

APPROVED

March 19 2026

BOARD OF RECREATION AND PARK COMMISSIONERS

BOARD REPORT

NO. 26-062

DATE: March 19, 2026

C.D.

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: OFFICIAL MERCHANDISING WEBSITE – APPROVE AWARD AND AUTHORIZE EXECUTION OF AGREEMENT WITH CIVIC COLLECTIVE, LLC FOR THE OPERATION AND MANAGEMENT OF THE DEPARTMENT OF RECREATION AND PARKS' OFFICIAL MERCHANDISING WEBSITE

B. Aguirre BA M. Rudnick
B. Jones C. Santo Domingo
C. Stoneham N. Williams

Handwritten signature of General Manager

General Manager

Approved X Disapproved Withdrawn

RECOMMENDATIONS

- 1. Approve the award of an agreement to Civic Collective, LLC for the operation and management of the official merchandising website for the Department of Recreation and Parks (RAP) for a term of three years with two three-year extension options exercisable at the sole discretion of RAP's General Manager;
2. Approve the proposed agreement with Civic Collective, LLC for the operation and management of RAP's official merchandising website, substantially in the form attached hereto as Attachment 1 (Agreement), subject to the approval of the City Council and City Attorney as to form;
3. Direct the Board of Recreation and Park Commissioners (Board) Secretary to transmit the proposed Agreement to the Council and City Attorney;
4. Find, in accordance with Charter Section 1022, that it is necessary, feasible, and economical to secure these services by contract as RAP lacks sufficient and necessary personnel to undertake these specialized professional services;
5. Find, pursuant to Charter Sections 371(e)(2) and 371(e)(10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding is not practical or advantageous and would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required for the operation and management of RAP's official merchandising website;
6. Authorize RAP's Chief Accounting Employee to deposit a revenue sharing fee received

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from Civic Collective, LLC into Fund No. 301, Dept. No. 88 and APPR Account No. TBD – Merchandising; and

7. Authorize RAP's General Manager or designee to execute the proposed Agreement upon receipt of all necessary approvals and to make any necessary technical changes consistent with the Board's intent in approving this Report and proposed Agreement.

SUMMARY

The proposed concession consists of an e-commerce website that features RAP merchandise available for purchase (Concession). The website will offer a wide array of merchandise including, but not limited to jackets, cups, shirts, postcards, and specialty items that promote RAP with its logo and images.

Civic Collective, LLC (Civic Collective) is a Los Angeles-based limited liability company established to deliver compliant, scalable, and community-driven concession and merchandising services. Civic Collective serves as the contracting entity, supported operationally by Zenga Inc., (Zenga) an established merchandising corporation with more than two decades of experience in merchandising, sourcing, and fulfillment across youth, lifestyle, and community-focused programs.

RFP PROCESS

On November 7, 2024, a Request for Proposal (RFP) was released for the operation and management of the Concession. Advertisement of the opportunity was conducted in the Los Angeles Business Journal, on RAP's website, and on the Regional Alliance Marketplace for Procurement website (rampla.org). RAP staff also researched other organizations with this service to identify qualified companies and notify them of the opportunity. Despite these outreach efforts, RAP did not receive any responsive proposals in response to the RFP. Following the unsuccessful RFP, RAP conducted further due diligence and identified operators performing similar services and ultimately entered into negotiations with Civic Collective, which ultimately resulted in the Agreement under consideration.

DISCUSSION

Approval of the proposed Agreement will ensure that RAP has an experienced company in place to design, operate, and manage its official online merchandising e-commerce website, and provide the public with the best and highest quality products and services. Key terms of the Agreement include:

- A term of three years with two three-year extension options at the sole discretion of RAP's General Manager if approved by the Board .

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- A revenue sharing fee paid by Civic Collective to RAP of seven percent of the gross sales.
- Civic Collective will manage all aspects of the website including: designing and developing the e-commerce website; designing, producing, and sales of merchandise online including apparel, accessories, and specialty items; managing inventory, fulfillment, and logistics; establishing, developing and increasing a strong customer base on the website through the use of marketing strategies utilizing social media and influencer partnerships; routine maintenance of the website; outreach and community engagement; and general oversight of the website.
- Civic Collective will fund start-up operations, including website build and product design, through internal cash reserves and existing e-commerce revenues.

BACKGROUND & EXPERIENCE

Civic Collective is a newly formed entity established for the purpose of performing public-sector merchandising, e-commerce, and concession-based projects. While a new entity, it is supported by the infrastructure and experience of Zenga, which has principals and an operating team bringing over twenty years of continuous experience in merchandising, website operations, and licensed product development.

Zenga owns and operates King Ice, a premier online lifestyle brand with a global customer base. Zenga has extensive experience with licensed partnerships, including collaborations with Snoop Dogg/Death Row Records, Sony PlayStation, Microsoft Xbox, and Pokémon. Their operational team has deep technical experience with enterprise-level e-commerce systems, including Magento and Shopify Plus, and maintains strict compliance with IP protections and payment security standards.

BUSINESS PLAN

Civic Collective's mission is to celebrate Los Angeles parks and communities by creating a merchandising platform that inspires civic pride and promotes sustainability. Their strategy leverages Zenga's e-commerce expertise to launch a secure, user-friendly platform.

The e-commerce site will launch with a curated selection of core merchandise, including jackets, shirts, and mugs, designed to reflect RAP's identity and values. Product offerings will be refreshed through seasonal and limited-edition drops tied to RAP events, initiatives, and community stories to create ongoing excitement, encourage repeat purchases, and allow the merchandise to serve as a storytelling platform that highlights RAP's impact and community connections.

Civic Collective's marketing efforts will leverage Zenga's nearly one million combined social media

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followers across multiple platforms to drive awareness, traffic, and sales. Campaigns will include organic social content, targeted promotions, and coordinated product launches aligned with RAP programming. Search engine optimization (SEO) and digital marketing best practices will be employed to increase visibility, attract new audiences, and sustain long-term engagement with the online storefront.

Civic Collective's community engagement plan includes partnering with local community leaders, artists, and influencers to co-create and promote merchandise, ensuring authenticity and broad reach. In addition, Civic Collective will participate in RAP flagship events through pop-up merchandise booths, providing in-person purchasing opportunities and strengthening direct connections with the community.

Civic Collective is committed to environmentally responsible practices, including the use of eco-friendly materials, ethical sourcing, and sustainable packaging whenever feasible. These efforts align with RAP's environmental goals and reinforce the program's commitment to social and environmental responsibility, while meeting consumer expectations for sustainable products.

MANAGEMENT AND OPERATIONAL PLAN

As the operator, Civic Collective will be responsible for overall compliance with all contractual requirements, regulatory obligations, insurance coverage, and financial oversight, ensuring accountability, transparency, accurate reporting, and adherence to all City policies and performance standards. Zenga will support operations by providing day-to-day execution of e-commerce, fulfillment, and customer engagement services under the direction and oversight of Civic Collective.

Civic Collective's operations will be supported by a dedicated, experienced management team. Key roles include a Project Executive responsible for overall program oversight and coordination with RAP; an E-Commerce Director overseeing platform performance, digital merchandising, and sales optimization; a Merchandise Manager responsible for product selection, inventory planning, and supplier coordination; and a Customer Service Manager overseeing support staff, service standards, and customer satisfaction metrics.

