

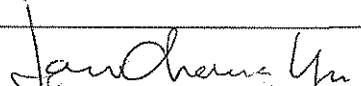



Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor The Council	Date: 10-11-13	C.D. No. 6	CAO File No.: 0150-08079-0002				
Contracting Department/Bureau: Animal Services		Contact: Ross Pool (213) 482-9578					
Reference: Board of Animal Services Commissioners Transmittal dated September 13, 2013; Contract C-117333							
Purpose of Contract: Public Animal Spay and Neuter Services and Wellness Clinic at the East Valley Animal Care Center							
Type of Contract: () New contract (X) Amendment		Contract Term Dates: One year extension from June 1, 2013 to May 31, 2014 with two additional one-year extension options for a total possible contract term of six years					
Contract/Amendment Amount: \$500,000 maximum per 12-month period; total possible maximum \$1,500,000							
Proposed amount \$ 1,500,000 + Prior award(s) \$ 1,500,000 = Total \$ 3,000,000							
Source of funds: Animal Sterilization Trust Fund							
Name of Contractor: Spay Neuter Project of Los Angeles, Inc. (formerly Clinico, Inc.)							
Address: 957 N. Gaffey Street, San Pedro, California 90731							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			a. Equal Employmt. Oppty./Affirm. Action	X		
2. Appropriated funds are available	X			b. Good Faith Effort Outreach**	X		
3. Charter Section 1022 findings completed	X			c. Equal Benefits Ordinance	X		
4. Proposals have been requested		X		d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: %				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The Los Angeles Animal Services Department (LAAS) requests authority to execute the attached supplemental agreement amending Contract C-117333 with Spay Neuter Project of Los Angeles, Inc. (SNP LA) to continue providing spay and neuter services at the City's East Valley Animal Care Center. Under this supplemental agreement, SNP LA will continue to provide spay, neuter and related services for cats, dogs and rabbits sheltered at and adopted from the East Valley Animal Care Center as well as for pets brought into the Center by qualifying residents. Additionally, SNP LA will operate a public wellness clinic at the Center to provide additional services to residents. The proposed amendment is for a period of one year, with two one-year extension options, at a cost not to exceed \$500,000 annually.

The original contract with SNP LA, formerly Clinico, Inc., was authorized by the Council for a period of three years, from June 1, 2010 to May 31, 2013 (C.F. 08-1830-S1). While the contract had stipulated that LAAS had the authority to extend the contract for an additional three years, the Council did not provide that authorization in its instructions to the Controller. The City Attorney opined that in order to extend the contract with SNP LA, LAAS would have to request further Council approval. The

 JCY	 Analyst	04140041	 Assistant CAO	 City Administrative Officer
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proposed amendment term of one year, from June 1, 2013 to May 31, 2014, with two one-year extension options, would extend the total contract to a minimum of four years and maximum of six years.

The total cost for services under the proposed contract amendment will remain at a not-to-exceed amount of \$500,000 per year. The proposed amendment also includes continued use of facilities at the East Valley Animal Care Center as governed in the facility license agreement with the General Services Department (Attachment A of the proposed contract). In consideration of the no-cost use of a City facility, SNP LA will provide services to the LAAS at an 11 percent discounted rate. SNP LA will be reimbursed at 89 percent of the rates determined by the Board of Animal Services Commissioners for each spay and neuter surgery performed on Care Center animals and animals sterilized as part of the adoption process. The current approved fee rates at the East Valley Animal Care Center are as follows:

Surgery	Fee	11% Discount to LAAS	Reimbursement to SNP LA
Male Cat (Neuter)	\$60.00	\$6.60	\$53.40
Female Cat (Spay)	\$68.00	\$7.48	\$60.52
Male Dog under 50 lbs.	\$60.00	\$6.60	\$53.40
Male Dog over 50 lbs.	\$110.00	\$12.10	\$97.90
Female Dog under 50 lbs.	\$68.00	\$7.48	\$60.52
Female Dog over 50 lbs.	\$118.00	\$12.98	\$105.02
Rabbits (all)	\$65.00	\$7.15	\$57.85

In addition to these reimbursements, LAAS will reimburse SNP LA for low-cost and free spay and neuter vouchers redeemed by qualifying Los Angeles residents at \$30 for low-cost coupons and \$70 for redeemed free sterilization certificates. Funding for the cost of these services is approved and provided in the Animal Sterilization Trust Fund.

As part of the proposed contract amendment, SNP LA will also offer a wellness clinic for the public on Sundays and Mondays, from 9 AM to 5 PM, at rates subject to LAAS approval. Services to be offered as part of the clinic include wellness exams for puppies and kittens, diagnosis and treatment for infections, dental work, low cost vaccinations, and owner education on pet care and chronic disease maintenance.

SNP LA is in compliance with the standard provisions for City contracts.

Animal Sterilization Trust Fund

The Animal Sterilization Trust Fund is established under Los Angeles Administrative Code Section 5.199 to provide funding for pet sterilization services to residents of the City of Los Angeles. A portion of funds from each paid dog license sold in the City (\$2.00 for unaltered dogs and \$7.00 for altered dogs) is deposited into this Fund to support the cost of animal sterilization. Additionally, \$710,000 has been appropriated in the General Fund 2013-14 Adopted Budget to support the Fund. Along with

public donations, the Fund is expected to receive \$1.5 million in 2013-14 to support animal sterilization services.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor, authorize the General Manager of the Los Angeles Animal Services Department, or designee, to execute the First Supplemental Agreement to Contract No. C-117333 between Spay Neuter Project of Los Angeles, Inc. and the City of Los Angeles for spay and neuter and related services at the East Valley Animal Care Center for a term of one year, from June 1, 2013 through May 31, 2014, with two one-year extension options, at an amount not-to-exceed \$500,000 per year, subject to the approval of the City Attorney as to form and legality.

FISCAL IMPACT STATEMENT

Approval of the recommendation will authorize the Los Angeles Animal Services Department to extend its contract with Spay Neuter Project of Los Angeles, Inc. for spay and neuter services at the East Valley Animal Care Center for a period of up to three years at an annual cost not-to-exceed \$500,000. Funding for this purpose is available in the Animal Sterilization Trust Fund, which received a \$710,000 appropriation from the General Fund in 2013-14 to support animal sterilization services. There is no additional impact to the General Fund. Execution of the proposed contract amendment complies with the City's Financial Policies in that budgeted funds are used for budgeted purposes and that ongoing costs are supported by ongoing revenues.

MAS:JCY:04140041

Attachment

**BOARD OF
ANIMAL SERVICES
COMMISSIONERS**

LISA McCURDY
President

JIM JENSVOLD
Vice President

MAGGIE NELSON

ALANA YAÑEZ

DAVID ZAFT

**City of Los Angeles
CALIFORNIA**



ERIC GARCETTI
MAYOR

DEPARTMENT OF
ANIMAL SERVICES
221 North Figueroa Street
6th Floor
Los Angeles, CA 90012
(888) 452-7381
FAX (213) 482-9511

BRENDA BARNETTE
GENERAL MANAGER

JOHN D. CHAVEZ
ASSISTANT GENERAL MANAGER

September 13, 2013

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, California 90012

SUBJECT: REQUEST TO EXTEND SNP LA SPAY/NEUTER SERVICES CONTRACT

Dear Mayor Garcetti,

At its meeting of September 10, 2013, the Board of Animal Services Commissioners (Board) approved an extension of the agreement with Spay and Neuter Project LA, Inc. (SNP LA). The agreement will allow SNP LA to continue to provide spay/neuter services for cats, dogs, and rabbits adopted from the East Valley shelter as well as to pets owned by qualifying residents. By a vote of 4-0, the Board approved a motion to:

1. APPROVE the Supplemental Agreement to the East Valley shelter contract and extension with the Spay and Neuter Project LA, Inc. (SNP LA), substantially in the form as outlined in the attached agreement, subject to approval of the City Attorney as to form and legality.
2. Upon approval, TRANSMIT the amendment to the Mayor and City Council for approval.

BACKGROUND

On June 1, 2010, the Department of Animal Services entered into a three-year contract with SNP LA to provide spay and neuter services at the East Valley shelter (C.F. 08-1830-S1).

Prior to the expiration of the contract, the Assistant General Manager, John Chavez, met with Executive Director, Arianna Buturovic and Noel Jackson, both of SNP LA, to discuss an extension of the agreement, as well as starting a "wellness clinic" on site. Both parties believed that the contract could be extended without Board and Council approval, based on the contract language below:

AN EQUAL OPPORTUNITY EMPLOYER

Visit our website at www.LAAnimalServices.com

0150-08709-0001⁰⁷⁹

Subject: SNP LA, Supplemental Agreement
September 13, 2013

"Unless terminated earlier pursuant to this Agreement or pursuant to termination provisions within the attached exhibits incorporated herein, the term of this Agreement shall be three (3) years, and may be renewed for up to three (3) additional years at the sole discretion of the Department and GSD."

However after consultation with the City Attorney, it was determined that an extension, in fact, required Board and Council approval. The contract for the East Valley shelter expired on May 31, 2013. The Department is therefore requesting approval to transmit the attached agreement to the Mayor and City Council for approval and upon approval, enter into a contract for up to three years with SNP LA for spay and neuter services at the East Valley shelter.

SCOPE OF WORK

The East Valley spay/neuter clinic is part of the medical facilities in the Department's animal care system, and the Department is proud to report that this proposed agreement will enable SNP LA to continue to be a part of the City's efforts in achieving its goal to become a "no-kill" community.

Under the proposed agreement, SNP LA will perform spay/neuter surgeries for dogs and cats adopted from the East Valley shelter, as well as for pets brought in by the general public. SNP LA will provide their own staff, as well as all equipment, supplies, materials, and medicines required to provide these services. Care of animals in SNP LA's custody shall be in conformance with all federal, state, and local humane laws and statutes.

SNP LA is also proposing to provide "wellness clinics." The contractor will operate the clinics on Sunday – Monday, from 9 AM – 5 PM, with a minimum of one wellness clinic day per week, but not more two per week. These days may be subject to change; the City will be notified 30 days in advance of planned schedule changes.

The wellness clinic will offer the following services, up to and including:

- Diagnosis and treatment for ear/eye/skin infections
- Dental scaling, polishing, and extractions
- Wellness exams for puppies and kittens
- Low-cost vaccines – DA2PP, Bordetella, rabies, FVRCP, FeLV
- Mass removals
- End-of-life counseling and euthanasia
- "Cherry eye" treatment
- Entropion repair
- Hernia repair
- Low-cost spay/neuter
- Owner education in proper pet care
- Assisting owners in managing chronic disease processes, i.e., seizures, diabetes, kidney problems

Subject: SNP LA, Supplemental Agreement
September 13, 2013

Owners defined as "low-income" under HUD/DOL guidelines will qualify for SNP LA's low-priced services. Animal Services reserves the right to review the cost of low-priced services to ensure that these costs are affordable to low-income residents.

