



AGENDA REPORT

Meeting Date: February 21, 2012

Item Number: F-7

To: Honorable Mayor & City Council

From: Steven Zoet, Director of Community Services

Subject: AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THREE PREVIOUSLY APPROVED CATERERS TO PROVIDE CATERING SERVICES AT GREYSTONE MANSION

Attachments:

1. Jackson Catering Agreement
2. SRC Event Group Agreement
3. Wolfgang Puck Catering Agreement

RECOMMENDATION

Staff recommends that City Council approve the Agreements between the City of Beverly Hills and the three previously approved caterers for catering services at Greystone Mansion. At the August 16, 2011 Study Session, Council approved a recommendation by staff for Jackson Catering, SRC Event Group, and Wolfgang Puck Catering to be designated the pre-approved caterers for Greystone. These three caterers will provide the food service component for the facility's rental groups who desire such a service. Staff and the legal counsel of each respective caterer have reviewed and approved the attached agreements.

INTRODUCTION

With the completion of the Greystone Mansion catering kitchen, staff, working closely with Arthur M. Manask and Associates, a Burbank based firm which specializes in providing consulting services to the food services and cultural institution industries,

commenced an extensive RFP process in January 2011. The goal was to establish a list of approved caterers who would provide a food service component for the facility's rental groups who desired such a service. This arrangement allows for more diverse food selection and price options and more broadly appeals to the rental community for these reasons, thereby translating into a higher number of expected rentals.

DISCUSSION

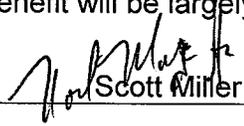
At the August 16, 2011 Study Session, Council approved a recommendation by staff for Jackson Catering, SRC Event Group, and Wolfgang Puck Catering to be designated the exclusive pre-approved caterers for Greystone. Subsequent actions require the development and approval of an operating agreement with each of the approved vendors. Wherever possible, common language has been developed for consistency and standard expectations of all approved vendors. Since certain components such as vendor provided discounts to City functions and the amounts they would spend to host events to further the public's awareness of the facility and their services were proposed separately each agreement is customized to include these variances.

Each of the three vendors have stated that they will be marketing the venue to a diverse group of clients, including corporate and non-profit clientele from Monday through Friday daytime use which is where the City hopes to capture additional uses and income. Weekends have historically and will continue to be an easy sell for weddings and similar private events.

FISCAL IMPACT

There will be no costs incurred by the City in the approval of these agreements and facilitating the pre-approved caterers at Greystone Mansion. Based on information requested in the RFP, and included in the respective Agreements, it is anticipated that additional annual income from catering operations should range from \$100,000 to \$115,000 beginning with the second year of operation. This amount is separate from room rental and other non food service fees that will also be generated.

The approved caterers will pay the City a minimum annual dollar commission starting in contract year two (2) allowing for all caterers and the City to get established the first year of operation. It is anticipated that the annual minimum commission will increase by a minimum of ten percent (10%) in contract year three (3) and the same each year thereafter to reflect the caterers' sales, marketing and advertising efforts. Vendors understand that there is no guaranteed or minimum assurance of business being provided them by entering into an agreement with the City and that their financial gain and benefit will be largely conditioned on their bringing business to the facility.



Scott Miller
Finance Approval

Steve Zoet 

Approved By

Attachment 1

THE CITY OF BEVERLY HILLS

APPROVED CATERER LICENSEE AGREEMENT

This Agreement made and entered into this 1st day of March, 2012 (the "Commencement Date"), by and between the **City of Beverly Hills** (hereinafter referred to as the "City") for services located at **Greystone Mansion** (hereinafter referred to as "Greystone") and **Jackson Catering LLC** (hereinafter referred to as "Licensee" or "Approved Caterer").

Whereas, Greystone Mansion is located at 905 Loma Vista Drive, Beverly Hills, CA 90210 (hereinafter referred to as "Location");

Whereas, Licensee is a qualified event caterer approved by the City to provide Catering Services (defined below), on a non-exclusive basis, at events to be held at the Location during the term of this Agreement, except as otherwise stated in this Agreement;

Now therefore, in consideration of the terms, covenants and conditions hereinafter contained it is agreed upon between the parties as follows:

I. DEFINITIONS

- A. "Agreement Year" shall refer to each one year period commencing from the Commencement Date and terminating at midnight one year thereafter, unless terminated earlier as set forth in Section III.
- B. "Alcoholic Beverages" shall refer to all alcoholic drinks, beers and wines, regardless of where they are provided at the Location, in what packaging or format, or to whom they are provided that Licensees have a license to sell and serve.
- C. "Catering Services" shall refer to any food or alcoholic beverage function of multiple customers where payment for the entire function rests with one individual, company or entity including the City.
- D. "Catering Contract" shall refer to a contract between Licensee and User.
- E. "City Sponsored Events" shall refer to any City or City-related Catering Services, including the Friends of Greystone ("FOG"), at the Location as indicated/specified by the City at the time of ordering/requesting.
- F. "Commissions" are the percentages of Gross Receipts paid by Licensee to the City.
- G. "Direct Operating Costs" are the actual out-of-pocket costs of the Catering Services operation incurred at the Location paid by the Licensee. These costs include the actual Licensee expenses including on-site payroll, payroll taxes, fringe benefits, food costs, and the other operating expenses, such as rentals, repairs and maintenance to City or third party furniture, fixtures or equipment caused by Licensee employees or Licensee contracted staff, cleaning and office supplies.

- H. "User" shall refer to any individual, organization, company or other entity, including the City and City departments that rents, or is granted the right to rent or use the Location or portion of the Location for a function.
- I. "Gross Receipts" shall mean the food, beverage and alcoholic beverage billing portion of Gross Receipts actually received or earned by Licensee from the Catering Services, less only (i) retail sales taxes and other direct taxes imposed upon receipts collected from the User; (ii) fees and charges on credit card transactions, if added to Gross Receipts, and (iii) billed or User added tips, service charges and gratuities paid to Licensee's employees. Gross Receipts includes the sale (or rental) of flowers, décor, equipment rentals or any other products or services provided by Licensee to User but does not include charges assessed by third-party vendors to User whether directly billed by the third-party vendor to User or through the Licensee to User. Commissions (payments based on a flat fee or percentage of gross sale to User) or up charges received by Licensee from third party vendors are considered part of Gross Receipts. Any products or services sold by Licensee to User, not through or affiliated with any third-party vendors shall be included in Gross Receipts as detailed hereinabove. In the event a User billing is based on a package price whereby food and other services are sold for a lump-sum or flat amount, Licensee agrees to identify the food, beverage and alcoholic beverage portion of the User price separately to the City. The dollar amount of the food portion of the package price shall be reasonable, in the City's opinion, and consistent with the food billing for similar menus that are sold by the Licensee.
- J. "Special Event Agreement" shall refer to the agreement between City and User to utilize the Location or portion of the Location for a function.

II. LICENSE GRANTED

- A. City hereby grants to Licensee the non-exclusive right and privilege to provide the Catering Services at the Location in accordance with the terms and provisions set forth herein, when Licensee has executed a Catering Services contract with a User of the Location. Licensee will be listed and published by the City as an "Approved Caterer." Licensee may provide event planning and related services to Users provided such services are services that Licensee has experience providing and routinely provides to all its customers and clients.
- B. Licensee's responsibilities, detailed throughout this Agreement, do not apply at events where Licensee is not providing the Catering Services.

III. TERM & TERMINATION

- A. The term of the Agreement shall be for a period commencing on the Commencement Date and expiring at midnight three years thereafter (February 28, 2015).
- B. Either party, upon a minimum of thirty (30) day's prior written notice may terminate this Agreement at any time, for any reason. In the event of termination of this Agreement, for any reason, Licensee will be permitted to provide Catering Services at Location for any User that has a fully executed Special Event Contract with the City and a signed Catering Contract with Licensee after the date of termination of the Licensee Agreement. In the event the Catering Contract is not fully executed, City reserves the right, subject to User approval and agreement, to refer the User to one of the City's Approved Caterers whose Licensee Agreement is in full force and effect. Commissions, as

detailed in Section IV of this Agreement will be due for each and every event catered by Licensee after the date of termination.

IV. FINANCIAL TERMS

- A. **Commission:** As consideration for Licensee having the right to provide Catering Services, Licensee shall pay the following Commissions to the City. City Commissions shall not be added to User billings. Commission amounts shall be included in menu/food prices provided by Licensee to Users.

Annual Gross Receipts	Percentage of Gross Receipts
\$ - 0 - to \$250,000	10%
\$250,001 to \$500,000	8%
\$500,001 to Above	6%

Commission and annual minimum dollar payment to the City: Licensee agrees to pay a dollar minimum as detailed on **Exhibit B** starting year two, as of March 1, 2013, of the Agreement. This minimum payment will be applied against the Commission payment detailed in paragraph A in this Section IV. The City expects that the annual minimum commission will increase by a minimum of ten percent (10%) in contract year three (3) (beginning March 1, 2014) and the same each year thereafter to reflect your company's sales, marketing and advertising efforts. In the event the total Commission payments for the current Agreement Year is not at least equal to the dollar amount of the Minimum Annual Guarantee for the same year, Licensee will pay the City difference in accordance with the payment terms and conditions in this Agreement. In the event of termination of this Agreement for any reason, this minimum annual payment shall be pro-rated based on the actual number of calendar days this Agreement had been in effect for the current Agreement Year.

- B. **City Discount:** Licensee shall provide a discount as detailed on **Exhibit B** off its standard retail menu prices for all Catering Services provided for City Sponsored Events during the term of this Agreement and call out what the discount applies to. Furthermore, Licensee shall not impose any service charge (a percentage added to the billing) or gratuity on City Sponsored Events. Licensee shall not be required to pay a commission on City Sponsored Events for which the City has received a discount from Licensee.
- C. **Annual Marketing Event:** Licensee agrees to host (1) annual marketing event per year at Greystone up to a maximum of 250 guests. The City will consider alternative marketing event(s) each year provided such alternative(s) are presented to and approved by the City in June of each Agreement Year or such other date as mutually agreed to in writing between the parties. Licensee agrees to spend a minimum of Ten Thousand Dollars (\$10,000) on each marketing event (or City approved alternative event) each year during the Term of the Agreement as per the terms included in the RFP submission. This dollar amount is based on actual out-of-pocket costs to Licensee including food, all beverages, supplies, linen/laundry, rentals, staffing, etc. and does not include any Licensee vendor donated services or products.
- D. **Licensee Reporting:** Licensee shall furnish a complete and accurate sales report, copies of supporting User invoices/billings (including menu and other pricing, guest counts and related

data as may be reasonably requested by the City) and copies of any Licensee subcontractor billings and/or commission statements applicable to the User event and a check for the amount of the payments due to the City as detailed in this Section IV for each event no later than thirty (30) days following each calendar month during the term of this Agreement, whether collected from the User or not. Payments not received within thirty (30) days after each calendar month shall be subject to an interest charge equal to one and one-half percent (1 ½%) of the unpaid balance. Within thirty (30) days after the end of each Agreement Year during the term of this Agreement, Licensee shall provide the City a summary of the immediate past Agreement Year including but not necessarily limited to a listing of all events catered by Licensee, guest counts, name of User (including City sponsored events), total billing (broken down by food, service and other key categories) and percentage payments made to the City as per this Section IV. This annual summary, as applicable, will also include a remittance for any shortfall whereby the percentage payments have not at least equaled the Minimum Annual Guarantee.

- E. **Kitchen Use and Cleaning Fee:** City will hire its own cleaning service to clean the kitchen after each event. City will charge User directly for cleaning fees.
- F. **Responsibility:** Licensee is solely responsible for the payments to the City when due, regardless of whether Licensee has received payment from User. Licensee is solely responsible for the collection of monies from the User. The commission payment is to be calculated based on the Gross Receipts on the final invoice provided to User and City and based on Catering Services Contract originally entered into with User (as may have been modified or amended), or actual amount paid by User for such services, whichever is greater.

V. MAINTENANCE, RULES & REGULATIONS

- A. **Inspection of Location:** City and Licensee's representatives will conduct a check-listed review based on the condition Licensee leaves the Location after each event. Review will note any maintenance deficiencies in the opinion of the City. If Licensee does not correct any or all of such deficiencies before its departure, Licensee will be responsible for City's cost to remedy any such deficiencies to City's full and complete satisfaction upon presentation of a billing to Licensee for such maintenance over and above the Section IV-E Kitchen Use and Cleaning Fee. Licensee shall reimburse City immediately upon receipt of such billing. Fines starting at \$250.00 will be assessed for any repeated offenses that have been provided to the Licensee in writing. The Licensee will also be responsible for any damage caused to Greystone by their staff members. The damage will be documented and an invoice will be submitted for the remedied work. In the event Licensee receives three (3) fines in any given Agreement Year, Licensee will not be permitted to provide Catering Services at the Location until such time as City has determined that Licensee has and will correct any deficiencies to ensure satisfactory post event review will be received in the future.
- B. **Damages to Greystone Premises:** Licensee shall be responsible for the full and complete cost of any damages to Greystone's premises, equipment, furnishings, exhibits and the like caused by Licensee's employees, agents, subcontractors, and invitees. The City will be responsible for its employees, agents, subcontractors, and invitees at Greystone. Licensee agrees to make every effort to protect Greystone premises, equipment, furnishings, exhibits and the like when at the Location.

- C. **Cleaning & Sanitation:** Licensee must, in accordance with all applicable laws, ordinances, rules and regulations, maintain all assigned areas in a clean, sanitary, and orderly fashion, including adjacent areas.
- D. **Janitorial Services:** City shall provide janitorial service for all areas Licensees may, subject to City prior approval, provide compactors at Licensee cost and expense.
- E. **Trash & Garbage Removal:** Licensee shall deposit in receptacles provided by Licensee all waste, garbage and refuse which shall accumulate in the assigned areas and other space allotted to it in good, clean and sanitary condition. Licensee must follow the City's recycling procedures as detailed on **Exhibit C**. If an event is expected to have more than 350 people in attendance, then City will provide an additional dumpster, which City will charge User directly for via its permitting fees.
- F. **City Rules & Regulations:** Licensee will comply with all City rules and regulations as detailed in **Exhibit A** and any others as provided in writing by City to Licensee from time to time during the term of this Agreement, when providing Catering Services at the Location.
- G. **Laws & Ordinances:** Licensee will comply with and observe all federal, state and local laws, ordinances and regulations as to sanitation and the purity of food, beverages and alcoholic beverages relating to its operation and services under this Agreement at the Location and at the Licensee's kitchen(s) and with any vehicles and/or transportation used to deliver food and/or supplies to the Location.
- H. **Sustainability:** The City practices sustainability in all areas of operations and expects its contracted vendors to do the same. The City expects Licensee to recycle by using biodegradable products and separate its waste stream for recyclable materials. The City reserves the right to reasonably modify the terms and conditions in this Section H during the term of this Agreement upon written notice to Licensee.

VI. UTILITIES

- A. City shall provide Licensee, at no cost, HVAC, gas, electricity and water for the Catering Services operation as currently is available at the Location and in the City catering kitchen. Licensee must provide any additional utility requirements. The City shall determine where Licensee shall access water, gas and electricity. Licensee shall at all times utilize prudent energy management.
- B. City shall not be liable or responsible for any failure to furnish services, such as electricity or water in the event of circumstances beyond the City's control. Furthermore, City shall not be liable or responsible for any consequential economic or property loss or damage caused or brought about by any such occurrence.
- C. If any Licensee owned or furnished equipment damages any of the City's utilities or services (electricity, water, gas, drain lines), Licensee shall be solely responsible for any repair or maintenance costs.

VII. LICENSEE PERSONNEL & STAFFING

- A. Licensee shall employ, train and supervise personnel and staff with appropriate qualifications and experience in sufficient numbers to provide all services appropriate for the operations granted under the Agreement.
- B. All Catering Services personnel are employees of Licensee (or employees of a staffing agency utilized by Licensee) and not employees of the City and Licensee represents that all such employees and contract employees are legally able to work in the United States and will provide City written documentation upon City's reasonable request. Licensee shall at all times be an independent contractor, and the Agreement shall not in any way create a partnership or joint venture between the Licensee and the City. No agent, servant, staff or employee of Licensee shall under any circumstances be deemed an agent, servant, staff person or employee of the City.
- C. Advance written and verbal notification of any key management changes must be provided to the City prior to announcing publically.
- D. Licensee must conduct regularly scheduled training sessions for all personnel. At a minimum, training sessions must include customer service techniques, safe food handling, alcohol awareness ("T.I.P's"), sanitation, and health programs. Licensee shall provide a written copy of its bartender alcohol awareness training program to the City and such training program shall be subject to the prior review and approval of the City.
- E. Licensee shall not employ any person or engage in the services of any staff who shall display any unacceptable behavior. Unacceptable behavior includes, but is not limited to: use of overt and offensive vulgarity, use of overtly offensive personal insults, any form of harassment or threatening remarks or behavior, disruptive behavior such as yelling, pushing, groping etc. at the Location.
- F. Licensee employees and staff shall be clean, courteous, efficient and properly trained in their respective areas of responsibility. Employees shall be attired in clean uniforms at all times when at the Location, and, upon the request of the City, Licensee shall provide each employee and staff person a Licensee name badge that shall be worn at all times when at the Location.
- G. All Licensee employees and staff shall utilize City designated changing areas, not public restrooms at the Location.
- H. Licensee will transfer, remove or relieve from duty any employee or staff person from any event on the City's premises upon City's request.
- I. City shall have the right to request a list of Licensee's employees and staff, including social security numbers for security purposes, in advance of an event with security requirements.
- J. Licensee's employees and staff will cooperate with City's employees as it relates to alcoholic beverage service and consumption in order to provide the best possible service to Greystone visitors/groups.
- K. The manager of Licensee's operations and a representative of the City shall consult regularly, with reference to the services of Licensee at the Location, to review such services and to provide services in a proper manner for persons attending the Location. Licensee shall provide the level of

services and products detailed in their Catering Contract with their customer and at a level approved by the City.

