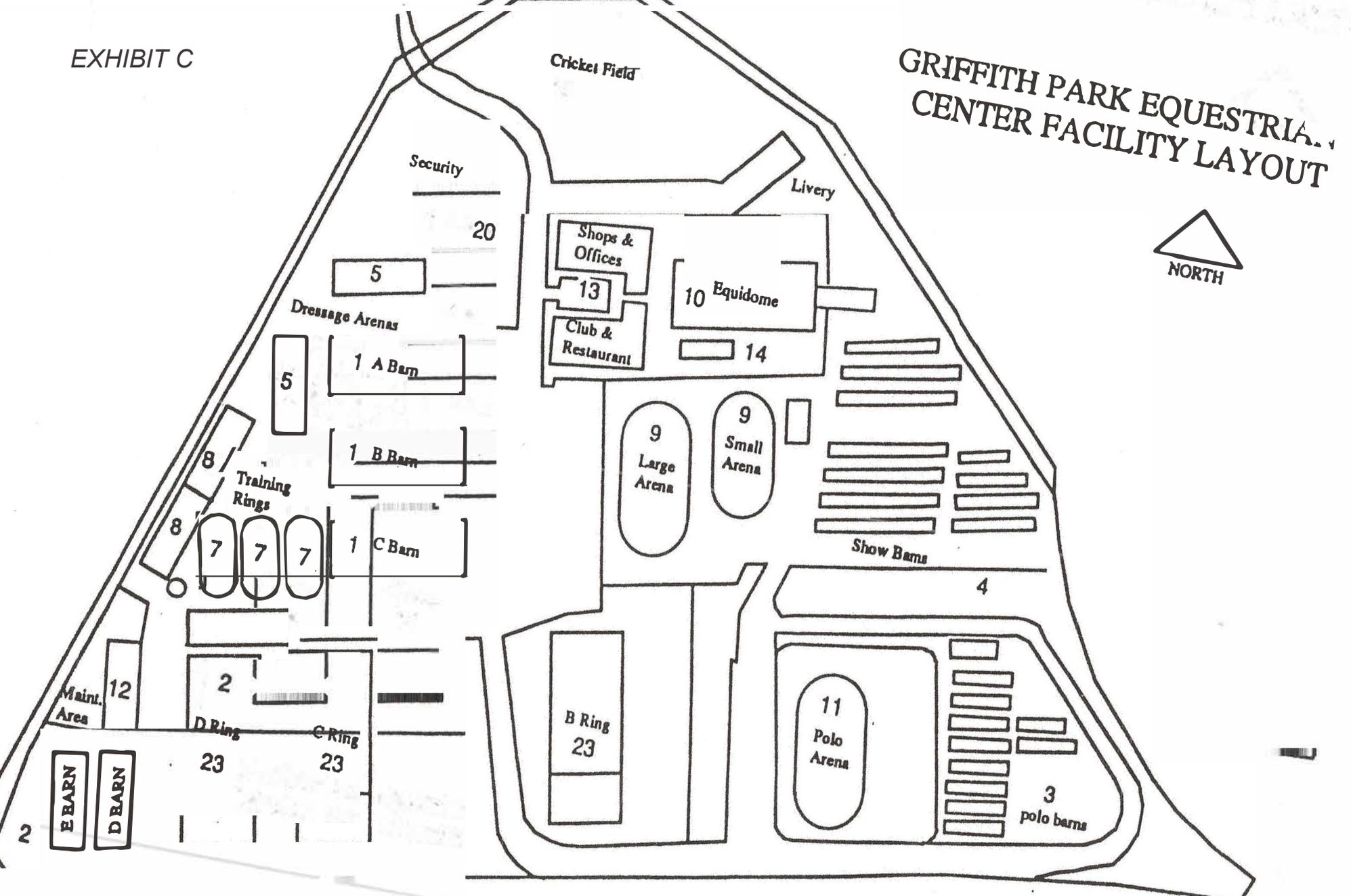
___ _____

___ **Surety Bonds** - Performance and Payment (Labor and Materials) Bonds _____

___ **Crime Insurance** _____

Other: _____

GRIFFITH PARK EQUESTRIAN CENTER FACILITY LAYOUT



Numbers correspond to facilities listed on pages 2 and 3

NOT TO SCALE

EXHIBIT A

IMPROVEMENTS
CITY-OWNED UPON TERMINATION OF AGREEMENT

1. Barns A, B, and C containing 360 12-foot by 12-foot box stalls with automatic watering facilities and tack lockers and 24 cross ties, and all other appurtenances.
2. Barns D and E containing 120 pipe stalls with automatic watering facilities, and all other appurtenances.
3. Ten Polo Barns containing 186 stalls with automatic watering facilities, two double wash racks, one shaving storage area and all other appurtenances.
4. Eleven show barns containing 385 show stalls and all other appurtenances.
5. Two regulation dressage rings and all appurtenances.
6. Five lighted and fenced paddocks.
7. Three 120 foot by 24-foot lighted and fenced jumping arenas.
8. Two 120-foot by 60-foot lighted and fenced riding arenas.
9. Two show enclosed and lighted arenas, 125-feet by 250-feet and 150-feet by 300-feet.
10. One covered arena with seating for 4000 spectators and all other appurtenances.
11. One polo practice arena.
12. One maintenance building and all appurtenances.
13. Restaurant, banquet rooms, commercial area, offices, show offices and all appurtenances.
14. Snack Stand building and all appurtenances.
15. Three restroom buildings and all other appurtenances.
16. Camper parking area with 20 electrical and water hook-ups.
17. All pipe railing, chain link, wood railing, and plastic railing fencing attached to posts recessed into the ground.
18. All block walls.
19. All concrete and asphalt paving.
20. Security Building.

21. All water, gas and electrical systems.
22. Sign structure at entrance approximately. 60-feet high and 72-feet wide.
23. Three 150-foot x 300-foot training rings, two of which are lighted.

EXHIBIT E

Form Gen. 87 (R. 4/09)

City of Los Angeles

Orig.. City Attorney m/s 140
 Dup. Risk Manager m/s 625-24
 Trip. Dept. Area Office or Division Head

NON-EMPLOYEE ACCIDENT OR ILLNESS REPORT

Department Reporting Recreation and Parks
--

