

**CASTAIC LAKE STATE RECREATION AREA
BOAT AND BAIT CONCESSION AGREEMENT**

TABLE OF CONTENTS

SECTION	PAGE
1. USE GRANTED	1
2. CONCESSION PREMISES	2
3. TERM	3
4. PAYMENT	4
5. ACCOUNTING RECORDS	4
6. OPERATING RESPONSIBILITIES	7
6.01 Compliance with Laws, Rules and Regulations	7
6.02 Disorderly Persons	7
6.03 Illegal Activities	7
6.04 Signs	7
6.05 Public Use	7
6.06 Licensee's Staff	7
6.07 Minimum Days and Hours of Operation	9
6.08 Prices	9
6.09 Quality of Goods and Services	10
6.10 Utilities	10
6.11 Sanitation	10
6.12 Maintenance	11
6.13 Security Devices	12
6.14 Safety	12
6.15 Trade Fixtures	13
6.16 Merchandise/Food Products	13
6.17 Equipment	13
6.18 Programmed Events	14
6.19 Habitation	14
6.20 Advertising and Promotional Materials	14
6.21 Credit in Promotional Materials	15
7. TRANSFERS	15
8. HOLD HARMLESS AND INDEMNIFICATION	17
9. INSURANCE	17
10. DAMAGE AND DESTRUCTION	19
11. CONSTRUCTION BY COUNTY AFFECTING PREMISES	23
12. EASEMENTS	24

13.	TAXES AND ASSESSMENTS	24
14.	NON-DISCRIMINATION	24
15.	ARBITRATION	26
16.	SECURITY DEPOSIT	26
17.	CANCELLATION	28
18.	EVENTS OF DEFAULT	29
19.	DEFAULT REGARDING USE OF COUNTY LOBBYIST	30
20.	IMPROPER CONSIDERATION	30
21.	LICENSEE'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	31
22.	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	31
23.	LICENSEE'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT COMPLIANCE PROGRAM	32
24.	TERMINATION UPON TRANSFER OF TITLE OR PARK CLOSURE	32
25.	LICENSEE'S NON-COMPLIANCE AND LIQUIDATED DAMAGES	33
26.	PUBLIC RECORDS ACT	33
27.	WAIVER	34
28.	SURRENDER	34
29.	INTERPRETATION	35
30.	RIGHT OF ENTRY	37
31.	INDEPENDENT CONTRACTOR	38
32.	CONTRACT ENFORCEMENT AND AMENDMENTS TO THE AGREEMENT	38
33.	COUNTY'S QUALITY ASSURANCE PLAN	39
34.	NOTICES	39
35.	SEVERABILITY	40
36.	ENTIRE AGREEMENT	40
37.	AUTHORIZATION WARRANTY	40
	SIGNATURE PAGE	41
	EXHIBIT A	

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LICENSE AGREEMENT FOR OPERATION OF THE

BOAT AND BAIT CONCESSION AT THE CASTAIC LAKE STATE RECREATION AREA

THIS AGREEMENT, made and entered into this 22nd day of _____, 1999,

BY AND BETWEEN

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

AND

PYRAMID ENTERPRISES
hereinafter referred to as "Licensee",

WITNESSETH:

WHEREAS, County's authorization to enter into agreements for the provision of recreational services is granted pursuant to the authority conferred by the Board of Supervisors upon the Director of the Department of Parks and Recreation by Section 2.26.120 of the Los Angeles County Code; and
WHEREAS, an agreement for the provision of boat and bait services is consistent with said purposes; and
WHEREAS, Licensee is willing to exercise the grant of such a concession in accordance with the terms and conditions prescribed therefor; and
NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto and each of them do agree as follows:

1. USE GRANTED

1.01 Licensee is hereby authorized to operate and maintain a boat and bait concession including authority to sell bait and tackle; boat parts and accessories; water ski accessories; charge fees for rental of boats including, but not limited to: sailboards, powered and unpowered personal watercraft vessels; and the sale of pre-packaged food and non-alcoholic beverages.

1.02 Licensee understands and agrees that this Agreement is by license and not lease; confers only permission to occupy and use the concession premises described for prescribed purposes in accordance with the terms and conditions hereinafter specified without granting or reserving to Licensee any interest or estate therein; the expenditure of capital and/or labor in the course of use and occupancy thereunder shall not confer any interest or estate in the premises by virtue of said use, occupancy and/or expenditure of money thereon; and it is the intention of the parties to limit the right of use granted herein to a personal, revocable and assignable privilege of use in the premises for the concession granted herein.

2. CONCESSION PREMISES

2.01 The licensed operation shall be conducted on the real property known as the Main Reservoir as shown in the attached Exhibit A attached hereto and incorporated by reference.

2.02 The concession premises shall be used only and exclusively for purposes authorized herein, and such other purposes as are related thereto provided express approval therefore is granted by the Director, and for no other purposes whatsoever.

2.03 Licensee acknowledges personal inspection of the concession premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect its operations. Licensee accepts the concession premises in its present physical condition, and agrees to make no demands upon County for any improvements or alterations thereof.

2.04 Any improvements, additions, alterations, or changes to the concession premises shall be subject to prior approval by the Director; securing of applicable permits; and compliance with such terms and conditions as may be imposed by the Director. Any construction shall be at Licensee's expense.

2.05 Licensee hereby acknowledges the title of the State of California, County, and/or any other public agencies having jurisdiction thereover, in and to

the premises and the improvements located thereon, and covenants and agrees never to assail, contest or resist said title.

2.06 Ownership of all structures, buildings or improvements constructed by Licensee upon the concession premises and all alterations, additions or betterments thereto, shall become the property of the State without compensation being paid therefor, subject to the rights granted to the Licensee hereinabove. Upon termination thereof, whether by expiration of the term, cancellation, forfeiture or otherwise, the Director may require the Licensee to remove said structures, buildings and/or improvements upon written notice ninety (90) days prior to the date of termination of this Agreement. Should Licensee fail to remove said structures, buildings and improvements, same may be sold, removed or demolished, and Licensee shall reimburse County for any cost or expense in connection therewith in excess of any consideration received by County as a result of said sale, removal or demolition.

3. TERM

3.01 The term of the License shall be for a period of Six (6) Months, commencing on the day of execution of this Agreement by the Director of Parks and Recreation.