- L. Licensee's employees and staff shall be admitted to Location without payment of an admission fee at an entrance to be designated by the City, in such numbers as Licensee may reasonably require for conducting its services at the Location.
- M. City shall not provide parking for Licensee staff; provided, however, that Licensee's staff may park on the Greystone premises if parking is available. The City will make every effort to accommodate Licensee's employee and staff access to Greystone entrances, loading areas, etc. consistent with the rules and regulations applicable to all City contractors.
- N. City is not responsible for the personal belongings of Licensee employees, staff or subcontractors.
- O. Licensee shall furnish all common and skilled labor to stock, set-up, dismantle, move and remove Catering Services equipment and rentals.

VIII. PRODUCTS & SERVICES

- A. **Inventories:** Licensee shall order, stock, prepare, pay for and sell appropriate foods, alcoholic beverages, equipment and supplies that are necessary to provide the services contemplated under this Agreement and Licensee's contracts with Users in accordance with all applicable laws and regulations. Title to said products should remain vested in Licensee. Licensee may store items detailed in this Section A in the kitchen dry and refrigerated storage areas in the City kitchen provided such storage does not commence earlier than the time of arrival and Licensee removes all items at end of the respective catered events. The City will have no responsibility or liability with respect to the storage or safeguarding of these items.
- B. **Quality:** Consumables (food and alcoholic beverages) shall be first quality, wholesome and pure, and all products on hand shall be stored and handled with due regard for sanitation, Hazard Analysis Critical Control Point ("HACCP") food safety system requirements and the health and safety of City staff, visitors and Users.
- C. **Alcoholic Beverage Service:** Licensee shall provide and contract with a User for Alcoholic Beverage Services. Licensee shall be responsible for the set-up, sale and service of alcoholic beverages. Licensee will provide bar set-ups as needed. The pricing for all services in this section shall be as mutually agreed between the Licensee and User.
- D. **Exclusive Pouring Rights:** Licensee agrees to honor any exclusive pouring or serving rights agreements that might be in place with the City at some future date provided the service or sale of such products does not create a financial hardship on Licensee. If Licensee's use of any such product creates a financial hardship, Licensee shall provide written documentation of such hardship, including but not limited to supporting documents for City's review and consideration. City agrees to mitigate any financial hardships in this regard.

IX. LICENSES AND TAXES

- A. Licensee will provide, concurrently with the delivery of a fully executed original of this Agreement, and on each anniversary date thereafter, copies of all business licenses and permits required to do

business in the City of Beverly Hills and State of California, including, but not limited to Health Department License, Alcoholic Beverage Licenses, Business Licenses and Resale Permits, renewals and the like. Failure to maintain copies of current (no expired) permits on file with City shall, at City's option, be cause for immediate cancellation of this Agreement.

- B. Licensee shall pay for Direct Operating Costs and obtain all licenses and permits necessary for the operation of said business.
- C. Licensee agrees to conform to the terms and provisions of all applicable federal, state and municipal authorities and promptly when due, pay all taxes assessed against Licensee by such taxing authorities.
- D. Licensee shall pay its portion, as employer, of all social security, unemployment insurance, old age retirement and other federal, state and local taxes, which are measured by the wages, salaries or other remuneration, paid to persons employed by Licensee.

X. ADVERTISING

- A. All advertising rights at Location belong to the City.
- B. Licensee shall not advertise any brand names in the Location without the written approval of the City.
- C. Licensee shall not use the name or logo of the Location or City on any material without the prior written approval of the City, which approval may be not be unreasonably withheld. If Licensee is using the City or Location name, logo, photographs as of the date of this Agreement in any printed materials of Licensee, the Licensee agrees to provide a copy of all such material(s) to City concurrent with the delivery of a fully executed original of this Agreement with a writing detailing the approximate quantity on-hand and how long this quantity (or quantities) will last. All subsequent reprints and/or new material will be subject to the City's prior review and written approval.
- D. City will permit Licensee to use the City and Location name, logo and City printed material to advertise and promote the fact that Licensee is an Approved Caterer (provided Licensee does not provide any indication or implication of exclusivity) in its brochures, web site and other promotional material. In this regard Licensee will submit samples of all such use of City and Location name, logo and related uses to City for prior review and written approval, which approval may be not be unreasonably withheld. In the event of termination of this Agreement, for any reason, City shall have no responsibility for any printed or other materials that Licensee needs to change or discard as a result of such termination. In addition, Licensee agrees to remove any and all reference to City and Location name, logo and other identity from any and all Licensee materials within thirty (30) days after the termination of this Agreement.

XI. OPERATING REQUIREMENTS

- A. **User & User Contract:** Licensee may provide Catering Services upon request of User. Licensee may execute a Catering Contract with User; provided, however, that such Catering Contract shall be made contingent upon the City receiving a signed Special Event Agreement, Certificate of Insurance and required deposit from User.

- B. **Other Contractors.** Licensee shall not interfere with any other City contractor, City employee or any employer of any other contractor working at the Location.
- C. **Kitchen & Preparation Areas:** City shall make available one or more pre-determined kitchen/preparation area(s) for Licensee's Catering Services. Licensee may begin set-up of kitchen/preparation area up to three (3) hours prior to event start time per User's Special Event Agreement. City will, upon Licensee request, occasionally permit kitchen/preparation area set-up earlier than three (3) hours before the start of the event. These exceptions will be considered on a case-by-case basis in the sole discretion of the City. If the City has staffing costs associated with Licensee's time of set-up, City will advise Licensee and Licensee agrees to pay City staffing costs, if any, during set-up and clean-up times.
- D. **Licensee Set-Up:** Licensee's event preparation in guest area(s) shall not take place until the close of normal Location operating hours unless otherwise approved by the City in writing.
- E. **Event Clean-Up:** Unless otherwise approved by City, in writing, in advance of a specific event, Licensee shall have all Licensee owned goods, product and equipment removed and completion of clean-up maintenance of Location within two (2) hours after the event end time per User's Special Event Agreement. If the size and/or complexity of the Licensee event requires more than two (2) hours to clean-up, Licensee must advise the City of their needs in this regard at least ten (10) days before the event or as soon as practical, and the City will make every effort to accommodate Licensee's reasonable requests in this regard. There will be an additional charge of \$150 per hour for additional time required.
- F. **Licensee Property Removal:** Licensee shall not store any Licensee owned or subcontractor owned goods, product, or equipment at the Location without the prior written approval of the City. Any such property not approved shall be considered abandoned, and at City's option, be removed and stored by City at Licensee's expense or disposed of in any manner City deems appropriate.
- G. **City Inspection:** City has the right to inspect all Catering Services and Licensee's containers, Licensee's employees and staff's backpacks, purses, boxes and the like that is removed from the Location by Licensee's employees, staff and/or subcontractors.
- H. **City Right of Access:** Nothing herein contained shall be held to limit or qualify the right of City to a free and unobstructed use, occupation, and control of the Location, or of City's right of ingress and egress to the Location for itself, its other Licensees, and the public. Representatives of City shall have the right to enter upon and have access to all spaces occupied by Licensee at any time.
- I. **Rental Equipment:** Licensee shall provide the necessary rental items including, but not limited to, food service equipment, food prep tables, plates, stemware, flatware and linens that is not already provided in the catering kitchen. Licensee will be responsible for skirting and dressing Catering tables as detailed in their Catering agreement with User and at a level approved by City.
- J. **Floor Covering:** Licensee shall provide the necessary floor covering, at City's discretion, under display cooking or buffet tables, bars and kitchen/prep/service areas to protect floor or floor coverings.
- K. **Use of City Property:** Licensee shall not be permitted to use any City property without City prior written approval.

- L. **Emergency Procedures:** Licensee shall be expected to follow City's emergency plan procedures as directed by City Event Supervisor.
- M. **Licensee Invoicing of Users:** Licensee shall invoice User on an invoice form and in a format approved by City. This form can be the form and format currently used by Licensee provided it has been reviewed and approved in advance by City.
- N. **Licensee Menus and Pricing:** Licensee agrees to provide a variety of menus, menu items and prices covering very small to very large events in order to appeal to a broad range of prospective Users. Licensee menu prices shall be consistent (based on similar menus) with the pricing submitted by Licensee in December 2010 in response to the City's Approved Caterer Request for Proposal. This is very important to the City in consideration of the City granting this Agreement to a limited number of approved caterers. Licensee shall prepare written menus for Users (including City sponsored events) at the Location in a form approved by the City.
- O. **City Catering Services Surveys:** City may provide each User an online survey following their event covering the Location and Licensee services. This survey in part will be used to rate the performance of the Licensee. All Licensees (approved caterers) will be expected to maintain a minimum rating by all Users. In the event the Licensee receives three (3) negative reports in a row, the City reserves the right to terminate this Agreement forthwith if an acceptable solution cannot be found between City and Licensee. Copies of these surveys will be provided to Licensee upon receipt from User upon request.
- P. **Licensee Catering Services Surveys:** If Licensee does any formal surveys (written or other) with any User of Location, Licensee agrees to provide a copy of the results of such survey(s) to the City at least every three (3) months during the term of this Agreement.
- Q. **City Orientation & Training:** Licensee agrees to participate in City sponsored orientation and training sessions at the Location as a condition of being on the Approved Caterer list. The City will advise Licensee, in writing, at least two (2) weeks before any scheduled sessions. Licensee agrees to have at least two (2) key Licensee senior staff in attendance at each session.

XII. CITY BUILDINGS AND PROPERTY

- A. Licensee shall not permit any waste, injury, or damage upon or to the Location. At the expiration of each Catering event, Licensee shall leave the Location in at least the same condition as at the commencement of the event.
- B. Licensee and/or its employees shall not erect, maintain or keep at the Location any structure or equipment of any kind without the prior written approval of the City. In addition, Licensee shall not make any alterations in, or additions to, nor post any signs upon any part of the Location without the prior written approval of the City.
- C. Licensee shall not remove any article, furniture, fixture or equipment or other property furnished to the Location by a third party without the express written permission of City and/or third party.

XIII. INSURANCE AND INDEMNIFICATION

- A. Licensee shall defend, indemnify and hold harmless City and its officers, trustees, agents and employees from and against all claims, damages, losses, and expenses, including attorney's fees arising out of or resulting from the acts, whether active or passive, errors, omissions, conduct or operations of Licensee, provided that any such claim, damage, loss, or expense (1) is attributable to bodily injury, sickness, disease, or death or to injury to or destruction of tangible property, including the loss of use resulting there from, and (2) is caused or is claimed or alleged to have been caused, in whole or in part, by any negligent act, whether active or passive, error, omission, conduct, or operation of Licensee, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable; or (3) is caused or is claimed to have been caused, in whole or in part, by any food, beverage, alcoholic beverage or product sold or service rendered by Licensee, its agents, employees, or subcontractors.
- B. Licensee shall at all times during the term of this Agreement subscribe to and comply with the Workers' Compensation and Laws of the State of California and pay such premiums as may be required thereunder and save City harmless from any and all liability arising from or under such act with limits of not less than those required by State Law.
- C. During the term of the Agreement, the following insurance coverage (collectively, the "Policies") shall be kept in full force and effect continually and may be increased to meet the current needs of the Location. These expenses and costs shall be a Direct Operating Cost of Licensee.
1. Comprehensive general liability (occurrence form) (including premises operations liability inclusive of broad form contractual liability, bodily injury and property damage, personal injury, products and completed operations, independent contractors, and medical payments), with policy limits of \$2,000,000 per occurrence combined single limit.
 2. Workers' Compensation insurance as required by the State of California.
 3. Business Automobile Liability, including owned, non-owned and hired and leased vehicles: \$1,000,000 combined single limit for each occurrence.
- D. Greystone and the City of Beverly Hills shall be named as additional insureds under all of the Policies as their interests may appear, except the Workers' Compensation Policy. Licensee coverage under all Policies shall be primary and non-contributory with coverage purchased by the City.
- E. Licensee shall deliver to the City at least forty-eight (48) hours prior to the date on which coverage is to be provided a certificate evidencing the required coverage. City reserves the right to request certificate(s) of insurance from subcontractor(s) of Licensee. Licensee agrees to provide such certificate(s) in form and substance acceptable to the City, at least forty-eight (48) hours in advance of the date coverage is required. City may, at City's option, not allow the subcontractor(s) to work on City's premises,
- F. Certificates of insurance must state that the insurance policy will not be cancelled or non-renewed without at least seven (7) business days' advance written notice to the City.

- G. All insurance provided by Licensee hereunder shall be with insurance carriers that are 1) licensed to do business in the State of California and 2) have an A.M. Best rating of A-VII or better as listed in the most recently published A.M. Best Key Rating Guide.

XIV. DEFAULT

- A. In the event that Licensee shall fail to perform, keep and observe any of the terms, covenants and conditions of the Agreement to be performed, kept or observed, such as failing to pay the correct amount of money due to the City, City may give Licensee written notice of such default. In the event such default is not remedied or steps taken to remedy such default to the satisfaction and approval of City within thirty (30) days of receipt of such notice, Licensee shall have no right to further operate under the Agreement.
- B. Should Licensee be placed into bankruptcy either voluntarily or by the courts, or should Licensee become financially insolvent and unable to perform its duties under the Agreement, City may immediately place Licensee in default and terminate the Agreement.
- C. City retains the right to immediately terminate the Agreement if Licensee's Catering Services receives more than the allowable unsatisfactory quality ratings, as defined by the City, from the Users.
- D. Licensee in accepting this Agreement agrees that City shall not be liable for prosecution for damages in the event that City declares Licensee in default.

XV. ASSIGNMENT; SUBCONTRACTING

- A. Licensee shall not transfer, convey, assign nor permit the use of the rights, privileges or premises granted under the Agreement in whole or in part to any other person, firm or corporation without the City's prior written approval.

XVI. REPORTING & ACCOUNTING

- A. **Maintenance of Books & Records and Right to Audit:** Licensee shall maintain accurate books and records in connection with Gross Receipts at the Location and shall retain such records for a period of at least four (4) years following the conclusion of the Agreement Year. City shall have the right, upon reasonable notice being given to Licensee, to review and to audit Licensee's records of Gross Receipts at Location.
- B. **Results of Audit:** If, upon independent examination of Licensee's records and the data provided to City by Licensee, City discovers that the commissions due to City pursuant to this Agreement have been understated, City shall notify Licensee of the deficiency, and Licensee shall pay to City the amount of such deficiency plus interest thereon at the lesser of (i) the rate of ten percent (10%) or (ii) the maximum rate allowable by law from the date payment of such sums was due until the date paid. If such independent examination reflects an underpayment of five percent (5%) or more of the sums due during the relevant period, Licensee shall pay City's reasonable costs of such examination.

- C. **User Catering Proposal:** After the User has contracted for rental at the Location, Licensee shall provide City with a preliminary Catering Proposal, showing the User's name, address and phone number, menu, guarantee and price per person.
- D. **Event Summary & Final User's Invoice:** Licensee shall provide to City, in a format directed by City, a written summary of each event, and copies of the final User's Catering invoice and final User's Catering contract.
- E. **Failure to Pay On-Time:** Failure to pay the commissions on time and in accordance with Section IV will result in default by Licensee and Licensee cannot perform any further services at the Location.

XVII. LAWS, REGULATIONS AND DIRECTIVES

- A. Licensee will use the Location for no purpose other than specified in the Agreement and the business conducted thereunder will be operated in strict compliance with all laws of the United States and the State of California and with all health and fire codes and all applicable rules and regulations issued pursuant to the said laws.
- B. Licensee and its agents agree that it shall use the utmost care not to damage or abuse any of the facilities and shall observe and abide by the policies and procedures of said facilities as outlined by City Special Event Account Manager and as described in **Exhibit A**.
- C. Licensee shall not permit the Location, or any part thereof, to be used for any unlawful or immoral purpose or in any manner as to injure persons or property in, or on or near said premises, and upon termination of this Agreement it shall deliver to City the premises in as good condition and repair as the same shall be found at the beginning of the term, subject to normal wear and tear. City shall not require Licensee to perform unlawful acts.

XVIII. NONDISCRIMINATION

- A. Licensee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, sexual orientation, national origin or disability.

IXX. GOVERNING LAW

- A. This Agreement shall be governed by, constructed and enforced in accordance with the laws of the State of California.

XX. NOTICES

All notices under this Agreement shall be addressed to:

For City:

City Clerk's Office
c/o Mr. Steven Zoet, Director
Community Services Department
455 N. Rexford Drive, Suite 290
Beverly Hills, CA 90210

or to such other person or place as City may designate in writing.

And for Licensee:

Jackson Catering LLC
Attention: Heidi Jackson, President of Sales/CFO
3515 W. Washington Blvd.
Los Angeles, CA 90018

XXI. OTHER TERMS AND CONDITIONS

- A. Licensee may bid on the following City sponsored events; provided, however, because of the City's limited budget, the City reserves the right to utilize a caterer or food service provider who is not on the approved list to provide services for the following events:
- 1) Annual Private Non-Profit Events:
 - a) Beverly Hills Bar Association
 - b) Kidstock
 - c) L.A. Food Bank
 - 2) City-Sponsored Events:
 - a) Concours d'Elegance
 - b) Design Show House
 - c) Teas
 - d) Music in the Mansion Concerts
 - e) Shakespeare in the Park Theatrical Performances
 - f) Catskills Summer Camp Performances
 - g) Father/Daughter Dinners
 - h) Volunteer Recognition Event
 - i) Friends of Greystone (FOG) Events
 - 3) Private Events:
 - a) Food Festivals (such as a "Taste of Beverly Hills")
 - b) Wine Festivals (tasting festivals)
 - c) Events for which User is paying the all day Greystone closure fee and for which User already has a caterer in mind.

In addition, the City reserves the right to add additional events to be held at Greystone without having to use a caterer on the approved list; provided, however, Licensee may bid on such events in which a caterer is sought.

