

COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Creating Community Through People, Parks and Programs"



April 13, 2004

Tim Gallagher, Director

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE A CONCESSION AGREEMENT WITH
JOEL AND SHONA GRIFFITH
FOR THE OPERATION AND MAINTENANCE OF THE EQUESTRIAN CENTER
AT THE WHITTIER NARROWS RECREATION AREA
(First District - Three Vote Matter)**

IT IS RECOMMENDED THAT YOUR BOARD:

- 1 Find that approval of the Concession Agreement is exempt under the California Environmental Quality Act (CEQA).
2. Approve and instruct the Chairman to sign the attached Concession Agreement between the County and Joel and Shona Griffith for the operation and maintenance of the equestrian center at the Whittier Narrows Recreation Area, for a term of ten (10) years. The Concession Agreement is contingent upon approval by the U.S. Army Corps of Engineers.
3. Authorize the Director to exercise an option to extend the term of the Concession Agreement for an additional five (5) years upon completion of additional capital improvements and determining that the concessionaire is in full compliance with all terms and conditions of the Concession Agreement.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION

The recommended actions would approve a ten (10) year Concession Agreement with Joel and Shona Griffith for the operation and maintenance of the equestrian center at Whittier Narrows Recreation Area (Whittier Narrows). This equestrian center has been operated by Ms. June Martin under a Concession Agreement since June 1, 1988, and has been on a month-to-month holdover since June 1, 2003.

Whittier Narrows is operated by the County, through the Department of Parks and Recreation under a long-term lease with the U.S. Army Corps of Engineers (Corps of Engineers). The County of Los Angeles, through its Department of Parks and Recreation (Department), is authorized by the provision of Government Code Section 25907 to lease for concessions and services that are consistent with public park and recreation purposes. A concession for the operation and maintenance of the equestrian center at Whittier Narrows is consistent with those purposes.

The services currently provided at the concession include boarding for approximately 116 horses, horse rentals, riding lessons, vending sales, and a summer day camp program. It is anticipated that the proposed concessionaire will expand the boarding opportunities at the facility by constructing additional stalls and will continue to offer similar programs to the public. In order to facilitate the transfer of the facility between operators, the Department held community meetings on March 3 and March 7, 2004, to discuss the boarders' concerns and to present the recommended concessionaire's philosophy on the operation and maintenance of the facility. In addition, boarders have been encouraged to tour a facility currently operated by Joel and Shona Griffith.

The proposed Concession Agreement was presented to the Park and Recreation Commission at its meeting on April 5, 2004, for concurrence with the Department's recommendation.

Implementation of Strategic Plan Goals

The proposed Concession Agreement will further the Board-approved County Strategic Plan Goal 3, Organizational Effectiveness, by utilizing an experienced equestrian operator to provide and conduct equestrian-related activities at Whittier Narrows. It will also further Goals 4, Fiscal Responsibility, by generating revenues and providing funding for infrastructure improvements at the equestrian center, and Goal 5, Children and Families' Well-Being, by providing day camp activities, riding lessons, and horse rentals as part of the programming and activities at the equestrian center.

FISCAL IMPACT/FINANCING

The recommended concessionaire will pay the Department either the monthly minimum rent (scheduled to increase from \$1,000 to \$1,500 during the ten-year term) or the percentages of gross receipts, ranging from three to ten percent, for various equestrian activities, whichever is greater. The Department estimates the total minimum rent to be \$150,000 over the ten-year contract term.

In addition, pursuant to Exhibit C of the attached Concession Agreement, the concessionaire will provide the following capital improvements at no cost to the County, estimated to be worth \$201,500, by the eighth year of the concession agreement: repair or replacement of pipe or wood railing on existing arenas and regrading of these

arenas; landscaping the entrance area; installation of new fencing with entrance gates; construction of turfed picnic areas; planting native trees; installation of irrigation systems and regulatory signs; construction of new riding and lesson arenas; construction of a new parking lot; and upgrading existing electrical systems.

Upon the successful completion of the required capital improvements and if the concessionaire is compliant with all contract terms, the Director has the option to grant an additional five (5) years in exchange for completion of additional capital improvements identified in Exhibit D of the attached Concession Agreement. These include construction of additional stalls, arenas, round pens, a hay barn and an expansion of the existing parking lot. These capital improvements have been estimated to be worth \$487,500 and must also be completed by the eighth year of the original ten (10) year term.

To maintain the facility's infrastructure after completion of the required and additional capital improvements, a trust fund will be established and administered by the Department to provide for capital improvements identified by the Department. Five percent (5%) of the concessionaire's monthly rent payments will be deposited into the trust fund and the remaining ninety-five percent (95%) will go the County's general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County is authorized to contract for services consistent with public park and recreation purposes within Whittier Narrows, pursuant to the provisions of the "Department of the Army Lease for Public Park and Recreational Purposes Whittier Narrows Flood Control Basin Los Angeles, California No. DACW09-1-86-43" granted to the County by the Secretary of the Army. As required by this Agreement, the Corps of Engineers shall grant final approval of the proposed Concession Agreement.

The term of the Concession Agreement for the operation and maintenance of the equestrian center is for ten (10) years. This term may be extended for an additional five (5) year term by the Director, provided that the additional capital improvements identified above are satisfactorily completed and the concessionaire is in full contract compliance.

The County reserves the right to terminate this Concession Agreement, in whole or in part, upon transfer of its interest in the facility to another governmental agency unless that agency accepts assignment of this Concession Agreement. In addition, the County may terminate all or portions of this Concession Agreement due to park closure, improper consideration, non adherence to County Lobbyist Ordinance, and concessionaire's failure to comply with the County's Child Support Program. The Agreement also includes provisions for the County's GAIN/GROW Program, Federal Earned Income Credit, Safely Surrendered Baby Law, and the County's Quality Assurance Program.

County Counsel has approved the Concession Agreement as to form. The proposed concessionaires, Joel and Shona Griffith, have executed the attached Agreement and will provide the required insurance policy naming the County of Los Angeles and the Corps of Engineers as additional insureds.

ENVIRONMENTAL DOCUMENTATION

The approval of the Concession Agreement for the operation and maintenance of the equestrian center at Whittier Narrows is exempt under the California Environmental Quality Act (CEQA) under Section 15301 and Class 1 (r) of the Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.

CONTRACTING PROCESS

On June 3, 2003, the Department commenced solicitation to select an equestrian operator for Whittier Narrows Equestrian Center. Invitation letters were mailed to forty-seven (47) potential proposers who were identified on the Department's mailing list, and to other individuals who contacted the Department expressing an interest in the equestrian center. Notice of the solicitation was also posted on the County's "Doing Business with Us" Web site, and the Department's Web Site. The invitations included bilingual instructions on how to contact the Department regarding this solicitation. Request For Proposal (RFP) Packages were available to proposers on June 10, 2003. The proposer conference and site walk-through was held on June 17, 2003 at the Whittier Narrows Equestrian Center and attended by nine (9) potential proposers. On July 17, 2003, the Department received three (3) proposals including one of which was submitted from the current concessionaire. All proposers met the minimum requirements as specified in the RFP package.

An independent evaluation panel was formed consisting of individuals in the equestrian field. The panelist evaluated each proposal based on the criteria identified in the RFP which included proposer's qualifications, proposed service, capital improvements and rent to the County. In August 2003, the evaluation panel requested interviews with each proposer and then finalized their ratings of the proposals. Based on these criteria, Joel and Shona Griffith's proposal received the highest ranking. The concessionaire was selected without regard to gender, race, creed or color.

Commencement of negotiations was delayed due to the Department's request that the Corps of Engineer's conceptually approve the proposed capital improvements. In January 2004, negotiations commenced with the proposed concessionaire.

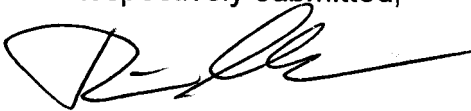
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed concessionaire has agreed to maintain the boarding fees for all existing boarders at the current rate for at least ninety (90) days from the start of the contract. The public should be minimally impacted by the change in concessionaire, and will receive the benefit of additional boarding options.

CONCLUSION

A certified copy of the action taken by your Board and a fully executed copy of the attached agreement should be mailed to Joel and Shona Griffith, 5543 Leeds Street, South Gate, California, 90280. It is requested that one (1) conformed copy be sent to the Treasurer and Tax Collector and one (1) conformed copy be forwarded to this Department.

Respectively submitted,



Tim Gallagher
Director

TG/mg

Attachments

c: Executive Officer (22)



CONCESSION AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

JOEL AND SHONA GRIFFITH

FOR

**Operation and Maintenance of the
Whittier Narrows Equestrian Center**

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**CONCESSION AGREEMENT FOR THE
OPERATION AND MAINTENANCE OF THE
WHITTIER NARROWS EQUESTRIAN CENTER**

THIS AGREEMENT, made and entered into this _____ day of _____, 2004,

BY AND BETWEEN

COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "County",

AND

JOEL AND SHONA GRIFFITH, hereinafter referred to as "Contractor",

RECITALS

WHEREAS, the Board of Supervisors is authorized by the provision of Government Code Section 25907 to contract for concessions and services that are consistent with public park and recreation services; and

WHEREAS, the County, as approved by the Board of Supervisors of Los Angeles County on April 14, 1987, is authorized to contract for such services within the Whittier Narrows Recreation Area, pursuant to the provisions of the "Department of the Army Lease for Public Park and Recreational Purposes Whittier Narrows Flood Control Basin Los Angeles, California No. DACW09-1-86-43" granted to County by the Secretary of the Army, under authority of Section 4 of the Act of Congress approved on December 22, 1944 as amended; and

WHEREAS, a concession for the provision of equestrian center services is consistent with said purposes; and

WHEREAS, Contractor is willing to exercise the grant of such a concession in accordance with the terms and conditions prescribed therefor; and

WHEREAS, the District Engineer for the Los Angeles District of the Army Corps of Engineers has approved the agreement and use granted herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto and each of them do agree as follows:

1.0 OPERATING AGREEMENT WITH CORPS

- 1.1 This Agreement is granted subject to all rights and privileges retained by the United States of America, Department of the Army, (hereinafter: United States) within the Whittier Narrows Recreation Area pursuant to the provisions and conditions of the "Department of the Army Lease for Park and Recreational Purposes Whittier Narrows Flood Control Basin, No. DACW09-1-86-43", as approved by the Board of Supervisors of Los Angeles County on April 14, 1987 and granted to County by the Secretary of the Army under authority of Section 4 of the Act of Congress approved December 22, 1944, as amended. Accordingly, Contractor accepts and agrees to be bound by the following conditions thereof:
- a. That the primary purpose of the Whittier Narrows Flood Control Basin is the control of flood, and nothing herein expressed or implied shall be construed so as to conflict with that purpose.
 - b. That the concession premises shall be subordinate to the use thereof by the Department of the Army in the operation and maintenance of the Whittier Narrows Flood Control and Basin.
 - c. That the exercise of the privileges granted herein shall conform to such rules and regulations as may be prescribed by the Secretary of the Army to govern the public use of the Whittier Narrows Recreational Area, and shall be subject to the general supervision of the District Engineer for the Los Angeles District of the Army Corps of Engineers (hereinafter: District Engineer).
 - d. That the United States shall be held harmless from all claims which may arise from or be incident to the exercise of the privileges granted herein.
 - e. That the United States and the Los Angeles County Flood Control District shall not be liable for damages to property or injuries to persons which may arise from or be incidental to the exercise of the privileges granted herein or for damages to the property of Contractor, or for damages to the property or injuries to the person of Contractor

and/or the officers, agents, servants or employees or others who may be on the concession premises at their invitation or the invitation of any one of them, arising from or incident to the flooding of said premises by the United States or the Los Angeles County Flood Control District, or flooding from any other cause, or arising from or incident to any other governmental activities on the concession premises, and Contractor shall hold the United States, the Los Angeles County Flood Control District and the County of Los Angeles harmless from any and all such claims.

- f. That this Agreement shall be subject to the prior approval of the District Engineer.
- g. That charges for services rendered and for the use of the concession premises shall be reasonable and shall have the prior written approval of the District Engineer.
- h. That Contractor shall hold the United States, the Los Angeles County Flood District and the County of Los Angeles harmless from any and all claims or rights of action for damages which may or might arise or accrue to Contractor and/or the officers, agents, servants, employees or others who may be on the concession premises at their invitation or the invitation of any one of them, by reason of injuries to the property, or the person of any of them resulting from the entry upon or the use of the concession premises, by the United States, the Los Angeles County Flood Control District, the County of Los Angeles or any one of them at anytime, for any purpose necessary or convenient in connection with river and flood control work, or for the removal of timber required or necessary for such work, or by reason of the flooding of the concession premises, or any part thereof, when in the judgment of any of them such flooding is necessary in connection with flood control work.
- i. That the concession premises shall not be used for human habitation except for night watchmen or patrolmen. Any such night watchmen or

patrolmen, and any structures or trailers located on the premises for the use of such persons shall be subject to the prior approval thereof by the District Engineer.

- j. That the United States, its officers, agents and employees may enter upon the concession premises at any time for any purpose necessary or convenient in connection with river and flood control work, and to remove therefrom timber or other material required or necessary for such work, to flood said premises when necessary, and/or to make any other use thereof as may be necessary in connection with flood control work, and Contractor shall have no claim for damages of any character on account thereof against the United States or any agent, officer, or employee thereof.
- k. That the United States may construct, or permit the construction of, facilities for military requirements and for communications, electrical distribution or transmission, water supply, flood channels, sewage disposal and similar purposes on the concession premises, and Contractor shall have no claim for compensation for damage of any character on account thereof.
- l. That this Agreement may be revoked by the Secretary of the Army in the event the County and/or Contractor violates any of the terms and conditions of this Agreement and persists therein for a period of thirty (30) days after notice thereof in writing by the District Engineer. Upon any such revocation, Contractor shall vacate the concession premises, remove all property therefrom and restore said premises to a condition satisfactory to the District Engineer within such time as the Secretary of the Army may designate. In the event of failure or neglect to remove property and/or restore the premises, then, at the option of the Secretary of the Army, said property shall either become the property of the United States without compensation therefor, or the Secretary of the Army may cause it to be removed and the premises to be so restored at the expense of Contractor, and no claim for damages

against the United States or its officers or agents shall be created by or made on account of such removal and restoration work.

