LOS ANGELES COUNTY
ISD
INTERNAL SERVICES

Tom Tindall
Interim Director

COUNTY OF LOS ANGELES
Internal Services Department
1100 North Eastern Avenue
Los Angeles, California 90063

To enrich lives through effective and caring service.

Telephone: (323) 881-8946
FAX: (323) 415-8661

May 12, 2008

NEW VEHICLE PROMOTION AGREEMENT

This Agreement is entered into by and between South Bay Lincoln Mercury (herein "Dealer") and the County of Los Angeles (herein "County"). In consideration of the mutual promises contained herein, the parties agree as follows:

1. Program. Dealer agrees to participate in the Vehicle Purchasing Service (herein "Program") for County Employees, Retirees, Family Members, Contractors, and Sub-Contractors (herein "Participants") under the terms and conditions set forth in this Agreement and in any addenda thereto.

2. Participant Definition. Unless specifically excepted herein, the term "Participant" shall include (i) any employee or retiree of the County of Los Angeles; (ii) any family member of any employee or retiree of the County of Los Angeles; (iii) contractors performing work for the County of Los Angeles under any County contract; and (iv) sub-contractors of any contractor performing work for the County of Los Angeles under any County contract.

3. Practices. Upon request, Dealer shall allow any Participant to inspect a true factory invoice to verify pricing. Dealer shall not engage in any practices which are deceptive or unethical, or which put pressure on the Participant. Dealer shall be solely responsible for any Participant complaints regarding the vehicles displayed or sold by the Dealer, and any related goods or services purchased from the Dealer, including service agreements, warranties and after-market products. Dealer agrees to provide prompt and effective responses to Participants having questions and complaints. If a complaint is not resolved by Dealer, and upon request of a Participant, County will determine disputes between the Participant and Dealer relating to Dealer's performance under the Program. This provision shall apply only to disputes arising during the first 12 months of the vehicle's purchase date. The County's decision shall be conclusive and binding on the Dealer but not on the Participant.

4. Price Disputes. In the event of a dispute between Dealer and Participant regarding the price charged for a vehicle, and if the County determines that the Dealer has overcharged the Participant, Dealer shall, at the County's sole discretion, 1) reimburse the Participant for the overcharge, 2) rewrite the sales contract with an adjusted selling price, or 3) rescind the sale. Any sums refunded shall include applicable sales tax and license fees. Dealer shall abide by the County's decision, and shall fully comply within 7 days thereof.

5. Indemnification. Dealer shall indemnify, defend and hold harmless the County, its board employees, officers, agents, and employees from any and all loss, liability, claim, action, damage, penalties, demand or expense whatsoever, including, but not limited to, court costs and expenses, and attorneys' fees, arising out of or related to this Agreement, including without limitation, any matter involving bodily injury, personal injury, property damage or any other injury or damage arising out of or related to: 1) any vehicle displayed or sold by Dealer under the Program, including without limitation, when being test-driven by a Participant, 2) any Participant complaint, and 3) any act or omission of Dealer, its employees, agents or contractors, including without limitation, any noncompliance with any law or any provision of this Agreement.

6. Insurance. Without limiting Dealer's indemnification of County and during the term of this Agreement, Dealer shall provide and maintain the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Dealer's own expense.
   a. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to *Robert Ortiz, Section Manager, 1100 N. Eastern Avenue, Room G-115, Los Angeles, CA 90063,* prior to commencing services under this Agreement. Such certificates or other evidence shall:
      i. Specifically identify this Agreement.
      ii. Clearly evidence all coverages required in this Agreement.
      iii. 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.
      iv. Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement.
   b. Insurer Financial Ratings: 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 County.
   c. Failure to Maintain Coverage: Failure by Dealer to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement.
   d. Notification of Incidents, Claims or Suits: Dealer shall report to County:
      i. 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 Dealer and/or County. Such report shall be made in writing within 24 hours of occurrence.
      ii. any third party claim or lawsuit filed against Dealer arising from or related to services performed by Dealer under this Agreement.

e. Insurance Coverage Requirements:
   i. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:
   ii. General Aggregate: $2 million
   Products/Completed Operations Aggregate: $1 million
   Personal and Advertising Injury: $1 million
   Each Occurrence: $1 million
   iii. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than $1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".
   iv. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Dealer is responsible.