- B. The Licensee acknowledges that City reserves the right to receive donated food, beverages and supplies for City sponsored catered events and Licensee agrees, if Licensee is providing any Catering Services for such event to reasonably accommodate and handle such donations. The City will order the balance of its needs for such City sponsored catered events from Licensee.
- C. In the event the City is hosting a "Taste Event" (such as allowing various restaurants to set-up and serve food for a City sponsored event), then and in that event one or more of the Approved Caterers would be asked for a proposal to manage the event at an agreed upon cost, terms and conditions. In the event one of the City Approved Caterers did not want to handle the management of the event or could not handle the management of the event based on a mutually agreed cost, terms and conditions, the City reserves the right to contract such management services with a caterer (or firm) that is not on the Approved Caterer list.
- D. Licensee has provided the City a list of clients ("Users") where Licensee has signed contracts or deposits for events at the City in the year 2012 and beyond. City agrees that any formal Licensee proposals and pricing and/or contracts signed prior to March 1, 2012 by Licensee and any Users will not be subject to commission under the terms of this Agreement. Such contracts/proposals will be subject to the reporting requirements under this Agreement. Licensee agrees to update this list upon City request from time to time during the term of this Agreement.
- E. Commercial Film Productions. Film production companies that may film at Greystone often use their own caterer/food service vendor. Although the City will provide such film production companies with the list of approved Greystone caterers, Licensee should not expect to be the caterer for any filming that may occur at Greystone.

EXECUTED the 21st day of February, 2012, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

BARRY BRUCKER
Mayor of the City of Beverly Hills,
California

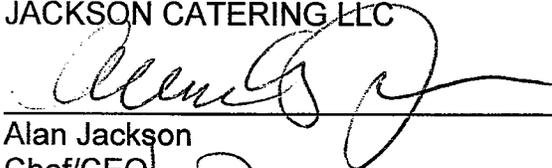
ATTEST:

BYRON POPE
City Clerk

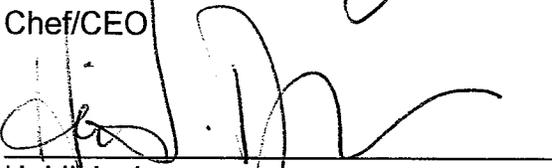
(SEAL)

LICENSEE:

JACKSON CATERING LLC

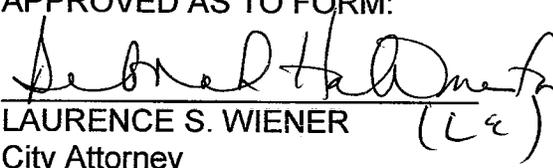


Alan Jackson
Chef/CEO



Heidi Jackson
President of Sales/CFO

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



STEVE ZOET
Director of Community Services

JEFFREY KOLIN
City Manager



KARL KIRKMAN
Risk Manager

EXHIBIT A

I. POLICIES

A. Building

1. City facilities are not available for political meetings or events; nor are they available on Thanksgiving, Christmas or New Year's Day.
2. Smoking is prohibited at Greystone.
3. City reserves the right to approve or disapprove any entertainment offered at a special event to insure that the nature of the gathering is consistent with the City's mission. City prohibits any form of gambling activity, firearms and fog and smoke. The use of live animals is only allowed if approval is granted by the City. A Live Animal Policy Request Form must be completed and sent to the Special Events Director for processing. The City must approve equipment hung from any surfaces and use at laser shows. Helium balloons and casino events are not allowed.
4. Any special requests associated with the use of City facilities, including Greystone, may be accommodated at the City's sole discretion and within governing rules and regulations.
5. City reserves the right to approve or disapprove of any entertainment or activity offered at a Special Event to ensure that all events harmonize with the character and mission of the City. Events may not create any hazard or impose undue hardship to City and its collections, exhibits, facilities, staff or visitors.
6. Events must be in conformance with established City regulations and not interfere with City functions.
7. Barbecue equipment is not allowed or permitted on City terraces or at loading areas unless approved by the City Fire Marshall.

B. Fund Raiser Events

1. Any organization seeking to use City facilities for an event involving an admission charge or fundraising must qualify as a not-for profit, tax-exempt organization under Section 501 (c)(3) or other sections of the Internal Revenue Code. A copy of the Internal Revenue determination letter may be requested by the City prior to executing the contract. The sponsoring organization must appear on the contract and provide documentation that the people benefiting has authorized the fundraising event and provide a certificate of insurance in the name of the sponsoring organization. The sponsoring organization must be involved in the planning of the event and commercial ticketing is prohibited by private Users at the City.

C. General

1. Certificates of Insurance naming the City as additional insureds must be added and must be on file from the User, their vendors and the vendor's agents. In certain circumstances, City may also

require a cash bond. Any failure to comply with the conditions of the contract or misrepresentation of any of the required disclosures shall result in immediate cancellation of the agreement to use the Location, and the User shall waive any claims against City for damages arising from such cancellations.

2. Food and beverages are prohibited in exhibits.
3. City will reserve the right to disapprove the use of any subcontractors used for any component of the event, including, but not limited to, security, coat-check and catering.
4. All costs associated with an event will be the responsibility of the User or sponsoring organization. The User or event sponsor is also responsible for any damages to City exhibits and facilities. In the event City retains legal counsel to enforce any Policies or Procedures or provisions of the agreement, the User or event sponsor agrees to pay all recovery fees.
5. The event contract for the use of the Location must be received from the User or the Licensee if representing the User within two weeks of the verbal reservation. A fifty-percent (50%) non-refundable deposit must be received with the contract. DATES WILL BE RELEASED IF THIS TIME REQUIREMENT IS NOT MET. An estimated balance will be billed and payment due prior to the date of the event including charges for other additional fees on the event contract. Immediately after the event, any adjustments to the balance are due. City reserves the right to modify the policies in this Section 5 upon reasonable advance notice to Licensee.
6. For events with 150 or more guests the City reserves the right to require the presence of public safety officer(s) as it deems reasonably necessary to provide for the good and welfare of the City and attending public. The City reserves the right depending on the nature of the event, the financial arrangements with the User and related information to request payment for the safety officer(s) from the Licensee..
7. All prospective Users shall be required to comply with all conditions of the use agreement, including written certification prior to the event that adequate security and other amenities will be provided.
8. No significant increase in the number of attendees, or any material aspect of the event, shall be changed less than 30 days prior to the event without the City's prior written approval.
9. Any failure to comply with the conditions of the agreement or misrepresentation of any of the required disclosures shall result in immediate cancellation of the agreement with City, and the User shall waive any claims against City for damages arising from such cancellation.
10. City Public Safety Staff reserves the right to close the doors and deny further admission to any event if attendance exceeds the amount which was provided by the User and approved by the City by ten percent (10%) and/or the number of guests exceeds the legally approved occupancy of the space(s) being used.
11. City has the option to rent other spaces other than the space that has been contracted. An additional fee will be incurred if User wishes to disallow that option.

12. All vendors must enter through the loading area and must present government issued picture identification if requested by the City to do so.

D. Terraces

1. Outside terraces are available for rental.
2. Use of barbecue equipment is not allowed on the terrace but may be approved by City for use in certain designated areas upon advance written request and City written approval.
3. If and when planters or other stationary items need to be moved the User will incur an additional fee.
4. If liquor is served on the terrace, the client will follow all City and state laws, as well as any applicable policies and procedures established by the City.
5. Based on availability, the client has the option to rent and reserve an interior space as a contingency in case of weather, etc. Refunds are not available if the contingency interior space is not used.

II. PROCEDURES

A. Special Events Manager

1. Staff from the City will work closely with the User to ensure that the event proceeds smoothly and efficiently. City Staff will be present on the day of the event to manage the set-up, activities, and breakdown and will also be present to oversee breakdown and load out.

B. Catering Food and Alcoholic Beverages

1. To ensure the success of programmed events, City will provide a list of approved caterers who are trained in the policies and procedures of City. Only these approved caterers may work in Greystone. All City approved caterers are fully licensed by the City and State. They have provided certificates of insurance. The approved caterer provides all personnel, materials, and supplies required in the preparation and serving of food and alcoholic beverages. A kitchen is provided for food preparation.

C. Alcoholic Beverages

1. Caterer will provide all alcoholic beverages used in conjunction with any event held at Greystone. The caterer may also provide bar service, which includes set-up, mixers, sodas, ice, glassware, and staff.
2. Alcoholic beverages may have time constraints associated with their dispensing and consumption.
3. No alcoholic beverages may be removed from the premises without the City's prior written approval.

D. Planning and Set-up

1. The City requires that a layout be submitted for approval at least one (1) month before the event or as soon as the information can be made available. Licensee will provide the City updates of the layout if there are any proposed changes that materially or significantly alter the original proposed space utilization, traffic flow or layout of tables, chairs and other equipment.
2. Set-up may not begin before the agreed upon time without prior written approval of City. If extensive or unusual set-up is required it must not interfere with Greystone activities and must be arranged with City. An additional charge may be necessary.
3. A walk-through by the caterer, User, event planner and production personnel, accompanied by City staff must occur no later than one week before event to finalize all arrangements.
4. City does not provide staff to move props, musical instruments, staging, etc.

E. Audio Visual Department

1. The City uses an approved audio visual and lighting vendor who, due to their knowledge and familiarity with Greystone, is the desired vendor to be used at an additional fee when such services are requested.

F. Lighting

1. When decorative lighting is used, an approved Lighting vendor must be used.
2. No open flames are permitted unless approved by Beverly Hills Fire Department.
3. Votive lights and enclosed candles are acceptable for use on tables as approved by City.

G. Cooking equipment

1. Chafing dishes and Carter Hoffmans may be used in the Location for cooking needs. The City must approve all other cooking equipment.
2. All cooking equipment must be accompanied by an ABC fire extinguisher located on a stand in the immediate vicinity of the area where the cooking will be done.

H. Electrical needs

1. New electrical service has been installed throughout Greystone's first floor but does have limitations.
2. A diagram of all proposed power requirements must be submitted in advance to the City for approval.

3. For special needs, additional electrical capacity needs to be approved by the City and provided by properly licensed electricians. Any additional fees will be paid by Licensee.
4. Special electrical arrangements must be made as far in advance as possible.

I. Housekeeping

1. City staff will be on site before set-up to ensure that the Location is in a state of readiness for your event.
2. City staff is not responsible for food services clean up during or after the event.
3. Caterers are responsible for cleaning all areas where food is being prepared and served and leaving it in the condition that it had been found.

J. Rentals

1. Licensee is required to arrange and pay for all tables and chairs and related event needs.
2. All rental items must be picked-up by the rental company (or Licensee) after the event unless previous arrangements are made with the City. The City is not responsible for any rental items (or other equipment, supplies or materials) not picked up immediately after an event or without prior written approval from the City.

K. Load In/Out Area

1. City's loading area is on the northeast corner of the estate adjacent to the catering kitchen area, and is referred to as East Courtyard or AFI Lot.
2. Rentals, including pianos, must be delivered on the day of event and must be removed immediately following the event.
3. The City provides limited on-site parking. Depending on the size of the event and the number of anticipated guests, catering staff may be encouraged to park off-site on adjoining residential streets, carpool or arrange for other forms of arrival and departure. Posted rules and regulations are enforced on all adjacent surface streets and restrictions must be observed. The City is not responsible for or financially obligated to provide restitution for the issuance of parking tickets or fines.

L. Delivery and Shipping Materials

1. All deliveries supporting User's needs must be coordinated with City staff to access Greystone.
2. The delivery of all materials (e.g. handout literature), supporting a User's needs must be submitted to City staff a minimum of two days prior to User's scheduled use. After items have been delivered, the User is responsible for transporting their items within Greystone.

3. The User is responsible for packaging and shipping material left on Greystone premises within a one week time period. City is not responsible for any material left after the event.

M. Security

1. No outside security personnel (contract or proprietary) will be allowed in Greystone without the prior written approval from the City.
2. Approval for the use of outside security will be contingent on furnishing the City proper insurance, bonding and state licensing requirements in a form suitable to the City. Even with the approval by the City for User to use outside security personnel, the City reserves the right to utilize City security personnel or their agents to oversee the event.
3. In the event City anticipates charging User for City security personnel the City will provide User an estimated cost for this service upon User request.
4. Based on the City's perceived needs, police can be provided at an additional charge to assist.
5. A fire marshall may be required as determined by the City and at an additional cost to User.

N. Parking

1. Valet parking is permitted and must be arranged by the User.
2. Limited disabled parking is available in close proximity to Greystone. Other arrangements will need to be made if additional parking is required.

O. Invitations and Printed Materials

1. If requested by the City, the content of all printed materials relating to the event, including invitation copy, programs, promotion material, press releases, electronic copy and radio advertisements must be submitted to the City for review and approval before being printed.
2. Photographs taken in the Location for personal use are permitted as long as they are not in conflict with Greystone's rules of photography. All photographs that will be submitted to a publication are to be approved by the City before submission.
3. Please allow one month prior to event for approvals.
4. Any violation can result in cancellation of the event.

III. CHANGES TO POLICIES AND PROCEDURES

These Policies and Procedures are as of March 2012 and are subject to change and modification by City at any time during the term of this Agreement. In the event of any changes, additions or addendum to these Policies and Procedures, City agrees to provide Licensee at least five (5) business days' notice of such change including a new copy of this Exhibit A. City will be sensitive and not necessarily require changes

herein to be applicable to any future Catering Contract between Licensee and User to the extent that it has adverse financial or operational impact on that contractual arrangement.

EXHIBIT B

Licensee: Jackson Catering LLC

FINANCIAL TERMS

- A. Minimum Annual Guarantee Starting in Year Two: \$35,000**
- B. City-Related Catering Discount: 12%**
- C. Annual Marketing Event Out of Pocket Cost: \$10,000**

EXHIBIT C

RECYCLING PROCEDURES

The City does not have recycling policies and procedures for caterers and Users for events at Greystone. The City reserves the right, upon reasonable advance written notice to Licensee to institute recycling policies and procedures. In the event City institutes such policies and procedures Licensee agrees to follow such procedures and policies provided such policies do not materially negatively impact the Licensee financially. In the event such policies and/or procedures materially negatively financially impact the Licensee the City will consider reasonable adjustments to the financial terms and conditions of this Agreement to mitigate the cost/expense to the Licensee.

Attachment 2

THE CITY OF BEVERLY HILLS

APPROVED CATERER LICENSEE AGREEMENT

This Agreement made and entered into this 1st day of March, 2012 (the "Commencement Date"), by and between the **City of Beverly Hills** (hereinafter referred to as the "City") for services located at **Greystone Mansion** (hereinafter referred to as "Greystone") and **SRC Event Group** (hereinafter referred to as "Licensee" or "Approved Caterer").

Whereas, Greystone Mansion is located at 905 Loma Vista Drive, Beverly Hills, CA 90210 (hereinafter referred to as "Location");

Whereas, Licensee is a qualified event caterer approved by the City to provide Catering Services (defined below), on a non-exclusive basis, at events to be held at the Location during the term of this Agreement, except as otherwise stated in this Agreement;

Now therefore, in consideration of the terms, covenants and conditions hereinafter contained it is agreed upon between the parties as follows:

I. DEFINITIONS

- A. "Agreement Year" shall refer to each one year period commencing from the Commencement Date and terminating at midnight one year thereafter, unless terminated earlier as set forth in Section III.
- B. "Alcoholic Beverages" shall refer to all alcoholic drinks, beers and wines, regardless of where they are provided at the Location, in what packaging or format, or to whom they are provided that Licensees have a license to sell and serve.
- C. "Catering Services" shall refer to any food or alcoholic beverage function of multiple customers where payment for the entire function rests with one individual, company or entity including the City.
- D. "Catering Contract" shall refer to a contract between Licensee and User.
- E. "City Sponsored Events" shall refer to any City or City-related Catering Services, including the Friends of Greystone ("FOG"), at the Location as indicated/specified by the City at the time of ordering/requesting.
- F. "Commissions" are the percentages of Gross Receipts paid by Licensee to the City.
- G. "Direct Operating Costs" are the actual out-of-pocket costs of the Catering Services operation incurred at the Location paid by the Licensee. These costs include the actual Licensee expenses including on-site payroll, payroll taxes, fringe benefits, food costs, and the other operating expenses, such as rentals, repairs and maintenance to City or third party furniture, fixtures or equipment caused by Licensee employees or Licensee contracted staff, cleaning and office supplies.

- H. "User" shall refer to any individual, organization, company or other entity, including the City and City departments that rents, or is granted the right to rent or use the Location or portion of the Location for a function.
- I. "Gross Receipts" shall mean the food, beverage and alcoholic beverage billing portion of Gross Receipts actually received or earned by Licensee from the Catering Services, less only (i) retail sales taxes and other direct taxes imposed upon receipts collected from the User; (ii) fees and charges on credit card transactions, if added to Gross Receipts, and (iii) billed or User added tips, service charges and gratuities paid to Licensee's employees. Gross Receipts includes the sale (or rental) of flowers, décor, equipment rentals or any other products or services provided by Licensee to User but does not include charges assessed by third-party vendors to User whether directly billed by the third-party vendor to User or through the Licensee to User. Commissions (payments based on a flat fee or percentage of gross sale to User) or up charges received by Licensee from third party vendors are considered part of Gross Receipts. Any products or services sold by Licensee to User, not through or affiliated with any third-party vendors shall be included in Gross Receipts as detailed hereinabove. In the event a User billing is based on a package price whereby food and other services are sold for a lump-sum or flat amount, Licensee agrees to identify the food, beverage and alcoholic beverage portion of the User price separately to the City. The dollar amount of the food portion of the package price shall be reasonable, in the City's opinion, and consistent with the food billing for similar menus that are sold by the Licensee.
- J. "Special Event Agreement" shall refer to the agreement between City and User to utilize the Location or portion of the Location for a function.

II. LICENSE GRANTED

- A. City hereby grants to Licensee the non-exclusive right and privilege to provide the Catering Services at the Location in accordance with the terms and provisions set forth herein, when Licensee has executed a Catering Services contract with a User of the Location. Licensee will be listed and published by the City as an "Approved Caterer." Licensee may provide event planning and related services to Users provided such services are services that Licensee has experience providing and routinely provides to all its customers and clients.
- B. Licensee's responsibilities, detailed throughout this Agreement, do not apply at events where Licensee is not providing the Catering Services.