The operation of the wellness clinic will not affect the contractor's obligation to meet its other surgical sterilization targets for the City as provided in the agreement.

The City of Los Angeles' Standard Provisions for City contracts allows SNP LA continued use of the premises at the East Valley spay/neuter clinic (a license drafted with the General Services Department addresses any lease-type elements of the agreement), and GSD will be a signatory to the agreement. SNP LA will be required to maintain all necessary permits, including a veterinary premise license, insurance, and a security deposit as required. In consideration for the use of City property, SNP LA shall discount the Department 10% off payments for surgeries performed on adopted animals.

FISCAL IMPACT:

There is no impact to the General Fund. Funds will be used from the Animal Sterilization Trust Fund, in accordance with trust fund limitations and as they would be paid to outside veterinary services for providing sterilization on adopted animals qualifying for coupon/free certificates. The amount of the discount taken off Board-approved rates will result in more funding to accomplish additional sterilization surgeries.

If you require additional information regarding this action of the Board, please have your staff contact me at (213) 482-9558 or Ross Pool, Management Analyst II, at (213) 482-9578.

Sincerely,


BREND A F. BARNETTE *BFB*
General Manager

BFB:RP

Attachment

cc:

Patricia Whelan, Office of The Mayor
Tony Royster, General Services Department
Dov Lesel, Assistant City Attorney
Ross Pool, Department of Animal Services
File



**City of Los Angeles
Department of Animal Services**

**1st SUPPLEMENTAL AGREEMENT
RE**

City Agreement Number C-117333

WITH SPAY NEUTER PROJECT OF LA, INC. (formerly CLINICO)

To Provide Spay/Neuter and Related Veterinary Services

At the

**East Valley Animal Care Center
Spay/Neuter Clinic
14409 Vanowen Street
Van Nuys, CA 91405**

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City Agreement Number C-117333_S -1

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**1st SUPPLEMENTAL AGREEMENT
BETWEEN THE CITY OF LOS ANGELES
AND SPAY NEUTER PROJECT OF LOS ANGELES, INC. (FORMERLY CLINICO)**

**FOR THE OPERATION OF THE SPAY/NEUTER CLINIC AT
THE EAST VALLEY ANIMAL CARE CENTER**

To City Agreement Number C-117333

THIS 1st SUPPLEMENTAL AGREEMENT ("Agreement") is entered into as of June 1, 2013 and will be effective on the date the Office of the City Clerk attests this Agreement ("Execution Date"), between the City of Los Angeles ("City"), a municipal corporation, acting by and through the Department of Animal Services ("Department"), the Department of General Services ("GSD"), and Spay Neuter Project of Los Angeles, Inc. ("Contractor" or "Licensee") formerly Clinico, which is authorized to do business in the State of California, with regard to the following:

WHEREAS, the Department desires Contractor to continue to provide spay/neuter surgeries and related services at the East Valley Animal Care Center Spay/Neuter Clinic ("Clinic"); and

WHEREAS, the Contractor was selected pursuant to a Request for Proposals ("RFP") issued by the Department on March 10, 2008 to solicit such services, and Contractor submitted a proposal in response to the RFP, met the requirements, and was awarded this Agreement by the Animal Services Board of Commissioners ("Board") on September 22, 2008, and approved by the City Council on November 25, 2008, for a three year contract (CF # 8-1830-S1) which expired on May 31, 2013; and

WHEREAS, C-117333 included a three-year option to renew, which the Department wishes to exercise and this 1st Supplemental Agreement was approved by the Board on September 10, 2013 and by the City Council on _____, 2013 for the additional three year term (CF # _____); and

WHEREAS, the Contractor will continue to provide spay/neuter services for Care Center cats, dogs, and rabbits (as needed) that are adopted from the Care Center as well as to pets owned by qualifying residents near or in the Los Angeles area; and

WHEREAS, operating the Clinic will continue to augment the Department's ability to provide spay/neuter services to adopters and residents in Los Angeles and benefit the public; and

WHEREAS, the Contractor will accept the fees for spay/neuter surgeries listed herein; and

WHEREAS, the Contractor will also provide and operate a "wellness clinic" for the public, and offer discounted rates for low-income residents as part of the Supplemental Agreement; and

WHEREAS, GSD provides real estate asset management and related building maintenance and repair services for the City's real property; and the Department provides services related to the care and welfare of animals in the City of Los Angeles, and administers agreements related to providing said services.

NOW THEREFORE, In consideration of the above premises and of the covenants and representations set forth herein, the parties agree as follows:

Section I. Representatives of the Parties and Service of Notice

A. The representatives of the parties authorized to administer this Agreement, and to whom formal notices, demands, and communications shall be given are as follows:

1. The representative of the City shall be the General Manager of the Department, or that person's authorized representative, as follows:

General Manager, Department of Animal Services
221 North Figueroa Street, Suite 500
Los Angeles, California 90012

2. The representative of GSD shall be the General Manager of that department, or that person's authorized representative, as follows:

General Manager, Department of General Services
111 East First Street, Room 201
Los Angeles, California 90012

3. The representative of Contractor shall be:

Arianna Buturovic, Executive Director, Spay Neuter Project of Los Angeles, Inc.
957 N. Gaffey Street
San Pedro, California 90731

B. Formal notices, demands, and communications required hereunder by any party shall be made in writing and communicated by U.S. mail, fax, or email.

C. If the name of the person designated to receive the notices, demands, or communications, or the address of such person is changed, written notice shall be given to the other parties within five (5) business days of said change.

Section II. Term

Unless terminated earlier pursuant to this Agreement or pursuant to termination provisions within the attached exhibits incorporated herein, the term of this Agreement shall be for one year, and may be renewed for up to two (2) additional years at the sole discretion of the Department and GSD. The City intends to exercise the renewal option on the condition that the Contractor's performance reasonably meets the expectations stipulated in this Agreement. The City will not decline to exercise the renewal option arbitrarily and capriciously.

Section III. Maximum Payment

Payment to the Contractor by the City shall not exceed \$500,000 during each of the City's Fiscal Years (defined as July 1 through June 30) or during any twelve months of the Agreement, including the value of discount coupons and free certificates. This provision shall not mean that the City is required to reach or approach this amount.

Section IV. License to Use Premises Of Animal Spay Neuter Clinic

Contractor shall comply with all provisions of the License to Use the Premises of Animal Spay and Neuter Clinic ("License"), attached as Exhibit A, incorporated and made part of this Agreement.

Section V. Standard Provisions for City Contracts

Contractor shall comply with all provisions of the City of Los Angeles' Standard Provisions for City Contracts, (Revised 03/09), ("Standard Provisions"), attached as Exhibit B, incorporated and made part of this Agreement.

Section VI. Premises

The premises covered by this Agreement are the Spay/Neuter Clinic ("Premises" or "Clinic") located at the following location:

East Valley Animal Care Center
14409 Vanowen Street
Van Nuys, CA 91405

A diagram of the Premises is attached hereto and incorporated herein as Exhibit C.

Section VII. Ratification

At the request of the City, and because of the need therefore, CONTRACTOR has begun performance of the services specified herein prior to execution of this 1st Supplemental Agreement. The CITY acknowledges the services previously performed by the CONTRACTOR and ratifies the CONTRACTOR's performance of said services to the extent said services were performed in accordance with the terms and conditions of this Agreement.

Section VIII. Scope of Services

The Contractor shall be the sole operator of the Clinic and shall operate the Clinic according to all federal, state, and local laws; shall provide spay/neuter services for adopted animals and animals owned by members of the public, and related veterinary medical services; shall provide all staffing, equipment, and supplies; shall obtain all permits, licenses, and registrations required to operate the Clinic; and shall coordinate with Department staff to provide these services, as stipulated herein. In particular, the services to be provided are as follows:

A. Surgical Sterilizations

The Contractor will perform:

1. Spay and neuter surgeries on qualified animals adopted from the Care Center (including dogs and cats eight weeks of age or older, and rabbits). On each day of operation, Contractor shall commit to perform surgeries as follows:

A minimum of 5 dogs adopted from the Care Center,
A minimum of 5 female cats adopted from the Care Center; unlimited male cats.

Contractor shall coordinate with Care Center staff in the event that the Care Center's volume of surgeries exceeds this number during special adoption events or other events, and the Contractor shall make a reasonable effort to accommodate additional spay/neuter surgeries from the Care Center. The Department reserves the right to send animals to off-site veterinarians in the event that Spay Neuter Project of Los Angeles, Inc. is unable to accommodate all of the Care Center's spay/neuter needs.

Contractor shall be expected to perform approximately 40 spay/neuter surgeries at the Clinic each day of operation, including animals adopted from the Care Center, as well as

dogs and cats brought in by members of the public, and accept all Department discount coupons and free certificates or vouchers and Authority For Expenditure for the service.

2. Pre-surgical physical examinations on all surgical candidates to determine if an animal is qualified for surgical treatment.
3. Other ancillary medical procedures associated with surgical sterilizations, according to the provisions outlined below:
 - a. The Contractor will conform to all surgical standards as required by the California Veterinary Medicine Practice Act (CVMPA).
 - b. Animals deemed unfit or unhealthy by a veterinarian may be rejected for surgical sterilization.
 - c. Animals that are pregnant, in estrus, cryptorchid, or have any other medical condition outside the scope of a healthy animal sterilization, may be surgically sterilized at the discretion of the Contractor's veterinarian. The contractor may charge the adopter an additional fee of \$50 per condition subject to a Cost of Living Adjustment (COLA) increase per each subsequent year of the contract but no sooner than June 1, 2014.
 - d. Owners/adopters of animals of advanced age that may require pre-surgical, geriatric blood screening will be notified by Contractor of the additional cost of the screening prior to sterilization.
 - e. If during surgery, the animal is discovered to be already sterilized, the same fee shall apply for a standard sterilization.