- m. That no member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Agreement or of the benefits arising from the Contractor's operations at Whittier Narrows Recreation Area Equestrian Center pursuant to this Agreement. Nothing, however, herein contained shall be construed to extend to any incorporated company, if said Agreement is for the general benefit of such corporation or company.

2.0 DEFINITIONS

- 2.1 The headings herein contained are for convenience and reference only and are not intended to define or limit the scope of any provision thereof.
- 2.2 The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:
 - 2.2.1 **Auditor-Controller:** The Auditor-Controller of the County of Los Angeles or an authorized representative thereof.
 - 2.2.2 **Beverage:** Any liquid prepared by flavoring, heating and/or mixing in advance of consumption thereof, including beer and wine only; as defined in the State Alcoholic Beverage Control Act.
 - 2.2.3 **Building Official:** The Director of the County of Los Angeles Department of Public Works or an authorized representative thereof.
 - 2.2.4 **Commercial Sublease:** Any authorized activity conducted on the premises by a sub-lessee that generates gross receipts.
 - 2.2.5 **Concession:** The privilege of engaging in the commercial activities authorized herein on the public property designated therefor.
 - 2.2.6 **Director:** The Director of the County of Los Angeles Department of Parks and Recreation or an authorized representative thereof.

2.2.7 **District Engineer:** The District Engineer of the United States Army Corps of Engineers, Los Angeles District, his authorized representative, or his successor in interest.

2.2.8 **Gross Receipts:**

- a. Except as specifically provided by policy statement issued by the Director, the term "gross receipts" as used in this Agreement, is defined to be all money, cash receipts, assets, property or other things of value, including but not limited to gross charges, sales, rentals, fees and commissions made or earned by Contractor and/or all the assignees, sublessees, licensees, permittees or contractors thereof, whether collected or accrued from any business, use or occupation, or any combination thereof, originating, transacted or performed in whole or in part, on the concession premises, including but not limited to rentals, the rendering or supplying of services and the sale of goods, wares or merchandise.
- b. Except as specifically provided below or by policy statement issued by Director, there shall be no deduction from gross receipts for any overhead or cost or expense of operations, such as, but without limitation to salaries, wages, costs of goods, interest, debt amortization, credit, collection costs, discount from credit card operations, insurance and taxes. Bona fide bad debts actually incurred by Contractor or its sublessees, assignees, licensees, contractors and permittees may be deducted from gross receipts. There shall, however, be no deduction for bad debts based on past experience or transfers to a bad debt reserve. Subsequent collection of bad debts previously not reported as gross receipts shall be included in gross receipts at the time they are collected.
- c. Except as specifically provided below or by policy statement, gross receipts reported by Contractor and its sublessees,

assignees, licensees, contractors and permittees, must include the full usual charges for any services, goods, rentals or facilities provided by Contractor or its sublessees, assignees, licensees, contractors or permittees. Gross receipts shall not include direct taxes imposed upon the consumer and collected therefrom by the Contractor such as, but not limited to, retail sales taxes, excise taxes, or related direct taxes, which are direct taxes paid periodically by Contractor to a governmental agency accompanied by a tax return statement.

d. The Director, by policy statement, consistent with recognized and accepted business and accounting practices, and with the approval of Auditor-Controller and County Counsel, may further interpret the term "gross receipts" as used in this Agreement.

2.2.9 **Gross Sales Price:** The total consideration resulting from the transfer of Contractor's interest in the concession, or portion thereof, determined by the total cash payments and the market value of all non-cash consideration, including, but not limited to, stocks, bonds, deferred payments, secured and unsecured notes, and forbearances regarding claims and judgments.

2.2.10 **Insurance Trustee:** County or such bank or trust company as shall be mutually designated by Director or Contractor.

2.2.11 **Operational Year:** The twelve calendar months commencing with the first calendar month following the approval of the Agreement by the Board of Supervisors.

2.2.12 **State:** The State of California.

2.2.13 **Sublease:** Any lease, license, permit, concession or other interest in the premises that is granted by Contractor to a third party.

2.2.14 **Use Granted:** The privilege of engaging in the commercial activities authorized herein on the public property designated therefor.

2.2.15 **Whittier Narrows Equestrian Center:** The stalls, riding arenas, tack sheds, barns, and other equestrian related structures and appurtenances comprising the Equestrian Center at the Whittier Narrows Recreation Area as identified in Exhibit B.

3. CONCESSION GRANTED

3.1 Contractor is hereby authorized to operate and maintain an equestrian center concession including authority to rent and sell horses; to provide rides on horses or horse-drawn vehicles; to provide year round boarding facilities for horses; to sell clothing, equipment, and other miscellaneous merchandise relevant to equestrian services and activities; to rent and repair equestrian equipment; to sell prepackaged food and non-alcoholic beverages; to provide and charge for the provision of equestrian instructional services; and to provide and charge for roping activities and instructions.

3.2 The concession is granted subject to the rights reserved by the Government, its officers, agents and employees in the master lease, to enter the concession premises at any time and for any purpose necessary or convenient in connection with river, harbor and flood control work, and to remove timber or other material required for such work; to flood the concession premises when necessary, and/or to make any other use of the land as may be necessary in connection with flood control, and Contractor shall have no claim for damages of any character on account thereof against the Government or any agent, officer or employee thereof; to make inspections concerning the operation and maintenance of the concession granted; to prohibit any permanent type of recreation building or accessory facilities on the concession premises below twenty-five year (25) flood frequency elevations, as determined by the Government, and limit any such improvement to open type structures between twenty-five

(25) and fifty (50) year flood frequency elevations, as determined by the Government.

- 3.3 The equestrian services provided by Contractor shall be exclusive within the confines of the concession premises as shown in Exhibit B, and shall not preclude the County from granting other concessions providing for the needs of the public at Whittier Narrows Recreation Area.
- 3.4 Contractor understands and agrees that this Agreement is by license and not lease; confers only permission to occupy and use the concession premises described for prescribed purposes in accordance with the terms and conditions hereinafter specified without granting or reserving to Contractor any interest or estate therein; the expenditure of capital and/or labor in the course of use and occupancy thereunder shall not confer any interest or estate in the premises by virtue of said use, occupancy and/or expenditure of money thereon; and it is the intention of the parties to limit the right of use granted herein to a personal, revocable and unassignable privilege of use in the premises for the concession granted herein.

4. CONCESSION PREMISES

- 4.1 The concession shall be conducted within the Whittier Narrows Recreation Area Equestrian Center, as shown on the attached Exhibit B.
- 4.2 The concession premises shall be used only and exclusively for purposes authorized herein, and such other purposes as are related thereto provided express approval therefore is granted by the Director, and for no other purposes whatsoever.
- 4.3 Contractor acknowledges personal inspection of the concession premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect its operations. Contractor accepts the concession premises in their present physical condition, and agrees to make no demands upon County for any improvements or alterations thereof.
- 4.4 Any improvements, additions, alterations, or changes to the concession premises shall be subject to: prior approval by the District Engineer and

the Director; securing of applicable permits by Contractor; and compliance with such terms and conditions as may be imposed by the District Engineer and the Director. All construction shall be at Contractor's expense.

- 4.5 Contractor hereby acknowledges the title of the United States of America, County, and/or any other public agencies having jurisdiction thereover, in and to the premises and the improvements located thereon, and covenants and agrees never to assail, contest or resist said title.
- 4.6 Ownership of all structures, buildings or improvements constructed by Contractor upon the concession premises and all alterations, additions or betterment's thereto, shall become the property of the County without compensation being paid therefor, subject to the rights granted to the Contractor hereinabove. Upon termination thereof, whether by expiration of the term, cancellation, forfeiture or otherwise, the Director or the District Engineer may require the Contractor to remove said structures, buildings and/or improvements upon written notice ninety (90) days prior to the date of termination of this Agreement. Should Contractor fail to remove said structures, buildings and improvements, same may be sold, removed or demolished, and Contractor shall reimburse County for any cost or expense in connection therewith in excess of any consideration received by County as a result of said sale, removal or demolition.

5.0 TERM OF AGREEMENT

- 5.1 The term of the Concession shall be for a period of ten (10) years commencing with the first day of the month next succeeding the approval of this Agreement by County's Board of Supervisors.
- 5.2 The term of this Concession may be extended by the Director for a period of five (5) years, provided: 1) the Contractor has satisfactorily completed, as confirmed by the Director, the proposed capital improvements identified in Exhibit D of this Agreement; and 2) the Contractor is in compliance with all other provisions of this Agreement.

6.0 CONSIDERATION

6.1 Contractor shall pay County for the concession and the use granted herein a monthly amount that shall be equal to the greater of the sum of percentages of monthly gross receipts or the monthly minimum amount hereinafter provided.

6.1.1 The monthly minimum amount to be used in accordance with Paragraph 6.1 above shall be according to the following schedule:

6.1.1.1 Commencing with the first month of the term through the thirty-sixth month (years one to three), One Thousand Dollars (\$1,000) per month;

6.1.1.2 Commencing with the thirty-seventh month of the term through the eighty-fourth month (years four to seven), One Thousand Two Hundred Fifty Dollars (\$1,250) per month;

6.1.1.3 Commencing with the eighty-fifth month of the term through the one hundred twentieth month (years eight to ten), One Thousand Five Hundred Dollars (\$1,500) per month.

6.1.1.4 Commencing with the option period through the end of the term (years eleven to fifteen), One Thousand Five Hundred Dollars (\$1,500) per month.

6.1.2 The percentages of monthly gross receipts to be used in the determination of said monthly payments in accordance with Paragraph 6.1 above shall be provided as follows: seven percent (7%) of the monthly gross receipts from the sales of pre-packaged food and non-alcoholic beverages; seven percent (7%) of the monthly gross receipts from the sales of equestrian related merchandise, miscellaneous sales and equipment repairs; seven percent (7%) of the monthly gross receipts derived from equestrian instructions; five percent (5%) of the monthly gross receipts derived from boarding activities; two percent (2%) of the monthly gross

receipts derived from the sale of horses; seven percent (7%) of the monthly gross receipts from the rental of horses and equipment; ten percent (10%) of the monthly gross receipts derived from roping activities and lessons; and seven percent (7%) of the monthly gross receipts from other equestrian-related activities not included in the categories above.

- 6.1.3 Upon commencement of the Agreement through December 31, 2004, Contractor shall receive a monthly rent credit of Two Hundred Forty Dollars (\$240).
- 6.2 Upon approval of this Agreement, the County's Auditor-Controller shall establish an interest-bearing Trust Fund for Whittier Narrows Recreation Area Equestrian Center (Fund). The Fund shall name, and be administered by, the County as the sole trustee in order to provide for continued funding for capital improvement projects at the Whittier Narrows Recreation Area Equestrian Center. The County shall deposit five percent (5%) of the Contractor's monthly rent payments in the Fund. The distribution of monies deposited and any interest earned thereon shall be: (a) used exclusively at Whittier Narrows Recreation Area Equestrian Center, and (b) disbursed at the discretion of the Director pursuant to Subsection 9.12 hereinafter. At the termination of this Agreement, all unexpended monies shall be retained by the County.
- 6.3 When the Director and Contractor find that with regard to a particular activity not otherwise provided for herein, the Director may authorize, with the consent of the District Engineer, said activity and establish a percentage of gross receipts and/or a minimum amount as payment for the privilege of engaging therein. Said percentage and/or minimum amount shall be set by mutual consent of the Director and Contractor and shall be reasonable in accordance with the revenue to be generated therefrom.
- 6.4 The percentage(s) of the monthly gross receipts provided for herein shall be subject to readjustment upon demand thereof by either party within

ninety (90) days next preceding the second anniversary date of the Agreement. Thereafter, said percentage(s) shall be subject to readjustment upon demand thereof by either party within ninety (90) days of the end of every two (2) year period following said anniversary date for the remainder of the term herein provided. Said percentage(s) shall be readjusted by mutual agreement within thirty (30) days of demand thereof. In the event the final determination of the percentage(s) subject to readjustment is delayed beyond the date commencement thereof, Contractor shall continue to make monthly payments based upon the percentage(s) of the preceding period; the final determination thereof shall be retroactive to the anniversary date therefor; and proper adjustment shall be made for payments made during said interim based upon the preceding amounts therefor with any overpayment being credited against future rentals reserved and any delinquency being paid on or before the twenty-fifth (25th) day of the month next succeeding the date of the final determination.

- 6.5 Payment shall be made to the Department on or before the fifteenth (15th) day of the calendar month following each month of the term of this Agreement. Payment shall be by check or draft and made payable to the County of Los Angeles Department of Parks and Recreation. Payment shall be mailed or otherwise delivered to the Treasurer/Tax Collector, P.O. Box 54927, Los Angeles, California 90054-0927. A late payment charge of two percent (2%) per month shall be added to any late payment received by the Treasurer-Tax Collector. However, the late payment charge herein provided may be waived, whenever the Director finds the late payment excusable by reason of extenuating circumstances. At no time during the term of this Agreement shall the County be obligated to notify the Contractor of the accumulation of late payment charges.

7.0 ACCOUNTING RECORDS

- 7.1 All sales shall be recorded by means of cash registers which publicly display the amount of each sale and automatically issue a customer's

receipt or certify the amount recorded on a sales slip. Said cash registers shall in all cases have locked-in sales totals and transaction counters which are constantly accumulating and which cannot, in either case, be reset. In addition, such cash registers must have a tape located within the register upon which transaction numbers and sales details are imprinted. Beginning and ending cash register readings shall be made a matter of daily record. In the event of a technical or electrical failure of the cash registers, Contractor shall record by hand all collections, and issue a sequentially pre-numbered customer's receipt in like manner.

- 7.2 Contractor shall maintain a method of accounting that shall, to the satisfaction of the Auditor-Controller, correctly and accurately reflect the gross receipts and disbursements of Contractor in connection with the operation. The method of accounting, including bank accounts, established for said operation shall be separate from the accounting system used for any other business operated by Contractor or for recording Contractor's personal financial affairs. Such method shall include the keeping of the following documents:
- a. Regular books of accounting such as general ledgers;
 - b. Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.;
 - c. State and Federal income tax returns and sales tax returns and checks and other documents providing payment of sums shown which shall be kept in confidence by County;
 - d. Cash register tapes (daily tapes may be separated but shall be retained so that from day to day the sales and/or rentals can be identified);
 - e. Any other accounting records that the Auditor-Controller deems necessary for proper reporting of receipts.
- 7.3 All documents, books and accounting records shall be open for inspection and reinspection at any reasonable time during the term of this Agreement and for five (5) years thereafter. In addition, the County may from time to

time conduct an audit and reaudit of the books and business conducted by Contractor and observe the operation of the business so that accuracy of the above records can be confirmed. All information obtained in connection with the County's inspection of records or audit shall be treated as confidential information and exempt from the public disclosure thereof to the extent permitted under the California Public Records Act.