III. TERM & TERMINATION

- A. The term of the Agreement shall be for a period commencing on the Commencement Date and expiring at midnight three years thereafter (February 28, 2015).
- B. Either party, upon a minimum of thirty (30) day's prior written notice may terminate this Agreement at any time, for any reason. In the event of termination of this Agreement, for any reason, Licensee will be permitted to provide Catering Services at Location for any User that has a fully executed Special Event Contract with the City and a signed Catering Contract with Licensee after the date of termination of the Licensee Agreement. In the event the Catering Contract is not fully executed, City reserves the right, subject to User approval and agreement, to refer the User to one of the

City's Approved Caterers whose Licensee Agreement is in full force and effect. Commissions, as detailed in Section IV of this Agreement will be due for each and every event catered by Licensee after the date of termination.

IV. FINANCIAL TERMS

- A. **Commission:** As consideration for Licensee having the right to provide Catering Services, Licensee shall pay the following Commissions to the City. City Commissions shall not be added to User billings. Commission amounts shall be included in menu/food prices provided by Licensee to Users.

Annual Gross Receipts	Percentage of Gross Receipts
\$ - 0 - to \$250,000	10%
\$250,001 to \$500,000	8%
\$500,001 to Above	6%

Commission and annual minimum dollar payment to the City: Licensee agrees to pay a dollar minimum as detailed on **Exhibit B** starting year two, as of March 1, 2013, of the Agreement. This minimum payment will be applied against the Commission payment detailed in paragraph A in this Section IV. The City expects that the annual minimum commission will increase by a minimum of ten percent (10%) in contract year three (3) (beginning March 1, 2014) and the same each year thereafter to reflect your company's sales, marketing and advertising efforts. In the event the total Commission payments for the current Agreement Year is not at least equal to the dollar amount of the Minimum Annual Guarantee for the same year, Licensee will pay the City difference in accordance with the payment terms and conditions in this Agreement. In the event of termination of this Agreement for any reason, this minimum annual payment shall be pro-rated based on the actual number of calendar days this Agreement had been in effect for the current Agreement Year.

- B. **City Discount:** Licensee shall provide a discount as detailed on **Exhibit B** off its standard retail menu prices for all Catering Services provided for City Sponsored Events during the term of this Agreement and call out what the discount applies to. Furthermore, Licensee shall not impose any service charge (a percentage added to the billing) or gratuity on City Sponsored Events. Licensee shall not be required to pay a commission on City Sponsored Events for which the City has received a discount from Licensee.
- C. **Annual Marketing Event:** Licensee agrees to host (1) annual marketing event per year at Greystone up to a maximum of 250 guests. The City will consider alternative marketing event(s) each year provided such alternative(s) are presented to and approved by the City in June of each Agreement Year or such other date as mutually agreed to in writing between the parties. Licensee agrees to spend a minimum of Seven Thousand Dollars (\$7,000) on each marketing event (or City approved alternative event) each year during the Term of the Agreement as per the terms included in the RFP submission. This dollar amount is based on actual out-of-pocket costs to Licensee including food, all beverages, supplies, linen/laundry, rentals, staffing, etc. and does not include any Licensee vendor donated services or products.

- D. **Licensee Reporting:** Licensee shall furnish a complete and accurate sales report, copies of supporting User invoices/billings (including menu and other pricing, guest counts and related data as may be reasonably requested by the City) and copies of any Licensee subcontractor billings and/or commission statements applicable to the User event and a check for the amount of the payments due to the City as detailed in this Section IV for each event no later than thirty (30) days following each calendar month during the term of this Agreement, whether collected from the User or not. Payments not received within thirty (30) days after each calendar month shall be subject to an interest charge equal to one and one-half percent (1 ½%) of the unpaid balance. Within thirty (30) days after the end of each Agreement Year during the term of this Agreement, Licensee shall provide the City a summary of the immediate past Agreement Year including but not necessarily limited to a listing of all events catered by Licensee, guest counts, name of User (including City sponsored events), total billing (broken down by food, service and other key categories) and percentage payments made to the City as per this Section IV. This annual summary, as applicable, will also include a remittance for any shortfall whereby the percentage payments have not at least equaled the Minimum Annual Guarantee.
- E. **Kitchen Use and Cleaning Fee:** City will hire its own cleaning service to clean the kitchen after each event. City will charge User directly for cleaning fees.
- F. **Responsibility:** Licensee is solely responsible for the payments to the City when due, regardless of whether Licensee has received payment from User. Licensee is solely responsible for the collection of monies from the User. The commission payment is to be calculated based on the Gross Receipts on the final invoice provided to User and City and based on Catering Services Contract originally entered into with User (as may have been modified or amended), or actual amount paid by User for such services, whichever is greater.

V. MAINTENANCE, RULES & REGULATIONS

- A. **Inspection of Location:** City and Licensee's representatives will conduct a check-listed review based on the condition Licensee leaves the Location after each event. Review will note any maintenance deficiencies in the opinion of the City. If Licensee does not correct any or all of such deficiencies before its departure, Licensee will be responsible for City's cost to remedy any such deficiencies to City's full and complete satisfaction upon presentation of a billing to Licensee for such maintenance over and above the Section IV-E Kitchen Use and Cleaning Fee. Licensee shall reimburse City immediately upon receipt of such billing. Fines starting at \$250.00 will be assessed for any repeated offenses that have been provided to the Licensee in writing. The Licensee will also be responsible for any damage caused to Greystone by their staff members. The damage will be documented and an invoice will be submitted for the remedied work. In the event Licensee receives three (3) fines in any given Agreement Year, Licensee will not be permitted to provide Catering Services at the Location until such time as City has determined that Licensee has and will correct any deficiencies to ensure satisfactory post event review will be received in the future.
- B. **Damages to Greystone Premises:** Licensee shall be responsible for the full and complete cost of any damages to Greystone's premises, equipment, furnishings, exhibits and the like caused by Licensee's employees, agents, subcontractors, and invitees. The City will be responsible for its employees, agents, subcontractors, and invitees at Greystone. Licensee agrees to make every effort to protect Greystone premises, equipment, furnishings, exhibits and the like when at the Location.

- C. **Cleaning & Sanitation:** Licensee must, in accordance with all applicable laws, ordinances, rules and regulations, maintain all assigned areas in a clean, sanitary, and orderly fashion, including adjacent areas.
 - D. **Janitorial Services:** City shall provide janitorial service for all areas Licensees may, subject to City prior approval, provide compactors at Licensee cost and expense.
 - E. **Trash & Garbage Removal:** Licensee shall deposit in receptacles provided by Licensee all waste, garbage and refuse which shall accumulate in the assigned areas and other space allotted to it in good, clean and sanitary condition. Licensee must follow the City's recycling procedures as detailed on **Exhibit C**. If an event is expected to have more than 350 people in attendance, then City will provide an additional dumpster, which City will charge User directly for via its permitting fees.
- F.
- G. **City Rules & Regulations:** Licensee will comply with all City rules and regulations as detailed in **Exhibit A** and any others as provided in writing by City to Licensee from time to time during the term of this Agreement, when providing Catering Services at the Location.
 - H. **Laws & Ordinances:** Licensee will comply with and observe all federal, state and local laws, ordinances and regulations as to sanitation and the purity of food, beverages and alcoholic beverages relating to its operation and services under this Agreement at the Location and at the Licensee's kitchen(s) and with any vehicles and/or transportation used to deliver food and/or supplies to the Location.
 - I. **Sustainability:** The City practices sustainability in all areas of operations and expects its contracted vendors to do the same. The City expects Licensee to recycle by using biodegradable products and separate its waste stream for recyclable materials. The City reserves the right to reasonably modify the terms and conditions in this Section H during the term of this Agreement upon written notice to Licensee.

VI. UTILITIES

- A. City shall provide Licensee, at no cost, HVAC, gas, electricity and water for the Catering Services operation as currently is available at the Location and in the City catering kitchen. Licensee must provide any additional utility requirements. The City shall determine where Licensee shall access water, gas and electricity. Licensee shall at all times utilize prudent energy management.
- B. City shall not be liable or responsible for any failure to furnish services, such as electricity or water in the event of circumstances beyond the City's control. Furthermore, City shall not be liable or responsible for any consequential economic or property loss or damage caused or brought about by any such occurrence.
- C. If any Licensee owned or furnished equipment damages any of the City's utilities or services (electricity, water, gas, drain lines), Licensee shall be solely responsible for any repair or maintenance costs.

VII. LICENSEE PERSONNEL & STAFFING

- A. Licensee shall employ, train and supervise personnel and staff with appropriate qualifications and experience in sufficient numbers to provide all services appropriate for the operations granted under the Agreement.
- B. All Catering Services personnel are employees of Licensee (or employees of a staffing agency utilized by Licensee) and not employees of the City and Licensee represents that all such employees and contract employees are legally able to work in the United States and will provide City written documentation upon City's reasonable request. Licensee shall at all times be an independent contractor, and the Agreement shall not in any way create a partnership or joint venture between the Licensee and the City. No agent, servant, staff or employee of Licensee shall under any circumstances be deemed an agent, servant, staff person or employee of the City.
- C. Advance written and verbal notification of any key management changes must be provided to the City prior to announcing publically.
- D. Licensee must conduct regularly scheduled training sessions for all personnel. At a minimum, training sessions must include customer service techniques, safe food handling, alcohol awareness ("T.I.P's"), sanitation, and health programs. Licensee shall provide a written copy of its bartender alcohol awareness training program to the City and such training program shall be subject to the prior review and approval of the City.
- E. Licensee shall not employ any person or engage in the services of any staff who shall display any unacceptable behavior. Unacceptable behavior includes, but is not limited to: use of overt and offensive vulgarity, use of overtly offensive personal insults, any form of harassment or threatening remarks or behavior, disruptive behavior such as yelling, pushing, groping etc. at the Location.
- F. Licensee employees and staff shall be clean, courteous, efficient and properly trained in their respective areas of responsibility. Employees shall be attired in clean uniforms at all times when at the Location, and, upon the request of the City, Licensee shall provide each employee and staff person a Licensee name badge that shall be worn at all times when at the Location.
- G. All Licensee employees and staff shall utilize City designated changing areas, not public restrooms at the Location.
- H. Licensee will transfer, remove or relieve from duty any employee or staff person from any event on the City's premises upon City's request.
- I. City shall have the right to request a list of Licensee's employees and staff, including social security numbers for security purposes, in advance of an event with security requirements.
- J. Licensee's employees and staff will cooperate with City's employees as it relates to alcoholic beverage service and consumption in order to provide the best possible service to Greystone visitors/groups.
- K. The manager of Licensee's operations and a representative of the City shall consult regularly, with reference to the services of Licensee at the Location, to review such services and to provide services in a proper manner for persons attending the Location. Licensee shall provide the level of

services and products detailed in their Catering Contract with their customer and at a level approved by the City.

- L. Licensee's employees and staff shall be admitted to Location without payment of an admission fee at an entrance to be designated by the City, in such numbers as Licensee may reasonably require for conducting its services at the Location.
- M. City shall not provide parking for Licensee staff; provided, however, that Licensee's staff may park on the Greystone premises if parking is available. The City will make every effort to accommodate Licensee's employee and staff access to Greystone entrances, loading areas, etc. consistent with the rules and regulations applicable to all City contractors.
- N. City is not responsible for the personal belongings of Licensee employees, staff or subcontractors.
- O. Licensee shall furnish all common and skilled labor to stock, set-up, dismantle, move and remove Catering Services equipment and rentals.

VIII. PRODUCTS & SERVICES

- A. **Inventories:** Licensee shall order, stock, prepare, pay for and sell appropriate foods, alcoholic beverages, equipment and supplies that are necessary to provide the services contemplated under this Agreement and Licensee's contracts with Users in accordance with all applicable laws and regulations. Title to said products should remain vested in Licensee. Licensee may store items detailed in this Section A in the kitchen dry and refrigerated storage areas in the City kitchen provided such storage does not commence earlier than the time of arrival and Licensee removes all items at end of the respective catered events. The City will have no responsibility or liability with respect to the storage or safeguarding of these items.
- B. **Quality:** Consumables (food and alcoholic beverages) shall be first quality, wholesome and pure, and all products on hand shall be stored and handled with due regard for sanitation, Hazard Analysis Critical Control Point ("HACCP") food safety system requirements and the health and safety of City staff, visitors and Users.
- C. **Alcoholic Beverage Service:** Licensee shall provide and contract with a User for Alcoholic Beverage Services. Licensee shall be responsible for the set-up, sale and service of alcoholic beverages. Licensee will provide bar set-ups as needed. The pricing for all services in this section shall be as mutually agreed between the Licensee and User.
- D. **Exclusive Pouring Rights:** Licensee agrees to honor any exclusive pouring or serving rights agreements that might be in place with the City at some future date provided the service or sale of such products does not create a financial hardship on Licensee. If Licensee's use of any such product creates a financial hardship, Licensee shall provide written documentation of such hardship, including but not limited to supporting documents for City's review and consideration. City agrees to mitigate any financial hardships in this regard.

IX. LICENSES AND TAXES

- A. Licensee will provide, concurrently with the delivery of a fully executed original of this Agreement, and on each anniversary date thereafter, copies of all business licenses and permits required to do

business in the City of Beverly Hills and State of California, including, but not limited to Health Department License, Alcoholic Beverage Licenses, Business Licenses and Resale Permits, renewals and the like. Failure to maintain copies of current (no expired) permits on file with City shall, at City's option, be cause for immediate cancellation of this Agreement.

- B. Licensee shall pay for Direct Operating Costs and obtain all licenses and permits necessary for the operation of said business.
- C. Licensee agrees to conform to the terms and provisions of all applicable federal, state and municipal authorities and promptly when due, pay all taxes assessed against Licensee by such taxing authorities.
- D. Licensee shall pay its portion, as employer, of all social security, unemployment insurance, old age retirement and other federal, state and local taxes, which are measured by the wages, salaries or other remuneration, paid to persons employed by Licensee.

X. ADVERTISING

- A. All advertising rights at Location belong to the City.
- B. Licensee shall not advertise any brand names in the Location without the written approval of the City.
- C. Licensee shall not use the name or logo of the Location or City on any material without the prior written approval of the City, which approval may be not be unreasonably withheld. If Licensee is using the City or Location name, logo, photographs as of the date of this Agreement in any printed materials of Licensee, the Licensee agrees to provide a copy of all such material(s) to City concurrent with the delivery of a fully executed original of this Agreement with a writing detailing the approximate quantity on-hand and how long this quantity (or quantities) will last. All subsequent reprints and/or new material will be subject to the City's prior review and written approval.
- D. City will permit Licensee to use the City and Location name, logo and City printed material to advertise and promote the fact that Licensee is an Approved Caterer (provided Licensee does not provide any indication or implication of exclusivity) in its brochures, web site and other promotional material. In this regard Licensee will submit samples of all such use of City and Location name, logo and related uses to City for prior review and written approval, which approval may be not be unreasonably withheld. In the event of termination of this Agreement, for any reason, City shall have no responsibility for any printed or other materials that Licensee needs to change or discard as a result of such termination. In addition, Licensee agrees to remove any and all reference to City and Location name, logo and other identity from any and all Licensee materials within thirty (30) days after the termination of this Agreement.

XI. OPERATING REQUIREMENTS

- A. **User & User Contract:** Licensee may provide Catering Services upon request of User. Licensee may execute a Catering Contract with User; provided, however, that such Catering Contract shall be made contingent upon the City receiving a signed Special Event Agreement, Certificate of Insurance and required deposit from User.

- B. **Other Contractors.** Licensee shall not interfere with any other City contractor, City employee or any employer of any other contractor working at the Location.
- C. **Kitchen & Preparation Areas:** City shall make available one or more pre-determined kitchen/preparation area(s) for Licensee's Catering Services. Licensee may begin set-up of kitchen/preparation area up to three (3) hours prior to event start time per User's Special Event Agreement. City will, upon Licensee request, occasionally permit kitchen/preparation area set-up earlier than three (3) hours before the start of the event. These exceptions will be considered on a case-by-case basis in the sole discretion of the City. If the City has staffing costs associated with Licensee's time of set-up, City will advise Licensee and Licensee agrees to pay City staffing costs, if any, during set-up and clean-up times.
- D. **Licensee Set-Up:** Licensee's event preparation in guest area(s) shall not take place until the close of normal Location operating hours unless otherwise approved by the City in writing.
- E. **Event Clean-Up:** Unless otherwise approved by City, in writing, in advance of a specific event, Licensee shall have all Licensee owned goods, product and equipment removed and completion of clean-up maintenance of Location within two (2) hours after the event end time per User's Special Event Agreement. If the size and/or complexity of the Licensee event requires more than two (2) hours to clean-up, Licensee must advise the City of their needs in this regard at least ten (10) days before the event or as soon as practical, and the City will make every effort to accommodate Licensee's reasonable requests in this regard. There will be an additional charge of \$150 per hour for additional time required.
- F. **Licensee Property Removal:** Licensee shall not store any Licensee owned or subcontractor owned goods, product, or equipment at the Location without the prior written approval of the City. Any such property not approved shall be considered abandoned, and at City's option, be removed and stored by City at Licensee's expense or disposed of in any manner City deems appropriate.
- G. **City Inspection:** City has the right to inspect all Catering Services and Licensee's containers, Licensee's employees and staff's backpacks, purses, boxes and the like that is removed from the Location by Licensee's employees, staff and/or subcontractors.
- H. **City Right of Access:** Nothing herein contained shall be held to limit or qualify the right of City to a free and unobstructed use, occupation, and control of the Location, or of City's right of ingress and egress to the Location for itself, its other Licensees, and the public. Representatives of City shall have the right to enter upon and have access to all spaces occupied by Licensee at any time.
- I. **Rental Equipment:** Licensee shall provide the necessary rental items including, but not limited to, food service equipment, food prep tables, plates, stemware, flatware and linens that is not already provided in the catering kitchen. Licensee will be responsible for skirting and dressing Catering tables as detailed in their Catering agreement with User and at a level approved by City.
- J. **Floor Covering:** Licensee shall provide the necessary floor covering, at City's discretion, under display cooking or buffet tables, bars and kitchen/prep/service areas to protect floor or floor coverings.
- K. **Use of City Property:** Licensee shall not be permitted to use any City property without City prior written approval.