INSTRUCTIONS: All accidents, illnesses, or injuries, no matter how minor, involving non-employees while on City property, must be reported by the City employee or department in proximity. Be complete as possible. The information provided may be needed by the City Attorney in preparing the case if legal action is necessary. Use typewriter or print carefully.

PART I – PERSONAL DATA

1. NAME (OF PERSON INJURED) (LAST) (FIRST) (MIDDLE)			2a. HOME ADDRESS (STREET) (CITY) (ZIP)	3a. PHONE NUMBER
			2b. BUSINESS ADDRESS (STREET) (CITY) (ZIP)	3b. PHONE NUMBER
4. SEX <input type="checkbox"/> M <input type="checkbox"/> F	5. DATE OF BIRTH	6. IF MINOR, NAME OF PARENT OR GUARDIAN		7. PHONE NUMBER

PART II – ACCIDENT/INJURY

8. DATE	9. TIME	10. LOCATION OF PUBLIC PROPERTY INVOLVED	11. WAS FIRST AID GIVEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
12. FIRST AID GIVEN BY (NAME)		(ADDRESS)	(PHONE NUMBER)
13. PHYSICIAN/HOSPITAL INJURED TAKEN TO		(ADDRESS)	(PHONE NUMBER)
14. NATURE OF INJURIES (BE SPECIFIC)			
15. DESCRIBE ACCIDENT (IN DETAIL)			
16. NAME AND POSITION OF PERSON IMMEDIATELY IN CHARGE OF FACILITY		17. WHERE WAS RESPONSIBLE PERSON AT TIME OF ACCIDENT?	

PART III – WITNESSES

18. NAME (LAST) (FIRST) (MIDDLE)	19. ADDRESS (STREET) (CITY) (ZIP)	20. PHONE NUMBER	CITY EMPLOYEE
a.			<input type="checkbox"/> YES <input type="checkbox"/> NO
b.			<input type="checkbox"/> YES <input type="checkbox"/> NO
c.			<input type="checkbox"/> YES <input type="checkbox"/> NO
d.			<input type="checkbox"/> YES <input type="checkbox"/> NO

PART IV – STATEMENT OF INJURED PARTY OR WITNESS

21.

PART V – EMPLOYEE FILING REPORT

22. NAME AND POSITION	23. SIGNATURE	24. DATE
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Print Form

City of Los Angeles Department of Recreation and Parks
Sponsorship Recognition Policy, Procedures and Guidelines for Recognizing Organizations and
Individuals who Contribute to and/or Support City of Los Angeles Parks and Programs

The mission of the Department of Recreation and Parks (“RAP”) is to enrich the lives of the residents of Los Angeles by providing safe, welcoming parks and recreation facilities and affordable, diverse recreation and human services activities for people of all ages to play, learn, contemplate, build community and be good stewards of our environment.

