

USE PERMIT

35466

THIS USE PERMIT is issued and granted as of December 24, 2019 for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on December 10, 2019, by and between the CITY OF LONG BEACH, a municipal corporation ("City") and FREETIME, INC., a California corporation, dba WHEEL FUN RENTALS ("Permittee"), with offices located at 4526 Telephone Road #202, Ventura, California 93003, to use the facility described below, subject to the following terms and conditions.

1. USE.

A. Subject to and on the terms and conditions of this Permit, Permittee shall have the non-exclusive use of Rainbow Lagoon during the operation hours of 10 a.m. to 10 p.m., seven days per week, shown in Exhibit "A", attached hereto and incorporated herein (the "Permit Area"). Permittee may use the Permit Area to operate thirty (30) Swan Pedal Boats, with no more than ten (10) boats to be stored together in one location upon Rainbow Lagoon waters or City property, more particularly described in Exhibit "B", attached hereto and incorporated herein. More Swan Pedal Boats may be approved for use in Rainbow Lagoon by written request to and authorization from the City Manager or designee. Placement and occupancy of one kiosk facility will be approved by the City Manager, including size and design, may be placed at the west end of Rainbow Lagoon for Wheel Fun Rentals to conduct business. Additional hours of operation may be approved via written request to the City Manager. The Permit Area will continue to be available for use by the general public and the usability shall be unaffected by this Permit.

B. Permittee acknowledges and agrees that, by this Permit, Permittee does not acquire any right, title, or interest in the Permit Area, including the right to possession and control, but acquires only the mere right to use.

1 Permittee acknowledges and agrees that this Permit shall not be deemed a lease  
2 for any purpose.

3 2. TERM.

4 A. The term of this Permit shall commence at midnight on  
5 February 1, 2020, and shall terminate at 11:59 p.m. on January 31, 2025, unless  
6 sooner terminated as provided in this Permit. The term may be extended for two  
7 (2) additional two-year periods at the discretion of the City Manager.

8 B. Permittee agrees that nothing contained in this Permit creates  
9 any right in Permittee for any relocation assistance or payment pursuant to the  
10 provisions of Title 1, Division 7, Chapter 16 of the California Government Code  
11 from the City on expiration or revocation of this Permit.

12 3. TERMINATION. Either party shall have the right to terminate this  
13 Permit by giving thirty (30) calendar days prior written notice to the other party.

14 4. PROPERTY REDEVELOPMENT. Permit may be suspended or  
15 ended with sixty (60) days-notice in the event of redevelopment of Rainbow Lagoon  
16 property.

17 5. PERMIT FEE.

18 A. Permittee shall pay to the City a minimum of eighteen percent  
19 (18%) of annual Gross Receipts ("Percentage Rate") for the first two (2) years of  
20 the initial five-year term. Commencing in the second year of the initial five-year  
21 term, Permittee shall pay the Percentage Rate, or annual minimum amount of  
22 Eighty Thousand Dollars (\$80,000) ("Annual Minimum"), whichever is greater, for  
23 the duration of the initial five-year term, and throughout each of the two (2)  
24 additional two-year renewal options. The greater of the Annual Minimum or  
25 Percentage Rate shall be paid in monthly installments. The first installment shall  
26 be due on March 20, 2020, and subsequent installments shall be due on the 20th  
27 of each calendar month thereafter.

28 B. In the event that this Permit is terminated or revoked as

1 provided herein, the Annual Minimum shall be pro-rated using the following  
2 calculation:  $[\$80,000 \times (A / 12)]$ , where A = the number of calendar month(s) of  
3 use of the Permit Area during the Permit year. Once adjusted, Permittee will then  
4 pay the Department: (a) the pro-rated Annual Minimum or (b) eighteen percent  
5 (18%) of Gross Receipts, whichever amount is greater.

6 C. On March 20, 2020, and the twentieth (20th) day of each  
7 calendar month thereafter, Permittee shall submit to City a certified statement of  
8 Gross Receipts for the immediately preceding calendar month ("Gross Receipts  
9 Statement").

10 D. Permittee shall, within twenty (20) days following the  
11 expiration, termination or revocation of this Permit, pay to the City any and all  
12 sums due to the City, including any pro-rated or partial amounts as determined by  
13 the City Manager or his designee.

14 E. "Gross Receipts" shall mean all monies received by or due the  
15 Permittee as a result of the operations authorized by this Permit without any  
16 deductions whatsoever, except any sales tax payable to state of California.

17 6. SPECIAL EVENTS. Permittee operations in and around Rainbow  
18 Lagoon may be superseded by City-approved special events with a minimum of 10  
19 business days' notice.

20 7. INSURANCE.

21 A. As a condition precedent to the effectiveness of this Permit,  
22 Permittee shall procure and maintain at Permittee's expense for the duration of the  
23 Permit from an insurance company that is admitted to write insurance in California  
24 or from authorized non-admitted insurance companies that have ratings of or  
25 equivalent to A:VIII by A.M. Best Company:

26 i. Commercial general liability insurance equivalent in  
27 scope to ISO form CG 00 01 11 85 or CG 00 01 10 93 in an amount not  
28 less than One Million Dollars (\$1,000,000.00) per occurrence and Two

1 Million Dollars (\$2,000,000.00) general aggregate. Such coverage shall  
2 include but not be limited to broad form contractual liability, cross liability,  
3 independent contractors liability, and products and completed operations  
4 liability. The City, its officials, employees and agents shall be named as  
5 additional insureds by endorsement on the City's endorsement form or on  
6 an endorsement equivalent in scope to ISO form CG 20 26 11 85, and this  
7 insurance shall contain no special limitations on the scope of protection  
8 given to the City, its officials, employees and commissions.

9 ii. If applicable, workers' compensation insurance as  
10 required by the California Labor Code and employer's liability insurance in  
11 an amount not less than One Million Dollars (\$1,000,000.00) per accident or  
12 occupational illness.

13 iii. If applicable, "All Risk" property insurance in an amount  
14 sufficient to cover the full replacement value of Permittee's personal  
15 property at the Permit Area.

16 iv. If applicable, commercial automobile liability insurance  
17 equivalent in scope to ISO form CA 00 01 06 92 covering Auto Symbol 1  
18 (Any Auto), in an amount not less than Five Hundred Thousand Dollars  
19 (\$500,000.00) combined single limit per accident.

20 B. Any self-insurance program shall protect the City, its officials,  
21 employees and agents in the same manner and to the same extent as they would  
22 have been protected had the policy or policies not contained retention provisions.  
23 Each insurance policy shall be endorsed to state that coverage shall not be  
24 suspended, voided or canceled by either party except after thirty (30) days prior  
25 written notice to City, and shall be primary and not contributing to any other  
26 insurance or self-insurance maintained by City, its officials, employees and agents.

27 C. Permittee shall require that all contractors and subcontractors  
28 which Permittee uses in connection with this Permit maintain insurance in



1 compliance with this Section unless otherwise agreed in writing by City's Risk  
2 Manager or designee.

3 D. Prior to the start of the term of this Permit, Permittee shall  
4 deliver to City certificates of insurance and required endorsements, including any  
5 insurance required of Permittee's contractors and subcontractors, for approval as  
6 to sufficiency and form. The certificates and endorsements shall contain the  
7 original signature of a person authorized by that insurer to bind coverage on its  
8 behalf. In addition, Permittee shall, at least thirty (30) days prior to expiration of  
9 the insurance required hereunder, furnish to the City certificates of insurance and  
10 endorsements evidencing renewal of such insurance. City reserves the right to  
11 require complete certified copies of all policies of Permittee or Permittee's  
12 contractors or subcontractors, at any time. Permittee shall make available to the  
13 City all books, records and other information relating to the insurance coverage  
14 required herein during normal business hours.

15 E. Any modification or waiver of the insurance requirements  
16 herein shall only be made with the written approval of the City's Risk Manager or  
17 designee.

18 F. This section shall not be construed or deemed as a limitation  
19 on liability relating to Permittee hereunder or as full performance of or compliance  
20 with the indemnification provisions herein.

21 8. HAZARDOUS MATERIALS. No goods, merchandise, supplies,  
22 personal property, materials, or items of any kind shall be kept, stored, or sold in, on or at  
23 the Permit Area which are in any way explosive or hazardous. Permittee shall comply  
24 with California Health and Safety Code Section 25359.7 or its successor statute  
25 regarding notice to the City on discovery by Permittee of the presence or suspected  
26 presence of any hazardous substance in, on or at the Permit Area.

27 9. NO ASSIGNMENT. Permittee shall not assign or transfer this Permit  
28 or any interest herein, nor sublease the Permit Area or any part thereof, and any

1 attempted transfer, assignment, or sublease shall result in immediate revocation of this  
2 Permit. Neither this Permit nor any interest in it shall be subject to transfer by  
3 attachment, execution, proceedings in solvency or bankruptcy (voluntary or involuntary),  
4 or receivership. Any attempted assignment or transfer shall be a default and shall be  
5 voided and shall convey no interest.

6 10. LICENSES, PERMITS, AND TAXES. Permittee shall obtain and pay  
7 for all licenses and permits required for its use of the Permit Area and operations thereon.  
8 In addition, Permittee shall promptly pay when due all taxes levied on its personal  
9 property in, on or at the Permit Area and any possessory interest taxes attributable to this  
10 Permit.

11 11. CONTROL OF PERMIT AREA. The City Manager shall have  
12 absolute and full control of the Permit Area during this Permit. If necessary for the health,  
13 welfare or safety of the general public, or as a result of the expiration or revocation of this  
14 Permit, the City Manager shall have the right to enter the Permit Area and take  
15 possession thereof immediately. The City Manager reserves the right to enter the Permit  
16 Area at any and all reasonable times including the times and days of Permittee's use.  
17 City reserves the right to do any work at the Permit Area for the preservation, operation  
18 and maintenance of the Permit Area. City will inform Permittee when such work is going  
19 to be done if it impacts Permittee's use.

20 12. COMPLIANCE. Permittee shall comply with all applicable laws,  
21 rules, regulations, and directives of the City Manager relating to the use of the Permit  
22 Area. Failure to do so may result in the immediate revocation of this Permit.

23 13. SIGNS AND ADVERTISEMENTS. All signs, advertising or  
24 promotional material placed in, on or at the Permit Area shall be approved, in advance, in  
25 writing by the City Manager. Permittee shall pay the cost of production, maintenance and  
26 repair of said signs, advertising or promotional material.

27 14. NONDISCRIMINATION.

28 A. During its use of the Permit Area and operations, Permittee

1 and its employees shall not discriminate on the basis of race, religion, national  
2 origin, color, age, sex, sexual orientation, gender identity, AIDS, HIV status,  
3 handicap, or disability by refusing to furnish such person any accommodation,  
4 facility, service, or privilege offered to or enjoyed by the general public. Nor shall  
5 Permittee publicize its operations in any manner that would directly or inferentially  
6 reflect on or question the acceptability of the patronage of any person on any of  
7 these bases.

8 B. Permittee shall not discriminate against any employee or  
9 applicant for employment on any of these bases. Permittee shall take affirmative  
10 action to ensure that applicants are employed and that employees are treated  
11 without regard to any of said bases. Such action shall include but not be limited to  
12 employment upgrading, demotion, transfer, recruitment or recruitment advertising,  
13 layoff or termination, rates of pay or other forms of compensation, and selection for  
14 training, including apprenticeship.

15 15. HEALTH AND SAFETY. Permittee shall correct safety deficiencies  
16 and violations of safety practices immediately and shall cooperate fully with the City  
17 Manager in the investigation of accidents occurring in, on or at the Permit Area. In the  
18 event of injury to a patron or customer, Permittee shall see that the injured person  
19 receives prompt and qualified medical attention. If Permittee fails to correct unsafe or  
20 unhealthy conditions which have led or, in the opinion of the City, could lead to injury, the  
21 City Manager may immediately revoke this Permit.

22 16. DEFAULT.

23 A. If Permittee fails or refuses to comply with any term or  
24 condition of this Permit after notice of such failure or refusal from the City  
25 Manager, then the City Manager may immediately revoke this Permit. The  
26 acceptance of all or part of the payment of any Permit Fee after default shall not  
27 be deemed a waiver of any right to revoke this Permit on account of such default.  
28 Any waiver by the City of a default shall be in writing, and shall not be construed

1 as or constitute a waiver of any subsequent default of the same or any other term  
2 or condition of this Permit.

3 B. Failure to pay, when due, any fees, charges, assessments, or  
4 taxes due the City including but not limited to permit fees, business license fees,  
5 and charges for refuse service, gas, water, sewer or other utility provided by City  
6 shall be a default under this Permit.

7 17. NO WAIVER. The failure or delay of the City to insist on strict  
8 compliance with any provision of this Permit shall not be deemed a waiver of any right or  
9 remedy that City may have and shall not be deemed a waiver of any subsequent or other  
10 failure to comply with any provision of this Permit. The receipt and acceptance of all or a  
11 part of the payment of a delinquent Permit Fee shall constitute only a waiver of timely  
12 payment for the particular Permit Fee payment involved and shall not constitute a waiver  
13 of any other failure to comply.

14 18. CLAIMS. The City, its officials, employees, and commissions shall  
15 not be liable for and Permittee hereby waives all claims against the City, its commissions,  
16 officials and employees for loss, theft, or damage to equipment, furniture, trade fixtures,  
17 furnishings, records, and other personal property in, on or at the Permit Area, for loss or  
18 damage to Permittee's business, or injury to or death of persons in, on or at the Permit  
19 Area from any cause except to the extent caused by the gross negligence or willful  
20 misconduct of the City, its commissions, officials and employees.

21 19. ABANDONMENT. If Permittee abandons the Permit Area or  
22 discontinues use thereof by operation of law or otherwise, title to any personal property  
23 belonging to Permittee and left in, on or at the Permit Area forty-five (45) days after  
24 abandonment or discontinuance of use shall be deemed to have been transferred to the  
25 City. The City shall thereafter have the right to remove and to dispose of said property  
26 without liability to Permittee or to any person claiming under Permittee, and shall have no  
27 duty to account therefore. Permittee hereby names the City Manager as Permittee's  
28 attorney in fact to execute and deliver such documents or instruments as may be

1 reasonably required to dispose of such property and transfer title thereto.

2           20.    REVOCATION. In addition to other provisions herein providing for  
3 immediate revocation, the City Manager may revoke this Permit immediately (a) if the  
4 City Manager determines that Permittee has violated or failed to comply with any  
5 provision of this Permit unless another remedy is stated herein; (b) if the City Manager  
6 has evidence of misrepresentation or fraud by Permittee; (c) if the City has evidence that  
7 Permittee acted unfairly or in bad faith in dealing with the public; or (d) if necessary for  
8 the health, welfare or safety of the public. On revocation, Permittee shall immediately  
9 cease its use of the Permit Area and its operations thereunder and remove its property  
10 from the Permit Area.

11           21.    INDEMNIFICATION.