B. Microchips

Contractor shall micro-chip all dogs, cats, and rabbits that are adopted from the Care Centers that are not already microchipped, if mutually agreed upon by the Contractor and adopter, or requested by the Department. Contractor shall charge a fee of \$25.00 per implantation for said microchips, and provide the owner and Department with the microchip number

C. Licensing

The Contractor will assist the Department in its efforts to license all dogs within its jurisdiction by providing, along with any other reporting requirements, a monthly report on the dogs entrusted to their care to include the following information:

- Dog's name
- Breed of dog
- Owner's name
- Owner's address and phone number
- Dog's license information

The Contractor shall sell dog licenses or puppy certificates for dogs brought in for veterinary services by persons residing in the City of Los Angeles whose dogs are not licensed. For this service the Contractor will be paid a sum not to exceed \$2.00 or such other amount as determined by the Board of Animal Services Commissioners and approved by the City

Council, for each dog license or puppy certificate sold consistent with the guidelines established by the Department. The provision shall exclude dogs that are adopted from the Care Center and sent to Contractor by the Department for spay/neuter or related services as part of the adoption process.

D. Emergency Medical Treatment

Contractor shall monitor all animals under its care and control for post-surgical complications and shall provide appropriate post-surgery medical treatment to animals in the event of an emergency related to the surgery, at no additional cost to the City or the pet owner, so long as such complications are discovered while the animal is under the Contractor's care and control.

The Contractor shall provide appropriate medical treatment to animals in the event of medical emergencies for animals in the care and control of the Contractor. The Contractor will stabilize the animal in the event he or she needs to be transported to another private veterinary hospital, which will be at no additional cost to the City or the pet owner if the emergency is determined to be related to or caused by the sterilization surgery.

Charges for medical emergency treatment for animals in the care and control of the Contractor but not caused as a result of the sterilization by the Contractor, either by the Contractor or at referred veterinary hospitals that are pre-approved by the Department, may be charged to the pet owner, provided the pet owner has approved the treatment in advance via telephone notification.

E. Care of Animals

1. Contractor's care of animals in its custody shall be in conformance with all federal, state, and local humane laws and statutes. A California-licensed veterinary technician, or equivalent, shall remain on duty following the procedure until each animal's recovery status meets the conditions set forth by the CVMPA to send home with his or her owner or transfer to the care of Care Center staff, depending on where the animal came from.
2. Animals unclaimed by owner(s) at the end of the business day shall be kept overnight at the Clinic, unless determined otherwise by Department staff, while reasonable efforts are made by the Contractor to contact the pet owner. If Contractor does not plan to staff the Clinic after hours, only animals adopted from City of Los Angeles Animal Care Centers may be transferred, at the sole discretion of the Department, to the holding area of the Care Center if not picked up after surgery.
3. All pre-adopted animals shall be released on the day of surgery to their owners. Animals that are not pre-adopted shall be released to the Department at such time as medically safe to do so.

F. Release of Animals

All animals shall be released to pet owners or adopters with post-operative instructions, including emergency telephone numbers. Should complications occur, the Contractor shall retain responsibility and care for the animal until the complication is abated.

G. Wellness Clinics

Contractor shall operate a Wellness on Sunday – Monday, from 9 AM – 5 PM, with a minimum one Wellness Clinic day, but not more than two days per week. These days may

be subject to change; the City will be notified 30 days in advance of planned schedule changes.

The Wellness Clinic will offer the following services, up to and including:

- Diagnosis and treatment for ear/eye/skin infections
- Dental scaling, polishing, and extractions
- Wellness exams for puppies and kittens
- Low-cost vaccines – DA2PP, Bordetella, rabies, FVRCP, FeLV
- Mass removals
- End-of-life counseling and euthanasia
- “Cherry eye” treatment
- Entropion repair
- Hernia repair
- Low-cost spay/neuter
- Owner education in proper pet care
- Assisting owners in managing chronic disease processes, i.e. seizures, diabetes, kidney problems

Owners defined as “low-income” under HUD or DOL guidelines will qualify for SNP LA’s low-priced services. Low-income documentation is required. The following documentation is acceptable: California Form 540, W-2, DWP Lifeline status, Southern California Gas CARE program status, Social Security Benefits Statement, or an award letter of the amount of SSI, General Relief, or CalWorks/AFDC received.

The operation of the Wellness Clinic will not affect Contractor’s obligation to meet its other surgical sterilization targets for the City as provided in the Agreement. Animal Services reserves the right to review the cost of low-priced services to ensure that these costs are affordable to low-income residents.

H. Optional Services and Additional Fees to the Public

The Contractor may offer to the public additional services, provided that the written approval is received from the pet owner. Pricing of these services shall be at the Contractor’s discretion, subject to Department approval. The Department shall be notified of any price increase 30 days prior to the effective date and must grant approval of said increase. Once approval has been granted the Contractor shall post the increases and notify the public no less than 14 calendar days before the increases become effective. The notice of new prices shall be posted in a conspicuous place in the Contractor’s clinic and if applicable, in its online presence and must indicate the effective date. The Department encourages pricing that maximizes the public’s ability to obtain needed services for their pets.

I. Operational Requirements

1. Maintaining a Written Protocol of Procedures

Contractor shall maintain at all times an approved written protocol detailing all procedures, including, but not limited to animal handling, vaccination, anesthesia surgery guidelines, and drug inventory. This protocol must be available for review and approval by the Department at the inception of this Agreement and at all times during its term. The Contractor shall post this protocol in a public area at all times.

2. Days and Hours of Operation

Contractor shall provide spay and neuter services a minimum of four days per week. All hours and days of operation shall be subject to mutual agreement between Contractor and Department, to be coordinated with the Care Center, and shall be prominently posted, clearly visible to the public. Contractor may not change hours and days of operation without prior written approval from the Department; such changes must be announced to the public no less than seven (7) calendar days before they become effective.

Contractor must notify Department of planned closures no less than 14 calendar days before the closure, and must post notice of said closure for public view. In the event that the Contractor's veterinarian will be absent, Contractor may retain the temporary services of an alternate licensed veterinarian to perform surgeries in the absence of the Contractor's veterinarian, subject to Department disapproval. The Department reserves the right to have its own veterinary staff or other veterinarian perform said surgeries if the Contractor's veterinarian is absent.

3. Equipment and Supplies

Contractor shall obtain, at its own expense, all equipment and supplies to be used in the operation of the Clinic, including all medical supplies, medicines, cleaning agents, microchips, tools, anesthesia machines, autoclaves, and any other necessary tools, instruments, supplies, and equipment. Contractor shall maintain in good working order, at its own expense, all equipment used in the operation of the Clinic, and shall ensure that repairs or replacement of equipment does not unreasonably interrupt its services. Alterations and improvements, capital improvements, and maintenance issues shall be coordinated with, and subject to the approval of, the Department of General Services.

4. Equipment Purchase Option

At the end of the term of this Agreement, and upon mutual agreement, Department may purchase from the Contractor, at a mutually-agreed depreciated price consistent with equipment of comparable age and use, Contractor's equipment used in the operation of the Clinic. However, the Department shall be under no obligation to make such purchases.

5. Cost of Supplies, Services, and Personnel

The cost of setting up, staffing, maintaining, and performing services under this Agreement shall be the Contractor's sole responsibility.

6. Licenses and Permits

Contractor shall obtain at its own expense, the following licenses and permits:

- A current Veterinary Premise License for the Clinic, naming the Contractor's veterinarian as the Managing Licensee, as required by the California Veterinary Medical Board.
- A current Veterinarian License for the Contractor's veterinarian(s), as required by the California Veterinary Medical Board.
- A Controlled Substance Registration Certificate, as required by the U.S. Department of Justice, Drug Enforcement Administration (DEA).
- All other necessary permits to operate the Clinic, including current licenses from the Board of Consumer Affairs, and any other regulatory agencies requiring licensure.

All licenses requiring display will be displayed in a designated area as prescribed by law. Copies shall be provided to the Department. Contractor shall maintain all licenses and permits current throughout the term of this Agreement, and shall not begin services under this Agreement until such licenses and permits are obtained.

7. Hazardous Waste Disposal

As used in this Agreement, the term "hazardous waste" shall mean any hazardous or toxic substances, biohazards, medical wastes, sharps, discarded animal tissues or animal carcasses, or other materials or wastes, used or discarded by the Contractor in connection with its operations, which can damage the environment or be harmful to health. Unless otherwise coordinated with the Care Center, Contractor will be solely responsible for disposal of hazardous waste, at its own cost.

J. Fees and Payments

1. Fees for Spay/Neuter Surgeries (for Care Center animals and animals adopted from the Care Centers) Set by Board

Fees for spay/neuter surgeries paid by the Department are set by the Board; if the Board revises said fees, the Department shall pay the Contractor the revised fees effective on the date of the Board's approval, or as otherwise effected by the Board.

2. Definitions

- "Neuter" shall mean "castration." "Spay" shall mean "ovariohysterectomy."
- "Sterilization" and "surgery" refer to the spaying or neutering of an animal. All sterilizations shall include: (a) a physical examination of the animal, (b) all vaccines and anesthesia that your hospital requires during hospitalization or before surgery, (c) all after-care including suture removal, licking problems, infections, and other normal procedures.
- "Voucher" can be a \$30 Discount Coupon or a \$70 Free Certificate for Spay/Neuter issued to a Los Angeles resident by the Department for the sterilization of an owned dog or a cat.
- "Authority for Expenditure (AFE)" is issued by the Department for specific service on a shelter animal.

3. Surgery Discount to Department

Contractor shall give a discount to the Department an amount equal to 11% of Board-approved fees for spay/neuter surgeries performed on Care Center animals and animals adopted from the Care Center. This discount shall result in a net payment equal to the discounted net fee at the 11% discount proposed by Contractor and accepted by the Board, as indicated below:

Surgery	Board-Approved Fee	Contractor shall discount Department	Net Fee At 11% Discount
Male cat	\$60.00	\$6.60	\$53.40
Female cat	\$68.00	\$7.48	\$60.52
Male dog under 50 lbs.	\$60.00	\$6.60	\$53.40
Male dog over 50 lbs.	\$110.00	\$12.10	\$97.90
Female dog under 50 lbs.	\$68.00	\$7.48	\$60.52
Female dog over 50 lbs.	\$118.00	\$12.98	\$105.02

Surgery	<u>Board- Approved Fee</u>	<u>Contractor shall discount Department</u>	<u>Net Fee At 11% Discount</u>
Rabbits (all)	\$65.00	\$7.15	\$57.85

4. Spay/Neuter \$30 discount coupons/\$70 free certificates

- a. Animal owners will transport their owned animal to the Contractor along with a voucher and pick up the animal from Contractor after service is completed.
- b. Coupons/Certificates are non-transferable, are not valid beyond the expiration date printed on them, and must be presented to Contractor at the time of sterilization. Coupon/Certificate may only be used for owned cats and owned dogs, and are not valid for the sterilization of feral cats. Either a discount coupon or free certificate, but not both, may be used per animal per sterilization. Coupon/Certificate cannot be used for any veterinary service other than sterilization, nor in combination with any other program.
- c. Contractor may charge a co-payment from an animal owner with a \$30 Discount Coupon. No co-payment or additional fees may be charged to an animal owner with a \$70 free certificate for sterilization including, but not limited to, uterine infection, pregnant or "in estrus" animals, animals with retained testicles, or animals weighing more than 50 pounds.