RAP’s objective is to enhance and expand recreational programs and services through public and private collaborations.

POLICY:

RAP recognizes that there are many opportunities and potential benefits to be gained from RAP collaborations with private and public entities for monetary, in-kind (product and/or services), and capital contributions (collectively referred to herein as “Sponsorships”) benefiting RAP facilities, programs, events, services and/or activities. These contributions often merit some form of recognition to acknowledge and thank the sponsor, donor, and/or contributor (collectively, “Sponsors”) for their contribution to RAP. However, it shall be understood that any transaction between RAP and a private and public entity involving the naming of a park, recreation facility, amenity, landmark or other park asset, in exchange for financial support shall be in accordance with the RAP Naming Policy, which is separate and independent of this Policy.

RAP supports, in principle, public-private relationships that generate financial and/or other types of support for RAP’s mission. Accordingly, the Board of Recreation and Park Commissioners (“Board”) has adopted this Sponsorship Recognition Policy (“Policy”) establishing the criteria and setting forth the guidelines and procedures for thanking, acknowledging, and/or recognizing significant contributions provided to RAP by private and public entities. The intent of this Policy is to establish a mechanism under which RAP may thank, acknowledge and recognize private and public entities who contribute to parks and related programs and services for the primary benefit of the general public. The Board has hereby designated RAP’s General Manager or her or his designee (collectively, “GM”) to implement this Policy.

Pursuant to this Policy, RAP shall have the authority to determine the criteria, requirements, and restrictions under which a proposed form of Sponsorship Recognition shall be evaluated and approved, whether included herein or established in the future. It shall be understood that all forms of Sponsorship Recognition shall be temporary in nature, and that the duration of time that such Sponsorship Recognition shall remain in place and/or be in effect is subject to the prior approval of the Board.

RAP shall identify and solicit potential Sponsors, and evaluate Sponsorship proposals from private and public entities in accordance with this Policy, and if such Sponsorship is approved and implemented, shall recognize such Sponsors for providing monetary and/or in-kind support for RAP parks and recreation facilities, programs and/or services, and grant the authority for the Sponsor to associate its name or function with RAP parks and facilities, programs and services, and/or RAP name, as approved by the Board. RAP may provide Sponsorship Recognition, other than a displayed acknowledgement on RAP property (recognition signage), such as but not limited to, use of the RAP name or logo, association with RAP in communications, media opportunities, event participation, and distribution of information and/or product sample.

GENERAL PROVISIONS:

RAP shall retain complete discretion and authority at all times in determining whether, with whom, where, how, and when contributions shall be accepted, Sponsorships approved, and Sponsorship Recognition provided, subject to the approval of the Board. Sponsorship signage shall comply with all applicable laws.

1. Criteria for Sponsorship Agreements. The following criteria, in its entirety, shall be considered in evaluating sponsorship proposals:
 - a. The Sponsorship must support, and conform to, the Mission of RAP.
 - b. The Sponsorship must provide a direct benefit to the park, facility or amenity.
 - c. Sponsorship benefits may be commensurate with the value of the support offered through the Sponsorship.
2. Sponsorship Considerations. RAP shall consider the following when evaluating a Sponsorship proposal.
 - a. The timeliness, readiness, and requirements associated with a potential Sponsor entering into an agreement with RAP.
 - b. Any current or future RAP operating or maintenance costs associated with the Sponsorship or impacts on other agencies.
 - c. The Sponsor's record of responsibility in past involvement with the City, RAP, and/or community.
 - d. Sponsorships, Sponsorship benefits, and Sponsorship Recognition shall enhance rather than detract from the design standards and visual integrity of the sponsored program, activity or facility.
3. Sponsorship Recognition Requirements and Responsibilities. Subject to prior determination by RAP, Sponsorship Recognition requirements and responsibilities may include, but not be limited to the following:
 - a. RAP shall exercise full control and authority over the form and content of the Sponsorship Recognition, including but not limited to, retaining editorial and design control over signage, publications, the sponsor name, logo and all other graphic materials.
 - b. Prior to the implementation of any form of Sponsorship Recognition portraying any physical or intellectual image incorporating the RAP logo or name, and/or indicating the existence of an affiliation between RAP and the Sponsor, such recognition shall be approved by the Board.
4. Sponsorship Benefits. Sponsor benefits may include, but not be limited to:
 - a. Public exposure of corporate logo through placement on RAP publications (facility brochures and program fliers), RAP website and/or social media, on apparel (for participants and volunteers), or on other materials such as bags, or giveaways.
 - b. Recognition through press and other events, and media mentions.
 - c. Participation in RAP events.
 - d. Distribution of product samples at RAP events and/or facilities.
 - e. The placement of a Sponsor logo on an athletic field or court surface.