- 7.4 Contractor shall furnish the Director with a monthly gross receipts report showing the amount payable therefrom to the County. Such a report shall accompany each minimum rent or percentage rent payment required to be made as provided herein. The monthly reporting period shall be by calendar month rather than monthly anniversary date of the effective date of this Agreement. In addition thereto, Contractor shall furnish an annual profit and loss statement and a balance sheet prepared by a person and in a form acceptable to the County. The annual profit and loss statement shall be submitted within sixty (60) days of the close of the calendar year.
- 7.5 In the event that an audit or review conducted by the Auditor-Controller and/or Director finds, due to Contractor's non-compliance with its obligation to report gross receipts received in connection with its operations authorized herein, that an actual loss and/or a projected loss of revenue to County can be determined, Director may, at his option, (a) bill Contractor for said losses, said amount to be paid to County within thirty (30) days following billing therefor unless otherwise specified by Director; and/or (b) use the Security Deposit as provided for herein.
- 7.6 In the event that an audit or review conducted by the Auditor-Controller and/or Director finds, due to Contractor's non-compliance with its obligation to report gross receipts received in connection with its operations authorized herein, that an actual loss and/or projected loss of revenue to County cannot be determined, Director may assess liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correctly report gross receipts, and a projected loss of

revenue due to County. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is Five Hundred Dollars (\$500.00) per day for each day of the loss period as determined by County, and that the Contractor shall be liable to the County for liquidated damages in said amount.

- 7.7 Should the Director find that the additional rental payment due to County exceeds two percent (2%) of the total amount which should have been paid as determined by such review or audit and observation, and there being no reasonable basis for the failure to report and pay thereon, Contractor shall also pay the cost of the audit as determined by County and pay any penalty heretofore provided for the delinquent payments.
- 7.8 Contractor shall cause all of its sub-lessees to comply with these requirements except that a sub-lessee shall only be required to establish and maintain those accounting records that the Auditor-Controller deems necessary to examine the reported gross receipts in accordance with generally accepted auditing standards.

8.0 REQUIRED CONSTRUCTION

- 8.1 Contractor shall provide for the construction, refurbishment, replacement, installation, and/or landscaping of fixtures, hereinafter identified as the "Improvements", upon the concession premises as identified in Exhibits B, C, and D, attached hereto and incorporated herein by reference.
- 8.2 Any construction or refurbishment undertaken by the Contractor pursuant to Section 8, Required Construction, shall be subject to the requirements and procedures of Section 9, Improvements.

9.0 IMPROVEMENTS

- 9.1 Approvals: Any proposed improvement undertaken by the Contractor, including but not limited to construction of utilities, landscape planting, replanting or removal, irrigation, site improvements such as paths, walkways, benches, lighting, parking lots, railings, demolition, relocation or replication of existing structures, and construction of new structures, shall

have the prior written approval of the District Engineer and the Director. Notice of a proposed improvement project shall be provided to the Director in writing and shall include sufficient detail regarding proposed scope, cost estimate, time frame and proposed funding for the project. The Director will then forward a copy of said notice to the District Engineer. Written approval, or the estimated time required to provide such approval, shall be provided to the Contractor within 30 days of receipt of all necessary documents.

9.2 Funding: Unless otherwise approved by the Director in writing, all funds for the costs of any improvement, inclusive of costs of performance and payment bonds and the costs of any permits, shall be solely the responsibility of the Contractor. The Director agrees to consult with the Contractor, as requested, with regard to the feasibility of public-assisted financing methods in connection with proposed capital improvements.

9.3 Plan Preparation:

9.3.1 The Contractor shall ensure that all improvement plans are prepared by qualified professionals such as architects, engineers, and landscape architects who are licensed by the State of California and are approved in advance by the Director. In addition, the Contractor shall be required to utilize the services of an experienced construction management consultant in connection with any project performed hereunder, unless otherwise agreed to in writing by the Director.

9.3.2 For projects requiring the issuance of a permit, Contractor shall prepare and submit two (2) sets of a preliminary design for review and approval by the Director. The Director will forward one set of the preliminary design to the District Engineer for review and approval. Within forty-five (45) days following approval of the preliminary design by the District Engineer and the Director, Contractor shall prepare and submit three (3) sets of working drawings for review and approval: two (2) sets shall

be submitted to the Director and one set shall be submitted to the Building Official. The Director will forward one set of the working drawings to the District Engineer for review and approval. Should the Building Official require Contractor to make changes to the plans, Contractor shall make necessary changes and re-submit the plans to the Building Official as soon as possible, however, no later than 30 days. Upon approval thereof, said working drawings shall be incorporated herein by reference. Elements included in the approved design development shall not be subsequently disapproved in review of the working drawings. Contractor shall, within 30 days after approval of the working drawings as provided herein, and causing the posting of the construction site with a notice of non-responsibility of County for payment for the works of improvement, commence construction of the above-described improvements and shall diligently prosecute and complete same.

- 9.4 Contract Approval: Copies of all agreements for projects requiring the issuance of a building permit between Contractor and the Contractor's architects, engineers, and contractors shall be furnished to and consented to in writing by the Director. The Director's consent shall not be unreasonably withheld.
- 9.5 Environmental Impacts: The Contractor shall coordinate environmental impact issues with the Director in compliance with the California Environmental Quality Act ("CEQA") and shall receive written approvals and authorizations from Director. The Contractor shall, however, maintain full responsibility for implementing all CEQA and related requirements.
- 9.6 Construction Management: The Contractor and/or its construction manager shall maintain responsibility for conducting regularly scheduled site inspections and job meetings and shall notify the Director of same. The Director will notify the District Engineer. Documentation of these

meetings shall be maintained by the Contractor and be available for review by Corps or Department staff.

- 9.7 Completion of Improvements: The improvements requiring the issuance of a permit shall be deemed to be complete upon acceptance of the improvements by the Building Official as evidenced by the issuance of a certificate of occupancy and completion of punch list items and tenant improvements in areas to be subleased.
- 9.8 Plans of Record: Upon completion of the improvements, Contractor shall furnish the Director with one (1) complete set of "plans of record" working drawings; one (1) complete set of "plans of record" working drawings in AutoCADD and on CD (all circuit breakers, mechanical equipment, switches, plumbing and fire sprinkler section and main valves shall be plainly labeled and a master index shall be provided); operating manuals for all building equipment and systems; and copies of all written warranties. Contractor shall assign to County all expressed warranties furnished by other persons in connection with the provision of labor and/or material to the works of improvement covered by this Agreement upon termination of this Agreement by expiration of term or cancellation.
- 9.9 Performance Bond: In connection with any improvement project performed hereunder, Contractor shall, at its own cost, obtain or require its contractor to obtain a performance bond from an admitted California surety, in good standing, in an amount equal to one hundred percent (100%) of the construction cost of the improvement, unless the Director otherwise agrees in writing. Said performance bond must be satisfactory to the County and shall name the County of Los Angeles and the Contractor as obligees.
- 9.10 Prevailing Wages: In connection with any capital improvement performed hereunder and utilizing Trust Funds pursuant to Paragraph 9.12, the Contractor shall comply with and shall require all of its contractors to comply with all provisions of the Labor Code of the State of California,

including but not limited to, the payment of prevailing wages to all persons providing labor on any such project.

9.11 Compliance With All Laws and Building Codes: The Contractor shall comply with and require its contractors to comply with all applicable laws, including Building Code requirements in connection with any projects performed hereunder.

9.12 Trust Fund Expenditures:

9.12.1 Upon final approval by the District Engineer and the Director of the plans, specifications and construction cost estimates for capital improvement(s), the Director will authorize the issuance of a warrant to Contractor in the amount of ninety percent (90%) of the construction cost estimate. Upon completion of the capital improvement(s) and acceptance by the Director, said officer shall authorize the issuance of a warrant to the Contractor in the amount of the remaining balance of the actual construction cost.

9.12.2 The monies deposited and accumulated in the Capital Improvement Program trust fund shall at all times be administered by the County as trustee. At the termination of the agreement, all unexpended funds shall be retained by the County and deposited in the Special Development fund for Whittier Narrows Recreation Area Equestrian Center.

9.12.3 It is expressly understood by County and Contractor that any and all distributions from said fund shall be used exclusively for capital improvements within the demised premises as identified in Exhibit B.

9.13 Upon review by and consultation with County's Risk Manager, Contractor shall provide such insurance coverage as Director deems necessary for the completed construction project.

9.14 Additional Provisions: It is contemplated that the County may impose additional obligations on the Contractor with respect to particular capital

improvement projects performed hereunder and such additional requirements may be set forth in a separate writing signed by the Contractor and the Director on behalf of the County.

10.0 SECURITY DEPOSIT

- 10.1 Prior to the commencement of this Agreement, Contractor shall pay to the Director the sum of Three Thousand Dollars (\$3,000). In lieu thereof, Contractor may deposit said amount in a bank whose deposits are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) or a savings and loan institution whose deposits are insured under Title 4 of the National Housing Act (12 U.S.C. 1724 et seq.), provided that a certificate of deposit is delivered to the Director giving County the exclusive right to withdraw any or all of said amount during the term of this Agreement. Contractor shall be entitled to any and all interest accruing from said certificate of deposit.
- 10.2 Said Deposit shall serve as security for faithful performance of all covenants, promises and conditions assumed herein by Contractor, and may be applied in satisfaction and/or mitigation of damages arising from a breach thereof, including, but not limited to, delinquent payments; correction of maintenance deficiencies; securing required insurance; loss of revenue due to abandonment, vacation or discontinuance of concession operations; discrimination; refunding of deposits for scheduled future events which are required to be canceled due to abandonment, vacation or discontinuance of concession operations; a breach of obligations assumed by Contractor herein with respect to the requirements therefore by County, including the payment of mechanic's liens. Application of amounts on deposit in satisfaction and/or mitigation of damages shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.
- 10.3 In the event any or all of said amount is applied in satisfaction and/or mitigation of damages Contractor shall immediately deposit such sums as

are necessary to restore the Security Deposit to the full amount required hereunder.

- 10.4 Said Deposit shall be returned to Contractor upon termination of this Agreement less any amounts that may be withheld therefrom by County as heretofore provided.

11.0 DESTRUCTION OF THE CONCESSION PREMISES AND/OR WHITTIER NARROWS RECREATION AREA

- 11.1 In the event the concession premises shall be totally or partially destroyed by a risk covered by the insurance coverage required herein, Contractor shall either restore the premises or terminate this Agreement. If the destruction is from a risk for which coverage is not required or provided under said policy of insurance, County shall either restore the premises or terminate this Agreement. County shall make the loss adjustment with the insurance company insuring the loss and receive payment of the proceeds of insurance. Said insurance proceeds, if any, shall be held for the benefit of Contractor only in the event of an election by Contractor to restore the premises and shall be disbursed in installments as construction progresses for payment of the costs of restoration upon satisfactory performance of the work required, as evidenced by certification of completion by the Director and release of mechanic's liens by all persons furnishing labor and materials thereon. If the proceeds of insurance are insufficient to pay the actual costs of restoration, Contractor shall deposit the amount of the deficiency with the County upon demand therefor by the Director, and said sums shall be held for payment of said costs and disbursed in the manner heretofore provided. Any undistributed funds shall be retained by County and credited to the rental reserved over the remaining term of this Agreement. In the event Contractor elects to restore the concession premises, plans, specifications, and construction cost estimates for the restoration thereof shall be prepared by Contractor and forwarded to Director for approval prior to the performance of any work thereon. Said documents shall be prepared and submitted in a timely

manner following adjustments of the loss and receipt of the proceeds of insurance by County. The required construction shall be performed by Contractor and/or licensed and bondable contractor(s) thereof who shall be required to carry comprehensive liability and property damage insurance, workers' compensation insurance, and standard fire, and extended coverage insurance, with vandalism and malicious mischief endorsements, during the period of construction, in amounts equal to the insurance limits required herein, or as otherwise determined by the County. Said construction shall be commenced promptly following the approval thereof by the Director, issuance of permits therefor by governmental agencies having jurisdiction thereover, and posting of the construction site by County with notice of non-responsibility, and shall be diligently prosecuted to completion. All work shall be performed in accordance with the approved plans and specifications, unless changes therein are approved in advance thereof by Director. Contractor agrees that County may have on the site at any time during the construction period an inspector who shall have the right of access to the concession premises and the work occurring thereon. Contractor, at the commencement of the construction work, shall notify Director in writing of the identity, place of business, and telephone number of responsible person(s) in charge of the construction to be occurring thereon. All construction shall be performed in a good and workmanlike manner. Upon completion of the restoration, Contractor shall immediately record a notice of completion with the Registrar-Recorder.

- 11.2 If the premises are restored, this Agreement shall continue in full force and effect, except that the payment to be made by Contractor shall be abated and/or other relief afforded to the extent that the Director may determine the damage and/or restoration interferes with the concession operation provided a claim therefor is filed with the Director within one hundred (100) days of notice of election to restore the premises. Any such claim shall be denied if the destruction of the concession premises is found by the

Director to have been caused by the fault or neglect of Contractor. Contractor agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the concession operation, and permitting examination and audit of all accounting records kept in connection with the conduct thereof.

- 11.3 Contractor shall cooperate in the restoration of the concession premises by vacating and removing therefrom all items of inventory, trade fixtures, equipment and furnishings for such periods as are required for the restoration thereof.
- 11.4 The aforesaid provisions for abatement and/or other relief shall also be applicable to a total or partial destruction of Whittier Narrows Recreation Area by the aforementioned causes, except that the relief to be provided shall be based upon the extent the Director may determine that the reduction in the public's use of said park due to the partial or total closure thereof has affected the concession.
- 11.5 Contractor agrees to accept the remedy heretofore provided in the event of a destruction of the concession premises and/or Whittier Narrows Recreation Area and hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may hereafter be made available under the laws and statutes of this State.

