

**CITY OF LOS ANGELES**  
**REQUEST FOR PROPOSALS (RFP)**  
**TO OPERATE CUSTOMER-BASED BUSINESSES**  
**IN THE MARVIN BRAUDE RETAIL MALL**



**Web:** <http://www.labavn.org>

**Email:** [Joi.Oubre@lacity.org](mailto:Joi.Oubre@lacity.org)

**Issued by:** **Department of General Services**

**Issue Date:** **June 7, 2018**

**Submission Deadline:** **July 17, 2018**

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## Information and Due Dates

<b>Date Issued:</b>	<b>June 7, 2018</b>
<b>Title:</b>	Services to Operate Customer-Based Businesses in the Braude Retail Mall Suites
<b>Description:</b>	The City of Los Angeles (City) is seeking tenants to lease retail space and to operate customer-based businesses in the Braude Retail Mall located at 6262 Van Nuys Blvd., Van Nuys, CA 91401
<b>Deadline for Submission:</b>	Proposals will be received and evaluated on a rolling and ongoing basis. To be considered for the next round, please submit your proposal by July 17, 2018.
<b>Submission Delivery Address:</b>	Department of General Services City Hall South Attn: Joi Oubre 111 East 1 <sup>st</sup> Street, 2 <sup>nd</sup> Floor Los Angeles, CA 90012
<b>Pre-Submittal Conference and Site Visit:</b>	A <b>Mandatory</b> Pre-submittal Conference and Site Visit will be held on June 19, 2018 at 10:00 a.m. at the Braude Retail Mall, 6262 Van Nuys Blvd.
<b>Technical Assistance:</b>	All questions related to this Request for Proposals shall be submitted to Joi Oubre at <a href="mailto:Joi.Oubre@lacity.org">Joi.Oubre@lacity.org</a> or faxed to (213) 922-8511, attention Joi Oubre.
<b>Proposal Deadline:</b>	The proposal deadline for the next round is July 17, 2018. The City shall keep the Request for Proposals (RFP) active until all vacant spaces are filled.

## **A. Introduction**

The Department of General Services Real Estates Services Division (GSD) is issuing this Request for Proposals (RFP) to parties interested in leasing retail space and operating customer-based businesses in the first-floor retail suites of Marvin Braude Constituent Service Center (Retail Mall). The Retail Mall is located within Council District 6 at 6262 Van Nuys Blvd., Van Nuys, CA 91401.

The City of Los Angeles and the Council District 6 office has been working diligently with local business owners to help bring down barriers by reactivating the area to increase pedestrian activity by increasing programming in the plaza including events such as summer movie nights and community festivals, as well as working to increase parking availability in the area. The goal of this RFP is to lease space in the Retail Mall to customer-based retail businesses that would operate during regular business hours, as well as nights and/or weekends. A more-active Retail Mall and plaza would help cultivate a public-friendly space that encourages activities and gatherings after regular business hours.

## **B. Retail Mall/Suites Description**

The Retail Mall, constructed in 2003, is architecturally and conceptually unique and a prominent landmark in the Van Nuys community. Coupled with its customer-base and location along with the fact that the Retail Mall is relatively new and has already attracted well-known tenants, the suites are considered prime retail space.

The retail suites in the Retail Mall are ideally located for maximum exposure. Suites A, C, D, and E face Van Nuys Blvd. Suite B faces both Van Nuys Blvd and the plaza dining area. All of the suites are currently vacant and available for the successful proposer to make tenant improvements necessary to build out the space. Each suite contains one finished unisex handicap-equipped restroom. There is no storage space provided for tenants. Site visits to view the retail space(s) are available upon request. For further details on the suites see *Exhibit 1 – Braude Retail Mall Space Plan* or contact *Joi Oubre* at [joi.oubre@lacity.org](mailto:joi.oubre@lacity.org).

## **C. Van Nuys Civic Center Description**

The Van Nuys Civic Center is a neighborhood icon, becoming the Valley's satellite municipal center following the construction of Van Nuys City Hall in 1932. The area is comprised of many key government offices and facilities such as the Van Nuys Police Station, Fire Station No. 39, Van Nuys Branch Library, Van Nuys Courthouse and the Marvin Braude Constituent Service Center. Other significant facilities in the area include Van Nuys Civic Child Development Center, LA County Service Center, James Corman Federal Building, U.S. Post Office and the LA County Northwest Superior Court.

The Retail Mall has on street parking in front of the building on Van Nuys Blvd. There is a pay parking lot located at 14401 Friar Street that has 237 parking spaces.

**D. Map of Van Nuys Government Center and Retail Mall**

The Retail Mall is outlined in the (yellow) inset box and located within the northwest side of the Van Nuys Government Center. The Van Nuys Government Center, outlined in the (blue) outer box, is bordered by Van Nuys Boulevard on the West, Tyrone Avenue on the East, Sylvan Street on the North and Calvert Street on the South.



**E. Surrounding Area**

The Retail Mall is 0.3 miles, or a 5 minute walk from the Van Nuys Orange Line Rapid Transit Station. The Orange Line has a daily weekday ridership of 24,000 people. Within 1 mile of the Van Nuys Civic Center, there are approximately 48,000 residents and 37,000 workers.

Van Nuys Boulevard, between Victory Boulevard and Oxnard Street was designated as one of the City's "Great Streets" and is currently in the process of being studied for improvements including the addition of green infrastructure, as well as the creation of a business assistance loan program for businesses in this corridor. In the next decade, the area will see major changes occur with the addition of a new transit line along Van Nuys Boulevard.

## **F. Hours of Operation**

Minimum hours of continuous operation must be at least 8 hours Monday through Friday, except for holidays that are generally observed in the City by the closing of business or the closing of the City government offices. It will be left up to the successful proposers' discretion to remain open on holidays. Refer to *Exhibit 2 – City of Los Angeles Holidays*.

Tenants can open as early as 6:30 a.m. and are encouraged to remain open past regular business hours (past 5 p.m.). The City prefers tenants who operate past regular business hours and during the weekend so part of the evaluation and scoring process will incorporate that preference. Hours of operation will be determined during the lease negotiations. No unreasonable hours will be approved.

## **G. Tenant Improvements**

The successful proposer will be financially responsible for all tenant improvements. All tenant improvements shall be approved by the City before they are made. The construction period for tenant improvements is typically 30-60 days following execution date of the lease but proposers shall include a schedule for tenant improvements.

As part of the selection process, GSD will consider all reasonable tenant improvements proposed, including combining two or more suites to accommodate a larger proposed tenant or proposed signage, which are conducive to the enhancement and increased revenue of the suite(s). Acceptance of the proposal does not constitute approval of proposed tenant improvements, and all City ordinances and requirements must be complied with and a lease in place before the successful proposer will be permitted to commence installation of any tenant improvements.

**Terms and Conditions** The City reserves the right to adjust the rental rate by no more than 3 percent annually. Tenants shall pay for all taxes, utilities, insurance and maintenance charges.

## H. Content of Proposal

Submissions must include one original and four copies, and one electronic PDF copy on either a flash drive or sent by email to [Joi.Oubre@lacity.org](mailto:Joi.Oubre@lacity.org). None of these materials will be returned to the sender. Proposals must consist of the following information or documentation in the order presented below:

1. Cover Letter
  - a. A statement of purpose or intended use of the space.
  - b. A statement indicating the proposer's preferred suite as well as a secondary preferred suite. In the event of two proposers submitting proposals for the same retail suite, the higher scoring proposer will be given priority for their stated preferred suite while the lower scoring proposer will be given priority for their secondary preferred suite.
  - c. A short description of the types of products to be sold or the services to be provided.
  - d. Name, title, address, telephone number, and email address of the person or persons authorized to represent the proposer with respect to the RFP and potential lease award if an award is made.
  - e. Original signature of a representative or officer of the proposer. The signer shall have been authorized to bind the firm to all provisions of the RFP, and any subsequent lease or changes to it if an award is made.
2. Statement of Qualification (SOQ)
  - a. Type of business and details regarding types of products to be sold or the services to be provided.
  - b. Number of years of experience proposer has previously operated a business.
  - c. Description, schedule and budget of proposed tenant improvements. Proposer should describe how they will plan, coordinate and complete tenant improvements.
  - d. A general space map of furnishings and equipment to be used within the space.
3. Proposed Lease Terms
  - a. Desired length of lease between 2-10 years, plus any extensions.
  - b. Proposed rental rates per square footage and monthly.
4. Relevant Financial Documents – If any of the following information is confidential, please mark the documents as such to make it clear to the scoring panel.
  - a. A balance sheet reflecting gross income for the last three years of experience described in the SOQ;
  - b. A projected estimate of annual expenses and revenue over the proposed term of the Retail Mall lease;
  - c. A letter of credit, certified bank statement, a certificate of deposit, or other verification from a recognized bank doing business in the City,

demonstrating financial ability to complete proposed tenant improvements; and,

- d. Proposers shall disclose all prior bankruptcies and/or business closures within the last 10 years. The City may determine that a proposer is not qualified based on bankruptcy and/or business closure information provided.

5. Disclosure of any City Contracts held within the last 10 years specifying the following information:

- a. The City entity or department that administered the contract;
- b. The contract/contract number;
- c. The dollar amount of the contract;
- d. Dates and periods during which the contract was in effect; and,
- e. A short description of the contract specifications provided.

## I. Evaluation Process and Criteria

The RFP will have an ongoing or rolling deadline for submittals in order to maximize responses. The selection panel will evaluate proposals in batches on a quarterly basis. In order to be deemed responsive, the proposer must receive a minimum score of 70. Scoring a responsive score does not guarantee an award to a proposer. The City will rate all proposals according to the scale listed below.

Proposer's experience and financial ability to operate a business	35 pts
Thoroughness, logic and completeness of the SOQ	30 pts
Proposed tenant will add value and enhance the Civic Center*	35 pts
<b>MAXIMUM POINTS</b>	<b>100 pts</b>

\*Examples of adding value or enhancing the Civic Center includes, but is not limited to:

- Operating after regular business hours
  - Monday-Friday after 5 p.m. and/or weekends
- Organizing community events for the surrounding neighborhood
- Community-serving businesses
- Local businesses or start-ups

The City's selection of the awarded proposal and the lease may be reviewed by the City Attorney's Office and the Office of the City Administrative Officer as is customary for all contracts and leases. The City may deem a proposal unresponsive if the proposed use fails to meet the minimum requirements contained in the RFP. Proposers will be unable to appeal their scores.

## J. Award of Lease Contract

The Standard Provisions for City Contracts will be incorporated and made part of the final contract. Refer to *Exhibit 3 – Standard Provisions for City Contracts*.



The proposer to whom a contract is awarded shall be required to enter into a written lease contract with the City subject to approval by the City Attorney and the CAO. This RFP or any part thereof may be incorporated into and made a part of the final lease contract. The City reserves the right to further negotiate and modify the terms and conditions of the contract with the selected proposer(s). Refer to *Exhibit 4 – Sample Lease*.

Successful proposers shall have 30 days in which to conduct a review and return to the City of Los Angeles a signed lease contract. If the lease contract has not been executed within 30 days of receiving the award of the proposal then the successful proposer shall be considered in breach of performance and City will have, at its sole and exclusive right, the ability to place the successful proposer as being in the status of permanently rejected with no recourse.

#### **K. Business Tax Registration Certificate**

The selected firms will be required to demonstrate compliance with the City's business tax laws by acquiring/maintaining one of the following; Business Tax Registration Certificate (BTRC), Vendor Registration Number or Certificate of Exemption. This BTRC must remain valid in order to do business with the City. Visit the Office of Finance website at [finance.lacity.org](http://finance.lacity.org) for more information.

#### **L. Notice Regarding the Public Records Act**

Responses to this RFP become the exclusive property of the City. At such time when a firm is selected and its name made public, all proposals submitted shall be regarded as public records. Exceptions will be those elements in each proposal that are defined by the proposer as business or trade secrets and marked "TRADE SECRET," "CONFIDENTIAL" or "PROPRIETARY". Each element that a proposer desires not to be considered a public record must be clearly marked as set forth above, and any blanket statement (i.e., regarding entire pages, documents, or other non-specific designations) shall not be sufficient and shall not bind the City in any way whatsoever. The City shall not in any way be liable or responsible for the disclosure of any such records, including but not limited to, those so marked if disclosure is deemed to be required by law or by court order. If a dispute arises among the City, the proposer and a person seeking disclosure of such records, the City shall notify the proposer so that the proposer has the opportunity to seek a court order precluding the disclosure of such information. In the absence of the proposer obtaining such an order, the City shall have the right to release the information.

#### **M. Permits and Licenses**

The successful proposer(s) will be responsible for obtaining all necessary permits and licenses to operate a business in the City, ensuring that all construction complies with the City of Los Angeles Building Code and all other applicable laws and regulations.

## **N. Terms and Conditions**

The submission of a proposal pursuant to this RFP shall constitute acknowledgment and acceptance of all terms and conditions set forth herein. The proposer understands and agrees that the City is not responsible for any costs incurred by the proposer(s) in responding to this RFP.

The RFP and the selection process shall in no way be deemed to create a binding contract, agreement, or offer of any kind between the City and the respondents. The City reserves the right to alter the selection process in any way, to withdraw the RFP, to deem the proposals as non-responsive, to postpone the selection process for its own convenience at any time, to waive any defects in any submission, to issue a new RFP any time, or to choose not to award a contract if such action is determined to be in the best interest of the City and to waive any informality in the process.

## **Mandatory City Contracting Requirements**

### **1. Nondiscrimination, Equal Employment Practices and Affirmative Action**

Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2., Non-discrimination Clause.

Non-construction services to or for the City for which the consideration is \$1,000 or more shall comply with the provisions of Los Angeles Administrative Code Sections 10.8.3., Equal Employment Practices Provisions. All proposers shall complete and upload the Non Discrimination/Equal Employment Practices Certification available on Los Angeles' Business Assistance Virtual Network (BAVN) residing at <http://www.labavn.org> prior to award of a City contract valued at \$1,000 or more. However, proposers with certifications previously uploaded to BAVN and verified by the Office of Contract Compliance (OCC) do not need to resubmit.