7. Compliance with Laws. Dealer shall comply with all laws and regulations regarding the sale of new vehicles.

8. New Vehicles. Dealer shall honor a pricing agreement for new vehicles, provided by the County upon execution of this Agreement. The agreement is attached as Exhibit A hereto. Dealer shall allow any Participant to inspect the pricing agreement. Dealer will revise this sheet on a monthly basis subject to the County's prior written approval. Dealer warrants and represents that during the term of the Agreement, the pricing agreed to shall meet or exceed in all respects any discount, benefit or offering granted to any other organization accessible to the general public or to employees of the public individually, but excluding commercial fleet sales.

9. Leases. Dealer shall have available leasing programs for the Participants. Once the purchase price has been determined and the Participant wishes to lease the vehicle, the Dealer shall negotiate lease rates and plans with the Participant.

10. Nondisclosure. Dealer shall not use, copy, disclose or divulge any information provided by the County, including names, addresses and/or telephone numbers of Participants, or use the segmented list of Participants who become vehicle purchasers for marketing other Dealer or third party goods or services without the express written consent of an officer of the County. Dealer shall not disclose all or any portion of the list of Participants who become vehicle purchasers, including any Participant names, addresses or telephone numbers, to any third party for any purpose except as required by subpoena or other judicial or governmental process, and as soon as possible after receipt of which, Dealer will notify the County and will cooperate if the County seeks a protective order or otherwise seeks to prevent or limit disclosure. The obligations and conditions contained in this paragraph apply to the parties' respective employees, agents, contractors, assigns and successors of each, and shall continue in force after this Agreement is terminated.

11. Utilization Recapitulation Report. On an annual basis, or as requested by the County of Los Angeles, Dealer shall furnish the County with a list of vehicles sold under the Program and shall include information such as make and model of vehicle, purchase price, purchase date, and type of Participant (i.e. employee, family member, etc.).

12. Termination. Either party in its sole discretion may terminate this Agreement without cause at any time by giving thirty (30) days written notice to the other party. All provisions of this Agreement which may relate to events occurring after the termination of this Agreement shall survive the termination of this Agreement.

    The County of Los Angeles shall have the immediate right to terminate this Agreement upon notice to Dealer in the event of 1) any ownership change of Dealer, 2) excessive Participant complaints or poor service to Participants, which shall be determined at the County's sole discretion, 3) Dealer's unwillingness to abide by pricing guidelines, 4) breach of any provision of this Agreement, or 5) insolvency of Dealer, the filing of a petition in bankruptcy or a general assignment for the benefit of creditors.

13. Entire Agreement. This Agreement sets forth the entire agreement and understanding between the parties hereto and supersedes any prior understandings or agreements. No waiver, alteration, modification or cancellation of any of the provisions of this Agreement shall be binding unless made in writing and signed by the parties.

14. Authority. Each party covenants that the individual executing this document by and on behalf of such party is duly authorized to execute contracts for that party.

DEALER	County of Los Angeles
South Bay Lincoln Mercury	
By: _____	By: Tom Tindall
Name: Gary Premeaux	Name: TOM TINDALL
Title: President	Title: DIRECTOR
Date: 5-16-2008	Date: 5/28/08

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3. Practices. Upon request, Dealer shall allow any Participant to inspect a true factory invoice to verify pricing. Dealer shall not engage in any practices which are deceptive or unethical, or which put pressure on the Participant. Dealer shall be solely responsible for any Participant complaints regarding the vehicles displayed or sold by the Dealer, and any related goods or services purchased from the Dealer, including service agreements, warranties and after-market products. Dealer agrees to provide prompt and effective responses to Participants having questions and complaints. If a complaint is not resolved by Dealer, and upon request of a Participant, County will determine disputes between the Participant and Dealer relating to Dealer's performance under the Program. This provision shall apply only to disputes arising during the first 12 months of the vehicle's purchase date. The County's decision shall be conclusive and binding on the Dealer but not on the Participant.

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6. Insurance. Without limiting Dealer's indemnification of County and during the term of this Agreement, Dealer shall provide and maintain the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Dealer's own expense.
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      i. Specifically identify this Agreement.
      ii. Clearly evidence all coverages required in this Agreement.
      iii. 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.
      iv. Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement.
   b. Insurer Financial Ratings: 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 County.
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DEALER	County of Los Angeles
South Bay Ford Lincoln Mercury	
By: _____	By: Tom Tindall
Name: Gary Premeaux	Name: TOM TINDALL
Title: President	Title: DIRECTOR
Date: 5-16-2008	Date: 5/28/08