5. Authority for Expenditure (AFE) (for Shelter Animals)

- a. Department staff will transport the animal, or in cases of deferred sterilization approved by Department veterinary staff, the animal owner will transport the animal, along with an Authority for Expenditure (AFE).
- b. No additional fees or co-payments may be charged for the sterilization of shelter animals, including physical examination, routine hospitalization vaccines and after-care services such as suture removal licking problems, infections, and other normal procedures. The contractor may charge the adopter an additional fee of \$50 per condition subject to a Cost Of Living Adjustment (COLA) increase per each subsequent year of the contract as determined by the Department. The COLA will also be determined by the Bureau of Labor Statistics in the Department of Labor for the Los Angeles region.
 - a. For animals that are obese, geriatric, pregnant, or exhibit uterine infections, in estrus, with retained testicles(s), or hernias, the **Contractor shall obtain prior authorization from the adoptive owner before treatment.** These costs are not an obligation of the Department.
- c. Contractor shall obtain prior written authorization from the Department if the animal requires additional medical treatment. If Department does not authorize the additional treatment and Contractor is unable to perform the sterilization, Department staff will retrieve the animal. Contractor shall absorb all costs of treatment provided without prior approval from the Department.
- d. If the animal is deemed temporarily unsuitable for sterilization, **Contractor shall obtain prior authorization from the adoptive owner prior to treatment,** and if the owner elects treatment, the fees will be the responsibility of the adopter. The Department shall not reimburse the adopter or Contractor for veterinary fees not authorized by the Department in writing. The

owner may elect to return the animal to the Department. Contractor shall notify the Shelter where the animal came from if the owner fails to pick up the animal.

e. For adoption events, animals will be brought in for sterilization with an AFE by Department staff and picked up on the same or following day after the surgery in accordance with the arrangement made between Contractor and Shelter. Contractor will notify the Shelter where the animal came from if an animal is unfit for surgery and the Department will retrieve the animal from the Contractor.

6. Contractor Responsibilities

a. Contractor shall follow the mandates of the California Veterinary Medicine Practice Act.

b. Contractor shall report to the Department all unexpected deaths of shelter animals that occur under the care and control of the Contractor within five business days by submitting a completed Incident Report. A blank Incident Report form is attached as **Exhibit A**.

c. Surgery can be deferred and Contractor shall re-schedule the sterilization, or reject the animal for sterilization if deemed unfit or unhealthy by Contractor.

d. Contractor shall ensure that the person named on the Coupon/Certificate or AFE is the same person requesting the services, and that the Coupon/Certificate or AFE has not been transferred.

e. Contractor has a duty to check, within reason, that no more than three Coupon/Certificates or AFEs have been issued for more than three cats or three dogs to any one person or address, and notify the Department of any irregularities.

f. Contractor shall report any abuse, fraud or suspected abuse or fraud by pet owners.

7. Billing and Record Keeping

a. Upon completion of sterilization, Contractor shall bill the Department for services rendered by using the Department's **online Vet Portal System** available at anivet.lacity.org. Instructions for the Vet Portal can be located on the website under the "Help" Tab.

b. The required sections of the Voucher and/or AFE shall be completed by Contractor and mailed to the **Department of Animal Services, 221 North Figueroa Street Room 500, Los Angeles CA 90012, Attn: Accounting Section**. \$30 discount coupon/\$70 free certificate or AFEs submitted without surgery date, veterinarian's name and address and signature will be returned for completion.

c. Billing must be submitted within 60 days after sterilization services or they will not be honored by the Department. Billings received after the 10th of each month will be processed the following month.

d. \$30 discount coupon/\$70 free certificate and/or AFEs have no face value until Contractor completes the work, certifies by signature that the work is completed, and requests payment in the manner prescribed by the Department.

- e. Original \$30 discount coupon/\$70 free certificate and/or AFEs for surgeries performed by Contractor shall be mailed to the Department of Animal Services. A photocopy of the \$30 discount coupon/\$70 free certificate and/or AFEs shall be retained on file at its facility for a minimum of three (3) years. Signed, completed \$30 discount coupon/\$70 free certificate and/or AFEs shall serve as proof of each service performed and billed to Department.
- f. All payments are subject to the review and approval of Contractor's full documentation and work performance by the Department.
- g. Department will make all reasonable efforts to pay Contractor each month for services rendered in the previous month as long as original invoices and supporting documentation are received on time as indicated herein.

**SPAY/NEUTER PROGRAMS: DISCOUNT COUPONS, FREE CERTIFICATES AND
AUTHORITY FOR EXPENDITURES**

Contractor shall participate in all Department Spay and Neuter Programs of spaying and neutering dogs and cats eight weeks of age or older or two (2) lbs or heavier, by accepting Department discount coupons and free certificates or Authority For Expenditure to perform spay and neuter surgeries on dogs and cats brought in by members of the surrounding communities. The Department will reimburse the Contractor the face value of said coupons, certificates, and Authority For Expenditures as indicated above.

The Pre-Release S/N Program is for dogs and cats adopted from the Department.

The animals are transported by the Department staff to the Contractor for surgery along with the AFE and are picked up from the Contractor by the owner at the designated time set forth by the Contractor. Surgery arrangements are made between Contractor and Shelter based upon number of animals available for sterilization and hours of drop-off to the Contractor's facility.

The Post-Release S/N Program is for dogs and cats adopted from the Department which cannot be sent directly for sterilization. The animals are brought to the Contractor by the owner for surgery. The AFE is surrendered by the owner to the Contractor at the time of surgery.

The Pre-Adoption S/N Program is for animals that are being sterilized for special events.

The animals are brought to the Contractor by Department staff along with the AFE and picked up on the same or following day after the surgery in accordance with the arrangement made between Contractor and Shelter. Surgery arrangements are made between Contractor and Shelter based upon number of animals available for sterilization and hours of drop-off to the Contractor's facility.

The Rabbit S/N Program is for rabbits that are adopted from the Department.

Rabbits are brought to the Contractor by Department staff along with the AFE and picked up by the owner at the designated time set forth by the Contractor. Surgery arrangements are made between Contractor and Shelter based upon number of animals available for sterilization and hours of drop-off to the Contractor's facility.

The Discount Coupon S/N Program is for owned dogs and cats and has a value of \$30. Discount Coupons may be used to cover full or partial cost of sterilization off the Contractor's regular cost of sterilization. **The Discount Coupon is for pet owners only—feral cats do not qualify for the programs.**

The Free Certificate S/N Program is for owned dogs and cats and has a value of \$70. The Free Certificate covers the full cost of sterilization. There shall be no co-payment or additional fees for sterilization, uterine infections, pregnant and in-estrus animals, animals with retained testicle(s), or animals weighing more than 50 pounds. **The Free Certificate is for pet owners only—feral cats do not qualify for this program**

K. Code of Ethics

The Contractor shall abide by the following Code of Ethics in providing services under this Agreement.

1. **General:** The Contractor shall perform services in an ethical and lawful manner. The Contractor shall not utilize medical or surgical techniques that are not approved by the American Veterinary Medical Association (AVMA) nor perform any services that the City has not authorized.
2. **Communication Guidelines:** Communication with the public shall be conducted in a positive, courteous manner.
3. **Harassment or Abuse:** The Contractor's personnel shall not engage in any conduct which would harass, oppress, or abuse any animal owner, Department staff member, or volunteer in connection with the services provided.
4. **False or Misleading Representations:** The Contractor's personnel shall not use any false, deceptive, or misleading representation with regards to the services provided.
5. **Treatment of the Public:** Contractor's personnel shall at all times treat the public with the utmost courtesy.

L. Quality Control

1. Contractor Employee Acceptability

The Contractor shall immediately remove and replace any of its employees who violate the terms and conditions of this Agreement and upon request of the Department.

2. Quality Control Plan

The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of this Agreement are met. Elements may include but are not limited to: number of sterilizations performed by animal, by type of sterilization and by size of animal; number and type of other services performed; number of emergencies by animal by type of emergency; and, number of animals sent to private veterinarians for emergencies. A copy shall be provided to the Department Contract Administrator for review and approvals on this Agreement start date and as changes occur.

3. Quality Assurance

The Department Contract Administrator will evaluate the Contractor's performance using such procedures as may be necessary to ascertain Contractor compliance with this Agreement including, but not limited to on-site inspections, photographing interior of the Clinic, and written reports by Department veterinary or contract administration staff; qualified outside inspectors may also be used. The Contractor shall be required to immediately correct all deficiencies found by the Department.

4. Performance Evaluation

The Contractor shall meet with the Department Contract Administrator quarterly, or as otherwise agreed, to discuss the Contractor's operations and assess the Contractor's capacity to provide the required services for the Department, to discuss the services provided, and other matters of mutual interest.

5. Adequate Stock

Contractor shall maintain an adequate stock of all supplies and materials required for the performance of services, such as drugs, medical supplies, general office maintenance supplies, and clerical supplies, so that services are not unreasonably impacted by a lack of supplies.

6. Reporting Requirements

The Contractor shall provide to the Department monthly reports by the 10th day after the end of the month that summarizes the services provided by the Contractor. The information should include but not be limited to, the number of surgeries performed daily on dogs, cats, and rabbits, including the following:

- a. Selected for adoption by a member of the public prior to spay or neuter procedure.
- b. The number of surgical complications (including unexpected or unintended animal deaths) reported each month and how each case was resolved.

A form may be provided; reports are to be submitted along with the monthly invoices.

7. Reporting of Unexpected Animal Deaths

The Contractor shall report to the Department all unexpected deaths of animals under the care and control of the Contractor, within two business days of the death, by submitting a completed Incident Report, attached hereto as Exhibit D.

Section IX. Incorporation of Exhibits

The following Exhibits are hereby incorporated into and made a part of this Agreement:

- Exhibit A, License
- Exhibit B, Standard Provisions
- Exhibit C, Premises map
- Exhibit D, Incident Report

Section X. Order of Precedence

In the event of any inconsistency between the provisions of this Agreement and/or the Exhibits, the inconsistency shall be resolved by giving precedence in the following order:

1. This Agreement.
2. License (Exhibit A).
3. Standard Provisions (Rev. 03/09), (Exhibit B).
4. Premises diagram (Exhibit C).
5. Unexpected Animal Death Report (Exhibit D)

Section XI. Entire Agreement

This Agreement, including Exhibits A through D, constitutes the full and complete understanding between the parties. This Agreement is executed in four (4) duplicate originals, each of which is deemed to be an original.

