

Council Meeting of
December 16, 2008

Honorable Mayor and Members
Of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: COMMUNITY SERVICES – Approval of a Concessionaire Agreement
for the Las Canchas Tennis Facility**

Expenditure: Not Applicable

RECOMMENDATION

Recommendation of the Community Services Director that City Council approve a Concessionaire Agreement with South Bay Tennis Center for the Lease and Full Operation of the Las Canchas Tennis Facility.

Funding

Revenue received from the agreement will be deposited in the Parks and Recreation Enterprise Fund.

BACKGROUND

In March of 2005, City Council approved a Concessionaire Agreement with the South Bay Tennis Center (SBTC) for the operation of the Las Canchas Tennis Facility. This agreement was for five years, with an optional 3 year extension. This agreement is currently in its fourth year with the expiration due in March of 2010.

Before approving the agreement with the South Bay Tennis Center, staff had developed a Request for Proposals (RFP) that resulted in four potential operator responses. After reviewing each proposal, it was determined that the South Bay Tennis Center was the most responsible bid and offered the most to the City and the Community in terms of program experience, capital improvements, and overall tennis expertise.

ANALYSIS

Early in 2008, representatives from the South Bay Tennis Center (SBTC) had expressed their concerns over their ability to meet the financial obligations identified in the contract. Their concerns were that due to the lack of interest in tennis nationwide, the tennis community was seeing significant decreases in revenue and participation.

SBTC expressed an interest in renegotiating its agreement. Staff determined that the best course of action was to create a new RFP to solicit all potential operators. Upon hearing this, SBTC agreed to continue operating under its current agreement.

In June of 2008, SBTC again expressed their interest in renegotiating the agreement. Staff developed a new RFP and released it in September. This RFP was posted by the City Clerk's Office and advertised in the Daily Breeze on Sunday, August 24, 2008. All public posting requirements for RFP's were met, including a mandatory walk of the facility. A representative from SBTC, Courtney Hance, was the only potential operator in attendance and she was the only operator to submit a proposal for this RFP.

After the September 30, 2008, deadline for RFP submittal, staff received a request from Ms. Linda Jackson to submit a proposal. Staff informed Ms. Jackson that the deadline for submittal had passed. Ms. Jackson also spoke under Oral Communications at the Council Meeting on October 28, 2008, making the same request.

A committee of staff from the Finance and Community Services Departments was created to review the proposal and conduct an interview of the representatives from the South Bay Tennis Center. Staff then rated the proposal based on the following criteria:

- Experience and skills
- Performance
- Financial Resources
- Professionalism
- Understanding of the City's needs
- Merit of the proposed terms

In addition to reviewing the proposal and interviewing the proposer, staff completed a market analysis of surrounding cities comparing the contracts and types of services that operators provide (Attachment C). It was determined by staff that the proposal received from SBTC did fall within an acceptable range and was considered to be a responsible proposal. The committee agreed that due to the current economy, the tennis market, and the comparison of the new proposal to several concessionaire agreements in other cities, that the proposal was fair and did provide the City with a qualified Tennis Concessionaire that could meet the needs of both the City and the community.

Currently South Bay Tennis Center is up to date in its payments to the City, although this has not been without challenges. During the last twelve months SBTC has struggled in making its payments to the City as the tennis market and the economy have slowed. SBTC has worked with the Finance Department to stay current in both its reports and lease payments. Staff are recommending in the new agreement stronger language to protect the City's interests.

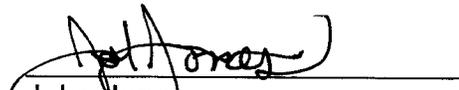
In addition, staff are recommending language that requires the operator to maintain the professional appearance commensurate to a municipal tennis facility. Staff have also included a provision in the new contract for an evaluation process that will include a

participant evaluation component to ensure that the operator is meeting the needs of the City and the community.

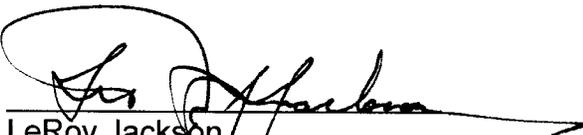
The proposed agreement is for three (3) years, with two (2) additional two (2) year terms at the option of the City. The Concessionaire will be required to pay a minimum of \$1,500 per month, or 10% of the total gross receipts, whichever is greater. In reviewing the financial reports from the past two years, staff have determined that the expected revenue from this agreement will provide the City with approximately \$20,000 to \$30,000 in annual revenue, and will provide the operator with the ability to continue to offer quality programs and instruction to the community. No capital improvements are included in this proposal, as none were required in this RFP. SBTC has completed the capital improvements required in the existing agreement with the exception of the construction of a Park Structure, which the City determined would not be appropriate at the location.

The South Bay Tennis Center has served as the City's Concessionaire since February 1, 1998. Despite the recent financial struggles, South Bay Tennis Center has continued to meet the requirements of the City with minimal complaints from the community. Therefore, it is the recommendation of the Community Services Director that City Council approve the agreement with the South Bay Tennis Center for the Lease and Full Operation of the Las Canchas Tennis Facility.

Respectfully Submitted,


 John Jones
 Community Services Director

CONCUR:


 LeRoy Jackson
 City Manager

Attachment: A) Concession Agreement with South Bay Tennis Center (Limited Distribution)
 B) South Bay Tennis Center Proposal (Limited Distribution)
 C) Contracted Municipal Tennis Facilities: Market Analysis

**Contracted Municipal Tennis Facilities
Market Analysis**

# of Courts	City	Beverly Hills	Costa Mesa	Fountain Valley	Long Beach	Seal Beach	Torrance
Lighted Unit		16	12	12	23	14	8
		14					
Average Income							
Monthly	\$	4,268	\$ 2,574	\$ 833	\$ 6,352	\$ 2,500	\$ 1,500
Annually	\$	51,216	\$ 30,888	\$ 10,000	\$ 76,224	\$ 30,000	\$ 18,000
Capital Improvements		No	Yes	No	Yes	No	No
Est. Annual Value	\$	-	\$ 5,140	\$ -	\$ 12,000	\$ -	\$ -
Additional Annual Income		Yes	Yes	Yes	Yes	Yes	Yes
Amount #1	\$	12,000	\$	1,800			
Method #1		quarterly payments	5% proshop sales	9% of rev->\$80,000	10% of gross rev	10% of gross rev	10% of gross rev
Amount #2	\$	2,000	\$	440			
Method #2		summer payment	10% all other rev	11% of rev->\$100,000	24% of contracts		
Amount #3							
Method #3				13% of rev->\$140,000			
Estimated Annual Revenue	\$	65,216	\$ 36,028	\$ 12,240	\$ 88,224	\$ 30,000	\$ 18,000
Number of Courts		30	12	12	23	14	8
Annual Revenue / Court	\$	2,174	\$ 3,002	\$ 1,020	\$ 3,836	\$ 2,143	\$ 2,250
Term of Contract		4 years	5 years	5 years	10 years	n/a	5 years
Extensions		1 @ 4 years	2 @ 5 years	1 @ 5 years	2 @ 5 years		2 @ 2 years

Notes

Beverly Hills: City receives private rental revenue plus concession revenue, flat payments of \$3,000 quarterly plus \$2,000 summer program payment.
 Costa Mesa: Capital Improvements for Nets, Windscreens, and Court Surfacing estimated at \$36,000 every 7 years.
 Fountain Valley: City is reimbursed for all electrical costs (approx. \$5,000 annually). Vendor must replace nets and windscreens.
 Long Beach: Capital Improvements of \$120,000 over 10 years include replacement of pro-shop modular building. 10% gross, 24% contracts
 Seal Beach: Info is from previous agreement (new RFP October 08 includes operation of entire facility, fitness center, spa).
 Torrance: Current Proposal with staff recommended minimum of 10% of gross revenue

CONCESSION AGREEMENT

Between

South Bay Tennis Center, LLC

and

THE CITY OF TORRANCE

December 16, 2008

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CONCESSION AGREEMENT

This Concession AGREEMENT (“AGREEMENT”) is made and entered into as of December 16, 2008, in the City of Torrance, California, by and between the City of Torrance, a Municipal Corporation, (“CITY”) and South Bay Tennis Center, a Limited Liability Company (“CONCESSIONAIRE”).