Non-construction services to or for the City for which the consideration is \$100,000 or more shall comply with the provisions of Los Angeles Administrative Code Sections 10.8.4., Affirmative Action Program Provisions. All proposers shall complete and upload the City Affirmative Action Plan available on the BAVN website at <http://www.labavn.org> prior to award of a City contract valued at \$100,000 or more. Proposers opting to submit their own affirmative action plan may do so by uploading their affirmative action plan onto BAVN. Proposers with current OCC approval for their affirmative action plan do not need to re-submit unless the approval is 30 days or less from expiration.

Both the City Non-Discrimination/Equal Employment Practices Certification and Affirmative Action Plan Affidavit shall be effective for a period of 12 months from the date it is first uploaded onto BAVN. Proposers seeking additional information regarding the requirements of the City's Non-Discrimination Clause, Equal Employment Practices and Affirmative Action program may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>

### **2. Certification Regarding Compliance with the American Disabilities Act**

The City is a covered entity under Title II of the ADA, 42 U.S.C. Section 12131 et seq. Respondents awarded a contract through this RFP must comply with the ADA and execute a certification regarding compliance with the ADA prior to the execution of a contract.

### **3. Contractor Responsibility Ordinance (CRO)**

The proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the provisions of the CRO (see *Exhibit 3 – Standard Provisions for City Contracts*). All proposers shall complete and return with their proposal the CRO. Failure to return the completed questionnaire may result in a

proposer being deemed non-responsive. Proposers shall refer to the Bureau of Contract Administration's website at <http://bca.lacity.org> for further information regarding the requirements of the CRO.

#### **4. Child Support Assignment Orders**

The City has adopted an ordinance requiring that all contractors and subcontractors performing work for the City comply with all reporting requirements and wage and earning assignments relative to legally mandated child support.

The Contractor(s) and any Subcontractor(s) must fully comply with all applicable State and Federal employment reporting requirements for the Contractor(s)' and any Subcontractor(s)' employees. The Contractor(s) and any Subcontractor(s) must fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with the California Family Code. The Contractor(s) and any Subcontractor(s) must certify that the principal owner(s) thereof (any person who owns an interest of 10 percent or more) are in compliance with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally. The Contractor(s) and any Subcontractor(s) must certify that such compliance will be maintained throughout the term of the contract.

Failure of the Contractor(s) and/or any Subcontractor(s) or principal owner(s) thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination. Failure to return the completed certification as part of the bid or proposal will result in the bid or proposal being deemed unresponsive and being rejected.

#### **5. Equal Benefits Ordinance**

Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO). All proposers shall complete and upload, the EBO Affidavit available on BAVN residing at <http://www.labavn.org>, prior to award of a City contract valued at \$5,000. The EBO Affidavit shall be effective for a period of twelve months from the date it is first uploaded onto the City's BAVN. Bidders/proposers do not need to submit supporting documentation with their bids or proposals. However, the City may request supporting documentation to verify that the benefits are provided equally as specified on the EBO Affidavit.

Proposers seeking a waiver from the requirements of the EBO shall refer to the Bureau of Contract Administration's web site at <http://bca.lacity.org/index.cfm> and download the form. The EBO waiver request form must be returned with the bid/proposal. Proposers shall refer to the Bureau of Contract Administration's website at <http://bca.lacity.org> for further information regarding the requirements of the EBO.

## **6. Service Contractor Worker Retention Ordinance (SCWRO)**

Unless approved for an exemption, contractors under contracts primarily for the furnishing of services to or for the City and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three months, lessees and licensees of City property, and certain recipients of City financial assistance shall comply with the provisions of Los Angeles Administrative Code Sections 10.37 et seq., LWO and 10.36 et seq., SCWRO. Proposers shall refer to the Bureau of Contract Administration's website at <http://bca.lacity.org> for further information regarding the requirements of the SCWRO.

## **7. Living Wage Ordinance (LWO)**

Proposers who believe that they meet the qualifications for one of the exemptions described in the LWO "List of Statutory Exemptions" shall apply for exemption from the ordinance by submitting with their proposal the Bidder/Contractor Application for Non-Coverage or Exemption (Form OCC/LW-10) or the Non-Profit/One-Person Contractor Certification of Exemption (OCC/LW-13). The list of statutory exemptions, the application and the certification are identified on the web page identified above. To access the forms, visit <http://bca.lacity.org/site/pdf/scwro/lwo>.

## **8. Los Angeles Residence Information**

The City Council, in consideration of the importance of preserving and enhancing the economic base and well-being of the City, encourages businesses to locate or remain within the City. This is important because of the jobs businesses generate and for the business taxes they remit. The City Council, on January 7, 1992, adopted a motion that requires proposers to state their headquarter address as well as the percentage of their workforce residing in the City of Los Angeles. All potential respondents are required to complete the Los Angeles Residence Information form and submit the form with their proposal.

It is the policy of the City to encourage businesses to locate or remain in the City. Therefore, the City Council requires all City departments to gather information on the headquarters address and other information on the employees of the firms leasing space within the City. The following information is to be included in each proposal:

1. The headquarters address of proposers' firm and the total number of people employed by the firm, regardless of work location;
2. The percentage of the proposers' total workforce employed within the City of Los Angeles and the percentage residing in the City;
3. The address of any branch offices located within the City of Los Angeles and the total number employed in each Los Angeles branch office; and
4. The percentage of the workforce in each Los Angeles branch office that is employed within the City and the percentage residing in the City.

## **9. Non-Collusion Affidavit**

This statement shall be submitted and signed by the Proposer under penalty of perjury that: the response is genuine, not a sham or collusive; the response is not made in the interest or on behalf of any person not named therein; the respondent has not directly or indirectly induced or solicited any person to submit a false or sham response or to refrain from responding; and the respondent has not in any manner sought by collusion to secure an advantage over any other respondent.

## **10. First Source Hiring Ordinance (FSHO)**

Unless otherwise approved for an exemption, contractors under contracts primarily for the furnishing of services to or for the City, the value of which exceeds \$25,000 with a term of at least three months, and certain recipients of City Loans or Grants, shall comply with the provisions of Los Angeles Administrative Code Section 10.44 et seq., FSHO. Proposers shall refer to Bureau of Contract Administration's website at <http://bca.lacity.org> for further information regarding the requirements of the FSHO.

## **11. City Ethics Form 50 – Los Angeles Municipal Lobbying Ordinance**

Proposers must submit with their proposals a completed CEC Form 50 acknowledging that, if they qualify as lobbying entities under Los Angeles Municipal Code Section 48.02 (the exemptions in Los Angeles Municipal Code Section 48.03 and Los Angeles Administrative Code Section 10.40.4 do not apply), they agree to comply with the disclosure requirements and prohibitions established in the Municipal Lobbying Ordinance ([http://ethics.lacity.org/PDF/laws/law\\_mlo\\_jan2013.pdf](http://ethics.lacity.org/PDF/laws/law_mlo_jan2013.pdf)). Proposals without a completed CEC Form 50 will be deemed nonresponsive.

## **12. City Ethics Form 55 – Prohibited Contributions and Fundraising**

Bidders/Proposers may not make campaign contributions to or engage in fundraising for certain elected officials or candidates for elected City office from the time they submit the response until either the contract is approved or, for successful bidders/proposers, 12 months after the contract is signed. The bidders'/proposers' principals and subcontractors performing \$100,000 or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

## **13. Internal Revenue Service W-9 Form**

All proposers will be required to complete the Internal Revenue Service Form W-9. Visit the Internal Revenue Service website at [irs.gov](http://irs.gov).

#### **14. Slavery Disclosure Ordinance**

Unless otherwise exempt and in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded pursuant to this RFP will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code (see *Exhibit 3 – Standard Provisions for City Contracts*). All proposers shall complete and upload, the Slavery Disclosure Ordinance Affidavit available on BAVN residing at <http://www.labavn.org> prior to award of a City contract.

#### **15. Local Business Preference Program**

Proposers who submit a response to this solicitation will be evaluated in accordance with Article 21 to Division 10, Chapter 1 of the Los Angeles Administrative Code (Ordinance No. 181910) establishing a Local Business Preference Program for the City's procurement of goods, equipment and services, including construction, when the contract involves an expenditure in excess of \$150,000. Proposers seeking additional information regarding the eligibility criteria of the Local Business Preference Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

The City shall grant an eight percent Local Business Preference to Local Businesses for contracts involving consideration in excess of \$150,000. The City of Los Angeles shall also provide a preference of up to five percent, to a Proposal submitted by a business that does not qualify as a Local Business, but that identifies a qualifying Local Subcontractor to perform work under the Contract, provided the Local Subcontractor satisfies the criteria enumerated in Sections 10.47.2 and 10.47.7 of the Los Angeles Administrative Code, Chapter 1, Article 21. To be eligible for participation in this program, the proposer shall submit the Local Business Certification Affidavit of Eligibility attesting as such on the City of BAVN website.

#### **16. Iran Contracting Act of 2010**

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

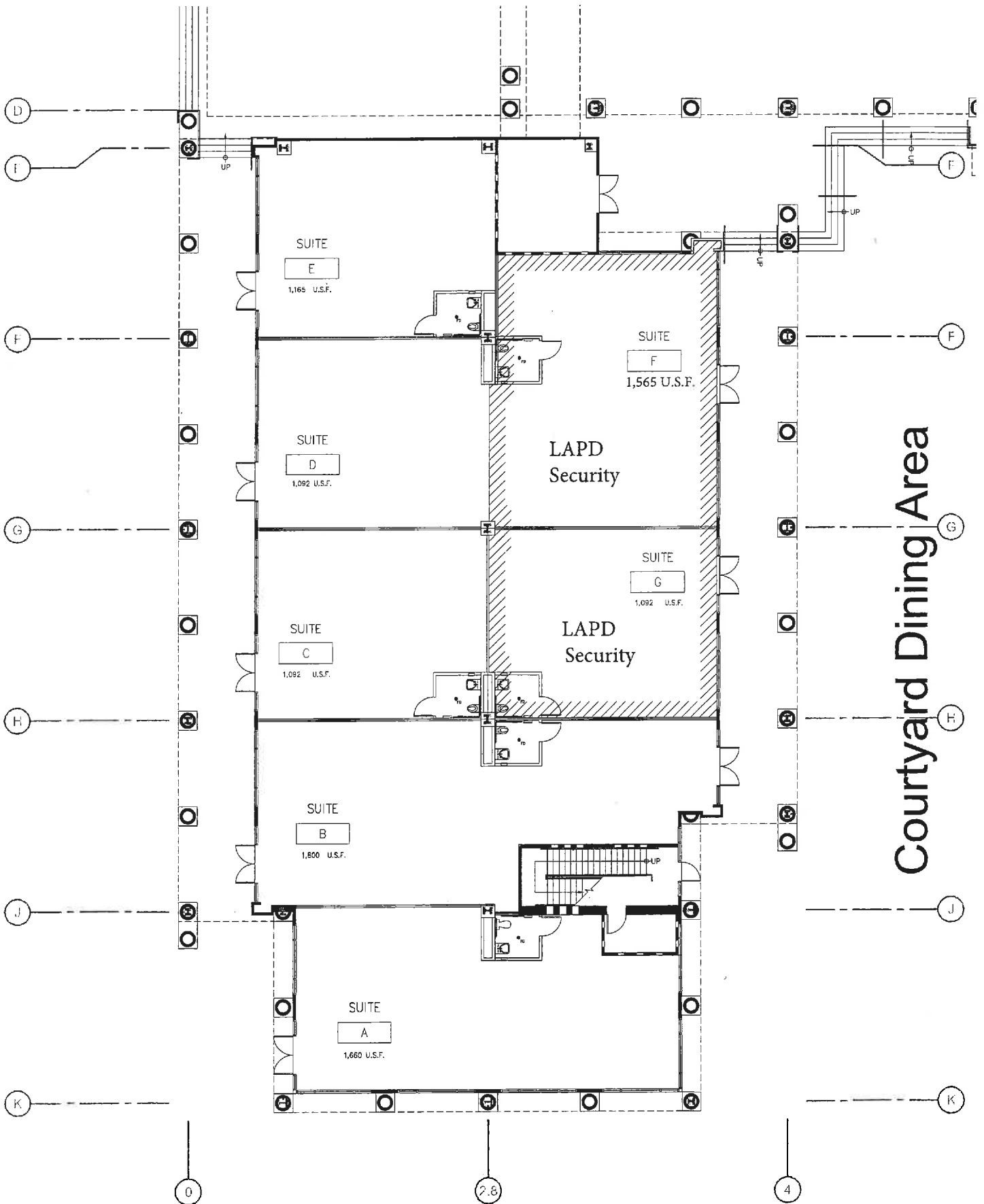
#### **17. Required Insurance and Minimum Limits**

The selected proposer will be required to maintain minimum insurance levels. Additional information on insurance requirements and submittal instructions can be found at <http://track4la.city.org>. In addition, insurance forms which must be completed and approved by the CAO Risk Management are available at the CAO website, <http://cao.lacity.org/> or call (213) 978-7475 for assistance. These forms are for information only and do not need to be returned with the proposal.