DRAFT

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

**The City of Los Angeles,
Department of Animal Services**

By _____
Brenda F. Barnette, General Manager

Date: _____

**The City of Los Angeles,
Department of General Services**

By _____
Tony Royster, General Manager

Date: _____

**APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney**

By _____
Dov S. Lesel, Assistant City Attorney

Date _____

**ATTEST:
HOLLY WOLCOTT, Acting City Clerk**

By _____
Deputy City Clerk

Date _____

Spay Neuter Project of Los Angeles, Inc.

By _____

Date _____

(second signature required of corporations)

By _____

Date _____

Los Angeles City Business Tax License Number _____

IRS Taxpayer Identification Number _____

City Agreement Number C-117333

**SUMMARY OF LICENSE TO USE THE PREMISES OF SPAY AND NEUTER CLINIC
AT THE EAST VALLEY ANIMAL CARE CENTER
14409 Vanowen Street
Van Nuys, California 91405**

For information purposes only - not part of License

LAND NO.:
CF NO.: 08-1830-S1 Council Approval Date: 12/1/2008

EBO STATUS: OCC Date:
LWO STATUS: OCC Date:
SDO STATUS: SDO Affidavit Receipt Date:
EEO STATUS: EEO/AA Certification Receipt Date: _____
NOTE: This license exceeds the EEO threshold, requiring submission of an Affirmative Action Plan.

CITY ATTORNEY
SIGNATURE:

PREMISES East Valley Spay/Neuter Clinic

ADDRESS: 14409 Vanowen Street
Van Nuys, California 91405

LICENSOR: CITY OF LOS ANGELES
City Attorney/Annette R. Bogna
Department of General Services

Client: Department of Animal Services
Anthony Sanchez 213/482-6980

LICENSEE: Clinico, Inc.
957 N. Gaffey Street
San Pedro, California 90731

USE: Animal Spay and Neuter Clinic providing services pursuant to a services agreement.

TERM: Pursuant to the Personal Services Agreement.

CONSIDERATION: Discounted Spay and Neuter Services to City

SECURITY DEPOSIT: Stipulated in the Personal Services Agreement

FORM: GENERIC.107 (7/14/00))

LICENSE

East Valley Spay and Neuter Clinic
14409 Vanowen Street
Van Nuys, California 91405

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LICENSE TO USE THE PREMISES OF ANIMAL SPAY AND NEUTER CLINIC

East Valley Animal Care Center
Spay and Neuter Clinic
14409 Vanowen Street
Van Nuys, California 91405

PREAMBLE

The CITY OF LOS ANGELES ("CITY"), enters into this agreement ("LICENSE") by and through its Department of General Services ("GSD"), and with the cooperation and consent of its Department of Animal Services ("DEPARTMENT") as Licensor, for and in consideration of LICENSEE's providing the services to the community specified in Article 5.1, below, and of the keeping and performance by LICENSEE of the provisions and conditions hereof, gives permission to Clinico, Inc. to use that certain area of real property described as and/or located at 14409 Vanowen Street, Van Nuys, California ("PREMISES"), and specifically described as the Animal Spay and Neuter Clinic ("CLINIC"), as indicated by the shaded portion shown on the Plan attached to the PERSONAL SERVICES AGREEMENT as Exhibit C and incorporated herein by this reference, owned and under the jurisdiction of GSD and under the control and direction of DEPARTMENT for the purpose of providing services as specified in the PERSONAL SERVICES AGREEMENT. CLINIC is licensed to LICENSEE on an "as is" and non-exclusive basis, with no obligation on the part of GSD or DEPARTMENT to modify or alter the Premises.

THE FOREGOING PERMISSION is given upon and subject to the following provisions and conditions:

ARTICLE 1. BASIC LICENSE PROVISIONS

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

1.2. **Execution Date.** The defined term "Execution Date" shall mean the date the Office of the City Clerk of Los Angeles attests this LICENSE.

1.3. **Title To PREMISES.** LICENSEE hereby acknowledges that title to the Premises vests with CITY, and agrees never to assail or resist the same, and further agrees that LICENSEE's use and occupancy of the Premises shall be restricted to the purposes of this License and the permission given under this License.

1.4. **No Interest In Real Property.** LICENSEE hereby acknowledges that this agreement is a license only and does not constitute a lease of or any interest in real property.

1.5. **Acknowledgment Of Taxable Interest.** No fee interest in real property is hereby conveyed; however, by executing this LICENSE and accepting the benefits thereof, a property interest may be created known as a "possessory interest" and such property interest will be subject to property taxation. LICENSEE, as the party in whom the possessory interest is vested, shall be responsible for the payment of all property

taxes, if any, levied upon such interest. LICENSEE acknowledges that the notice required under California Revenue and Taxation Code section 107.6 has been provided. LICENSEE acknowledges that by this Article it has been informed of the necessity of filing a claim for exemption to obtain any available exemptions from said tax, and has also been advised that exemption from taxes may not be granted, and that GSD has no control as to whether or not such exemption will be granted.

ARTICLE 2. USE AND OPERATIONS

2.1. **Joint Use.** The right and permission of LICENSEE is subordinate to the prior and paramount right of DEPARTMENT to use said real property for the public purposes to which it now is and may, in the sole discretion of GSD, be devoted. LICENSEE undertakes and agrees to use the PREMISES and to exercise this LICENSE jointly with GSD and DEPARTMENT, and will at all times exercise this LICENSE in such manner as will not injure or interfere with the full use and enjoyment of the PREMISES by DEPARTMENT. PREMISES shall be used by LICENSEE only for those services expressly stated in the PERSONAL SERVICES AGREEMENT. Any other use shall be prohibited, except by the prior written consent of GSD and DEPARTMENT.

2.2. **Hours Of Business; Continuous Operation.** Hours of business shall be specified in the PERSONAL SERVICES AGREEMENT.

ARTICLE 3. TERM

3.1. **Term.** The Term of this License ("Term") shall be, concurrent with the term of the PERSONAL SERVICES AGREEMENT, including any extension, unless terminated earlier pursuant to this LICENSE.

3.2. **Extensions/Renewals.** If GSD and DEPARTMENT duly execute any of the Personal Services Agreement's renewal or extension options in accordance with the terms of the PERSONAL SERVICES AGREEMENT, the TERM of this LICENSE shall remain concurrent with the duly executed renewal or extension options, unless otherwise terminated earlier by GSD pursuant to Article 14 of this LICENSE. In no event shall LICENSEE have any extension right if then in default under this LICENSE (with any applicable cure period having expired).

3.3. **Holdover.** If LICENSEE remains in possession of the PREMISES beyond the authorized TERM without GSD's and DEPARTMENT's written consent, LICENSEE shall be deemed to be a licensee at sufferance.

ARTICLE 4. NOTICES

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

To GSD:
City of Los Angeles
c/o Department of General Services
Asset Management Division
Suite 201, City Hall South, 111 East First Street
Los Angeles, California 90012
Telecopier:

with a courtesy copy of any notice to:
Office of the City Attorney
Real Property/Environment Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012
Telecopier:

To DEPARTMENT:
City of Los Angeles c/o Department of Animal Services
221 North Figueroa Street, Suite 500
Los Angeles, California 90012
Telecopier: 213/482-9511

To LICENSEE:
Clinico, Inc.
957 N. Gaffey Street
San Pedro, California 90731

ARTICLE 5. CONSIDERATION

5.1. **Consideration.** In consideration of this LICENSE, LICENSEE hereby agrees to provide those services at the CLINIC and abide by the terms of the PERSONAL SERVICES AGREEMENT. LICENSEE and DEPARTMENT agree that this LICENSE will terminate immediately upon the termination of said PERSONAL SERVICES AGREEMENT for any purpose whatsoever.

ARTICLE 6. MAINTENANCE AND REPAIR

6.1. **Maintenance and Security.** GSD shall maintain in good order, condition, and repair the Premises and every part thereof, including, but not limited to: windows and plate glass windows; interior and exterior walls; floors and ceilings; interior and exterior doors; fixtures; appliances; electrical facilities and equipment; plumbing fixtures and plumbing; and restrooms. GSD agrees to maintain and repair, at GSD's sole cost and expense, all of GSD's Improvements on the PREMISES. LICENSEE may not change the locks without the prior written consent of GSD, which consent shall be given by GSD in its sole and absolute discretion and which consent shall require that GSD and DEPARTMENT be provided with a complete set of all new keys.

6.2. **Janitorial.** LICENSEE shall be responsible for providing and paying for its own janitorial/cleaning/housekeeping services. LICENSEE shall keep clean the Premises and every part thereof, including, but not limited to, windows, interior walls, floors and ceilings, doors, fixtures, appliances, plate glass windows and restrooms. LICENSEE shall promptly remove non-hazardous trash and waste generated from its operations, to an appropriate trash dumpster as designated by the DEPARTMENT.

6.3. **No Repair Obligation By GSD.** Notwithstanding GSD's obligation to maintain the Premises in good working order as stipulated in Article 6.1, GSD shall have no further obligation to repair, remodel, replace, and/or reconstruct any improvement on the PREMISES. In the event the PREMISES becomes unusable for the purposes provided herein, GSD, DEPARTMENT, and LICENSEE shall meet and discuss necessary repairs or remodeling to restore Premises to a usable condition. If no agreement can be reached, however, LICENSEE's sole remedies shall be to either correct the deficiencies at its own expense or to terminate this License upon thirty (30) days prior written notice to GSD, and LICENSEE waives any other remedy, whether in damages or in specific performance.

6.4. **Rights Reserved By GSD.** Without limiting any rights GSD may otherwise have under this License, GSD specifically reserves the right from time to time, subject to its use of reasonable efforts to minimize interference with LICENSEE's use and occupancy of the Premises and without compensation to LICENSEE for inconvenience or otherwise:

(a) To install, use, maintain, repair, replace and relocate pipes, ducts, conduits, wires, fixtures and appurtenant meters and equipment for service to the Premises and/or other parts of the Building, in which case GSD shall have responsibility for the disturbance, if any, of asbestos resulting therefrom; and

(b) To make changes to the Premises design and layout, including without limitation, changes in the location, size, shape and number of entrances, loading and unloading areas, ingress, egress, direction of traffic, walkways, and parking areas.