3.02 Within thirty (30) days prior to the expiration of this Agreement, and within thirty (30) days from the expiration of any successive option period exercised, Director may exercise an option or options to extend said Agreement for an additional period of time not to exceed a total of ten (10) years from the initial commencement of this Agreement.

3.03 In the event the Licensee holds over beyond the term herein provided with the consent, expressed or implied of County, such holding shall be from month to month only, subject to the conditions of this Agreement; shall not be a renewal thereof; and shall be at the monthly compensation provided herein.

4. PAYMENT

4.01 Licensee shall pay County for the use granted herein as follows: a. Seven percent (7 %) of the gross receipts; b. Prior to the Director's exercise of any option to extend this Agreement as provided for in Paragraph 3.02 hereinabove, the Director shall initiate negotiations with the Licensee to establish new percentage rent and minimum rent amounts to be paid to the County for the option period.

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

5. ACCOUNTING RECORDS

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

5.02 Licensee shall maintain a method of accounting which shall, to the satisfaction of the Auditor-Controller, correctly and accurately reflect the gross receipts and disbursements of Licensee in connection with the operation. The method of accounting, including bank accounts established for said operation shall be separate from the accounting system used for any other business operated by Licensee or for recording Licensee's personal financial affairs. Such method shall include the keeping of the following documents:

5.02.01 Regular books of accounting such as general ledgers;

5.02.02 Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.;

5.02.03 State and Federal income tax returns and sales tax returns and checks and other documents providing payment of sums shown which shall be kept in confidence by County;

5.02.04 Cash register tapes (daily tapes may be separated but shall be retained so that from day to day the sales and/or rentals can be identified);

5.02.05 Any other accounting records that the Auditor-Controller deems necessary for proper reporting of receipts;

5.03 All documents, books and accounting records shall be open for inspection and reinspection at any reasonable time during the term of this Agreement and for twelve (12) months thereafter. In addition, the County may from time to time conduct an audit and reaudit of the books and business conducted by Licensee and observe the operation of the business so that accuracy of the above records can be confirmed.

5.04 Licensee shall furnish the Director with a monthly gross receipts' report showing the amount payable therefrom to the County. Such a report shall accompany each minimum rent or percentage rent payment required to be made as provided herein. The monthly reporting period shall be by calendar month rather than monthly anniversary date of the effective date of this Agreement. In addition thereto, Licensee shall furnish an annual profit and loss statement and a balance sheet prepared by a person and in a form acceptable to the County. The annual profit and loss statement shall be submitted within sixty (60) days of the close of an Agreement year. Said closing date shall be determined by reference to the date for commencement of the term herein provided.

5.05 In the event that an audit or review conducted by the Auditor-Controller and/or Director finds that, due to Licensee's non-compliance with its obligation to report gross receipts received in connection with its operations authorized herein, an actual loss and/or a projected loss of revenue to County can be determined, Director may, at his option, (1) bill Licensee for said losses, said amount to be paid to County within thirty (30) days following billing therefor unless otherwise specified by Director; and/or (2) use the Security Deposit as provided for herein; and/or, (3) assess liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Licensee to correctly report gross receipts, and a projected loss of revenue due to County. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is Fifty Dollars (\$50.00) per day for each day of the loss period as determined by County, and that the Licensee shall be liable to the County for liquidated damages in said amount.

5.05.01 Should the Director find that the additional rental payment due to County exceeds two percent (2%) of the total amount which should have been paid as determined by such review or audit and observation, and there being no reasonable basis for the failure to report and pay thereon, Licensee shall also pay the cost of the audit as determined by County and pay any penalty heretofore provided for the delinquent payments.

5.06 Licensee shall cause all of its sublicensees to comply with these requirements except that a sublicensee shall only be required to establish and maintain those accounting records that the Auditor-Controller deems necessary to examine the reported gross receipts in accordance with generally accepted auditing standards.

6- OPERATING RESPONSIBILITIES

6.01 Compliance with Laws. Rules and Regulations 6.01.01 Licensee shall conform to and abide by all municipal and County ordinances, and all State and Federal laws and regulations, insofar as the same or any of them are applicable; and where permits and/or licenses are required for the concession, any related activity and/or any construction authorized herein, the same must be first obtained from the regulatory agency having jurisdiction thereover.

Further, Licensee shall conform to and abide by all rules and regulations and policies of the County's Board of Supervisors, the Director of the Department of Parks and Recreation, and any other County agencies insofar as the same or any of them are applicable.

6.02 Disorderly Persons

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

6.03 Illegal Activities

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

6.04 Signs

Licensee shall not post signs upon any County property or improvements thereon unless prior approval therefor is obtained from the Director.

6.05 Public Use

Licensee shall use its best efforts to maximize the public use of the premises and the facilities thereon. However, Licensee shall not interfere with the public use of the remaining areas of the Castaic Lake State Recreation Area.

6.06 Licensee's Staff

6.06.01 Licensee shall maintain an adequate and proper staff for its authorized operations. Licensee shall designate one member of the staff as an

Operations Manager with whom County may deal on a daily basis. Any person selected by Licensee as Operations Manager shall be skilled in the management of businesses similar to the Boat and Bait Concession operations and shall be subject to reasonable approval by the Director. The Operations Manager shall devote substantial time and attention to the operation of the Boat and Bait Concession and render such services and convenience to the public as are required. The Operations Manager shall be fully acquainted with the Boat and Bait Concession, familiar with the terms and conditions prescribed therefore by this Agreement, and authorized to act in the day-to-day operations thereof.

6.06.02 The Director may at any time give Licensee written notice to the effect that the conduct or action of a designated employee of Licensee is, in the reasonable belief of the Director, detrimental to the interest of the public patronizing the demised premises. Licensee shall transfer or reassign any such employee within a reasonable period of time following notice therefor from the Director, and such employee shall not be assigned to any other County Department of Parks and Recreation facility.

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

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

6.06.05 Should Licensee require additional or replacement personnel after the effective date of this Agreement, Licensee shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program who meet Licensee's minimum qualifications for the open position. The County will refer GAIN participants by job category to the Licensee.