# Exhibit 1 Braude Retail Mall Space Plan

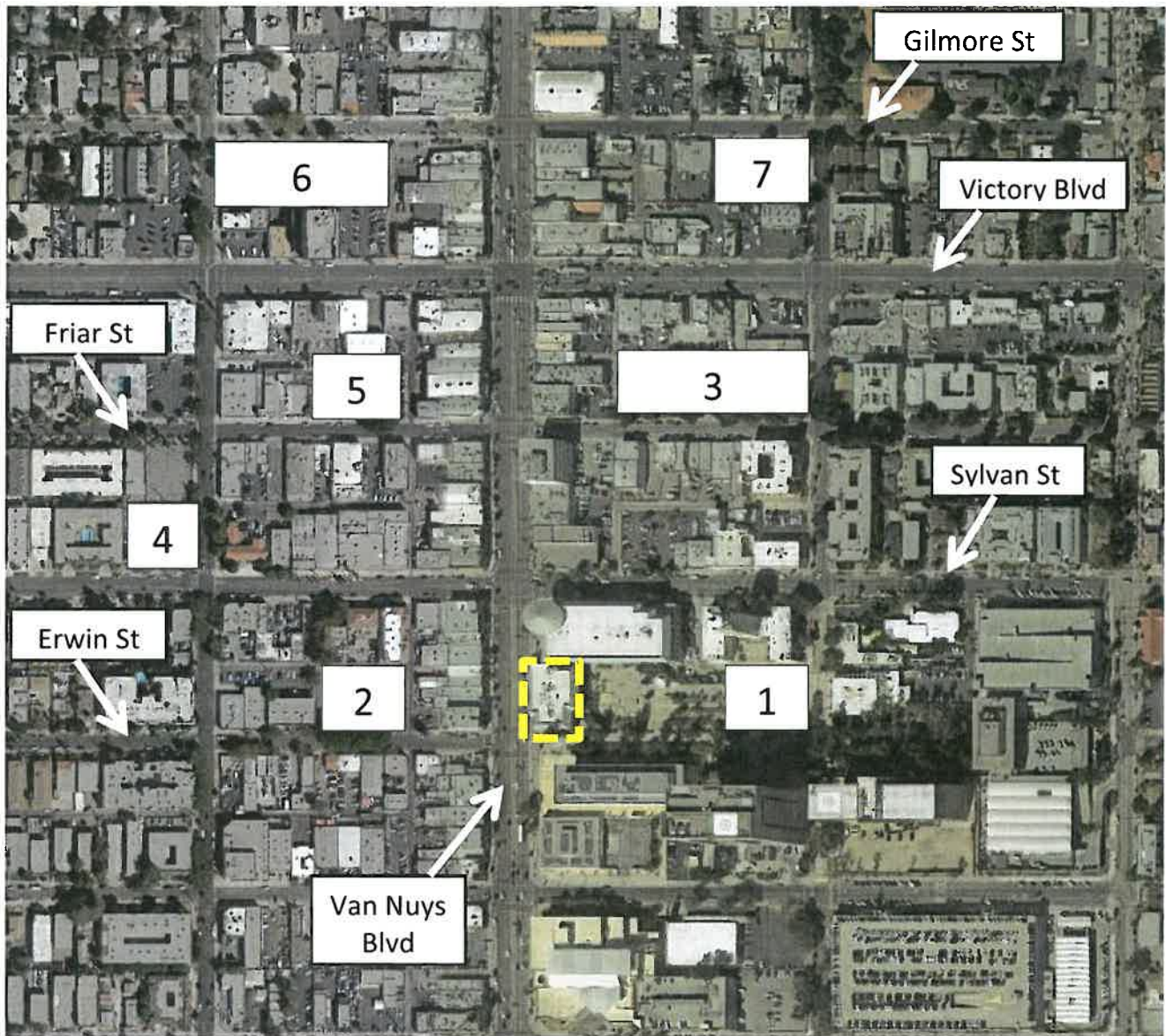
Van Nuys Blvd.

Courtyard Dining Area





## Exhibit 2 City-Owned Parking Lots in the Civic Center Area



- 1) 6265 Sylmar Avenue (DOT Lot 752)
- 2) 14517 Erwin Street (DOT Lot 630)
- 3) 14401 Friar Street (DOT Lot 601)
- 4) 14607 Sylvan Street (DOT Lot 620)
- 5) 14521 Friar Street (DOT Lot 609)
- 6) 14532 Gilmore Street (DOT Lot 610)
- 7) 14402 Gilmore Street (DOT Lot 631)

**Exhibit 3**  
**2017 - City Holiday Calendar**

January 1 – New Year’s Day (Observed on January 2)

January 16 – Martin Luther King, Jr.’s Birthday

February 20 – Presidents’ Day

March 27 – Cesar Chavez Day

May 29 – Memorial Day

July 4 – Independence Day

September 4 – Labor Day

October 9 – Columbus Day

November 10 – Veterans Day

November 23 – Thanksgiving Day

November 24 – Day after Thanksgiving

December 25 – Christmas

**Exhibit 4**  
**Standard Provisions**

CITY OF LOS ANGELES

PLEDGE OF COMPLIANCE WITH CONTRACTOR RESPONSIBILITY ORDINANCE

Los Angeles Administrative Code (LAAC) Section 10.40 et seq. (Contractor Responsibility Ordinance) provides that, unless specifically exempt, City contractors working under service contracts of at least \$25,000 and three months, contracts for the purchase of goods and products of at least \$100,000, contracts for the purchase of garments of at least \$25,000, and construction contracts of any amount; public lessees; public licensees; and certain recipients of City financial assistance or City grant funds, shall comply with all applicable provisions of the Ordinance. Upon award of a City contract, public lease, public license, financial assistance or grant, the contractor, public lessee, public licensee, City financial assistance recipient, or grant recipient, and any its subcontractor(s), shall submit this Pledge of Compliance to the awarding authority.

The contractor agrees to comply with the Contractor Responsibility Ordinance and the following provisions:

- (a) To comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
(b) To notify the awarding authority within 30 calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor did not comply with any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
(c) To notify the awarding authority within 30 calendar days of all findings by a governmental agency or court of competent jurisdiction that the contractor has violated any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
(d) If applicable, to provide the awarding authority, within 30 calendar days, updated responses to the Responsibility Questionnaire if any change occurs which would change any response contained within the Responsibility Questionnaire and such change would affect the contractor's fitness and ability to continue the contract.
(e) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
(f) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, sublicensee that perform or assist in performing services on the leased or licensed premises) submit a Pledge of Compliance.
(g) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with paragraphs (b) and (c).

Failure to complete and submit this form to the Awarding Authority may result in withholding of payments by the City Controller, or contract termination.

Company Name, Address and Phone Number

Signature of Officer or Authorized Representative Date

Print Name and Title of Officer or Authorized Representative

Awarding City Department Contract Number

**CITY OF LOS ANGELES  
RESPONSIBILITY QUESTIONNAIRE**

**RESPONSES TO THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE MUST BE SUBMITTED ON THIS FORM.** In responding to the Questionnaire, neither the City form, nor any of the questions contained therein, may be retyped, recreated, modified, altered, or changed in any way, in whole or in part. Bidders or Proposers that submit responses on a form that has been retyped, recreated, modified, altered, or changed in any way shall be deemed non-responsive.

The signatory of this Questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and return this questionnaire, any false statements, or failure to answer (a) question(s) when required, may render the bid/proposal non-responsive. All responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the Responsibility Questionnaire Attachments. Submit the completed form and all attachments to the awarding authority. Retain a copy of this completed form for future reference. Contractors must submit updated information to the awarding authority if changes have occurred that would render any of the responses inaccurate in any way. Updates must be submitted to the awarding authority within 30 days of the change(s).

**A. CONTACT INFORMATION**

**CITY DEPARTMENT INFORMATION**

City Department/Division Awarding Contract	City Contact Person	Phone
--	---------------------	-------

City Bid or Contract Number (if applicable) and Project Title

**BIDDER/CONTRACTOR INFORMATION**

Bidder/Proposer Business Name

Street Address	City	State	Zip
----------------	------	-------	-----

Contact Person, Title	Phone	Fax
-----------------------	-------	-----

**TYPE OF SUBMISSION:**

The Questionnaire being submitted is:

- An initial submission of a completed Questionnaire.
- An update of a prior Questionnaire dated \_\_\_\_/\_\_\_\_/\_\_\_\_.
- No change. I certify under penalty of perjury under the laws of the State of California that there has been no change to any of the responses since the last Responsibility Questionnaire dated \_\_\_\_/\_\_\_\_/\_\_\_\_ was submitted by the firm. Attach a copy of that Questionnaire and sign below.

Print Name, Title	Signature	Date
-------------------	-----------	------

**TOTAL NUMBER OF PAGES SUBMITTED, INCLUDING ALL ATTACHMENTS:** \_\_\_\_\_

**B. BUSINESS ORGANIZATION/STRUCTURE**

Indicate the organizational structure of your firm. "Firm" includes a sole proprietorship, corporation, joint venture, consortium, association, or any combination thereof.

**Corporation:** Date incorporated: \_\_\_\_/\_\_\_\_/\_\_\_\_ State of incorporation: \_\_\_\_\_

List the corporation's current officers.

President: \_\_\_\_\_

Vice President: \_\_\_\_\_

Secretary: \_\_\_\_\_

Treasurer: \_\_\_\_\_

Check the box only if your firm is a publicly traded corporation.

List those who own 5% or more of the corporation's stocks. Use Attachment A if more space is needed. Publicly traded corporations need not list the owners of 5% or more of the corporation's stocks.

\_\_\_\_\_  
\_\_\_\_\_

**Limited Liability Company:** Date of formation: \_\_\_\_/\_\_\_\_/\_\_\_\_ State of formation: \_\_\_\_\_

List members who own 5% or more of the company. Use Attachment A if more space is needed.

\_\_\_\_\_  
\_\_\_\_\_

**Partnership:** Date formed: \_\_\_\_/\_\_\_\_/\_\_\_\_ State of formation: \_\_\_\_\_

List all partners in your firm. Use Attachment A if more space is needed.

\_\_\_\_\_  
\_\_\_\_\_

**Sole Proprietorship:** Date started: \_\_\_\_/\_\_\_\_/\_\_\_\_

List any firm(s) that you have been associated with as an owner, partner, or officer for the last five years. Use Attachment A if more space is needed. Do not include ownership of stock in a publicly traded company in your response to this question.

\_\_\_\_\_  
\_\_\_\_\_

**Joint Venture:** Date formed: \_\_\_\_/\_\_\_\_/\_\_\_\_

List: (1) each firm that is a member of the joint venture and (2) the percentage of ownership the firm will have in the joint venture. Use Attachment A if more space is needed. **Each member of the Joint Venture must complete a separate Questionnaire for the Joint Venture's submission to be considered as responsive to the invitation.**

\_\_\_\_\_  
\_\_\_\_\_

**C. OWNERSHIP AND NAME CHANGES**

1. Is your firm a subsidiary, parent, holding company, or affiliate of another firm?

Yes     No

If **Yes**, explain on Attachment A the relationship between your firm and the associated firms. Include information about an affiliated firm only if one firm owns 50% or more of another firm, or if an owner, partner or officer of your firm holds a similar position in another firm.

2. Has any of the firm's owners, partners, or officers operated a similar business in the past five years?

Yes     No

If **Yes**, list on Attachment A the names and addresses of all such businesses, and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds a similar position in another firm.

3. Has the firm changed names in the past five years?

Yes     No

If **Yes**, list on Attachment A all prior names, addresses, and the dates they were used. Explain the reason for each name change in the last five years.

4. Are any of your firm's licenses held in the name of a corporation or partnership?

Yes     No

If **Yes**, list on Attachment A the name of the corporation or partnership that actually holds the license.

**Bidders/Contractors must continue on to Section D and answer all remaining questions contained in this Questionnaire.**

**The responses in this Questionnaire will not be made available to the public for review. This is not a public document. [ CPGC §20101(a) ]**

**D. FINANCIAL RESOURCES AND RESPONSIBILITY**

5. Is your firm now, or has it ever been at any time in the last five years, the debtor in a bankruptcy case?  
 Yes     No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

6. Is your company in the process of, or in negotiations toward, being sold?  
 Yes     No

If **Yes**, explain the circumstances on Attachment B.

**E. PERFORMANCE HISTORY**

7. How many years has your firm been in business? \_\_\_\_\_ Years.
8. Has your firm ever held any contracts with the City of Los Angeles or any of its departments?  
 Yes     No

If **Yes**, list on an Attachment B all contracts your firm has had with the City of Los Angeles for the last 10 years. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

9. List on Attachment B all contracts your firm has had with any private or governmental entity (other than the City of Los Angeles) over the last five years that are similar to the work to be performed on the contract for which you are bidding or proposing. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.  
 Check the box if you have not had any similar contracts in the last five years
10. In the past five years, has a governmental or private entity or individual terminated your firm's contract prior to completion of the contract?  
 Yes     No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

11. In the past five years, has your firm used any subcontractor to perform work on a government contract when you knew that the subcontractor had been debarred by a governmental entity?  
 Yes     No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

12. In the past five years, has your firm been debarred or determined to be a non-responsible bidder or contractor?  
 Yes     No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.



**F. DISPUTES**

13. In the past five years, has your firm been the defendant in court on a matter related to any of the following issues? For parts (a) and (b) below, check **Yes** even if the matter proceeded to arbitration without court litigation. For part (c), check **Yes** only if the matter proceeded to court litigation. If you answer **Yes** to any of the questions below, explain the circumstances surrounding each instance on Attachment B. You must include the following in your response: the name of the plaintiffs in each court case, the specific causes of action in each case; the date each case was filed; and the disposition/current status of each case.

(a) Payment to subcontractors?

**Yes**     **No**

(b) Work performance on a contract?

**Yes**     **No**

(c) Employment-related litigation brought by an employee?

**Yes**     **No**

14. Does your firm have any outstanding judgements pending against it?

**Yes**     **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

15. In the past five years, has your firm been assessed liquidated damages on a contract?

**Yes**     **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance and identify all such projects, the amount assessed and paid, and the name and address of the project owner.

**G. COMPLIANCE**

16. In the past five years, has your firm or any of its owners, partners or officers, ever been investigated, cited, assessed any penalties, or been found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed on Attachment C (Page 9)? For this question, the term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation.

**Yes**     **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance, including the entity that was involved, the dates of such instances, and the outcome.