12.0 CONSTRUCTION BY COUNTY AFFECTING CONCESSION PREMISES AND/OR WHITTIER NARROWS RECREATION AREA

- 12.1 In the event County shall construct or cause to be constructed a new facility for the concession, this Agreement shall continue in full force and effect, except that the payments to be made by Contractor shall be abated and/or other relief afforded to the extent that the Director may determine the construction interferes with the authorized operations, provided a claim therefor is filed with the Director within one hundred (100) days of commencement of construction.
- 12.2 Contractor agrees to cooperate with County in the event the construction affects the concession premises by vacating and removing therefrom all

items of inventory, trade fixtures, equipment and furnishings for such periods as are required by the construction of the new facilities. Contractor further agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the operation and permitting examination and audit of all accounting records kept in connection with the conduct thereof.

- 12.3 Following completion of the new facility, Contractor shall resume its operations therefrom within thirty (30) days of written notice from the Director that the concession premises are tenantable.
- 12.4 The aforementioned provisions of this section shall also be applicable in the event of performance of work at the Whittier Narrows Recreation Area that requires a partial or total closure thereof, except that the abatement and/or other relief to be provided shall be based upon the extent the Director may determine that the reduction in the public's use of the Whittier Narrows Recreation Area due to the partial or total closure thereof, has affected the Contractor's operations.
- 12.5 Contractor agrees to accept the remedy heretofore provided in the event of construction upon the concession premises and/or the Whittier Narrows Recreation Area, and hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may be made available hereafter under the laws and statutes of this State.

13.0 OPERATING RESPONSIBILITIES

13.1 Advertising and Promotional Materials

Contractor shall not promulgate nor cause to be distributed any advertising, or promotional materials unless prior approval thereof is obtained from Director. Said approval shall not be unreasonably withheld or delayed and shall be deemed to be given if no objection is made within fifteen (15) days following the request for approval. Such materials include, but are not limited to, advertising in newspapers, magazines and trade journals, and radio and/or television commercials.

13.2 Compliance with Laws, Rules and Regulations

Contractor shall conform to and abide by all municipal and County ordinances, and all State and Federal laws and regulations, insofar as the same or any of them are applicable; and where permits and/or licenses are required for the concession, any related activity, and/or construction authorized herein, the same must be first obtained from the regulatory agency having jurisdiction thereover. Further, Contractor shall conform to and abide by all rules and regulations and policies of the County's Board of Supervisors, the Director of the Department of Parks and Recreation, and any other County agencies insofar as the same or any of them are applicable.

13.3 Contractor's Staff and Employment Practices

13.3.1 Contractor shall maintain adequate and proper staffing for its equestrian center operations at all times. Contractor shall designate an Operations Manager with whom County may deal with on a daily basis. The Operations Manager shall be skilled in the management of businesses similar to the concession operation and shall be subject to approval by the Director. The Operations Manager shall devote substantial time and attention to the operation authorized herein and render such services and convenience to the public as are required. The Operations Manager shall be fully acquainted with the concession operation, familiar with the terms and the conditions prescribed therefor by this Agreement, and authorized to act in the day-to-day operation thereof.

13.3.2 The Director may at any time give Contractor written notice to the effect that the conduct or action of a designated employee of Contractor is, in the reasonable belief of the Director, detrimental to the interest of the public patronizing the concession premises. Contractor shall transfer or reassign any such employee within a reasonable period of time following notice thereof from the

Director, and such employee shall not be assigned to any other County Department of Parks and Recreation facility.

13.3.3 Contractor warrants that it fully complies with all laws regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603). Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers and employees from employer sanctions and any other liability which may be assessed against Contractor or County or both in connection with any alleged violation of federal statutes or regulation pertaining to the eligibility for employment of persons performing services under this Agreement.

13.3.4 Contractor shall file with the Director, a certificate for each member of the food and beverage staff showing that within the last two (2) years, such person has been examined and has been found to be free of communicable tuberculosis. "Certificate" means a document signed by the examining physician and surgeon who is licensed under Chapter 5 (commencing with Section 2000), Division 2 of the California Business and Professions Code, or a notice from a public health agency or unit of the Tuberculosis Association that indicates freedom from active tuberculosis.

13.4 Credit in Promotional Materials

Contractor agrees that any advertising or promotional materials promulgated by Contractor which contain the words "Whittier Narrows Recreation Area" or any derivative thereof, shall also include the phrase "a unit of the County of Los Angeles Department of Parks and Recreation System" unless specifically approved otherwise by the Director.

13.5 Days and Hours of Operation

Contractor shall keep the concession open daily, including Sundays and holidays, except during periods of inclement weather and on Christmas Day. The minimum hours of operation shall be 9:00 a.m. to sunset each day that the concession is required to be open. Contractor shall comply with the approved schedule of days and hours of operation until authorization to deviate from said schedule is obtained from the Director.

13.6 Department's Use of Concession Premises

Notwithstanding Paragraph 3.3 of this Agreement, the Department reserves the right to schedule the use of the concession premises for special events sponsored by the Department. Specific dates and the areas to be used shall be arranged with the Contractor. County shall be responsible for repairing any damage, except for normal wear and tear, to the concession premises while conducting said activities.

13.7 Disorderly Persons

Contractor agrees to exercise every reasonable effort to not allow any loud, boisterous or disorderly persons about the concession premises.

13.8 Easements

County reserves the right to establish, grant or utilize easements or rights of way over, under, along and across the concession premises for utilities and/or public access provided that County shall exercise such rights in a manner as will avoid any substantial interference with the operations to be conducted hereunder. Should the establishment of such easements permanently deprive Contractor of the use of a portion of the concession premises, an abatement of payments shall be provided in an amount

proportional to the total area of the premises in the before and after conditions.

13.9 Habitation

The concession premises shall not be used for human habitation, other than a night watchman or patrolman approved by the Director.

13.10 Illegal Activities

Contractor shall not knowingly permit any illegal activities to be conducted upon the concession premises.

13.11 Maintenance

13.11.1 Contractor shall be responsible for maintaining the Concession Premises in good and substantial repair and condition, and in compliance therewith shall perform all repairs to and replacement of all improvements and equipment thereof, including the painting thereof upon written request therefor by the Director. In addition to this general requirement, Contractor shall perform any and all repairs required for the maintenance thereof in compliance with all laws applicable thereto; replace broken window glass; replace exterior and interior lights; repair plumbing and lighting fixtures; repair flooring; and replace broken or damaged doors. Additionally, Contractor shall be responsible for repairing damage to the exterior of the facility caused by malicious mischief, vandalism or burglary of the equestrian center caused by actions of Contractor, its agents and/or employees thereof. All maintenance shall commence within thirty (30) days of the need thereof and diligently prosecuted to completion of same, except where the state of disrepair is such that an emergency or hazard is created thereby in which event there shall be an immediate correction thereof.

13.11.2 Either party may cure the default of the other party hereto with respect to the maintenance obligations assumed herein, and upon performance thereof shall acquire a right of reimbursement

therefrom for the actual costs of same, including, but not limited to, the cost of labor, materials and equipment furnished in the correction thereof, provided there is prior mutual agreement between Director and Contractor upon the nature and scope of the work to be performed and the costs to be incurred thereby. Any demand of County for reimbursement hereunder shall be satisfied by Contractor through payment of the sums deposited with County as security for faithful performance, and/or pro rata monthly installments over the remaining term of this Agreement, commencing with the month next succeeding the date of completion of the maintenance performed. Any demand of Contractor for reimbursement hereunder shall be satisfied by County through a credit against the monthly rental obligation of Contractor, commencing with the month next succeeding the date of completion of the maintenance performed, and for each and every other month of the remaining term of this Agreement, until a total credit has been provided up to the lesser of the actual costs of cure or the rental reserved over said remaining term. County and Contractor waive all rights to payment on their respective rights to reimbursement for the actual costs of cure of the default of the other with respect to the maintenance obligations assumed herein, except in the manner and amounts heretofore provided.

13.12 Merchandise

Contractor may provide an inventory of concession merchandise required to meet the needs of the public therefor. All food and beverages sold or kept for sale by Contractor shall be first-class in quality, wholesome and pure, and shall conform to the Federal, State and County food laws, ordinances and regulations in all respects. No adulterated, misbranded or impure articles shall be sold or kept for sale by Contractor, and all merchandise kept on hand by Contractor shall be stored and handled with due regard for sanitation. In the event that the Director determines that

any merchandise, and/or food products are below first class, the Director shall have the right to order the improvement of the quality of any such items kept or offered for sale.

13.13 Non-Interference

Contractor shall not interfere with the public use of and the programming within the Whittier Narrows Recreation Area.

13.14 Prices

Contractor shall at all times maintain a complete list or schedule of the prices collected for all fees, charges, goods, rentals, and services, or combinations thereof, supplied to the public on or from the concession premises. All price increase requests shall be submitted in writing to the Director for approval. Prior written approval shall be received from the Director before price increases are enacted. Said prices shall be fair and reasonable based upon the following considerations: that the concession is intended to serve the needs of the public for the goods and/or services supplied at a fair and reasonable cost; comparability with prices charged for similar goods and/or services supplied in the Los Angeles Metropolitan Area; and reasonableness of profit margin in view of the cost of providing same in compliance with the obligations assumed in this Agreement. In the event the Director notifies Contractor that prices being charged are not fair and reasonable, Contractor shall have the right to confer with the Director and justify said prices. Following reasonable conference and consultation thereon, Contractor shall make such price adjustments as may be ordered by the Director. Contractor may appeal the determination of the Director to the Board of Supervisors, whose decision thereon shall be final and conclusive. However, Contractor shall comply with the ordered price adjustment pending the appeal and final ruling thereon by the Board of Supervisors.

13.15 Programmed Events

Contractor shall not promote or sponsor private or public events requiring the use of the Whittier Narrows Recreation Area. However, this provision

shall not prohibit Contractor from generally advertising or encouraging public use of the Whittier Narrows Recreation Area.

13.16 Quality of Goods and Services

Service to the public, with goods, services, and merchandise of the best quality and at reasonable charges, is of prime concern to County and is considered a part of the consideration for this Agreement. Therefore, Contractor agrees to operate and conduct its concession operation in a first-class manner, and comparable to other first-class facilities providing similar activities, programs and services. Contractor shall furnish and dispense foods, beverages, and merchandise of the best quality and shall maintain a high standard of service at least equal to that of similar events and programs conducted on County parks and/or adjacent communities and to those prevailing in such areas for similar products and services, and without discrimination. Contractor, following receipt of written notification therefor, shall immediately withdraw or remove from sale any goods or services which may be found objectionable to the Director based on findings that the provision of such goods or services are harmful to the public welfare.

13.17 Safety

Contractor shall immediately correct any unsafe condition of the concession premises, as well as any unsafe practices occurring thereon. Contractor shall obtain emergency medical care for any member of the public who is in need thereof, because of illness or injury occurring on the concession premises. Contractor shall cooperate fully with County in the investigation of any accidental injury or death occurring on the concession premises, including a prompt report thereof to the Director. Contractor shall cooperate and comply fully with County, State, municipal, federal or any other regulatory agency having jurisdiction thereover, regarding any safety inspections and certifications of any and all Contractor's structures, enclosures, vehicles, booths, equipment and rides.

13.18 Sanitation

- 13.18.1 No offensive matter or refuse, or substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or remain on the Concession Premises. Contractor shall prevent the accumulation of trash and debris for a distance of fifty (50) feet from the Concession Premises. Contractor shall provide that all litter and refuse is collected as often as necessary, and in no case less than once a week, and shall pay all charges which may be made for the removal thereof. Contractor shall furnish all equipment and materials necessary, including trash receptacles of the size, type, color and number required by the Director, to maintain the Concession Premises and the area within a distance of fifty (50) feet thereof in a sanitary condition. Public restrooms shall be inspected and cleaned on a daily basis.
- 13.18.2 The Concession Premises shall be cleaned of all manure accumulating thereon on a daily basis. Contractor shall clean all stalls and paddocks on a daily basis, removing all manure therefrom and replacing wet sawdust or straw. Manure shall be accumulated and removed from the premises according to Health Department regulations at least three times each week.
- 13.18.3 The Contractor shall control the accumulation and breeding of flies within the Concession Premises. This will be done using methods that will pose no health hazard to humans or the surrounding natural environment. This shall be an ongoing program for the duration of the Agreement.
- 13.18.4 The Contractor shall control all offensive odors resulting from manure and the accumulation of urine in paddocks and stalls. This will be done using methods that pose no health hazard to humans or the surrounding natural environment. This shall be an ongoing program for the duration of the Agreement.

13.18.5 The Contractor shall control vertebrate pests which result from the storage of hay, straw, and feed. This shall be done using a method which poses no health hazard to humans, and does not negatively effect the surrounding natural environment, birds, wildlife, or domestic cats and dogs.

13.19 Security Devices

Contractor, at its own expense, may provide any legal security devices or equipment and the installation thereof, designated for the purpose of protecting the concession premises from theft, burglary or vandalism, provided written approval for the installation thereof is first obtained from the Director.

13.20 Signs

Contractor shall not post signs upon premises or improvements thereon unless prior approval thereof is obtained from the Director. Signs shall also be subject to review and control by the District Engineer in accordance with the master lease.

13.21 Trade Fixtures

Contractor shall provide and install all appliances, furniture, fixtures and equipment that are required for the concession. During the last thirty (30) days preceding the termination of this Agreement, Contractor shall remove same from the premises, other than for those items of personality which have been furnished by County or so affixed that their removal therefrom cannot be accomplished without damage to the realty. Should Contractor fail to so remove said appliances, furniture, fixtures, equipment, door locks and padlocks within said thirty (30) day period, Contractor shall lose all right, title and interest in and thereto, and County may elect to keep same upon the premises or to sell, remove or demolish same. Contractor shall reimburse County for any and all costs, as determined by the Director, incurred in excess of any consideration received from the sale, removal or demolition thereof.

13.22 Utilities

Contractor shall install and pay for all necessary utilities including gas, electric, water, telephone, and sewer. Each utility shall be placed in the name of the concession and shall not be transferable to any other location. County shall provide Contractor with reasonable utility rights of way within the Whittier Narrows Recreation Area.