6.07 Minimum Days and Hours of Operation

6.07.01 Licensed premises shall operate during all days and hours that the Upper Lake at Castaic Lake Recreation Area is open to the public. Licensee shall contact the Park Superintendent no less than once a month to obtain the upcoming month's days and hours of operation. Any changes in days or hours of operations must receive prior approval of Park Superintendent.

6.08 Prices Licensee shall at all times maintain a complete list or schedule of the prices for all fees, charges, goods, rentals, and services, or combinations thereof, supplied to the public on or from the premises. The Director hereby reserves the right to review and approve said fees and charges. Said prices shall be fair and reasonable based upon the following considerations: that the boat and bait operation is intended to serve the needs of the public for the goods and/or services supplied at a fair and reasonable cost; comparability with prices charged for similar goods and/or services supplied in the Los Angeles Metropolitan Area; and reasonableness of profit margin in view of the cost of providing same in compliance with the obligations assumed in this Agreement. In the event County notifies Licensee that prices being charged are not fair and reasonable, Licensee shall have the right to confer with the Director and justify said prices. Following reasonable conference and consultation thereon, Licensee shall make such price adjustments as may be ordered by the Director. Licensee may appeal the determination of the Director to the Board of Supervisors, whose decision thereon shall be final and conclusive. However, Licensee shall comply with the ordered price adjustment pending the appeal and final ruling thereon by the Board of Supervisors.

6.09 Quality of Goods and Services

Service to the public, with goods, services, and merchandise of a high quality and at reasonable charges, is of prime concern to County and is considered a part of the consideration for this Agreement. Therefore, Licensee agrees to operate and conduct its operation in a first-class manner, and comparable to other first-class facilities providing similar activities, programs and services. Where such facilities are provided, Licensee shall maintain a high standard of

service at least equal to that of similar events and programs conducted on County parks and/or adjacent communities and to those prevailing in such areas for similar products and services, and without discrimination. Licensee, following receipt of written notification therefor, shall immediately remove or withdraw from sale any goods or services which may be found objectionable to the Director based on findings that the provision of such goods or services is harmful to the public welfare.

6.10 Utilities

County shall provide and pay for any necessary utilities, including water and electricity, consumed by Licensee in the operation of the existing facilities, except for telephone services. The telephone service shall be placed in the name of the Licensee and shall not be transferred to any other location. Licensee waives any and all claims against County for compensation for loss or damage caused by a defect, deficiency or impairment of any utility system, water system, water supply system, drainage system, waste system, heating or gas system, electrical apparatus or wires serving the premises. Licensee shall pay for any new connections to the existing electrical services.

6.11 Sanitation

No offensive matter, refuse, or substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or remain on the concession premises and within a distance of fifty (50) feet thereof, and Licensee shall prevent any accumulation thereof from occurring. Licensee shall provide that all refuse is collected as often as necessary, and in no case less than once a week, and shall pay all charges which may be made for the removal thereof. Licensee shall furnish all equipment and materials necessary, including trash receptacles of the size, type, color and number required by the Director, to maintain the concession premises and the area within a distance of fifty (50) feet thereof in a sanitary condition.

6.12 Maintenance

6.12.01 General Maintenance

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

6.12.02 Default of Maintenance Obligations

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

6.13 Security Devices

Licensee, at its own expense, may provide any legal devices or equipment and the installation thereof, designated for the purpose of protecting the

concession premises from theft, burglary or vandalism, provided written approval for installation thereof is first obtained from the Director.

6.14 Safety

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

6.15 Trade Fixtures

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

6.16 Merchandise/Food Products

Licensee shall provide and maintain an inventory of concession merchandise required to meet the needs of the public therefor. All food and beverages sold or kept for sale by Licensee shall be first-class in quality, wholesome and pure, and shall conform to the Federal, State and County food laws, ordinances and regulations in all respects. No adulterated, misbranded or impure articles shall be sold or kept for sale by Licensee and all merchandise kept on hand by Licensee shall be stored and handled with due regard for safety and sanitation. In the event that the Director determines that any merchandise is below first class, the Director shall have the right to order the improvement of the quality of any such items kept or offered for sale. The Director shall have the right to prohibit the sale or rental of any item of merchandise on finding(s) that the item is of inferior quality and/or that the item is not necessary for proper service to the public.

6.17 Equipment

All boats and non-powered and powered personal watercraft, hereinafter referred to as equipment, offered for rental shall be of a design and make approved by the Director prior to use. Equipment offered for rental must be of a design which will fully comply with any and all safety requirements of the State of California, Department of Boating and Waterways and the United States Coast Guard. Lifejackets or floatable safety cushions must also be supplied for all persons utilizing unpowered and powered personal watercraft. Said floatation devices must meet acceptable safety standards as determined by the appropriate Federal and State agencies. Equipment offered for rent shall be numbered in accordance with applicable regulations established by the Department of Motor Vehicles, State of California. Licensee shall provide, at all times that boat rental operation is open to the public, a powered boat which shall be available for use by Licensee or his employees for emergency purposes in retrieving rental boats or in patrolling the lake to ascertain that rental boats are complying with all safety regulations. Licensee shall include a disclaimer in rental agreement that the County is not responsible to tow rental boats if they run out of gas or have mechanical failure.

6.18 Programmed Events

Licensee shall not promote or sponsor private or public events requiring the use of any other areas of the Castaic Lake State Recreation Area other than the concession premises. However, this provision shall not prohibit Licensee from generally advertising or encouraging public use of Castaic Lake State Recreation Area.

6.19 Habitation

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

6.20 Advertising and Promotional Materials

Licensee shall not promulgate nor cause to be distributed any advertising, or promotional materials unless prior approval thereof is obtained from Director. Such approval shall not be unreasonably withheld or delayed and shall be deemed to be given if no objection is made within thirty (30) days following the request for approval. Such materials include, but are not limited to: advertising in newspapers, flyers, newsletters, magazines and trade journals, and radio and/or television commercials.

6.21 Credit in Promotional Materials

Licensee agrees that any advertising or promotional materials promulgated by Licensee which refer to "Castaic Lake State Recreation Area" or any derivative thereof, shall also include the phrase "a unit of the County of Los Angeles Department of Parks and Recreation Park System" unless specifically approved otherwise by the Director.