17. If a license is required to perform any services provided by your firm, in the past five years, has your firm, or any person employed by your firm, been investigated, cited, assessed any penalties, subject to any disciplinary action by a licensing agency, or found to have violated any licensing laws?

**Yes**     **No**

If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

18. In the past five years, has your firm, any of its owners, partners, or officers, ever been penalized or given a letter of warning by the City of Los Angeles for failing to obtain authorization from the City for the substitution of a Minority-owned (MBE), Women-owned (WBE), or Other (OBE) business enterprise?

Yes  No

If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

**H. BUSINESS INTEGRITY**

19. For questions (a), (b), and (c) below, check **Yes** if the situation applies to your firm. For these questions, the term "firm" includes any owners, partners, or officers in the firm. The term "owner" does not include owners of stock in your firm if the firm is a publicly traded corporation. If you check **Yes** to any of the questions below, explain on Attachment B the circumstances surrounding each instance.

(a) Is a governmental entity or public utility currently investigating your firm for making (a) false claim(s) or material misrepresentation(s)?

Yes  No

(b) In the past five years, has a governmental entity or public utility alleged or determined that your firm made (a) false claim(s) or material misrepresentation(s)?

Yes  No

(c) In the past five years, has your firm been convicted or found liable in a civil suit for, making (a) false claim(s) or material misrepresentation(s) to any governmental entity or public utility?

Yes  No

20. In the past five years, has your firm or any of its owners or officers been convicted of a crime involving the bidding of a government contract, the awarding of a government contract, the performance of a government contract, or the crime of fraud, theft, embezzlement, perjury, bribery? For this question, the term "owner" does not include those who own stock in a publicly traded corporation.

Yes  No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

**CERTIFICATION UNDER PENALTY OF PERJURY**

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this questionnaire and the responses contained on all Attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this Questionnaire is true and accurate to the best of my knowledge and belief.

\_\_\_\_\_  
Print Name, Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ATTACHMENT A FOR SECTIONS A THROUGH C**

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page \_\_\_\_\_

**ATTACHMENT B FOR SECTIONS D THROUGH H**

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

**Page** \_\_\_\_\_

**ATTACHMENT C: GOVERNMENTAL ENTITIES FOR QUESTION NO. 16**

Check **Yes** in response to Question No. 16 if your firm or any of its owners, partners or officers, have ever been investigated, cited, assessed any penalties, or found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed below (or any of its subdivisions), including but not limited to those examples specified below. The term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation. If you answered **Yes**, provide an explanation on Attachment B of the circumstances surrounding each instance, including the entity involved, the dates of such instances, and the outcome.

**FEDERAL ENTITIES****Federal Department of Labor**

- American with Disabilities Act
- Immigration Reform and Control Act
- Family Medical Leave Act
- Fair Labor Standards Act
- Davis-Bacon and laws covering wage requirements for federal government contract workers
- Migrant and Seasonal Agricultural Workers Protection Act
- Immigration and Naturalization Act
- Occupational Safety and Health Act
- anti-discrimination provisions applicable to government contractors and subcontractors
- whistleblower protection laws

**Federal Department of Justice**

- Civil Rights Act
- American with Disabilities Act
- Immigration Reform and Control Act of 1986
- bankruptcy fraud and abuse

**Federal Department of Housing and Urban Development (HUD)**

- anti-discrimination provisions in federally subsidized/assisted/sponsored housing programs
- prevailing wage requirements applicable to HUD related programs

**Federal Environmental Protection Agency**

- Environmental Protection Act

**National Labor Relations Board**

- National Labor Relations Act

**Federal Equal Employment Opportunity Commission**

- Civil Rights Act
- Equal Pay Act
- Age Discrimination in Employment Act
- Rehabilitation Act
- Americans with Disabilities Act

**STATE ENTITIES****California's Department of Industrial Relations**

- wage and labor standards, and licensing and registration
- occupational safety and health standards
- workers' compensation self insurance plans
- Workers' Compensation Act
- wage, hour, and working standards for apprentices
- any provision of the California Labor Code

**California's Department of Fair Employment and Housing**

- California Fair Employment and Housing Act
- Unruh Civil Rights Act
- Ralph Civil Rights Act

**California Department of Consumer Affairs**

- licensing, registration, and certification requirements
- occupational licensing requirements administered and/or enforced by any of the Department's boards, including the Contractors' State Licensing Board

**California's Department of Justice****LOCAL ENTITIES**

**City of Los Angeles** or any of its subdivisions for violations of any law, ordinance, code, rule, or regulation administered and/or enforced by the City, including any letters of warning or sanctions issued by the City of Los Angeles for an unauthorized substitution of subcontractors, or unauthorized reductions in dollar amounts subcontracted.

**OTHERS**

**Any other federal, state, local governmental entity** for violation of any other federal, state, or local law or regulation relating to wages, labor, or other terms and conditions of employment.



City Ethics Commission  
 200 N Spring Street  
 City Hall—24th Floor  
 Los Angeles, CA 90012  
 Mail Stop 129  
 (213) 978-1966

## Bidder Certification CEC Form 50

Bid/Contract Number:

Department:

Name of Bidder:

Phone:

Address:

Email:

### CERTIFICATION

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

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

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Los Angeles Administrative Code § 10.40.1(h)

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

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

Los Angeles Administrative Code § 10.37.1(i)

- (i) "Public lease or license".

(a) Except as provided in (i)(b), "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:

- (1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or
- (2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or
- (3) The DAA has determined in writing that coverage would further the proprietary interests of the City.

(b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:

- (1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;
- (2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;
- (3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;
- (4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;
- (5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);
- (6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;
- (7) Public leases and licenses shall be deemed to include public subleases and sublicensees;
- (8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

**AFFIDAVIT OF NON-COLLUSION BY CONTRACTOR**

STATE OF CALIFORNIA        }  
                                       SS  
COUNTY OF LOS ANGELES    }

\_\_\_\_\_, being first duly sworn deposes and says that he/she  
Name  
is \_\_\_\_\_ of \_\_\_\_\_  
(Insert "President" "Sole Owner", etc.) (Insert Name of Business)

who submits herewith to the City of Los Angeles a proposal; that all statements of fact in such proposal are true; that such proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation; that such proposal is genuine and not collusive or sham; that said Proposer has not, directly or indirectly by agreement, communicate or conference with anyone attempted to induce action prejudicial to the interest of the City of Los Angeles, or of any other Proposer or anyone else interested in the proposed contract; and further

That prior to the public opening and reading of proposals said Proposer:

- a. Did not directly or indirectly, induce or solicit anyone else to submit a false or sham proposal;
- b. Did not, directly or in directly collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham proposal, or
- c. That anyone should refrain from bidding or withdraw his/her proposal;
- d. Did not, in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his/her proposal price, or of that of anyone else;
- e. Did not, directly or indirectly, submit his/her proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except to the City of Los Angeles, or to any person or persons who have a partnership or other financial interest with said proposer in his/her business.

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2014

By \_\_\_\_\_, Notary Public in and for said County and State.



# Required Insurance and Minimum Limits

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Agreement/Reference: Retail Lease for Restaurant or Specialty Coffee Shop at Braude Building

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

Limits

Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)

WC Statutory  
EL \$1,000,000

Waiver of Subrogation in favor of City

Longshore & Harbor Workers  
 Jones Act

General Liability

\$1,000,000

Products/Completed Operations

Sexual Misconduct

Fire Legal Liability \$1,000,000 per occurrence

No less than a \$2,000,000 general annual aggregate limit on general liability insurance

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

\$500,000

Professional Liability (Errors and Omissions)

\$1,000,000

Discovery Period 12 Months After Completion of Work or Date of Termination

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

All Risk Coverage

Boiler and Machinery

Flood

Builder's Risk

Earthquake

Pollution Liability

Surety Bonds - Performance and Payment (Labor and Materials) Bonds

100% of the contract price

Crime Insurance

Other: Professional Liability Insurance is required of any licensed professional contractors and subcontractors that Tenant hires to perform any construction of improvements to Premises. Surety Bond & Payment Bonds required of any contractor hired by Tenant to make improvements to Premises.

**Exhibit 5  
Sample Lease**

**LEASE**  
BETWEEN CITY OF LOS ANGELES  
AND SAMPLE

**ARTICLE 1. BASIC LEASE PROVISIONS**

1.1. **Date And Parties.** This Lease ("Lease") is dated, for reference purposes only, \_\_\_\_\_, between CITY OF LOS ANGELES ("City"), as Landlord, and \_\_\_\_\_ ("Tenant"). City is a municipal corporation, organized under the laws of the State of California, acting through its Department of General Services, Asset Management Division, Suite 201, City Hall South, 111 East First Street, Los Angeles, California 90012. Tenant is \_\_\_\_\_, whose address is \_\_\_\_\_.

1.2. **Premises.** City leases to Tenant and Tenant leases from City the space in the building commonly known as the Braude Building, consisting of the \_\_\_\_\_ area and comprising approximately \_\_\_\_\_ square feet of space, and described as \_\_\_\_\_, as shown by the diagonally-lined area on the floor plan attached to this Lease as Exhibit A ("Premises"), together with the right to use in common with others the Building's common areas, lobbies, and public restrooms, pursuant to the provisions and conditions of this Lease and subject to such reasonable rules and regulations as City may establish from time to time.

1.3. **Acceptance Of Premises.** Tenant represents that Tenant has inspected and examined the Premises and accepts the condition of the Premises as of the date Tenant executes this Lease.

1.4. **Use.** Tenant may use the Premises as a \_\_\_\_\_ or similar activities as set forth in the Statement of Operations attached to this Lease as Exhibit B (and by this reference incorporated into this Lease as though fully set forth) and for no other uses. Tenant's operations on the Premises shall comply with any requirements set forth in the Statement of Operations (Exhibit B). Tenant shall not use or occupy the Premises in violation of law and shall discontinue any use of the Premises which is declared by any governmental authority to be a violation of law. Tenant, at its sole cost and expense, shall comply with any directive of any governmental authority which shall impose any duty upon Tenant or City with respect to the Premises or the use or occupation thereof, which arises due to the nature of Tenant's use or occupancy of the Premises. Tenant shall not commit, or suffer to be committed, any waste, nuisance or other act which may disturb the quiet enjoyment of any other tenant or other occupancy of the Building, or any act which may increase the cost of public liability or any other insurance City elects to carry in connection with the ownership, management, maintenance and operation of the Building or, in the event that City is self-insured or uninsured, would increase the cost of public liability or property insurance had it been carried, or which is otherwise in contravention of insurance underwriting regulations or other risk management guidelines and practices.

1.5. **Capacity Of City As Landlord.** Except where clearly and expressly provided otherwise in this Lease, the capacity of the City of Los Angeles in this Lease shall be as the landlord only, and all obligations or restrictions, if any, imposed by this Lease on City shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental capacity, including, but not limited to, enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law. Nothing in this Section or this Lease shall be construed as abrogating or limiting any immunities or exemptions which the City of Los Angeles is entitled under the law.

1.6. **Execution Date.** The phrase "Execution Date" shall mean the date the Office of the City Clerk of Los Angeles attests this Lease on page \_\_\_\_\_.

1.7. **General Manager.** The phrase "General Manager" shall mean the General Manager of the Department of General Services of the City of Los Angeles, or such successor position as the City Council of the City of Los Angeles may designate. The phrase "General Manger" shall also include any person designated by the General Manager to act on behalf of the General Manager, either generally or for specified activities under this Lease.

## ARTICLE 2. TERM

2.1. **Term.** The term of this Lease ("Term") shall be five (5) Lease Years (Section 2.2), commencing on the Execution Date (the "Lease Commencement Date") and shall terminate on the date which is the last day of the last calendar month of the fifth (5th) Lease Year (the "Lease Termination Date"), unless terminated earlier or extended as hereinafter provided.

2.2. **Lease Year.** The "first (1st) Lease Year" shall begin on the Lease Commencement Date, as defined above, and shall expire on the last day of the month, twelve (12) full calendar months next following said Lease Commencement Date. Each Lease Year thereafter shall be the succeeding twelve (12) calendar month period.

2.3. **Holding Over.** If Tenant remains in possession of all or any part of the Premises after the expiration of the Term hereof, with the express or implied consent of City, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case, such month-to-month tenancy shall be subject to every other provision, covenant, and agreement contained in this Lease. Nothing contained in this Section shall be construed as consent by City to any holding over by Tenant and City expressly reserves the right to require Tenant to surrender possession of the Premises to City upon the expiration of the Term of this Lease or other termination of this Lease.

2.4. **Request To Extend.** Tenant may request an extension of the term of this agreement for an additional period of sixty (60) months ("Extension Period") subject to written approval by the General Manager at his discretion. (See Article 4.)

2.5. **Termination Of Lease.** On the last day of the Term hereof, or on any sooner termination, Tenant shall surrender the Premises to City in the same condition as received, ordinary wear and tear, damage by earthquake, fire, or the elements and other disaster or casualty excepted, clean and free of debris. Upon such expiration or termination, Tenant shall, without expense to City, remove or cause to be removed from the Premises all debris and rubbish, all fixtures or improvements of every kind and nature whatsoever installed by Tenant, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as City may, in its sole discretion, require to be removed. Tenant shall repair any damage to the Premises and the Building occasioned by the installation or removal of Tenant's fixtures, improvements, alterations, furnishings and equipment. If Tenant fails to remove said fixtures or improvements within sixty (60) days after any termination of this Lease, City, at its option, may (i) remove the same, in which event Tenant shall pay to City, upon demand, the reasonable cost of such removal, plus the cost of transportation and disposition thereof; or (ii) elect to become the owner of all or any specified portion of the fixtures and improvements, in which case such fixtures and improvements shall become the property of City and thereafter remain upon the Premises and be surrendered by Tenant.

2.6. **No Relocation Assistance.** Tenant acknowledges that it is not entitled to relocation assistance or any other benefits under the California Relocation Assistance Act (Government Code section 7260, et seq.), the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. § 4601, et seq.), or any other provisions of law upon termination of this Lease. Tenant therefore waives any claim to such assistance or benefits.