Civic Collective will utilize its established warehouse facility in Covina, California, for domestic inventory storage, order processing, packing, and shipping. This centralized fulfillment model enables efficient inventory management, fast order turnaround, and reliable delivery timelines.

Customer support will be provided through a 24/7 online service model, including live chat, email, and phone support. Clear, customer-friendly return and exchange policies will be implemented to ensure transparency and trust. Customer inquiries, issues, and feedback will be tracked and monitored, with regular reviews of satisfaction metrics to support continuous improvement and service quality assurance.

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The e-commerce merchandising website will be built and maintained on the Shopify Plus platform, providing a scalable, enterprise-level solution capable of handling high transaction volumes. The platform offers mobile optimization, secure payment processing, and PCI-compliant security standards. Ongoing platform management will include performance monitoring, updates, and integrations to support analytics, inventory management, and customer engagement tools.

CONCLUSION

RAP staff has reviewed Civic Collective's qualifications and experience and the terms of the proposed Agreement and recommends the Board approve the Agreement and its award to Civic Collective.

ENVIRONMENTAL IMPACT

The proposed Board action involves approval of the Agreement to manage RAP's merchandising website. The commerce generated by the proposed website is not likely to (i) substantially increase the amount of trash produced by City residents or (ii) require a substantial amount of energy that significantly affects air quality or greenhouse gasses emissions. Staff found that the proposed Agreement does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment; therefore, staff recommends that the Board take no action pursuant to the California Environmental Quality Act.

FISCAL IMPACT STATEMENT

The award of this Agreement will generate revenue for RAP through a Percentage of Gross Receipts (PGR) fee on merchandise sales. Civic Collective projects valid revenue growth over the initial term as the customer base is established and marketing strategies are implemented. There is no cost to RAP for the development or operation of the website, as all start-up and operating costs will be borne by the Concessionaire. For the first full year of operation, Civic Collective estimates total revenue of \$252,000.00 and net profit to RAP of \$17,640.00. In the third year, total revenue is estimated at \$600,000.00 with net profit to RAP of \$42,000.00.

This Report was prepared by LaTricia Jones, Senior Management Analyst I, Special Operations Branch, Concessions Unit.

LIST OF ATTACHMENTS

- 1) Proposed Agreement

AGREEMENT
FOR THE OPERATION AND MANAGEMENT OF
THE OFFICIAL MERCHANDISING WEBSITE FOR THE CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS CONCESSION

BETWEEN

THE CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS

AND

CIVIC COLLECTIVE LLC

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**AGREEMENT FOR THE OPERATION AND MANAGEMENT OF THE
OFFICIAL MERCHANDISING WEBSITE FOR THE CITY OF LOS ANGELES DEPARTMENT
OF RECREATION AND PARKS CONCESSION**

THIS Agreement (hereinafter "AGREEMENT" or "CONTRACT") is made and entered into this _____ day of _____, 202_ (COMMENCEMENT DATE), by and between the CITY OF LOS ANGELES, a municipal corporation acting by and through its Department of Recreation and Parks (hereinafter referred to as "CITY"), and CIVIC COLLECTIVE LLC (hereinafter referred to as "CONCESSIONAIRE").

WHEREAS, the Department of Recreation and Parks (hereinafter referred to as "RAP") seeks to serve the public by providing a website for the purchase of official RAP-themed merchandise. (hereinafter "CONCESSION"); and

WHEREAS, the CITY finds, in accordance with Charter Section 1022, that it is necessary, feasible and economical to secure these services by contract as it lacks available personnel in its employ with sufficient expertise to undertake these specialized services; and

WHEREAS, the CITY finds, pursuant to Charter Section 371(e)(10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by RAP for the operation of the CONCESSION; and

WHEREAS, RAP utilized a standard request for proposal process and to evaluate proposals received based upon the criteria included in a Request for Proposal (RFP) for operation of the CONCESSION; and

WHEREAS, RAP did not receive proposals through its RFP process; and

WHEREAS, subsequent to the RFP process, RAP entered into negotiations directly with the CONCESSIONAIRE, having reviewed the CONCESSIONAIRE's ability to operate the CONCESSION; and

WHEREAS, RAP and CONCESSIONAIRE desire to enter into this AGREEMENT to assist RAP in providing a merchandising website for the purchase of RAP-themed merchandise and other related services as set forth herein.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter to be kept and performed by the respective parties, it is agreed as follows:

SECTION 1. DEFINITIONS

For the purpose of this AGREEMENT, the following words and phrases are defined and shall be construed as hereinafter set forth:

AGREEMENT:	This CONCESSION AGREEMENT consisting of twenty-two (22) pages and nine (9) exhibits (A-I) attached hereto
BOARD:	Board of Recreation and Park Commissioners
CITY:	City of Los Angeles, acting by and through its Department of Recreation and Parks
CONCESSION:	
CONCESSIONAIRE: GENERAL MANAGER:	Operation and Management of WEBSITE
LAAC: LAMC: LOCATION:	Civic Collective LLC
RAP:	General Manager of RAP or that person's authorized representative, acting on behalf of the CITY (all actions of the General Manager are subject to review by the BOARD)
	Los Angeles
	Administrative
	Code Los Angeles
	Municipal Code
	The WEBSITE address in which the Concession may be operated.
	Department of Recreation and Parks
STANDARD PROVISIONS:	Standard Provisions for City Contracts (Rev. 01/25 V.2), attached hereto as "Exhibit A" and incorporated herein.
WEBSITE:	Official Merchandising Website for RAP

SECTION 2. PERMISSION GRANTED

For and in consideration of the payment of the fees and charges as hereinafter provided, and subject to all of the terms, covenants, and conditions of this AGREEMENT, RAP hereby grants to CONCESSIONAIRE, the exclusive right and obligation to operate and maintain the CONCESSION and offer related services as approved by the GENERAL MANAGER. Additional activities are prohibited without the prior written consent of the GENERAL MANAGER.

The CONCESSION rights herein granted shall be carried on solely within the limits and confines

of said areas designated as WEBSITE (SECTION 3) in this AGREEMENT. CONCESSIONAIRE, by accepting this AGREEMENT, agrees for itself, and its successors and assigns, that it will not make use of the WEBSITE in any other manner than designated and approved.

While CONCESSIONAIRE is granted the exclusive right to operate and maintain the WEBSITE, this exclusive right does not prohibit RAP from hiring other website operators for other RAP projects.

In the event of a conflict between CONCESSIONAIRE and any other concessionaire regarding the services to be offered or products to be sold by respective concessionaires, RAP shall meet and confer with all necessary parties to determine the services to be offered or products to be sold by each, and CONCESSIONAIRE hereunder agrees thereafter to be bound by said determination.

SECTION 3. WEBSITE AND TECHNICAL REQUIREMENTS

The WEBSITE address subject to this AGREEMENT shall be discussed with CONCESSIONAIRE and agreed upon by RAP. Any discrepancy in the definition or scope of WEBSITE shall be resolved solely by RAP.