7. TRANSFERS

7.01 Licensee shall not, without written consent of the Director, transfer, assign, sublicense, hypothecate or mortgage this Agreement. Any attempted transfer, assignment, sublicense, hypothecation or mortgage without the written consent of the Director shall be null and void, and shall constitute a material breach of this Agreement.

7.02 Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed by Licensee shall be binding upon any transferee thereof.

7.03 The license shall not be transferable by testamentary disposition or the State laws of intestate succession, as the rights, privileges, and use conferred by this Agreement shall terminate prior to the date for expiration thereof in the event of the death of Licensee occurring within the term herein provided. Additionally, neither this Agreement nor any interest therein shall be transferable in proceedings in attachment or execution against Licensee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Licensee, or by any process of law including proceedings under Chapter X or XI of the Bankruptcy Act.

7.04 Shareholders and/or partners of "Licensee may transfer, sell, exchange, assign or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment or divestment is effected in such a way as to give majority control of Licensee to any persons, corporation, partnership or legal entity other than the majority controlling interest therein at the time of the execution of this Agreement, the Director's approval thereof shall be required. Consent to any such transfer shall be refused if the Director finds that the transferee is lacking in experience and/or financial ability to operate the concession.

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

7.06 In the event Licensee shall request the prior written consent of Director to give, assign, transfer or grant control of this Agreement, and Director gives written consent to the assignment, a transfer fee equal to two percent (2%) of the gross sales price shall be paid to County. Said sum shall be payable to County in full either within thirty (30) days after said consent is given or prior to the close of any escrow, whichever occurs first. Prior to Director's consent to such assignment, the assignor shall first deliver to assignee a written schedule of all sums due and owing to County from the assignor with such schedule in a form subject to the approval of the Director in all respects, and second, shall deliver to Director, as part of the acceptance' of the assignment, a written acknowledgment by the assignee that the assignee (a) affirms

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the sums due and owing to County and (b) accepts responsibility for payment' of such sums directly to County. Exempted from said transfer fee shall be the following:

7.06.01 A transfer of an undivided interest in the license between or among co-workers or affiliated entities which results in a change in method of holding title but does not result in a change to the proportional interests held by the co-owners or affiliated entities prior to the transfer;

7.06.02 An assignment which serves as security for the repayment of a loan from any lender but which does not entitle the assignee to an immediate right to use, occupy, possess or receive the rents or profits from the concession for so long as the assignor makes the required periodic payments and complies with other provisions of the loan; 7.06.03 A transfer of title of the license to a lender purchaser at the foreclosure sale under a deed of trust on the property or by assignment to the lender or its nominee in lieu of foreclosure;

7.06.04 Such other assignment for which the Director determines that the ownership interests in the license have remained unchanged, such as a change in

the legal or fictitious name of the Licensee without any other change in the equity, in beneficial use of, or legal title to the license as an asset, or the income produced thereby. The Director's decision in such cases shall be appealable to the Board of Supervisors within ten (10) days after receipt of written notice of the Director's decision. Any such appeal request shall be accompanied by a Certificate of Deposit filed with the Director in the full amount of the transfer fee; the Certificate of Deposit shall be payable to County, and the interest thereon shall accumulate, but the principal sum and interest shall remain the property of Licensee in the event the Director's decision is reversed.

8. HOLD HARMLESS AND INDEMNIFICATION

8.01 Licensee agrees to indemnify, defend and hold harmless County, the State of California, and the United States Forest Service, elected and appointed officers, employees, and agents from and against any and all liability and expense, including defense costs and legal fees, arising from or connected with claims and lawsuits for damages or workers compensation benefits relating to Licensee's operations or its services, which result from bodily injury, death, personal injury, or property damage (including damage to Concessionaire's property). Licensee shall not be obligated to indemnify for liability and expense arising from the active negligence of the County.

9. INSURANCE

9.01 Without limiting Licensee's indemnification of County, the State of California, and the United States Forest Service, Licensee shall provide and maintain at its own expense during the term of this Agreement the hereinafter listed program(s) of insurance covering its operations hereunder. Such insurance shall be provided by an insurer(s) satisfactory to County's Risk Manager and evidence of such programs satisfactory to County shall be delivered to the Director on or before the effective date of this Agreement. Certificate(s) or other evidence of coverage and certified copy(ies) of additional insured endorsement(s), shall be delivered to Contract Management, 301 N. Baldwin Avenue, Arcadia, California 91007, prior to commencing services under this Agreement. Such evidence shall specifically identify this Agreement and shall contain the express condition that County is to be given at least thirty (30) days advance written notice of any modification or termination of any program of insurance. All such insurance shall be primary to and not contributing with any other insurance maintained by County and, with the exception of Workers' Compensation insurance, shall name the County of Los Angeles, the State of California, and the United States Forest Service as additional insureds.

9.01.01 At all times during the term of this Agreement, Licensee shall provide the following forms and amounts of insurance:

a. Liability

Comprehensive General Liability insurance written on a commercial liability form or on a comprehensive liability form covering the hazards of premises-operations, products/completed operations, independent contractors, advertising, contractual, broad form property damage, and personal injury with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence. If written with an annual aggregate limit, the policy limit shall be three times the above occurrence limit. If such insurance is written on a Claims Made Form, such insurance shall be endorsed to provide an extended reporting period of not less than five years following the expiration of earlier termination of this Agreement.

b. Worker's Compensation

Insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with a \$1,000,000 limit covering all persons Licensee is legally required to cover.

c. Comprehensive Automobile Liability

Endorsed for all owned, non-owned, and hired vehicles with a combined single limit of not less than Five Hundred Thousand Dollars (\$500,000) per occurrence.

d. Watercraft Liability

Endorsed for all owned, non-owned, and hired watercraft with a combined single limit of not less than Five Hundred Thousand Dollars (\$500,000) per occurrence.

9.02 Conduct of said Boat and Bait Concession shall not commence until Licensee has complied with the aforementioned insurance requirements. Licensee's operations, whether in whole or in part, shall be subject to suspension by the Director during any period that Licensee fails to maintain said policies in full force and effect.

9.03 Failure on the part of the Licensee to provide or maintain required programs of insurance shall constitute a material breach of contract upon which County may immediately terminate this Agreement.