12           A.    Permittee shall indemnify, protect and hold harmless City, its  
13 Boards, Commissions, and their officials, employees and agents (“Indemnified  
14 Parties”), from and against any and all liability, claims, demands, damage, loss,  
15 obligations, causes of action, proceedings, awards, fines, judgments, penalties,  
16 costs and expenses, arising or alleged to have arisen, in whole or in part, out of or  
17 in connection with (1) Permittee’s breach or failure to comply with any of its  
18 obligations contained in this Permit, or (2) negligent or willful acts, errors,  
19 omissions or misrepresentations committed by Permittee, its officers, employees,  
20 agents, subcontractors, or anyone under Permittee’s control, in the performance of  
21 work or services under this Permit (collectively “Claims” or individually “Claim”).

22           B.    In addition to Permittee’s duty to indemnify, Permittee shall  
23 have a separate and wholly independent duty to defend Indemnified Parties at  
24 Permittee’s expense by legal counsel approved by City, from and against all  
25 Claims, and shall continue this defense until the Claims are resolved, whether by  
26 settlement, judgment or otherwise. No finding or judgment of negligence, fault,  
27 breach, or the like on the part of Permittee shall be required for the duty to defend  
28 to arise. City shall notify Permittee of any Claim, shall tender the defense of the

1 Claim to Permittee, and shall assist Permittee, as may be reasonably requested, in  
2 the defense.

3 22. NOTICE. Notice shall be in writing and personally delivered or  
4 deposited in the U.S. Postal Service, first class, postage prepaid to the City of Long  
5 Beach at 411 West Ocean Boulevard, Long Beach, California 90802 Attn: City Manager,  
6 and to Permittee at the address first stated above. Change of address shall be given in  
7 the same manner as described in this Section for other notices. Notice shall be deemed  
8 given on the date deposited in the mail or on the date personal delivery is made,  
9 whichever is applicable and occurs first.

10 23. POSSESSORY INTEREST. This Permit may create a possessory  
11 interest subject to taxation and, if so, Permittee shall pay said tax prior to delinquency.  
12 Evidence of payment shall be given to City upon request.

13 24. IMPROVEMENTS. Permittee shall not erect, construct, alter or  
14 maintain any improvements on the Permit Area without the prior written approval of the  
15 City Manager or designee. Permittee shall pay the cost of any approved improvements.  
16 Title to all such improvements shall remain in Permittee while this Permit is in effect.  
17 Upon termination or revocation of this Permit, Permittee shall, at their sole cost, remove  
18 all improvements placed by them on the Permit Area and restore the Permit Area to a  
19 condition acceptable to the City Manager so instructed by the City. Such removal and  
20 restoration shall be made and accomplished within thirty (30) days after the termination  
21 or revocation date. If any improvement has not been removed and the Permit Area not  
22 restored to an acceptable condition within said thirty (30) day period, the City shall have  
23 the right, but not the obligation, to remove, demolish and dispose of any improvement  
24 and to restore the Permit Area at Permittee's sole expense. Permittee shall pay to the  
25 City on demand all costs incurred by the City in accomplishing the removal of  
26 improvements and the restoration of the Permit Area, together with interest at the  
27 maximum rate allowed by law. The City Manager, at his option, may waive the  
28 requirements that Permittee remove all or a portion of improvements placed on the

1 Permit Area and that Permittee restore the same, in which event title to all improvements  
2 which are to remain on the Permit Area shall vest in the City without any obligation that  
3 the City reimburse Permittee for them.

4           25. MAINTENANCE. Permittee shall place all waste of any kind in  
5 containers provided by the City and restore the Permit Area to its original state after each  
6 use. If the Permittee fails to maintain the Permit Area as required, the City will notify  
7 Permittee of such failure and, if Permittee fails to correct the situation within thirty (30)  
8 days after notice, then the City may make the necessary correction and Permittee shall  
9 pay the cost of correction within thirty (30) days after receipt of an invoice from the City.  
10 Permittee hereby waives to the extent permitted by law any right to make repairs at the  
11 expense of the City.

12           26. UTILITIES. Permittee shall be solely responsible for all utilities at the  
13 Permit Area.

14           27. NO VENDING MACHINES. Permittee shall not install or allow the  
15 installation of any vending machines of any kind, including but not limited to food and  
16 beverage machines and amusement machines. The City Manager reserves the right to  
17 remove any such machine and Permittee shall pay the cost of such removal on receipt of  
18 an invoice from the City, as an additional permit fee.

19           28. RESTORATION. Permittee shall promptly notify the City of damage  
20 or destruction to the Permit Areas and the date of same. Permittee shall promptly make  
21 proof of loss and proceed to collect all valid claims that Permittee may have against  
22 insurers or others based on such damage or destruction. All amounts recovered as a  
23 result of said claims shall be used first for the restoration of the Permit Areas. If existing  
24 laws do not permit restoration, then the City may revoke this Permit.

25           29. MISCELLANEOUS. This Permit shall be governed by and construed  
26 in accordance with the laws of the State of California. This Permit constitutes the entire  
27 understanding between the City and Permittee and supersedes all other agreements, oral  
28 or written, with respect to the subject matter herein. Revocation or expiration of this

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4511

1 Permit shall not affect rights or liability that accrued hereunder prior to such revocation or  
2 expiration. This Permit shall not be construed or interpreted against either the City or  
3 Permittee as the drafter. This Permit is not intended or entered for the purpose of  
4 creating any benefit or right for any person or entity that is not a signatory to this Permit.

5 Permittee hereby accepts and agrees to abide by the above terms and  
6 conditions.

FREETIME, INC., a California corporation,  
dba WHEEL FUN RENTALS

7  
8  
9 Jan 27, 2020

By [Signature]  
Name AL STONHOUSE  
Title President

10  
11 Jan 27, 2020

By [Signature]  
Name BRIAN McINERNEY  
Title Vice President

"Permittee"

CITY OF LONG BEACH, a municipal  
corporation

12  
13  
14  
15  
16 February 4, 2020

By Rebecca H. Garner  
City Manager

17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER

This Use Permit is approved as to form on JAN. 30, 2020.

CHARLES PARKIN, City Attorney

By [Signature]  
Deputy



# EXHIBIT "A"



The Auld Dubliner

pFactory

Columbia Factory Store

Laugh Factory

Convention Center Way

W Shoreline Dr

P.F. Chang's

onels Long Beach

Tokyo Wako

Pine Avenue Pier

Pelican Pier Pavilion

Long Beach Convention & Entertainment Center

Cardtronics ATM

Long Beach Jazz Festival

Hyatt Regency Long Beach

Rainbow Lagoon Park

City of Long Beach: Rainbow Harbor

Elevator at the Convention Center...

E Shoreline Dr

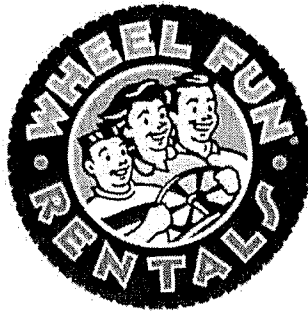
Shoreline Village Dr

Yard House

Shoreline Village

Marina Gr

# EXHIBIT “B”



November 5, 2019

Mr. Todd Leland  
Marine Operations Superintendent  
Long Beach Department of Parks, Recreation and Marine  
450 East Shoreline Drive  
Long Beach, CA 90802

Regarding: Rainbow Lagoon Concession Letter of Acceptance

Dear Mr. Leland,

This letter is to confirm our acceptance of the conditions outlined below, to operate a concession at Rainbow Lagoon, per our proposal dated May 3<sup>rd</sup>, 2019.

We note that the foundation of the permit contract agreement will be as follows:

**CAPACITY** – Thirty Swan Boats with no more than ten boats to be stored together in one location upon Rainbow Lagoon waters or property. More boats may be approved at Marine Bureau Manager's approval. Placement and occupancy of one kiosk facility to be located at approval of Marine Bureau Manager.

**TERM** – 5 years with two, two-year renewal options.

**FEES** – Eighteen percent of gross receipts (PGR). \$80,000 minimum annual guarantee (MAG) starting in year two of permit contract agreement.

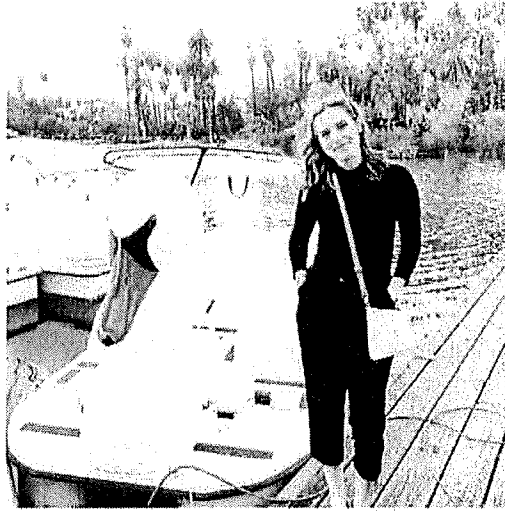
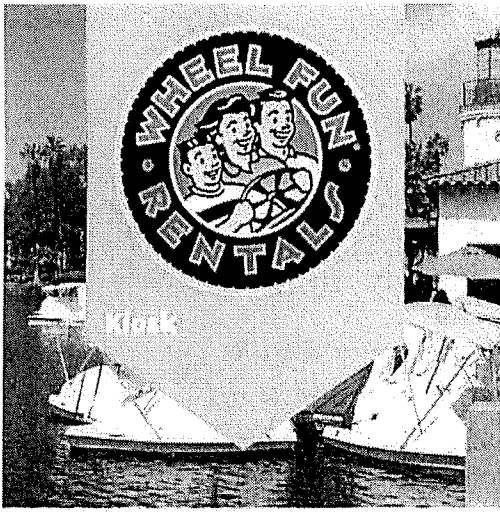
**SPECIAL EVENTS** – Permittee operations may be superseded by City of Long Beach approved special events with appropriate advance notice.

**PROPERTY REDEVELOPMENT** – Permit contract agreement may be suspended or ended with 60 days notice in the event of redevelopment of Rainbow Lagoon property.

We look forward to the opportunity to expand our relationship with the City of Long Beach.

Respectfully,

Al Stonehouse  
President



## **WHEEL FUN RENTALS**

**CONCESSIONS & RENTALS AT THE BEACH (PW19-018)**

*A Presentation Prepared for:*

**The City of Long Beach for swan boats at Rainbow Lagoon**

**TABLE OF CONTENTS -  
PACKAGE 1 (NARRATIVE/TECHNICAL PROPOSAL)**

4.11.1 Cover Letter ..... 3-4

4.11.2 Business Organization Structure ..... 5-6

4.11.3 Experience ..... 7-14

4.11.4 Operations / Management Plan .....15-29

Rental Products ..... 15

Additional Offerings ..... 16

Hours of Operation ..... 17

Safety ..... 18-21

Service ..... 22-25

Maintenance ..... 26-27

Community ..... 28-29

Long Beach Green Business Cert. .... 29

4.11.5 Sales and Marketing Plan ..... 30-31

4.11.6 Design Concepts ..... 32-33

4.11.7 Menu Concepts / Pricing ..... 34

4.11.8 Certification of Compliance w/ Terms & Conditions of RFP ..... 35

4.11.9 Statement of Non-Collusion ..... 36

4.11.10 Debarment, Suspension, Ineligibility Certification ..... 37

4.11.11 W-9 Request for Taxpayer Information ..... 38

4.11.12 Secretary of State Registration Printout ..... 39

4.11.13 Equal Benefits Ordinance Disclosure Form ..... 40-43

Addenda Items ..... 44-48



## 4.11.1

### Cover Letter

---

RE: Concession and Rental Opportunities at the Beach (PW19-018)

Proposing Entity: Freetime Inc. DBA Wheel Fun Rentals. A California Corporation.

Key names: Al Stonehouse - President, Brian McInerney - Vice President

Point of Contact: Al Stonehouse

4526 Telephone Rd. # 202, Ventura, CA 93003.

Email: al@wheelfunrentals.com, p:(805) 650-7770, fax: (805) 650-7771, Cell: 805-252-5848

With over 25 years of experience and more than 100 locations nationwide (including pedal boat concessions at Santa Fe Dam in Irwindale, Whittier Narrows Recreational Area in South El Monte, Mile Square Park in Fountain Valley, Yorba Regional Park in Anaheim, Irvine Park in Orange, Frank G. Bonelli Park in San Dimas, Echo Park Los Angeles, and Lake Balboa Van Nuys), we pride ourselves in excellent customer service, safety, maintenance, staff hiring, training, and more. In fact, we have built a strong business providing recreation to nearly 3 million guests each year.

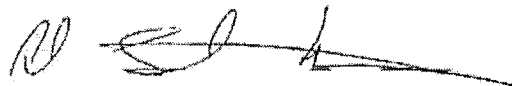
We are submitting this proposal under the category of - Other locations for Rental/Retail Space, proposing swan pedal boat rentals in Rainbow Lagoon. Additionally, we understand the city may proceed to re-envision this property which may lead to construction and possibly elimination of the lagoon down the road, so we are prepared to be flexible with the contract term and would agree to a clause suspending or ending the concession agreement with 60 days notice.

As you will see in the following pages, we bring a complete approach - a commitment to preserving the parks where we operate, and a true passion for high-quality customer service; we're dedicated to providing the best equipment and product maintenance, and extremely thorough when it comes to keeping our guests safe. Our well trained staff ensure everyone from locals, to tourists are comfortable, capable, and safe before embarking on their journey. We give verbal safety instructions to every customer, for every product, every time and we always require Personal Flotation Devices (PFDs) for all passengers to be worn at all times. We're proud that we have the ability to offer unique recreation opportunities to all ages, abilities, and even those with physical limitations.

We actively market and promote our rentals, group events, award-winning tours, and other offerings to both the local community and tourists. We pride ourselves in not really going the extra mile to spread the word and draw more people into the park - fostering new relationships between visitors and the park.

We thank you for your consideration.

Sincerely,



Al Stonehouse  
President  
Freetime Inc. Dba Wheel Fun Rentals

**AREAS WHERE WE BELIEVE WHEEL FUN RENTALS WILL FAR EXCEED OTHER CONCESSIONAIRES**

Upgrade and provide an attractive ambiance, upgraded kiosk, and upgraded boats. - see pages 15, 23-33.

We will be open 365 days a year. We've learned that when people have a houseful of holiday guests, getting out to recreate can be a very popular activity, even on Christmas & Thanksgiving - see page 17.

**Establish and increase a strong customer base through the use of marketing and advertising tools and community outreach.**

We promote all of our rental locations with a state-of-the-art website that is mobile friendly, and can be translated into any language. We will spend a minimum of 6% of gross sales on print and other marketing efforts and have the benefit of larger ad buys, covering concessions across the southland - see page 30-31.

**Support of the neighboring community.**

Wheel Fun Rentals will coordinate and cooperate with the City of Long Beach to develop strategies for outreach to all members of the community, particularly those living in low-to-moderate income areas, fixed-income households, youth, the disabled, etc., to provide its services to these members of the community who may not otherwise have the opportunity to partake in the services provided by the previous Rainbow Lagoon pedal boat concessionaire. We will far exceed expectations in support of the neighboring community with a minimum of \$5,000 in free passes annually, with outreach programs proven to have an impact - see pages 28-29.