- f. Recognition Signage. In addition to the general provisions of this Policy, the following shall be considered when determining the appropriateness of placing Recognition Signage on park property.
 - (i) Recognition Signage may include, but not be limited to, banners, wraps, plaques, placards, dasher boards, or signs.
 - (ii) RAP shall maintain control over the printing, manufacturing, or otherwise fabricating of Recognition Signage to be placed on park property, and shall oversee the installation of all Recognition Signage, which may be accomplished by RAP staff or by a third party acting under RAP's direction and control, whether funded at Contributor's expense or RAP's expense.
 - (iii) Signage in recognition of a Sponsor's furtherance of RAP's mission through contributions in support of RAP programs or activities, and/or improvement of RAP facilities, shall expressly include a phrase confirming that RAP is recognizing, acknowledging, and/or thanking the Sponsor, which text shall be prominently featured, and of a reasonable size proportionate to space and location, and identifying RAP as the entity responsible for the content and placement of the Sponsorship Recognition.
5. Sponsorship and Recognition Restrictions. In general, the following shall be restricted under this Policy:
- a. Sponsorship Restrictions:
 - (i) A company or organization, or subsidiary, that conducts or has business or operational activities substantially derived from or involved with the sale, production, or distribution of alcohol, tobacco, firearms, pornography, or any other business or activities regarded as "adult oriented".
 - (ii) A Sponsorship that could cause a conflict of interest or policy deviation.
 - (iii) A Sponsorship made conditional upon RAP performance with respect to level of public participation or response, event outcome, or objectives achieved.
 - (iv) An individual Sponsor that limits RAP's ability to seek other sponsorship opportunities, unless agreed to by RAP.
 - b. Recognition Signage Restrictions:
 - (i) The placement of individual Recognition Signage shall not limit RAP's ability to seek other Sponsorship opportunities, unless agreed to by RAP.
 - (ii) Billboards shall not be authorized under this Policy for use on park property.
 - (iii) Signs that contain a call to action by a commercial sponsor, for the public or RAP to purchase a good or service, shall not be authorized for use on park property.

SPONSORSHIP RECOGNITION APPROVAL REQUIREMENTS

Prior to any form of Sponsorship Recognition being implemented, sponsorship proposals shall be evaluated by RAP staff, with recommendations to the GM for possible consideration by the Board, which shall be provided in a report detailing the scope of the proposal (sponsorship, donation, cost, funding, duration, etc.) and the terms and conditions of any related Sponsorship Agreement, when applicable.

City of Los Angeles
Department of Recreation and Parks
 Concessions Unit/Finance Division

EXHIBIT G

P.O. Box 86328
 Los Angeles, CA 90086

(213) 202-3280
 Fax (213) 202-2678

MONTHLY REVENUE REPORT

Name: _____ Period From _____ To _____

Concession Name: _____

Location: _____

Category of Sales	Gross Revenue	Minus Sales Tax	Net Sales
Food/Non-Alcoholic Beverages			
Alcoholic Beverages			
Boarding			
Grounds Rentals			
Equine Shows			
Vehicle Parking			
RV Parking			
Commercial Filming			
Livery Rentals			
Facility Commercial Rentals			
Third Party Special Events			
Admissions			
Sponsorships/Advertising			
Equine Association Fees			
Horse Sales			
Membership Fees			

Additions (Specify): _____ \$ _____

_____ \$ _____

_____ \$ _____

Adjustments (Specify): _____ \$ _____

_____ \$ _____

Occupancy Tax (Quarter): _____ \$ _____

Total Due This Report: \$ _____

I hereby certify that this is a true and correct copy of the receipts for the period stated above.