CONCESSIONAIRE shall not use or allow the WEBSITE to be used, in whole or in part, during the term of this AGREEMENT, for any use in violation of any present or future laws, ordinances, rules, and regulations at any time applicable thereto of any public or governmental authority or agencies, departments or officers thereof, including CITY.

CONCESSIONAIRE will work with RAP's IT staff on WEBSITE's technical requirements.

CONCESSIONAIRE will be responsible for the creation and design of the WEBSITE within four months of COMMENCEMENT DATE. CONCESSIONAIRE will also be responsible for the fulfillment of the merchandise ordered by customers.

The WEBSITE shall include the following features:

- Attractive, user-friendly, website for the purchase of RAP- themed items such as jackets, cups, shirts, postcards, and specialty items that promote RAP with its logo and images.
- Mobile app component.
- Interface with payment processing platforms that allow the acceptance of payments from customers through the website or mobile app.
- Interactive and responsive to customers, with a response time to customers of less than two seconds.
- Customer Relation Management (CRM) features that include:
 - Analytics and reporting
 - Application program interface
 - Customer acquisition management
 - Contact management
 - Email marketing
 - Customer ticket management
 - Live chat availability
- Full compliance with the California Consumer Protection Act.

CONCESSIONAIRE shall have the right to use the RAP logo and the RAP website address for the WEBSITE. RAP owns the RAP logo, domain name, IP of the WEBSITE, designs of the merchandise, and all WEBSITE assets.

RAP shall hold CONCESSIONAIRE responsible for guaranteeing the completion of the WEBSITE, according to approved plans, regardless of cost. CONCESSIONAIRE shall bear all costs for all necessary permits, insurance, and taxes required for compliance of such WEBSITE. Any breach of this condition shall be a material breach of this AGREEMENT. RAP reserves the right to recover damages from CONCESSIONAIRE if the WEBSITE is not completed to the satisfaction of RAP. Such damages may include, but are not limited to, recovering up to the entire cost of the WEBSITE from CONCESSIONAIRE's performance deposit. The performance deposit must be recompensed as stipulated in SECTION 14, "Performance Deposit," herein. Failure to complete the required website within the time frame specified above, or as prescribed by RAP, shall subject CONCESSIONAIRE to a penalty of One Hundred Dollars (\$100.00) per day for each calendar day over the appropriate time limit.

RAP reserves the right to further develop or improve the WEBSITE as it sees fit, and without interference or hindrance, however RAP shall consider the desire and views of CONCESSIONAIRE. Such development or improvement may require the suspension or termination of this AGREEMENT. RAP shall not be liable for loss of business which results from the construction of any development or improvements to the WEBSITE.

SECTION 4. TERM OF AGREEMENT

The term of this AGREEMENT shall be three years, with two (2) three-year extension options, exercisable at the sole discretion of RAP, effective on the COMMENCEMENT DATE. Neither CITY, nor any BOARD member, officer, or employee thereof shall be liable in any manner to CONCESSIONAIRE because of any action taken to revoke this AGREEMENT or to decline to exercise an option to extend the term of this AGREEMENT.

SECTION 5. OPERATING RESPONSIBILITIES

CONCESSIONAIRE shall, at all times during the term of this AGREEMENT, comply with the following conditions:

A. Conduct

CONCESSIONAIRE and its representatives, agents, servants, and employees shall at all times conduct its business in a professional and orderly manner to the satisfaction of RAP.

B. Non-Discrimination/Equal Employment Opportunity Practices/Affirmative Action

1. CONCESSIONAIRE, in its operations of the WEBSITE, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, national origin, religion, ancestry, sex, age, physical disability, or sexual orientation shall be excluded from participation, denied the benefits of or be otherwise subjected to unjust discrimination in access to or in the use of the WEBSITE; (2) that in the construction of any improvements on, over or under the WEBSITE authorized to be utilized herein and the furnishing of services thereon, no person on the grounds of race, color, national origin, religion, ancestry, sex, age, physical disability, or sexual orientation shall be excluded from participation in, denied the benefits of or otherwise be subjected to unjust

discrimination.

2. CONCESSIONAIRE agrees that in the event of breach of any of the above nondiscrimination covenants, with proper notification as per Exhibit A Section PSC-9, CITY shall have the right to terminate this AGREEMENT and hold the same as if said AGREEMENT had never been executed.
3. In addition, CONCESSIONAIRE, during the term of this AGREEMENT, agrees not to unjustly discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, color, religion, national origin, ancestry, sex, age, physical disability, or sexual orientation. All subcontracts entered into by CONCESSIONAIRE shall be approved in advance by CITY and shall contain a like provision.

C. Merchandise

CONCESSIONAIRE shall offer a creative selection of products. The CONCESSION shall offer items which reflect RAP's intent and are consistent with RAP's initiatives. Product items shall be derived from the best quality products available. Product inventory must be one hundred percent (100%) RAP-related at all times. All merchandise shall be pre-approved by RAP. All merchandise orders must be fulfilled and shipped in a timely manner, and as advertised.

All pricing shall be comparable with prices at other first class, high quality, Los Angeles area retail institutions. Prices shall be determined with a goal of high perceived value. All prices must be posted on display or on product items.

RAP agrees that CONCESSIONAIRE's merchandise, including its schedule of prices, charges and rates for same, shall be within CONCESSIONAIRE's discretion; subject, however, to disapproval by RAP if the selection of items offered is inadequate, of inferior quality, or if any of said prices, charges and rates are excessively high or low. Such determination shall not be unreasonable and shall take into account the business considerations presented by CONCESSIONAIRE. After initial approval of merchandise and prices by RAP, CONCESSIONAIRE shall provide RAP with an updated list of merchandise and prices for review and consideration whenever changes are proposed.

D. Merchandise Accessibility

CONCESSIONAIRE shall offer the merchandise, approved for the CONCESSION, on the WEBSITE, which shall be managed by the CONCESSIONAIRE at its sole expense. The WEBSITE shall reference RAP and CONCESSION. WEBSITE should also be accessible via a mobile app for merchandise purchases.

E. Discounts

CONCESSIONAIRE shall offer a ten percent (10%) discount to RAP staff. The discount shall apply to purchases from the WEBSITE or mobile application.

F. Personnel

1. Qualified Personnel

CONCESSIONAIRE will, in the operation of the CONCESSION, employ or permit the employment of only such personnel as will assure a high standard of service to the public and cooperation with RAP. All such personnel, shall be courteous at all times. No person employed by CONCESSIONAIRE shall be under the influence of illegal drugs, narcotics, other controlled substances or alcohol, or use inappropriate language, or engage in otherwise inappropriate conduct for a work

environment. In the event an employee is not satisfactory, RAP may direct CONCESSIONAIRE to remove that person from the CONCESSION.

2. Concession Manager

CONCESSIONAIRE shall appoint, subject to written approval by RAP, a Concession Manager of CONCESSIONAIRE's operations of the WEBSITE.

Such person must be a qualified and experienced manager or supervisor of operations, vested with full power and authority to accept service of all notices provided for herein and regarding operation of the CONCESSION, including the quality and prices of goods and services, and the appearance, conduct, and demeanor of CONCESSIONAIRE's agents, servants, and employees. At all times during the Concession Manager's absence, a responsible subordinate shall be in charge and available.