ARTICLE 7. UTILITIES

7.1. **Electricity, Gas, Water And Telecommunications.** Electricity, natural gas and hot and cold water shall be furnished to LICENSEE by GSD at no cost to LICENSEE, except that GSD reserves the right

to install utility sub-meters, at which time LICENSEE shall pay for any usage at the rates charged by the local public utilities. LICENSEE shall be responsible for arranging for the provision of any telecommunications services to the Premises, including, without limitation, telephone, Internet, and cable service. Charges for all telecommunications supplied to the Premises shall be paid by LICENSEE.

7.2. **Air Systems.** GSD shall provide, operate, repair and maintain a heating, cooling, and control system ("HVAC") serving the Premises.

ARTICLE 8. COMPLIANCE WITH ALL LAWS AND REGULATIONS

8.1. **Compliance With Statutes And Regulations.** LICENSEE warrants and certifies that in the performance of this License, it shall comply with all applicable statutes, rules, regulations and orders of the United States, the State of California, and the County and the City of Los Angeles, including laws and regulations pertaining to building, labor, wages, hours, and other conditions of employment. LICENSEE must comply with all new or revised laws, regulations and/or procedures that apply to the performance of this License.

8.2. **Americans With Disabilities Act.** LICENSEE shall construct all improvements and operate upon the Premises in a manner which is in compliance with the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) and any and all other applicable federal, state, and local laws regarding accessibility for persons with disabilities (collectively "the ADA").

8.3. **Hazardous Materials.** As used in this License the defined term "Hazardous Materials" shall mean any hazardous or toxic substances, biohazards, medical wastes, or other materials or wastes that are or become regulated by the United States, the State of California, or any local government authority having jurisdiction over the Premises. Without limiting any of the obligations described above, LICENSEE shall not use or permit the Premises or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials without GSD's prior written consent, which may be denied at GSD's sole discretion, and then, in any of the foregoing cases, only in compliance with all laws and regulations with respect to Hazardous Materials (the "Environmental Regulations") (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. § 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-To-Know Act, as amended (together with the regulations promulgated thereunder, "Title III") (42 U.S.C. § 11011, et seq.) and any so-called "Superfund" or "Superlien" law), nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any sublicensee, the storage, transportation, disposal or use of Hazardous Materials or the release or threat of release of Hazardous Materials on, from or beneath the Premises or onto any other property. Upon the occurrence of any such release or threat of release of Hazardous Materials, LICENSEE shall promptly notify GSD and DEPARTMENT, and thereafter commence and perform, without cost to GSD, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Premises or other property, in strict compliance with all Environmental Regulations. Nothing in this License shall prohibit LICENSEE from the transportation to and from, and the use, storage, maintenance, and handling within, the Premises of substances customarily used in connection with the services provided under the Personal Services Agreement, provided: 1) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the Premises set forth in Article 2.1 of this License, strictly in accordance with applicable laws and the manufacturers' instructions therefor; 2) such substances shall not be disposed of, released, or discharged at the Premises, and shall be transported to and from the Premises in compliance with all applicable laws, and as GSD shall reasonably require; 3) if any applicable law or GSD's trash removal contractor requires that any such substances be disposed of separately from ordinary trash, LICENSEE shall make arrangements for such disposal directly with a qualified and licensed disposal company at a lawful disposal site and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances in the Premises; and 4) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this License.

8.4. **Hazardous Materials Notification.** California Health and Safety Code section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of Hazardous Material has come to be located on or beneath that real property, prior to the lease or rental of that real property or when the presence of such release is actually known, to give written notice of that condition to the lessee or renter. California Health and Safety Code Section 25359.7(b) requires any licensee of real property who knows, or has reasonable cause to believe, that any release of Hazardous Material has come to be located on or beneath that real property to give written notice of such condition to the owners. GSD and LICENSEE shall comply with the requirements of Section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to Hazardous Materials.

8.5 **Safety Deficiencies and/or Violations.** LICENSEE shall correct safety deficiencies and violations of safety practices immediately, or notify DEPARTMENT of said safety deficiencies and/or violations.

ARTICLE 9. RENOVATIONS AND ALTERATIONS

9.1. **Renovations And Alterations.** Any renovation or alteration which is made to the Premises or the Building by LICENSEE shall be at its own cost and expense and the construction shall in accordance with plans and specifications approved prior to such renovation or alteration by GSD and DEPARTMENT. GSD may deny permission for any renovation or alteration without stating any cause, unless such renovation or alteration is required by a governmental authority having jurisdiction therefore, in which case permission shall not be unreasonably withheld. All renovations, alterations and improvements of any kind, excepting LICENSEE's personal property and trade fixtures, shall immediately become part of the Premises and shall be owned by GSD. If a renovation or alteration to the PREMISES or the PREMISES building is required to ensure that LICENSEE's operations are compliant with federal, state, or local laws or regulations, GSD and DEPARTMENT shall, in good faith, negotiate with LICENSEE to determine a mutually-acceptable and mutually feasible course of action.

9.2. **"As Built" Drawings.** LICENSEE shall submit to GSD and DEPARTMENT reproducible "as built" drawings of all improvements approved pursuant to this LICENSE and constructed on the Premises.

9.3. **Removal Of Personal Property.** Trade fixtures, equipment, furnishings and other personal property installed or placed on the Premises at the cost of LICENSEE shall be property of LICENSEE unless otherwise specified in this License or in the Personal Services Agreement. If, within seven (7) days of the termination of this License, LICENSEE fails to remove any of such property, DEPARTMENT may, at DEPARTMENT's option, retain all or any of such property, and title thereto shall thereupon vest in DEPARTMENT; or DEPARTMENT may remove from the Premises and dispose of in any manner all or any of such property without any responsibility to LICENSEE for damage or destruction to said property. In the latter event, LICENSEE shall pay to GSD upon demand the actual expense of such removal and disposition and the cost of repair of any and all damages to the Premises resulting from or caused by such removal.

9.4. **Claims/Nonresponsibility And Work Commencement Notices.** Nothing contained in this License shall constitute any consent or request by GSD, express or implied, for the performance of any labor or services or the furnishing of any materials or other property with respect to the Premises and/or any or all improvements thereon or any part thereof, or as giving LICENSEE any right, power, or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against CITY. GSD shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which GSD shall deem proper for the protection of CITY and the Premises, and any other party having an interest therein, from mechanics' and materialmen's liens, and LICENSEE shall give to GSD at least ten (10) business days prior written notice of the expected date of commencement of and work relating to alterations or additions to the PREMISES.

ARTICLE 10. INSURANCE AND INDEMNIFICATION

10.1. **Insurance.** LICENSEE, at LICENSEE's own cost and expense, shall, prior to any possession or other use of the Premises, secure from an insurance company or companies licensed in the State of California and maintain during the entire Term and any extension or holdover of this License, the insurance coverage for the Premises not less than the amounts and types listed on Form Gen 146/IR attached as Exhibit C hereto., and as follows:

10.1.1. **General Liability Insurance.** LICENSEE shall provide and maintain general liability insurance in an amount not less than One Million Dollars (\$1,000,000) Combined Single Limit per occurrence with no general aggregate. Evidence of such insurance shall be on an Insurance Industry General Liability Certificate (such as an ACORD certificate) and should provide coverage for premises and operations, contractual, personal injury, independent contractors, products/completed operations and fire legal liability. Proof of current insurance must be submitted to CITY prior to LICENSEE's possession of the Premises, and upon written request of the CITY. The City of Los Angeles, its boards, officers, agents and employees, shall be named as additional insureds on an Additional Insured Endorsement to all General Liability insurance required herein. LICENSEE shall furnish CITY with evidence of insurance showing the extent of such insurance. Should a casualty occur, the proceeds of the policy or policies of fire and extended coverage insurance shall be used to restore the Premises and the fixtures and inventory providing that the Clinic remains open to public use or will be opened to public use. Such policy or policies of insurance shall include the City of Los Angeles as Loss Payee as its interests may appear.

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

10.1.3. **Workers' Compensation and Employer's Liability.** LICENSEE shall provide and maintain Worker's Compensation coverage in the amount required by statute and Employer's Liability coverage in an amount not less than One Million Dollars (\$1,000,000) per occurrence. Evidence of such insurance shall be on an Insurance Industry General Liability Certificate (such as an ACORD certificate).

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

10.1.5. **Notice Of Reduction In Insurance.** All insurance policies required under this License shall expressly provide that such insurance shall not be canceled or materially reduced in coverage or limits except after thirty (30) days written notice by receipted delivery has been given to City Administrative Officer, Risk Management, City Hall East, Room 1240, 200 North Main Street, Los Angeles, California 90012.

10.1.6. **Default.** If insurance is canceled, lapsed, or reduced below minimums required in this Article, CITY may consider this License to be in default and may terminate it. Termination shall occur at the expiration of a three (3) day notice given in accordance with the provisions of the Code of Civil Procedure section 1162. At the termination of three (3) days or sooner, the LICENSEE shall

vacate the Premises and the LICENSEE shall have no right to possess or control the Premises or the operations conducted therein. If the LICENSEE does not vacate, CITY may utilize any and all court proceedings to obtain a right to possession.

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

10.2. **Waiver Of Subrogation.** Each party hereto agrees to waive its rights of recovery against the other for any physical damage it may sustain to the extent that such damage is covered by valid and collectible property insurance. Each party will notify its respective insurers of such agreement. Further, each party agrees to waive in advance its insurer's rights of subrogation to the extent that its insurance policies so permit.

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

ARTICLE 11. SECURITY DEPOSIT

11.1. **Security Deposit.** LICENSEE shall maintain on deposit with GSD throughout the Term of this LICENSE a deposit in cash as security for the performance of LICENSEE's obligations under this License ("Security Deposit"). Initially, the amount of the Security Deposit shall be Three Thousand Dollars (\$3,000). CITY shall hold the Security Deposit, and GSD and DEPARTMENT shall have the right at any time to apply part or all of the Security Deposit to repair damages to the Premises resulting from LICENSEE's occupancy, to clean the Premises upon termination of this License, and any expense, loss, or damage that GSD may suffer because of LICENSEE's default under this License. LICENSEE shall be obligated to maintain the Security Deposit at its full amount, and GSD, upon sixty (60) days prior written notice, may require LICENSEE to deposit an additional amount where events reasonably require an increase in the amount of the Security Deposit. Upon termination of this License, GSD may utilize all or part of the Security Deposit to restore the Premises to its original condition, less normal wear and tear. Neither the Security Deposit nor its application by GSD shall be a bar or defense to any action in unlawful detainer or to any action which CITY may at any time commence for a breach of any of the covenants or conditions of this License. CITY's obligation with respect to the security deposit are those of a debtor and not a trustee. CITY can maintain the security deposit separate and apart from DEPARTMENT's general funds or can commingle the security deposit with DEPARTMENT's general fund or other funds. DEPARTMENT shall not pay LICENSEE interest on the security deposit.