14.0 TERMS AND CONDITIONS

14.1 AGREEMENT ENFORCEMENT AND AMENDMENTS TO THE AGREEMENT

- 14.1.1 The Director shall be responsible for the enforcement of this Agreement on behalf of County and shall be assisted therein by those officers and employees of County having duties in connection with the administration thereof.
- 14.1.2 Any officers and/or authorized employees of County may enter upon the concession premises at any and all reasonable times for the purpose of determining whether or not Contractor is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of County within the concession premises.
- 14.1.3 In the event either party commences legal proceedings for the enforcement of this Agreement, the prevailing party shall be entitled to recover its attorney's fees and costs incurred in the action brought thereon.
- 14.1.4 This document may be modified only by further written agreement between the parties. Any such modification shall not be effective unless and until executed by Contractor and in the case of County, until approved by County's Board of Supervisors and executed by the Chairman thereof.

14.2 CANCELLATION

- 14.2.1 Upon the occurrence of any one or more of the events of default hereinafter described in Subsection 14.12, this Agreement shall be subject to cancellation. As a condition precedent thereto, the

Director shall give Contractor ten (10) days notice by registered or certified mail of the date set for cancellation thereof; the grounds therefore; and that an opportunity to be heard thereon will be afforded on or before said date, if request is made therefore.

- 14.2.2 Upon cancellation, County shall have the right to take possession of the concession premises, including all improvements, equipment, and inventory located thereon, and use same for the purpose of satisfying and/or mitigating all damages arising from a breach of this Agreement.
- 14.2.3 Action by County to effectuate a cancellation and forfeiture of possession shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.
- 14.2.4 Any trustee, beneficiary, mortgagee or lender (hereinafter: Lender) under a hypothecation or mortgage previously approved by the Director shall have the right at any time during the term of this Agreement to undertake any and all action that may be required in order to prevent a cancellation of this Agreement and a forfeiture of the concession. Accordingly, the Director shall send a copy of any intended cancellation of this Agreement to any such Lender whose security would be affected thereby, provided that such Lender shall have previously registered with the Director by written notice specifying the name and address of said Lender; and upon request thereof for postponement, extend the date set therefore by such time as the Director finds reasonable in order to allow said parties to correct the grounds therefore or to provide a new Contractor under a power of sale or foreclosure contained in the hypothecation or mortgage, who upon transfer thereto shall

become responsible for the correction thereof within such time as may be allowed by the Director.

- 14.2.5 In the event that, following service of the Notice of Cancellation of this Agreement under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, that the default was excusable under provisions of this clause, or Contractor has, to the satisfaction of the Director, cured any default, the Director shall issue, within five (5) business days, a rescission of the Notice of Cancellation, and the rights and obligations of the parties shall be the same as if the Notice of Cancellation had not been issued.

14.3 COMPLIANCE WITH CIVIL RIGHTS LAW

The Contractor hereby assures that it will comply with Subchapter VII of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit H - Contractor's EEO Certification.

14.4 CONFLICT OF INTEREST

- 14.4.1 No County employee whose position with the County enables such employee to influence the award of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing

evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

14.4.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

14.5 CONSIDERATION OF HIRING TO GAIN/GROW PROGRAM PARTICIPANTS

Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

14.6 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's "L.A.'s Most Wanted:

Delinquent Parents” poster in a prominent position at Contractor’s place of business. County’s District Attorney will supply Contractor with the poster to be used.

14.7 CONTRACTOR’S ACKNOWLEDGEMENT OF COUNTY’S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County’s policy to encourage all County Contractors to voluntarily post the County’s “Safely Surrendered Baby Law” poster in a prominent position at the Contractor’s place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor’s place of business. The County’s Department of Children and Family Services will supply the Contractor with the poster to be used.

14.8 CONTRACTOR’S NON-COMPLIANCE AND LIQUIDATED DAMAGES

14.8.1 In the event the Director determines that there are deficiencies in Contractor’s operations authorized and required herein, the Director will provide, as specified in Subsection 14.12 of this Agreement, Events of Default, a written notice to the Contractor to correct said deficiencies within specified time frames.

14.8.2 In the event that Contractor fails to correct the deficiencies within the prescribed time frames the Director may, at his option: (1) use the Security Deposit as provided for herein, (2) exercise its rights under the Subsection 14.26 (Right of Entry) and/or (3) assess liquidated damages. The parties agree that it would be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to comply with the obligations for concession operations herein authorized and required. The parties hereby agree that under the current circumstances a reasonable estimate of such damage is \$250.00 per day for each day of the period of time

that the deficiencies exist, and that Contractor shall be liable to County for liquidated damages in said amount.

14.9 CONTRACTOR'S RESPONSIBILITY AND DEBARMENT

14.9.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Agreement. It is the County's policy to conduct business only with responsible Contractors.

14.9.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Agreements which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding on County Agreements for a specified period of time not to exceed three (3) years, and terminate any or all existing Agreements the Contractor may have with the County.

14.9.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated any term of a Agreement with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform an Agreement with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

14.9.4 Contractor Hearing Board

If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence that is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.

A record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

14.9.5 Sub-Contractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

14.10 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

14.10.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through this Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to

mitigate the economic burden otherwise imposed upon County and its taxpayers.

- 14.10.2 As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

14.11 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate Contractor's performance under this agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all agreement terms and performance standards. Contractor deficiencies that County determines are severe or continuing and that may place performance of the agreement in jeopardy if not corrected, will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this agreement or impose other penalties as specified in this agreement.

14.12 EVENTS OF DEFAULT

- 14.12.1 The abandonment, vacation or discontinuance of operations on the premises for more than twenty-four (24) consecutive hours.

- 14.12.2 The failure of Contractor to punctually pay or make the payments required herein when due, where the delinquency continues beyond ten (10) days following written notice for payment thereof.
- 14.12.3 The failure of Contractor to operate in the manner required by this Agreement, where such failure continues for more than ten (10) days after written notice from the Director to correct the condition.
- 14.12.4 The failure to maintain the concession premises and the improvements constructed thereon in the state of repair required herein, and in a clean, sanitary, safe and satisfactory condition, where such failure continues for more than ten (10) days after written notice from the Director to correct the condition.
- 14.12.5 The failure of Contractor to keep, perform and observe all of the other promises, covenants, conditions and agreements set forth in this Agreement, where such failure continues for more than thirty (30) days after written notice from the Director for correction thereof, provided that where fulfillment of such obligation requires activity over a period of time and Contractor shall have commenced to perform whatever may be required to cure the particular default within ten (10) days after such notice and continues such performance diligently, said time limit may be waived in the manner and to the extent allowed by the Director.
- 14.12.6 Determination by the County, the California Fair Employment and Housing Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by Contractor in violation of State and/or Federal laws thereon.
- 14.12.7 Transfer of the majority controlling interest of Contractor to persons other than those who are in control at the time of the

execution of this Agreement without approval thereof by the Director.

14.13 FORCE MAJEURE; TIME EXTENSION

If performance by a party of any portion of this Agreement is made impossible or impractical by any prevention, delay, or stoppage caused by strikes; lockouts; labor disputes; acts of God; inability to obtain services, labor, utilities, supplies or materials or reasonable substitutes for those items; administrative or court proceedings; government actions; civil commotions; fire, earthquake, war, weather, or other casualty; or other causes or circumstances beyond the reasonable control of the party obligated to perform, performance by that party for a period equal to the period of that prevention, delay, or stoppage is excused. Contractor's obligation to pay rent however is not excused by this Section.

14.14 GOVERNING LAW, JURISDICTION, and VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

14.15 INDEPENDENT CONTRACTOR

This Agreement is by and between the County of Los Angeles and Contractor and is not intended, and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association, as between County and Contractor. Contractor understands and agrees that all persons furnishing services on behalf of Contractor pursuant to this Agreement are, for purposes of Worker's Compensation Liability, employees solely of Contractor and not of County. Contractor shall bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or

connected with services on behalf of Contractor pursuant to this Agreement.

14.16 INDEMNIFICATION

Contractor agrees to indemnify, defend and hold harmless County, the United States Army Corps of Engineers, and the County of Los Angeles Flood Control District, their agents, officers, and employees from and against any and all liability, including but not limited to, demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement. Contractor's duty to indemnify the County, the United States Army Corps of Engineers, and the County of Los Angeles Flood Control District shall survive the expiration or other termination of this Agreement.

14.17 INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County and during the term of this Agreement, the Contractor shall provide and maintain at its own expense, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A: VII, unless otherwise approved by the County. Further, all such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County and, with the Exception of Worker's Compensation insurance, shall name the County of Los Angeles, United States Army Corps of Engineers and the County of Los Angeles Flood Control District as additional insureds.

14.17.1 Evidence of Insurance:

Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to the Department of Parks and Recreation, Attention: Toni Simmons, 433 South Vermont

Avenue, Los Angeles, CA 90020, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- a. Specifically identify this Agreement.
- b. Clearly evidence all coverage's required in this Agreement.
- c. Contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- d. Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, United States Army Corps of Engineers and the County of Los Angeles Flood Control District, its officials, officers and employees as insureds for all activities arising from this Agreement.
- e. Identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

14.17.2 Notification of Incidents, Claims or Suits

Contractor shall report to County:

- a. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County.

Such report shall be made in writing within twenty-four (24) hours of occurrence.

- b. Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.
- c. Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager.
- d. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of this Agreement.

14.17.3 Insurance Coverage Requirements for Subcontractors

Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- a. Contractor providing evidence of insurance covering the activities of subcontractors; or
- b. Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

14.18 INSURANCE COVERAGE REQUIREMENTS

14.18.1 Contractor shall provide and maintain, throughout the term of this Agreement, the following programs and amounts of insurance:

- a. **General Liability:** Insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$4,000,000
Products/Completed Operations Aggregate:	\$1,000,000
Personal and Advertising Injury:	\$1,000,000
Each Occurrence:	\$2,000,000

- b. **Automobile Liability:** Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence. Such insurance shall include coverage for all “owned” “non-owned and hired” vehicles, or coverage for “any auto”.

- c. **Workers Compensation and Employer’s Liability:** Insurance providing workers compensation benefits, as required by the Labor Code of the State of California, or any other state, and for which the Contractor is responsible. If Contractor’s employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Long shore and Harbor Workers’ Compensation Act, Jones Act or any other federal law for which Contractor is responsible. In all cases, such insurance shall also include Employer’s Liability coverage for all persons providing services on behalf of the Contractor and for all risk to such persons under this Agreement with limits of not less than the following:

Each Accident:	\$1,000,000
Disease - policy limit:	\$1,000,000
Disease - each employee:	\$1,000,000

- d. **Property Coverage:** Such insurance shall be endorsed naming the County of Los Angeles as loss payee, provide deductibles of no greater than five percent (5%) of the property value, and shall include:
 - i. **Personal Property: Automobiles and Mobile Equipment** - Special form (“all risk”) coverage for actual cash value of County-owned or leased property; and
 - ii. **Real Property and All Other Personal Property** - Special form (“all risk”) coverage for the full replacement value of County-owned or leased property.

14.18.2 Failure to Procure Insurance

- a. Failure by Contractor to procure or maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the agreement upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.
- b. Notwithstanding the above and in the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

14.19 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

- 14.19.1 The Contractor certifies and agrees that all persons employed by it, it's affiliates, subsidiaries or holding companies are and

shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

- 14.19.2 The Contractor shall certify to and comply with the provisions of Exhibit H, Contractor's EEO Certification.
- 14.19.3 The Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 14.19.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders and vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 14.19.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to

discrimination under this Agreement or under any other project, program, or activity supported by this Agreement.

- 14.19.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-Paragraph 14.19 when so requested by the County.
- 14.19.7 If the County finds that any provisions of this Sub-Paragraph 14.19 have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.
- 14.19.8 The parties agree that in the event Contractor violates the non-discrimination provisions of this Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code 1671 as liquidated damages in lieu of canceling, terminating or suspending this Agreement

14.20 NOTICE TO EMPLOYEES REGARDING FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

14.21 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit H of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

14.22 NOTICES

Any notice required to be given under the terms of this Agreement or any law applicable thereto may be: (1) delivered by personal service; or (2) placed in a sealed envelope, with postage paid, return receipt requested, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, sub-post office, substation or mail chute, or other like facility regularly maintained by the United States Postal Service. The address to be used for any notice served by mail upon Contractor shall be Joel and/or Shona Griffith, 5543 Leeds Street, South Gate, CA 90280, or such other place as may hereafter be designated in writing to the Director by Contractor. The address to be used for any notice served by mail upon County shall be Department of Parks and Recreation, Contracts and Golf Division, 433 South Vermont Avenue, Los Angeles, CA 90020, or such other place as may hereafter be designated in writing to Contractor by the Director. Service by mail shall be deemed complete upon deposit in the above-mentioned manner.

14.23 PUBLIC RECORDS ACT

14.23.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Paragraph 7.3 of this Agreement; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process

for this Agreement, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order of court of competent jurisdiction.

- 14.23.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in any action or liability arising under the Public Records Act.

14.24 PUBLICITY

- 14.24.1 In recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:
- a. The Contractor shall develop all publicity material in a professional manner; or
 - b. During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Director. The County shall not unreasonably withhold written consent.

14.24.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Subsection 14.24 shall apply.

14.25 RECYCLED-BOND PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

14.26 RIGHT OF ENTRY

14.26.1 Should Contractor be deemed deficient, as determined by the Director, in its performance of its obligations required hereunder, County in addition to all other available remedies may, but shall not be so obliged, enter upon the premises and correct Contractor's deficiencies using County forces, and equipment and materials on the premises suitable for such purposes, or by employing a separate private contractor. County's cost so incurred, including direct and indirect overhead cost as determined by the Director, shall be reimbursed to County by Contractor and/or its sureties within thirty (30) days of demand thereof.

14.26.2 Any officers and/or authorized employees of the Corps of Engineers and County may enter upon the concession premises at any and all reasonable times for the purpose of determining whether or not Contractor is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of the County and Corps of Engineers within the concession premises.

14.26.3 In the event of an abandonment, vacation or discontinuance of operations for a period in excess of twenty-four (24) hours, Contractor hereby irrevocably appoints County as an agent for continuing operation of the concession granted herein, and in

connection therewith authorizes the officers and employees thereof to (1) take possession of the concession premises, including all improvements, equipment and inventory thereon; (2) remove any and all persons or property on said premises and place any such property in storage for the account of and at the expense of Contractor; (3) sublease or sublicense the premises; and (4) after payment of all expenses of such subleasing or sublicensing, apply all payments realized therefore to the satisfaction and/or mitigation of all damages arising from Contractor's breach of this Agreement. Entry by the officers and employees of County upon the premises for the purpose of exercising the authority conferred hereon as agent of Contractor shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.