The Concession Manager shall devote the greater part of his or her working time and attention to the operation of the CONCESSION and shall promote, increase and develop the CONCESSION.

If, for reasons of ill health, incapacitation, or death, the Concession Manager becomes incapable of performing each and all terms and provisions of this AGREEMENT, CONCESSIONAIRE must immediately assign a new Concession Manager, subject to RAP approval. If a new manager is not assigned within three business days, RAP may, in its sole discretion, suspend this AGREEMENT and all terms and conditions contained therein.

3. Approval of Employees, Volunteers and Subcontractors

RAP shall have the right to approve or disapprove all employees, volunteers and subcontractors (including all employees and volunteers for any subcontractor) of CONCESSIONAIRE. Failure of CONCESSIONAIRE to obtain RAP's written approval of all persons operating under the authority of this AGREEMENT on WEBSITE shall be a material breach of this AGREEMENT. CONCESSIONAIRE shall submit a list of all persons employed by, or volunteering or subcontracting for, CONCESSIONAIRE to RAP prior to commencing operations pursuant to this AGREEMENT. All changes to the approved list of employees, volunteers and subcontractors shall be submitted to RAP for written approval prior to any employee, volunteer or subcontractor commencing work. CONCESSIONAIRE shall not hire as an employee or volunteer, or subcontract with, any person whom RAP would be prohibited from hiring as an employee or volunteer pursuant to California Public Resources Code Section 5164 to perform work. RAP reserves the right to conduct a Department of Justice criminal background check on any such person prior to approving their employment, volunteer service or subcontract. Failure to comply with this hiring standard shall be a material breach of this AGREEMENT.

G. Sustainability

CONCESSIONAIRE is encouraged to use sustainable materials and packaging, as well as the selling of reusable bags, recycled material products, and sustainable goods. CONCESSIONAIRE shall minimize the paper items distributed and packaged with CONCESSION products. The use of polystyrene (Styrofoam) and single use plastics are prohibited. CONCESSIONAIRE shall not sell or give away or otherwise dispose of any commodity which in the opinion of GENERAL MANAGER will cause undue litter or negatively impact the environment. CONCESSIONAIRE expressly agrees to comply with all RAP and CITY recycling programs and policies regarding single-use plastic.

H. Diversion of Business

CONCESSIONAIRE shall not divert, cause, allow, or permit to be diverted any business from the WEBSITE and shall take all reasonable measures, in every proper manner, to develop, maintain, and increase the business conducted by it under this AGREEMENT.

I. Equipment, Software, and Expendables

All electronic equipment, software, and expendables required for said CONCESSION shall be purchased and installed by CONCESSIONAIRE at its sole expense and shall remain its personal property.

CONCESSIONAIRE shall, at all times and at its expense, keep and maintain all equipment, software, and expendables in good repair. All maintenance, repairs and replacement shall be performed at the sole expense of CONCESSIONAIRE.

J. Claims for Labor and Materials

The CONCESSIONAIRE shall promptly pay when due all amounts payable in the performance of this AGREEMENT so as to prevent any lien or other claim under any provision of law from arising against RAP (including reports, documents, and other tangible matter produced by CONCESSIONAIRE hereunder), against CONCESSIONAIRE's rights hereunder, or against RAP, and shall pay all amounts due under the California Unemployment Insurance Code with respect to such labor.

K. Marketing and Advertisements

CONCESSIONAIRE shall take all reasonable measures, in every proper manner, to develop, maintain, and increase the business conducted by it under this AGREEMENT and as proposed in CONCESSIONAIRE's marketing plan and company overview contained in their proposal, Exhibit B to this AGREEMENT.

CONCESSIONAIRE shall not place any banners, ads, or displays of any kind whatsoever upon any portion of the WEBSITE without the prior written approval from RAP. All promotional campaigns must be collaborated with the RAP Public Relations team.

Except as may be otherwise provided in this AGREEMENT, the CONCESSIONAIRE shall not refer to RAP or its facilities in any manner or through any medium, whether written, oral, or visual, for any purpose whatsoever, including, but not limited to, advertising, promotion, publicity, solicitation or fund-raising without the prior written permission of RAP. For purposes of soliciting new business, CONCESSIONAIRE shall have the right to use the RAP logo pending prior written approval from RAP.

On the WEBSITE, CONCESSIONAIRE shall place a public notice that CONCESSIONAIRE operates the WEBSITE. The address and phone number of CONCESSIONAIRE will be shown along with the notation that all complaints should be referred directly to CONCESSIONAIRE.

On the WEBSITE, CONCESSIONAIRE shall provide the following credit, or as proportions of signage allow, similar credit as approved by RAP in writing:

"In Collaboration with the City of Los Angeles Department of Recreation and Parks."

Upon expiration or termination of this AGREEMENT, CONCESSIONAIRE shall remove, as RAP may direct, any and all of its wording on the WEBSITE.

L. Customer Surveys

RAP reserves the right to instruct CONCESSIONAIRE to conduct customer survey programs covering its entire retail service on the WEBSITE. The forms and techniques will be subject to prior review and approval of RAP. CONCESSIONAIRE shall provide the results from these activities to RAP in a timely manner.

M. Utilities

CONCESSIONAIRE shall be responsible for utility charges associated with the CONCESSION. Charges may include, but are not limited to, deposits, installation costs, meter deposits, and all service charges for electricity, and other utility services required to operate the WEBSITE, and shall be paid by CONCESSIONAIRE. CONCESSIONAIRE will pay directly for electrical, telephone and internet/Wi-Fi services, which will be in the name of CONCESSIONAIRE.

CONCESSIONAIRE hereby expressly waives all claims for compensation, or for any diminution or abatement of the revenue-sharing payments provided for herein, for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of the electrical apparatus, or wires furnished to the WEBSITE; and CONCESSIONAIRE hereby expressly releases and discharges CITY and its officers, employees, and agents from any and all demands, claims, actions, and causes of action arising from any of the aforesaid causes.

In all instances where damage to any utility service line is caused by CONCESSIONAIRE, its employees, contractors, sub-contractors, suppliers, agents, or invitees, CONCESSIONAIRE shall be responsible for the cost of repairs and any and all damages occasioned thereby.

CONCESSIONAIRE shall reimburse RAP if any utility charges are paid by RAP.

N. Safety

CONCESSIONAIRE shall correct safety deficiencies, and violations of safety practices, immediately after the condition becomes known or RAP notifies CONCESSIONAIRE of said condition. CONCESSIONAIRE shall cooperate fully with RAP in the investigation of misconduct occurring on the WEBSITE. In the event of a customer complaint, CONCESSIONAIRE shall reasonably ensure that the customer receives prompt attention, and as soon as possible thereafter, CONCESSIONAIRE shall submit a CITY Form General No. 87 "Non-Employee Accident or Illness Report" (Exhibit C) - (see SECTION 19, "NOTICES," for mailing address). If CONCESSIONAIRE fails to rectify the conditions specified by RAP in a written notice, which have led, or in the opinion of RAP could lead to further protest, RAP may, in addition to all other remedies which may be available to RAP, correct the conditions, with the cost thereof, plus fifteen percent (15%) for administrative overhead, to be paid by CONCESSIONAIRE to RAP on demand.