## ARTICLE 3. RENT

3.1. **Base Rent Payments.** Tenant shall pay to City as Base Rent the amounts set forth in Articles 3, 5 and 6, without prior notice or demand, in advance on or before the first day of each month of the Term hereof, except that at the outset of this Lease, Tenant's obligation to pay rent shall not commence until thirty (30) days following the first day of regular business operation "Rent Commencement Date." Base Rent for the first month or portion of it shall be paid on or before the Rent Commencement Date. If the Rent Commencement Date or the termination date for this Lease occurs on a day other than the first day of a calendar month, any fixed monthly Base Rent for such fractional month shall be appropriately prorated by multiplying the fixed monthly Base Rent by a fraction, the numerator of which is the number of days of the partial month included in the Term and the denominator of which is the total number of days in the full calendar month. All Base Rent shall be paid to City at the address to which notices to City are given pursuant to Section 14.2, or at such other place as City may from time to time designate in writing.

3.2. Base Rent Amounts.

3.2.1. Fixed Minimum Rent. Tenant shall pay to City for each Lease Year during the Term of this Lease the sum of \_\_\_\_\_ payable in equal monthly installments. Except as provided in § 3.1, each monthly installment shall be paid in advance and shall be due on the first day of each month, without any set off or deduction. Payment shall be made to the Asset Management Division of the Department of General Services at the place given for notices in Section 2.2 or to such other person or address as City may designate in writing from time to time. Payment must be in United States dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds. Should the Lease Commencement Date of this Lease be day other than the first day of a calendar month, the first monthly installment of Fixed Minimum Rent shall be prorated on a per diem basis and paid on the Lease Commencement Date. Any other monthly installment of Fixed Minimum Rent shall be prorated on a per diem basis with respect to any other fractional calendar month.

3.2.2. CPI Increase. Commencing with the first (1st) day of the second (2nd) Lease Year, the Base Rent shall be adjusted annually, effective the first (1st) day of each Lease Year, by the increase, if any, in the Consumer Price Index, as determined pursuant to Section 5.1.

3.3. Percentage Rent. In addition to Fixed Minimum Rent, Tenant shall pay to City for each and every Lease Year of the Term of this Lease Percentage Rent equivalent to the amount, if any, by which \_\_\_\_ (\_\_\_\_%) of the Gross Receipts, as defined in this Lease, exceeds the Fixed Minimum Rent payable during each quarter of a Lease Year ("Percentage Rent"). Percentage Rent shall be paid without any set-off or deduction.

3.3.1. Calculation of Percentage Rent Payments. The Percentage Rent period shall be quarterly. The amount of each payment of Percentage Rent shall be equal to the amount, if any, by which the percentage of the Gross Receipts for the immediately preceding three (3) calendar months exceeds the Fixed Minimum Rent for such preceding three months. The first payment of Percentage Rent shall be paid on or before the fifteenth (15<sup>th</sup>) day after the last day of the first three (3) full calendar months of the first Lease Year, and subsequent payments of Percentage Rent shall be paid on or before the fifteenth (15<sup>th</sup>) day after the end of each successive three month calendar period thereafter.

3.3.2. First Lease Year Beginning With Fractional Month. For the purpose of computing the Percentage Rent for the first Lease Year of this Lease, the Gross Receipts received during the first fractional calendar month, if any, of the Term hereof shall be added to the Gross Receipts for the first three month period of the first Lease Year of the Term hereof, and the Fixed Minimum Rent shall be prorated for said fractional month and added to the first three full months of Fixed Minimum Rent.

3.3.3. Percentage Rent During Holdover. Percentage Rent for any month to month tenancy beyond the expiration of this Lease, or any extension or renewal thereof, shall be paid in the same manner as if the Term of this Lease had commenced with the first day of such holdover.

3.3.4. Gross Receipts. "Gross Receipts" shall be the gross selling price of all merchandise or services sold in or from the Premises by Tenant. All sales or services originating or conducted in whole or in part at the Premises shall be considered as made and completed therein, even though bookkeeping and payment of the account may be transferred to another place for collection and even though actual filing of the sale or service order and actual delivery of the merchandise may be made from a place other than the Premises. Gross Receipts shall not include the following:

(a) Sales taxes, so-called luxury taxes, customer's excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed upon the sale of merchandise or services, but only if collected separately from the selling price of merchandise or services, collected from customers, and paid to the taxing authorities by Tenant.

3.3.5. Reporting. Tenant shall have prepared and deliver to City within fifteen (15) days after the end of each three month period during the Lease Year, a written statement showing in reasonable detail the elements and amount of Gross Receipts during the preceding three month period, certified to be true and correct and signed by Tenant's duly authorized officer or representative. Tenant shall further have prepared and deliver to City on or before the thirtieth (30<sup>th</sup>) day following the end of each Lease Year during the Term of this Lease, or any renewal or extension thereof, and on or before the thirtieth (30<sup>th</sup>) day after

the end of the Term of this Lease, or any renewal or extension thereof, a complete, certified, audited annual statement showing in reasonable detail the elements and amounts of Gross Receipts during the preceding Lease Year or fraction thereof, certified to be true and correct and signed by Tenant's duly authorized officer or representative. At the time the annual statement is submitted by Tenant to City, Tenant shall pay to City the amount of Percentage Rent, if any, due, and still unpaid, for the preceding Lease Year.

3.3.6. **Refunds of Excess Percentage Rent.** If, at the end of any Lease Year, the total amount of Fixed Minimum Rent and Percentage Rent paid by Tenant exceeds the total amount of Fixed Minimum Rent and Percentage Rent required to be paid by Tenant during the Lease Year, Tenant shall be entitled to a refund of the difference between these amounts, without interest.

3.3.7. **Cessation Or Substantial Curtailment Of Business.** For any period during which Tenant has ceased or substantially curtailed the operation and conducted of his business under this Lease for reasons other than partial or total destruction of the Premises, Tenant shall pay Percentage Rent for that period at the rate at which Percentage Rent was paid during the three immediately prior Lease Years or during the period in which this Lease has been in effect, whichever is the shortest period of time.

3.4. **Security Deposit.** On execution of this agreement, Tenant shall deposit with City the sum of \$\_\_\_\_\_ as a security deposit for the performance by Tenant of the provisions of this Rental Agreement. The security deposit required under this Section may be increased from time to time by City upon thirty (30) calendar days prior written notice. If Tenant is in default, City can use the security deposit, or any portion of it, to cure the default or to compensate City for all damage sustained by City resulting from Tenant's default. Tenant shall immediately on demand pay to Landlord a sum equal to the portion of the security deposit expended or applied by City as provided in this Section so as to maintain the security deposit in the sum required to be initially deposited with City, plus any increases required by City under this Section. City's obligation with respect to the security deposit are those of a debtor and not a trustee. City can maintain the security deposit separate and apart from City's general funds or can commingle the security deposit with Landlord's general fund or other funds. City shall not be required to pay Tenant interest on the security deposit.

3.5. **Public Area and HVAC Changes.** Tenant shall pay the charges for Public Area Maintenance and Patrol Services, which are presently set at \$0.35 per square foot per month. Tenant shall also pay the HVAC fees, which are presently set at \$0.05 per square foot per month. All of these fees will be subject to annual escalations.

3.6. **Additional Rent.** "Additional Rent" shall be all payments other than Fixed Minimum Rent and Percentage Rent due to City by Tenant as required and described in this Lease and shall be paid upon demand. City shall have the same rights and remedies hereunder with respect to the collection of said Additional Rent as it has with respect to the collection of Fixed Minimum Rent and Percentage Rent.

3.7. **Late Payments.**

3.7.1. **Interest On Unpaid Rent And Expenses.** Any Rent, expenses or other sums owing to City pursuant to the provisions of this Lease not paid when due shall bear interest at the rate of twelve percent (12%) per annum of the Maximum rate allowed by law, whichever is less, until paid, in addition to any Late Charges.

3.7.2. **Late Charges.** For each such late payment that is not paid within five (5) days after the date the same is due, Tenant shall pay to City a service charge equal to ten percent (10%) of the overdue amount. Tenant acknowledges and agrees that such late payment by Tenant will cause City to incur costs and expenses not contemplated by this Lease, the exact amounts of which will be extremely difficult to ascertain, and that such service charge represents a fair estimate of the costs and expenses which City would incur by Reason of Tenant's late payment. Tenant further agrees that such service charge shall neither constitute a waiver of Tenant's default with respect to such overdue amount nor prevent City from exercising any other right or remedy available to City.

3.8. **Abatement of Rent When Tenant Is Prevented From Using Premises.** In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days or ten (10) days in any twelve (12) month period (the "Eligibility Period") as a result of any damage or destruction to the Premises or Building or any repair, maintenance or alteration performed by City after the Lease Commencement Date and required by the Lease, which substantially interferes with Tenant's use of the Premises, or because of the presence of Hazardous Materials in, on, or about the

Building or the Premises which could, in Tenant's prudent business judgment, pose a health risk to occupants of the Premises, then Tenant's Base Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. However, in the event that Tenant is prevented from conducting, and does not conduct, its business in any portion of the Premises for a period of time in excess of the Eligibility Period, and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the rent for the entire Premises shall be abated until such time as the Premises are once again occupiable; provided, however, if Tenant reoccupies and conducts its business from any portion of the Premises during such period, the rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date such business operations commence. In the event Tenant, or Tenant's agents, employees, contractors, or invitees, are the principal cause of the damage or destruction or any other condition rendering the Premises, or a portion thereof, unusable, Tenant shall not be entitled to the abatement of rent provided by this Section unless and until such time as the unusable portion of the Premises would reasonably have become useable had City proceeded and continued with diligence to restore the Premises. The Eligibility Period shall also not be required and the rent abatement shall commence immediately where Tenant's inability to use the Premises arises from a shut-off of utilities to the Premises and/or the Building Systems serving the Premises as a result of the failure of City to pay the supplier of the applicable utility.

#### ARTICLE 4. EXTENSION PERIOD

4.1. **Extension Period; Request For Extension.** If Tenant is not in default of this lease, Tenant may submit to City a written request ("Extension Request") to extend this Lease for one (1) additional period of time, not to exceed Sixty (60) Months ("Extension Period"), which Extension Request shall be received by City no sooner than three hundred and sixty-five (365) days and no later than one hundred and eighty (180) days prior to the then-scheduled Lease Termination Date. City may, in its sole discretion, approve or deny Tenant's Extension Request. The terms of any extension period shall be as mutually agreed upon in a writing executed by both parties.

#### ARTICLE 5. C.P.I. INCREASES

5.1. **Computation Of Base Rent Increases.** Commencing with the second (2nd) Lease Year (as defined in Section 2.2.), and continuing on the commencement of each Lease Year thereafter, and, in the event the Option to Extend is exercised, commencing with the second (2nd) Lease Year of the Option Term and continuing on the commencement of each Lease Year of the Option Term thereafter, the Base Rent payable under Section 3.1 above shall be automatically adjusted, effective on the commencement of each Lease Year (the "Adjustment Date"), proportionately by the increase, if any, in the Consumer Price Index for All Items, All Urban Consumers for the Los Angeles-Anaheim-Riverside, California Area (1982-84=100), published by the United States Department of Labor, Bureau of Labor Statistics ("Index") which is for the month which is four (4) months prior to commencement of the Lease Commencement Date or for the month which is four (4) months prior to the commencement of the first (1st) Lease Year of the Option Term (in the case of the Option Term Lease Year adjustments) ("Beginning Index"). The Index for the month which is four (4) months prior to each Adjustment Date ("Extension Index") is to be used in determining the amount of the adjustment. In other words, for the second (2nd) Lease Year adjustment, if the Extension Index has increased over the Beginning Index, the Base Rent for the second (2nd) Lease Year shall be set by multiplying the Base Rent for the first (1st) Lease Year by a fraction, the numerator of which is the Extension Index and denominator of which is the Beginning Index. In no event, however, shall the Base Rent for a Lease Year ever be less than the Base Rent in effect immediately preceding such Lease Year.

5.2. **Changes In The Index.** If the Index changes so that the base year of the Index differs from that used as of the Beginning Index, the Index shall be converted in accordance with the conversion factors published by the United States Department of Labor, Bureau of Labor Statistics. Should said Index be discontinued, or be published with such infrequency as to render the formulae in this Article to be unworkable, or be altered in some other manner, then City and Tenant shall mutually adopt a substitute index or substitute procedure which reasonably reflects and monitors consumer prices. The substitute index must obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

#### ARTICLE 6. MAINTENANCE, REPAIRS, AND SERVICES

6.1. **City's Obligations.** City shall repair and maintain the common systems and structural portions of the Building, including the basic plumbing, air conditioning, heating, electrical systems, floors and ceilings, roof, and other facilities installed or furnished by City. As part of City's responsibilities for maintaining the Building, City shall provide and maintain lamps and tubes, fire extinguishers, sewer services and trash removal for the common areas of the Building and the parking facility serving the Building. Where the need for such maintenance and repairs is beyond ordinary use and wear and tear, and is caused by the act, neglect, or fault of Tenant, Tenant's agents, servants, employees, or invitees, Tenant shall pay to City the actual cost of such maintenance and repairs. There shall be no liability of City on account of any injury or interference with Tenant's business with respect to any improvements, alterations or repairs made by City to the Building or any part thereof. City shall promptly commence any needed repairs after notification in writing by Tenant and diligently pursue such repairs to completion. City shall use its commercially reasonable best efforts to effect such repairs in a manner which will least interfere with the operation of Tenant's business in the Premises. Tenant expressly waives the benefits of any statute now or hereafter in effect, including, without limitation, Section 1942 of the California Civil Code, which would otherwise afford Tenant the right to make repairs at City's expense.