RECITALS

The CITY has eight tennis courts and associated buildings and facilities.

CONCESSIONAIRE wishes to operate this facility for tennis, and provide tennis lessons; and

The CITY is willing to contract with CONCESSIONAIRE for services and use of the premises subject to the terms of this AGREEMENT.

AGREEMENT

1. PREMISES

A. Delivery of Premises.

CITY delivers, and CONCESSIONAIRE accepts this AGREEMENT for use of the premises described in Exhibit A, subject to the terms and conditions of this AGREEMENT. The purpose of this AGREEMENT is to provide for the operation of the tennis facility for the general public. The public will be authorized the use of and ingress and egress across all the premises and also to buildings and facilities subject to reasonable restrictions and conditions.

2. TERM AND OPTION

A. Term.

The term of this AGREEMENT is for three years beginning January 1, 2009.

B. Period of Extension.

CITY may, at CITY's option, extend the term of this AGREEMENT for two additional two year terms, for a maximum of two extensions, subject to all the provisions of the AGREEMENT.

C. Conditions for Exercise.

CITY's right to exercise an option to extend, pursuant to this Paragraph 2, is subject to the following conditions precedent:

1) CITY must give CONCESSIONAIRE thirty days notice, prior to the expiration of the then existing term, of CITY's option to extend the term of the AGREEMENT for two additional years.

2) CONCESSIONAIRE must not be in default under any provision of this AGREEMENT at the time notice of exercise is given or on the last day of the term.

3. NATURE OF CONCESSION

From and after the date first written above, CITY releases to CONCESSIONAIRE the premises and CONCESSIONAIRE accepts the premises, and agrees to comply with all the following conditions:

A. Hours of Operation

CONCESSIONAIRE must at all times maintain a written schedule delineating the operating hours and operating procedures for each business operation conducted on the premises. The hours of operation must comply with Exhibit B.

B. Programming

The CONCESSIONAIRE shall establish and provide recreational and competitive tennis programming to the general public including lesson instruction and other miscellaneous tennis programs. Programs shall include group and/or private instruction for children, teens, adults, and seniors, as well as sufficient court time for walk-up participants and reservations. Additional recreational and competitive tennis programs, approved by the CITY, are to be developed and provided by the LESSEE. Examples of such programming includes, but is not limited to: singles and doubles nights, recreation and competitive ladders, age and/or gender-specific activities, instructional clinics and academies, special events, tournaments, etc.

Scholarship and fee assistance programs for low income children and youth, subject to CITY approval, are to be developed and provided by the LESSEE.

Outreach, promotional and advertising efforts, subject to CITY approval, will be developed and provided by LESSEE, the purpose of which to attract new tennis players to the facility and to tennis as a recreational activity.

C. Rent

CONCESSIONAIRE must pay monthly rent to CITY. The rent required is the greater of (a) ten (10)% of gross receipts each month from all business conducted on the premises, including group and private lessons, tournaments, merchandise sales and service, and court reservations or rentals or (b) one-thousand five hundred dollars (\$1,500).

D. Capital Improvements

CONCESSIONAIRE is not required under this AGREEMENT to make any capital improvements to the facility.

D. Operation of Facilities

CONCESSIONAIRE will operate and manage the facilities in a competent and efficient manner at least comparable to other well-managed tennis facilities of similar type in the Greater Los Angeles vicinity.

E. Personnel

CONCESSIONAIRE will at all times retain active, qualified, competent, and experienced personnel to supervise CONCESSIONAIRE'S operations at the premises and to represent and act for CONCESSIONAIRE at the premises.

F. Appearance of Personnel

CONCESSIONAIRE must require its attendants and employees to be dressed properly, clean, courteous, efficient and neat in appearance at all times. CONCESSIONAIRE must not employ any person(s) in or about the premises who use offensive language or act in a loud, boisterous or otherwise offensive manner.

G. Review of Personnel

CONCESSIONAIRE must maintain a close check over attendants and employees to insure the maintenance of a high standard of service to the public. CONCESSIONAIRE must replace any employee for good cause pursuant to applicable federal and state laws.

CONCESSIONAIRE, along with any employees or agents that provide services at the facility, will be required to complete a California Department of Justice background check before commencing service. This is to be done at the expense of the CONCESSIONAIRE.

H. Cost of Operation

CONCESSIONAIRE will assume the full cost of operating the facility, including staff, insurance, electricity, trash removal, telephone, custodial, minor building and facility maintenance (under \$1,000 per incident) and upkeep.

I. Common Area

The CITY will maintain the common area landscaping, including turf (grass), shrubbery and ground cover.

J. Coordination of Concessions

The CONCESSIONAIRE will be responsible for the coordination of any concessions within the facility.

K. Publicity and Programs

CONCESSIONAIRE must assume all costs and responsibility for publicity and programs excluding the Torrance Seasons and City website. CONCESSIONAIRE shall provide to the City all publicity, including fliers and bulk e-mail messages. All publicity shall include the designation of "a City of Torrance facility".

L. Prices

A schedule of prices charged for all goods and/or services supplied to the public on the premises must also be maintained. All prices charged for goods and/or services supplied to the public on or from the premises must be fair and reasonable, based upon the following considerations:

1) CITY'S primary purpose for entering into this AGREEMENT is to promote the development of, and make available, recreational facilities and services for the benefit of the public.

2) CONCESSIONAIRE will be entitled to charge prices for the goods, accommodations, and services offered in accordance with this AGREEMENT that are reasonable and consistent with market prices charged by other competing and/or comparable businesses in the greater Los Angeles vicinity provided, however, that charges for use of the tennis courts must comply with Exhibit B.

M. Packaging.

CONCESSIONAIRE agrees that when alternate forms of packaging are available, only items packaged in a manner most compatible with the goals of reducing litter and preserving the environment will be sold.

N. Evaluation

CONCESSIONAIRE shall, in conjunction with the CITY, create a method for collection of program participant and facility user satisfaction and evaluation information, for the purpose of review by the CITY and CONCESSIONAIRE. The provisions of this agreement are subject to periodic review by CITY staff. A copy of the report evaluating the operator's performance will be provided to the CONCESSIONAIRE.

4. INSURANCE

A. CONCESSIONAIRE agrees that at all times during the term of this AGREEMENT it will maintain, at its own expense, a policy or policies of insurance that will insure and indemnify CITY, the City Council, both present and future, and each member thereof, and every officer and employee and members of boards and commissions of the CITY against liability or financial loss resulting from injury occurring to persons and property in or about the property by reason of the use and occupation by CONCESSIONAIRE or by any other person or persons on the property in an amount not less than \$1,000,000.00 combined single limit bodily injury and property damage each accident or occurrence. CONCESSIONAIRE must maintain Workers' Compensation limits as required by the State of California and Employers Liability with limits of at least \$1,000,000.

B. The policy will be the primary coverage for CONCESSIONAIRE and additional insureds.

C. The policy must provide Comprehensive General Liability Protection and must include, among other types of coverage, Contractual Liability and Products Liability.

D. The policy must provide insurance in the amount above on account of liability imposed upon the CONCESSIONAIRE by law for damage caused by the negligent act, error or omission of CONCESSIONAIRE or any person for whose acts CONCESSIONAIRE is liable arising out of the conduct of the terms of this AGREEMENT.

E. The CITY, the Redevelopment Agency of the City of Torrance, the City Council and each member thereof, present and future, and every officer, agent and employee of the CITY and every member of its boards and commissions must be named as additional insureds on the policies. The policies must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the services to be performed under this AGREEMENT creates an increased or decreased risk of loss to CITY, the CONCESSIONAIRE agrees that the minimum limits of any insurance policies required by this AGREEMENT may be changed accordingly upon receipt of written notice from the Risk Manager; provided that CONCESSIONAIRE will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of CITY within 10 days of receipt of notice from the Risk Manager.

F. The policy must provide that the insurance coverage will not be canceled or reduced by the insurance carrier without the CITY having been given thirty days prior

written notice by the carrier. CONCESSIONAIRE agrees that it will not cancel or reduce the insurance coverage without the CITY having been given thirty days prior written notice by CONCESSIONAIRE.