- L. **Emergency Procedures:** Licensee shall be expected to follow City's emergency plan procedures as directed by City Event Supervisor.
- M. **Licensee Invoicing of Users:** Licensee shall invoice User on an invoice form and in a format approved by City. This form can be the form and format currently used by Licensee provided it has been reviewed and approved in advance by City.
- N. **Licensee Menus and Pricing:** Licensee agrees to provide a variety of menus, menu items and prices covering very small to very large events in order to appeal to a broad range of prospective Users. Licensee menu prices shall be consistent (based on similar menus) with the pricing submitted by Licensee in December 2010 in response to the City's Approved Caterer Request for Proposal. This is very important to the City in consideration of the City granting this Agreement to a limited number of approved caterers. Licensee shall prepare written menus for Users (including City sponsored events) at the Location in a form approved by the City.
- O. **City Catering Services Surveys:** City may provide each User an online survey following their event covering the Location and Licensee services. This survey in part will be used to rate the performance of the Licensee. All Licensees (approved caterers) will be expected to maintain a minimum rating by all Users. In the event the Licensee receives three (3) negative reports in a row, the City reserves the right to terminate this Agreement forthwith if an acceptable solution cannot be found between City and Licensee. Copies of these surveys will be provided to Licensee upon receipt from User upon request.
- P. **Licensee Catering Services Surveys:** If Licensee does any formal surveys (written or other) with any User of Location, Licensee agrees to provide a copy of the results of such survey(s) to the City at least every three (3) months during the term of this Agreement.
- Q. **City Orientation & Training:** Licensee agrees to participate in City sponsored orientation and training sessions at the Location as a condition of being on the Approved Caterer list. The City will advise Licensee, in writing, at least two (2) weeks before any scheduled sessions. Licensee agrees to have at least two (2) key Licensee senior staff in attendance at each session.

XII. CITY BUILDINGS AND PROPERTY

- A. Licensee shall not permit any waste, injury, or damage upon or to the Location. At the expiration of each Catering event, Licensee shall leave the Location in at least the same condition as at the commencement of the event.
- B. Licensee and/or its employees shall not erect, maintain or keep at the Location any structure or equipment of any kind without the prior written approval of the City. In addition, Licensee shall not make any alterations in, or additions to, nor post any signs upon any part of the Location without the prior written approval of the City.
- C. Licensee shall not remove any article, furniture, fixture or equipment or other property furnished to the Location by a third party without the express written permission of City and/or third party.

XIII. INSURANCE AND INDEMNIFICATION

- A. Licensee shall defend, indemnify and hold harmless City and its officers, trustees, agents and employees from and against all claims, damages, losses, and expenses, including attorney's fees arising out of or resulting from the acts, whether active or passive, errors, omissions, conduct or operations of Licensee, provided that any such claim, damage, loss, or expense (1) is attributable to bodily injury, sickness, disease, or death or to injury to or destruction of tangible property, including the loss of use resulting there from, and (2) is caused or is claimed or alleged to have been caused, in whole or in part, by any negligent act, whether active or passive, error, omission, conduct, or operation of Licensee, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable; or (3) is caused or is claimed to have been caused, in whole or in part, by any food, beverage, alcoholic beverage or product sold or service rendered by Licensee, its agents, employees, or subcontractors.
- B. Licensee shall at all times during the term of this Agreement subscribe to and comply with the Workers' Compensation and Laws of the State of California and pay such premiums as may be required thereunder and save City harmless from any and all liability arising from or under such act with limits of not less than those required by State Law.
- C. During the term of the Agreement, the following insurance coverage (collectively, the "Policies") shall be kept in full force and effect continually and may be increased to meet the current needs of the Location. These expenses and costs shall be a Direct Operating Cost of Licensee.
1. Comprehensive general liability (occurrence form) (including premises operations liability inclusive of broad form contractual liability, bodily injury and property damage, personal injury, products and completed operations, independent contractors, and medical payments), with policy limits of \$2,000,000 per occurrence combined single limit.
 2. Workers' Compensation insurance as required by the State of California.
 3. Business Automobile Liability, including owned, non-owned and hired and leased vehicles: \$1,000,000 combined single limit for each occurrence.
- D. Greystone and the City of Beverly Hills shall be named as additional insureds under all of the Policies as their interests may appear, except the Workers' Compensation Policy. Licensee coverage under all Policies shall be primary and non-contributory with coverage purchased by the City.
- E. Licensee shall deliver to the City at least forty-eight (48) hours prior to the date on which coverage is to be provided a certificate evidencing the required coverage. City reserves the right to request certificate(s) of insurance from subcontractor(s) of Licensee. Licensee agrees to provide such certificate(s) in form and substance acceptable to the City, at least forty-eight (48) hours in advance of the date coverage is required. City may, at City's option, not allow the subcontractor(s) to work on City's premises,
- F. Certificates of insurance must state that the insurance policy will not be cancelled or non-renewed without at least seven (7) business days' advance written notice to the City.

- G. All insurance provided by Licensee hereunder shall be with insurance carriers that are 1) licensed to do business in the State of California and 2) have an A.M. Best rating of A-VII or better as listed in the most recently published A.M. Best Key Rating Guide.

XIV. DEFAULT

- A. In the event that Licensee shall fail to perform, keep and observe any of the terms, covenants and conditions of the Agreement to be performed, kept or observed, such as failing to pay the correct amount of money due to the City, City may give Licensee written notice of such default. In the event such default is not remedied or steps taken to remedy such default to the satisfaction and approval of City within thirty (30) days of receipt of such notice, Licensee shall have no right to further operate under the Agreement.
- B. Should Licensee be placed into bankruptcy either voluntarily or by the courts, or should Licensee become financially insolvent and unable to perform its duties under the Agreement, City may immediately place Licensee in default and terminate the Agreement.
- C. City retains the right to immediately terminate the Agreement if Licensee's Catering Services receives more than the allowable unsatisfactory quality ratings, as defined by the City, from the Users.
- D. Licensee in accepting this Agreement agrees that City shall not be liable for prosecution for damages in the event that City declares Licensee in default.

XV. ASSIGNMENT; SUBCONTRACTING

- A. Licensee shall not transfer, convey, assign nor permit the use of the rights, privileges or premises granted under the Agreement in whole or in part to any other person, firm or corporation without the City's prior written approval.

XVI. REPORTING & ACCOUNTING

- A. **Maintenance of Books & Records and Right to Audit:** Licensee shall maintain accurate books and records in connection with Gross Receipts at the Location and shall retain such records for a period of at least four (4) years following the conclusion of the Agreement Year. City shall have the right, upon reasonable notice being given to Licensee, to review and to audit Licensee's records of Gross Receipts at Location.
- B. **Results of Audit:** If, upon independent examination of Licensee's records and the data provided to City by Licensee, City discovers that the commissions due to City pursuant to this Agreement have been understated, City shall notify Licensee of the deficiency, and Licensee shall pay to City the amount of such deficiency plus interest thereon at the lesser of (i) the rate of ten percent (10%) or (ii) the maximum rate allowable by law from the date payment of such sums was due until the date paid. If such independent examination reflects an underpayment of five percent (5%) or more of the sums due during the relevant period, Licensee shall pay City's reasonable costs of such examination.

- C. **User Catering Proposal:** After the User has contracted for rental at the Location, Licensee shall provide City with a preliminary Catering Proposal, showing the User's name, address and phone number, menu, guarantee and price per person.
- D. **Event Summary & Final User's Invoice:** Licensee shall provide to City, in a format directed by City, a written summary of each event, and copies of the final User's Catering invoice and final User's Catering contract.
- E. **Failure to Pay On-Time:** Failure to pay the commissions on time and in accordance with Section IV will result in default by Licensee and Licensee cannot perform any further services at the Location.

XVII. LAWS, REGULATIONS AND DIRECTIVES

- A. Licensee will use the Location for no purpose other than specified in the Agreement and the business conducted thereunder will be operated in strict compliance with all laws of the United States and the State of California and with all health and fire codes and all applicable rules and regulations issued pursuant to the said laws.
- B. Licensee and its agents agree that it shall use the utmost care not to damage or abuse any of the facilities and shall observe and abide by the policies and procedures of said facilities as outlined by City Special Event Account Manager and as described in **Exhibit A**.
- C. Licensee shall not permit the Location, or any part thereof, to be used for any unlawful or immoral purpose or in any manner as to injure persons or property in, or on or near said premises, and upon termination of this Agreement it shall deliver to City the premises in as good condition and repair as the same shall be found at the beginning of the term, subject to normal wear and tear. City shall not require Licensee to perform unlawful acts.

XVIII. NONDISCRIMINATION

- A. Licensee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, sexual orientation, national origin or disability.

IXX. GOVERNING LAW

- A. This Agreement shall be governed by, constructed and enforced in accordance with the laws of the State of California.

XX. NOTICES

All notices under this Agreement shall be addressed to:

For City:

City Clerk's Office
c/o Mr. Steven Zoet, Director
Community Services Department
455 N. Rexford Drive, Suite 290
Beverly Hills, CA 90210

or to such other person or place as City may designate in writing.

And for Licensee:

SRC Event Group
Attention: Connie Armijo, Vice President Special Events
8191 E. Kaiser Boulevard
Anaheim, CA 92808

with a copy to

SRC Event Group
Attention: General Counsel
8191 E. Kaiser Boulevard
Anaheim, CA 92808

XXI. OTHER TERMS AND CONDITIONS

A. Licensee may bid on the following City sponsored events; provided, however, because of the City's limited budget, the City reserves the right to utilize a caterer or food service provider who is not on the approved list to provide services for the following events:

- 1) Annual Private Non-Profit Events:
 - a) Beverly Hills Bar Association
 - b) Kidstock
 - c) L.A. Food Bank

- 2) City-Sponsored Events:
 - a) Concours d'Elegance
 - b) Design Show House
 - c) Teas
 - d) Music in the Mansion Concerts
 - e) Shakespeare in the Park Theatrical Performances
 - f) Catskills Summer Camp Performances
 - g) Father/Daughter Dinners
 - h) Volunteer Recognition Event
 - i) Friends of Greystone (FOG) Events

- 3) Private Events:
 - a) Food Festivals (such as a "Taste of Beverly Hills")
 - b) Wine Festivals (tasting festivals)

- c) Events for which User is paying the all day Greystone closure fee and for which User already has a caterer in mind.

In addition, the City reserves the right to add additional events to be held at Greystone without having to use a caterer on the approved list; provided, however, Licensee may bid on such events in which a caterer is sought.

- B. The Licensee acknowledges that City reserves the right to receive donated food, beverages and supplies for City sponsored catered events and Licensee agrees, if Licensee is providing any Catering Services for such event to reasonably accommodate and handle such donations. The City will order the balance of its needs for such City sponsored catered events from Licensee.
- C. In the event the City is hosting a "Taste Event" (such as allowing various restaurants to set-up and serve food for a City sponsored event), then and in that event one or more of the Approved Caterers would be asked for a proposal to manage the event at an agreed upon cost, terms and conditions. In the event one of the City Approved Caterers did not want to handle the management of the event or could not handle the management of the event based on a mutually agreed cost, terms and conditions, the City reserves the right to contract such management services with a caterer (or firm) that is not on the Approved Caterer list.
- D. Licensee has provided the City a list of clients ("Users") where Licensee has signed contracts or deposits for events at the City in the year 2012 and beyond. City agrees that any formal Licensee proposals and pricing and/or contracts signed prior to March 1, 2012 by Licensee and any Users will not be subject to commission under the terms of this Agreement. Such contracts/proposals will be subject to the reporting requirements under this Agreement. Licensee agrees to update this list upon City request from time to time during the term of this Agreement.
- E. Commercial Film Productions. Film production companies that may film at Greystone often use their own caterer/food service vendor. Although the City will provide such film production companies with the list of approved Greystone caterers, Licensee should not expect to be the caterer for any filming that may occur at Greystone.

EXECUTED the 21st day of February, 2012, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

BARRY BRUCKER
Mayor of the City of Beverly Hills,
California

ATTEST:

(SEAL)
BYRON POPE
City Clerk

LICENSEE:
SRC EVENT GROUP

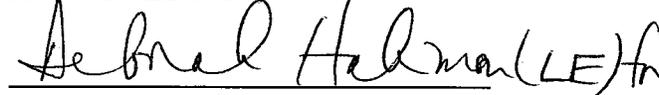


Jim McKennon
Chief Operating Officer



Connie Armijo
Vice President Special Events

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



STEVE ZOET
Director of Community Services

JEFFREY KOLIN
City Manager



KARL KIRKMAN
Risk Manager

EXHIBIT A

I. POLICIES

A. Building

1. City facilities are not available for political meetings or events; nor are they available on Thanksgiving, Christmas or New Year's Day.
2. Smoking is prohibited at Greystone.
3. City reserves the right to approve or disapprove any entertainment offered at a special event to insure that the nature of the gathering is consistent with the City's mission. City prohibits any form of gambling activity, firearms and fog and smoke. The use of live animals is only allowed if approval is granted by the City. A Live Animal Policy Request Form must be completed and sent to the Special Events Director for processing. The City must approve equipment hung from any surfaces and use at laser shows. Helium balloons and casino events are not allowed.
4. Any special requests associated with the use of City facilities, including Greystone, may be accommodated at the City's sole discretion and within governing rules and regulations.
5. City reserves the right to approve or disapprove of any entertainment or activity offered at a Special Event to ensure that all events harmonize with the character and mission of the City. Events may not create any hazard or impose undue hardship to City and its collections, exhibits, facilities, staff or visitors.
6. Events must be in conformance with established City regulations and not interfere with City functions.
7. Barbecue equipment is not allowed or permitted on City terraces or at loading areas unless approved by the City Fire Marshall.

B. Fund Raiser Events

1. Any organization seeking to use City facilities for an event involving an admission charge or fundraising must qualify as a not-for profit, tax-exempt organization under Section 501 (c)(3) or other sections of the Internal Revenue Code. A copy of the Internal Revenue determination letter may be requested by the City prior to executing the contract. The sponsoring organization must appear on the contract and provide documentation that the people benefiting has authorized the fundraising event and provide a certificate of insurance in the name of the sponsoring organization. The sponsoring organization must be involved in the planning of the event and commercial ticketing is prohibited by private Users at the City.

C. General

1. Certificates of Insurance naming the City as additional insureds must be added and must be on file from the User, their vendors and the vendor's agents. In certain circumstances, City may also

require a cash bond. Any failure to comply with the conditions of the contract or misrepresentation of any of the required disclosures shall result in immediate cancellation of the agreement to use the Location, and the User shall waive any claims against City for damages arising from such cancellations.

2. Food and beverages are prohibited in exhibits.
3. City will reserve the right to disapprove the use of any subcontractors used for any component of the event, including, but not limited to, security, coat-check and catering.
4. All costs associated with an event will be the responsibility of the User or sponsoring organization. The User or event sponsor is also responsible for any damages to City exhibits and facilities. In the event City retains legal counsel to enforce any Policies or Procedures or provisions of the agreement, the User or event sponsor agrees to pay all recovery fees.
5. The event contract for the use of the Location must be received from the User or the Licensee if representing the User within two weeks of the verbal reservation. A fifty-percent (50%) non-refundable deposit must be received with the contract. DATES WILL BE RELEASED IF THIS TIME REQUIREMENT IS NOT MET. An estimated balance will be billed and payment due prior to the date of the event including charges for other additional fees on the event contract. Immediately after the event, any adjustments to the balance are due. City reserves the right to modify the policies in this Section 5 upon reasonable advance notice to Licensee.
6. For events with 150 or more guests the City reserves the right to require the presence of public safety officer(s) as it deems reasonably necessary to provide for the good and welfare of the City and attending public. The City reserves the right depending on the nature of the event, the financial arrangements with the User and related information to request payment for the safety officer(s) from the Licensee..
7. All prospective Users shall be required to comply with all conditions of the use agreement, including written certification prior to the event that adequate security and other amenities will be provided.
8. No significant increase in the number of attendees, or any material aspect of the event, shall be changed less than 30 days prior to the event without the City's prior written approval.
9. Any failure to comply with the conditions of the agreement or misrepresentation of any of the required disclosures shall result in immediate cancellation of the agreement with City, and the User shall waive any claims against City for damages arising from such cancellation.
10. City Public Safety Staff reserves the right to close the doors and deny further admission to any event if attendance exceeds the amount which was provided by the User and approved by the City by ten percent (10%) and/or the number of guests exceeds the legally approved occupancy of the space(s) being used.
11. City has the option to rent other spaces other than the space that has been contracted. An additional fee will be incurred if User wishes to disallow that option.

12. All vendors must enter through the loading area and must present government issued picture identification if requested by the City to do so.

D. Terraces

1. Outside terraces are available for rental.
2. Use of barbecue equipment is not allowed. on the terrace but may be approved by City for use in certain designated areas upon advance written request and City written approval.
3. If and when planters or other stationary items need to be moved the User will incur an additional fee.
4. If liquor is served on the terrace, the client will follow all City and state laws, as well as any applicable policies and procedures established by the City.
5. Based on availability, the client has the option to rent and reserve an interior space as a contingency in case of weather, etc. Refunds are not available if the contingency interior space is not used.

II. PROCEDURES

A. Special Events Manager

1. Staff from the City will work closely with the User to ensure that the event proceeds smoothly and efficiently. City Staff will be present on the day of the event to manage the set-up, activities, and breakdown and will also be present to oversee breakdown and load out.

B. Catering Food and Alcoholic Beverages

1. To ensure the success of programmed events, City will provide a list of approved caterers who are trained in the policies and procedures of City. Only these approved caterers may work in Greystone. All City approved caterers are fully licensed by the City and State. They have provided certificates of insurance. The approved caterer provides all personnel, materials, and supplies required in the preparation and serving of food and alcoholic beverages. A kitchen is provided for food preparation.

C. Alcoholic Beverages

1. Caterer will provide all alcoholic beverages used in conjunction with any event held at Greystone. The caterer may also provide bar service, which includes set-up, mixers, sodas, ice, glassware, and staff.
2. Alcoholic beverages may have time constraints associated with their dispensing and consumption.
3. No alcoholic beverages may be removed from the premises without the City's prior written approval.