6.2. **Tenant's Obligations.** For and during the Term of this Lease, Tenant shall, at its sole cost and expense, provide those services, supplies, and activities necessary to keep and maintain the Premises in a safe, clean and sanitary condition and in adequate and appropriate repair. Said condition and state of repair covering the Premises, shall at all times be, without limitation, as follows: Safe and free from hazard; free of rodents, insects and other pests neat and clean; free from unsightly signs, displays, and markings; free from litter and debris; all plumbing, electrical, heating, cooling and other systems in good operating condition and free from hazard or obstruction of any kind; and all areas in such condition to be neat, clean and in a first class appearance. Tenant shall systematically remove trash from the Premises and deposit such trash in the area and receptacle designated for that purpose by City. Tenant shall be responsible for the removal, disposal and cleaning of trash, waste, garbage, cups, paper and/or debris in the lobby and general vicinity which reasonably appears to have been sold or provided by Tenant.

6.3. **Recycling Program.** Tenant shall, during the Term of this Lease or any extension thereof and at Tenant's sole expense, conduct a recycling program on the Premises in conjunction with the City Facilities Recycling Program of the City of Los Angeles, or any similar program subsequently implemented. Such program will include all materials which may be reasonably recycled (e.g., white paper, mixed paper, newspaper; aluminum cans, and plastic and glass containers).

6.4. **Premises' Utilities.** Tenant shall pay for all light, electrical power, telephone and other utilities supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Tenant, Tenant shall pay its pro rata share of the bill for such services, to be reasonably determined by City from the charges jointly metered with other tenants or areas of the Building. Such utilities shall be available to the Premises at all times, including weekends, holidays and evenings. City shall provide at City's expense water sufficient for drinking and ordinary cleaning purposes to be drawn from the approved fixtures in the Premises; Tenant shall cooperate with City to prevent the waste of water and shall participate in any reasonable conservation programs conducted at the Building.

## ARTICLE 7. BUILDING AND ALTERATIONS

7.1. **Tenant's Acceptance Of Premises.** Except as otherwise provided in this Lease, Tenant hereby accepts the Building and the Building in their condition existing as of the Execution Date subject to all applicable zoning, municipal, county, state, and other governmental laws, ordinances and regulations governing and regulating the use of the Premises, and any easements, covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto.

7.2. **Alterations and Improvements.** Tenant may not make alterations or improvements to the Premises without the prior written permission of the General Manager which permission may be withheld by the General Manager sole discretion.

7.3. **Manner Of Construction.** City may also impose reasonable requirements as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, including, but not limited to, the requirement that upon City's request, Tenant shall, at Tenant's expense, remove such Alterations upon the termination of the Lease, and/or the requirement, with respect to work on the Building Systems, that Tenant utilize for such purposes only contractors, materials, mechanics, and material providers approved by City. City may require Tenant to provide City, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure City against any liability for claims or purported mechanic's and materialmen's liens and to insure completion of the work. Tenant shall



construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the City of Los Angeles, in conformance with City's reasonable construction rules and regulations. All work with respect to any Alterations must be done in a good and professional manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. In performing the work of any such Alterations, Tenant shall have the work performed in such manner as not to obstruct access to the Building or the common areas for any other tenant of the Building, and as not to obstruct the business of City or other tenants in the Building, or interfere with the labor force working in the Building. Upon completion of any Alterations, Tenant agrees at the request of City to cause a Notice of Completion to be recorded in the office of the Recorder of the County of Los Angeles in accordance with Section 3093 of the California Civil Code or any successor statute, and Tenant shall deliver to City a reproducible copy of the "as-built" drawings, if any, of the Alterations.

7.4. **Construction Insurance.** In the event Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance in an amount reasonably approved by City covering the construction of such Alterations.

7.5. **Payment For Alterations.** Where the work at Tenant's expense under this Article is performed by City and/or City's contractor, the charges for such work shall be payable within sixty (60) days of the receipt by Tenant of a sufficiently itemized invoice and billing therefore upon the substantial completion of such work. Where the work under this Article is performed by Tenant or Tenant's contractor, upon completion of such work, Tenant shall deliver to City, where applicable, evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services, and materials.

## ARTICLE 8. AMERICANS WITH DISABILITIES ACT

8.1. **Compliance With Americans With Disabilities Act.** With respect to compliance with the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) and any and all other applicable federal, state, and local laws (collectively "the ADA"), where modifications are required to be made to the Premises or the Building to meet accessibility standards, City and Tenant shall have the following responsibilities:

8.1.1. **City's Responsibilities.** It is City's responsibility to provide a Building which is accessible to and usable by individuals with disabilities and otherwise in compliance with the ADA. Accordingly, except as provided in Paragraph 8.1.2, below, City shall be responsible, at its own cost, to make such modifications, additions, or changes as are required for compliance with the ADA, including, but not limited to:

8.1.1.1. The removal of architectural barriers;

8.1.1.2. The maintenance in operable working condition of those features of facilities and equipment that are required to be readily accessible to and usable by individuals with disabilities; and

8.1.1.3. Provide a path of travel accessible to and useable by individuals with disabilities from the exterior of the Building (including the street) to the Premises; and

8.1.1.4. Provide signage at all inaccessible entrances to the Building directing users to an accessible entrance or to a location at which they can obtain information about accessible facilities. The international symbol for accessibility shall be used at each accessible entrance.

8.1.2. **Tenant's Responsibilities.** Tenant shall be responsible, at its own cost, to make such modifications, additions, or changes as are required for compliance with the ADA with respect to:

8.1.2.1. Any improvements constructed or installed by Tenant;

8.1.2.2. Changes or modifications required to be made to Tenant's personal property or other equipment located in the Premises which is not owned or controlled by City, including, but not limited to, the rearranging, raising, or lowering of tables, chairs, filing cabinets, vending machines, display racks, and other furniture;

8.1.2.3. Required auxiliary aids and services, including communication devices, located within the Premises; and

8.1.2.4. Designing and operating any programs run from the Premises to ensure that all activities and operations offered at the Premises are available to and accessible to persons with disabilities.

8.2. **Limitations On Article.** Nothing in this Article shall be construed to:

8.2.1. Require City to forego or waive any exemption or other relief afforded it under the provisions of the ADA, so long as granting of such relief does not result in the shifting of responsibility for complying with the ADA to Tenant; or

8.2.2. Require City to provide to individuals with disabilities personal devices, such as wheelchairs; individually prescribed devices, such as prescription eyeglasses or hearing aids; readers for personal use or study; or services of a personal nature including assistance in eating, toileting, or dressing.

## ARTICLE 9. DAMAGE OR DESTRUCTION

9.1. **Damage Or Destruction.** In the event the Building and/or the Premises are partially or totally destroyed, City may, at its exclusive option, determine whether the Building and/or the Premises should be rebuilt or restored. If the City decides not to rebuild or restore the Premises, City shall give the Tenant notice of this decision and this Lease shall be immediately terminated. If the City decides to rebuild or restore the Building and the Premises prior to the expiration of the Term of the Lease, the Tenant may continue its tenancy under this Lease, although if the Tenant will not be able to occupy the Premises of a period of more than thirty (30) days due to the damage or destruction and the reconstruction activities, Tenant shall have the right to terminate this Lease upon notice to City given within a reasonable time after ascertaining such inability to occupy the Premises.

## ARTICLE 10. HAZARDOUS MATERIALS

10.1. **Hazardous Materials.** City and Tenant agree as follows with respect to the existence or use of "Hazardous Material" (as defined in Section 10.2) on the Premises:

10.1.1. **Prohibition.** Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors, customers or invitees, without the prior written consent of City. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by Tenant results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which Tenant is legally liable to City for damage resulting therefrom, then, Tenant shall indemnify, hold City harmless, and defend City (with counsel reasonably acceptable to City) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space in the Building, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as a result of such contamination. This indemnification of City by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that City's approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. However, the foregoing provisions shall not prohibit Tenant from the transportation to and from, and the use, storage, maintenance, and handling within, the Premises of substances customarily used in connection with normal office use provided: (.1) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the Premises set forth in Section 1.4 (page 1) of this Lease, strictly in accordance with applicable laws and the manufacturers' instructions therefore; (.2) such substances shall not be disposed of, released, or discharged at the Building, and shall be transported to and from the Premises in compliance with all applicable laws, and as City shall reasonably require; (.3) if any applicable law or City's trash removal contractor requires that any such substances be disposed of separately from ordinary trash, Tenant shall make arrangements at

Tenant's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to scheduling and approval by City), and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances in the Premises; and (4) any remaining such substances shall be completely, properly, and lawfully removed from the Building upon expiration or earlier termination of this Lease.

10.1.2. **Compliance Costs.** City and Tenant acknowledge that City may become legally liable for the costs of complying with laws relating to Hazardous Material which are not the responsibility of Tenant pursuant to Paragraph 10.1.1, including the following: (1) Hazardous Material present in the soil or ground water; (2) a change in laws which relate to Hazardous Material which make such Hazardous Material which is present on the Premises or in the Building as of the Commencement Date of this Lease, whether known or unknown to City, a violation of such new laws; (3) Hazardous Material that migrates, flows, percolates, diffuses or in any way moves on to or under the land; (4) Hazardous Material present on or under the land or in the Building as a result of any discharge, dumping or spilling (whether accidental or otherwise) on the land or in the Building by other lessees of the Building or their agents, employees, contractors or invitees, or by other third persons or entities. Accordingly, City and Tenant agree that the cost of complying with laws relating to Hazardous Material on the land or in the Building for which City may be legally liable shall be borne by City unless the cost of such compliance, as between City and Tenant, is made the responsibility of Tenant pursuant to Paragraph 10.1.1.

10.1.3. **Termination of Lease.** In the event that Hazardous Materials are discovered on the Property and it is reasonably determined that the presence of such Hazardous Materials are not the result of any actions or active negligence of City, either party may, upon sixty (60) days prior written notice, terminate this Lease. In the event City seeks to terminate this Lease pursuant to this Paragraph, Tenant may, at its sole option, undertake to remediate the Hazardous Material problem, and once the Property has been brought into compliance with the laws governing Hazardous Materials and the use of the Property, this Lease shall continue in full force and effect. Nothing in this Paragraph shall relieve Tenant of its obligations, if any, under Paragraph 10.1.1.

10.2. **"Hazardous Material" - Definition.** The phrase "Hazardous Material" for the purposes of this Lease shall mean any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. Without limiting the generality of the foregoing, Hazardous Material shall include, but not be limited to, any material or substance which is: 10.2.1. defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), 10.2.1.2. defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, et seq.), 10.2.1.3 defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, et seq.), 10.2.1.4. defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, et seq.), 10.2.1.5. petroleum, 10.2.1.6. friable asbestos or other asbestos considered to be in a hazardous condition, 10.2.1.7. defined as a "hazardous constituent," "hazardous material," "hazardous waste," or "toxic waste" under Article 2 of Chapter 10 (Section 66260.10) or defined as a "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, et seq.), 10.2.1.8. designated as a "hazardous substance" pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq.), 10.2.1.9. defined as a "hazardous waste" pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, et seq.), 10.2.1.10. defined as a "hazardous substance" pursuant to Section 101 (42

U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended

(CERCLA, 42 U.S.C. § 9601, et seq.), or 10.2.1.11. defined as "hazardous material" under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, et seq.), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

10.3. **Notices Re: Hazardous Substances.** California Health and Safety Code section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to, prior to the lease or rental of that real property or when the presence of such release is actually known, give written notice of that condition to the lessee or renter. California Health and Safety Code section 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. Tenant and City shall comply with the requirements of section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to hazardous substances.

## ARTICLE 11. INSURANCE AND INDEMNIFICATION

11.1. **Insurance.** Tenant, at its own cost and expense, shall, prior to any possession or other use of the Premises, secure from an insurance company or companies licensed in the State of California and maintain during the entire Term of this Lease, and any extension thereof, the following insurance coverage for the Premises and Building not less than the amounts and types listed on Exhibit C, and as follows:

11.1.1. **General Liability Insurance.** Tenant shall provide and maintain general liability insurance in an amount not less than One Million Dollars (\$1,000,000) Combined Single Limit per occurrence with no general aggregate. Evidence of such insurance shall be on City's General Liability Certificate (Form Gen. 135 GL) and should provide coverage for premises and operations, contractual, personal injury, independent contractors, products/completed operations and fire legal liability. Proof of current insurance must be submitted to City prior to Tenant's possession of the Premises, and upon written request of the City. City, its boards, officers, agents and employees, shall be included as additional insureds in all General Liability insurance required herein. Tenant shall keep in force fire legal liability insurance coverage in the amount of One Hundred Thousand Dollars (\$100,000) and extended coverage including debris removal and sprinkler leakage to cover loss or damage to store interior, fixtures, furnishings, and store front in an amount sufficient to fully restore the Premises in accordance with this Lease. Tenant shall furnish City with evidence of insurance showing the extent of such insurance. Should a casualty occur, the proceeds of the policy or policies of fire and extended coverage insurance shall be used to restore the Premises and the fixtures and inventory providing that the Building remains open to public use or will be opened to public use. Such policy or policies of insurance shall include the City as Loss Payee as its interests may appear.

11.1.2. **Improvements or Alterations Insurance.** Before any improvements, alterations, or construction work of any kind are performed by Tenant, Tenant shall obtain and maintain, at Tenant's expense, liability and worker's compensation insurance adequate to fully protect City as well as Tenant from and against any and all liability for death of or injury to any person or for loss or damage to property caused in or about or by reason of Tenant's construction. In addition, Tenant shall carry "Builder's All Risk" insurance in an amount reasonably approved by City covering the construction of such Alterations.

11.1.3. **Workers' Compensation and Employer's Liability.** Tenant shall provide and maintain Worker's Compensation coverage in the amount required by statute and Employer's Liability coverage in an amount not less than One Million Dollars (\$1,000,000) per occurrence. Evidence of such insurance shall be on City's Worker's Compensation Certificate.