G. At all times during the term of this AGREEMENT, CONCESSIONAIRE must maintain on file with the CITY, a certificate of the insurance carrier or carriers showing that the insurance is in effect in the amount required above. Notwithstanding any other provisions of this AGREEMENT to the contrary, CONCESSIONAIRE does not have the right to possession of the property until the certificate is filed with the CITY.

5. INDEMNITY

CONCESSIONAIRE will indemnify, defend, and hold harmless CITY, the Redevelopment Agency of the City of Torrance, the City Council, each member thereof, present and future, members of boards and commissions, its officers, agents, employees and volunteers from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONCESSIONAIRE, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONCESSIONAIRE's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct

of CITY, its officers, employees or agents. In the event of any dispute between CONCESSIONAIRE and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONCESSIONAIRE will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONCESSIONAIRE will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

6. AUDIT AND REPORTS

A. CITY'S Right to Inspect Books and Records.

CONCESSIONAIRE must provide the CITY with access to the following reports, to be maintained at the facility for the duration of the AGREEMENT:

- 1) Printout or copy of daily revenues, reservations, and rentals.
- 2) Monthly maintenance record.

B. Within fifteen days of the end of each month, CONCESSIONAIRE must submit a monthly report of all transactions for the respective month. This report shall include court fees, instructor fees, tournament fees, food and beverage sales, service, and all merchandise sales.

C. CONCESSIONAIRE Must Provide the CITY the Following Reports on a Quarterly Basis:

Within thirty days of the end of each calendar quarter, CONCESSIONAIRE must submit a gross receipts statement, depicting quarterly revenues by type of revenue source, including court rentals, lessons, tournament revenues and night light fees.

C. Annual Financial Statement

CONCESSIONAIRE shall provide the CITY with a Certified Annual Financial Statement.

D. Cash Register

All sales shall be recorded by means of a cash register which publicly displays the amount of each sale and automatically issues a pre-numbered receipt. Said cash register shall in all cases have locked-in sales totals and transaction counters which are constantly accumulating and which cannot, in either case, be reset. Under no circumstances shall CONCESSIONAIRE conduct sales where such sales are not recorded and customer receipts are not issued.

7. PLACE OF PAYMENT; LATE PAYMENT

A. Place of Payment.

All monthly rent must be payable to the CITY in the form of a Cashier's Check and must be paid, without abatement, deduction or offset, to the office of the Director of Finance of the CITY, at 3031 Torrance Boulevard, Torrance, California 90503, on or before the 15th of every month, or the next business day. This payment shall be submitted along with a statement of the monthly receipts (see Audits and Reports).

B. Late Charge.

If CONCESSIONAIRE fails to pay any monthly rent that is due, and CONCESSIONAIRE fails to make payment thereof within five (5) days after written demand thereof by CITY, then CONCESSIONAIRE shall pay to CITY, as a late charge and in consideration of the additional costs incurred by CITY and the additional record keeping required to be performed by CITY, a minimum of One Hundred Dollars (\$100.00).

C. Late Charge as Additional Fee.

The late charges payable pursuant to this Paragraph 7 shall be deemed to be an Additional Fee under this Agreement.

8. PERMITS

A. No Obligation to Issue.

This AGREEMENT will not be construed to (1) exempt CONCESSIONAIRE from the requirement of obtaining any permit or license, or obtaining any development review or approval required by the Torrance Municipal Code or pursuant to any other applicable provision of law; or (2) by its existence entitle CONCESSIONAIRE to any permit, license, review or approval required by the Torrance Municipal Code or by any other applicable provision of law.

B. Refusals to Issue Permits, etc.

A refusal or failure by the CITY to issue any permit, license, or approval sought by the CONCESSIONAIRE for construction of improvements or the conduct of one or more business operations on the premises will not constitute a breach of this AGREEMENT, whether or not any such refusal or failure was wrongful.

9. SITE PREPARATION

A. The CITY Makes No Covenants or Warranties Respecting the Condition of the Premises.

B. Risk of CONCESSIONAIRE.

CONCESSIONAIRE may proceed to construct structures and other improvements on the premises at its sole risk as to the condition of the premises.

10. ALTERATIONS AND IMPROVEMENTS

A. Cost of Alterations and Improvements.

Any alterations and improvements will be done at CONCESSIONAIRE'S sole cost and expense.

B. Construction Approval.

CONCESSIONAIRE may not construct any building, structure or other improvement on the premises unless the plan showing the location and construction plans and specifications are first approved by the Director of Community Services, the Director of Community Development, and by the City Council.

C. Standards.

1) Any construction must be done in accordance with CITY'S Building Code and must be constructed of all new or commercially-acceptable material, as approved by the CITY.

2) CONCESSIONAIRE must obtain building permits from the Director of Community Development as required by the Torrance Municipal Code (which incorporates the CITY'S Building and Fire Codes) and any other applicable laws.

3) CONCESSIONAIRE must prepare final plans and specifications substantially conforming to the preliminary plans previously approved by the Director of Community Services and deliver to the Department of Community Development of the CITY one complete set as approved by all government agencies of the CITY having jurisdiction over the project. Changes from the preliminary plans will be considered to be within the scope of the preliminary plans if they are not substantial or if they are made to comply with suggestions, requests or requirements of a governmental agency of the CITY in connection with the application for permit or approval. After the final plans and specifications have been approved by the Department of Community Development, no changes will be made without the prior written approval of the City Council of the CITY. Any work that does not comply with the approved final plans and

specifications, or that does not comply with all applicable laws and regulations, including, but not limited to, building and safety codes and environmental laws, will be promptly redone at CONCESSIONAIRE'S cost and expense.

4) CONCESSIONAIRE must notify the City Manager of CONCESSIONAIRE'S intention to commence construction or bring any building materials onto the premises. The CITY will have the right to post and maintain on the premises any notices of non-responsibility provided for under applicable law, and to inspect the premises in relation to the construction at all reasonable times.

D. Changes and Alterations.

All changes and alterations will be of such a character that, when completed, the value and utility of the building, structure or other improvement changed or altered by the changes or alterations, will not be less than the value and utility immediately before the change or alteration.

E. Workmanlike Manner.

All work done in connection with any changes or alterations must be performed in a good and workmanlike manner and with due diligence.

F. Improvements.

CONCESSIONAIRE may not remove or demolish, in whole or in part, any improvement upon the premises without the prior written consent of the CITY, which may, at its sole discretion, condition its consent upon the obligation of CONCESSIONAIRE to replace the improvement, in whole or in part.

G. Further Acts -- Utilities.

1) The CITY, upon written request of CONCESSIONAIRE, will execute any instruments as may be reasonably necessary to subject the CITY'S fee interest in the premises to easements for the installation, maintenance, repair and

replacement of normal utilities to service the premises; provided, however, that the CITY will incur no out-of-pocket costs, liabilities, obligations or expenses as a result of the granting easements for the installation, maintenance, repair or replacement of utilities during the term of this AGREEMENT.

H. Payment for Utility Services.

CONCESSIONAIRE must pay all charges for electricity, pickup of refuse, and telephone services. Services for electricity, pickup of refuse, and telephone must be billed in CONCESSIONAIRE'S name.

I. Damage to or Destruction of Improvements.

In the event of damage to, or destruction of, CONCESSIONAIRE-constructed facilities, or if improvements located within the premises are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce the declaration, CONCESSIONAIRE must within fifteen days, commence and diligently pursue to complete the repair, replacement, or reconstruction of improvements necessary to permit full use and occupancy of the premises for the purposes required by this AGREEMENT. Repair, replacement, or reconstruction of improvements within the premises must be accomplished according to plans approved by the Director of Community Services.

11. LIENS

A. Payment of Liens.

Subject to CONCESSIONAIRE'S right to contest the same as provided in this Paragraph 11, CONCESSIONAIRE agrees that it will pay as soon as due all mechanics', laborers', material men's, contractors', subcontractors', or similar charges, and all other charges of whatever nature which may become due, attached to or payable on the premises for any structure or other improvements thereon, from and

after the date that this AGREEMENT is executed, or as a result of any work performed on the premises by CONCESSIONAIRE or any of CONCESSIONAIRE'S agents, employees or contractors prior to that date. CONCESSIONAIRE will not be responsible for any charges arising from work performed on the premises by the CITY'S employees or agents.