- 14.26.4 No re-entry or taking of the premises by County pursuant to Sub-Paragraph 14.26.3 of this section shall be construed as an election to terminate this Agreement unless a written notice of such intention be given to Contractor or unless the termination thereof be decreed by a court of competent jurisdiction.

14.27 SEVERABILITY

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall not be affected thereby and shall remain in full force and effect.

14.28 SUBLICENSES

- 14.28.1 Contractor shall not, without the prior written consent of the Director, sublicense any portion of the concession premises, or sublicense any of the operation or activities authorized or required by this Agreement.

14.28.2 In the event the County determines that the Contractor has violated the sublicense provision contained herein, the same shall constitute a material breach of contract upon which the County may determine to cancel, terminate, or suspend this Agreement, or assess liquidated damages. The parties agree that it would be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to comply with the sublicense provision. The parties hereby agree that under the current circumstances a reasonable estimate of such damage is One Thousand Dollars (\$1,000.00) and that the Contractor shall be liable to County for liquidated damages in said amount.

14.29 SURRENDER

14.29.1 Upon expiration of the term hereof, or cancellation thereof as herein provided, Contractor shall peaceably vacate the concession premises and any and all improvements located thereon and deliver up the same to County in a reasonably good condition, ordinary wear and tear excepted, subject to the right of County to demand removal thereof to the extent that Paragraph 4.6 hereinbefore may be applicable thereto.

14.29.2 Upon expiration of the term, Contractor shall execute and deliver to County within thirty (30) days after service of written demand, a good and sufficient quitclaim deed of the Contractor's interest in this Agreement and the premises. Should Contractor fail or refuse to deliver to County a quitclaim deed as aforesaid, a written notice by County reciting the failure of the Contractor to execute and deliver the quitclaim deed shall, after ten (10) days from the date of recordation of the notice, be conclusive evidence against Contractor and all persons claiming under Contractor, of the termination of this Agreement.

14.30 TAXES AND ASSESSMENTS

14.30.1 The property interest conveyed herein may be subject to real property taxation and/or assessment thereon, and in the event thereof, Contractor shall pay before delinquency all lawful taxes, including but not limited to possessory interest taxes, assessments, fees or charges which at any time may be levied by the State, County, City or any other tax or assessment-levying body upon the concession premises and any improvements located thereon.

14.30.2 Contractor shall also pay all taxes, assessments, fees and charges on goods, merchandise, fixtures, appliances and equipment owned or used therein.

14.31 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of Contractor to maintain compliance with the requirements set for in Sub-Section 14.10 "Contractor's Warranty Of Adherence To County's Child Support Compliance Program" shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within 90 days of notice by the Los Angeles County District Attorney shall be grounds upon which the county Board of Supervisors may terminate this Agreement pursuant to Sub-Section 14.2 "Cancellation".

14.32 TERMINATION FOR IMPROPER CONSIDERATION

14.32.1 County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of

the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by the Contractor.

- 14.32.2 Contractor shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the Auditor-Controller's Fraud Hotline at (213) 974-0914 or (800) 544-6861 or to such other number as may be provided to Contractor in writing by County
- 14.32.3 Among other items, such improper consideration may take the form of cash, discounts, and service, the provision of travel or entertainment, or tangible gifts.

14.33 TERMINATION FOR INSOLVENCY

- 14.33.1 The County may terminate this Agreement forthwith in the event of the occurrence of any of the following:
- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of Federal Bankruptcy Code;
- 14.33.2 To the extent permitted by law, the County may terminate this Agreement forthwith in the event of the occurrence of any of the following:
- a. The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
 - b. The appointment of a Receiver or Trustee for Contractor; or

14.33.3 The rights and remedies of County provided in this Subsection 14.33 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

14.34 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

Contractor and each County Lobbyist or County Lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code 2.160. Failure on the part of Contractor or any County Lobbyist or County lobbying firm retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

14.35 TERMINATION UPON TRANSFER OF TITLE OR PARK CLOSURE

14.35.1 Notwithstanding any other provision of this Agreement, in the event the County transfers its interest in the Whittier Narrows Recreation Area and the concession premises to a governmental agency (assignee), the County reserves the right to: terminate this Agreement; or provided there is consent by an assignee, assign the County's interest in this Agreement to said assignee. County shall provide the Contractor with notice of termination or assignment of this Agreement pursuant to this provision.

14.35.2 Notwithstanding any other provision of this Agreement, in the event the County closes the Whittier Narrows Recreation Area, this Agreement shall be terminated upon the effective date of such closure. Upon the effective date of park closure, Contractor shall immediately cease its operations, and within fifteen (15) days therefrom remove all items of its personal property, equipment, and inventory. County shall provide advance notice to the Contractor of such park closure.

14.36 TRANSFERS

- 14.36.1 Contractor shall not, without written consent of the Director, transfer, assign, sublicense, hypothecate or mortgage this Agreement. Any attempted transfer, assignment, sublicense, hypothecation or mortgage without the written consent of the Director shall be null and void, and shall constitute a material breach of this Agreement.
- 14.36.2 Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed by Contractor shall be binding upon any transferee thereof.
- 14.36.3 The concession shall not be transferable by testamentary disposition or the State laws of interstate succession, as the rights, privileges, and use conferred by this Agreement shall terminate prior to the date for expiration thereof in the event of the death of Contractor occurring within the term herein provided. Additionally, neither this Agreement nor any interest therein shall be transferable in proceedings in attachment or execution against Contractor, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Contractor, or by any process of law including proceedings under Chapter X or XI of the Bankruptcy Act.
- 14.36.4 Shareholders and/or partners of Contractor may transfer, sell, exchange, assign or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment or divestment is affected in such a way as to give majority control of Contractor to any persons, corporation, partnership or legal entity other than the majority controlling interest therein at the time of the execution of this Agreement, the Director's approval thereof shall be required. Consent to any such transfer shall be refused if the Director

finds that the transferee is lacking in experience and/or financial ability to conduct the concession.

14.36.5 The prohibition herein contained shall not be applicable with respect to transfers of this Agreement arising from the exercise of a power of sale or judicial foreclosure pursuant to the terms and conditions of a hypothecation or mortgage previously approved by the Director.

14.36.6 In the event Contractor shall request the prior written consent of Director to give, assign, transfer or grant control of this Agreement, and Director gives written consent to the assignment, a transfer fee equal to one percent (1%) of the gross sales price shall be paid to County. Said sum shall be payable to County in full either within thirty (30) days after said consent is given or prior to the close of any escrow, whichever occurs first. Prior to Director's consent to such assignment, the assignor shall first deliver to assignee a written schedule of all sums due and owing to County from the assignor with such schedule in a form subject to the approval of the Director in all respects, and second, shall deliver to Director, as part of the acceptance of the assignment, a written acknowledgment by the assignee that the assignee (a) affirms the sums due and owing to County and (b) accepts responsibility for payment of such sums directly to County. Exempted from said transfer fee shall be the following:

- a. A transfer of an undivided interest in the concession between or among co-workers or affiliated entities which results in a change in method of holding title but does not result in a change to the proportional interests held by the co-owners or affiliated entities prior to the transfer;
- b. An assignment which serves as security for the repayment of a loan from any lender but which does not entitle the

- assignee to an immediate right to use, occupy, possess or receive the rents or profits from the concession for so long as the assignor makes the required periodic payments and complies with other provisions of the loan;
- c. A transfer of title of the concession to a lender purchaser at the foreclosure sale under a deed of trust on the property or by assignment to the lender or its nominee in lieu of foreclosure;
 - d. Such other assignment for which the Director determines that the ownership interests in the concession have remained unchanged, such as a change in the legal or fictitious name of the Contractor without any other change in the equity, in beneficial use of, or legal title to the concession as an asset, or the income produced thereby. The Director's decision in such cases shall be appeal able to the Board of Supervisors within ten (10) days after receipt of written notice of the Director's decision. Any such appeal request shall be accompanied by a Certificate of Deposit filed with the Director in the full amount of the transfer fee; the Certificate of Deposit shall be payable to County, and the interest thereon shall accumulate, but the principal sum and interest shall remain the property of Contractor in the event the Director's decision is reversed.

14.37 WAIVER

- 14.37.1 Any waiver by County of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of County to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein

contained be construed as in any manner changing the terms of this Agreement or stopping County from enforcing the full provisions thereof.

- 14.37.2 No delay, failure, or omission of County to re-enter the concession premises or to exercise any right, power, privilege or option, arising from any default, nor any subsequent acceptance of payments then or thereafter accrued shall impair any such right, power, privilege or option, or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right.
- 14.37.3 No notice to Contractor shall be required to restore or revive "time of the essence" after the waiver by County of any default.
- 14.37.4 No option, right, power, remedy or privilege of County shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options and remedies given County by this Agreement shall be cumulative.

14.38 WARRANTY AGAINST CONTINGENT FEES

- 14.38.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any Agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.
- 14.38.2 For breach of this warranty, the County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

14.39 ENTIRE AGREEMENT

This document and the Exhibit(s) attached hereto constitute the entire agreement between County and Contractor for the use granted at Whittier Narrows Recreation Area for the Equestrian Center Operation and Maintenance Concession. All other agreements, promises and representations with respect thereto, other than contained herein, are expressly revoked, as it has been the intention of the parties to provide for a complete integration within the provisions of this document, and the Exhibit(s) attached hereto, the terms, conditions, promises and covenants relating to the Equestrian Center Operation and Maintenance Concession and the premises to be used in the conduct thereof. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions thereof unenforceable, invalid or illegal.

14.40 AUTHORIZATION WARRANTY

Contractor represents and warrants that the signatory to this Agreement is fully authorized to obligate Contractor hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

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IN WITNESS WHEREOF, Contractor has executed this Concession Agreement, or caused it to be duly executed, and County of Los Angeles, by order of its Board of Supervisors, has caused this Concession Agreement to be executed on its behalf by the Chairman of said Board and attested by Executive Officer-Clerk of the Board thereof, the day and year first above written.

CONTRACTOR

By 
Joel Griffith

By 
Shona Griffith

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk of
The Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By 
Principal Deputy County Counsel

STATE OF CALIFORNIA }
 }
 } s.s.
COUNTY OF LOS ANGELES }

On this 1st day of APRIL, 2004,
before me, Conny B. McCormack, the Registrar-Recorder/County Clerk of the County of
Los Angeles, personally appeared JOEL GRIFFITH
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person whose name is subscribed to the within instrument and acknowledged to me that
he / she executed the instrument.

WITNESS my hand and official seal.



Conny B. McCormack
Registrar-Recorder / County Clerk
County of Los Angeles

By 
Deputy County Clerk

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES } s.s.
}

On this 1st day of APRIL, 2004,
before me, Conny B. McCormack, the Registrar-Recorder/County Clerk of the County of
Los Angeles, personally appeared SHONA GRIFFITH
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person whose name is subscribed to the within instrument and acknowledged to me that
he / she executed the instrument.

WITNESS my hand and official seal.



Conny B. McCormack
Registrar-Recorder / County Clerk
County of Los Angeles

By 
Deputy County Clerk

EXHIBIT A

BOARD OF SUPERVISORS' COPY
DEPARTMENT OF THE ARMY

LEASE

No. DACW09-1-86-43

56198

FOR PUBLIC PARK AND RECREATIONAL PURPOSES

WHITTIER NARROWS FLOOD CONTROL BASIN
LOS ANGELES COUNTY, CALIFORNIA

PROJECT AREA

THE SECRETARY OF THE ARMY under authority of Section 4 of the Act of Congress approved 22 December 1944, as amended (16 U.S.C. 460d), hereby grants to the COUNTY OF LOS ANGELES, a political subdivision of the state of California, hereinafter referred to as Lessee, a lease for a period of fifty (50) years commencing on 1 June 1986, and ending on 31 May 2036, to use and occupy approximately 1,252.04 acres of land and water areas under the primary jurisdiction of the Department of the Army in the Whittier Narrows Project Area, hereinafter referred to as the premises as shown on attached Exhibit "A", numbered 142-K-122.5, dated 11 February 1957, for public park and recreational purposes.

THIS LEASE is granted subject to the following conditions:

1. The lessee shall conform to such regulations as the Secretary of the Army may issue to govern the public use of the project area, and shall comply with the provisions of the above cited Act of Congress. The lessee shall protect the premises from fire, vandalism, and soil erosion, and may make and enforce such regulations as are necessary, and within its legal authority, in exercising the privileges granted in this lease, provided that such regulations are not inconsistent with those issued by the Secretary of the Army or with provisions of the above cited Act of Congress.
2. The lessee shall administer and maintain the premises in accordance with the U.S. Army Engineers' Master Plan and the implementing General Development Plan for the premises and with an Annual Management Program to be mutually agreed upon between the lessee and the U.S. Army District Engineer in charge of the administration of the project, which may be amended from time to time as may be necessary. Such Annual Management Program shall include, but is not limited to, the following:
 - a. Plans for management activities to be undertaken by the lessee or jointly by the U.S. Army Engineers and the lessee, including improvements and other facilities to be constructed thereon.
 - b. Budget of the lessee for carrying out the management activities.
 - c. Personnel to be used in the management of the area.
3. The lessee shall provide the facilities and services necessary to meet the public demand either directly or through concession agreements ^{subleases or licenses} with third parties. All such agreements shall state that they are granted subject to the provisions of this lease and that the concession agreement ^{subleases or licenses} will not be effective until approved by the District Engineer.
4. Admission, entrance or user fees may be charged by the lessee for the entrance to or use of the premises or any facilities constructed thereon, PROVIDED, prior written approval of the District Engineer is obtained.

5. The amount of ~~any~~ and all rates and prices charged by the lessee or its concessionaires for accommodations, food (except packaged goods), and services furnished or sold to the public shall be subject to the prior approval of the District Engineer. The lessee shall, by 15 April and 15 October of each year, submit to the District Engineer for approval a list of the fees, rates and prices proposed for the following 6 months, including justification for any proposed increase or decrease. The District Engineer will give written notice to the lessee of his approval of or objection to any proposed fee, rate or price and will, if appropriate, state an approved fee, rate or price for each item to which an objection has been made. The lessee and/or its concessionaires shall keep a schedule of such fees, rates or prices posted at all times in a conspicuous place on the leased premises.