11.2. **Return Of Security Deposit.** GSD shall retain any portion of the Security Deposit which may properly be utilized by GSD for the purposes described in this Article and shall return the balance of the Security Deposit to LICENSEE upon termination of this License by reason of (1) damage or destruction of the

Premises, or (2) default on the part of GSD, or upon the any other termination of this License, within two (2) weeks after the date GSD receives possession of the Premises (unless the Security Deposit will reasonably be used to repair damages to the Premises caused by LICENSEE or to clean the Premises, in which case the return shall be within thirty (30) days after the date GSD receives possession of the Premises.)

ARTICLE 12. ASSIGNMENT AND SUBLICENSING

12.1. **Assignment Prohibited.** This License and permission herein given is personal to the LICENSEE and is not assignable or transferable.

ARTICLE 13. DAMAGE OR DESTRUCTION

13.1. **Total Destruction.** This License shall automatically terminate if the Building is totally destroyed.

13.2. **Partial Destruction Of Premises.** If the Premises and/or the Building are damaged by any casualty and, in GSD's opinion, the Premises (exclusive of any improvements made to the Premises by LICENSEE) can be restored to their pre-existing condition within sixty (60) days after the date of the damage or destruction, GSD may promptly and with due diligence repair any damage to the Premises (exclusive of any improvements to the Premises made by LICENSEE, which may be repaired by LICENSEE at LICENSEE's sole expense) and this License shall continue in full force and effect. If the Premises and/or the Building can not reasonably be expected to be restored to their pre-existing condition within sixty (60) days after the date of the damage or destruction, or if GSD shall elect not to rebuild or restore the Premises and/or Building, either party may terminate this License upon fifteen (15) days prior written notice to the other party. Nothing in this Article shall be construed to require GSD to rebuild or restore the Premises or the Building.

13.3. **Waiver.** The provisions contained in this LICENSE shall supersede any contrary laws now or hereafter in effect relating to damage or destruction, and GSD and LICENSEE hereby waive the provisions of California Civil Code sections 1932(2) [termination where greater part of thing hired perishes] and 1933(4) [automatic termination upon destruction of thing hired].

13.4. **Termination.** If either party terminates this License as permitted by this Article 13, then this License shall end effective the date specified in the termination notice.

ARTICLE 14. DEFAULT AND TERMINATION

14.1. **Default.** In the event that LICENSEE is in default of consideration provided for herein or in default of the performance of any other of the provisions and conditions provided to be kept and performed by LICENSEE or has abandoned the Premises as defined in California Civil Code section 1951.3, DEPARTMENT and GSD may terminate and end this License forthwith and LICENSEE shall immediately quit the Premises and turn over to GSD any improvements installed by LICENSEE which will become GSD's property, unless GSD, notifies LICENSEE that all or a portion of such improvements shall be removed, in which case LICENSEE shall remove within thirty (30) days after termination all or such portion of such improvements at LICENSEE's sole expense and shall repair any damage caused or remaining after such removal.

14.2. **Default of Service Agreement (Cross-default).** In the event that LICENSEE is in default of any provision of the Personal Service Agreement between LICENSEE and the DEPARTMENT dated as of the execution date and running concurrently with this LICENSE, LICENSEE will be in default of this LICENSE and subject to all default and termination provisions as set forth in this Article 14. Termination of this License shall cause the Personal Services Agreement to be terminated immediately and concurrently, and termination of the Personal Services Agreement shall cause this License to be terminated immediately and concurrently.

14.3. **Termination — Non-Performance.** In addition to GSD's right to terminate this LICENSE for default under Article 14, should the PREMISES cease to be used for the purposes stated in Article 2.1, and

the Personal Services Agreement, or although being used for such purposes, should the quality of services not meet the reasonable expectations of DEPARTMENT, or should the LICENSEE cease to operate or exist or maintain its corporate status, if any, or should the operations conducted not be in accordance with the statutes of the United States, State of California, the County of Los Angeles, or the City of Los Angeles, GSD and DEPARTMENT may terminate this License according to the provisions of the Personal Services Agreement and the Standard Provisions for City Contracts. The determination of whether the quality of services meets the reasonable expectations of DEPARTMENT is subjective in nature and the decision of DEPARTMENT is final and conclusive. Should said termination be ordered, LICENSEE will peaceably surrender the Premises and will comply with all of the requirements of this License with regard to termination and surrender of the Premises.

14.4. **Immediate Termination.** This License may be immediately terminated by GSD in the event of any failure or refusal on the part of LICENSEE to keep or perform any of the provisions or conditions of this License. Notice of termination may be given by GSD or DEPARTMENT in the manner provided in Section 4 below.

14.5. **Inability To Meet Financial Obligations.** If it is determined by DEPARTMENT in good faith that LICENSEE lacks the ability in general to demonstrate that it will be able to meet its financial obligations to DEPARTMENT in a timely manner under this License or any other agreement it has with DEPARTMENT related to the operation or maintenance of the Premises, or that it will not be able to meet its financial obligations to third parties in a timely manner, GSD or DEPARTMENT may terminate this License upon thirty (30) days notice to LICENSEE.

14.6. **Surrender of Premises.** The voluntary or other surrender of this License by LICENSEE, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of GSD, operate as an assignment to it of any or all subLicenses or subtenancies. No act or thing done by CITY or any agent or employee of CITY during the Term shall be deemed to constitute an acceptance by GSD of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by GSD. The delivery of keys to the Premises to GSD or any agent or employee of GSD shall not constitute a surrender of the Premises or effect a termination of this License, whether or not the keys are thereafter retained by GSD, and notwithstanding such delivery, LICENSEE shall be entitled to the return of such keys at any reasonable time upon request until this License shall have been properly terminated.

14.7. **Condition of Surrendered Premises.** Upon the expiration or termination of this License, LICENSEE shall peaceably surrender the Premises and all alterations and additions thereto, broom-clean, in good order, repair and condition, reasonable wear and tear excepted. All alterations and improvements of any kind shall be part of the Premises and shall remain upon the Premises upon any termination of this License, except those alterations and improvements which DEPARTMENT, in its sole and absolute discretion, shall require LICENSEE to remove upon any such termination, which alterations and improvements shall be removed by LICENSEE within thirty (30) days after termination and all damage to Premises caused by such removal shall be repaired by LICENSEE. Upon such expiration or termination, LICENSEE shall, without expense to GSD or DEPARTMENT, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, freestanding cabinet work, and other articles of personal property owned by LICENSEE or installed or placed by LICENSEE at its expense in the Premises, and such similar articles of any other persons claiming under LICENSEE, as GSD may, in its sole discretion, require to be removed, and LICENSEE shall repair at its own expense all damage to the Premises and Building resulting from such removal.

14.8. **CITY's Remedies.** If a default by LICENSEE has occurred, then CITY may at any time thereafter, with ten (10) calendar days written notice or demand and without limiting CITY in the exercise of a right or remedy which CITY may have by reason of such default:

14.8.1. **Termination Of Use.** Terminate LICENSEE's right to use of the Premises by any lawful means, in which case this License shall terminate and LICENSEE shall immediately surrender use and possession of the Premises to CITY; or

14.8.2. **Continuation Of License.** Maintain LICENSEE's right to use, in which case this License shall continue in effect whether or not LICENSEE shall have abandoned the Premises. In such event, CITY shall be entitled to enforce all of CITY's rights and remedies under this License, including the right to recover for lack of maintenance and repairs. CITY's rights shall include, but not be limited to, those rights as provided in California Civil Code section 1951.4, as amended; or

14.8.3. **Other Remedies.** Pursue any other remedy now or hereafter available to CITY under the laws or judicial decision of the State of California. CITY's rights shall include, but not be limited to, those rights as provided in California Civil Code section 1951.2, as amended.

14.9. **Cumulative Remedies/Waiver.** The specific remedies to which CITY and LICENSEE may resort under the provisions of this License are cumulative and not intended to be exclusive of any other remedies afforded by laws. The waiver of the performance of any covenant, provision, or condition of this by CITY or LICENSEE shall not be construed as a waiver of any subsequent breach of the same covenant, provision or condition.

ARTICLE 15. MANDATORY CITY REQUIREMENTS

15.1. **Standard Provisions for City Contracts.** Incorporated by reference into this LICENSE is the "Standard Provisions for City Contracts" ("Standard Provisions"). Throughout the License Term, LICENSEE shall comply with the Standard Provisions and applicable City Ordinances, and any amendments thereto.

15.2. **Ordinance Language Governs.** In the event of a discrepancy between this License or Exhibit B and the applicable ordinance language, as amended, the language of the ordinance shall govern.

ARTICLE 16. MISCELLANEOUS PROVISIONS

16.1. **Adult Supervision.** LICENSEE will maintain or cause to be available adult supervision adequate to supervise and control visitors to the Premises.

16.2. **Amendment Of License.** No amendment, modification, supplement or mutual termination of any provision of this License shall in any event be effective unless the same shall be in writing and signed by GSD, DEPARTMENT, and LICENSEE.

16.3. **Approval For Displays/Signage.** LICENSEE is authorized to display routine posted information (such as "Open/Closed" signs, bulletins, dog/cat posters within the CLINIC, posted hours, etc.). All posted information and signage for LICENSEE shall be at LICENSEE's sole cost and expense, and shall be subject to LICENSEE's mandatory removal should DEPARTMENT and GSD, at their sole discretion, instruct LICENSEE to do so. No permanent sign (or sign requiring physical alteration of the PREMISES building's exterior surfaces of any sort) shall be placed on the outside of the PREMISES building without first having been submitted to DEPARTMENT for review, and without GSD's prior written approval. Such signage, if approved by GSD, shall not be inconsistent with exterior signs for similar businesses on similar buildings.

16.4. **Binding Effect.** The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

16.5. **Captions, Table Of Contents, And Index.** The titles or captions of all Articles, Sections, or Paragraphs, as well as the Table of Contents and the Index contained herein, are for convenience and reference only, are not intended to define or limit the scope of any provisions of this License, and shall have no effect on the interpretation of any provision of this License.

16.6. **CITY's Right Of Entry.** At all reasonable times, GSD's or DEPARTMENT's authorized representatives may enter and inspect the Premises for purposes of ensuring compliance with the provisions

of this License, to make changes and alterations, for purposes of entry to equipment access panels, or for any other reasonable lawful purpose. During the final six months of the Term of this License, GSD or DEPARTMENT may exhibit the Premises. During the final month of the Term of this License, GSD or DEPARTMENT may display thereon appropriate notices relating to leasing of the Premises in such manner as not to unreasonably interfere with LICENSEE's business.