D. Planning and Set-up

1. The City requires that a layout be submitted for approval at least one (1) month before the event or as soon as the information can be made available. Licensee will provide the City updates of the layout if there are any proposed changes that materially or significantly alter the original proposed space utilization, traffic flow or layout of tables, chairs and other equipment.
2. Set-up may not begin before the agreed upon time without prior written approval of City. If extensive or unusual set-up is required it must not interfere with Greystone activities and must be arranged with City. An additional charge may be necessary.
3. A walk-through by the caterer, User, event planner and production personnel, accompanied by City staff must occur no later than one week before event to finalize all arrangements.
4. City does not provide staff to move props, musical instruments, staging, etc.

E. Audio Visual Department

1. The City uses an approved audio visual and lighting vendor who, due to their knowledge and familiarity with Greystone, is the desired vendor to be used at an additional fee when such services are requested.

F. Lighting

1. When decorative lighting is used, an approved Lighting vendor must be used.
2. No open flames are permitted unless approved by Beverly Hills Fire Department.
3. Votive lights and enclosed candles are acceptable for use on tables as approved by City.

G. Cooking equipment

1. Chafing dishes and Carter Hoffmans may be used in the Location for cooking needs. The City must approve all other cooking equipment.
2. All cooking equipment must be accompanied by an ABC fire extinguisher located on a stand in the immediate vicinity of the area where the cooking will be done.

H. Electrical needs

1. New electrical service has been installed throughout Greystone's first floor but does have limitations.
2. A diagram of all proposed power requirements must be submitted in advance to the City for approval.

3. For special needs, additional electrical capacity needs to be approved by the City and provided by properly licensed electricians. Any additional fees will be paid by Licensee.
4. Special electrical arrangements must be made as far in advance as possible.

I. Housekeeping

1. City staff will be on site before set-up to ensure that the Location is in a state of readiness for your event.
2. City staff is not responsible for food services clean up during or after the event.
3. Caterers are responsible for cleaning all areas where food is being prepared and served and leaving it in the condition that it had been found.

J. Rentals

1. Licensee is required to arrange and pay for all tables and chairs and related event needs.
2. All rental items must be picked-up by the rental company (or Licensee) after the event unless previous arrangements are made with the City. The City is not responsible for any rental items (or other equipment, supplies or materials) not picked up immediately after an event or without prior written approval from the City.

K. Load In/Out Area

1. City's loading area is on the northeast corner of the estate adjacent to the catering kitchen area, and is referred to as East Courtyard or AFI Lot.
2. Rentals, including pianos, must be delivered on the day of event and must be removed immediately following the event.
3. The City provides limited on-site parking. Depending on the size of the event and the number of anticipated guests, catering staff may be encouraged to park off-site on adjoining residential streets, carpool or arrange for other forms of arrival and departure. Posted rules and regulations are enforced on all adjacent surface streets and restrictions must be observed. The City is not responsible for or financially obligated to provide restitution for the issuance of parking tickets or fines.

L. Delivery and Shipping Materials

1. All deliveries supporting User's needs must be coordinated with City staff to access Greystone.
2. The delivery of all materials (e.g. handout literature), supporting a User's needs must be submitted to City staff a minimum of two days prior to User's scheduled use. After items have been delivered, the User is responsible for transporting their items within Greystone.

3. The User is responsible for packaging and shipping material left on Greystone premises within a one week time period. City is not responsible for any material left after the event.

M. Security

1. No outside security personnel (contract or proprietary) will be allowed in Greystone without the prior written approval from the City.
2. Approval for the use of outside security will be contingent on furnishing the City proper insurance, bonding and state licensing requirements in a form suitable to the City. Even with the approval by the City for User to use outside security personnel, the City reserves the right to utilize City security personnel or their agents to oversee the event.
3. In the event City anticipates charging User for City security personnel the City will provide User an estimated cost for this service upon User request.
4. Based on the City's perceived needs, police can be provided at an additional charge to assist.
5. A fire marshall may be required as determined by the City and at an additional cost to User.

N. Parking

1. Valet parking is permitted and must be arranged by the User.
2. Limited disabled parking is available in close proximity to Greystone. Other arrangements will need to be made if additional parking is required.

O. Invitations and Printed Materials

1. If requested by the City, the content of all printed materials relating to the event, including invitation copy, programs, promotion material, press releases, electronic copy and radio advertisements must be submitted to the City for review and approval before being printed.
2. Photographs taken in the Location for personal use are permitted as long as they are not in conflict with Greystone's rules of photography. All photographs that will be submitted to a publication are to be approved by the City before submission.
3. Please allow one month prior to event for approvals.
4. Any violation can result in cancellation of the event.

III. CHANGES TO POLICIES AND PROCEDURES

These Policies and Procedures are as of March 2012 and are subject to change and modification by City at any time during the term of this Agreement. In the event of any changes, additions or addendum to these Policies and Procedures, City agrees to provide Licensee at least five (5) business days' notice of such change including a new copy of this Exhibit A. City will be sensitive and not necessarily require changes

herein to be applicable to any future Catering Contract between Licensee and User to the extent that it has adverse financial or operational impact on that contractual arrangement.

EXHIBIT B

Licensee: SRC Event Group

FINANCIAL TERMS

- A. **Minimum Annual Guarantee Starting in Year Two: \$55,000**
- B. **City-Related Catering Discount: 20%**
- C. **Annual Marketing Event Out of Pocket Cost: \$7,000**

EXHIBIT C

RECYCLING PROCEDURES

The City does not have recycling policies and procedures for caterers and Users for events at Greystone. The City reserves the right, upon reasonable advance written notice to Licensee to institute recycling policies and procedures. In the event City institutes such policies and procedures Licensee agrees to follow such procedures and policies provided such policies do not materially negatively impact the Licensee financially. In the event such policies and/or procedures materially negatively financially impact the Licensee the City will consider reasonable adjustments to the financial terms and conditions of this Agreement to mitigate the cost/expense to the Licensee.

Attachment 3

THE CITY OF BEVERLY HILLS

APPROVED CATERER LICENSEE AGREEMENT

This Agreement made and entered into this 1st day of March, 2012 (the "Commencement Date"), by and between the **City of Beverly Hills** (hereinafter referred to as the "City") for services located at **Greystone Mansion** (hereinafter referred to as "Greystone") and **Wolfgang Puck Catering and Events LLC d/b/a Wolfgang Puck Catering** (hereinafter referred to as "Licensee" or "Approved Caterer").

Whereas, Greystone Mansion is located at 905 Loma Vista Drive, Beverly Hills, CA 90210 (hereinafter referred to as "Location");

Whereas, Licensee is a qualified event caterer approved by the City to provide Catering Services (defined below), on a non-exclusive basis, at events to be held at the Location during the term of this Agreement, except as otherwise stated in this Agreement;

Now therefore, in consideration of the terms, covenants and conditions hereinafter contained it is agreed upon between the parties as follows:

I. DEFINITIONS

- A. "Agreement Year" shall refer to each one year period commencing from the Commencement Date and terminating at midnight one year thereafter, unless terminated earlier as set forth in Section III.
- B. "Alcoholic Beverages" shall refer to all alcoholic drinks, beers and wines, regardless of where they are provided at the Location, in what packaging or format, or to whom they are provided that Licensees have a license to sell and serve.
- C. "Catering Services" shall refer to any food or alcoholic beverage function of multiple customers where payment for the entire function rests with one individual, company or entity including the City.
- D. "Catering Contract" shall refer to a contract between Licensee and User.
- E. "City Sponsored Events" shall refer to any City or City-related Catering Services, including the Friends of Greystone ("FOG"), at the Location as indicated/specified by the City at the time of ordering/requesting.
- F. "Commissions" are the percentages of Gross Receipts paid by Licensee to the City.
- G. "Direct Operating Costs" are the actual out-of-pocket costs of the Catering Services operation incurred at the Location paid by the Licensee. These costs include the actual Licensee expenses including on-site payroll, payroll taxes, fringe benefits, food costs, and the other operating expenses, such as rentals, repairs and maintenance to City or third party furniture, fixtures or equipment caused by Licensee employees or Licensee contracted staff, cleaning and office supplies.

- H. "User" shall refer to any individual, organization, company or other entity, including the City and City departments that rents, or is granted the right to rent or use the Location or portion of the Location for a function.
- I. "Gross Receipts" shall mean the food, beverage and alcoholic beverage billing portion of Gross Receipts actually received or earned by Licensee from the Catering Services, less only (i) retail sales taxes and other direct taxes imposed upon receipts collected from the User; (ii) fees and charges on credit card transactions, if added to Gross Receipts, and (iii) billed or User added tips, service charges, gratuities and labor charges. Gross Receipts includes the sale (or rental) of flowers, décor, equipment rentals or any other products or services provided by Licensee to User but does not include charges assessed by third-party vendors to User whether directly billed by the third-party vendor to User or through the Licensee to User. Commissions (payments based on a flat fee or percentage of gross sale to User) or up charges received by Licensee from third party vendors are considered part of Gross Receipts. Any products or services sold by Licensee to User, not through or affiliated with any third-party vendors shall be included in Gross Receipts as detailed hereinabove. In the event a User billing is based on a package price whereby food and other services are sold for a lump-sum or flat amount, Licensee agrees to identify the food, beverage and alcoholic beverage portion of the User price separately to the City. The dollar amount of the food portion of the package price shall be reasonable, in the City's opinion, and consistent with the food billing for similar menus that are sold by the Licensee.
- J. "Special Event Agreement" shall refer to the agreement between City and User to utilize the Location or portion of the Location for a function.

II. LICENSE GRANTED

- A. City hereby grants to Licensee the non-exclusive right and privilege to provide the Catering Services at the Location in accordance with the terms and provisions set forth herein, when Licensee has executed a Catering Services contract with a User of the Location. Licensee will be listed and published by the City as an "Approved Caterer." Licensee may provide event planning and related services to Users provided such services are services that Licensee has experience providing and routinely provides to all its customers and clients.
- B. Licensee's responsibilities, detailed throughout this Agreement, do not apply at events where Licensee is not providing the Catering Services.

III. TERM & TERMINATION

- A. The term of the Agreement shall be for a period commencing on the Commencement Date and expiring at midnight three years thereafter (February 28, 2015).
- B. Either party, upon a minimum of thirty (30) day's prior written notice may terminate this Agreement at any time, for any reason. In the event of termination of this Agreement, for any reason, Licensee will be permitted to provide Catering Services at Location for any User that has a fully executed Special Event Contract with the City and a signed Catering Contract with Licensee after the date of termination of the Licensee Agreement. In the event the Catering Contract is not fully executed, City reserves the right, subject to User approval and agreement, to refer the User to one of the City's Approved Caterers whose Licensee Agreement is in full force and effect. Commissions, as

City's Approved Caterers whose Licensee Agreement is in full force and effect. Commissions, as detailed in Section IV of this Agreement will be due for each and every event catered by Licensee after the date of termination.

IV. FINANCIAL TERMS

- A. **Commission:** As consideration for Licensee having the right to provide Catering Services, Licensee shall pay the following Commissions to the City. City Commissions shall not be added to User billings. Commission amounts shall be included in menu/food prices provided by Licensee to Users.

Annual Gross Receipts	Percentage of Gross Receipts
\$ - 0 - to \$250,000	10%
\$250,001 to \$500,000	8%
\$500,001 to Above	6%

Commission and annual minimum dollar payment to the City: Licensee agrees to pay a dollar minimum as detailed on **Exhibit B** starting year two, as of March 1, 2013, of the Agreement. This minimum payment will be applied against the Commission payment detailed in paragraph A in this Section IV. The annual minimum commission shall increase by a minimum of ten percent (10%) in contract year three (3) (beginning March 1, 2014) and the same each year thereafter to reflect Licensee's sales, marketing and advertising efforts. In the event the total Commission payments for the current Agreement Year is not at least equal to the dollar amount of the Minimum Annual Guarantee for the same year, Licensee will pay the City difference in accordance with the payment terms and conditions in this Agreement. In the event of termination of this Agreement for any reason, this minimum annual payment shall be pro-rated based on the actual number of calendar days this Agreement had been in effect for the current Agreement Year.

Notwithstanding the foregoing, for any Agreement Year when a Minimum Annual Guarantee is in effect, the parties agree that should Licensee not meet the agreed upon Minimum Annual Guarantee due to Acts of God, then City shall be paid only actual Commissions earned based on the percentage rates outlined in this Section IV.A.

- B. **City Discount:** Licensee shall provide a discount as detailed on **Exhibit B** off its standard retail menu prices for all Catering Services provided for City Sponsored Events during the term of this Agreement and call out what the discount applies to. Furthermore, Licensee shall not impose any service charge (a percentage added to the billing) or gratuity on City Sponsored Events. Licensee shall not be required to pay a commission on City Sponsored Events for which the City has received a discount from Licensee, although Licensee may impose labor charges on such events.
- C. **Marketing Events:** Licensee agrees to host one or more marketing events per year at Greystone at a maximum of 250 guests per event. The City will consider alternative marketing event(s) each year provided such alternative(s) are presented to and approved by the City by June of each Agreement Year or such other date as mutually agreed to in writing between the parties. Licensee agrees to spend a minimum of Twenty-Five Thousand Dollars (\$25,000) every year on

actual out-of-pocket costs to Licensee including food, all beverages, supplies, linen/laundry, rentals, staffing, etc. and does not include any Licensee vendor donated services or products.

- D. **Licensee Reporting:** Licensee shall furnish a complete and accurate sales report, copies of supporting User invoices/billings (including menu and other pricing, guest counts and related data as may be reasonably requested by the City) and copies of any Licensee subcontractor billings and/or commission statements applicable to the User event and a check for the amount of the payments due to the City as detailed in this Section IV for each event no later than thirty (30) days following each calendar month during the term of this Agreement, whether collected from the User or not. Payments not received within thirty (30) days after each calendar month shall be subject to an interest charge equal to one and one-half percent (1 ½%) of the unpaid balance. Within thirty (30) days after the end of each Agreement Year during the term of this Agreement, Licensee shall provide the City a summary of the immediate past Agreement Year including but not necessarily limited to a listing of all events catered by Licensee, guest counts, name of User (including City sponsored events), total billing (broken down by food, service and other key categories) and percentage payments made to the City as per this Section IV. This annual summary, as applicable, will also include a remittance for any shortfall whereby the percentage payments have not at least equaled the Minimum Annual Guarantee.
- E. **Kitchen Use and Cleaning Fee:** City will hire its own cleaning service to clean the kitchen after each event. City will charge User directly for cleaning fees in the amount of \$250.
- F. **Responsibility:** Licensee is solely responsible for the payments to the City when due, regardless of whether Licensee has received payment from User. Licensee is solely responsible for the collection of monies from the User. The commission payment is to be calculated based on the Gross Receipts on the final invoice provided to User and City and based on Catering Services Contract originally entered into with User (as may have been modified or amended), or actual amount paid by User for such services, whichever is greater.

V. MAINTENANCE, RULES & REGULATIONS

- A. **Inspection of Location:** City and Licensee's representatives will conduct a check-listed review based on the condition Licensee leaves the Location after each event. Review will note any maintenance deficiencies in the opinion of the City. If Licensee does not correct any or all of such deficiencies before its departure, Licensee will be responsible for City's cost to remedy any such deficiencies to City's full and complete satisfaction upon presentation of a billing to Licensee for such maintenance over and above the Section IV-E Kitchen Use and Cleaning Fee. Licensee shall reimburse City immediately upon receipt of such billing. Fines starting at \$250.00 will be assessed for any repeated offenses that have been provided to the Licensee in writing. The Licensee will also be responsible for any damage caused to Greystone by their staff members. The damage will be documented and an invoice will be submitted for the remedied work. In the event Licensee receives three (3) fines in any given Agreement Year, Licensee will not be permitted to provide Catering Services at the Location until such time as City has determined that Licensee has and will correct any deficiencies to ensure satisfactory post event review will be received in the future.
- B. **Damages to Greystone Premises:** Licensee shall be responsible for the full and complete cost of any damages to Greystone's premises, equipment, furnishings, exhibits and the like caused by Licensee's employees, agents, subcontractors, and invitees. The City will be responsible for its employees, agents, subcontractors, and invitees at Greystone. Licensee agrees to make every

effort to protect Greystone premises, equipment, furnishings, exhibits and the like when at the Location.

- C. **Cleaning & Sanitation:** Licensee must, in accordance with all applicable laws, ordinances, rules and regulations, maintain all assigned areas in a clean, sanitary, and orderly fashion, including adjacent areas.
- D. **Janitorial Services:** City shall provide janitorial service for all areas Licensees may, subject to City prior approval, provide compactors at Licensee cost and expense.
- E. **Trash & Garbage Removal:** Licensee shall deposit in receptacles provided by Licensee all waste, garbage and refuse which shall accumulate in the assigned areas and other space allotted to it in good, clean and sanitary condition. Licensee must follow the City's recycling procedures as detailed on **Exhibit C**. If an event is expected to have more than 350 people in attendance, then City will provide an additional dumpster, which City will charge User directly for via its permitting fees.
- F. **City Rules & Regulations:** Licensee will comply with all City rules and regulations as detailed in **Exhibit A** and any others as provided in writing by City to Licensee from time to time during the term of this Agreement, when providing Catering Services at the Location.
- G. **Laws & Ordinances:** Licensee will comply with and observe all federal, state and local laws, ordinances and regulations as to sanitation and the purity of food, beverages and alcoholic beverages relating to its operation and services under this Agreement at the Location and at the Licensee's kitchen(s) and with any vehicles and/or transportation used to deliver food and/or supplies to the Location.
- H. **Sustainability:** The City practices sustainability in all areas of operations and expects its contracted vendors to do the same. The City expects Licensee to recycle by using biodegradable products and separate its waste stream for recyclable materials. The City reserves the right to reasonably modify the terms and conditions in this Section H during the term of this Agreement upon written notice to Licensee.