6. All monies received by the lessee from operations conducted on the premises, including, but not limited to, entrance and admission fees and user fees and rental or other consideration received from its concessionaires, may be utilized by the lessee for the administration, maintenance, operation and development of the premises. Any such monies not so utilized, or programmed for utilization within a reasonable time, shall be paid to the District Engineer at the end of each 5-year period. The lessee shall establish and maintain adequate records and accounts and render annual statements of receipts and expenditures to the District Engineer, except for annual or weekly entrance fees which also are honored at other recreational areas operated by the lessee. The District Engineer shall have the right to perform audits of the lessee's records and accounts, and to require the lessee to audit the records and accounts of third party concessionaires, and furnish the District Engineer a copy of the results of such an audit.

7. All structures shall be constructed and landscaping accomplished in accordance with plans approved by the District Engineer.* Further, the lessee shall not discharge waste or effluent from the premises in such a manner that such discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

8. The right is reserved to the United States, its officers, agents, and employees, to enter upon the premises at any time and for any purpose necessary or convenient in connection with river and harbor and flood control work, and to remove timber or other material required for such work, to flood the premises when necessary, and/or to make any other use of the land as may be necessary in connection with public navigation and flood control, and the lessee shall have no claim for damages of any character on account thereof against the United States or any agent, officer or employee thereof.

9. Any property of the United States damaged or destroyed by the lessee incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by the lessee to the satisfaction of the District Engineer.

10. The United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted, or for damages to the property of the lessee, or for damages to the property or injuries to the person of the lessee's officers, agents, servants, or employees or others who may be on the premises at their invitation or the invitation of any one of them, arising from or incident to the flooding of the premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities, and the lessee shall hold the United States harmless from any and all such claims.

11. That at the time of the commencement of this lease, the lessee will ^{have in its possession} obtain from a reputable insurance company, acceptable to the Government, liability or indemnity insurance providing for minimum limits of \$100,000.00 per person in any one claim, and an aggregate limit of \$1,000,000.00 for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, and \$250,000.00 for damage to property suffered or alleged to have been suffered by any person or persons resulting from the operations of the lessee under the terms of this lease.

* (7. Continued) it being understood that no permanent type of recreational building or accessory facilities shall be erected on the land below elevation 215 M.S.L., except that open-type structures may be erected between elevations 215 M.S.L. and elevation 210 M.S.L. upon written approval of plans of such structures by the said District Engineer.

NOT APPLICABLE

12. This lease may be relinquished by the lessee at any time by giving to the Secretary of the Army, through the District Engineer, at least 30 days' notice in writing.

13. This lease may be revoked by the Secretary of the Army in the event the lessee violates any of the terms and conditions of this lease and continues and persists therein for a period of 30 days after notice thereof in writing by the District Engineer.

14. On or before the date of expiration of this lease or its relinquishment by the lessee, the lessee shall vacate the premises, remove its property therefrom, and restore the premises to a condition satisfactory to the District Engineer. If, however, this lease is revoked, the lessee shall vacate the premises, remove its property therefrom, and restore the premises as aforesaid within such time as the Secretary of the Army may designate. In either event, if the lessee shall fail or neglect to remove its property and so restore the premises, then its property shall become the property of the United States without compensation therefor, and no claim for damages against the United States or its officers or agents shall be created by or made on account thereof.

15. The lessee or its concessionaires shall not discriminate against any person or persons because of race, creed, color or national origin in the conduct of its operations hereunder. The grantee furnishes as part of this contract an assurance (Exhibit) that he will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 241) and Department of Defense Directive 5500.11 issued pursuant thereto and published in Part 300 of Title 32, Code of Federal Regulations, and that it will obtain such assurances from all its concessionaires.

16. All notices to be given pursuant to this lease shall be addressed, if to the lessee, to the County of Los Angeles, 433 South Vermont Avenue, Los Angeles, CA 90020, if to the Government, to the District Engineer, U.S. Army Engineer District, L. A., P.O. Box 2711, L.A., CA 90053-2325, ATTN: Real Estate Division. or as may from time to time be directed by the parties. Notice shall be deemed to have been duly given if and when inclosed in a properly sealed envelope or wrapper, addressed as aforesaid and deposited postage prepaid (or, if mailed by the Government, deposited under its franking privilege) in a post office or branch post office regularly maintained by the United States Government.

17. This lease is subject to all existing easements, and easements subsequently granted, for roadways, and utilities located or to be located on the premises, provided that the proposed grant of any easement will be coordinated with the lessee and easements will not be granted which will interfere with developments, present or proposed, by the lessee.

NOTE: Conditions 18-34 are set out on pages 4-7, attached.

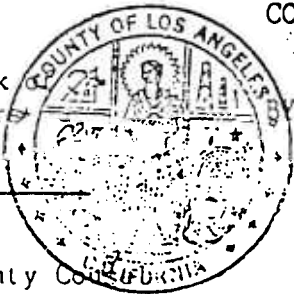
IN WITNESS WHEREOF I have hereunto set my hand this 14th of JUNE, 1988

Gordon M. Hobbs

Gordon M. Hobbs
Assistant for Real Property
OASA(I&L)

The above instrument, together with the provisions and conditions thereof, is hereby accepted this 14th day of April, 1987

ATTEST:
LARRY J. MONTEILH
Executive Officer-Clerk
the Board of Supervisors



COUNTY OF LOS ANGELES

[Signature]
Chairman, Board of Supervisors

BY: *[Signature]*
Deputy

APPROVED AS TO FORM:
DE WITT W. CLINTON-County Clerk

BY: *[Signature]*

NOT APPLICABLE

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

68

APR 14 1987

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

LARRY J. MONTEILH
Executive Officer
Clerk of the Board of Supervisors

Larry J. Monteilh

LARRY J. MONTEILH
EXECUTIVE OFFICER



By *Joyce Harris*
DEPUTY

Secretary of the Army
Lease No. DACW09-1-86-43
Whittier Narrows Flood Control
Basin
Los Angeles County, California
County of Los Angeles

18. That in order to protect the United States and the Los Angeles County Flood Control District and the lessee against claims for damages which might arise out of the use and occupation of said leased premises by persons to whom the lessee may grant concessions, licenses or subleases, the lessee herein agrees to insert a condition in each such concession, or license which it grants pursuant to Condition No. 10 hereof, which shall be in substantially the following form:

The concessionaire, licensee or sublessee, in consideration of the granting of this concession, license or sublease, agrees to hold the United States, the Los Angeles County Flood Control District, and the County of Los Angeles harmless from any and all claims or rights of action for damages which may or might arise or accrue to said concessionaire, licensee or sublessee, his officers, agents, servants, employees, or others who may be on the leased premises at his invitation or the invitation of any one of them, by reason of injuries to the property, or the person of any of them resulting from the entry upon or the use of the leased premises, by the United States, the Los Angeles County Flood Control District, the County of Los Angeles, or any one of them, at any time, for any purpose necessary or convenient in connection with river and flood control work, or for the removal of timber required or necessary for such work, or by reason of the flooding of the leased premises, or any part thereof, when in the judgment of any of them, such flooding is necessary in connection with flood control work.

19. Signed copies of each concession, license or sublease granted by the lessee herein shall be furnished to and filed with the said District Commander.

20. The lessee and its sublessees may conduct such revenue-producing activities as are within the scope of Condition 2 above. Except for timber salvaged and sold by the county when in the way of construction, all sales of forest products will be conducted by the Government and the proceeds therefrom shall not be available to the lessee under the provisions of this lease. Non-price supported crops may be cultivated either directly, or on a share-cropping basis to the extent the crop is required to

Lease No. DACW09-1-86-43
Whittier Narrows FCB
County of Los Angeles

provide food and habitat for wildlife. The Government reserves the right to lease lands covered by this instrument for agricultural or grazing purposes, unless the enhancement of the fish/wildlife habitat is essential to the conservation and development of the premises by the lessee. In the latter event, the sublease will be approved in writing by the Government. The lessee will reserve at least one area at which access to the project may be reached without imposition of fees of any kind. No facilities need be provided at this area by the lessee, but normal maintenance and clean-up will be provided.

21. The rates and prices charged by the lessee or its grantees for revenue-producing activities shall be reasonable and comparable to rates charged for similar goods and services by others in the area and on the reservoir. The Government shall have the right to review such rates and prices and require an increase or reduction where it finds the objective of this condition has been violated.

22. In acting under its rights and obligations hereunder, the lessee agrees to comply with all applicable Federal and State laws and regulations.

23. The lessee shall be responsible for operation, maintenance and replacement without cost to the Government, of all facilities developed on the premises for recreational opportunities. As used in this lease, the term "replacement" shall be construed to mean the replacement in whole or in part of any structures or improvement so worn or damaged by any cause as to no longer adequately serve its designed function with normal maintenance. The lessee shall maintain all lands, waters and facilities on the premises in a manner satisfactory to the Government. If any other property of the Government is damaged or destroyed by the lessee incident to the exercise of the privileges herein granted it shall be promptly repaired or replaced by the lessee to the satisfaction of the Government.

24. The Government or its assignees will operate and maintain those lands, structures, and facilities such as but not limited to the inlet structure, outlet works, service roads and any facilities required for control and regulation of waters passing through the project.

Lease No. DACW09-1-86-43
Whittier Narrows FCB
County of Los Angeles

25. That no human habitation will be permitted on the premises. This will not be construed to prohibit the lessee from providing properly designed and approved guard-stations for night watchman or other patrolmen.

26. That the right is reserved to the United States to renew or enter into leases for agricultural use of any of the lands covered by this lease and not being developed by the lessee for park and recreational purposes, pending written notice by the lessee to the District Commander prior to 1 July of any given year of its desire to develop such lands for said purposes, such desired lands to be generally contiguous to lands already developed for park and recreational purposes, and the District Commander shall terminate or modify said agricultural leases, effective 31 December of the year notice is given.

27. That the right is hereby reserved to the United States to conduct sales of its remaining surplus improvements on unimproved land within the demised premises and to construct, or to permit the construction of, facilities for military requirements and for communications, electrical distribution or transmission, water supply, flood channels, sewage disposal and similar purposes on the premises, and the lessee shall have no claim for compensation or damages of any character on account thereof.

28. That the lessee shall not permit on the premises gambling or any games of chance, or install or operate, or permit to be installed and operated, any devices where money is exchanged for money, or any devices or concessions which are contrary to good morals or are otherwise objectionable.

29. That it is understood that this instrument is effective only insofar as the rights of the United States in the property covered by this lease are concerned, and the lease shall obtain such permission as may be necessary on account of any other existing rights.

30. That the United States acquired no mineral rights within the leased area and nothing within this lease shall be construed to indicate that the United States, in granting this lease prohibits drilling or exploration work by owners of mineral rights or their lessees.

31. That any and all references to the term District Engineer is changed to read District Commander.

Lease No. DACW09-1-86-43
Whittier Narrows FCB
County of Los Angeles

32. The lessee shall not unlawfully pollute the air, ground, or water or create a public nuisance. The lessee shall at no cost to the United States promptly comply with present and future Federal, state and local laws, ordinances, regulations, or instructions controlling the quality of the environment. The lessee shall not be responsible for pollution caused by others.

33. The lessee shall not remove or disturb or cause or permit to be removed or disturbed, any historical, archeological or other cultural artifacts, relics, vestiges, remains or objects of antiquity. In the event such items are discovered on the premises, the lessee shall immediately notify said officer and protect the site and material from further disturbance until said officer gives clearance to proceed.

34. That before execution of this lease, the following changes were made:

Revised: Condition Nos. 7, 11 and 15.
Deleted: Condition No. 12.
Added: Condition Nos. 18 through 34. Condition Nos. 18 through 34 are contained on pages 4, 5, 6 and 7, attached hereto and made a part hereof.

This lease supersedes License No. DA-04-353-CIVENG-57-198.

ASSURANCE OF COMPLIANCE WITH THE DEPARTMENT
OF DEFENSE DIRECTIVE UNDER TITLE VI OF THE
CIVIL RIGHTS ACT OF 1964

The County of Los Angeles (hereinafter called "Applicant-Recipient") HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and all requirements imposed by or pursuant to the directive of the Department of Defense (32 CFR Part 200, issued as Department of Defense Directive 5500.11, December 28, 1964) issued pursuant to that Act, to the end that, in accordance with Title VI of that Act and the Directive, no person in the United States shall, on the ground of race, color, sex, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant-Recipient receives Federal financial assistance from the Department of the Army and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant-Recipient by the Department of the Army, assurance shall obligate the Applicant-Recipient, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Applicant-Recipient for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Applicant-Recipient for the period during which the Federal financial assistance is extended to it by the Department of the Army.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Applicant-Recipient by the Department, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Applicant-Recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Applicant-Recipient, its successors, transferees, and assignees and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Applicant-Recipient.