11.1.4. **Tenant's Property.** City will not insure Tenant's equipment, stored goods, other personal property, fixtures, or tenant improvements, nor such personal property owned by Tenant's subtenants or assignees, if any, or invitees. City shall not be required to repair any injury or damage to any personal property or trade fixtures installed in the Premises by Tenant caused by fire or other casualty, or to replace any such personal property or trade fixtures. Tenant may, at Tenant's sole option and expense, obtain physical damage insurance covering Tenant's equipment, stored goods, other personal property, fixtures or tenant improvements or obtain business interruption insurance.

11.1.5. **Notice Of Reduction In Insurance.** All insurance policies required under this Lease shall expressly provide that such insurance shall not be canceled or materially reduced in coverage or limits except after thirty (30) days

written notice by receipted delivery has been given to City Administrative Officer, Risk Management, City Hall East, Room 1240, 200 North Main Street, Los Angeles, California 90012.

11.1.6. **Default.** If insurance is canceled, lapsed, or reduced below minimums required in this Article, City may consider this Lease to be in default and may terminate it. Termination shall occur at the expiration of a three (3) day notice given in accordance with the provisions of the Code of Civil Procedure section 1162. At the termination of three (3) days or sooner, Tenant shall vacate the Premises and Tenant shall have no right to possess or control the Premises or the operations conducted therein. If Tenant does not vacate, City may utilize any and all court proceedings to obtain a right to possession.

11.1.7. **Adjustment Of Insurance Levels.** City may, from time to time during the Term or any extension or holdover of this Lease, applying generally accepted risk management principles, change the amounts and types of insurance required hereunder upon giving Tenant ninety (90) days prior written notice.

11.2. **Indemnification.** Except for the sale, active negligence or willful misconduct of City, Tenant undertakes and agrees to defend (with counsel acceptable to City), indemnify, and hold harmless City and any and all of City's boards, commissions, officers, agents, employees, assigns, and successors in interest and at the option of the City, defend by counsel satisfactory to the City, from and against all suits and causes of action, claims, losses, demands, and expenses, including, but not limited to, attorneys' fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including Tenant's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the acts, errors, omissions, or willful misconduct on the part of Tenant, subtenants, assignees, contractors, subcontractors or invitees of Tenant, arising out of or relating to: (1) the use of the Building and its facilities, (2) any repairs or alterations which Tenant may make upon the Premises, or (3) this Lease. Tenant's obligation to indemnify City and save City harmless shall include the retention and payment of reasonable legal counsel and investigative services and the payment of all other reasonable costs, expenses and liabilities from the first notice that any claim or demand is to be made in or has been made.

## ARTICLE 12. RECEIVERSHIP OR BANKRUPTCY

12.1. **Receivership Or Bankruptcy.** In the event Tenant shall be adjudicated a bankrupt or become involved in any proceedings under the bankruptcy laws of the United States, or if the leasehold interest created hereby, or any improvements constructed pursuant to this Lease, shall be transferred by operation of law, including but not limited to, enforcement of a judgment, the trustee in bankruptcy, the assignee or judgment purchaser shall be bound by all provisions of this Lease, including but not limited to the provision that operation of the Premises be on a non-profit basis.

## ARTICLE 13. ASSIGNMENT, TRANSFER, OR SUBLEASE

13.1. **Assignment, Transfer, Or Sublease.** Tenant shall not assign or transfer this Lease or any interest therein, or sublet the whole or any part of the Premises, without first having obtained the written consent of City, and any purported assignee, transferee, or sublessee without such consent shall be void and of no force and effect. City may, with or without good cause, give or refuse consent to assignment, sublease, or other transfer in its sole discretion.

## ARTICLE 14. EMINENT DOMAIN

14.1. **Eminent Domain.** Should the Premises be taken for public use under the power of eminent domain or by negotiated sale and purchase in lieu thereof, Tenant shall not be entitled to any portion of the award in condemnation or price for the land which is the subject of this Lease, and, as between the parties to this Lease, the entire award or price shall belong to City. This Lease shall immediately terminate upon acquisition of said property for public use.

## ARTICLE 15. DEFAULT

15.1. **Default by Tenant.** The occurrence of any one or more of the following events shall constitute an Event of Default of this Lease by Tenant:

15.1.1. **Failure To Pay Rent.** The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant under this Lease, as and when due, where such failure shall continue for a period of three

(3) days after written notice thereof from City to Tenant. In the event that City serves Tenant with a Notice to Pay Rent or Quit pursuant to California Code of Civil Procedure section 1161, such Notice to Pay Rent or Quit shall also constitute the notice required by this Paragraph.

15.1.2. **Abandonment.** The abandonment of the Premises by Tenant, as defined in California Civil Code section 1951.3. Vacation of the Premises shall include the failure to occupy the Premises for a continuous period of sixty (60) days or more, whether or not the rent is paid.

15.1.3. **Breach Of Lease Provisions.** The failure by Tenant to observe or perform any of the covenants or provisions of this Lease to be performed by Tenant, other than as specified in Paragraphs 15.1.1 or 15.1.2 above, where such failure shall continue for a period of thirty (30) calendar days after written notice thereof from City to Tenant specifying the nature of such failure or such longer period as is reasonably necessary to remedy such default, provided that Tenant shall continuously and diligently pursue such remedy at all times until such default is cured. To the extent permitted by law, such thirty (30) day notice shall constitute the sole and exclusive notice required in be given to Tenant.

15.1.4. **Insolvency.**

15.1.4.1.1. The making by Tenant of any general arrangement or general assignment for the benefit of creditors;

15.1.4.1.2. Tenant becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days);

15.1.4.1.3. The appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or

15.1.4.1.4. The attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days. In the event that any provision of this Paragraph 15.1.4 is contrary to any applicable law, such provision shall be of no force or effect.

15.1.5. **False Statements.** The discovery by City that any financial or other statement given to City by Tenant, or its successor in interest or by any guarantor of Tenant's obligation hereunder, was false.

15.2. **Remedies.** In the event of any Event of Default or breach of this Lease by Tenant, City may at any time thereafter, with or without notice or demand and without limiting City in the exercise of any right or remedy which City may have by reason of such default:

15.2.1. **Termination Of Possession.** Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease and the Term hereof shall terminate and Tenant shall immediately surrender possession of the Premises to City. In such event City shall be entitled to recover from Tenant all damages incurred by City by reason of Tenant's default including, but not limited to: the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the Term after the time of such award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided; and that portion of any leasing commission paid by City applicable to the unexpired Term of this Lease;

15.2.2. **Continuation Of Lease.** Maintain Tenant's right to possession in which case this Lease shall continue in effect whether or not Tenant shall have vacated or abandoned the Premises. In such event City shall be entitled to enforce all of City's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder. City's rights shall include, but not be limited to, those rights as provided in California Civil Code section 1951.4, as amended; or

15.2.3. **Other Remedies.** Pursue any other remedy now or hereafter available to City under the laws or judicial decisions of California, include, but not be limited to, those rights as provided in California Civil Code section 1951.2, as

amended. Unpaid installments of rent and other unpaid monetary obligations of Tenant under the provisions of this Lease shall bear interest from the date due at the maximum rate then allowable by law.

15.3. **Replacement of Statutory Notice Requirements.** When this Lease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notices required by Code of Civil Procedure section 1161 or any similar or successor statute. When a statute requires service of a notice in a particular manner, service of that notice (or a similar notice required by this Lease) in the manner required by Section 16.1 shall replace and satisfy the statutory service-of-notice procedures, including those required by Code of Civil Procedure section 1162 or any similar or successor statute.

15.4. **City's Cumulative Rights; No Waiver Of Default.** Except where otherwise provided, all rights, options and remedies of City contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and City shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default by Tenant hereunder shall be implied from any acceptance by City of any rent or other payments due hereunder or any omission by City to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than as specified in said waiver. The consent or approval of City to any act by Tenant requiring City's consent or approval shall not be deemed to waive or render unnecessary City's consent or approval to any subsequent similar acts by Tenant.

15.5. **Application Of Funds.** Any payments received by City under any provisions of this Lease during the existence or continuance of any Event of Default (including payments made to City rather than Tenant due to the existence of an Event of Default) shall be applied to Tenant's obligations in the order which City may determine or as may be prescribed by the laws of the State of California, and the retention by City of any funds from Tenant which are due but are not sufficient to cure any existing monetary default (whether or not any notice of such default shall have been given) shall not cure such default but only reduce Tenant's debt in such amount, notwithstanding any assertion by Tenant to the contrary. See Section 18.1 (page 18) regarding limitations on accord and satisfaction.

15.6. **Right Of Re-Entry.** If an Event Of Default by Tenant has occurred and Tenant has abandoned the Premises, then City shall also have the right to enforce the provisions of California Civil Code sections 1980 through 1991. No re-entry or taking of possession of the Premises by City pursuant to this Section 15.6 shall be construed as an election to terminate this Lease unless a written notice of such intention shall be given to Tenant or unless the termination hereof shall be decreed by a court of competent jurisdiction. For the purposes of this Article, Tenant's right to possession shall not be deemed to have terminated by efforts of City to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect City's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by City without terminating Tenant's right to possession.

## ARTICLE 16. NOTICES

16.1. **Notices.** All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States registered or certified mail, postage prepaid, return receipt requested, or transmitted by telecopier (e.g., Fax), in which case the receiving party shall immediately confirm receipt of such notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Paragraph 4.2 below. Either party may from time to time designate another person or place in a notice.

16.2. **Notices - Where Sent.** All notices given under this Lease which are mailed or telecopied shall be addressed to the respective parties as follows:

**To City:**  
City of Los Angeles  
c/o Department of General Services  
Asset Management Division  
111 East First Street  
Suite 201, City Hall South  
Los Angeles, California 90012  
Telecopier: (213) 847-5891

With a copy to City Attorney  
  
Office of the City Attorney  
Real Property Division  
200 N. Main Street  
Room 701, City Hall East  
Los Angeles, California 90012  
Telecopier: (213) 978-8090

**To Tenant:**

## ARTICLE 17. ORDINANCE MANDATED PROVISIONS

17.1. **Child Support Assignment Orders.** This Lease is subject to Section 10.10, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders. Pursuant to this Section, Tenant (and any subcontractor of Tenant providing services to City under this Lease) shall (.1) fully comply with all State and Federal employment reporting requirements for Tenant's or Tenant's subcontractor's employees applicable to Child Support Assignment Orders; (.2) certify that the principal owner(s) of Tenant and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (.3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, et seq.; and (.4) maintain such compliance throughout the Term of this Lease. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Tenant or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Tenant or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Tenant by City (in lieu of any time for cure provided in Section 15.1).

17.2. **Service Contract Worker Retention Ordinance.** This Lease is subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, et seq, of the Los Angeles Administrative Code). The SCWRO requires that, unless specific exemptions apply, all employers (as defined) under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, CITY has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if CITY determines that the subject contractor violated the provisions of the SCWRO.

### 17.3. **Living Wage Ordinance.**

17.3.1. **General Provisions: Living Wage Policy.** This Lease is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq, of the Los Angeles Administrative Code). The LWO requires that, unless specific exemptions apply, any employees of tenants or licensees of City property who render services on the leased or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least of portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a



minimum initial wage rate, as adjusted each year (July 1, 2006, levels: \$9.39 hour with health benefits of at least \$1.25 per hour or otherwise \$10.64 per hour). The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Tenant shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, Tenant shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to section 10.37.6(c), Tenant agrees to comply with federal law prohibiting retaliation for union organizing.

**17.3.2. Living Wage Coverage Determination.** The Department of General Services has made the initial determination that this Lease, as a Public lease or a Public license, is subject to the LWO. Tenant, although subject to the LWO, may be exempt from most of the requirements of the LWO if Tenant qualifies for such exemption under the provisions of the LWO. Determinations as to whether an employer or employee is exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. Applications for exemption must be renewed every two (2) years. To the extent Tenant claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Tenant to prove such non-coverage or exemption, and, where applicable, renew such exemption.

**17.3.3. Compliance; Termination Provisions And Other Remedies; Living Wage Policy.** If Tenant is not initially exempt from the LWO, Tenant shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Execution Date of this Lease, and shall execute a Declaration of Compliance Form contemporaneously with the execution of this Lease. If Tenant is initially exempt from the LWO, but later no longer qualifies for any exemption, Tenant shall, at such time as Tenant is no longer exempt, comply with the provisions of the LWO and execute the then-currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Lease and City shall be entitled to terminate this Lease and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that Tenant violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided in Section 15.1 of this Lease. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the LWO.

**17.4. Non-Discrimination.**

**17.4.1. Non-Discrimination In Use Of Premises.** There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises or any part of the Premises or any operations or activities conducted on the Premises or any part of the Premises, nor shall Tenant or any person claiming under or through Tenant establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, subtenants, or vendees of the Premises. Any sublease or assignment which may be permitted under this Lease shall also be subject to the non-discrimination clauses contained in this Section.

**17.4.2. Non-Discrimination In Employment** Tenant agrees and obligates itself in the performance of this Lease not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition.