VI. UTILITIES

- A. City shall provide Licensee, at no cost, HVAC, gas, electricity and water for the Catering Services operation as currently is available at the Location and in the City catering kitchen. Licensee must provide any additional utility requirements. The City shall determine where Licensee shall access water, gas and electricity. Licensee shall at all times utilize prudent energy management.
- B. City shall not be liable or responsible for any failure to furnish services, such as electricity or water in the event of circumstances beyond the City's control. Furthermore, City shall not be liable or responsible for any consequential economic or property loss or damage caused or brought about by any such occurrence, unless such occurrence is due to City's negligence or willful misconduct.
- C. To the extent of Licensee's negligence or willful misconduct, if any Licensee owned or furnished equipment damages any of the City's utilities or services (electricity, water, gas, drain lines), Licensee shall be solely responsible for any repair or maintenance costs.

VII. LICENSEE PERSONNEL & STAFFING

- A. Licensee shall employ, train and supervise personnel and staff with appropriate qualifications and experience in sufficient numbers to provide all services appropriate for the operations granted under the Agreement.
- B. All Catering Services personnel are employees of Licensee (or employees of a staffing agency utilized by Licensee) and not employees of the City and Licensee represents that all such employees and contract employees are legally able to work in the United States and will provide City written documentation upon City's reasonable request. Licensee shall at all times be an independent contractor, and the Agreement shall not in any way create a partnership or joint venture between the Licensee and the City. No agent, servant, staff or employee of Licensee shall under any circumstances be deemed an agent, servant, staff person or employee of the City.
- C. Advance written and verbal notification of any key management changes must be provided to the City prior to announcing publically.
- D. Licensee must conduct regularly scheduled training sessions for all personnel. At a minimum, training sessions must include customer service techniques, safe food handling, alcohol awareness ("T.I.P's"), sanitation, and health programs. Licensee shall provide a written copy of its bartender alcohol awareness training program to the City and such training program shall be subject to the prior review and approval of the City, which approval shall not be unreasonably withheld or delayed.
- E. Licensee shall not employ any person or engage in the services of any staff who shall display any unacceptable behavior. Unacceptable behavior includes, but is not limited to: use of overt and offensive vulgarity, use of overtly offensive personal insults, any form of harassment or threatening remarks or behavior, disruptive behavior such as yelling, pushing, groping etc. at the Location.
- F. Licensee employees and staff shall be clean, courteous, efficient and properly trained in their respective areas of responsibility. Employees shall be attired in clean uniforms at all times when at the Location, and, upon the request of the City, Licensee shall provide each employee and staff person a Licensee name badge that shall be worn at all times when at the Location.
- G. All Licensee employees and staff shall utilize City designated changing areas, not public restrooms at the Location.
- H. Licensee will transfer, remove or relieve from duty any employee or staff person from any event on the City's premises upon City's request, so long as such request is lawful.
- I. City shall have the right to request a list of Licensee's employees and staff, including social security numbers for security purposes, in advance of an event with security requirements.
- J. Licensee's employees and staff will cooperate with City's employees as it relates to alcoholic beverage service and consumption in order to provide the best possible service to Greystone visitors/groups.
- K. The manager of Licensee's operations and a representative of the City shall consult regularly, with reference to the services of Licensee at the Location, to review such services and to provide

services in a proper manner for persons attending the Location. Licensee shall provide the level of services and products detailed in their Catering Contract with their customer and at a level approved by the City as well as consistent with the gourmet image of Wolfgang Puck.

- L. Licensee's employees and staff shall be admitted to Location without payment of an admission fee at an entrance to be designated by the City, in such numbers as Licensee may reasonably require for conducting its services at the Location.
- M. City shall not provide parking for Licensee staff; provided, however, that Licensee's staff may park on the Greystone premises if parking is available. The City will make every effort to accommodate Licensee's employee and staff access to Greystone entrances, loading areas, etc. consistent with the rules and regulations applicable to all City contractors.
- N. City is not responsible for the personal belongings of Licensee employees, staff or subcontractors.
- O. Licensee shall furnish all common and skilled labor to stock, set-up, dismantle, move and remove Catering Services equipment and rentals.

VIII. PRODUCTS & SERVICES

- A. **Inventories:** Licensee shall order, stock, prepare, pay for and sell appropriate foods, alcoholic beverages, equipment and supplies that are necessary to provide the services contemplated under this Agreement and Licensee's contracts with Users in accordance with all applicable laws and regulations. Title to said products should remain vested in Licensee. Licensee may store items detailed in this Section A in the kitchen dry and refrigerated storage areas in the City kitchen provided such storage does not commence earlier than the time of arrival and Licensee removes all items at end of the respective catered events. The City will have no responsibility or liability with respect to the storage or safeguarding of these items.
- B. **Quality:** Consumables (food and alcoholic beverages) shall be first quality, wholesome and pure, and all products on hand shall be stored and handled with due regard for sanitation, Hazard Analysis Critical Control Point ("HACCP") food safety system requirements and the health and safety of City staff, visitors and Users.
- C. **Alcoholic Beverage Service:** Licensee shall provide and contract with a User for Alcoholic Beverage Services. Licensee shall be responsible for the set-up, sale and service of alcoholic beverages. Licensee will provide bar set-ups as needed. The pricing for all services in this section shall be as mutually agreed between the Licensee and User.
- D. **Exclusive Pouring Rights:** Licensee agrees to honor any exclusive pouring or serving rights agreements that might be in place with the City at some future date provided the service or sale of such products does not create a financial hardship on Licensee. If Licensee's use of any such product creates a financial hardship, Licensee shall provide written documentation of such hardship, including but not limited to supporting documents for City's review and consideration. City agrees to mitigate any financial hardships in this regard.

IX. LICENSES AND TAXES

- A. Licensee will provide, concurrently with the delivery of a fully executed original of this Agreement, and on each anniversary date thereafter, copies of all business licenses and permits required to do

business in the City of Beverly Hills and State of California, including, but not limited to Health Department License, Alcoholic Beverage Licenses, Business Licenses and Resale Permits, renewals and the like. Failure to maintain copies of current (no expired) permits on file with City shall, at City's option, be cause for immediate cancellation of this Agreement.

- B. Licensee shall pay for Direct Operating Costs and obtain all licenses and permits necessary for the operation of said business.
- C. Licensee agrees to conform to the terms and provisions of all applicable federal, state and municipal authorities and promptly when due, pay all taxes assessed against Licensee by such taxing authorities.
- D. Licensee shall pay its portion, as employer, of all social security, unemployment insurance, old age retirement and other federal, state and local taxes, which are measured by the wages, salaries or other remuneration, paid to persons employed by Licensee.

X. ADVERTISING

- A. All advertising rights at Location belong to the City.
- B. Licensee shall not advertise any brand names in the Location without the written approval of the City.
- C. Licensee shall not use the name or logo of the Location or City on any material without the prior written approval of the City, which approval may be not be unreasonably withheld. If Licensee is using the City or Location name, logo, photographs as of the date of this Agreement in any printed materials of Licensee, the Licensee agrees to provide a copy of all such material(s) to City concurrent with the delivery of a fully executed original of this Agreement with a writing detailing the approximate quantity on-hand and how long this quantity (or quantities) will last. All subsequent reprints and/or new material will be subject to the City's prior review and written approval.
- D. City will permit Licensee to use the City and Location name, logo and City printed material to advertise and promote the fact that Licensee is an Approved Caterer (provided Licensee does not provide any indication or implication of exclusivity) in its brochures, web site and other promotional material. In this regard Licensee will submit samples of all such use of City and Location name, logo and related uses to City for prior review and written approval, which approval may be not be unreasonably withheld. In the event of termination of this Agreement, for any reason, City shall have no responsibility for any printed or other materials that Licensee needs to change or discard as a result of such termination. In addition, Licensee agrees to remove any and all reference to City and Location name, logo and other identity from any and all Licensee materials within thirty (30) days after the termination of this Agreement.

XI. OPERATING REQUIREMENTS

- A. **User & User Contract:** Licensee may provide Catering Services upon request of User. Licensee may execute a Catering Contract with User; provided, however, that such Catering Contract shall be made contingent upon the City receiving a signed Special Event Agreement, Certificate of Insurance and required deposit from User.

- B. **Other Contractors.** Licensee shall not interfere with any other City contractor, City employee or any employer of any other contractor working at the Location.
- C. **Kitchen & Preparation Areas:** City shall make available one or more pre-determined kitchen/preparation area(s) for Licensee's Catering Services. Licensee may begin set-up of kitchen/preparation area up to three (3) hours prior to event start time per User's Special Event Agreement. City will, upon Licensee request, occasionally permit kitchen/preparation area set-up earlier than three (3) hours before the start of the event. These exceptions will be considered on a case-by-case basis in the sole discretion of the City. If the City has staffing costs associated with Licensee's time of set-up, City will advise Licensee and Licensee agrees to pay City staffing costs, if any, during set-up and clean-up times.
- D. **Licensee Set-Up:** Licensee's event preparation in guest area(s) shall not take place until the close of normal Location operating hours unless otherwise approved by the City in writing.
- E. **Event Clean-Up:** Unless otherwise approved by City, in writing, in advance of a specific event, Licensee shall have all Licensee owned goods, product and equipment removed and completion of clean-up maintenance of Location within two (2) hours after the event end time per User's Special Event Agreement. If the size and/or complexity of the Licensee event requires more than two (2) hours to clean-up, Licensee must advise the City of their needs in this regard at least ten (10) days before the event or as soon as practical, and the City will make every effort to accommodate Licensee's reasonable requests in this regard. There will be an additional charge of \$150 per hour for additional time required.
- F. **Licensee Property Removal:** Licensee shall not store any Licensee owned or subcontractor owned goods, product, or equipment at the Location without the prior written approval of the City. Any such property not approved shall be considered abandoned, and at City's option, be removed and stored by City at Licensee's expense or disposed of in any manner City deems appropriate.
- G. **City Inspection:** City has the right to inspect all Catering Services and Licensee's containers, Licensee's employees and staff's backpacks, purses, boxes and the like that is removed from the Location by Licensee's employees, staff and/or subcontractors.
- H. **City Right of Access:** Nothing herein contained shall be held to limit or qualify the right of City to a free and unobstructed use, occupation, and control of the Location, or of City's right of ingress and egress to the Location for itself, its other Licensees, and the public. Representatives of City shall have the right to enter upon and have access to all spaces occupied by Licensee at any time.
- I. **Rental Equipment:** Licensee shall provide the necessary rental items including, but not limited to, food service equipment, food prep tables, plates, stemware, flatware and linens that is not already provided in the catering kitchen. Licensee will be responsible for skirting and dressing Catering tables as detailed in their Catering agreement with User and at a level approved by City.
- J. **Floor Covering:** Licensee shall provide the necessary floor covering, at City's discretion, under display cooking or buffet tables, bars and kitchen/prep/service areas to protect floor or floor coverings.
- K. **Use of City Property:** Licensee shall not be permitted to use any City property without City prior written approval.

- L. **Emergency Procedures:** Licensee shall be expected to follow City's emergency plan procedures as directed by City Event Supervisor.
- M. **Licensee Invoicing of Users:** Licensee shall invoice User on an invoice form and in a format approved by City. This form can be the form and format currently used by Licensee provided it has been reviewed and approved in advance by City.
- N. **Licensee Menus and Pricing:** Licensee agrees to provide a variety of menus, menu items and prices covering very small to very large events in order to appeal to a broad range of prospective Users. Licensee menu prices shall be consistent (based on similar menus) with the pricing submitted by Licensee in December 2010 in response to the City's Approved Caterer Request for Proposal. This is very important to the City in consideration of the City granting this Agreement to a limited number of approved caterers. Licensee shall prepare written menus for Users (including City sponsored events) at the Location in a form approved by the City.
- O. **City Catering Services Surveys:** City may provide each User an online survey following their event covering the Location and Licensee services. This survey in part will be used to rate the performance of the Licensee. All Licensees (approved caterers) will be expected to maintain a minimum rating by all Users. In the event the Licensee receives three (3) negative reports in a row, the City reserves the right to terminate this Agreement forthwith if an acceptable solution cannot be found between City and Licensee. Copies of these surveys will be provided to Licensee upon receipt from User upon request.
- P. **Licensee Catering Services Surveys:** If Licensee does any formal surveys (written or other) with any User of Location, Licensee agrees to provide a copy of the results of such survey(s) to the City at least every three (3) months during the term of this Agreement.
- Q. **City Orientation & Training:** Licensee agrees to participate in City sponsored orientation and training sessions at the Location as a condition of being on the Approved Caterer list. The City will advise Licensee, in writing, at least two (2) weeks before any scheduled sessions. Licensee agrees to have at least two (2) key Licensee senior staff in attendance at each session.

XII. CITY BUILDINGS AND PROPERTY

- A. Licensee shall not permit any waste, injury, or damage upon or to the Location. At the expiration of each Catering event, Licensee shall leave the Location in at least the same condition as at the commencement of the event.
- B. Licensee and/or its employees shall not erect, maintain or keep at the Location any structure or equipment of any kind without the prior written approval of the City. In addition, Licensee shall not make any alterations in, or additions to, nor post any signs upon any part of the Location without the prior written approval of the City.
- C. Licensee shall not remove any article, furniture, fixture or equipment or other property furnished to the Location by a third party without the express written permission of City and/or third party.

XIII. INSURANCE AND INDEMNIFICATION

- A. Licensee shall defend, indemnify and hold harmless City and its officers, trustees, agents and employees from and against all claims, damages, losses, and expenses, including reasonable

attorney's fees arising out of or resulting from the acts, whether active or passive, errors, omissions, conduct or operations of Licensee, provided that any such claim, damage, loss, or expense (1) is attributable to bodily injury, sickness, disease, or death or to injury to or destruction of tangible property, including the loss of use resulting there from, and (2) is caused or is claimed or alleged to have been caused by any negligent act, whether active or passive, error, omission, conduct, or operation of Licensee, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable (and except to the extent such claim, damage, loss, or expense is due to City's negligent act, whether active or passive, error, omission, conduct or operation of City, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable); or (3) is caused or is claimed to have been caused by any food, beverage, alcoholic beverage or product sold or service rendered by Licensee, its agents, employees, or subcontractors.

- B. Licensee shall at all times during the term of this Agreement subscribe to and comply with the Workers' Compensation and Laws of the State of California and pay such premiums as may be required thereunder and save City harmless from any and all liability arising from or under such act with limits of not less than those required by State Law.
- C. During the term of the Agreement, the following insurance coverage (collectively, the "Policies") shall be kept in full force and effect continually and may be increased to meet the current needs of the Location. These expenses and costs shall be a Direct Operating Cost of Licensee.
 - 1. Comprehensive general liability (occurrence form) (including premises operations liability inclusive of broad form contractual liability, bodily injury and property damage, personal injury, products and completed operations, independent contractors, and medical payments), with policy limits of \$2,000,000 per occurrence combined single limit.
 - 2. Workers' Compensation insurance as required by the State of California.
 - 3. Business Automobile Liability, including owned, non-owned and hired and leased vehicles: \$1,000,000 combined single limit for each occurrence.
- D. Greystone and the City of Beverly Hills shall be named as additional insureds under all of the Policies as their interests may appear, except the Workers' Compensation Policy. Licensee coverage under all Policies shall be primary and non-contributory with coverage purchased by the City.
- E. Licensee shall deliver to the City at least forty-eight (48) hours prior to the date on which coverage is to be provided a certificate evidencing the required coverage. City reserves the right to request certificate(s) of insurance from subcontractor(s) of Licensee. Licensee agrees to provide such certificate(s) in form and substance acceptable to the City, at least forty-eight (48) hours in advance of the date coverage is required. City may, at City's option, not allow the subcontractor(s) to work on City's premises,
- F. Insurance provided hereunder may be met by a combination of excess, primary, or umbrella policies.
- G. Certificates of insurance must state that the insurance policy will not be cancelled or non-renewed without endeavoring to provide at least thirty (30) business days' advance written notice (including via email) to the City.

- H. All insurance provided by Licensee hereunder shall be with insurance carriers that are 1) licensed to do business in the State of California and 2) have an A.M. Best rating of A-VII or better as listed in the most recently published A.M. Best Key Rating Guide.

XIV. DEFAULT

- A. In the event that either party shall fail to perform, keep and observe any of the terms, covenants and conditions of the Agreement to be performed, kept or observed, such as, in the instance of Licensee, failing to pay the correct amount of money due to the City, City may give Licensee written notice of such default. In the event such default is not remedied or adequate steps are not taken to remedy such default to the satisfaction and reasonable approval of the non-defaulting party within thirty (30) days of receipt of such notice, either party may terminate this Agreement.
- B. Should either party be placed into bankruptcy either voluntarily or by the courts, or should either party become financially insolvent and unable to perform its duties under the Agreement, the other party may immediately place the affected party in default and terminate the Agreement.
- C. City retains the right to immediately terminate the Agreement if Licensee's Catering Services receives more than the allowable unsatisfactory quality ratings, as defined by the City, from the Users.
- D. Licensee in accepting this Agreement agrees that City shall not be liable for prosecution for damages in the event that City declares Licensee in default.

XV. ASSIGNMENT; SUBCONTRACTING

- A. Licensee shall not transfer, convey, assign nor permit the use of the rights, privileges or premises granted under the Agreement in whole or in part to any other person, firm or corporation without the City's prior written approval.

XVI. REPORTING & ACCOUNTING

- A. **Maintenance of Books & Records and Right to Audit:** Licensee shall maintain accurate books and records in connection with Gross Receipts at the Location and shall retain such records for a period of at least four (4) years following the conclusion of the Agreement Year. City shall have the right, upon reasonable notice being given to Licensee, to review and to audit Licensee's records of Gross Receipts at Location.
- B. **Results of Audit:** If, upon independent examination of Licensee's records and the data provided to City by Licensee, City discovers that the commissions due to City pursuant to this Agreement have been understated, City shall notify Licensee of the deficiency, and Licensee shall pay to City the amount of such deficiency plus interest thereon at the lesser of (i) the rate of ten percent (10%) or (ii) the maximum rate allowable by law from the date payment of such sums was due until the date paid. If such independent examination reflects an underpayment of five percent (5%) or more of the sums due during the relevant period, Licensee shall pay City's reasonable costs of such examination.