9.04 No cancellation provision in any insurance policy shall be construed in derogation of the continuous duty of Licensee to furnish insurance during the term of this Agreement. At least thirty (30) days prior to the expiration of any such policy, a signed and complete certificate of insurance, with all endorsements required herein, showing that such insurance coverage has been renewed or extended, shall be filed with Director.

10. DAMAGE AND DESTRUCTION

10.01 If during the term of the Agreement the buildings or improvements or such fixtures or equipment, on, below, above or appurtenant to the premises at the commencement of the term or thereafter erected, installed or placed thereon or therein shall be destroyed or damaged in whole or in part by fire or any other cause, except condemnation, and provided such destruction or damage is required to be covered by insurance, Licensee shall give Director immediate notice thereof. Licensee shall immediately secure the area to prevent injury, vandalism, and further damage to persons, improvements, and the contents thereof, and direct its insurer to make any payment of loss proceeds jointly payable to the Licensee and the County for deposit with the Insurance Trustee. Licensee shall promptly restore same to the condition existing immediately prior to such occurrence, or if not possible or feasible in view of the damage sustained and availability of funds with which to rebuild, terminate this Agreement.

10.02 The terms and conditions upon which any buildings or other improvements on, below, above or appurtenant to the premises, including fixtures and equipment, shall be restored by Licensee after any such destruction or damage by fire or any other cause, except by condemnation, and the terms and conditions upon which the proceeds of insurance which are held in trust by the Insurance Trustees, shall be applied to the cost of such restoration are as follows:

10.02.01 Licensee shall submit to Director within thirty (30) days after the receipt of the insurance proceeds by Insurance Trustee, complete plans and specifications which shall be designed to restore the buildings and improvements at least to the condition immediately prior to such destruction or damage and as completely similar in character as is practicable and reasonable. The plans and specifications shall be subject to the review and approval by the Director and which approval shall not be unreasonably withheld. Director shall either approve the same or serve written notice upon Licensee of disapproval thereof and objections thereto.

10.02.02 Licensee, after approval by County, shall furnish to the Insurance Trustee a copy of any contract or contracts which Licensee shall enter into for the making of such restoration; or, if the restoration is to be done by Licensee, a copy of all subcontracts made by Licensee in connection with restoration and an estimate of the cost thereof, both in stages and upon completion, which shall be certified by the architect of Licensee as being reasonably accurate.

10.02.03 During the progress of restoration at the end of each month or from time to time as may be agreed upon, and upon the written request of Licensee, the Insurance Trustee shall pay to Licensee or to the contractors and materialmen of Licensee for the account of Licensee, out of such proceeds held in trust.

10.02.04 At the time of each such request for advance by Licensee and as a condition precedent thereto Licensee shall also submit a certificate signed by Licensee and the architect of Licensee not more than thirty (30) days prior to such request setting forth the following:

10.02.04.01 That the sum then requested either has been paid by Licensee or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for the restoration therein specified; the names and addresses of such persons, a brief description of such services and materials, the several amounts so paid or due to each of said persons in respect thereof; that no part of such expenditures has been or is being made the basis, in any previous or then pending request, for the withdrawal of insurance money or has been made out of the proceeds of insurance received by Licensee; and that the sum then requested does not exceed the value of the services and materials described in the certificate.

10.02.04.02 That, except for the sum then requested in such certificate stated to be due for services or materials, there is no outstanding indebtedness known to the person signing such certificate, after due inquiry, which is then due for labor, wages, materials, supplies or services in connection with such restoration which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's, or materialmen's statutory or similar lien upon such restoration or upon the premises or the buildings and improvements on, under, or above the premises or any part thereof or Licensee's leasehold interest therein.

10.02.04.03 That the cost, as estimated by the persons signing such certificate, of the restoration required to be done subsequent to the date of such certificate in order to complete the same, does not exceed the insurance money, plus any amount deposited by Licensee to defray such cost. 10.02.04.04

That all of the work of restoration so far completed is proper and of the quality and class at least equal to the original work and in accordance with the plans and specifications.

10.02.04.05 At the completion of the restoration and following disbursement of the final advance to Licensee required to complete the payment of restoration costs, any such insurance proceeds remaining shall be paid by the Insurance Trustee to Licensee. In no event, however, shall the Insurance Trustee be liable for any amount in excess of the amounts so received and held in trust, and in the event that the cost of restoration exceeds the proceeds of insurance so held, Licensee shall pay such additional cost.

10.03 If Licensee fails to commence such restoration in accordance with the provisions of this Agreement within one hundred eighty (180) days, or having commenced restoration shall fail to complete it in accordance with such provisions with reasonable diligence, and such failure shall continue for a period of fifteen (15) days after notice by County, County may, at its option and upon serving written notice upon Licensee that it elects to do so, make and complete such restoration. In such event, and whether or not this Agreement may have theretofore been terminated by reason of any default by Licensee, County shall have the right, as the restoration progresses, to use and apply the insurance proceeds to the cost of such restoration to the extent that it shall not theretofore have been applied to the payment or reimbursement of costs and expenses of Licensee and the mortgagee in making the restoration.

10.04 If the premises are restored, this Agreement shall continue in full force and effect, except that the payment to County by Licensee may be abated and/or other relief afforded to the extent that the Director may determine the damage and/or restoration interferes with Licensee's operations provided a claim therefor is filed with the Director within one hundred (100) days of notice of election to restore the premises. Any such claim shall be denied, if the destruction of the demised premises is found by the Director to have been caused by the fault or neglect of Licensee. Licensee agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to its operations, and permitting examination and audit of all accounting records kept in connection with the conduct thereof.

10.05 The aforesaid provisions for abatement and/or other relief shall also be applicable to a total or partial destruction of the demised premises by the aforementioned causes, except that the relief to be provided shall be based upon the extent the Director may determine that the reduction in the public's use of the demised premises due to the partial or total closure thereof has affected Licensee operations.

11. CONSTRUCTION BY COUNTY AFFECTING LICENSED PREMISES

11.01 In the event County shall construct or cause to be constructed a new facility for the licensed operation, this Agreement shall continue in full force and effect, except that the payments to be made by Licensee shall be abated and/or other relief afforded to the extent that the Director may determine the construction interferes with the authorized operations, provided a claim therefor is filed with the Director within one hundred (100) days of commencement of construction.

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

11.03 Following completion of the new facility, Licensee shall resume its operations therefrom within thirty (30) days of written notice from the Director that the demised premises are tenantable.