B. No Agency.

CONCESSIONAIRE is not in any respect an agent of the CITY, nor is CONCESSIONAIRE authorized to do any act or to make any contract encumbering or in any manner affecting the title or rights of the CITY in or to reversionary interest of the CITY in the premises or the improvements thereon.

C. Discharge of Lien.

If any mechanics' or other liens are filed against the premises or an interest therein, which are caused by CONCESSIONAIRE'S conduct, CONCESSIONAIRE must cause the same to be discharged of record within ninety days after the date of filing the same, or otherwise free the premises from the effect of the claim of lien and any action brought to foreclose the lien; or CONCESSIONAIRE must promptly furnish to the CITY a bond in an amount and issued by a surety company satisfactory to the CITY, securing the CITY against payment of the lien and against any and all loss or damage whatsoever in any way arising from the failure of CONCESSIONAIRE to discharge the lien.

D. Contest of Liens.

CONCESSIONAIRE will have the right to contest any liens in good faith and with due diligence, provided that during the time CONCESSIONAIRE contests the liens, CONCESSIONAIRE must furnish the CITY with a bond in an amount and issued by a surety company satisfactory to the CITY securing the CITY against payment of the

lien and against any and all loss or damage whatsoever in any way arising from the failure of CONCESSIONAIRE to discharge the lien, and provided further the CONCESSIONAIRE must fully pay and immediately discharge the amount of any final judgment rendered against the CITY or CONCESSIONAIRE in any litigation involving the enforcement of the liens or their validity, provided that the lien(s) arose from CONCESSIONAIRE'S conduct.

E. Failure to Discharge.

In the event of CONCESSIONAIRE'S failure to discharge liens arising from its conduct, to satisfy any uncontested lien within the ninety day period, or to pay and satisfy any judgment, the CITY may, but is not obligated to, pay the amount, inclusive of any interest and any costs assessed against CONCESSIONAIRE in the litigation, or may discharge the lien by contesting its validity, or by any other lawful means.

F. CITY Warranty.

CITY warrants to CONCESSIONAIRE that at the time of the execution of this AGREEMENT, there are no mechanics', laborers', material men's, contractors', subcontractors' or similar charges upon the premises.

12. SAFETY REQUIREMENTS AND OPERATION

A. Safety Hazards.

All work performed under this AGREEMENT must be performed in a manner that meets or exceeds all State of California safety regulations. The CITY reserves the right under California law to issue restraining or cease and desist orders to CONCESSIONAIRE when unsafe or harmful acts are observed or reported relating to, or connected with, CONCESSIONAIRE'S performance under this AGREEMENT.

B. Hazard Free Premises.

CONCESSIONAIRE must maintain the premises free of hazards to persons and/or property resulting from its operations. Any hazardous condition noted by the CONCESSIONAIRE, at any place on the premises that is not a result of CONCESSIONAIRE'S operations, must be reported to the CITY as soon as reasonably possible.

13. MAINTENANCE AND REPAIR

A. Preservation of Premises.

CONCESSIONAIRE must at its sole cost and expense, throughout the term of this AGREEMENT, maintain, and as reasonably necessary, remodel, refurbish, or otherwise preserve the buildings, structures, other improvements, equipment, fixtures and signs on the premises in a safe, clean and sanitary condition and in compliance with all requirements of law. CONCESSIONAIRE must also conduct its operations on the premises, using the best known available and practical devices and facilities, to reduce as much as is reasonably practicable, considering the nature and extent of CONCESSIONAIRE'S operations, the emanating from the premises of noise, vibration, movements of air, fumes and odors, so as not to interfere unreasonably with the use of other premises adjoining the premises.

B. Inspection.

CITY, by its officers, employees, agents, representatives and contractors, has the right at all reasonable times to enter upon the premises for the purpose of inspecting the premises for any maintenance violations. CONCESSIONAIRE must correct each and every violation as soon as possible but no later than within seventy-two (72) hours after being informed in writing by the CITY of the maintenance violations.

C. Corrections.

If CONCESSIONAIRE fails to correct any unsafe, unclean, or unsanitary condition within seventy-two hours after being notified in writing to do so by the CITY, the CITY has the right, but not the obligation, to enter the premises and remedy the condition, or conditions, and charge the cost to CONCESSIONAIRE without any liability for any resulting business loss or damage. In the event of an emergency, the CITY has the right, but not the obligation, to immediately enter the premises to remedy any unsafe, unclean, or unsanitary condition and charge the cost to CONCESSIONAIRE. The CITY will notify CONCESSIONAIRE of the emergency as soon as reasonably possible.

D. Maintenance.

CONCESSIONAIRE must paint, clean and as reasonably necessary preserve and refurbish the surfaces of the interior and exteriors of all buildings, structures, work areas and on the premises. Additionally, CONCESSIONAIRE shall be responsible for maintenance of the court areas, including replacement of tennis nets as needed cleaning/pressure washing of courts.

14. WATER DEPARTMENT ACCESS

A. The premises are built above City water storage tanks. The CITY's Water Department and the United States Department of the Interior have priority rights of access to use any facility on the premises to maintain the water quality and service. CONCESSIONAIRE must allow the Water Department access to the premises to maintain and clean the water tanks. The cleaning of the water tanks may take up to four months to accomplish.

B. The CITY will give the CONCESSIONAIRE reasonable notice of any non-emergency activities that will impact CONCESSIONAIRE.

C. The CITY will waive the proportionate value of monthly rent for each tennis court removed from the control of CONCESSIONAIRE because of Water Department activities.

15. TITLE

A. Surrender of Possession.

At the expiration of the term of this AGREEMENT or upon earlier termination, this AGREEMENT will terminate without further notice and CONCESSIONAIRE must immediately surrender possession of the premises to the CITY, and all structures, and other improvements must remain.

B. Removal.

No structures or other improvements may be removed from the premises or voluntarily destroyed or damaged during the term of this AGREEMENT without the prior written consent of the City Manager, which may be granted or withheld in the sole discretion of the City Manager.

C. Personal Property.

Any and all personal property, not attached to or installed in any building, structure or other improvement that CONCESSIONAIRE places in, upon or about the premises during the term may be removed prior to the expiration of the term of this AGREEMENT and will, as between the CITY and CONCESSIONAIRE, be and remain the personal property of CONCESSIONAIRE.

D. Utility Fixtures.

Notwithstanding any terms to the contrary contained in this Section, any and all lighting, plumbing, air cooling, air conditioning, heating and ventilating equipment ("Utility Fixtures") are deemed to be a part of the realty, and regardless of whether or not any item or equipment can be removed without structural damage to the

building, structure or improvement in which it is installed, no Utility Fixtures may be removed from any buildings, structures or other improvements, except for repairs, alterations, and replacement with like equipment, without the consent of the City Council, and all Utility Fixtures must remain as a part of the realty at the expiration or termination of the term of this AGREEMENT.

16. COMMON AREAS; EASEMENTS; RIGHTS AND RESERVATIONS BY CITY

A. Definition; Common Areas.

“Common Areas” means those portions of the grounds within the physical boundary of the premises that are made available for the general use, convenience or benefit of all users of the premises, including, without limitation, public vehicle parking areas, all utility lines and systems, access roads, driveways, sidewalks, pedestrian walkways and other similar areas, in addition to maintenance and equipment areas. The CITY may at any time establish or change the nature, use, size, and composition of the Common Areas, which acts may include, without limitation, (i) the creation and relocation of driveways, entrances, exits, and parking spaces; (ii) installation of landscaping or restricted areas; and (iii) establishment of handicap and loading zones.

B. Common Areas -- CITY Management.

The CITY will at all times have the sole and exclusive control of all the Common Areas. The CITY will operate, manage and maintain the Common Areas. The manner in which the Common Areas are operated, managed and maintained and the expenditures therefore will be at the sole discretion of the CITY. The CITY has the right to perform any and all construction to, in or about the Common Areas that it deems reasonable for the maintenance, replacement, refurbishment, renovation or improvement of the Common Areas, other premises, or the premises in general. The CITY will give

CONCESSIONAIRE thirty days written notice of any construction in or about the Common Areas. The CITY will not be liable to CONCESSIONAIRE by reason of any injury to or interference with CONCESSIONAIRE'S business or property or for any other inconveniences or damages as a result of CITY construction on Common Areas.