**Implement, maintain and enforce all safety rules and regulations.** No other entity rents more pedal boats and other watercraft in park concessions. We are the official boat rental concessionaire for Los Angeles City Parks. Our safety protocols have been developed over many years, in concessions across the country, ranging from small park lakes to rivers, the Atlantic Ocean and Gulf of Mexico, as well as much larger lakes/bodies of water - see pages 18-22.

**RFP Objectives**

We believe we can meet the city's objectives of bringing creative change and we are prepared to invest \$250,000 or more into the Rainbow Lagoon concession.

We meet all of the all non food RFP objectives

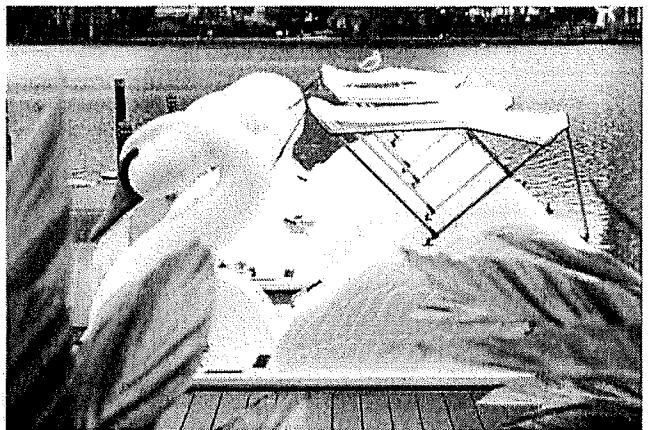
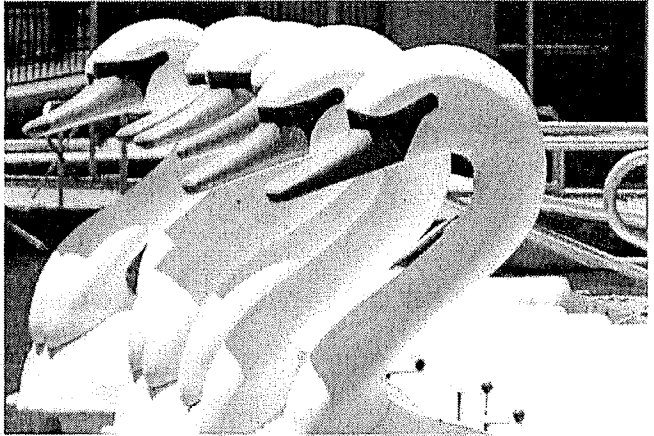
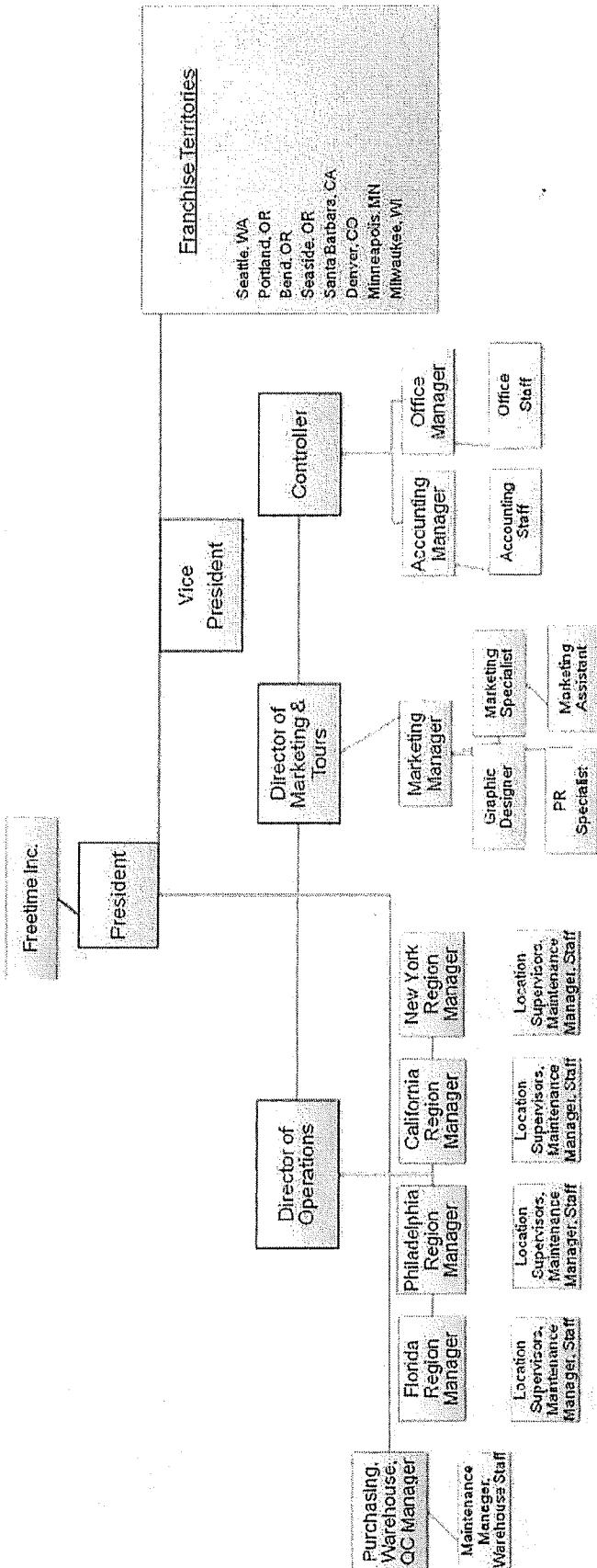
- An attraction or destination point
- Hosting and cross-promoting activations
- Superior customer service
- Enhanced experience for the public
- Exciting new concepts tailored to each community
- An effective marketing program
- Products and services beyond the typical experience



# 4.11.2

## Business Organization Structure

### ORGANIZATIONAL CHART:



### Ownership Description

**Name:** Freetime Inc. Dba Wheel Fun Rentals

**Address:** 4526 Telephone Rd. # 202

**Phone:** 805-650-7770

**Length In Business:** 18 Years

**Type:** Corporation

**Size of Company:** Freetime Inc # of Employees – 225 Gross Revenue 2018 - \$7,312,000  
Franchisees # of Employees – 250 Gross Revenue 2018 - \$10,450,000

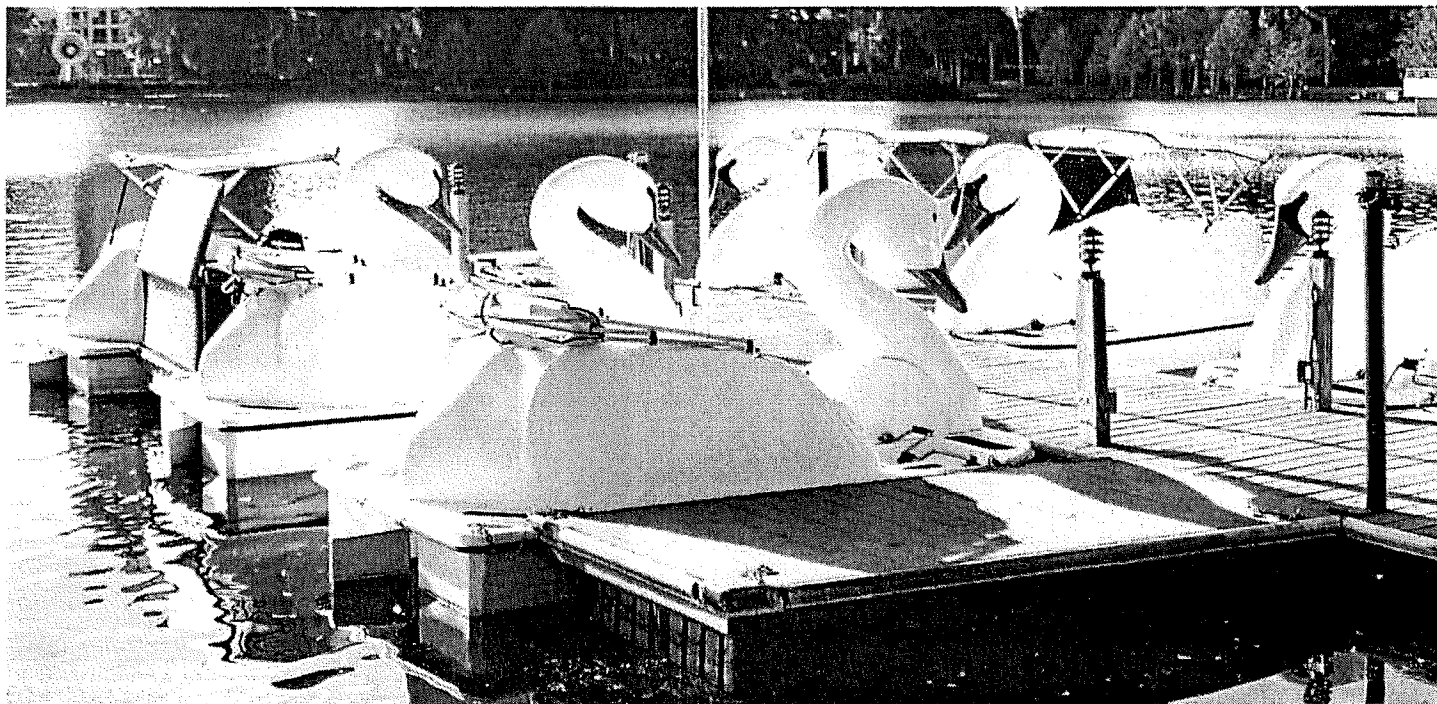
### Names of persons responsible for operations:

Al Stonehouse - President. Email [astonehouse@wheelfunrentals.com](mailto:astonehouse@wheelfunrentals.com)

Mike Ullerick - Operations Manager. Email [mullerick@wheelfunrentals.com](mailto:mullerick@wheelfunrentals.com)

**Pending Mergers:** None

**Proposed subcontractors:** None proposed



## 4.11.3 Business Experience

---

### ABOUT WHEEL FUN RENTALS

Fun is our middle name and we provide wholesome recreation, family activity and way more: all in the name of Fun. We've been in this business a long time and understand the importance of a brightly colored, well maintained fleet. We pride ourselves in having well-trained staff members who carry a professional appearance. And, most importantly, we deliver an unparalleled outdoor experience.

Established in 1999 Wheel Fun Rentals is the premier recreational rental company in the United States. With nearly 3 million happy customers annually, and over 100 locations across the country, Wheel Fun Rentals works with Park and Recreation Departments nationwide and has contributed millions of dollars in revenue to park budgets over the last 5 years.

Many of our leisure rental items accommodate toddlers to grandparents and will ensure fun for all. We replenish and refresh the fleets annually to make certain all product is in pristine condition and we are happy to supply additional product to meet demand.

Throughout the following pages we detail how we will market pedal boat rentals, our operation and staffing plans as well as safety, security, environmental responsibility, maintenance, and so much more. And most importantly, how we assure we operate a top-notch concession.



Swan Boats at Echo Park, Los Angeles

## CORPORATE MANAGEMENT SUMMARY

### Al Stonehouse (President)



Al has overseen the opening of over 100 Wheel Fun Rentals outlets in 16 states serving over 20 million customers. Al is instrumental in our Company being named #1 in Recreational Rentals by Entrepreneur Magazine for several years running.

Former president of Diamondback Bicycles and Fitness, Al was a key player in building the company from under \$15 million to over \$120 million in worldwide sales. During his tenure as president, Diamondback consistently won the industry's "Top Supplier" rating.

While at Diamondback, Al's responsibilities also included over 15 years heading product development and procurement. He founded the international sales division, which grew to over \$40 million in three years. Al created Diamondback's fitness division, its most profitable endeavor, and led a restructuring of risk management activities resulting in average annual savings of over \$500,000.

Al has over 15 years experience in every facet of specialty retail, including merchandising and store management.

### Michael Ullerick (Operations Manager)

Michael has an extensive history with contracting, distributing, and assembly in the auto parts industry. As a previous Office Manager for a Drive Train Parts Company, he developed relationships and contractual agreements with clients and specialized in building distributorships across the San Fernando Valley area. For the past six years he has been a valuable member of our team and continues to lead operational excellence. Michael graduated with a Master's Degree in Business and Economics from Cal State University Channel Islands.



### Brian McInerney (Executive Vice President)

Brian McInerney has been a pioneer in the recreational rental field. He first imported the Surrey from Italy in 1987 and by 1989 had established 5 successful rental locations along the west coast. Brian created and managed both rental operations and the industry's first distribution company.



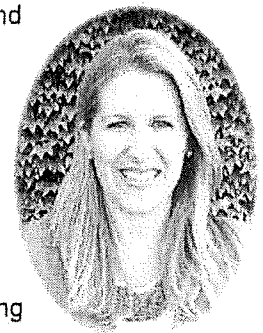
Brian's propensity for experimentation led to 12 years continued refinement of the format, locations, systems and product that work in recreational rental arenas. There is no other person with this depth of understanding in this marketplace.

Brian also possesses 20 years experience in every facet of commercial and investment real estate. After achieving the Top President's Club Award three consecutive years with Merrill Lynch Realty, he and an associate founded, built and eventually sold a successful multi-office real estate brokerage firm in Southern California.

### Sheena Walenta (Marketing Director)

Sheena has an extensive background in marketing, advertising, branding, events, social media, business development, and public relations.

Having previously managed Marketing Departments for large brands like Coca-Cola and the Humane Society, her background also includes vast experience working at a 3rd party marketing agency where she created strategic consumer-driven marketing plans for various clients. She specializes in making a splash in a cluttered market and has a proven track record of lowering marketing costs while increasing visibility and impact. Sheena holds a Bachelor's Degree in Marketing & Communications from Cal State Long Beach and is a vital member of the Wheel Fun team.



The above team possesses over 60 years combined experience in the recreational rental marketplace.

## 4.11.3 Business Experience Continued

Wheel Fun Rentals currently operates bike, boat, and food concessions at the following locations around the country. Please see pages 10-11 for more detailed concession experience.