O. Environmental Sensitivity

CONCESSIONAIRE must operate the CONCESSION in an environmentally sensitive manner and all operations must comply with RAP policies regarding protection of the environment. CONCESSIONAIRE shall not use or allow the use on the WEBSITE of environmentally unsafe products.

P. Fundraising And/Or Special Events Activities

CONCESSIONAIRE is expected to cooperate with RAP personnel on all matters relative to fundraising and/or special events at the discretion of RAP.

Q. Community Outreach

CONCESSIONAIRE shall coordinate and cooperate with RAP to develop strategies to

outreach to all members of the community, particularly those living in low-to-moderate income areas, fixed-income households, youth, the disabled, etc., to provide its services to these members of the community who may not otherwise have the opportunity to partake in the services provided by CONCESSIONAIRE.

R. Receipts

CONCESSIONAIRE shall offer invoices/receipts to customers for every transaction.

SECTION 6. HOURS / DAYS OF OPERATION

The WEBSITE must be operational 24/7, 365 days a year to adequately serve public demand. Hours of operation may not be changed without prior written approval of RAP. Any deviation from such days and hours shall be subject to the prior written approval of RAP.

SECTION 7. COMPENSATION PLAN

A. Payment Amount

As part of the consideration for RAP's granting the CONCESSION rights herein above set forth, CONCESSIONAIRE shall pay to RAP on a monthly revenue-sharing payment as detailed below:

- A percentage of gross receipts of seven percent (7%) on all sales of merchandise.

Refer to SECTION 7.C for the definition of "Gross Receipts."

B. Payment Due

Said payment shall be due and payable (postmarked) by the fifteenth day of each calendar month based on the gross receipts received in each previous month. CONCESSIONAIRE shall transmit with each payment a Monthly Revenue Report (Exhibit D) for the month for which a payment is submitted. The payment and Monthly Revenue Report shall be addressed to:

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS
ATTENTION: Concessions Division
P. O. Box 86328
Los Angeles, CA 90086

C. Gross Receipts Defined

The term "gross receipts" is defined as the total amount charged for the sale of any goods or services (whether or not such services are performed as a part of or in connection with the sale of goods) provided in connection with this CONCESSION, but not including any of the following:

1. Cash discounts allowed or taken on sales;
2. Any sales tax, use tax, or excise tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser and paid by CONCESSIONAIRE;
3. Receipts from the sale of waste or scrap materials resulting from the CONCESSION operation;

4. Receipts from the sale of or the trade-in value of any furniture, fixtures, or equipment used in connection with the CONCESSION, and owned by CONCESSIONAIRE;
5. The value of any merchandise, supplies, or equipment exchanged or transferred from or to other business locations of CONCESSIONAIRE where such exchanges or transfers are not made for the purpose of avoiding a sale by CONCESSIONAIRE which would otherwise be made from or at the CONCESSION;
6. Refunds from, or the value of, merchandise, supplies, or equipment returned to shippers, suppliers, or manufacturers;
7. Receipts from the sale at cost of uniforms, clothing, or supplies to CONCESSIONAIRE's employees where such uniforms, clothing, or supplies are required to be worn or used by said employees;
8. Receipts from any sale where the subject of such sale, or some part thereof, is thereafter returned by the purchaser to and accepted by CONCESSIONAIRE, to the extent of any refund actually granted or adjustment actually made, either in the form of cash or credit;
9. Fair market trade-in allowance, in the event merchandise is taken in trade;
10. The amount of any cash or quantity discounts received from sellers, suppliers, or manufacturers;
11. Discounts or surcharges applied to receipts for services or merchandise, with the concurrence of both CONCESSIONAIRE and RAP, including discounts to employees, if approved by RAP.

CONCESSIONAIRE shall not reduce or increase the amount of gross receipts, as herein defined, as a result of any of the following:

12. Any error in cash handling by CONCESSIONAIRE or CONCESSIONAIRE's employees or agents;
13. Any losses resulting from bad checks received from consumers or purchasers; or from dishonored credit, charge, or debit card payments; or any other dishonored payment to CONCESSIONAIRE by customer or purchaser;
14. Any arrangement for a rebate, kickback, or hidden credit given or allowed to customers.

D. Late Payment Fee

Failure of CONCESSIONAIRE to timely pay the monthly revenue-sharing payment or any other fees, changes, or payments required herein is a breach of this AGREEMENT for which RAP may terminate the same or take such other legal action as it deems necessary.

Without waiving any rights available at law, in equity or under this AGREEMENT, in the event of late or delinquent payments by CONCESSIONAIRE, the latter recognizes that RAP will incur certain expenses as a result thereof, the amount of which is difficult to ascertain. Therefore, in addition to monies owing, CONCESSIONAIRE agrees to pay RAP a late fee set forth below to compensate RAP for all expenses and/or damages and loss resulting from said late or delinquent payments.

The charges for late or delinquent payments shall be One Hundred Fifty Dollars (\$150.00) for each month late plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly, on the balance of the unpaid amount. Payments shall be considered past due if postmarked after the fifteenth (15th) day of the month in which payment is due.

The acceptance of late payments by RAP shall not be deemed as a waiver of any other breach by CONCESSIONAIRE of any term or condition of this AGREEMENT other than the failure of CONCESSIONAIRE to timely make the particular payment so accepted.

E. Compliance with Identity Theft Laws and Payment Card Data Security Standards

CONCESSIONAIRE agrees to comply with all Identity Theft Laws including without limitation, Laws related to: 1) Payment Devices; 2) Credit and Debit Card Fraud; and 3) the Fair and Accurate Credit Transactions Act (FACTA), including its requirement relating to the content of Transaction Receipts provided to Customers. CONCESSIONAIRE also agrees to comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (PCI DSS). During the performance of any service to replace, install, program or update Payment Devices equipped to conduct Credit or Debit Card transactions, including PCI DSS services, CONCESSIONAIRE agrees to verify proper truncation of receipts in compliance with FACTA. CONCESSIONAIRE understands that failure to ensure proper truncation will result in the imposition of liability and defense costs that may arise out of consequent litigation.

SECTION 8. ADDITIONAL FEES AND CHARGES

- A. If RAP pays any sum or incurs any obligations or expense, for which CONCESSIONAIRE has agreed to pay or reimburse RAP, or if RAP is required or elects to pay any sum or to incur any obligations or expense by reason of the failure, neglect, or refusal of CONCESSIONAIRE to perform or fulfill any one or more of the conditions, covenants, or

agreements contained in this AGREEMENT, or as a result of an act or omission of CONCESSIONAIRE contrary to said conditions, covenants, and agreements, CONCESSIONAIRE agrees to pay RAP the sum so paid or the expense so incurred, including all interest, costs, (including RAP's fifteen percent (15%) administrative overhead cost), damages, and penalties. This amount shall be added to the revenue-sharing payment thereafter due hereunder, and each and every part of the same shall be and become additional revenue-sharing payment, recoverable by RAP in the same manner and with like remedies as if it were originally a part of the basic revenue-sharing payment set forth in SECTION 7 hereof.