C. Common Area - Use.

CONCESSIONAIRE and its employees and invitees are, except as otherwise specifically provided in the AGREEMENT, authorized, empowered and privileged to use the Common Areas in common with other persons during the AGREEMENT Term. CONCESSIONAIRE must at all times comply with the provisions of this Section. CONCESSIONAIRE covenants that it will not at any time park or permit the parking of its trucks or vehicles or the trucks or vehicles of its employees, suppliers, customers, or invitees in any area within the premises not designated by the CITY for that use by CONCESSIONAIRE and its employees, suppliers, customers or invitees. If CONCESSIONAIRE parks, or permits the parking of, any vehicle contrary to the foregoing provisions, the CITY may cause the vehicle to be towed to a public garage or other parking area, and the expense of towing, plus storage charges, will be paid by the owner of the vehicle.

D. Common Area - Rights.

CONCESSIONAIRE'S rights to the Common Areas will at all times be subject to the rights of the CITY and the other users of the premises to benefit the use of the Common Areas, and it will be the duty of CONCESSIONAIRE (i) to the extent reasonably within its control, to keep all of the Common Areas adjacent to the premises free and clear of any obstructions or nuisances, whether created or permitted by CONCESSIONAIRE or its operation; (ii) to use and allow the use of Common Areas only for normal ingress and egress by employees, suppliers, customers and invitees to

and from the property occupied by CONCESSIONAIRE and the other persons on the premises and other uses approved in advance and in writing from the CITY; and (iii) not to cause, permit or suffer to the extent within CONCESSIONAIRE'S control any Common Areas to be used in a way that unreasonably interferes with the rights of the CITY or other persons on the premises or their employees, suppliers, customers, invitees or businesses.

E. Facility Improvement.

The CITY reserves the right to further develop or improve the premises as it sees fit, regardless of the desires or view of CONCESSIONAIRE without interference or hindrance of any kind whatsoever, direct or indirect.

F. Abatement of Rent.

In the event CITY undertakes any repairs or improvements of the Common Area that prohibit CONCESSIONAIRE from operating the tennis facility, rent will be abated for the number of days CONCESSIONAIRE is unable to operate. Abatement will be calculated as 1/30th of the monthly rental amount each day.

17. ASSIGNMENT AND SUBLETTING

CONCESSIONAIRE may not sublet all or any part of the premises, or assign this AGREEMENT or any interest in the premises, without first obtaining the written consent of the City Council. The giving of any consent will not be a waiver of any right to object to further or future assignments or subleases, consent to which must be first obtained in writing from the City Council. Any assignment of this AGREEMENT to an assignee approved by the CITY will not relieve the assignor of any liability under this AGREEMENT arising after the effective date of the assignment unless the CITY expressly and in writing releases the assignor, and upon any assignment of this AGREEMENT if the CITY does not expressly release assignor, assignor will remain

fully liable under the AGREEMENT during the entire unexpired term. The CITY will have forty-five (45) days to approve or disapprove any proposed sublease, assignment or transfer submitted by CONCESSIONAIRE.

18. COMPLIANCE WITH LAW

A. Operation.

CONCESSIONAIRE must conduct all operations in accordance with, and comply with, and must cause all sub-lessees, permittees, licensees, assignees and/or concessionaires to conduct all operations in accordance with, and comply with, all federal, state and local laws, ordinances, rules and regulations applicable to the business, whether now in effect or hereafter adopted (including, without limitation, those of the City of Torrance, the County of Los Angeles, the State of California and the United States of America), including, but not limited to, compliance with all technical construction codes adopted by the City of Torrance, and all rules and regulations adopted for the operation of the premises, to the extent CONCESSIONAIRE is able to control the conduct of third parties by means of reasonable efforts.

B. Licenses and Permits.

CONCESSIONAIRE must obtain and maintain during the term of this AGREEMENT, all appropriate licenses, permits and certificates that may be required in connection with the operation of its facilities, including, but not limited to, all CITY licenses, permits and certificates, all without additional expense to the CITY.

19. RIGHT TO TERMINATE AGREEMENT

A. Notice of Default.

If either party fails to perform, keep or observe any of the terms, covenants or conditions of this AGREEMENT, the other party may give written notice to

correct the condition or cure the default. If the condition or default continues for thirty (30) days after receipt of notice, the party not in default may give notice of its election to terminate this AGREEMENT and twenty (20) days after receipt of the notice, this AGREEMENT will cease and terminate. Election to terminate by either party will not be construed as a waiver of any claim it may have against the other party, consistent with the termination.

B. Correction.

If, however, any default cannot physically be corrected within thirty (30) days, and if the party in default has commenced to remedy the default promptly after the receipt of notice, and continuously and diligently proceeds in good faith to eliminate the default, then the period for correction will be extended as reasonably necessary to correct the default.

C. Notice of Default.

City will not be under any obligation to mail, deliver or serve any notice under this Paragraph 17 to any person other than CONCESSIONAIRE.

20. NOTICES

A. All notices, requests, demands, or other communications under this AGREEMENT must be in writing. Notice will be sufficiently given for all purposes as follows:

1) Personal delivery. When personally delivered to the recipient: notice is effective on delivery.

2) First-class mail. When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox.

3) Certified mail. When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

4) Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

5) Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice, notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 PM (recipient's time) or on a non-business day. Addresses for purpose of giving notice are as follows:

<p><u>CONCESSIONAIRE:</u></p> <p>South Bay Tennis Center Att.: Courtney Weichsel Hance 5505 Paseo de Pablo Torrance, California 90505 Fax: (310) 791-4277</p>	<p><u>CITY:</u></p> <p>City of Torrance City Clerk 3031 Torrance Boulevard Torrance, California 90503 Fax: (310) 618-2931</p>
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B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

C. Any party may change its address or fax number by giving the other party notice of the change in any manner permitted by this AGREEMENT.

21. AMENDMENTS AND MODIFICATIONS

This AGREEMENT may not be amended or modified in any way, except in writing signed by both parties.

22. APPROVALS BY THE CITY

No consent, approval or satisfaction of the CITY, and no waiver by the CITY of any provision will be effective unless in a writing specifically referring to this AGREEMENT and executed by the City Manager or his designee for the CITY; no consent, approval, or satisfaction with respect to this AGREEMENT will be inferred or implied from any other act or omission of the CITY or any agent or employee of the CITY. Similarly, unless otherwise expressly provided, no approval, consent or other action taken by the CITY under or pursuant to this AGREEMENT will be deemed to waive any other rights or authority of the CITY. Similarly, nothing contained in this AGREEMENT will in any way restrict or diminish the rights, powers or jurisdiction of the CITY, its City Council, Planning Commission and other agencies with respect to the governance of the premises and all improvements, business and activities located on or conducted on the premises.

23. MISCELLANEOUS PROVISIONS

A. Exclusive.

No remedy or election provided by any provisions in this AGREEMENT will be deemed exclusive unless so indicated, but will whenever possible be cumulative with all other remedies in law or equity, except as otherwise specifically provided herein.

B. Covenant and Condition.

Each provision will be deemed both a covenant and condition.

C. Time of the Essence.

Time is of the essence of this AGREEMENT and of each and every provision of this AGREEMENT where time is a factor.

D. Paragraph Headings.

The paragraph and subparagraph headings in this AGREEMENT are for convenience and reference only, and are not intended to and do not define, govern, limit, modify or in any manner affect the scope, meaning or intent of any provision in this AGREEMENT.

E. Severability.

If any part of this AGREEMENT is found to be in conflict with applicable law, that part will be inoperative, null and void insofar as it is in conflict with the law, but the remainder of the AGREEMENT will remain in full force and effect.

F. Consent or Approval.

In the event any provision under this AGREEMENT requires or anticipates that either party make a judgment, give consent or approval, or exercise discretion, that party agrees to do so reasonably and in good faith, with due diligence, except in those specific instances where an AGREEMENT provision specifically sets forth a different standard of approval, in which case the specific standard of that AGREEMENT provision will govern.

G. Jurisdiction.

This AGREEMENT will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the AGREEMENT will be in Los Angeles County, California.