### California:

Anaheim - Yorba Regional Park  
Ballard - Ballard Inn  
Buellton - Santa Ynez Valley Marriott  
Coronado - Hotel Del Coronado  
Dana Point - Doheny State Beach  
Doubletree Suites by Hilton Doheny Beach  
Huntington Beach - Hilton Waterfront Beach Resort  
Waterfront Adventures on the Strand  
Irwindale - Santa Fe Dam  
Los Angeles - Echo Park  
Long Beach - El Dorado Park  
Shoreline Village  
Hotel Maya  
Oceanside - Oceanside Pier  
Orange - Irvine Park  
Oxnard - Channel Islands Marine Emporium Landing  
Embassy Suites Mandalay Beach Resort  
Residence Inn Oxnard River Ridge  
Pismo Beach - Beach Location  
Sandcastle Inn  
SeaCrest OceanFront Hotel  
San Diego - Wyndham Bayside  
Marriott Hotel and Marina  
Pier South Resort  
Sheraton Hotel & Marina  
Santa Barbara - Mason Street  
Fess Parker's Doubletree  
State Street  
The Hyatt  
Santa Monica - Wyndham at the Pier  
Santee - Santee Lakes Recreation Preserve  
Solvang - Downtown Solvang  
Wine Valley Inn  
South El Monte - Whittier Narrows Recreation Area  
Van Nuys - Lake Balboa  
Ventura - Crowne Plaza  
Four Points by Sheraton  
Holiday Inn Express Hotel & Suites  
Marriott  
Ventura Pier  
Ventura State Beach Picnic Area

### Colorado:

Denver - Berkeley Park  
City Park  
Washington Park

### Florida:

Anna Maria - Beach Bums  
Clearwater - Hyatt Regency Clearwater  
Dunedin - Best Western Yacht Harbor Inn  
Honeymoon Island  
Ft. Myers - Lakes Regional Park  
Lakes Regional Park - Marina  
Residence Inn Fort Myers Sanibel  
Palm Harbor - Innisbrook Resort & Golf Club  
Safety Harbor - Safety Harbor Resort & Spa  
Seminole - Lake Seminole Park  
St. Petersburg - Magnuson Hotel Marina Cove  
Merry Pier  
The Pier  
Tarpon Springs - Fred Howard Park  
Thonotosassa - Hillsborough River State Park

### Illinois:

Chicago - Fosters Beach  
North Avenue Beach  
Riverwalk

### Indiana:

Indianapolis - Canal Walk  
Eagle Creek Park Marina  
White River State Park

### Kentucky:

Louisville - Waterfront Park

### Louisiana:

New Orleans - City Park

### Minnesota:

Duluth - Canal Park  
Canal Park Lodge  
Comfort Inn  
Hampton Inn  
East Gull Lake - Kavanaugh's Resort  
Minneapolis - Lake Calhoun  
Lake Harriet  
Lake Nokomis  
Minnehaha Falls  
Richfield - Veteran's Memorial Park  
St Paul - Lake Como

### New York:

Brooklyn - Aviator Sports  
Marine Park  
Prospect Park  
Bensonhurst Park  
Queens - Flushing Meadows Corona Park  
Riis Beach  
Staten Island - Roosevelt Boardwalk

### North Carolina:

Carolina Beach - Carolina Beach Marriott  
Lake Park  
On the Boardwalk  
Washington - Tranters Creek

### Ohio:

Cincinnati - Sawyer Point

### Oregon:

Bend - Old Mill District  
Phoenix Inn  
Black Butte Ranch - Recreation Center  
Klamath Falls - Running Y Ranch Resort  
Portland - Waterfront Park  
Redmond - Eagle Crest Resort at the Inn  
Eagle Crest Resort Ridge  
Eagle Crest Resort Sports Center  
Seaside - Avenue A  
Heritage Square  
Holladay Dr.  
Quatat Park

### Pennsylvania:

Philadelphia - Boathouse Row  
Independence Visitors Center  
FDR Park

### Washington:

Seattle - Alki Beach  
Tacoma - Point Ruston

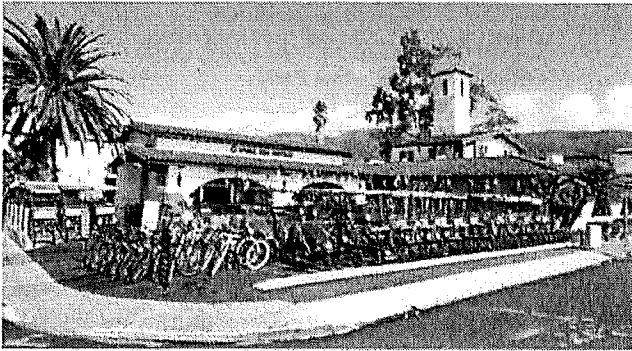
### Wisconsin:

Superior - Barkers Island Inn  
Milwaukee - Veteran's Park



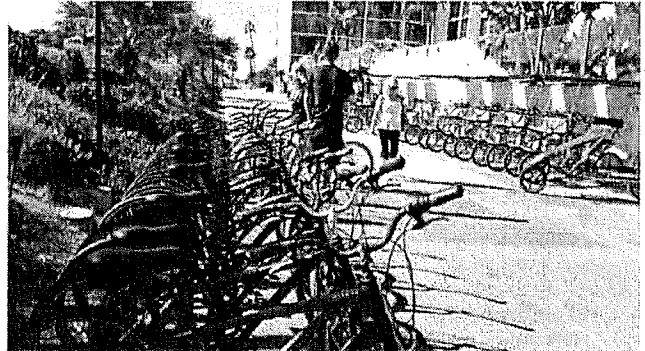
**PROJECT EXPERIENCE**

In addition to the full list of locations we operate nationwide (found on page 9), here are more details on some of the current operations under our management. Also of note, we began swan pedal boat operations in Los Angeles in March of 2018 and generated \$397,064 at Lake Balboa and \$1,154,804 at Echo Park.



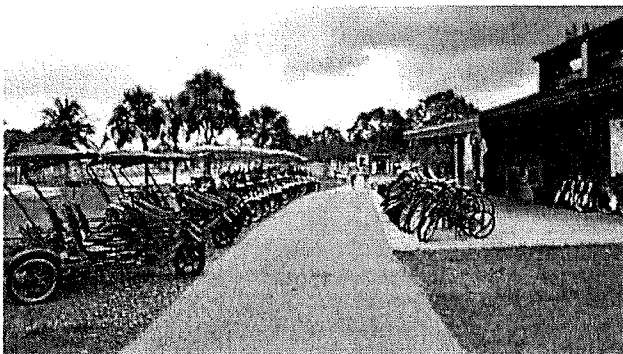
Cabrillo Blvd - Santa Barbara, CA

Bike Rentals  
2017: \$1,064,750 Bikes  
2016: \$899,149 Bikes  
2015: \$889,659 Bikes  
2014: \$1,197,613 Bikes  
2013: \$1,145,787 Bikes  
Since 2000 - 19 Years



Hotel del Coronado - Coronado, CA

Bike Rentals  
2018: \$451,332 Bikes  
2017: \$393,321 Bikes  
2016: \$354,678 Bikes  
2015: \$393,861 Bikes  
2014: \$351,005 Bikes  
Since 2002 - 17 Years



Lakes Park - Ft. Myers, FL

Bike, Pedal Boat and Kayak Rentals  
2017: \$222,503 Bikes - \$252,814 Boats  
2016: \$216,053 Bikes - \$264,063 Boats  
2015: \$189,181 Bikes - \$231,221 Boats  
2014: \$180,402 Bikes - \$220,491 Boats  
2013: \$180,417 Bikes - \$220,508 Boats  
Since 2005 - 14 Years

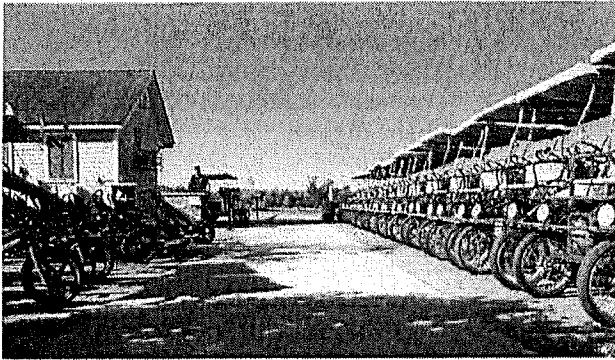


White River State Park - Indianapolis, IN

Bike Rentals  
2017: \$298,145 Bikes  
2016: \$274,652 Bikes  
2015: \$261,463 Bikes  
2014: \$251,156 Bikes  
2013: \$196,959 Bikes  
Since 2002 - 17 Years

## 4.11.3 Business Experience Continued

### PROJECT EXPERIENCE CONT.



City Park - New Orleans, LA

Pedal Boat, Kayak, Bike Rentals

2017: \$209,715 Bikes - \$223,455 Boats

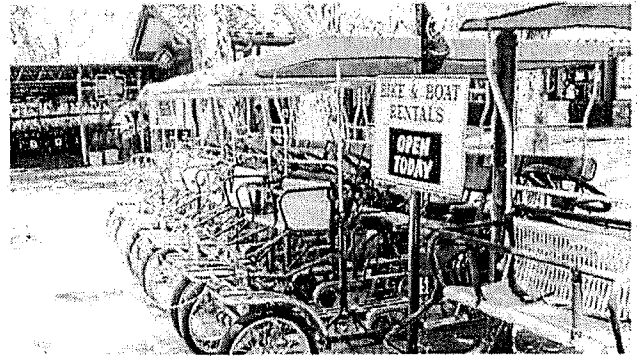
2016: \$214,209 Bikes - \$261,806 Boats

2015: \$226,676 Bikes - \$277,047 Boats

2014: \$206,275 Bikes - \$252,113 Boats

2013: \$59,855 Bikes - \$75,377 Boats

Since 2013 - 6 Years



Irvine Park - Orange, CA

Pedal Boat and Bike Rentals

2012: \$512,913 Bikes - \$145,223 Boats

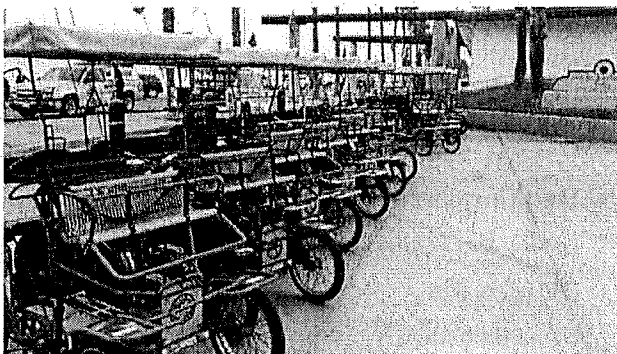
2016: \$530,080 Bikes - \$153,000 Boats

2015: \$499,615 Bikes - \$150,210 Boats

2014: \$452,886 Bikes - \$150,491 Boats

2013: \$392,914 Bikes - \$85,508 Boats

Since 2010 - 9 Years



Oceanside Beach/Pier - Oceanside, CA

Bike Rentals

2017: \$267,247 Bikes

2016: \$247,694 Bikes

2015: \$253,143 Bikes

2014: \$257,690 Bikes

2013: \$205,554 Bikes

Since 2008 - 11 Years



Shoreline Village - Long Beach, CA

Bike Rentals and Segway Tours

2017: \$604,345 Bikes

2016: \$451,123 Bikes - \$78,482 Segway

2015: \$402,059 Bikes - \$84,484 Segway

2014: \$324,719 Bikes - \$3,595 Segway

2013: \$279,203 Bikes

Since 2000 - 19 Years

**CONCESSION REFERENCES**

Los Angeles County Department of Parks and Recreation  
Concessionaire Since 2004  
John Norcia  
*Park Superintendent*  
Santa Fe Dam Recreation Area  
15501 East Arrow Highway  
Irwindale, CA 91706  
P: (626) 334-1065  
E: jnorcia@park.lacounty.gov

NYC Parks  
Concessionaire Since 2013  
Eric Weiss  
*Project Manager*  
The Arsenal, Central Park  
830 Fifth Avenue, Room 407  
New York, NY 10065  
212-360-3495  
E: Eric.Weiss@parks.nyc.gov

Philadelphia Parks & Rec.  
Concessionaire Since 2012  
Marc Wilken  
*Park Concessions Manager*  
One Parkway, 10th Floor  
1515 Arch Street  
Philadelphia, PA 19102  
P: (215) 683-0232  
E: marc.wilken@phila.gov

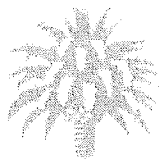
Denver Parks & Recreation  
Concessionaire Since 2005  
Fred Weiss  
*Director of Finance & Administration*  
201 W. Colfax #601  
Denver, CO 80202  
P: (720) 913-0735  
E: Fred.Weiss@denvergov.org

Minneapolis Parks & Recreation Board  
Concessionaire Since 2004  
Shane Stenzel  
*Park Board*  
2117 West River Road  
Minneapolis, MN 55411  
P: (612) 230-6441  
E: sstenzel@minneapolisparcs.org

Shoreline Village - Long Beach, CA  
Since 2000  
Debra Fixen, CSM  
*Property Manager*  
419 Shoreline Village Drive  
Long Beach, CA 90802  
P-562.435.2668  
dfixen@shorelinevillage.com

**FINANCIAL REFERENCES**

Wheel Fun Rentals has a very strong relationship with our main bank - American Riviera Bank who has supported us in our growth over the past twelve years and encourages us to continue on this path. We currently have a low seven-figure credit line with American Riviera Bank who assures us that additional credit can be extended to us if needed. American Riviera Bank provides us with a Business Checking Account as well as commercial loans and lines of credit. See Pg. 55 for banking reference letter.



AMERICAN RIVIERA  
BANK

**Banking - American Riviera Bank**

Darren Doi - Commercial Banking

P.O. BOX 329

Santa Barbara, CA

Phone (805) 730-4981

Fax (805) 965-8523

ddoi@americanrivierabank.com

Wheel Fun Rentals also has business checking accounts at Wells Fargo Bank and Capital One which are primarily used for depository purposes for our remote locations across the country.

Wells Fargo Bank

270 S. Mills Rd Ventura, CA 93003

Phone: 805-642-4107

Deposit & checking account

Capital One Bank

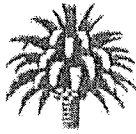
1523 Avenue U Brooklyn, NY 11229

Phone: 929-441-3043

Deposit & checking account



FINANCIAL REFERENCE LETTER



AMERICAN RIVIERA BANK

Mr. Al Stonehouse  
Freetime, Inc. (dba Wheel Fun Rentals)  
4526 Telephone Road, STE #202  
Ventura, Ca 93003

RE: Bank Letter of Reference  
CC: Mr. Al Stonehouse

To Whom It May Concern:

This letter serves as a bank reference for Freetime, Inc., who has been a client at American Riviera Bank ("Bank") since January 2007. Freetime currently has a line of credit at American Riviera Bank with availability in the high six figures to borrow for working capital needs. The line is collateralized by Freetime's business assets. The Company also historically maintains average operating deposits in the low six figures with the Bank. All loans and deposit accounts have been handled as agreed since inception. Freetime consistently makes their loan payments on time and their deposit accounts show no history of overdrawn or NSF items.

Freetime, Inc. is considered a well-qualified and highly valued client of the Bank and we hope to continue servicing their Banking relationship for the foreseeable future. In the event that further details or explanation is needed, please feel free to contact me directly at the number below.

Sincerely,

A handwritten signature in cursive script that reads "Darren Doi".