- B.** For all purposes under this SECTION, and in any suit, action, or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum by RAP for any work done or material furnished shall be prima facie evidence against CONCESSIONAIRE that the amount of such payment was necessary and reasonable. Should RAP elect to use its own personnel in making any repairs, replacements, and/or alterations, and to charge CONCESSIONAIRE with the cost of same, receipts and timesheets will be used to establish the charges, which shall be presumed to be reasonable in absence of contrary proof submitted by CONCESSIONAIRE.
- C.** Use of the WEBSITE for purposes not expressly permitted herein, whether approved in writing by RAP or not, may result in additional charges; however, any such use without the prior written approval of RAP shall also constitute a material breach of AGREEMENT and is prohibited.

SECTION 9. INSURANCE

CONCESSIONAIRE shall follow insurance guidelines in the STANDARD PROVISIONS (Exhibit A); provide and maintain the Required Insurance and Minimum Limits (Exhibit E); and follow the Instructions and Information on Complying with City Insurance Requirements (Exhibit E).

SECTION 10. MAINTENANCE OF WEBSITE

During all periods that the WEBSITE is used or under the control of CONCESSIONAIRE for the uses, purposes aforesaid, CONCESSIONAIRE shall be responsible for all repairs/maintenance to the satisfaction of RAP.

- A.** CONCESSIONAIRE shall provide all maintenance and service required on the WEBSITE and keep WEBSITE in a professional and organized condition and appearance. RAP may direct CONCESSIONAIRE to perform necessary maintenance of the WEBSITE which shall include replacing and/or updating merchandise or any other service that may be required to properly maintain the WEBSITE in an operable and attractive condition. CONCESSIONAIRE shall provide merchandise replacements as may be required, subject to prior written approval by RAP to comply with the requirements hereof.
- B. Correction of Conditions Leading to Damage**

If CONCESSIONAIRE fails, after written notice, to correct conditions which have led or, in the opinion of RAP, could lead to significant damage to CITY property, RAP may at its option, and in addition to all other remedies which may be available to it, repair, replace, rebuild, any such WEBSITE included in said notice, with the cost thereof, plus fifteen

percent (15%) for administrative overhead, to be paid by CONCESSIONAIRE to RAP on demand. If, for any reason, payment of such fees becomes delinquent, RAP may, in its sole discretion, suspend this AGREEMENT and all terms and conditions contained therein.

C. Property Damage and Theft Reporting

CONCESSIONAIRE shall complete and submit to RAP a "Special Occurrence and Loss Report" (Exhibit F) in the event that the WEBSITE is damaged or destroyed, in whole or in part, from any cause whatsoever, and in the event of theft, burglary, or other crime committed on the WEBSITE. Blank forms for this purpose shall be provided by RAP.

D. Damage or Destruction to WEBSITE

1. Partial Damage

If all or a portion of the WEBSITE is partially damaged by malware, software failure, viruses, security hacks, or other related cyber security vulnerabilities, the same will be repaired by CONCESSIONAIRE, with due diligence, at RAP's cost and expense, subject to the limitations as hereinafter provided; if said damage is caused by the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, CONCESSIONAIRE shall be responsible for reimbursing RAP for the cost and expense incurred in making such repairs.

2. Extensive Damage

If the damages as described above in "Partial Damage" are so extensive as to render the WEBSITE or a portion thereof unusable, but are capable of being repaired within a reasonable time not to exceed sixty (60) days, the same shall be repaired with due diligence by CONCESSIONAIRE at RAP's cost and expense and a negotiated portion of the fees and charges payable hereunder shall abate from the time of such damage until such time as the WEBSITE is fully restored and certified by RAP as again ready for use; provided, however, that if such damage is caused by the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, said fees and charges will not abate and CONCESSIONAIRE shall be responsible for the cost and expenses incurred in making such repairs.

3. Complete Destruction

In the event all or a substantial portion of the WEBSITE is destroyed by malware, software failure, viruses, security hacks, or other related cyber security vulnerabilities, or are so damaged and cannot be replaced except after more than sixty (60) days, RAP shall be under no obligation to repair, replace or reconstruct said WEBSITE, and an appropriate portion of the fees and charges payable hereunder shall abate as of the time of such damage or destruction and shall henceforth cease until such time as the said WEBSITE is fully restored. If within four (4) months after the time of such damage or destruction said WEBSITE have not been repaired or reconstructed, RAP may terminate this AGREEMENT in its entirety as of the date of such damage or destruction. Notwithstanding the foregoing, if said WEBSITE, or a substantial portion thereof, is completely destroyed as a result of the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, said fees and charges shall not abate and RAP may, in its discretion, require CONCESSIONAIRE to repair and reconstruct the same within six (6) months of such destruction and CONCESSIONAIRE shall be responsible for reimbursing RAP for the cost and expenses incurred in making such repairs. CONCESSIONAIRE shall continue paying RAP revenue-sharing

payments as determined above during the rebuilding of the WEBSITE.

4. Limits of RAP's Obligation Defined

In the application of the foregoing provisions, RAP may, but shall not be obligated to, repair or reconstruct the WEBSITE. If RAP chooses to do so, CONCESSIONAIRE must repair or reconstruct the WEBSITE to the same extent and of equal quality as obtained by RAP at the commencement of its operations hereunder. Redecoration and replacement of furniture, equipment and supplies shall be the responsibility of CONCESSIONAIRE and any such redecoration and refurbishing/re-equipping shall be equivalent in quality to that originally installed.

SECTION 11. PROHIBITED ACTS

CONCESSIONAIRE shall not:

1. Use the WEBSITE to conduct any other business operations of CONCESSIONAIRE not related to the CONCESSION.
2. Do or permit to be done any act or thing upon the WEBSITE which will invalidate, suspend or increase the rate of any insurance policy required under this AGREEMENT, or carried by RAP, in the opinion of RAP, may constitute a hazardous condition that will increase the risks normally attendant upon the operations contemplated under this AGREEMENT;
3. Allow any sale by auction upon the WEBSITE;
4. Use the WEBSITE in any manner that will constitute waste;
5. Use or allow the WEBSITE to be used for, in the opinion of RAP, any improper, immoral, or unlawful purposes.

SECTION 12. RATIFICATION

At the request of RAP, and because of the need therefore, CONCESSIONAIRE may have begun performance of the responsibilities herein required prior to the execution hereof. By its execution hereof, RAP hereby accepts such service subject to all the terms, covenants, and condition of this AGREEMENT, and ratifies its AGREEMENT with CONCESSIONAIRE for such services.

SECTION 13. PERFORMANCE DEPOSIT

CONCESSIONAIRE shall provide RAP a sum equal to Five Thousand Dollars (\$5,000.00) to guarantee payment of fees and as a damage deposit to be used in accordance with the default provisions of this AGREEMENT.

Form of Deposit

CONCESSIONAIRE's Deposit shall be in the following form:

A cashier's check drawn on any bank that is a member of the Los Angeles Clearing

House Association, which cashier's check is payable to the order of the City of Los Angeles.

A. Agreement of Deposit and Indemnity

CONCESSIONAIRE unconditionally agrees that in the event of any default, RAP shall have full power and authority to use the deposit in whole or in part to indemnify RAP. All deposits of checks must be immediately deposited by RAP.