**17.4.3. Equal Employment Practices.** This Lease is a contract with or on behalf of the City of Los Angeles for which the consideration is \$1000.00 or more. Accordingly, during the performance of this Lease, Tenant further agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"). By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Tenant to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a

material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Tenant. Upon a finding duly made that Tenant has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

17.4.4. **Equal Benefits Provisions.** This Lease is subject to Section 10.8.2.1, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code ("Equal Benefits Provisions") related to equal benefits to employees. Tenant agrees to comply with the provisions of Section 10.8.2.1. By way of specification but not limitation, pursuant to Section 10.8.2.1.c of the Los Angeles Administrative Code, the failure of Tenant to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Tenant. Upon a finding duly made that Tenant has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

17.5. **Contractor Responsibility Ordinance.**

17.5.1. **General Provisions; Contractor Responsibility Policy.** This Lease is subject to the Contractor Responsibility Ordinance ("CRO") (Section 10.40, et seq, of the Los Angeles Administrative Code "LAAC") and the rules and regulations promulgated pursuant thereto as they may be updated. The CRO requires that, unless specific exemptions apply as specified in LAAC 10.40.4(a), lessees or licensees of City property who render services on the leased or licensed premises are covered by the CRO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) designated administrative agency of the City has determined in writing that coverage would further the proprietary interests of the City. Lessees or licensees of City property who are not exempt pursuant to LAAC 10.40.4 (a) or (b), unless subject to the CRO solely due to an amendment to an existing lease or license, are required to have completed a questionnaire ("Questionnaire") signed under penalty of perjury designed to assist the City in determination that the lessee or licensee is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. All lessees or licensees of City property who are covered by the CRO, including those subject to the CRO due to an amendment, are required to complete the following Pledge of Compliance ("POC"):

(1) comply with all applicable federal state, and local laws and regulations in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the lessee or licensee did not comply with Subsection (1) above in the performance of the lease or license;

(3) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the lessee or licensee has violated Subsection (1) above in the performance of the lease or license;

(4) ensure within thirty (30) days (or such shorter time as may be required by the awarding authority) that subcontractors working on the lease or license submit a POC to the awarding authority signed under penalty of perjury; and

(5) ensure that subcontractors working on the lease or license abide by the requirements of the POC and the requirement to notify the awarding authority within thirty (30) calendar days that any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Subsection (1) above in the performance of the lease or license.

Tenant shall ensure that their subcontractors meet the criteria for responsibility set forth in the CRO and any rules and regulations promulgated thereto. Tenants may not use any subcontractor that has been determined or found to be a non-responsible contractor by City. The listing of non-responsible contractors may be accessed on the internet at: <http://www.lacity.org/bidresp>. Subject to approval by the awarding authority, Tenant may substitute a non-responsible

subcontractor with another subcontractor with no change in the consideration for this Lease. Tenant shall submit to City a Pledge of Compliance for each subcontractor listed by the Tenant in its Questionnaire, as performing work on this Lease within thirty (30) calendar days of execution of this Lease, unless the Department of General Services requires in its discretion the submission of a Pledge of Compliance within a shorter time period. The signature of Tenant on page 20 of this Lease shall constitute a declaration under penalty of perjury that Tenant shall comply with the POC.

**17.5.2. Update of Information.** Tenant shall:

(1) notify the awarding authority within thirty (30) calendar days after receiving notification that any governmental agency has initiated an investigation that may result in a finding that Tenant did not comply with any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty (30) calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that Tenant violated any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(3) notify the awarding authority within thirty (30) calendar days of becoming aware of any information regarding its subcontractors and investigations or findings regarding the subcontractor's violations of any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

Updates of information contained in Tenant's responses to the Questionnaire must be submitted to the awarding authority within thirty (30) days of any changes to the responses if the change would affect Tenant's fitness and ability to continue performing this Lease. Notwithstanding the above, Tenant shall not be required to provide updates to the Questionnaire if Tenant became subject to the CRO solely because of an amendment to the original lease or license. Tenant shall cooperate in any investigation pursuant to CRO by providing such information as shall be requested by City. Tenant agrees that City may keep the identity of any complainant confidential. Tenant shall ensure that subcontractors who perform work on this Lease abide by these same updating requirements including the requirement to:

(1) notify the awarding authority within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the subcontractor did not comply with any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(2) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the subcontractor violated any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

The requirement that Tenant provide Questionnaires and updates to Questionnaire responses does not apply to subcontractors.

**17.5.3. Compliance; Termination Provisions and Other Remedies.** If Tenant is not exempt from the CRO, Tenant shall comply with all of the provisions of the CRO and this Lease. Failure to comply with the provisions of the CRO, including without limitation the requirements that all responses to the Questionnaire are complete and accurate, to provide updates as provided therein and to correct any deficiencies within ten (10) days of notice by City, or failure to comply with the provisions of this Lease shall constitute a material breach of this Lease and City shall be entitled to terminate this Lease and otherwise pursue any legal remedies that may be available, including those set forth in the CRO. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the CRO.

**17.6. Tax Registration Certificates And Tax Payments.** This Section is applicable where Tenant is engaged in business within the City of Los Angeles and Tenant is required to obtain a Tax Registration Certificate ("TRC") pursuant to one or more of the following articles (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [section 21.00, et seq.], Article 1.3 (Commercial Tenant's Occupancy Tax) [section 21.3.1, et seq.],

Article 1.7 (Transient Occupancy Tax) [section 21.7.1, et seq.], Article 1.11 (Payroll Expense Tax) [section 21.11.1, et seq.], or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, et seq.]. Prior to the execution of this Lease, or the effective date of any extension of the Term or renewal of this Lease, Tenant shall provide to the Department of General Services proof satisfactory to the General Manager of the Department of General Services that Tenant has the required TRCs and that Tenant is not then currently delinquent in any tax payment required under the Tax Ordinances. City may terminate this Lease upon thirty (30) days' prior written notice to Tenant if City determines that Tenant failed to have the required TRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this Lease. City may also terminate this Lease upon ninety (90) days prior written notice to Tenant at any time during the Term of this Lease if Tenant fails to maintain required TRCs or becomes delinquent in tax payments required under the Tax Ordinances and Tenant fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided in Section 15.1 (page 12)).

17.7. **Slavery Disclosure Ordinance.** This Lease is subject to the applicable provisions of the Slavery Disclosure Ordinance. ("SDO") (Section 10.41, et seq, of the Los Angeles Administrative Code). Unless otherwise exempt in accordance with the provision of this Ordinance, Tenant certifies that it has complied with the applicable provisions of the Ordinance. Under the provisions of Section 10.41.2(b) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available to City if City determines that the Tenant failed to fully and accurately complete the SDO affidavit or otherwise violated any provision of the SDO.

## ARTICLE 18. TENANT'S RECORDS AND REPORTS

18.1. **Preparation and Retention Of Records And Reports.** Tenant agrees to prepare and keep on the Premises (or at some other place agreeable to City within the County of Los Angeles), for a period of not less than three (3) years following each of the dates upon which Tenant delivers to City each of the written statements required below, adequate records for the period reported upon by such statement which shall show inventories and receipts of merchandise at the Premises, and daily receipts from all sales and other transactions on or from the Premises by Tenant and any other entities or persons conducting any business upon or from the Premises. If the records and reports are kept at a place other than the Premises, Tenant shall bring such records and reports to the Premises or such other place reasonably designated by City upon request of City.

18.2. **Cash Register Receipts.** Tenant shall record at the time of sale, in the presence of the customer, all receipts from sales or other transactions whether for cash or credit in a cash register or in cash registers having a cumulative total which shall be sealed in a manner approved by City, and having such other features as shall be required and approved by City.

18.3. **Tax Returns And Original Sales Records.** Tenant shall keep on the Premises (or at some other place agreeable to City within the County of Los Angeles) for at least three (3) years following the end of any partial Lease Year and each Lease Year the gross income, sales and occupation tax returns with respect to said partial Lease Year and Lease Years and all pertinent original sales records. If such pertinent original sales records are kept at a place other than the Premises, Tenant shall bring such pertinent original sales records to the Premises or such other place reasonably designated by City upon request of City. Pertinent original sales records shall include:

- (a) Cash register tapes, including tapes from temporary registers;
- (b) Serially numbered sales slips;
- (c) The originals of all mail orders at and to the Premises;
- (d) The original records of all telephone orders at and to the Premises;
- (e) Settlement report sheets of transactions with subtenants, concessionaires and licensees;
- (f) The original records showing that merchandise returned by customers was purchased at the Premises by such customers;
- (g) Memorandum receipts or other records of merchandise taken out on approval;

- (h) Such other sales records, if any, which would normally be examined by an independent accountant pursuant to accepted auditing standards in performing an audit to Tenant's sales; and
- (i) The records specified in (a) to (h) above of subtenants, assignees, concessionaires, or licenses.

18.4. **City's Right Of Examination.** City and City's authorized representative shall have the right to examine Tenant's records required by this Article during regular business hours.

18.5. **Quarterly And Annual Statements.** Tenant shall submit to City on or before the fifteenth day following each three (3) month period during the Lease Term (including the fifteenth day of the month following the end of the Lease Term) at the place then fixed for the payment of Rent, together with the remittance of quarterly Percentage Rent, a written statement signed by Tenant, and certified by it to be true and correct, showing in reasonably accurate detail the amount of Gross Receipts for each month during the preceding three (3) months and fractional month, if any, prior to the commencement of the first Lease Year. Tenant shall submit to the City on or before the sixtieth day following the end of each Lease Year at the place then fixed for the payment of Rent a written statement signed by Tenant, and certified by it to be true and correct, showing in reasonably accurate detail satisfactory in scope to City the amount of Gross Receipts during the preceding Lease Year, and duly certified by independent certified public accountants of recognized standing, which certification shall be one which is satisfactory to City in scope and substance. The statements referred to herein shall be in such form and style and contain such details and breakdown as the City may reasonably determine.

18.6. **Special Audit Of Tenant's Books And Records.** In the event City is not satisfied with any of Tenant's statements of Gross Receipts, City shall have the right within two (2) years from the date of the delivery of any annual statement to City to have an independent Certified Public Accountant selected by City commence a special audit of Tenant's books and records pertaining to Gross Receipts. Tenant shall pay on demand any deficiency in Percentage Rent shown to be due by such audit. If the amount of Gross Receipts for the period audited is determined by such audit to be in excess of two percent (2%) above the amount shown by Tenant's statement, the cost of the audit shall be paid by Tenant; otherwise, the cost thereof shall be paid by City. Each annual statement of Gross Receipts submitted by Tenant shall become conclusive and binding on City and Tenant two (2) years after delivery thereof to City or upon subsequent completion of a special audit performed in accordance with this Article and payment by Tenant of any Percentage Rent shown to be due by such audit.

## ARTICLE 19. MISCELLANEOUS PROVISIONS

19.1. **Accord And Satisfaction.** No payment by Tenant or receipt by City of a lesser amount than the rent payment herein stipulated shall be deemed to be other than on account of the rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and City may accept such check or payment without prejudice to City's right to recover the balance of such rent or pursue any other remedy provided in this Lease. Tenant agrees that each of the foregoing covenants and agreements shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by any statute or at common law.

19.2. **Captions And Table Of Contents.** The captions and table of contents contained in this Lease are for convenience and reference only, are not intended to define or limit the scope of any provisions of this Lease, and shall not be used with respect to the interpretation of any provision of this Lease.

19.3. **Exhibits - Incorporation In Lease.** All exhibits referred to are attached to this Lease and incorporated by reference.

19.4. **Force Majeure.** Whenever a day is established in this Lease on which, or a period of time, including a reasonable period of time, is designated within which, either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of strikes, lockouts, embargoes, unavailability of services, labor or materials, disruption of service or brownouts from utilities not due to action or inaction of City, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control (financial inability excepted) ("Force Majeure"); provided,

however, that nothing contained in this Section shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant under this Lease.

19.5. **Governing Law And Venue.** This Lease will be governed by the law of the State of California and will be construed and interpreted according to that law. Venue on any action arising out of this Lease will be proper only in the County of Los Angeles, State of California.

19.6. **Time.** Time is of the essence with respect to the performance of every provision of this Lease in which time or performance is a factor. All references in this Lease to "days" shall mean calendar days unless specifically modified herein to be "business" or "working" days.

19.7. **No Partnership.** This Lease is not intended to create a partnership or joint venture between City and Tenant, or to create a principal-and-agent relationship between them. To the extent that a percentage rent is ever utilized, such percentage rent is intended only as a method of computing rent.

19.8. **Personal Property Taxes.** Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the Term hereof upon all improvements made by Tenant, as well as all of Tenant's equipment, furniture, fixtures and personal property located in the Premises.

19.9. **Possessory Interest Tax.** By executing this Lease and accepting the benefits thereof, a property interest may be created known as "possessory interest" and such property interest will be subject to property taxation. Tenant, as the party in whom the possessory interest is vested, may be subject to the payment of the property taxes levied upon such interest. If Tenant is entitled to the welfare exemption or other property tax exemption, such possessory interest should be included in the application therefore.

19.10. **Quiet Enjoyment.** If Tenant is not in default as provided herein, Tenant shall and may peaceably and quietly have, hold, and enjoy the Premises with necessary ingress and egress in accordance with the provisions hereof.

19.11. **Right Of Entry.** City shall have the right to enter the Premises during reasonable business hours to inspect same and for purposes connected with City's rights or obligations hereunder and, further, at all times in emergencies.

19.12. **Severability/Entire Agreement.** Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof any such other provisions shall remain in full force and effect. This Lease and the Exhibits attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the provisions and conditions of this Lease. No provision of this Lease may be amended or supplemented except by an agreement in writing signed by the parties hereto or their successor in interest.

IN WITNESS WHEREOF, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Department of General Services, Landlord herein, and \_\_\_\_\_, Tenant herein, have caused this Lease to be executed as of the date of the last signatory hereto. The last signatory shall cause such date to be entered in the space provided in Section 1.1 of this Lease if that space is blank, although such date shall be deemed to be the execution date of this Lease in any case.

**APPROVED AS TO FORM:**  
CARMEN A. TRUTANICH, City Attorney

By: \_\_\_\_\_  
Deputy City Attorney

DATE: \_\_\_\_\_

**ATTEST:**  
JUNE LAGMAY, City Clerk

By: \_\_\_\_\_  
Deputy

DATE: \_\_\_\_\_

Council File No: \_\_\_\_\_

Approval Date: \_\_\_\_\_

**CITY:**  
CITY OF LOS ANGELES, a municipal corporation, acting by and through its Department of General Services

By: \_\_\_\_\_  
TONY M. ROYSTER  
General Manager  
Department of General Services

DATE: \_\_\_\_\_

**TENANT:**

By: \_\_\_\_\_

DATE: \_\_\_\_\_