Signed: _____ Date: _____

EXHIBIT I

**SCHEDULE B
CITY OF LOS ANGELES
MBE/WBE/SBE/EBE/DVBE/OBE UTILIZATION PROFILE**

Project Title	Contract No.
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Consultant	Address
Contact Person	Phone/Fax

CONTRACT AMOUNT (INCLUDING AMENDMENTS)	THIS INVOICE AMOUNT	INVOICED TO DATE AMOUNT (INCLUDE THIS INVOICE)

MBE/WBE/SBE/EBE/DVBE/OBE SUBCONTRACTORS (LIST ALL SUBS)					
NAME OF SUBCONTRACTOR	MBE/WBE/ SBE/EBE/ DVBE/OBE	ORIGINAL SUBCONTRACT AMOUNT	THIS INVOICE (AMOUNT NOW DUE)	INVOICED TO DATE (INCLUDE THIS INVOICE)	SCHEDULED PARTICIPATION TO DATE

CURRENT PERCENTAGE OF MBE/WBE/SBE/EBE/DVBE/OBE PARTICIPATION TO DATE			Signature of Person Completing this Form:	
	DOLLARS	PERCENT		
TOTAL MBE PARTICIPATION	\$	%		
TOTAL WBE PARTICIPATION	\$	%		
TOTAL SBE PARTICIPATION	\$	%		
TOTAL EBE PARTICIPATION	\$	%		
TOTAL DVBE PARTICIPATION	\$	%		
TOTAL OBE PARTICIPATION	\$	%		
			Printed Name of Person Completing this Form:	
			Title:	Date:

**SCHEDULE C
CITY OF LOS ANGELES
FINAL SUBCONTRACTING REPORT**

Project Title		Contract No.
Company Name	Address	
Contact Person		Phone

Name, Address, Telephone No. of all Subconsultants Listed on Schedule B	Description of Work or Supply	MBE/WBE/SBE/EBE/DVBE/OBE	Original Dollar Value of Subcontract	Actual Dollar Value of Subcontract*

* If the actual dollar value differs from the original dollar value, explain the differences and give details.

	Total Dollars	Achieved Levels	Pledged Levels		Total Dollars	Achieved Levels	Pledged Levels
MBE Participation				WBE Participation			
SBE Participation				EBE Participation			
DVBE Participation				OBE Participation			

Signature of Person Completing this Form _____ Printed Name _____ Title _____ Date _____

SUBMIT WITHIN 15 DAYS OF PROJECT COMPLETION



City Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 Mail Stop 129
 (213) 978-1960

Bidder Certification

CEC Form 50

Bid/Contract Number:	Department:
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Name of Bidder:	Phone:
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Address:

Email:

CERTIFICATION

I certify the following on my own behalf or on behalf of the entity named above, which I am authorized to represent:

- A. I am a person or entity that is applying for a contract with the City of Los Angeles.
- B. The contract for which I am applying is an agreement for one of the following:
 - 1. The performance of work or service to the City or the public;
 - 2. The provision of goods, equipment, materials, or supplies;
 - 3. Receipt of a grant of City financial assistance for economic development or job growth, as further described in Los Angeles Administrative Code § 10.40.1(h) [see reverse]; or
 - 4. A public lease or license of City property where both of the following apply, as further described in Los Angeles Administrative Code § 10.37.1(i) [see reverse]:
 - a. I provide services on the City property through employees, sublessees, sublicensees, contractors, or subcontractors, and those services:
 - i. Are provided on premises that are visited frequently by substantial numbers of the public; or
 - ii. Could be provided by City employees if the awarding authority had the resources; or
 - iii. Further the proprietary interests of the City, as determined in writing by the awarding authority.
 - b. I am not eligible for exemption from the City's living wage ordinance, as eligibility is described in Los Angeles Administrative Code § 10.37(i)(b).
- C. The value and duration of the contract for which I am applying is one of the following:
 - 1. For goods or services contracts—a value of more than \$25,000 and a term of at least three months;
 - 2. For financial assistance contracts—a value of at least \$100,000 and a term of any duration; or
 - 3. For construction contracts, public leases, or licenses—any value and duration.
- D. I acknowledge and agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if I qualify as a lobbying entity under Los Angeles Municipal Code § 48.02.

Date: _____ Signature: _____

Name: _____

Title: _____

Under Los Angeles Municipal Code § 48.09(H), this form must be submitted to the awarding authority with your bid or proposal on the contract noted above.

Los Angeles Administrative Code § 10.40.1(h)

- (h) "City Financial Assistance Recipient" means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

Los Angeles Administrative Code § 10.37.1(i)

- (i) "Public lease or license".
- (a) Except as provided in (i)(b), "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:
- (1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or
 - (2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or
 - (3) The DAA has determined in writing that coverage would further the proprietary interests of the City.
- (b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:
- (1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;
 - (2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;
 - (3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;
 - (4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;
 - (5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);
 - (6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;
 - (7) Public leases and licenses shall be deemed to include public subleases and sublicenses;
 - (8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.