B. Maintenance of Deposit

Said Deposit shall be held by RAP during the entire term of this AGREEMENT.

C. Return of Deposit to CONCESSIONAIRE

Said Deposit shall be returned to CONCESSIONAIRE and any rights assigned to the Deposit shall be surrendered by RAP in writing, after the expiration or earlier termination of this AGREEMENT and any exit audits performed in conjunction with this AGREEMENT. RAP reserves the right to deduct from the Performance Deposit, any amounts up to and including the full amount of the Deposit as stated herein, owed to RAP by CONCESSIONAIRE as shown by any exit audits performed by RAP, or as compensation to RAP for failure to adhere to or execute the terms and conditions of this AGREEMENT.

SECTION 14. TAXES, PERMITS, AND LICENSES

A. CONCESSIONAIRE shall obtain and maintain at its sole expense any and all approvals, permits, or licenses that may be required in connection with the operation of the CONCESSION including, but not limited to, tax permits, business licenses, police and fire permits, etc.

B. CONCESSIONAIRE shall pay all taxes of whatever character that may be levied or charged upon the rights of CONCESSIONAIRE to use the WEBSITE, or upon CONCESSIONAIRE's improvements, equipment, or other property thereon or upon CONCESSIONAIRE's operations hereunder. In addition, by executing this AGREEMENT 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. CONCESSIONAIRE, as the party to whom the Possessory Interest is vested, may be subject to the payment of the property taxes levied by the State and County upon such interest.

SECTION 15. ASSIGNMENT, SUBCONTRACT, BANKRUPTCY

CONCESSIONAIRE shall not subcontract the operation of the subject WEBSITE or any part thereof or allow the same to be used by any other person or for other use than that herein specified, nor assign this AGREEMENT nor transfer, assign or in any manner convey any of the rights or privileges herein granted without the prior written consent of RAP. Neither this AGREEMENT nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceeding in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. Any attempted assignment, mortgaging, hypothecation, or encumbering of the CONCESSION rights or other violation of the provisions of this SECTION shall be void and shall confer no right, title or interest in or to this AGREEMENT or right of use of the whole or any portion of the WEBSITE upon any such purported assignee, mortgagee, encumbrancer, pledgee or other lien holder, successor or purchaser. For purposes of this SECTION 16, a change in the majority ownership of CONCESSIONAIRE shall constitute a transfer or assignment of this AGREEMENT for which prior written consent of RAP is required.

SECTION 16. BUSINESS RECORDS

CONCESSIONAIRE shall maintain during the term of this AGREEMENT and for three years thereafter, all of its books, ledgers, journals, and accounts wherein are kept all entries reflecting the gross receipts received or billed by it from the business transacted pursuant to this AGREEMENT. Such books, ledgers, journals, accounts, and records shall be available for inspection and examination by RAP, or a duly authorized representative, during ordinary business hours at any time during the term of this AGREEMENT and for at least three years thereafter.

A. Employee Fidelity Bonds

At RAP's discretion, adequate employee fidelity bonds may be required to be maintained by CONCESSIONAIRE covering all its employees who handle money.

B. Cash and Record Handling Requirements

If requested by RAP, CONCESSIONAIRE shall prepare a description of its cash handling and sales recording systems and equipment to be used for operation of the CONCESSIONION which shall be submitted to RAP for approval.

CONCESSIONAIRE shall be required to maintain a method of accounting of the CONCESSIONION which shall correctly and accurately reflect the gross receipts and disbursements received or made by CONCESSIONAIRE from the operation of the CONCESSIONION. The method of accounting, including bank accounts, established for the CONCESSIONION shall be separate from the accounting systems used for any other businesses operated by CONCESSIONAIRE or for recording CONCESSIONAIRE's personal financial affairs. Such method shall include the keeping of the following documents:

1. Regular books of accounting such as general ledgers.
2. Journals including supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.
3. State and Federal income tax returns and sales tax returns and checks and other documents proving payment of sums shown.
4. Copies of invoices shall be retained so that day to day sales can be identified. Customers must receive an electronic record of their purchase.
5. Any other accounting records that RAP, in its sole discretion, deems necessary for proper reporting of receipts.

C. Method of Recording Gross Receipts

CONCESSIONAIRE must install a computerized point-of-sale (POS) system, including hardware and software, to record transactions and receipts. Such POS system must be capable of accepting credit and debit card payments; providing electronic receipts to patrons; and have controls in place to make it equivalent to a non-resettable cash register. CONCESSIONAIRE shall not purchase or install the POS system, including hardware and software, before obtaining RAP's written approval of the specific hardware and software to be purchased. The POS system must be able to produce end of day reports including gross receipts by sales categories, and RAP shall be able to obtain the reports daily through remote communication of the systems.

D. Annual Statement of Gross Receipts and Expenses

CONCESSIONAIRE shall transmit a Statement of Gross Receipts and Expenses (Profit and Loss Statement) for the CONCESSION operations as specified in the AGREEMENT, in a form acceptable to RAP, on or before April 30th, of each calendar year during the term of this AGREEMENT. Such Statement must be prepared by a Certified Public Accountant (CPA) and shall not include statements of omission or non-disclosure. An extension may be granted in writing, prior to the April 30th due date, by RAP, provided sufficient verification of the need for the extension is provided, as accepted by RAP's General Manager or his designee. The charge for late or delinquent Statements shall be One Hundred Dollars (\$100.00) per month or part thereof late.

In addition, RAP may from time to time conduct an audit and re-audit of the books and businesses conducted by CONCESSIONAIRE and observe the operation of the business so that accuracy of the above records can be confirmed. If the report of gross sales made by CONCESSIONAIRE to RAP shall be found to be less than the amount of gross sales disclosed by such audit and observation, CONCESSIONAIRE shall pay RAP within thirty (30) days after billing any additional revenue-sharing payments disclosed by such audit. If discrepancy exceeds two percent and no reasonable explanation is given for such discrepancy, CONCESSIONAIRE shall also pay the cost of the audit.

SECTION 17. REGULATIONS, INSPECTION, AND DIRECTIVES

A. Constitutional and Other Limits on CONCESSIONAIRE's Rights to Exclusivity

Notwithstanding exclusivity granted to Concessionaire by the terms of this AGREEMENT, the City in its discretion may require Concessionaire, without any reduction in revenue-sharing payments or other valuable consideration to Concessionaire, to accommodate the rights of persons to access and engage in expressive activities, as guaranteed by the First Amendment to the United States Constitution, the California Constitution, and other laws, as these laws are interpreted by the City. Expressive activities include, but are not limited to, protesting, picketing, proselytizing, soliciting, begging, and vending of certain expressive, message-bearing items.

B. Conformance with Laws

CONCESSIONAIRE shall conform to:

1. Any and all applicable rules, regulations, orders, and restrictions which are now in force or which may be hereafter adopted by RAP with respect to the operation of the CONCESSION;
2. Any and all applicable laws, ordinances, statutes, rules, regulations or orders, including the LAMC, LAAC, the Charter of the City of Los Angeles, and of any governmental authority, federal, state or municipal, lawfully exercising authority over CONCESSIONAIRE's operations; and,
3. Any and all applicable local, state and federal laws and regulations relative to the design to accommodate disabled persons.