H. Security.

CONCESSIONAIRE hereby acknowledges that the rent payable to the CITY does not include the cost of guard service or other security measures, and that

the CITY has no obligation to provide security. CONCESSIONAIRE assumes all responsibility for the protection of the CONCESSIONAIRE, its employees and agents, invitees, customers and property from acts of third parties.

I. Holding Over.

Any holding over by CONCESSIONAIRE after the expiration or any termination of this AGREEMENT will not constitute a renewal or extension of the term of this AGREEMENT or give CONCESSIONAIRE any rights in or to the premises.

J. Relationship.

Nothing contained in this AGREEMENT will be deemed or construed to create the relationship of principal and agent or of partnership or of joint venture or of any association between the CITY and CONCESSIONAIRE or any other relationship other than Grantor and CONCESSIONAIRE.

K. Attorneys' Fees.

If an action is instituted to enforce any provision or for damages by reason of an alleged breach of any provision of this AGREEMENT, the prevailing party will be entitled to receive from the other party all costs and expenses and an amount as the court may adjudge to be reasonable attorneys' fees and costs.

L. Complete Understanding.

This AGREEMENT represents the full and complete understanding between the parties with respect to the subject matter. No verbal AGREEMENTS or representations or implied covenants will be held to vary the provisions of this AGREEMENT.

M. Further Assurances.

CONCESSIONAIRE and CITY will execute any and all additional papers, documents and other assurances and will do any and all acts or things reasonably

necessary in connection with the performance of their obligations to carry out the express intent of the parties to the AGREEMENT in a timely manner.

N. Force Majeure.

If the performance by CONCESSIONAIRE of any of its obligations or undertakings under this AGREEMENT is interrupted or delayed by an occurrence not occasioned by the conduct of either party to this AGREEMENT, whether that occurrence is an act of God or public enemy, or whether that occurrence is caused by war, riot, storm, earthquake, or other natural forces, or by the acts of anyone not a party to this AGREEMENT, then CONCESSIONAIRE will be excused from any further performance for whatever period of time after the occurrence is reasonably necessary to remedy the effects of the occurrence.

O. Exhibits.

All exhibits identified in this AGREEMENT are incorporated into the AGREEMENT by this reference.

P. CONCESSIONAIRE's Authority to Execute.

The persons executing this AGREEMENT on behalf of the CONCESSIONAIRE warrant that (i) the CONCESSIONAIRE is duly organized and existing; (ii) they are duly authorized to execute this AGREEMENT on behalf of the CONCESSIONAIRE; (iii) by so executing this AGREEMENT, the CONCESSIONAIRE is

formally bound to the provisions of this AGREEMENT; and (iv) the entering into this AGREEMENT does not violate any provision of any other AGREEMENT to which CONCESSIONAIRE IS BOUND.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT on the date first written above.

CITY OF TORRANCE
a Municipal Corporation

South Bay Tennis Center,
a limited liability company

By _____
Frank Scotto
Mayor

Courtney Weichsel Hance,

ATTEST:

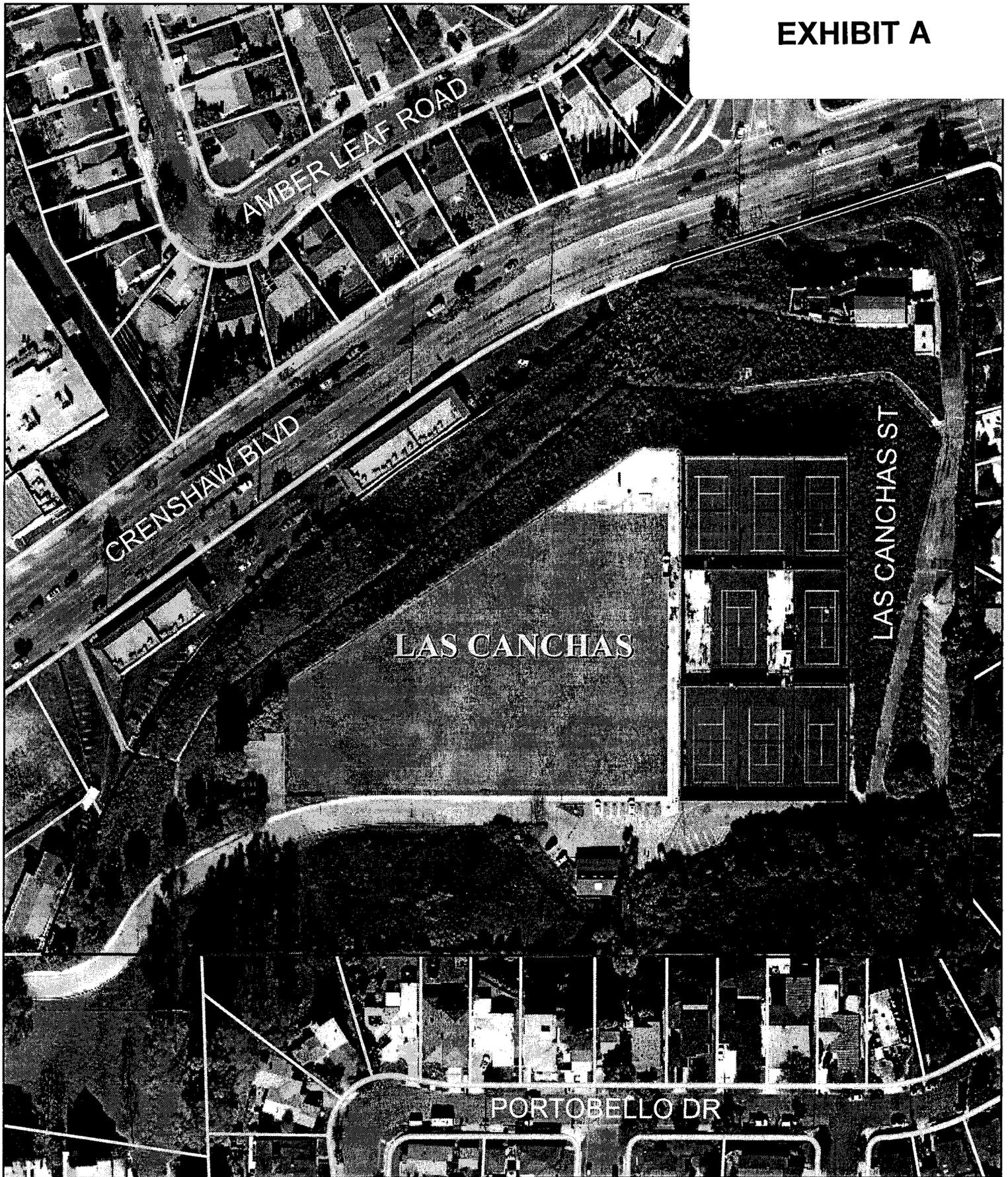
Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
CITY ATTORNEY

By _____
Heather K. Whitham
Deputy City Attorney

EXHIBIT A



Lines and photos are approximate, not to be used for establishing absolute or relative positions

LAS CANCHAS TENNIS FACILITY

25924 Rolling Hills Rd, Torrance, CA 90505

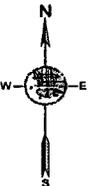


EXHIBIT B -- PERFORMANCE OF SERVICES

Hours*:

Day(s)	Operating Hours:
Monday – Friday	8:00 AM – 10:00 PM
Saturday and Sunday	8:00 AM – 5:00 PM

* These hours represent the MINIMUM hours of operation keeping in mind the hours of operation of public parks is 6:00 AM - 10:00 PM as stated in the Torrance Municipal Code, Section 49.2.1.

Charges**:

Court and rental fees are set by the City Council and are mandated with residents benefiting from a lower rate.

	Resident	Non-resident
Hourly Court Fees for Non-Prime Time (M-F 8:00 AM – 5:00 PM)	\$6.00	\$7.00
Hourly Court Fees for Prime Time (M-F 5:00 -10:00 PM & Weekends All Day)	\$8.00	\$9.00

** These rates are the CURRENT court rental rates except when lights are used. An additional \$1.00 per hour may be added to the applicable use fee.

Instruction and Tournament Prices shall be as follows:

Private/Semi Private Tennis Instruction	
0.5 Hour	\$30.00
1 Hour	\$55.00
Group Instruction	
Workout 1.5 Hours	\$18.00
Tournaments	
Round Robin	\$5.00

Note: concessionaire is required to provide Torrance residents priority in renting court time and in registering for programs/instruction.