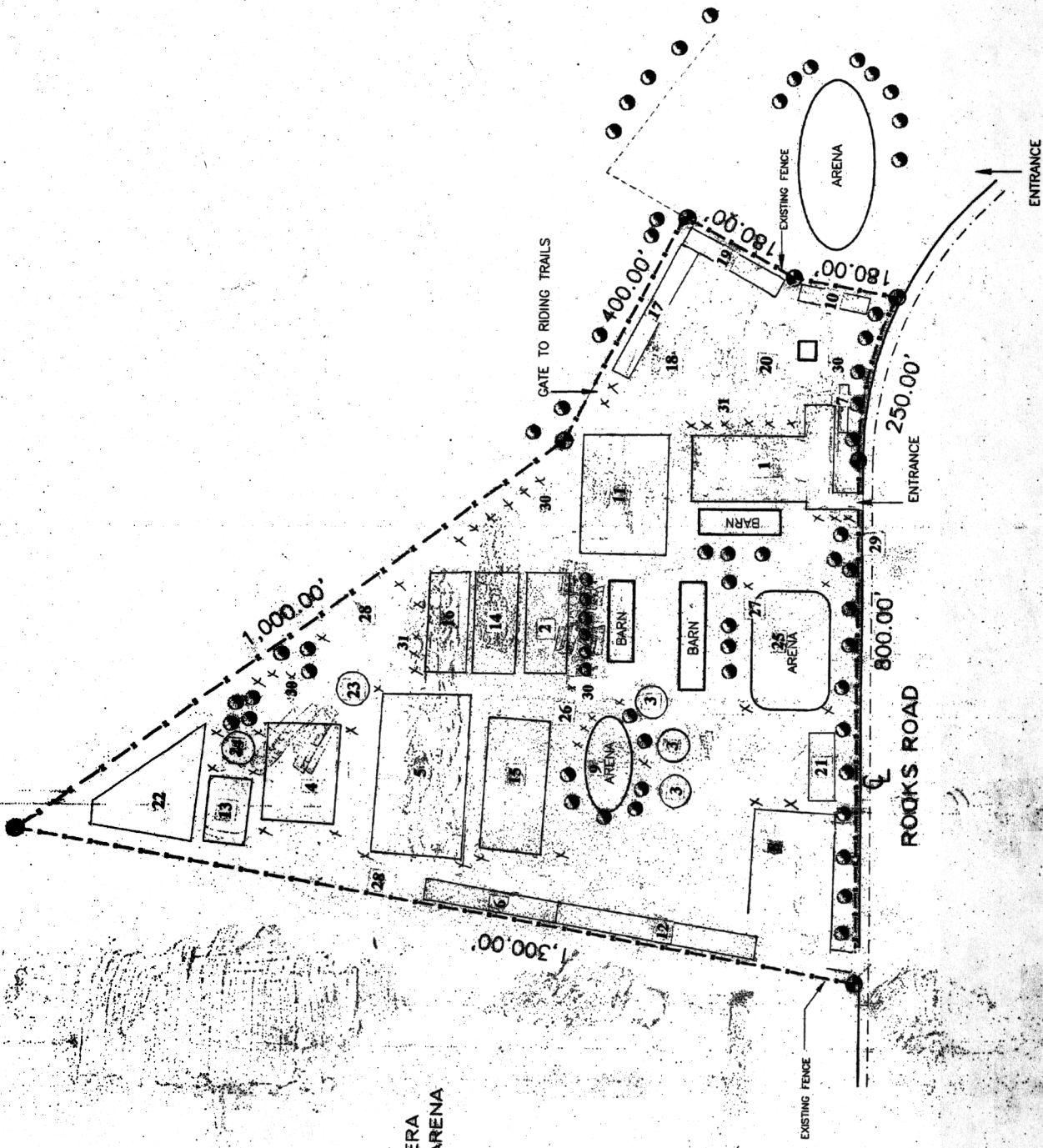
Date APR-14 1987

County of Los Angeles
(Applicant-Recipient)



By [Signature]
(President, Chairman of Board,
or comparable authorized
official)

EXHIBIT B



PICO RIVERA
SPORTS ARENA



SCALE: 1"=100'-0"

SITE PLAN

WHITTIER NARROWS EQUESTRIAN CENTER



EXHIBIT C

WHITTIER NARROWS EQUESTRIAN CENTER REQUIRED CAPITAL IMPROVEMENT PROGRAM

MAP SITE	CAPITAL IMPROVEMENTS	COMPLETION DATE	ESTIMATED COST
5	Arena 140 ft. x 260 ft. gooseneck with washed plaster sand and Nike footing.		
13	Riding arena, 80 ft. x 100 ft. with sand footing.	June-2007	40,000.00
29	Landscape frontage and new fences with entrance gates.	December-2008	42,000.00
9	New railings and footing.		
25	New arena railing with footing.	December-2008	30,000.00
1	Parking lot concrete 135 ft. x 200 ft. should accommodate approximately 80 vehicles. Sloped and graded with drain to eliminate flooding of stable from Rooks Road.	December-2010	30,000.00
3, 9, 13, 5, 24, 25	Installation of irrigation system.	December-2012	50,000.00
31	2 Turfed picnic areas.	December 2008, December 2012	5,000.00
Various	Plant 50 native shade trees.	Ongoing	1,500.00
Various	Install regulatory signs.	Ongoing	3,000.00
TOTAL			201,500.00

EXHIBIT D

WHITTIER NARROWS EQUESTRIAN CENTER PROPOSED CAPITAL IMPROVEMENT PROGRAM (OPTION YEARS)

MAP SITE	CAPITAL IMPROVEMENTS	COMPLETION DATE	MINIMUM VALUE
4	Forty-eight 12 ft. x 24 ft. pipe stalls with half shelters. Tack rooms. Each stall will have a waterer.	April-2005	\$192,000.00
3	Three 50 ft. round pens with sand footing.	April-2005	\$6,000.00
2	Twenty-four 12 ft. x 16 ft. box stall breezeway raised center aisle with tack rooms and feed room contained.	June-2007	\$92,000.00
23	Round pen 50 ft. and sand footing	December-2007	\$2,000.00
24	Round pen 50 ft. and sand footing	December-2007	\$2,000.00
13	Arena 80 ft. x 100 ft. with sand footing.	December-2008	\$6,000.00
6	Hay barn 30 ft. x 200 ft. concrete pad three sided with metal.	December-2008	\$45,000.00
14	Twenty-four 12 ft. x 16 ft. box stall breezeway raised center aisle with tack rooms and feed room contained.	December-2009	\$92,000.00
1	Parking lot concrete 135 ft. x 200 ft. should accommodate approximately 80 vehicles. Sloped and graded with drain to eliminate flooding of stable from Rooks Road.	December-2010	\$46,500.00
28	Trailer parking area.	December-2012	\$4,000.00
TOTAL			\$487,500.00

EXHIBIT E

Title 2 Administration Chapter 2.202 Determinations of Contractor Non-Responsibility And Contractor Debarment

2.202.010 Findings and Declarations.

The Board of Supervisors finds that, in order to promote integrity in the County's contracting processes and to protect the public interest, the County's policy shall be to conduct business only with responsible contractors. Determinations of contractor non-responsibility and contractor debarment shall be made in accordance with the procedures set forth in the ordinance codified in this chapter and implementation instructions issued the Auditor-Controller. (Ordinance 2000-0011 § 1 (part), 2000.)

2.202.020 Definitions.

For the purposes of this chapter, the following definitions apply:

A. "Contractor" means a person, partnership, corporation or other entity who has contracted with, or is seeking to contract with, the County to provide goods to, or perform services for or on behalf of, the County. A contractor includes a contractor, subcontractor, vendor, or any person or entity who or which owns an interest of 10 percent or more in a contractor, subcontractor or vendor.

B. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the County.

C. "Debarment" means an action taken by the County which results in a contractor being prohibited from bidding upon, being awarded, and/or performing work on a contract with the County for a period of up to three years. A contractor who has been determined by the County to be subject to such a prohibition is "debarred".

D. "Department head" means either the head of a department responsible for administering a particular contract for the County or the designee of same.

E. "County" means the County of Los Angeles, any public entities for which the Board of Supervisors is the governing body, nonprofit corporations created by the County and any joint powers authorities that have adopted County contracting procedures.

F. "Contractor hearing board" means the persons designated to preside over contractor debarment hearings and make recommendations on debarment to the Board of Supervisors. (Ordinance 2000-0011 § 1 (part), 2000.)

2.020.030 Determination of Contractor Non-Responsibility

A. Prior to a contract being awarded by the County, the County may determine that a party submitting a bid or proposal is non-responsible for the purposes of that contract. In the event that the County determines that a bidder/proposer is non-responsible for a particular contract, said bidder/proposer shall be ineligible for the award of that contract.

B. The County may declare a contractor to be non-responsible for the purposes of a particular contract if the County, in its discretion, finds that the contractor has done any of the following: (1) committed any act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the County or any

EXHIBIT E

Title 2 Administration Chapter 2.202 Determinations of Contractor Non-Responsibility And Contractor Debarment

other public entity, or engaged in a pattern or practice which negatively reflects on same; (2) committed an act or omission which indicates a lack of business integrity or business honesty; or (3) made or submitted a false claim against the County or any other public entity.

C. Before making a determination of non-responsibility pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed non-responsibility determination, and shall advise the contractor that a non-responsibility hearing will be scheduled on a date certain. Thereafter, the department head shall conduct a hearing where evidence on the proposed non-responsibility determination is presented. The contractor and/or attorney or other authorized representative of the contractor shall be afforded an opportunity to appear at the non-responsibility hearing and to submit documentary evidence, present witnesses and offer rebuttal evidence. After such hearing, the department head shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be found non-responsible with respect to the contract(s) at issue. A record of the hearing, the proposed decision and any recommendation shall be presented to the Board of Supervisors. The Board of Supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the department head. A non-responsibility finding shall become final upon approval by the Board of Supervisors.

D. The decision by the County to find a contractor non-responsible for a particular contract is within the discretion of the County. The seriousness and extent of the contractor's acts, omissions, patterns or practices as well as any relevant mitigating factors may be considered by the County in determining whether a contractor should be deemed non-responsible. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.040 Debarment of Contractors.

A. The County may debar a contractor who has an existing contract with the County and/or a contractor who has submitted a bid or proposal for a new contract with the County.

B. The County may debar a contractor if the County finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with the County; (2) committed any act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County or any other public entity.

C. Before making a debarment determination pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed debarment, and shall advise the contractor that a debarment hearing will be scheduled

EXHIBIT E

Title 2 Administration Chapter 2.202 Determinations of Contractor Non-Responsibility And Contractor Debarment

on a date certain. The contractor hearing board shall conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or attorney or other authorized representative must be given an opportunity to appear at the debarment hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence at that hearing. After such hearing, the contractor hearing board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred and, if so, the appropriate length of time for the debarment. A record of the hearing, the proposed decision and any recommendation shall be presented to the Board of Supervisors. The Board of Supervisors may, at its discretion, limit any further hearing to the presentation of evidence not previously presented. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A debarment finding shall become final upon approval of the Board of Supervisors.

D. The decision by the County to debar a contractor is within the discretion of the County. The seriousness and extent of the contractor's acts, omissions, patterns or practices as well as any relevant mitigating factors may be considered by the County in making any debarment decision. Upon a debarment finding by the Board of Supervisors, the County shall have the right, in its discretion, to determine the length that the contractor may be prohibited from bidding upon and being awarded a new contract with the County, which period may not exceed three years. In addition, upon a debarment finding by the Board of Supervisors, the County may, at its discretion, terminate any or all existing contracts the contractor may have with the County. In the event that any existing contract is terminated by the County, the County shall maintain the right to pursue all other rights and remedies provided by the contract and/or applicable law. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.250 Pre-Emption.

In the event any contract is subject to Federal and/or State laws that are inconsistent with the terms of the Ordinance codified in this chapter, such laws shall control. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.060 Severability

If any section, subsection, subpart or provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of this chapter and the application of such to other persons or circumstances shall not be affected thereby. (Ord. 2000-0011 § 1 (part), 2000.)



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. November 2002)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

A change to note. Workers **cannot** claim the EIC if their 2002 investment income (such as interest and dividends) is over \$2,550.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate.

Note: *You are encouraged to notify each employee whose wages for 2002 are less than \$34,178 that he or she may be eligible for the EIC.*

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS **Form W-2**, Wage and Tax Statement, which has the required information about the EIC on the back of **Copy B**.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2003.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676, or from the IRS Web Site at www.irs.gov.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2002 instructions for Form 1040, 1040A, 1040EZ, or **Pub. 596**, Earned Income Credit (EIC).

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2002 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2002 and owes no tax but is eligible for a credit of \$791, he or she must file a 2002 tax return to get the \$791 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2003 can get part of the credit with their pay during the year by giving you a completed **Form W-5**, Earned Income Credit Advance Payment Certificate. You **must** include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see **Pub. 15**, Employer's Tax Guide.

Notice 1015
(Rev. 11-2002)



EXHIBIT G

What is the Safely Surrendered Baby Law?

It's a new law. Under this law, a person may surrender their baby confidentially. As long as the baby has not been abused or neglected, the person may do so without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for an infant can legally, confidentially and safely surrender their baby within 3 days of birth. All that is required is that the baby be brought to a hospital emergency room in California. If there are additional places, they will be listed on the back of this brochure. As long as the child shows no signs of abuse or neglect, no name or other information is required. A bracelet will be placed on the baby for identification. A matching bracelet will be given to the parent. The bracelet will help connect the parent to the baby if the parent wants the baby back.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows another person to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week.

Does a parent have to tell anything to the people taking the baby?

No. Nothing is required. However, hospital personnel will give the parent a medical information questionnaire that is designed to gather family medical history. This could be very useful in caring for the child but it is up to the parent to complete it.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a foster or pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

What if a parent wants the baby back?

The parent(s) may take the bracelet back to the hospital. Hospital personnel will provide information about the baby.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being hurt or killed because they were abandoned.

You may have heard tragic stories of babies left in dumpsters or public toilets. The persons who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants.

Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

The Eighteenth Safely Surrendered Baby in California

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law.

This baby was the eighteenth child protected under California's Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed in a foster home for short-term care while the adoption process was started.

**Every baby deserves a chance for a healthy life.
If you or someone you know is considering
giving up a child, learn about your options.**

Los Angeles County
Safely
Surrendered
Baby
Hotline



(877)BABY SAFE

Toll Free **(877) 222-9723**

- Call for Information on How to Safely Surrender a Newborn Infant Under the Safely Surrendered Baby Law
- Referrals Provided to Designated Safe Haven Sites
- Referrals Provided to Other Support Services

- Guaranteed Confidentiality
- 7 Days a Week
- 24 Hours a Day
- English and Spanish and 140 Other Languages Spoken



INFO LINE of Los Angeles has been in business since 1981.
INFO LINE of Los Angeles is an AIRS accredited agency.

Calls from the media should be directed to Thelma Bell or Michele Yoder at (626) 350-1841.

EXHIBIT H

PROPOSER'S EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

IMPERIAL EQUESTRIAN CENTER
Proposer's Name

5543 LEEDS STREET SOUTH GATE, CA. 90280
Business Address

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with *Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e-17, Section 504 of the Rehabilitation Act of 1975, the Food Stamp Act of 1977, the Welfare and Institutions Code Section 1000, Americans with Disability Act of 1990, California Department of Social Services Manual of Policies and Procedures Division 21, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, creed, color, national origin, political affiliation, marital status, age, disability, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.*


PROPOSER'S CERTIFICATION

Check One

- 1 The Proposer has a written policy statement prohibiting discrimination in all phases of employment. Yes [] No
2. The Proposer periodically conducts a self analysis or utilization analysis of its work force. Yes [] No
3. The Proposer has a system for determining if its employment practices are discriminatory against protected groups. Yes [] No
4. Where problem areas are identified in employment practices, the Proposer has a system for taking reasonable corrective action which includes the establishment of goals and timetables. Yes [] No

Name (please print or type) JOEL D. GRIFFITH

Title of Signer (please print or type) OWNER

Signature  Date 7/12/03