16.7. **Conflict Of Laws And Venue.** This License shall be governed by and interpreted in accordance with the law of the State of California. Venue in any action arising out of this License will be proper only in the County of Los Angeles, State of California.

16.8. **Consent/Duty To Act Reasonably.** Except where otherwise expressly qualified and except for matters which will have an adverse effect on the (a) structural integrity of the Building, (b) the Building Systems (Section 16.3, page 12), or (c) which could affect the exterior appearance of the Building, whereupon in each such case LICENSEE's duty is to act in good faith and in compliance with the License, any time the consent of LICENSEE or GSD is required, such consent shall not be unreasonably withheld, conditioned, or delayed. Whenever the License grants LICENSEE or GSD the right to take action, exercise discretion, establish rules and regulations or make allocations or other determinations, LICENSEE and GSD shall act reasonably and in good faith and take no action which might result in the frustration of the reasonable expectations of a sophisticated licensor and sophisticated licensee concerning the benefits to be enjoyed under the License.

16.9. **Corporate Resolution.** If LICENSEE is a corporation and the signators for LICENSEE are not two officers of the corporation as specified in California Civil Code Section 313, then prior to or contemporaneous with the execution of this License, LICENSEE shall provide to GSD a current copy of its corporate resolution depicting the names, titles and legal signatures of the officer or officers of the corporation authorized to execute legal documents, including this License, on behalf of LICENSEE. Within thirty (30) days after LICENSEE's receipt of GSD's written request, LICENSEE shall provide to GSD an updated corporate resolution depicting such names and legal signatures.

16.10. **Covenants And Agreements.** The failure of LICENSEE or GSD to insist in any instance on the strict keeping, observance or performance of any covenant or agreement contained in the License, or the exercise of any election contained in the License shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect.

16.11. **Days.** Unless specified otherwise herein, all references in this License to less than ten (10) days shall mean business days; otherwise, "days" shall mean calendar days unless specifically modified herein to be "business" or "working" days. All references to "notice" shall mean written notice given in compliance with Article 4. All references, if any, to "month" or "months" shall be deemed to include the actual number of days in such actual month or months.

16.12. **Exhibits - Incorporation In License.** All exhibits referred to are attached to this License and incorporated by reference as though fully set forth in the body of the License.

16.13. **Force Majeure.** Except as otherwise provided in this License, whenever a day is established in this License on which, or a period of time, including a reasonable period of time, is designated within which, either party is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control (financial inability excepted) ("Force Majeure"); provided, however, that nothing contained in this Section 16.13 shall excuse LICENSEE from the prompt payment of any Rent or other charge required of LICENSEE hereunder. Neither party shall be liable for, and in particular LICENSEE shall not be entitled to any abatement or reduction of Rent or right to terminate by reason of, any such delays or failures or other inability to provide services or access under this License due to Force Majeure.

16.14. **No Partnership Or Joint Venture.** Nothing contained in this License shall be deemed or

construed to create the relationship of principal and agent or of partnership or of joint venture or of any association between GSD and LICENSEE. Neither the method of computation of Rent nor any other provision contained in this License, nor any acts of the parties hereto, shall be deemed to create any relationship between GSD and LICENSEE other than the relationship of Lessor and LICENSEE.

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

16.16. **Parking.** LICENSEE is not guaranteed any parking spaces for their use at the Clinic. Specific parking privileges may be negotiated with the individual DEPARTMENT Animal Care Center with which the Clinic is associated. Any additional parking required by code and/or for permits for LICENSEE's business operation is LICENSEE's expense and responsibility

16.17. **Partial Invalidity.** If any provision or condition contained in this License shall, to any extent, be invalid or unenforceable, the remainder of this License, or the application of such provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other provision and condition of this License shall be valid and enforceable to the fullest extent possible permitted by law.

16.18. **Prior Agreement/Amendments.** This License contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this License, and no prior agreement or understanding, oral or written, express or implied, pertaining to any such matter shall be effective for any purpose. This License cannot be altered, changed, modified or added to, except as approved in writing by the City Council of City of Los Angeles and signed by the General Manager of the Department of General Services and by LICENSEE, or their successors in interest. The parties acknowledge that all prior agreements, representations and negotiations are deemed superseded by the execution of this License to the extent they are not incorporated herein.

16.19. **Quiet Enjoyment.** Upon conformance by LICENSEE with the covenants, provisions, and conditions of this License, LICENSEE shall peaceably and quietly hold and enjoy the Premises for the Term of this License without hindrance or interruption by CITY, or any other person or persons lawfully or equitably claiming by, through, or under CITY, subject, nevertheless, to the provisions and conditions of this License.

16.20. **Receivership Or Bankruptcy.** In the event LICENSEE shall be adjudicated a bankrupt or become involved in any proceedings under the bankruptcy laws of the United States, or if the license created hereby, or any improvements constructed pursuant to this License, shall be transferred by operation of law, including but not limited to, enforcement of a judgment, the trustee in bankruptcy, the assignee or judgment purchaser shall be bound by all provisions of this License, including but not limited to the provision that operation of the Premises be for the purposes stated in Article 5.1.

16.21. **Severability.** If any provision of this License or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this License, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this License shall be valid and be enforced to the fullest extent permitted by law. This License shall be governed by and construed under the laws of the State of California.

16.22. **Successors In Interest.** Subject to the provisions hereof relative to assignment, this License shall be binding upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns of the respective parties hereto.

16.23. **Time.** Time is of the essence with respect to the performance of every provision of this License in which time or performance is a factor.

IN WITNESS WHEREOF, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Department of General Services, and with the consent and cooperation of DEPARTMENT, Licensor, and Clinico, Inc. as LICENSEE, have caused this LICENSE to be executed as of the date of the attestation by the City Clerk. If the space provided in Article 1 of this LICENSE is blank, such date shall be entered in such space, although such date shall be deemed to be the date of this LICENSE in any case.

APPROVED AS TO FORM AND LEGALITY

Carmen A. Trutanich, City Attorney

By: _____
Annette R. Bogna
Deputy City Attorney

DATE: _____

CITY:

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

By: _____
Tony Royster
General Manager

DATE: _____

ATTEST:

June Lagmay, City Clerk

By: _____
Deputy

DATE: _____

LICENSEE:

Clinico, Inc.

By: _____

Executed at _____, California

DATE: _____

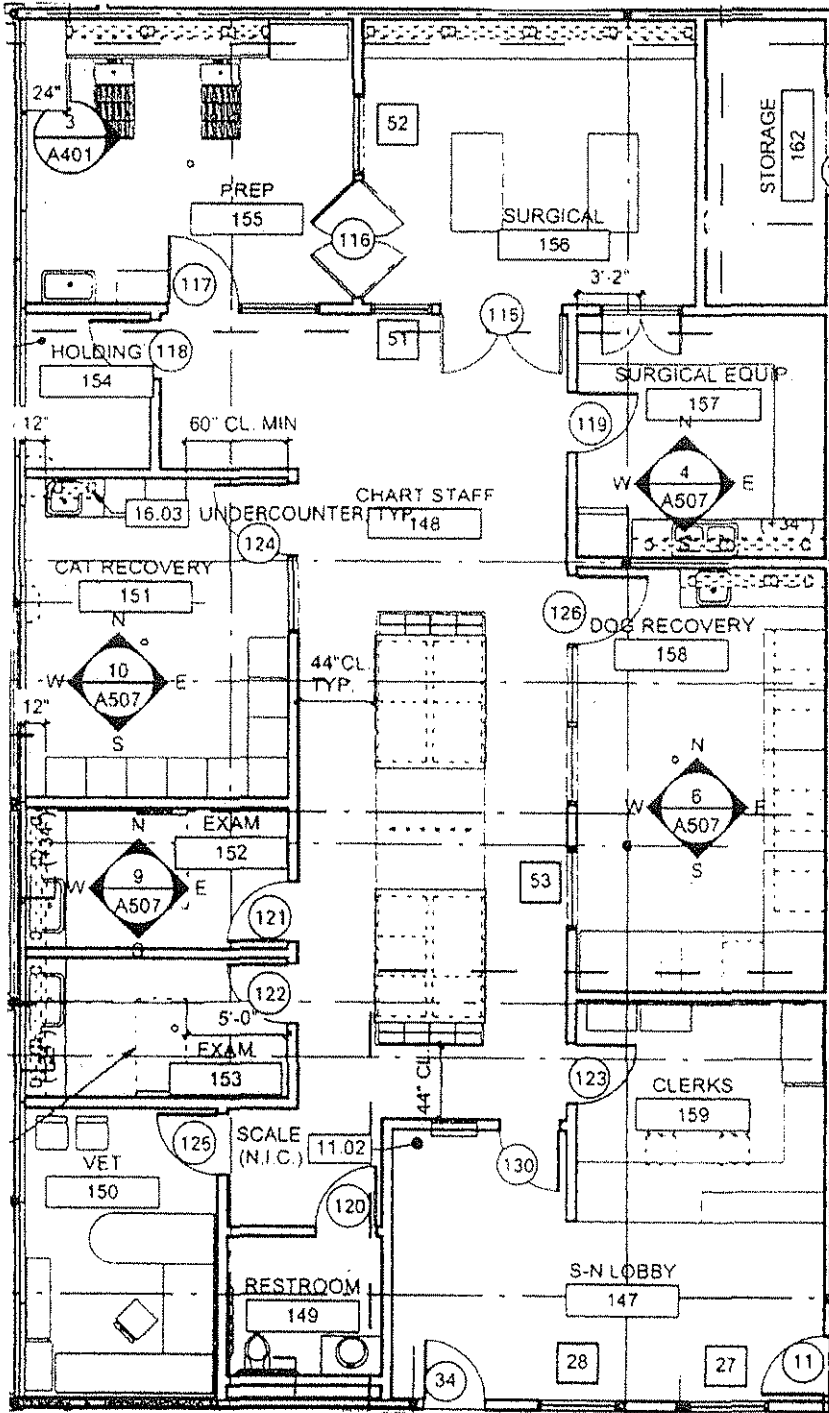
(second signature required of corporations)

By: _____

Executed at _____, California

DATE: _____

CF No.: 08-1830-S1
Approval Date: 12/1/2008
(05/05/10)



CITY OF LOS ANGELES	VERTICAL CURTAINS HORIZONTAL CURTAINS
	FLOOR PLAN
	PROJECT EAST VALLEY ANIMAL SERVICES CENTER
	ADDRESS 1405 VANDYKE STREET VAN NUYS, CALIFORNIA 91405
WORK ORDER NO E170050D	
DRAWING NO A202	