11.04 The aforementioned provisions of this section shall also be applicable in the event of performance of work at Castaic Lake State Recreation Area that requires a partial or total closure thereof, except that the abatement and/or other relief to be provided shall be based upon the extent the Director may determine that the reduction in the public's use of said park due to the partial or total closure thereof, has affected the Licensee's operations.

11.05 Licensee agrees to accept the remedy heretofore provided in the event of construction upon the demised premises, and/or Castaic Lake State Recreation Area and hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may be made available hereafter under the laws and statutes of this State.

12. EASEMENTS

12.01 County reserves the right to establish, grant or utilize easements or rights of way over, under, along and across the demised premises for utilities and/or public access provided that County shall exercise such rights in a manner as will avoid any substantial interference with the operations to be

conducted hereunder. Should the establishment of such easements permanently deprive Licensee of the use of a portion of the demised premises, an abatement of payments shall be provided in an amount proportional to the total area of the premises in the before and after conditions.

13. TAXES AND ASSESSMENTS

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

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

14. NON-DISCRIMINATION

14.01 Licensee hereby certifies and agrees that it will comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, where applicable, and Title 43, part 17 of the Code of Federal Regulations Subparts A and B, and the Americans with Disabilities Act of 1990, to the end that no persons shall, on the grounds of race, creed, color, national origin, political affiliation, marital status, sex, age or disability, be subject to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

14.02 Licensee certifies and agrees that all persons employed thereby, are and shall be treated equally without regard to or because of race, creed, color, national origin, sex, age, marital status, or disability, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1964, the Unruh Civil Rights Act, the Cartwright Act, and the State Fair Employment Practices Act.

14.03 Licensee certifies and agrees that subcontractors, bidders and vendors thereof are and shall be selected without regard to or because of race, creed, color, national origin, sex, age, marital status, or disability.

14.04 All employment records shall be open for inspection and reinspection at any reasonable time during the term of this Agreement for the purpose of verifying the practice of non-discrimination by Licensee in the areas heretofore described.

14.05 If County finds that any of the above provisions have been violated, the same shall constitute a material breach of contract upon which County may determine to cancel, terminate, or suspend this Agreement. County reserves the right to determine independently that the non-discrimination provisions of this Agreement have been violated. In addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Licensee has violated State or Federal non-discrimination laws or regulations shall constitute a finding by County that Licensee has violated the non-discrimination provisions of this Agreement.

14.06 The parties agree that in the event Licensee violates the non-discrimination provisions contained herein, County shall, at its option, be entitled to a sum of TWO HUNDRED DOLLARS (\$200.00) pursuant to California Civil Code 1671 as liquidated damages in lieu of canceling, terminating or suspending this Agreement. Licensee further agrees that TWO HUNDRED DOLLARS (\$200.00) is a reasonable sum under all of the circumstance existing at the time of the execution of this Agreement.

15. ARBITRATION

15.01 Any controversy arising under paragraph 4.02 of Section 4 -(Payment); and paragraph 6.08 - (Prices) of Section 6 - (Operating Responsibilities) shall be submitted to arbitration by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association, as the rules now exist or may be subsequently amended, except as hereinafter modified; the locale for the arbitration shall be the City of Los Angeles; the sole issue(s) for determination shall be the specific issue(s) submitted; and the expenses subject to assessment by the arbitrator shall be borne equally by the parties.

15.01.01 The sole issue for determination of a controversy submitted under paragraph 4.02 shall be the fair rental value for the Boat and Bait License Agreement based upon a consideration of the factors specified in said paragraph.

15.01.02 The sole issue for determination of a controversy submitted under paragraph 6.08 shall be the price(s) charged for the good(s) or service(s) in dispute based upon a consideration of the factors specified in said paragraph.

15.02 County and Licensee acknowledge and agree that paragraph 15.01 constitutes an enforceable agreement to submit the controversy to arbitration under the enforcement provisions of the California Arbitration Act, as the law now exists or may be subsequently amended.

16. SECURITY DEPOSIT

16.01 Upon execution of this Agreement, the Licensee shall pay the Director the following amounts: 16.01.01 Prior to commencement of this Agreement, a sum of Five-Hundred Dollars (\$500.00).

16.02 In lieu of cash payments of the amounts required in paragraphs 16.01.01 and 16.01.02, Licensee may deposit said amount in a bank whose deposits are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) or a savings and loan institution whose deposits are insured under Title 4 of the National Housing Act (12 U.S.C. 1724 et seq.), provided that a certificate of deposit is delivered to the Director giving County the exclusive right to withdraw any or all of said amount during the term of this Agreement. Licensee shall be entitled to any and all interest accruing from said certificate of deposit.

16.03 Said sums shall serve as security for faithful performance of all covenants, promises and conditions assumed herein by Licensee, and may be applied in satisfaction and/or mitigation of damages arising from a breach thereof, including, but not limited to, delinquent payments; improper reporting of gross receipts; correction of maintenance deficiencies; securing required insurance; loss of revenue due to abandonment, vacation or discontinuance of licensed operations; discrimination; refunding of deposits for scheduled future events which are required to be canceled due to abandonment, vacation or discontinuance of the concession operations; completion of construction; a breach of obligations assumed by Licensee herein with respect to the requirements therefore by County, including the payment of mechanic's liens. Application of amounts on deposit in satisfaction and/or mitigation of damages shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.

16.04 In the event any or all of said amount is applied in satisfaction and/or mitigation of damages, Licensee shall immediately deposit such sums as are necessary to restore the security deposit to the full amount required hereunder.

16.05 Said sum shall be returned to Licensee upon termination of this Agreement less any amounts that may be withheld therefrom by County as heretofore provided.

17. CANCELLATION

17.01 This Agreement may be terminated without cause by either party upon sixty (60) days written notice to the other party.

17.02 Upon the occurrence of any one or more of the events of default hereinafter described, this Agreement shall be subject to cancellation. As a condition precedent thereto, the Director shall give Licensee ten (10) days notice by registered or certified mail of the date set for cancellation thereof; the grounds therefore; and that an opportunity to be heard thereon will be afforded on or before said date, if request is made therefor.