- C. **User Catering Proposal:** After the User has contracted for rental at the Location, Licensee shall provide City with a preliminary Catering Proposal, showing the User's name, address and phone number, menu, guarantee and price per person.
- D. **Event Summary & Final User's Invoice:** Licensee shall provide to City, in a format directed by City, a written summary of each event, and copies of the final User's Catering invoice and final User's Catering contract.
- E. **Failure to Pay On-Time:** Failure to pay the commissions on time and in accordance with Section IV will result in default by Licensee and Licensee cannot perform any further services at the Location.

XVII. LAWS, REGULATIONS AND DIRECTIVES

- A. Licensee will use the Location for no purpose other than specified in the Agreement and the business conducted thereunder will be operated in strict compliance with all laws of the United States and the State of California and with all health and fire codes and all applicable rules and regulations issued pursuant to the said laws.
- B. Licensee and its agents agree that it shall use the utmost care not to damage or abuse any of the facilities and shall observe and abide by the policies and procedures of said facilities as outlined by City Special Event Account Manager and as described in **Exhibit A**.
- C. Licensee shall not permit the Location, or any part thereof, to be used for any unlawful or immoral purpose or in any manner as to injure persons or property in, or on or near said premises, and upon termination of this Agreement it shall deliver to City the premises in as good condition and repair as the same shall be found at the beginning of the term, subject to normal wear and tear. City shall not require Licensee to perform unlawful acts.

XVIII. NONDISCRIMINATION

- A. Licensee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, sexual orientation, national origin or disability.

IXX. GOVERNING LAW

- A. This Agreement shall be governed by, constructed and enforced in accordance with the laws of the State of California.

XX. NOTICES

All notices under this Agreement shall be addressed to:

For City:

City Clerk's Office
c/o Mr. Steven Zoet, Director
Community Services Department
455 N. Rexford Drive, Suite 290
Beverly Hills, CA 90210

or to such other person or place as City may designate in writing.

And for Licensee:

Wolfgang Puck Catering
Attention: Carl Schuster, President/CEO
333 South Hope Street
Los Angeles, CA 90071

With a copy to:

Compass Group, USA, Inc.
2400 Yorkmont Road
Charlotte, North Carolina 28217
Attention: General Counsel & Secretary

XXI. OTHER TERMS AND CONDITIONS

A. Licensee may bid on the following events; provided, however, because of the City's limited budget, the City reserves the right to utilize a caterer or food service provider who is not on the approved list to provide services for the following events:

1) Annual Private Non-Profit Events:

- a) Beverly Hills Bar Association
- b) Kidstock
- c) L.A. Food Bank

2) City-Sponsored Events:

- a) Concours d'Elegance
- b) Design Show House
- c) Teas
- d) Music in the Mansion Concerts
- e) Shakespeare in the Park Theatrical Performances
- f) Catskills Summer Camp Performances
- g) Father/Daughter Dinners
- h) Volunteer Recognition Event
- i) Friends of Greystone (FOG) Events

3) Private Events:

- a) Food Festivals (such as a "Taste of Beverly Hills")
- b) Wine Festivals (tasting festivals)
- c) Private event to be held in the last quarter of calendar year 2012 to be catered by another caterer for which User is paying the all day Greystone closure fee.

In addition, the City reserves the right to add additional City Sponsored Events to be held at Greystone without having to use a caterer on the approved list; provided, however, Licensee may bid on such events in which a caterer is sought.

- B. The Licensee acknowledges that City reserves the right to receive donated food, beverages and supplies for City sponsored catered events and Licensee agrees, if Licensee is providing any Catering Services for such event to reasonably accommodate and handle such donations. The City will order the balance of its needs for such City sponsored catered events from Licensee.
- C. In the event the City is hosting a "Taste Event" (such as allowing various restaurants to set-up and serve food for a City sponsored event), then and in that event one or more of the Approved Caterers would be asked for a proposal to manage the event at an agreed upon cost, terms and conditions. In the event one of the City Approved Caterers did not want to handle the management of the event or could not handle the management of the event based on a mutually agreed cost, terms and conditions, the City reserves the right to contract such management services with a caterer (or firm) that is not on the Approved Caterer list.
- D. Licensee has provided the City a list of clients ("Users") where Licensee has signed contracts or deposits for events at the City in the year 2012 and beyond. City agrees that any formal Licensee proposals and pricing and/or contracts signed prior to March 1, 2012 by Licensee and any Users will not be subject to commission under the terms of this Agreement. Such contracts/proposals will be subject to the reporting requirements under this Agreement. Licensee agrees to update this list upon City request from time to time during the term of this Agreement.
- E. (i) Use of Wolfgang Puck. Subject to (ii) below, the parties expressly acknowledge and agree that WPC's name or any name utilizing the name Wolfgang Puck or any derivative thereof or any other trademark, service mark or other intellectual property (including, but not limited to, recipes) of WPC, Wolfgang Puck or any affiliates thereof (whether such is owned or licensed to any of the foregoing, collectively, "Puck IP") may not be used to publicize, promote, market or in any way be used in connection with the services in a manner that is not approved in writing by WPC.
- (ii) Permitted Uses. Subject to the prior approval of WPC, the catering shall be marketed as Wolfgang Puck Catering. In connection therewith, City shall have the right, subject to WPC's prior written approval as to manner of use, to use the name selected by the parties to promote and advertise the catering.
- (iii) No License. The parties further agree that except as set forth in this Section, City shall have no right to promote or advertise to the public or otherwise WPC's services. Nothing contained in this Section or any other provision of this Agreement shall be interpreted or intended to convey a license or any ownership or other rights to City in any Puck IP, including but not limited to any rights to use, or any co-branding rights with respect to the Puck-IP.
- (iv) Termination. Upon termination of this Agreement or expiration of the term, City shall immediately cease using the Puck IP under this Section and Agreement or as otherwise approved by WPC.
- F. Commercial Film Productions. Film production companies that may film at Greystone often use their own caterer/food service vendor. Although the City will provide such film production companies with the list of approved Greystone caterers, Licensee should not expect to be the caterer for any filming that may occur at Greystone. If Licensee is the caterer for filming, Licensee shall have the right to negotiate the terms of such filming with respect to Puck IP and its employees.

EXECUTED the 21st day of February, 2012, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

BARRY BRUCKER
Mayor of the City of Beverly Hills,
California

ATTEST:

BYRON POPE
City Clerk

LICENSEE:
WOLFGANG PUCK CATERING

Carl Schuster
President/CEO

Wolfgang Puck
Owner/Officer

APPROVED AS TO FORM:

LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY KOLIN
City Manager

STEVE ZOET
Director of Community Services

KARL KIRKMAN
Risk Manager

EXHIBIT A

I. POLICIES

A. Building

1. City facilities are not available for political meetings or events; nor are they available on Thanksgiving, Christmas or New Year's Day.
2. Smoking is prohibited at Greystone.
3. City reserves the right to approve or disapprove any entertainment offered at a special event to insure that the nature of the gathering is consistent with the City's mission. City prohibits any form of gambling activity, firearms and fog and smoke. The use of live animals is only allowed if approval is granted by the City. A Live Animal Policy Request Form must be completed and sent to the Special Events Director for processing. The City must approve equipment hung from any surfaces and use at laser shows. Helium balloons and casino events are not allowed.
4. Any special requests associated with the use of City facilities, including Greystone, may be accommodated at the City's sole discretion and within governing rules and regulations.
5. City reserves the right to approve or disapprove of any entertainment or activity offered at a Special Event to ensure that all events harmonize with the character and mission of the City. Events may not create any hazard or impose undue hardship to City and its collections, exhibits, facilities, staff or visitors.
6. Events must be in conformance with established City regulations and not interfere with City functions.
7. Barbecue equipment is not allowed or permitted on City terraces or at loading areas unless approved by the City Fire Marshall.

B. Fund Raiser Events

1. Any organization seeking to use City facilities for an event involving an admission charge or fundraising must qualify as a not-for profit, tax-exempt organization under Section 501 (c)(3) or other sections of the Internal Revenue Code. A copy of the Internal Revenue determination letter may be requested by the City prior to executing the contract. The sponsoring organization must appear on the contract and provide documentation that the people benefiting has authorized the fundraising event and provide a certificate of insurance in the name of the sponsoring organization. The sponsoring organization must be involved in the planning of the event and commercial ticketing is prohibited by private Users at the City.

C. General

1. Certificates of Insurance naming the City as additional insureds must be added and must be on file from the User, their vendors and the vendor's agents. In certain circumstances, City may also require a cash bond. Any failure to comply with the conditions of the contract or misrepresentation

of any of the required disclosures shall result in immediate cancellation of the agreement to use the Location, and the User shall waive any claims against City for damages arising from such cancellations.

2. Food and beverages are prohibited in exhibits.
3. City will reserve the right to disapprove the use of any subcontractors used for any component of the event, including, but not limited to, security, coat-check and catering.
4. All costs associated with an event will be the responsibility of the User or sponsoring organization. The User or event sponsor is also responsible for any damages to City exhibits and facilities. In the event City retains legal counsel to enforce any Policies or Procedures or provisions of the agreement, the User or event sponsor agrees to pay all recovery fees.
5. The event contract for the use of the Location must be received from the User or the Licensee if representing the User within two weeks of the verbal reservation. A fifty-percent (50%) non-refundable deposit must be received with the contract. DATES WILL BE RELEASED IF THIS TIME REQUIREMENT IS NOT MET. An estimated balance will be billed and payment due prior to the date of the event including charges for other additional fees on the event contract. Immediately after the event, any adjustments to the balance are due. City reserves the right to modify the policies in this Section 5 upon reasonable advance notice to Licensee.
6. For events with 150 or more guests the City reserves the right to require the presence of public safety officer(s) as it deems reasonably necessary to provide for the good and welfare of the City and attending public. The City reserves the right depending on the nature of the event, the financial arrangements with the User and related information to request payment for the safety officer(s) from the Licensee..
7. All prospective Users shall be required to comply with all conditions of the use agreement, including written certification prior to the event that adequate security and other amenities will be provided.
8. No significant increase in the number of attendees, or any material aspect of the event, shall be changed less than 30 days prior to the event without the City's prior written approval.
9. Any failure to comply with the conditions of the agreement or misrepresentation of any of the required disclosures shall result in immediate cancellation of the agreement with City, and the User shall waive any claims against City for damages arising from such cancellation.
10. City Public Safety Staff reserves the right to close the doors and deny further admission to any event if attendance exceeds the amount which was provided by the User and approved by the City by ten percent (10%) and/or the number of guests exceeds the legally approved occupancy of the space(s) being used.
11. City has the option to rent other spaces other than the space that has been contracted. An additional fee will be incurred if User wishes to disallow that option.
12. All vendors must enter through the loading area and must present government issued picture identification if requested by the City to do so.

D. Terraces

1. Outside terraces are available for rental.
2. Use of barbecue equipment is not allowed on the terrace but may be approved by City for use in certain designated areas upon advance written request and City written approval.
3. If and when planters or other stationary items need to be moved the User will incur an additional fee.
4. If liquor is served on the terrace, the client will follow all City and state laws, as well as any applicable policies and procedures established by the City.
5. Based on availability, the client has the option to rent and reserve an interior space as a contingency in case of weather, etc. Refunds are not available if the contingency interior space is not used.

II. PROCEDURES

A. Special Events Manager

1. Staff from the City will work closely with the User to ensure that the event proceeds smoothly and efficiently. City Staff will be present on the day of the event to manage the set-up, activities, and breakdown and will also be present to oversee breakdown and load out.

B. Catering Food and Alcoholic Beverages

1. To ensure the success of programmed events, City will provide a list of approved caterers who are trained in the policies and procedures of City. Only these approved caterers may work in Greystone. All City approved caterers are fully licensed by the City and State. They have provided certificates of insurance. The approved caterer provides all personnel, materials, and supplies required in the preparation and serving of food and alcoholic beverages. A kitchen is provided for food preparation.

C. Alcoholic Beverages

1. Caterer will provide all alcoholic beverages used in conjunction with any event held at Greystone. The caterer may also provide bar service, which includes set-up, mixers, sodas, ice, glassware, and staff.
2. Alcoholic beverages may have time constraints associated with their dispensing and consumption.
3. No alcoholic beverages may be removed from the premises without the City's prior written approval.

D. Planning and Set-up

1. The City requires that a layout be submitted for approval at least one (1) month before the event or as soon as the information can be made available. Licensee will provide the City updates of the layout if there are any proposed changes that materially or significantly alter the original proposed space utilization, traffic flow or layout of tables, chairs and other equipment.
2. Set-up may not begin before the agreed upon time without prior written approval of City. If extensive or unusual set-up is required it must not interfere with Greystone activities and must be arranged with City. An additional charge may be necessary.
3. A walk-through by the caterer, User, event planner and production personnel, accompanied by City staff must occur no later than one week before event to finalize all arrangements.
4. City does not provide staff to move props, musical instruments, staging, etc.

E. Audio Visual Department

1. The City uses an approved audio visual and lighting vendor who, due to their knowledge and familiarity with Greystone, is the desired vendor to be used at an additional fee when such services are requested.

F. Lighting

1. When decorative lighting is used, an approved Lighting vendor must be used.
2. No open flames are permitted unless approved by Beverly Hills Fire Department.
3. Votive lights and enclosed candles are acceptable for use on tables as approved by City.

G. Cooking equipment

1. Chafing dishes and Carter Hoffmans may be used in the Location for cooking needs. The City must approve all other cooking equipment.
2. All cooking equipment must be accompanied by an ABC fire extinguisher located on a stand in the immediate vicinity of the area where the cooking will be done.

H. Electrical needs

1. New electrical service has been installed throughout Greystone's first floor but does have limitations.
2. A diagram of all proposed power requirements must be submitted in advance to the City for approval.
3. For special needs, additional electrical capacity needs to be approved by the City and provided by properly licensed electricians. Any additional fees will be paid by Licensee.

4. Special electrical arrangements must be made as far in advance as possible.

I. Housekeeping

1. City staff will be on site before set-up to ensure that the Location is in a state of readiness for your event.
2. City staff is not responsible for food services clean up during or after the event.
3. Caterers are responsible for cleaning all areas where food is being prepared and served and leaving it in the condition that it had been found.

J. Rentals

1. Licensee is required to arrange and pay for all tables and chairs and related event needs.
2. All rental items must be picked-up by the rental company (or Licensee) after the event unless previous arrangements are made with the City. The City is not responsible for any rental items (or other equipment, supplies or materials) not picked up immediately after an event or without prior written approval from the City.

K. Load In/Out Area

1. City's loading area is on the northeast corner of the estate adjacent to the catering kitchen area, and is referred to as East Courtyard or AFI Lot.
2. Rentals, including pianos, must be delivered on the day of event and must be removed immediately following the event.
3. The City provides limited on-site parking. Depending on the size of the event and the number of anticipated guests, catering staff may be encouraged to park off-site on adjoining residential streets, carpool or arrange for other forms of arrival and departure. Posted rules and regulations are enforced on all adjacent surface streets and restrictions must be observed. The City is not responsible for or financially obligated to provide restitution for the issuance of parking tickets or fines.

L. Delivery and Shipping Materials

1. All deliveries supporting User's needs must be coordinated with City staff to access Greystone.
2. The delivery of all materials (e.g. handout literature), supporting a User's needs must be submitted to City staff a minimum of two days prior to User's scheduled use. After items have been delivered, the User is responsible for transporting their items within Greystone.
3. The User is responsible for packaging and shipping material left on Greystone premises within a one week time period. City is not responsible for any material left after the event.

M. Security

1. No outside security personnel (contract or proprietary) will be allowed in Greystone without the prior written approval from the City.
2. Approval for the use of outside security will be contingent on furnishing the City proper insurance, bonding and state licensing requirements in a form suitable to the City. Even with the approval by the City for User to use outside security personnel, the City reserves the right to utilize City security personnel or their agents to oversee the event.
3. In the event City anticipates charging User for City security personnel the City will provide User an estimated cost for this service upon User request.
4. Based on the City's perceived needs, police can be provided at an additional charge to assist.
5. A fire marshall may be required as determined by the City and at an additional cost to User.

N. Parking

1. Valet parking is permitted and must be arranged by the User.
2. Limited disabled parking is available in close proximity to Greystone. Other arrangements will need to be made if additional parking is required.

O. Invitations and Printed Materials

1. If requested by the City, the content of all printed materials relating to the event, including invitation copy, programs, promotion material, press releases, electronic copy and radio advertisements must be submitted to the City for review and approval before being printed.
2. Photographs taken in the Location for personal use are permitted as long as they are not in conflict with Greystone's rules of photography. All photographs that will be submitted to a publication are to be approved by the City before submission.
3. Please allow one month prior to event for approvals.
4. Any violation can result in cancellation of the event.

III. CHANGES TO POLICIES AND PROCEDURES

These Policies and Procedures are as of March 2012 and are subject to change and modification by City at any time during the term of this Agreement. In the event of any changes, additions or addendum to these Policies and Procedures, City agrees to provide Licensee at least five (5) business days' notice of such change including a new copy of this Exhibit A. City will be sensitive and not necessarily require changes herein to be applicable to any future Catering Contract between Licensee and User to the extent that it has adverse financial or operational impact on that contractual arrangement.

EXHIBIT B

Licensee: Wolfgang Puck Catering

FINANCIAL TERMS

- A. (i) **Minimum Annual Guarantee Starting in Year Two (beginning March 1, 2013): \$25,000**
- B. (ii) **Minimum Annual Guarantee Starting in Year Three (beginning March 1, 2014): \$27,500**
- C. **City-Related Catering Discount: 20%**
- D. **Annual Marketing Event Out of Pocket Cost: \$25,000**

EXHIBIT C

RECYCLING PROCEDURES

The City does not have recycling policies and procedures for caterers and Users for events at Greystone. The City reserves the right, upon reasonable advance written notice to Licensee to institute recycling policies and procedures. In the event City institutes such policies and procedures Licensee agrees to follow such procedures and policies provided such policies do not materially negatively impact the Licensee financially. In the event such policies and/or procedures materially negatively financially impact the Licensee the City will consider reasonable adjustments to the financial terms and conditions of this Agreement to mitigate the cost/expense to the Licensee.