Darren Doi  
Commercial Banking Officer  
American Riviera Bank  
1033 Anacapa Street  
Santa Barbara, CA 93101  
(805) 730-4983

**REFERENCES: HEAR WHAT OTHERS ARE SAYING ABOUT US**

"Wheel Fun Rentals is the best place to rent some fun . . ."  
- CBS News Los Angeles

"I encourage every[one] to take advantage of the rental possibilities offered by Wheel Fun"  
- Philadelphia Mayor Michael Nutter

"Wheel Fun Rentals caters to those who . . . love vacations, adore having fun, and are addicted to small indulgences."  
- INC. Magazine

"[Wheel Fun Rentals] provides great recreational opportunities for the people of New York and those from around the world who come to visit."  
- New York Mayor Michael Bloomberg

"They [Wheel Fun Rentals] have bikes that will fit the whole family. It's a fun way to spend a Saturday."  
- Fox 4

"This Partnership with Wheel Fun Rentals will provide . . . visitors with a variety of fun and unique ways to experience our beautiful park system."  
- Philadelphia Deputy Mayor Mike Debarinis

"We are happy to partner with Wheel Fun Rentals to bring new and exciting recreational opportunities to park users."  
- John Hopper, Chief Development Officer of City Park, New Orleans

"We continue to be very pleased to have this opportunity to partner with your business for the betterment of all our park users. We value your support and look forward to continuing our relationship in the future."  
- Carl Seehus, City of Duluth, Dept of Parks & Recreation

"Over the years we have dealt with many different contracted concessionaires and by far Wheel Fun Rentals has exceeded our expectations."  
- Jolene LaMont, Los Angeles County Dept of Parks & Recreation

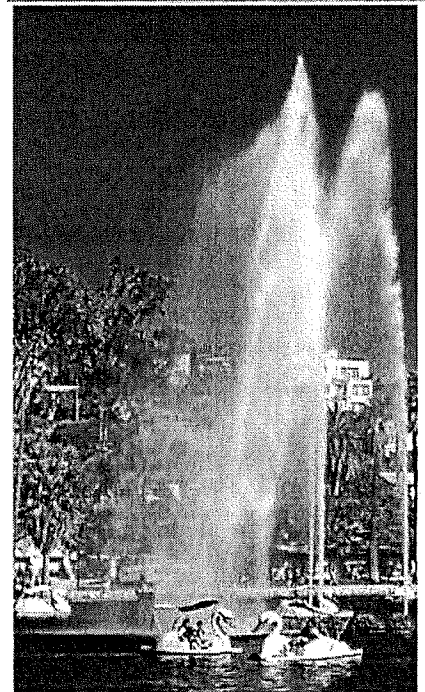
"I would recommend Wheel Fun Rentals to anyone in a beach, park, resort or tourist area."  
- Bob Browning, Pinellas County Parks & Recreation



**LITIGATION & DISPUTES**

In the past 10 years, Freetime Inc, DBA Wheel Fun Rentals has NOT been in bankruptcy, a defendant in a lawsuit for deficient performance under a contract or fraudulent misrepresentation, a defendant in an administrative action for deficient performance on a project, or a convicted defendant in any criminal action.

Furthermore, Wheel Full Rentals allows the City of Long Beach the right to search any public databases for such information.

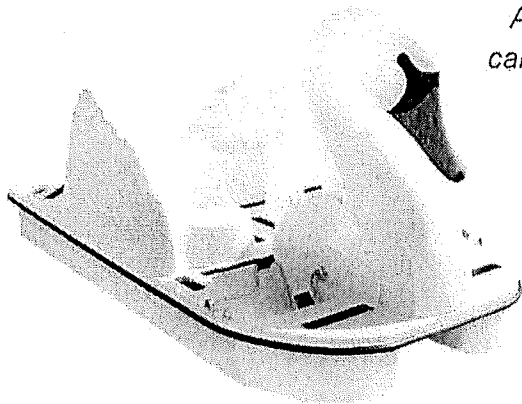


## 4.11.4

# Operations / Management Plan

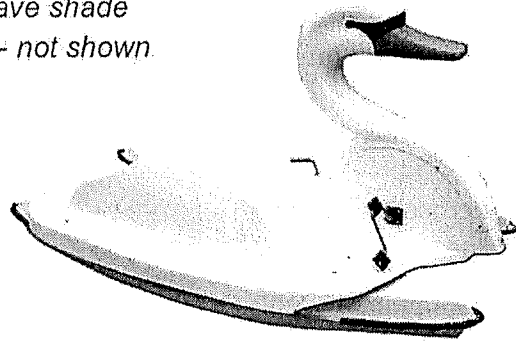
### SITE PLAN: PROPOSED PEDAL BOATS

We have learned that guests are quite attracted to the swan pedal boats. Though they cost significantly more than standard pedal boats, they capture the imagination, similar to an amusement park ride. Our intention for the proposed location is to enhance the beauty and activity of Rainbow Lagoon and the Pike area by offering an attractive yet safe and durable swan pedal boat that will appeal to users of all ages. We propose to bring in top rental quality Swan Boats with two size capacities. Wheel Fun Rentals will have a minimum of 30 pedal boats available for rent at all times and if demand exists we are happy to add more boats to our fleet.



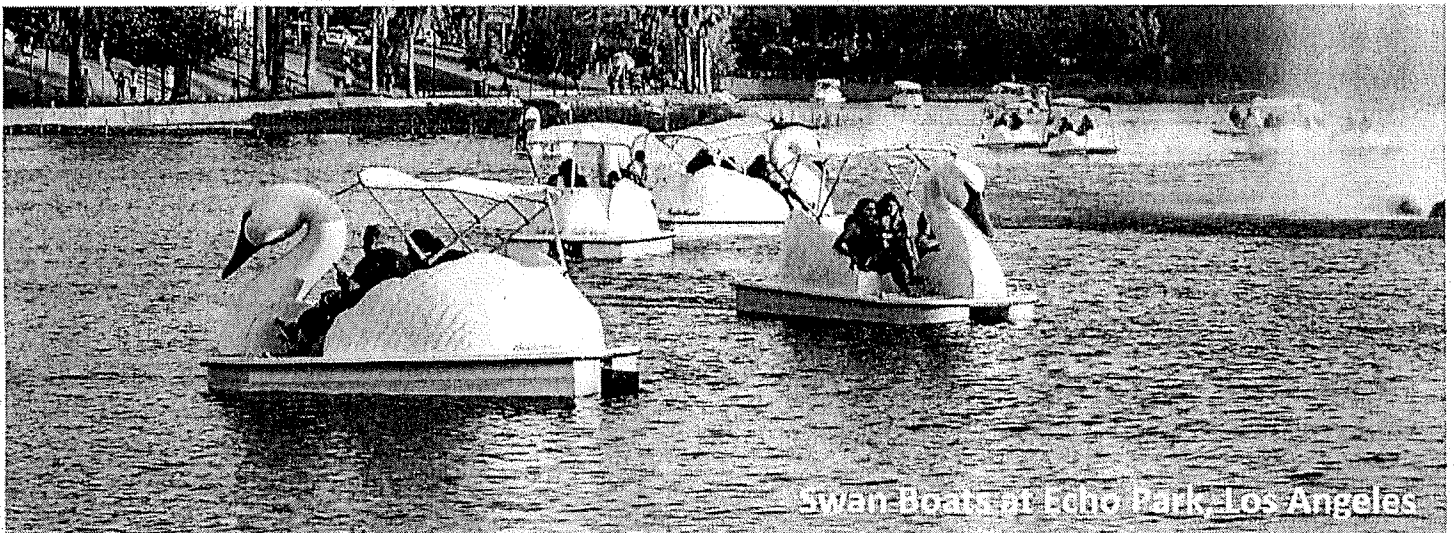
Large Swan Boat  
Seats Up to 5 People

*All swan boats have shade canopies installed - not shown.*



Small Swan Boat  
Seats 2 Adults and 2 kids under 10yrs old

Since we began our Los Angeles City swan boat concession in March of 2018, we have drawn over 250,000 people to experience and enjoy the swan boats. We will help attract more visitors to the Long Beach coastline.



Swan Boats at Echo Park, Los Angeles

**ADDITIONAL SERVICES - NIGHT RIDES AND GROUP EVENTS**

Wheel Fun Rentals' night boat rides further enhances the outdoor recreational experience and minimizes guest frustration when we tell them "we are closed for the day." We have offered this amenity at our Wheel Fun Rental Canal Walk location in Indianapolis, IN. and have just received approval to operate night boat rides at Echo Park in Los Angeles.

We encircle pedal boats with lights creating a festive fun thing to do after dusk. We propose to do this summer evening until 10pm as we currently do with our bike rentals across the street at Shoreline Village.

We acknowledge this concept may require separate approval and we are prepared to proceed without night rides if necessary.



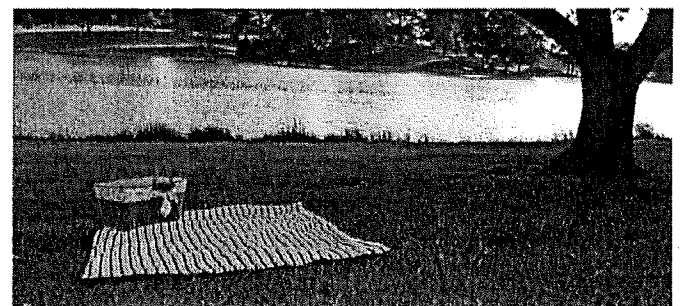
**Birthdays, Family Reunions, Field Trips and Teambuilding**

Whether it be a structured team building exercise, a class field-trip, or a planned family outing, our boats make for the perfect recreation excursion for celebrations and special occasions.



**Picnic by The Lake Package**

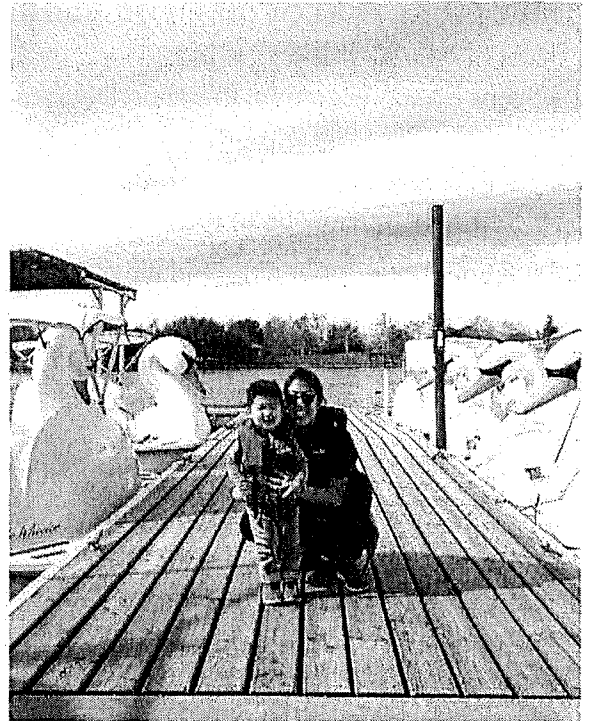
Working with local restaurants and food concessions, we'll create packages for the above events to combine tasty food with fun & exercise, to complete a "day on the water" experience.



**HOURS OF OPERATION**

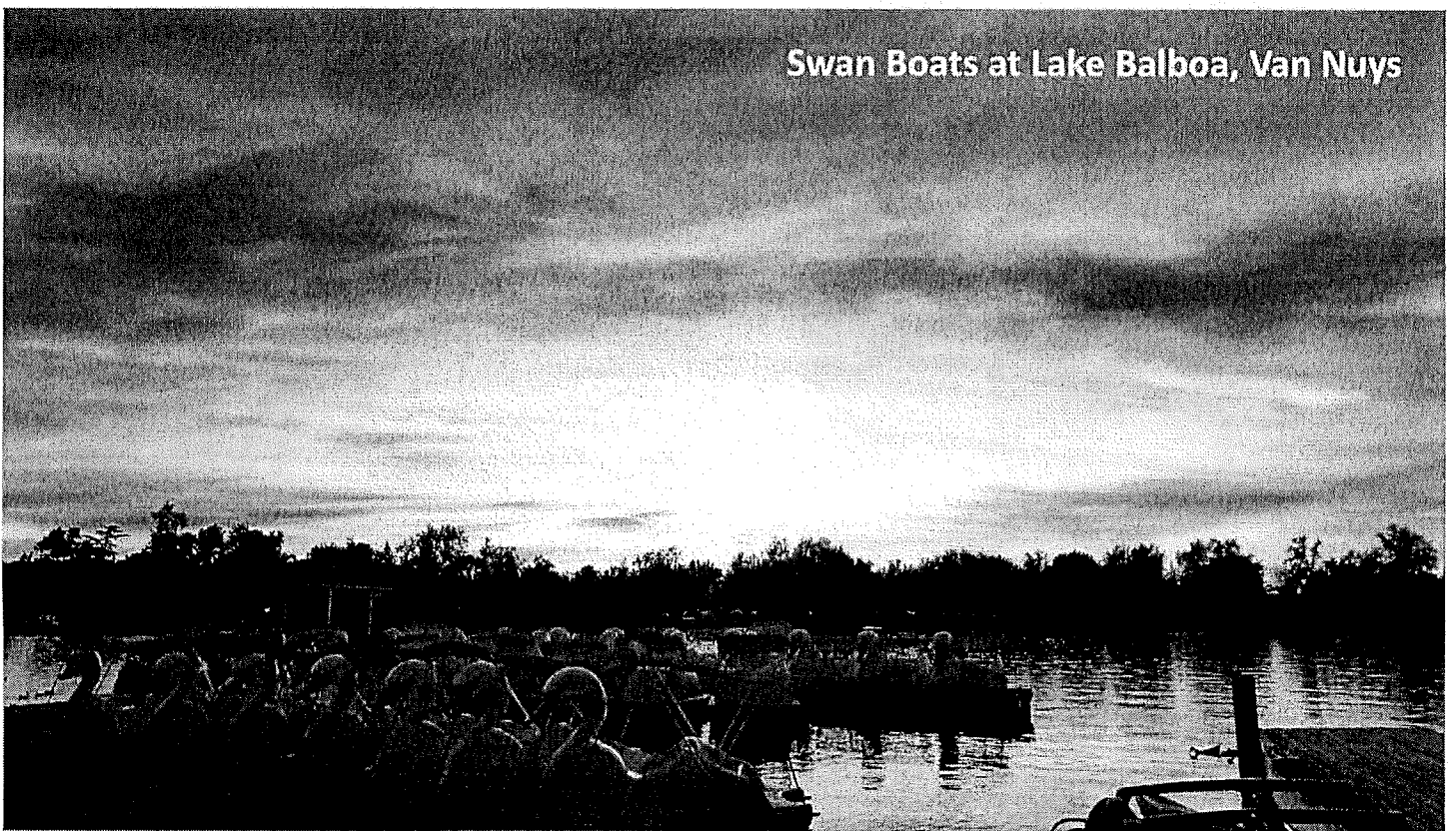
Wheel Fun Rentals likes to be open as often as possible, we plan to be open on all major holidays, including Christmas and Thanksgiving. Although our days of operation are weather permitting, we are aggressive when it comes to being open as much as possible. On days where it's raining, we monitor hourly weather forecasts to wait out the rain, and open later in the day; or if it is just a sprinkle we'll stay open to accommodate any customers who wish to rent, provided it is safe to do so.