17.03 Upon cancellation, County shall have the right to take possession of the concession premises, including all improvements, equipment, and inventory located thereon, and use same for the purpose of satisfying and/or mitigating all damages arising from a breach of this Agreement.

17.04 Action by County to effectuate a cancellation and forfeiture of possession shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.

17.05 Any trustee, beneficiary, mortgagee or lender (hereinafter: Lender) under a hypothecation or mortgage previously approved by the Director shall have the right at any time during the term of this Agreement to undertake any and all action that may be required in order to prevent a cancellation of this Agreement and a forfeiture of the license. Accordingly, the Director shall send a copy of any intended cancellation of this Agreement to any such Lender whose security would be affected thereby, provided that such Lender shall have previously registered with the Director by written notice specifying the name and address of said Lender; and upon request thereof for postponement, extend the date set therefor by such time as the Director finds reasonable in order to allow said parties to correct the grounds therefor or to provide a new Licensee under a power of sale or foreclosure contained in the hypothecation or mortgage, who upon transfer thereto shall become responsible for the correction thereof within such time as may be allowed by the Director.

18. EVENTS OF DEFAULT

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

18.02 The failure of Licensee to punctually pay or make the payments required herein when due, where the delinquency continues beyond ten (10) days following written notice for payment thereof.

18.03 The failure of Licensee to operate in the manner required by this Agreement, where such failure continues for more than ten (10) days after written notice from the Director to correct the condition.

18.04 The failure to maintain the concession premises and the improvements constructed thereon in the state of repair required herein, and in a clean,

sanitary, safe and satisfactory condition, where such failure continues for more than ten (10) days after written notice from the Director to correct the condition.

18.05 The failure of Licensee to keep, perform and observe all of the other promises, covenants, conditions and agreements set forth in this Agreement, where such failure continues for more than thirty (30) days after written notice from the Director for correction thereof, provided that where fulfillment of such obligation requires activity over a period of time and Licensee shall have commenced to perform whatever may be required to cure the particular default within ten (10) days after such notice and continues such performance diligently, said time limit may be waived in the manner and to the extent allowed by the Director.

18.06 The filing of a voluntary petition in bankruptcy by Licensee; the adjudication of Licensee as a bankrupt; the appointment of any receiver of Licensee's assets; the making of a general assignment for the benefit of creditors, a petition or answer seeking an arrangement for the reorganization of Licensee under any Federal Reorganization Act, including petitions or answers under Chapter XI of the Bankruptcy Act; the occurrence of any act which operates to deprive Licensee permanently of the rights, powers and privileges necessary for the proper conduct and operation of the Boat and Bait Concession, the levy of any attachment or execution which substantially interferes with Licensee's operations under this Agreement and which attachment or execution is not vacated, dismissed, stayed or set aside within a period of sixty (60) days.

18.07 Determination by the County, the California Fair Employment and Housing Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by Licensee in violation of State and/or Federal laws thereon.

18.08 Failure of Licensee to keep, perform and observe all other promises, covenants, conditions and agreements set forth herein.

19. DEFAULT REGARDING USE OF COUNTY LOBBYISTS

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

20. IMPROPER CONSIDERATION

20.01 County may, by written notice to Licensee, immediately terminate the right of Licensee to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Licensee, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Licensee's performance pursuant to the Agreement in the event of such termination, County shall be entitled to pursue the same remedies against Licensee as it could pursue in the event of default by the Licensee.

20.02 Licensee shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 OR (800) 544-6861 or to such other number as may be provided to Licensee in writing by County.

20.03 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

21. LICENSEE'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

21.01 Licensee acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers. As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Licensee's duty under this agreement to comply with all applicable provisions of law, Licensee warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

22. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

22.01 Failure of Licensee to maintain compliance with the requirements set forth in paragraph 21.01 (Licensee's Warranty of Adherence to County's Child Support Compliance Program) shall constitute a default by Licensee under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within 90 days of notice by the Los Angeles County District Attorney shall be grounds upon which the County Board of Supervisors may terminate this Agreement pursuant to Paragraph 17 (Cancellation).

23. LICENSEE'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

23.01 Licensee acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Licensee understands that it is County's policy to encourage all County concessionaire's to voluntarily post County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Licensee's place of business. County's District Attorney will supply Licensee with the poster to be used.

24. TERMINATION UPON TRANSFER OF TITLE OR PARK CLOSURE

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

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

25. LICENSEE'S NON-COMPLIANCE AND LIQUIDATED DAMAGES

25.01 In the event the Director determines that there are deficiencies in Licensee's operations authorized and required herein, the Director will provide, as specified herein in the section of this Agreement entitled Events of Default, a written notice to the Licensee to correct said deficiencies within specified time frames.

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

26. PUBLIC RECORDS ACT :

26.01 Any documents submitted by Licensee; all information obtained in connection with the County's right to audit and inspect Licensee's documents, "books, and accounting records pursuant to Section 5.03 (Accounting Records) of this Agreement become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order of court of competent jurisdiction.

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

27. WAIVER

27.01 Any waiver by County of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be

construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of County to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this Agreement or estopping County from enforcing the full provisions thereof.

27.02 No delay, failure, or omission of County to re-enter the demised premises or to exercise any right, power, privilege or option, arising from any default, nor any subsequent acceptance of payments then or thereafter accrued shall impair any such right, power, privilege or option, or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right.

27.03 No notice to Licensee shall be required to restore or revive "time of the essence" after the waiver by County of any default.

27.04 No option, right, power, remedy or privilege of County shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options and remedies given County by this Agreement shall be cumulative.

28. SURRENDER

28.01 Upon expiration of the term hereof, or cancellation thereof as herein provided, Licensee shall peaceably vacate the concession premises and any and all improvements located thereon and deliver up the same to County in a reasonably good condition, ordinary wear and tear excepted, subject to the right of County to demand removal thereof to the extent that Section 2.06 hereinbefore may be applicable thereto.

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

29. INTERPRETATION

29.01 This Agreement shall be interpreted according to the rules which govern the interpretation of contracts, as prescribed in Part 2 of Division 3 of the California Civil Code, commencing with Section 1635.

29.02 The headings herein contained are for convenience and reference only and are not intended to define or limit the scope of any provision thereof.

29.03 The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

29.03.01 "Auditor-Controller": the Auditor-Controller of the County of Los Angeles or an authorized representative thereof.