C. Permissions

Any permission required by this AGREEMENT shall be secured in writing by CONCESSIONAIRE from CITY or RAP and any errors or omissions therefrom shall not relieve CONCESSIONAIRE of its obligations to faithfully perform the conditions therein. CONCESSIONAIRE shall immediately comply with any written request or order submitted to it by CITY or RAP.

D. Right of Inspection and Access to CONCESSION

CITY, RAP, their authorized representatives, agents and employees shall have the right to inspect, evaluate, and observe the CONCESSIONAIRE's operation. During these inspections, they all shall have the right to photograph, film, or otherwise record conditions and events taking place upon the WEBSITE. The inspections may be made by persons identified to CONCESSIONAIRE as CITY Employees, or may be made by independent contractors engaged by CITY. Inspections may be made for the purposes set forth below, and for any other lawful purpose for which the CITY or another governmental entity with jurisdiction is authorized to perform inspections of the WEBSITE:

1. To determine if the terms and conditions of this AGREEMENT are being complied with.
2. To observe transactions between CONCESSIONAIRE and patrons in order to evaluate the quality of services provided or quality and quantities of items sold or dispensed.
3. To ensure quality control and verify the validity of mandatory operating permits

E. Control of WEBSITE

RAP shall have absolute and full access to the WEBSITE during the term of this AGREEMENT and may require changes and alterations therein, as may be determined by RAP. Such determination shall not be unreasonable and shall take into account the business considerations presented by CONCESSIONAIRE.

F. First Source Hiring Ordinance

Unless otherwise exempt, this AGREEMENT is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the LAAC, as amended from time to time.

1. CONCESSIONAIRE shall, prior to the execution of this AGREEMENT, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONCESSIONAIRE estimates it will need to fill in order to perform the services under this AGREEMENT. The Department of Public Works, Bureau of Contract Administration is the DAA.
2. CONCESSIONAIRE further pledges that it will, during the term of this AGREEMENT:
 - a. At least seven business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Economic and Workforce Development Department (EWDD), which will refer individuals for interview;
 - b. Interview qualified individuals referred by EWDD; and;

- c. Prior to filling any employment opportunity, CONCESSIONAIRE shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the CONCESSIONAIRE interviewed and the reasons why referred individuals were not hired.
3. Any subcontract entered into by CONCESSIONAIRE relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
4. CONCESSIONAIRE shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the LAAC the DAA has determined that CONCESSIONAIRE intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under LAAC Section 10.39 et seq., and must be documented in each of CONCESSIONAIRE's subsequent Contractor Responsibility Questionnaires submitted under LAAC Section 10.40 et seq. This measure does not limit the City's authority to act under this article.

Under the provisions of Section 10.44.8 of the LAAC, the Awarding Authority shall, under appropriate circumstances, terminate this AGREEMENT and otherwise pursue legal remedies that may be available if the DAA determines that the subject CONCESSIONAIRE has violated provisions of the FSHO.

SECTION 18. SURRENDER OF POSSESSION

CONCESSIONAIRE agrees to yield and deliver control/possession of the WEBSITE to RAP on the date of the expiration or earlier termination of this AGREEMENT promptly, peaceably, quietly, and in good order and condition.

CONCESSIONAIRE shall coordinate with RAP IT staff on hosting the WEBSITE to ensure that it can be easily accessed and maintained by RAP.

No agreement of surrender or to accept a surrender shall be valid unless and until the same is in writing and signed by the duly authorized representatives of RAP and CONCESSIONAIRE. Neither the doing nor omission of any act or thing by any of the officers, agents or employees of RAP shall be deemed an acceptance of a surrender of the WEBSITE created and utilized by CONCESSIONAIRE under this AGREEMENT.

Upon termination of this AGREEMENT other than by forfeiture, CONCESSIONAIRE shall quit and surrender possession of the WEBSITE to RAP, without cost to RAP.

SECTION 19. NOTICES

- A.** To RAP:
Unless otherwise stated in this AGREEMENT, written notices to RAP hereunder shall be addressed to:

Department of Recreation and Parks
Attention: Concession Unit
P.O. Box 86328
Los Angeles, CA
90086

All such notices may either be delivered personally or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail. Service in such manner by registered or certified mail shall be effective upon receipt. Written notices may also be emailed to RAP's Concessions Analyst.

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

- B.** To CONCESSIONAIRE:
The execution of any notice to CONCESSIONAIRE by RAP shall be as effective for CONCESSIONAIRE as if it were executed by BOARD, or by Resolution or Order of said BOARD.

All such notices may either be delivered personally to CONCESSIONAIRE or to any officer or responsible employee of CONCESSIONAIRE or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail, or transmitted via email by RAP. Service in such manner by registered or certified mail shall be effective upon receipt.

Written notices to CONCESSIONAIRE shall be addressed to CONCESSIONAIRE as follows:

Civic Collective LLC
Attn: Cuong Diep, Founder and Managing Director
1175 E. Garvey St., Suite 101
Covina, Ca 91724

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

SECTION 20. INCORPORATION OF DOCUMENTS

This AGREEMENT and incorporated documents represent the entire integrated agreement of the parties and supersedes all prior written or oral representations, discussions, and agreements. The following Exhibits are to be attached to and made part of this AGREEMENT by reference:

- A.** Standard Provisions for City Contracts (Rev. 01/25 V.2)
B. Proposal submitted by CONCESSIONAIRE

- C.** Form General No. 87 "Non-Employee Accident or Illness Report"
- D.** Monthly Revenue Report
- E.** Required Insurance and Minimum Limits; Instructions and Information on Complying with City Insurance Requirements
- F.** Special Occurrence and Loss Report
- G.** Schedule A, MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form
- H.** Schedule B, MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile
- I.** Schedule C, Final Subcontracting Report

In the event of any inconsistency between any of the provisions of this AGREEMENT and/or exhibits attached hereto, the inconsistency shall be resolved by giving precedence in the following order: 1) This AGREEMENT exclusive of attachments, 2) Exhibit A, 3) Exhibit B, 4) Exhibit C, 5) Exhibit D, 6) Exhibit E, 7) Exhibit F, 8) Exhibit G, 9) Exhibit H, and 10) Exhibit I.

(Signature Page to Follow)

IN WITNESS WHEREOF, THE CITY OF LOS ANGELES has caused this **AGREEMENT** to be executed on its behalf by its duly authorized General Manager of the Department of Recreation and Parks and **CONCESSIONAIRE** has executed the same as of the day and year herein below written.

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through the Department of Recreation and Parks

BY: _____ DATE: _____
JIMMY KIM
General Manager

CONCESSIONAIRE

BY: _____ DATE: _____
Title: _____

APPROVED AS TO FORM:
HYDEE FELDSTEIN SOTO, City Attorney

BY: _____ DATE: _____
BRENDAN KEARNS
Deputy City Attorney

Business Tax Registration Certificate Number: _____

Internal Revenue Service Taxpayer Identification Number: _____

AGREEMENT Number: _____