Our proposed minimum operating schedule would be **10am – Sunset year round 7 days a week**. If demand exists to open earlier in the morning we'll open up to meet that demand. We also propose to do night rides during high season, see page 16 for more information.



Note: We understand the city may proceed to re-envision the Rainbow Lagoon property which may lead to construction and possibly elimination of the lagoon down the road. We are prepared to be flexible with the contract term and would agree to a clause suspending or ending the concession agreement with 60 days notice.

**Swan Boats at Lake Balboa, Van Nuys**





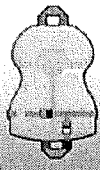




**LIFE JACKETS REQUIRED FOR ALL RIDERS**

- For Boats - Personal Flotation Devices (PFDs) will all be USCG approved vests available in a variety of sizes from child to XL adult.
- PFDs are required for all passengers at all times and Wheel Fun Rentals will have on hand a full inventory of PFDs to allow us to ensure we have the correct size PFD for all participants.
- As part of our opening and closing process and after each rental, PFDs will be cleaned and sanitized.
- All PFDs are replaced before they show any damage or have unsatisfactory appearance.

**CUSTOMER SERVICE AND SAFETY**

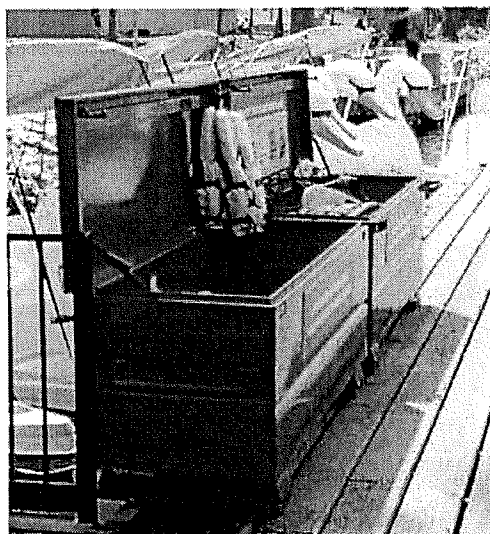
Our well trained staff ensure everyone from locals, to tourists are comfortable, capable, and safe before embarking on their journey. We give verbal safety instructions to every customer, for every product, every time. Every customer must sign a liability waiver and it's required that every passenger wear a Personal Flotation Device (PFDs) at all times - no acceptations.

**CHOOSE THE CORRECT LIFE JACKET**

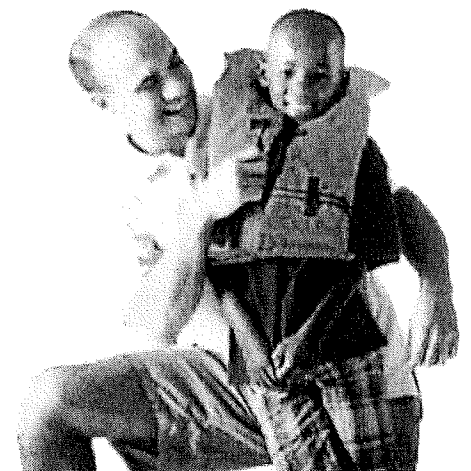
INFANT	CHILD	YOUTH	ADULT	ADULT XL
				
10 - 30 LBS	30 - 50 LBS	50 - 90 LBS	90 LBS 30"-32" CHEST	90 + LBS 40"-60" CHEST

Proper Life Jacket Fit Signage

Life Vests are Stored in Bins Separated and Color-Coded by Size



Each size is a different color which helps staff and customers assure the proper size for each guest

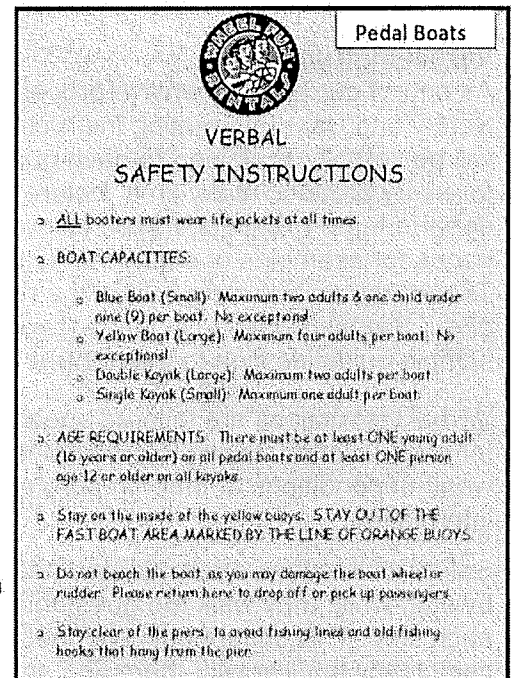


**DESCRIPTION OF GUEST SAFETY AND ORIENTATION PROGRAM**

With nearly 3 million people getting on and off our rental and tour fleets each year, we know safety is an outcome - the result of processes and actions. We've learned where and why accidents might happen and have created a proactive process to communicate and reinforce safe practices.

As stated on page 18 we have an full supply of life jackets available in a variety of sizes which are required to be worn by all passengers at all times.

- Renters must be over the age of 18 to rent and must have a valid government issued ID.
- All children under 16 years of age must be accompanied onboard by parent or guardian.
- To further reinforce safety, signage and even the assumption of risk form, boldly asks the customer to assure they have received safety instructions.
- Customers will be restricted from entering the boat until they have placed their PDF life jacket on and staff are trained to ensure that all guests have the correct size lifejackets properly fitted.
- Rescue ladders and throw rings will be on the dock for emergency purposes and all staff people will be trained in their proper use.
- A first aid kit will be fully stocked and on hand at all times.
- In addition to being First Aid and CPR Certified, all employees will be trained for emergency situations
- Children under 30 pounds are required to wear a lifejacket with rescue handle, head float, and leg strap.
- As is pointed out in our signage, in order to maintain safety for both renters and other park patrons, non-compliance of any of our guidelines will result in termination of the rental.



The image shows a sign for Pedal Boats with a circular logo at the top left. The logo contains the text 'EMERGENCY PREPAREDNESS'. To the right of the logo is a box with the text 'Pedal Boats'. Below the logo, the sign reads 'VERBAL SAFETY INSTRUCTIONS'. The instructions are as follows:

- 1. ALL boaters must wear lifejackets at all times.
- 2. BOAT CAPACITIES:
  - o Blue Boat (Small): Maximum two adults & one child under nine (9) per boat. No exceptions.
  - o Yellow Boat (Large): Maximum four adults per boat. No exceptions!
  - o Double Kayak (Large): Maximum two adults per boat.
  - o Single Kayak (Small): Maximum one adult per boat.
- 3. AGE REQUIREMENTS: There must be at least ONE young adult (16 years or older) on all pedal boats and at least ONE person age 12 or older on all kayaks.
- 4. Stay on the inside of the yellow buoys. STAY OUT OF THE FAST BOAT AREA MARKED BY THE LINE OF ORANGE BUOYS.
- 5. Do not beach the boat, as you may damage the boat, wheel or rudder. Please return here to drop off or pick up passengers.
- 6. Stay clear of the piers. To avoid fishing lines and old fishing hooks that hang from the pier.



## 4.11.4 Operations - Safety Continued

We have never been cited by any organization or municipality for any type of safety violation or lapse. Everything we do has the benefit of knowledge gained over 25 years in the rental business. Safety is and always has been part of our culture - it's what we do.

### Prior to Departure

#### Assumption of Risk Release

Wheel Fun Rentals will provide an assumption of risk release form for all guests to sign which also contains safety elements.

#### Verbal Instructions

As part of our comprehensive process Safety and User Information instructions will be verbally explained to each guest, for every product, every time, before departure, no exceptions. (see following pages for examples of safety instructions). These instructions also include the review of our Rental Guideline signage (see sample guideline sign to the right).

Verbal instructions are tailored specifically for each location, taking into account weather conditions or other important information.

Safety instructions are laminated and held by staff while they walk the guest through each step. This occurs until staff become completely familiar with them and are advised by their manager they no longer need to read from the laminated sheets.

#### Rental Guideline Signage

Rental guidelines signage reinforces rules, regulations, and safety for boating and will be mounted in the rental area. See sample sign image to the right. Sign content is tailored specifically for each location.

#### Group Safety

Wheel Fun Rentals is very experienced in handling groups of all sizes. On days when we have groups we will have additional management and staff on hand to assure the safety of all participants in the group.

## RENTAL GUIDELINES

*Rules Differ for Groups*

If you don't receive an  
**ACCURATE RECEIPT**  
your rental is  
**FREE!**

- Renters must have a valid government-issued photo ID and be 18 years of age or older.
- All Rentals: One hour minimum. After first hour, all rentals are prorated in 15 minute increments.
- We do not offer refunds for weather - Rain Checks Only.
- Damaged Goods - you will be charged for product damaged during your rental.
- Please be certain you receive & understand user instructions prior to renting.

#### WATERCRAFT RULES

- You must know how to swim to rent water products.
- Everyone must wear a correctly fitted PFD/Life Jacket at all times.
- Exiting/entering your boat from anyplace other than the designated launch area is NOT permitted and will result in termination of your rental with no refund.
- No swimming or jumping from any watercraft.
- ALCOHOLIC beverages are NOT permitted at any time before or during watercraft rentals.
- Be certain you understand wind direction before you leave.

#### BOAT AGE LIMITS

- All children under 15 years of age must be accompanied onboard by parent or guardian.

#### BOAT CAPACITIES

- Small Swan Boat: 2 adults and 2 children under 10 years old
- Large Swan Boat: Up to 5 people.
- Hand Crank Boat: Up to 4 people

Review Release of Liability Agreement for full rental terms & conditions. All equipment rented is subject to the rules of operation. Failure to obey is subject to immediate termination of rental without refund.

WheelFunRentals.com

Decals placed in each boat on the back of the swan neck for clear visibility

**WHEEL FUN RENTALS**

**DOCK:**  
**213-444-9445**  
**CENTRAL OFFICE:**  
**805-650-7770**

**NO STANDING IN BOAT**

**LIFE VESTS MUST  
BE FULLY BUCKLED**



### OUR COMMITMENT TO KEEPING THE SPANISH SPEAKING COMMUNITY SAFE

Since we know that Los Angeles has a very large Latino community and many of our customers in Southern California and elsewhere around the country are Spanish speaking, we have tailored our business to accommodate not only the English speaking park patrons, but the Spanish speaking ones as well. As shown below, Wheel Fun Rentals has created signage, waivers of liability, and verbal safety instructions in Spanish. We also provide excellent customer service in both languages by making every effort to hire bilingual staff members to address any questions and assure the safety of our Spanish speaking customers. Finally, if we determine there is a need to have these items available in other languages, we will add those languages to our safety program.

#### Spanish Waiver of Liability

**ARRENDADOR:** Wheel Fun Rentals  
**ARRENDATARIO/RENUNCIANTE:** Yo, Nombre (Lea de nombre) Fecha: Domicilio permanente Ciudad Estado Código postal Teléfono

**RECONOCIMIENTO DE RIESGOS, ASUMCIÓN DE RIESGO Y RESPONSABILIDAD Y EXENCIÓN DE RESPONSABILIDAD**

**RECONOCIMIENTO DE LA EXISTENTE ADVERTENCIA:** El/ella considerará el elemento de riesgo en toda actividad recreativa o deportiva que se realice con los productos de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.

**RECONOCIMIENTO DE RIESGOS:** Los productos de alquiler de Wheel Fun Rentals que se alquilan desde este tipo de actividad. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.

**ADUNCIÓN EXPRESA DE RIESGO Y RESPONSABILIDAD:** Al arrendar estos productos de alquiler de Wheel Fun Rentals, el/ella declara que es mayor de edad y capaz de entender y asumir la responsabilidad de cualquier lesión o daño personal o material que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.

**RENUNCIA AL CARGO:** Yo, el/ella manifiesto que he leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.

**DECLARACIÓN DE BUENA FE:** Reconozco que yo, como proveedor de servicios, opero según una política de buena fe y no soy responsable de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.

**AUTORIZACIÓN:** Por la presente autorizo todo tratamiento médico que sea necesario en caso de un accidente que ocurra durante la participación en la actividad. Dispongo de seguro adecuado, o en su ausencia, acepto pagar todos los costos médicos, dentales y servicios médicos, así como se haya autorizado en cualquier momento. Acepto que toda película o fotografía de personificación como participante se convierta en propiedad y puede ser usada con fines promocionales o comerciales.

**REGLAS DE USO:** El ARRENDATARIO por la presente acepta utilizar BICICLETAS, MONOCICLOS, BOTES A PEDAL, KAYAKS, PATINES, Y EQUIPO A LA VEZ POR CADA PRODUCTO, SUJETO A LAS REGLAS DE USO DE CADA PRODUCTO.

- Todos los usuarios deben seguir las reglas de seguridad y los términos de alquiler de Wheel Fun Rentals, así como los términos de uso de los productos de alquiler de Wheel Fun Rentals. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.
- Las bicicletas y monopatines deben seguir las reglas de seguridad de la Administración de Seguridad de Productos de Consumo de los Estados Unidos. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.
- Debe mantenerse el pie en las pedales mientras el vehículo se desplace hacia adelante. CUANDO SE DEJE LA MARCHA ATRÁS, CADA UNO DE LOS PIEDALES Y COLCHONES EN EL PISO. ALIADOS DE LOS PIEDALES, CUANDO Y COBERTURA DE LA CADERA. LOS PIEDALES GIRAN HACIA ATRÁS, CUANDO SE DEJA LA MARCHA ATRÁS. PUEDEN OCURRIR LESIONES POR CAUSA DE LOS PIEDALES Y/O DE LA CUBIERTA DE LA CADERA. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.
- Verifique las frenos antes de salir al agua y obedezca todas las instrucciones proporcionadas por el arrendador. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.
- Nunca desentorque en la costa con el viento. Cuando se vaya a salir al agua, utilice el área de alquiler. Utilice el área de alquiler. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.
- Todas las personas que pasen en botes deben seguir todas las reglas y regulaciones de lago. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.
- EL ARRENDATARIO DEBE SER mayor de edad y capaz de entender y asumir la responsabilidad de cualquier lesión o daño personal o material que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.

**WHEEL FUN RENTALS:** Los clientes, operadores, operadores, operadores, operadores y todos y cada uno de los operadores, operadores, operadores y operadores están sujetos a los términos y condiciones de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella reconoce haber leído y entendido la presente política de alquiler de Wheel Fun Rentals y todos los riesgos inherentes a esta tipo de actividad. El/ella acepta asumir el riesgo de lesiones o daños personales o materiales que pudieran resultar de cualquier uso de los productos de alquiler de Wheel Fun Rentals.