29.03.02 "County": the County of Los Angeles.

29.03.03 "Director": the Director of the County of Los Angeles Department of Parks and Recreation or an authorized representative thereof.

29.03.04 "Gross Receipts":

29.03.04.01 Except as specifically provided by policy statement issued by the Director, the term "gross receipts" as used in this Agreement, is defined to be all money, cash receipts, assets, property or other things of value, including but not limited to gross charges, sales, rentals, fees and commissions made or earned by Licensee and/or all the assignees, sublicensees, licensees, permittees or concessionaires thereof, whether collected or accrued from any business, use or occupation, or any combination thereof, originating, transacted or performed in whole or in part, on the concession premises, including but not limited to rentals, the rendering or supplying of services and the sale of goods, wares or merchandise.

29.03.04.02 Except as specifically provided below or by policy statement issued by Director, there shall be no deduction from gross receipts for any overhead or cost or expense of operations, such as, but without limitation to salaries, wages, costs of goods, interest, debt amortization, credit, collection costs, discount from credit card operations, insurance and taxes. Bona fide bad debts actually incurred by Licensee or its sublicensees, assignees, licensees, concessionaires and permittees may be deducted from gross receipts. There shall, however, be no deduction for bad debts based on past experience or transfers to a bad debt reserve. Subsequent collection of bad debts previously not reported as gross receipts shall be included in gross receipts at the time they are collected.

29.03.04.03 Except as specifically provided below or by policy statement, gross receipts reported by Licensee and its sublicensees, assignees, licensees, concessionaires and permittees, must include the full usual charges for any services, goods, rentals or facilities provided by Licensee or its sublicensees, assignees, licensees, concessionaires or permittees. Gross receipts shall not include direct taxes imposed upon the consumer and collected therefrom by the

Licensee such as, but not limited to, retail sales taxes, excise taxes, or related direct taxes, which are direct taxes paid periodically by Licensee to a governmental agency accompanied by a tax return statement.

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

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

29.03.06 "Insurance Trustee": County or such bank or trust company as shall be mutually designated by Director or Licensee.

29.03.07 "License": the privilege of engaging in the commercial activities authorized herein on the public property designated therefor.

29.03.08 "Mortgage": a mortgage or deed of trust.

29.03.09 "Mortgagee": a mortgagee or beneficiary under a deed of trust.

29.03.10 "Operational Year": the twelve calendar months commencing with the first calendar month following the issuance of a permanent or temporary certificate of occupancy, whichever occurs first, for the Boat and Bait Concession and each succeeding twelve calendar months commencing with the first calendar month following the anniversary date of the issuance of the earlier of the two certificates.

29.03.11 "Premises": the real property described in the attached Exhibit A.

29.03.12 "State": the State of California.

29.03.13 "Sublicense": any lease, license, permit, concession or other interest in the premises which is granted by Licensee to a third party.

30. RIGHT OF ENTRY

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

30.02 In the event of an abandonment, vacation or discontinuance of operations for a period in excess of twenty-four (24) hours, Licensee hereby irrevocably appoints County as an agent for continuing operation of the license granted herein, and in connection therewith authorizes the officers and employees thereof to (1) take possession of the demised premises, including all improvements, equipment and inventory thereon; (2) remove any and all persons or property on said premises and place any such property in storage for the account of and at the expense of Licensee; (3) sublease or sublicense the premises; and (4) after payment of all expenses of such subleasing or sublicensing, apply all payments realized therefrom to the satisfaction and/or mitigation of all damages arising from Licensee's breach of this Agreement. Entry by the officers and employees of County upon the premises for the purpose of exercising the authority conferred hereon as agent of Licensee shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.

30.03 No re-entry or taking of the premises by County pursuant to paragraph 30.02 of this section shall be construed as an election to terminate this Agreement unless a written notice of such intention be given to Licensee or unless the termination thereof be decreed by a court of competent jurisdiction.

31. INDEPENDENT CONTRACTOR

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

32. CONTRACT ENFORCEMENT AND AMENDMENTS TO THE AGREEMENT

32.01 The Director shall be responsible for the enforcement of this Agreement on behalf of County and shall be assisted therein by those officers and employees of County having duties in connection with the administration thereof. 32.02 In the event either party commences legal proceedings for the enforcement of this Agreement, the prevailing party shall be entitled to recover its attorney's fees and costs incurred in the action brought thereon.

32.03 This document may be modified only by further written agreement between the parties. Any such modification shall not be effective unless and until executed by Licensee and in the case of County, until approved by the Director of the Department of Parks and Recreation.

33. COUNTY'S QUALITY ASSURANCE PLAN

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

34. NOTICES

34.01 Any notice required to be given under the terms of this Agreement or any law applicable thereto may be: (1) delivered by personal service; or (2) placed in a sealed envelope, with postage paid, return receipt requested, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, sub-post office, substation or mail chute, or other like facility regularly maintained by the United States Postal Service. The address to be used for any notice served by mail upon Licensee shall be Pyramid Enterprises, 4780 Pirn Canyon Road, P.O. Box 249, Piru, CA, 93040, Attention: Chet Roberts or such other place as may hereafter be designated in writing to the Director by Licensee. The address to be used for any notice served by mail upon County shall be 301 North Baldwin Avenue, Arcadia, CA 32.02 In the event either party commences legal proceedings for the enforcement of this Agreement, the prevailing party shall be entitled to recover its attorney's fees and costs incurred in the action brought thereon.

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35. SEVERABILITY

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

36. ENTIRE AGREEMENT

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


unenforceable, invalid or illegal.

37. AUTHORIZATION WARRANTY

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

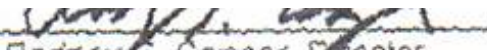
IN WITNESS WHEREOF, Licensee has executed this Director's Agreement, or caused it to be duly executed, and the Director by the authority conferred by the Board of Supervisors upon the Director of the Department of Parks and Recreation by Section 2.26.120 of the Los Angeles County Code, has executed this Director's Agreement on the day and year first above written.

LICENSEE

By 
Chet Roberts, President
Pyramid Enterprises

COUNTY OF LOS ANGELES
Department of Parks and Recreation



By 
Rodney E. Cooper, Director

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By 
Deputy

CASTAIC B&B.mp