**“Proposal for the Lease and Full
Operation
of the
Las Canchas Tennis Facility”**

RFP NO. RFP2008-46

**by the
South Bay Tennis Center**

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP2008-46

Request for Las Canchas Tennis Facility

SECTION III PROPOSAL

FAILURE TO COMPLETE ALL ITEMS IN THIS SECTION MAY INVALIDATE PROPOSAL.

In accordance with your "Request for Proposal", the following proposal is submitted to the City of Torrance.

Proposal Submitted By:

South Bay Tennis Center, LLC

Name of Company

25924 Rolling Hills Road

Address

Torrance, CA 90505

City/State/Zip Code

Courtney Hance/ Owner

Printed Name/Title

(310) 415-1969, FAX(310) 791-4277

Telephone Number/Fax Number

Form of Business Organization:

Please indicate the following (check one):

Corporation

Partnership

Sole Proprietorship

Other: LLC

Business History:

How long have you been in business under your current name and form of business organization?

12 years

If less than three (3) years and your company was in business under a different name, what was that name?

Contact for Additional Information:

Please provide the name of the individual at your company to contact for any additional information

Courtney Hance

Name

Owner

Title

(310) 415-1969 fax (310) 791-4277

Telephone Number/FaxNumber

Addenda Received:

Please indicate addenda information you have received regarding this proposal:

Addendum No. _____ Date Received: _____
Addendum No. _____ Date Received: _____
Addendum No. _____ Date Received: _____
Addendum No. _____ Date Received: _____

No Addenda received regarding this proposal.

References:

Please supply the names of companies/agencies for whom you recently supplied comparable services as requested in this RFP.

City of Torrance/Parks & Rec Torrance, CA John Jones (310) 618-2945

Name of Company/Agency Address Person to contact/ Telephone No.

Name of Company/Agency Address Person to contact/ Telephone No.

Name of Company/Agency Address Person to contact/ Telephone No.

PROPOSAL

In accordance with your request to submit proposals for the lease and full operation of the Las Canchas Tennis Facility located at 25924 Rolling Hills Road, Torrance, CA, I offer the City of Torrance the following:

- **Monthly rental to be paid to the City shall be 0 % of gross receipts from all business conducted on the site, including group and private lessons, tournaments, merchandise sales and service, and court reservations and rentals or a minimum of \$ 1,500.00 per month, whichever is greater.**

Note: A. ~~The operator of the Las Canchas Tennis Courts~~ should expect to account for and/or pay the following normal expenses:

1. Employee related withholding or expense, including payroll, federal and state income taxes, payrolls withholding, Social Security, unemployment taxes, worker's compensation tax, state disability tax, etc.
2. Non-employee related withholding and/or expenses, including insurance, maintenance, Business Licenses, other license and permits, taxes, including property taxes, sales taxes and other applicable taxes, telephone and electrical, utilities, supplies, etc.
3. The facility rent will be based on the proposal accepted by the City and thus will only be known at the time of acceptance of said proposal.

I/Concessionaire will administer the reservation and rental system including but not limited to:

- Accept reception by phone and walk-in
- Serve as cashier and provide for collection and receipting of all fees
- Provide financial and statistical reporting as specified by the City Supervise
- and control all play on courts during reservation operating hours

I am willing to operate the facility within the hours specified in this RFP

• YES X

• NO _____

I will provide, install, maintain and replace as necessary all items listed on below, it being understood that title to said items shall remain in my name. I estimate that the items indicated will cost \$ 10,000 .

I am able to finance the purchase and installation of said items as follows:

1. Court maintenance equipment,
 - a. brooms, hoses, waterbrooms, squeegees, roll drys, trash cans, leave blowers etc...
2. Teaching aids,
 - a. baskets, ball hoppers, ball machines, ball mowers storage sheds
3. Janitorial equipement
 - a. Vacuum, brooms, mops, etc
4. Pro Shop Inventory
 - a. Racquets, strings, racquets accessories, food concessions etc.

Submission Contents:

All responses to this Request for Proposal for the Lease and Full Operation of the Las Canchas Tennis Facility, should include, as a minimum, the following information.	Check here to indicate the item is included:
A business resume with emphasis on tennis related experiences for the last 10 years.	Included
All USTA and SCTA and/or other tennis related certificates. All other professional certifications that may be relevant, with expiration dates, if applicable.	Included
Individual teaching resumes and certifications of Head Pro, if different from applicant.	Included
References (Business, Personal and Financial)	Included
An indication of financial resources and solvency (Please use Attachment C)	Included
Demonstrated proof of insurance and/or insurability	Included
A proposal of operations defining areas of emphasis (court scheduling, lessons, events, retail, etc.)	Included
Proposed plans for marketing the operation to the public and tentative budget for advertising	Included
Proposed participant fee schedule (City residents shall benefit from lower rates)	Included

Additional costs (If applicable please specify)

\$ 0

South Bay Tennis Center Highlights

Ken and Courtney Hance are the owner, operators of South Bay Tennis Center. During the past eleven years South Bay Tennis Center has taken two stagnant tennis programs and turned them into the most active programs in the area. Our expertise lies with our ability to work well with people, both one on one and in group settings.

By implementing various programs, for both adult and juniors we were able to increase tennis court usage for times when the tennis courts were normally not being used.

By actively participating in our area's schools, we have been able to create a junior program we believe is second to none.

For three years Courtney Hance has personally provided a weekly program for Canyon Verde College. Canyon Verde College is an activity center for adult with special needs that is located in the South Bay. This program was offered free of charge and terminated only when the school location changed and proximity became a challenge.

South Bay Tennis Center has held a non profit tournament to benefit an organization called CASA. CASA is an organization of court appointed special advocates who volunteer to serve children in our court system due to abuse and divorce.

We pride ourselves in our ability to not only establish successful tennis programs and activities, but to hire the quality tennis instructors to insure their success.

We are very proud of the program we have built at Las Canchas and are eager to share our enthusiasm, creativity and knowledge of tennis with the City of Torrance for many more years.

Thank You for consideration,

Courtney Hance

COURTNEY MEGAN HANCE

25924 Rolling Hills Rd
Torrance, CA 90505
(310)415-1969

Status: Married
Sex: Female
Age: 40

**TENNIS
WORK
EXPERIENCE**

South Bay Tennis Center, Torrance, CA 4/93 to Present, Owner, Operator / Director
Las Canchas Tennis Facility 2/97-Present
25924 Rolling Hills Road
Torrance, CA 90505
Rolling Hills Plaza Racquet Club 4/93-4-96
2600 Airport Drive

The Tennis Kid, Tennis Channel – 2005 – 2008
Writer/ Producer: 6 episode Tennis instruction series on how teach children ages 3 to 9 how to play in a fun and easy method.

Peninsula High School - 1992 to 2002
Boys' and Girl's Freshman/Sophomore Coach

Miraleste Intermediate School - 1991 to 2001
Head Coach

Rolling Hills Plaza Racquet Club, Torrance, CA - 1988 to 1993
Head Tennis Pro
Tennis Instructor, Pro Shop sales, racquet maintenance, Round Robins, Clinics and other social activities.

Brady Summer Tennis Camp - August of 91 thru 96
Tennis Director, Tennis Instructor

USTA Area Training Center - 1991 to 1994
Tennis Instructor, Coach

USTA 12 and under Zonals - August 1992
Tennis Instructor, Coach

Wilson Field Advisory Staff - 1991 to 2006
Direction of free tennis instruction clinics.