HE LEÍDO LA ADVERTENCIA, RECONOCIMIENTO DE RIESGOS, ASUMCIÓN DE RIESGO Y RESPONSABILIDAD, EXENCIÓN DE RESPONSABILIDAD Y REGLAS DE USO ANTERIORES. COMPRENDO QUE MEDIANTE MI FIRMA EN ESTE DOCUMENTO ES POSIBLE QUE RENUNCIE A DERECHOS LEGALES IMPORTANTES.

FIRMA \_\_\_\_\_ FECHA \_\_\_\_\_

Si no recibe el producto dentro de 7 días, se cobra un cargo de \$10.00 por día.

Términos de franquicia están disponibles. Solicite información por dentro.

### Reglas de Renta

- Se requiere tarjeta de identificación válida con foto.
- Una hora mínima de renta en todo nuestro producto. Después de una hora las rentas se cobrarán en incrementos de 15 minutos.
- No hay reembolsos por causa de mal tiempo. En caso de mal tiempo, se dará un crédito para uso futuro.
- Producto Dañado - Cualquier producto que se dañe a causa de su negligencia será cobrado junto con su pago de renta. Sea Cuidadoso:
  - Los cascos y los otros equipos de seguridad son ofrecidos gratuitamente sin costo a usted. (Nosotros lo recomendamos)
  - Personas que tengan menor de 18 años deben utilizar los cascos de seguridad - Ley del Estado de California.
  - Monte con seguridad, utilice el sentido común, tenga cuidado de otros, y obedezca todas las señales y reglas de tráfico.
  - Favor de estar seguro/a que usted ha recibido y entendió las instrucciones de montar nuestro producto antes de rentar.

Para obtener más información de nuestros productos y términos y condiciones de alquiler de Wheel Fun Rentals, visite nuestro sitio web en [www.wheel-fun-rentals.com](http://www.wheel-fun-rentals.com). Para obtener más información de nuestros productos y términos y condiciones de alquiler de Wheel Fun Rentals, visite nuestro sitio web en [www.wheel-fun-rentals.com](http://www.wheel-fun-rentals.com).

Example of Spanish Rental Guidelines Sign

**SAFETY INSTRUCTIONS - SPANISH**

Make certain everyone is on the trolley ask if they are "ready for riding instructions". Make sure you have full eye contact.

- El freno está localizado al lado del volante. Por favor use el freno todo el tiempo cuando esté bajando una subida. Practique y ponga su pedaleo cuando el freno antes de conducir. (Show use)
- Para todas las personas en las posiciones de pedalar - pásalo a estar sus pies en medio de los pedales y el frame - mantenga sus pies en los pedales toda el tiempo cuando van adelante. (Go around trolley and show where not to put feet on top of chainguard). No desentarme sus pies en las partes del trolley.
- Para todas las personas en las posiciones de pedalar - cuando va a revesa por favor ponga sus pies en el suelo lejos de los pedales y frenos, no en el frame o la cadena, y en el reversa. (Go around trolley and show where not to put feet on top of chainguard). Los pedales van volar en el reversa y le pueden golpear. Atención: esta foto. (Show occupant the foot safety device).
- Máximo de tres personas por asiento, no se tiente ni llado, no se parren y no se cuelgan afuera.
- Conducir solamente en el camino de bicicletas, no sobre el pasto ni el estacionamiento o calles de conducir.
- Orientación y artículos de seguridad.
- Niños deben de estar acompañados por un adulto a todo el tiempo.

Gracias por obedecer todas las reglas de seguridad.

Example of Spanish Safety Instructions

**We owe much of our success to our dedication to customer satisfaction. Courteous and professional staff is what makes us stand out.**



### **QUALITY OF SERVICE**

#### **Staff Quantity and Positions**

Having an adequate number of trained staff is critical to achieving high levels of customer satisfaction. In addition to the very experienced key personnel on page 8 who combined possess over 60 years of recreational rental experience, we will have 5-10 full time and seasonal part time staff members including:

- On Site Manager
- Rental Staff
- Location Mechanic

Although the On-Site Manager for the proposed locations will be named upon awarding of the contract, Wheel Fun Rentals possesses the infrastructure to put in place a qualified and experienced individual from one of our many existing locations across the southland.

#### **Hiring Practices**

Wheel Fun Rentals does more than just hire staff members with customer service experience, we actively search for those with personalities that are outgoing, enthusiastic, and passionate about recreation and the environment. We also look for those that have proven track records of problem solving, professionalism, and strong customer service skills. Through our extensive interview and hiring process, we bring an experienced, capable, and polished crew to serve the community and park visitors.

#### **Staff Training and Motivation**

Wheel Fun Rentals has an extensive in-person training program, a 40 page training manual, 30 page employee handbook, training DVD, a full location document and filing system, and more. In addition to driving the importance of customer service and safety, we also teach our staff members about the area, an important component of every employee's overall orientation and ongoing development. Proper orientation helps ensure our staff can answer visitor questions and provide a top-quality experience.

Our Director of Operations is a strong believer in employee growth through empowerment and positive motivation. Bonuses, incentives, confidence-building through development of new skills, and pay increases are all a part of the motivation techniques utilized.

#### **Management and Promotion**

Local regional and location managers oversee daily operations and are continuously training and reinforcing the importance of customer service, safety, and overall visitor satisfaction. Reward systems implemented by managers reinforce and incentivize staff to comply with professional guidelines. Corporate office management and HR department further support our dedication to customer satisfaction. Since Wheel Fun Rentals currently operates numerous locations throughout Southern California we can assure a well trained, experienced staff, right from the start.

#### **Appearance Standards & Uniforms**

Employees are required to meet professional grooming and appearance standards. It's important that our staff be friendly and approachable. Appearance standards include: no body jewelry/piercing (other than earrings), hair must be neat and if dyed - must be a color that occurs naturally - and overall appearance be clean and generally well groomed. All staff members wear standardized uniforms consisting branded polo shirts and/or branded jackets, kaki or navy shorts or pants, hats, if worn, are Wheel Fun Rentals baseball style caps. Uniforms are to be clean and in good condition.

#### **Resolution of Complaints**

Wheel Fun Rentals is proud of its policies regarding customer service resolution. In the event of a complaint or customer service issue, we have an 8 step process in place for staff to follow. It includes the following main principles: the customer is always right, listen to the customer without interruption, repeat the customer's complaint to show understanding of the situation, ask questions to get further details of the situation, tell the customer we understand the situation and that we will do what it takes to resolve it, and smile and let the customer know that we appreciate the input. Wheel Fun's approach is to do the right thing and acknowledge when we've made a mistake. And in every circumstance to do everything in our means to satisfy the customer, from additional time on a product, a rain check for a future visit or a full refund.

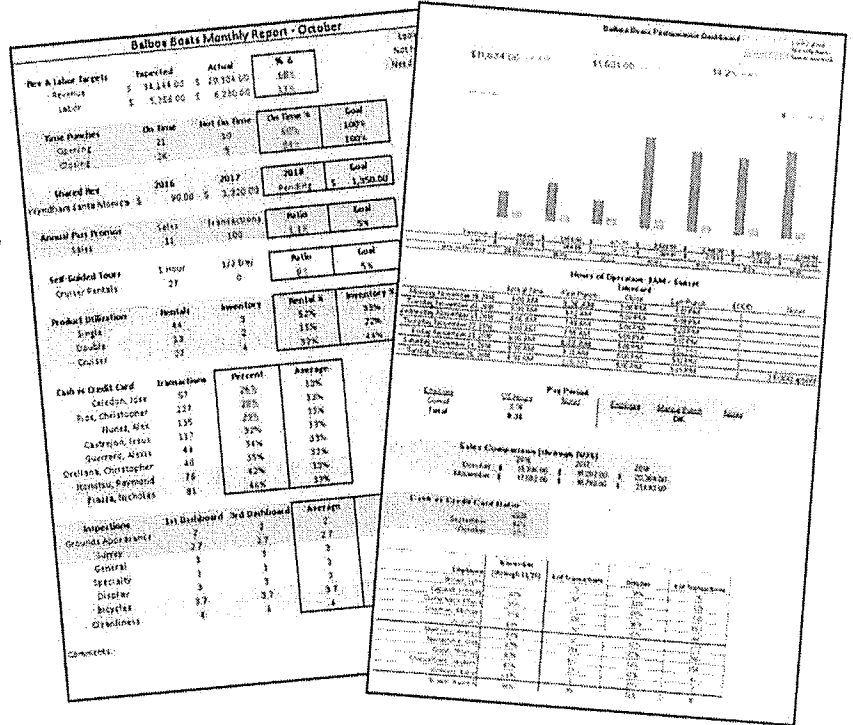
## 4.11.4 Operations - Service Continued

### Management and Oversight

We have in place a Weekly Dashboard which coincides with a weekly call or visit with the onsite manager. This process monitors revenue, staffing, rental activity, accounting, and is also used as an opportunity to discuss, recruiting/hiring/training, upcoming group events, staff or customer challenges, and other timely elements.

We also have in place a Monthly Report offering results from the monthly inspections as well as a deeper look into all aspects of the operation.

Daily sales reports, opening & closing times, rental activity and other pertinent data is emailed from our POS System daily to the manager and others in the organization.

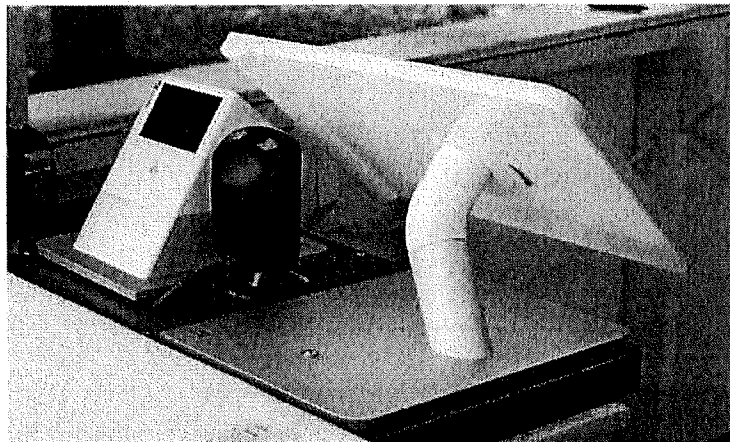


### INNOVATIVE POINT OF SALE SYSTEM

We couldn't find an application that would enable us to accurately record and track all of the information we need to manage our locations across the country, so we had one created specifically for us. Our proprietary custom-designed tablet-based Point of Sale System enables us to maintain detailed and accurate records of cash or credit/debit card sales and analyze trends and flow in the sale of goods and product rentals. The end of day process sends emails to managers, with pertinent info including revenue, opening/closing times and other timely data. By having the ability to analyze information at any Wheel Fun Rentals location across the country, it enables us to have our thumb on the pulse of customer demand for each market. Using this information we can adjust fleets accordingly, analyze labor costs, monitor employee shrinkage, quickly implement promotions system wide, and examine the effectiveness of customer loyalty programs and marketing efforts.

If you do not  
receive an  
accurate receipt,  
your rental is  
**FREE**

Every customer is provided an accurate, detailed, time stamped receipt for every transaction or their rental is free. No customer information is stored locally and only information as necessary for auditing purposes is encrypted and stored remotely. 100% of all transaction records are available for retrieval for auditing purposes and as required by the concession agreement.



**EXPERIENCED AND ACCURATE IN-HOUSE TEAM**

Utilizing information gathered from our innovative point of sale system described on page 23, our six person in-house accounting staff has decades of experience in the recreational rental business. We know how to ensure that the information recorded and reported is accurate and complete from dozens of locations across the country. Our accounting department conducts regular analysis of product flows and are adept at determining theft or other discrepancies. We are proud of our record of always paying our rents to cities, counties, and states punctually and accurately in accordance with our agreements.

**MONITORING & MEASURING TRANSACTIONS, AND ENSURING VISITOR SATISFACTION**

In order to maximize customer satisfaction and minimize potential employee theft we use a variety of programs to measure and monitor service, quality standards, product mix, price points, and overall guest experience.

**Quality Care Calls**

We collect guest feedback in a variety of ways. One of the most powerful tools we use is making weekly "Quality Care Calls." These service follow-up calls to customers are used to ask how they enjoyed their experience and get feedback about the service they received. They also act as an auditing tool to assure equipment used and revenue generated match transaction records, and safety/user instructions were clearly delivered.

**Secret Shoppers**

We frequently send secret shoppers to rental locations posing as regular customers. During their rental or tour they make observations on their experience, and fill out a questionnaire afterward. This helps us hold staff accountable for all areas of customer service, safety, cash handling, and continuously improve our services.

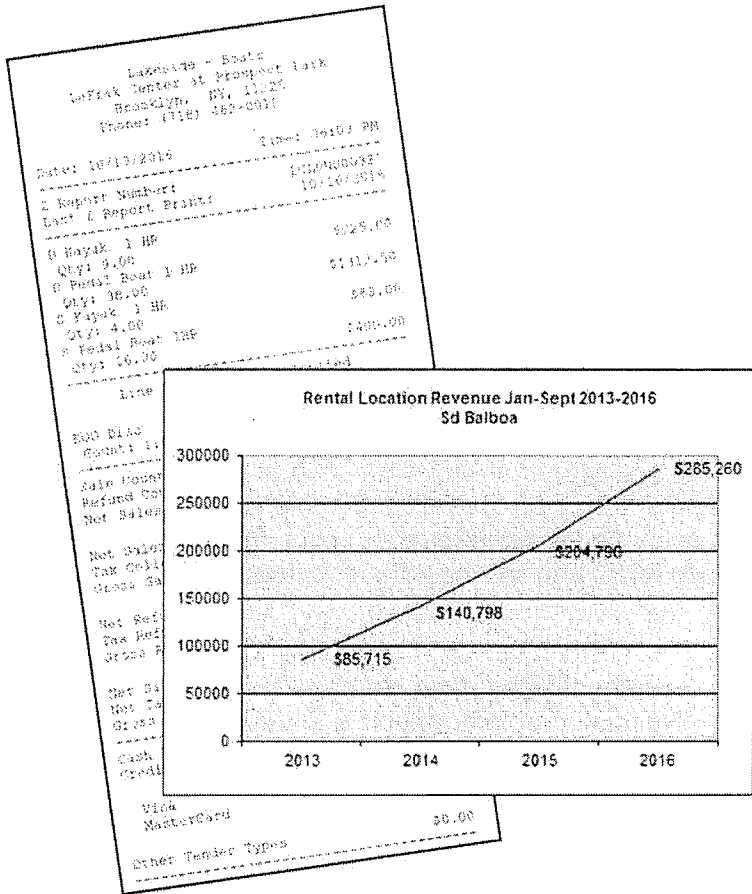
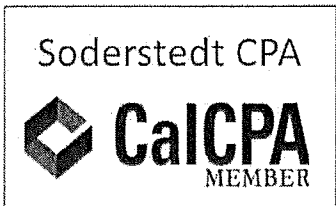
**Comment Cards & Surveys**

We encourage customer comments through comment cards, periodic surveys, and by offering our phone and email contact information on all customer receipts asking them to tell us about their experience. Manager's business cards are always available on-site so customers can contact him/her directly as they wish.