COURTNEY MEGAN HANCE

TENNIS AWARDS

1994 United States Professional Tennis Association
"Division Professional of the Year"

TENNIS EXPERIENCE

1995 - Southern California ranked #2 women's
Open division

1986 to 1996 Professional Satellite circuit

1994 - Southern California ranked #5 women's
Open division

1986 to 1991 - University of California, Irvine
Women's Tennis Team Position #1

1989, 1990 and 1991 - U.C.I. Team Captain

1987 and 1988 - Most Inspirational Player U.C.I.
National College Ranking - #60 - #70
National Amateur Ranking - #11 (1987)

1983 to 1986 - Miraleste High School, Girls Tennis
Team

1983 and 1985 - C.I.F. Champions

1984 and 1986 - C.I.F. Runner Up

EDUCATION

1991- University of California, Irvine.
B.A., Psychology

1992- U.S.P.T.A. Certified Tennis Instructor
P1 rating

1993-1999 U.S.P.T.A. Conventions
Continual Education Courses Attended

KENNETH MICHAEL HANCE

25924 Rolling Hills Road
Torrance, CA 90505
(310) 530-8212

Status:Married
Sex: Male
Age: 44

TENNIS WORK EXPERIENCE

South Bay Tennis Center, Torrance, CA - 4/93 to Present
Owner / Co Director: Development and implementation of various instructional programs (after school junior academy, junior summer camps), private and group instruction, and social activities. Pro-Shop sales, racquet services (stringing, griping), advertising and staff management. Director of 5 annual SCTA/USTA sanctioned tournaments.

Palos Verdes Tennis Club, Palos Verdes Estate, CA - 8-96 to 1998
Tennis Instructor, Private and group lessons, Junior & Adult work outs.

Miraleste Intermediate School, R.P.V., CA - 1992 to 2001
Tennis Coach

Palos Verdes Peninsula High School R.P.V., CA - 1993 to 2002
Boy's and Girl's Tennis Team Coach

Brady Tennis Camps, Hermosa Beach, CA - 1993 to 1996
Tennis Instructor / Camp Counselor

Wilson Field Advisory Staff - 1993 to 2006
Free Clinics, Demo Days

Rolling Hills Plaza Racquet Club, Torrance, CA - 1988 to 1993
Tennis Instructor, Pro Shop sales, racquet maintenance, Round Robins, Clinics and other social activities, Court Maintenance.

Manhattan Beach Country Club - June 1990 to February 1992
Tennis Instructor

TENNIS PROGRAMS FOR THE LAS CANCHAS TENNIS FACILITY

Having been the concessionaire of the Las Canchas Tennis Facility for the past 12 years, we have taken a tennis facility with no activity and transformed it into the most active tennis program in Southern California. We accomplished this by our dedication to growing the game through different avenues.

Ken and I are hands on concessionaires, constantly working to improve the state of the facility as well as its programming. The first year our challenge was to draw players from three years old to a hundred and three to come to our program. A year later our challenge became managing the enormous success that we were having.

If we are renewed, we are confident that the programs that we have provided to beginners and the most elite players will continue to grow.

As always our number one priority still remains the residents of the city of Torrance.

South Bay Tennis Center's Clientele consists of:

1. Torrance Residents
 - a. Regular Players who play with the same people on the same day of the week for many years
 - b. New Torrance Residents
2. Non-Torrance Residents
 - a. Regular Players who play with the same people on the same day of the week for many years
 - b. New Non-Torrance Residents
3. Adult Leagues
 - a. Marine League (Weekday morning women's league) 8 teams currently, 120 players
 - b. USTA League (Weekend Men's and Women's Teams) 5 Teams currently, 40 players
4. Junior League
 - a. Advanced Kids Saturdays (Currently 20 kids)
 - b. Beginner and Intermediate Kids Sundays (Currently 40 kids)
5. Junior Group Instruction
 - a. Beginner & Intermediate and Advanced (average 20 kids a day during the school year and 90 kids per day during the summer)
6. Junior Elite Players and Professional Players

TENNIS INSTRUCTION

Ken & Courtney Hance and intend to provide tennis instruction on a daily basis. We are both established teaching professionals in the Los Angeles area and have U.S.P.T.A. certification. In addition we each bring the knowledge of a lifetime of playing tennis both competitively and socially. Having taught in the South Bay area for over 20 years, we all have established large clienteles and are well known and respected in our profession. Our expertise lies with our ability to work well with people, both one on one and in group settings. The following is a list of Tennis Instruction activities we will continue to provide the local tennis community:

- | | |
|-------------------------------|---|
| 1) Private lessons | 5) Junior Workouts |
| 2) Group lessons (2-6 people) | 6) Junior Summer and
Holiday Day Camps |
| 3) Workouts (4-8 people) | 7) Charitable Programs |
| 4) Free Clinics | |

PRICES

PRIVATE/ SEMI PRIVATE TENNIS INSTRUCTION

Private/ Semi Private Lesson 1/2 hour	\$30.00
Private/ Semi Private Lesson 1 hour	\$55.00

GROUP INSTRUCTION

Workout 1 1/2 hours	\$18.00
Junior Workout 1 1/2 hours	\$18.00

ROUND ROBINS

\$5.00 per tournament

JUNIOR TENNIS SCHOLARSHIP PROGRAM

We plan to continue our tennis scholarship program for lower income Torrance families. In the past eight years we have offered a scholarship program for local children to send in an essay on why they want to learn how to play tennis. Every child who entered the essay competition was accepted and allowed to play on a regular basis free of charge. In conjunction with the City of Torrance, we plan on marketing the same program in our 20,000 flyers that we put out to all the schools in the entire Torrance school district. Our goal is to accept up to five kids a week to join our After School Program as well as our Summer Program. As this will be an ongoing scholarship program for Torrance children we feel that the amount of kids we can impact is enormous.

LEAGUES, TOURNAMENTS & OTHER ACTIVITIES

- 1) Continue existing leagues.
5 USTA League Teams and 8 Marine League Teams
- 2) Continue existing workouts: (workouts are group classes provided with instruction) We currently conduct over 40 adult and 13 junior workouts on a weekly basis. These classes are available to players of all levels, from beginning to advanced. Today whether you're an adult or a child you can play tennis in a workout any day of the week no matter what level player you are. You don't need a partner, you don't need a reservation we welcome everyone to simply drop in. We have anywhere from three people to ten people per workout.
- 3) Holiday Theme Workouts:
These workouts will be conducted over specific holidays.
Examples of these workouts include:
 - 1) Thanksgiving/ Turkey Workout
 - 2) Valentines Day/ Love Match
 - 3) Christmas Workout
- 4) Continue existing junior leagues. (Saturday Advanced, 20 kids/ Sunday Beginner and Intermediate, 40 kids).
- 5) The Hances will continue all United States Tennis Association tournaments.
- 6) Ball Machine:
A ball machine will be provided for use during non-prime time hours for a nominal fee.
- 7) Continue Mommy and Me classes (we offer 5 days a week) peewee's age 3-5
- 8) Continue A.M. classes for moms who need childcare
- 9) Continue scholarship program offered for junior program

COURT RENTAL RATES

Current Court Rental Rates Are:

	Non-Prime Time 8:00am-5:00pm Monday thru Friday	Prime Time 5:00-10:00 Monday thru Friday & Saturday and Sunday and Holidays all day
Torrance Residents	\$6.00 per hour	\$8.00 per hour
Non-Torrance Residents	\$7.00 per hour	\$9.00 per hour

MEMBERSHIPS

The Hances would continue to offer the following annual memberships.

	Torrance Residents	Non-Torrance Residents
1) Single membership	\$30.00	\$35.00
2) Couple's membership	\$40.00	\$45.00
3) Family membership	\$45.00	\$50.00
4) Senior membership	\$15.00	\$20.00

All members will receive a membership card/number. Members will be able to reserve courts in advance (Torrance residents 7 days in advance, Non-Torrance residents 2 days in advance).

Members will also benefit from discounts on various pro-shop merchandise and tennis workouts.

MARKETING

The Hances will advertise using the following methods

- a) Direct Mail
- b) Newspaper
- c) Yellow pages
- d) On site school demo days
- e) Flyers, brochures delivered weekly to area public tennis courts (e.g. High School tennis courts)
- f) Email/Website

DIRECT MAIL

The Hances have compiled data bases of names and addresses of area tennis enthusiast's. This data base will be the target of direct mail advertising. We will periodically send out flyers and brochures for other events and activities (e.g. Summer Camp, Tournaments, Round Robins and Social Mixers).

SCHOOL DEMO DAYS

The Hances will contact area pre, elementary and high schools to schedule free demo days to be conducted to help promote tennis and both facilities.

MAINTENANCE PLAN

South Bay Tennis Center plans to provide the following maintenance programs:

1. Daily cleaning of restroom locker room areas.
2. Daily cleaning of tennis court areas.
3. Weekly court washing.
4. Replacement of tennis court nets and court light bulbs as needed.