Wheel Fun Rentals compiles customer surveys, comments, etc. into monthly reports that include the statistical data highlighting customer service trends, data analysis, and an action plan to correct any service or theft related issues if the above mechanisms indicate a need to do so.

**INDEPENDENTLY AUDITED ANNUALLY**

In order to maintain compliance with all applicable laws, government contracts, and Generally Accepted Accounting Principles (GAAP), Wheel Fun Rentals is independently audited annually by Soderstedt Certified Public Accountants.

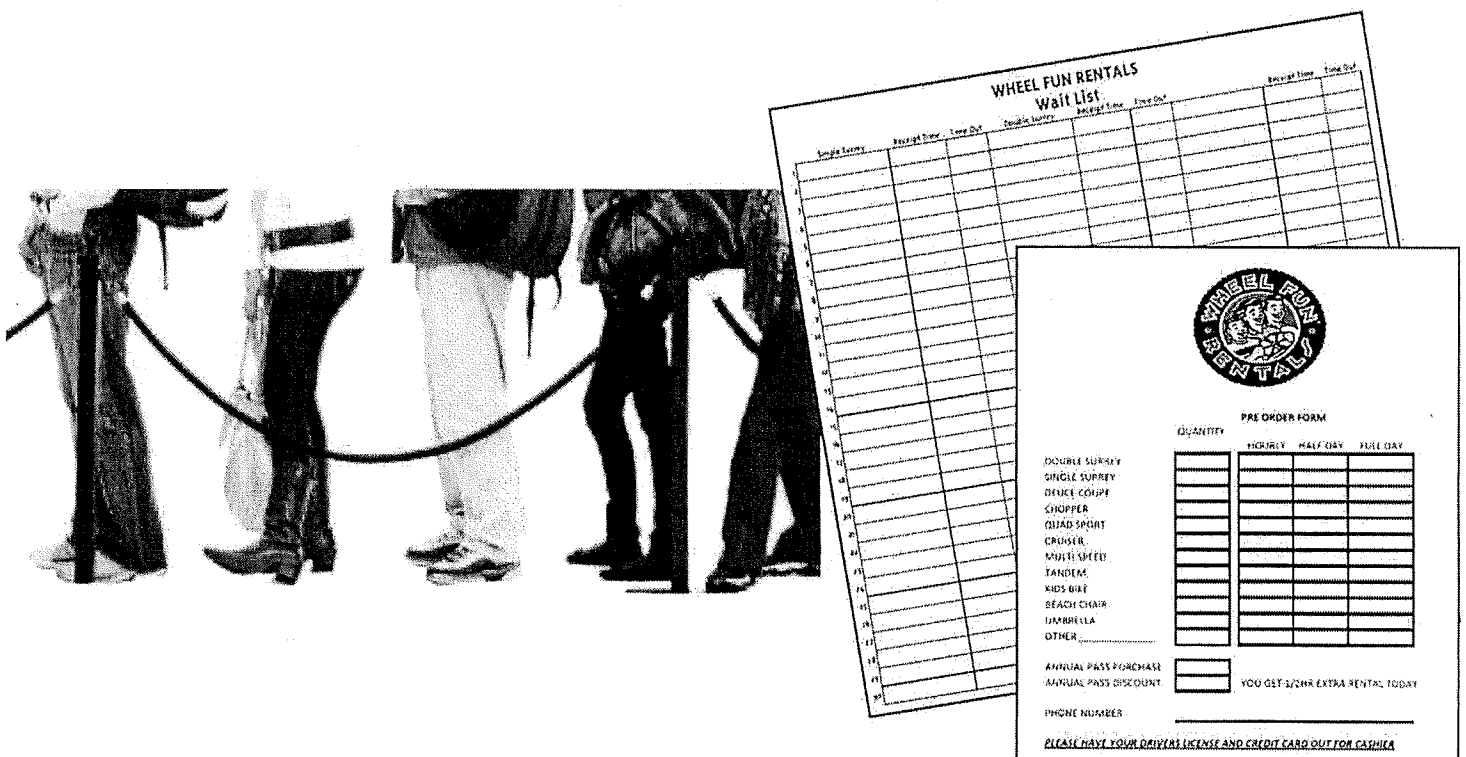


## 4.11.4 Operations - Service Continued

### MINIMIZING LINES AND WAIT TIMES

We employ a variety systems in order to get our customers out of line and on the water as quickly as possible. They include:

- Having an adequate number of pieces of equipment. Although any rental operator will run out of rental product on one of the major summer holidays, it's our belief that if you run out of rental product more frequently, you don't have enough. To that end, we will continually monitor the flow of business to ensure that our level of fleet increases as demand does.
- In order to speed up the transaction times and minimize lines, our rental staff greeters use Pre-Order Forms to help the customer prepare for the rental transaction by answering questions for them, helping them decide on a boat, and asking them to have payment ready. This way, when they get to the cashier, they can hand them the form and their payment and be on their way in a matter of seconds.
- Stanchions and line management - In order to create an organized and small line we utilize line stanchions as depicted below and encourage only the main renter to wait in the line while the rest of their party waits in a designated area away from the line.
- Waitlist reservation system. Although our rentals will be first come first serve for all except group customers, if we are out of a particular boat we will utilize a system whereby customers will be taken through the entire rental process including waiver of liability signing and processing of payment. They are then put on a list and notified when their rental is ready, minimizing lengthy wait times and assuring no boats sit unused while customers wait.



**MAINTENANCE: FACILITIES**

**Facility Maintenance**

Wherever Wheel Fun Rentals operates, we pride ourselves on a clean professional looking operation. From our concession buildings, to our equipment, to our staff, we work hard to have a clean and attractive appearance. Facility repairs and maintenance are overseen by our local manager and addressed promptly. Facility inspection and maintenance logs are utilized to assure a clean, well kept environment. Graffiti or any other form of vandalism is handled within 24 hours.

**Cleaning Schedules**

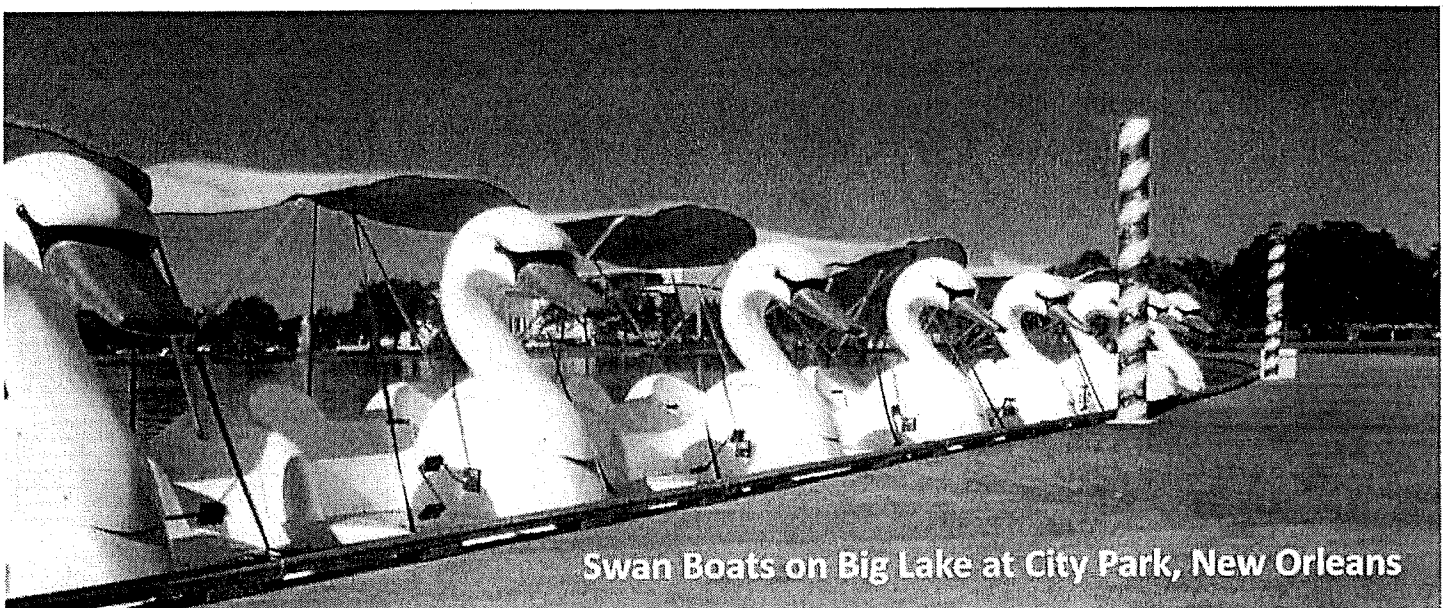
As part of our daily procedures, our rental staff ensures that not only are our products thoroughly cleaned and ready for guest use but our concession area is cleaned and presentable for all passers by.

**Rubbish Removal**

In parks and cities where we operate, we ensure that the surrounding areas of our outlets are free of trash in order to maintain an appealing and welcoming space for all. We will follow all guidelines for garbage receptacles and trash disposal and we actively recycle all applicable waste and materials. Every day staff does a sweep of the entire concession area to keep the area free of litter, debris, and identify any safety hazards. All employees are required to be involved in policing the facility for waste.

**Avoiding Chemical Use in the Area**

When cleaning boats, Wheel Fun uses cleaning products sparingly, and alternatives to toxic products are always used, following the guidelines of the EPA Design for the Environment program. Baking soda, vinegar, lemon juice, eco-friendly cleaners, and good old fashioned elbow grease are used instead of bleaches, scouring powders, harsh cleansers, solvents, or detergents. See more about our Green Business Certification on page 29.





## **SUPERIOR PRODUCT AND MAINTENANCE STANDARDS**

Wheel Fun Rentals' maintenance motto is "Everything Running All The Time and looking great". Trained, certified mechanics are on site to assure high levels of safety, customer satisfaction, and 98% operational product levels, maximizing the guest experience. All products are inspected for safety at the start of each day and prior to rental. Anything that has a mechanical issue is immediately tagged for repair and logged on our maintenance boards.

We provide, replenish, and refresh the fleet annually to make certain all product is in pristine condition. We are also happy to supply additional product to meet demand. Any products not meeting safety and appearance standards will be refurbished or replaced.

Wheel Fun Rentals' complete warehouse distribution center assures availability of fleet product and service parts. Additionally, each location has an on-location service center that includes a full array of specialty tools and inventory of replacement parts.

Risk can increase substantially when product is inferior or not well serviced; while safety is maximized and product liability exposure is minimized with all of the Wheel Fun maintenance systems.



#### 4.11.4 Operations - Community Involvement

We take an active role in promoting active lifestyles, in fact that's all we do! Many of our products are designed to allow people unfamiliar with boating or those with physical limitations to experience the joys of a day in the park on the water.

We believe age, inexperience, or other physical limitation should not prevent someone from enjoying a boat ride or exploring the park. Our pedal boats are perfect for various ages and abilities. Our trained and friendly staff provide special assistance where needed to make recreation more accessible for all.

#### Youth Groups, School Field Trips, Kids Camps

We implement and promote special days for kids camps, YMCA, Boys & Girls Clubs, schools, churches, Scouts, summer camps, and other similar organizations. Our group pricing is low allowing our activities to easily fit into their field-trip budget and we have special group safety programs with extra staff monitors on the water as needed.



#### Boat Safety Programs

Another program we have been proud to have taken part in are "Boating Safety" programs with local Boy Scout and Girl Scout groups and other organizations. Teaching kids proper lifejacket use and other water safety tips.

#### Senior Centers & Disabled Groups

We regularly work with, and market to, senior centers, retirement communities, and proactively seek out disabled groups in the communities where we do business. Our large variety of products offer perfect choices for those with physical limitations. We also work with local Veteran organizations and hospitals to promote and donate recreation time. We post bulletins on bulletin boards, coupons, do promotional giveaways, donations, e-blasts, brochure distribution, and more to these organizations.

★★★★★ 2/12/2017

Ever since I was a kid, I've loved coming to Legg Lake. Now that I have kids, I was super excited to bring them to Legg Lake. In fact, we decided to bring our entire cub scout den! I found Mark from Wheel Fun Rentals through a google search, and I'm so glad I did! He was super helpful, informative, and accommodating in helping us plan our cub scout trip. I really appreciate his willingness to work with us on a time that allowed our group to get a large party reservation but we were still able to let all the regular park go-ers have a chance to enjoy paddleboating too. The staff were all friendly and helpful getting us into and out of the boats. They had a good number of 2 and 4 person boats. The boats were all clean and in great condition. There were plenty of life vests to accommodate everyone.



As we do in all of the markets where we have concessions, we will give back to the community in significant ways. We will distribute \$5,000 annually in free passes to support residents who are disadvantaged and might not otherwise have the opportunity to enjoy time on the lagoon.



**Underprivileged Youth**

Wheel Fun Rentals supports Big Brothers Big Sisters by offering free rentals to the volunteers and the underprivileged children they mentor. This program, named "Biking & Boating Buddies," was founded in 2006 and has continued to grow. For twelve years, we have offered free rental use to tens of thousands of Big Brothers Big Sisters matches across the nation.



What began as an idea to provide a fun outdoor activity for matches to enjoy together, has grown into a nationwide program, supporting 22 Big Brothers Big Sisters chapters across the United States. The chapters we support provide volunteer mentors to more than 16,000 underprivileged children. The Biking Buddies program is in place to ensure that those volunteers always have something fun, fit, and free to do with the children they mentor.

**LONG BEACH GREEN BUSINESS CERTIFICATION**

We were green long before it was popular, and offering wholesome environmentally-friendly recreation is a huge part of our mission. We hold a Green Business Certification in the City of Long Beach for the bike rental business we conduct at Shoreline Village.



HELPING TO MAKE  
LONG BEACH A MORE  
SUSTAINABLE COMMUNITY

## 4.11.5 Marketing Plan

### MARKETING PLAN

#### Marketing Overview

We will establish and increase a strong customer base through the use of marketing and advertising tools and community outreach.

We are successful at all our locations because we market not only to current visitors and passersby, but we also spend a good amount of time and resources in expanding our reach to draw more people to the park.

Our overall marketing strategy consists of a variety of promotional channels. We do everything from traditional print advertising to creative media outreach. We partner with local publications and other companies to publish newspaper/magazine ads, direct mailers, brochures, coupons, social media interactions, daily deal flash sales, interactive web pages, blogs, press releases, search engine optimization, Google & Bing Places, and so much more!

#### Local Marketing & Cross Promotion

In addition to our expansive outreach above, we also find extreme value in small community news-letters, partnerships with local non-profits & schools, relationships with local businesses, and we even offer a frequent renter discount to locals.

We would also utilize our established Shoreline Village bike rental location (across the street) to promote the swan boats at Rainbow Lagoon.

#### Print Advertisements

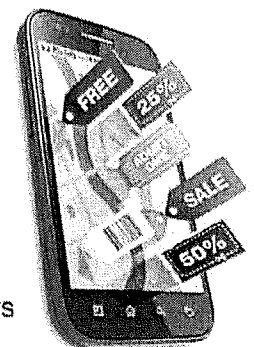
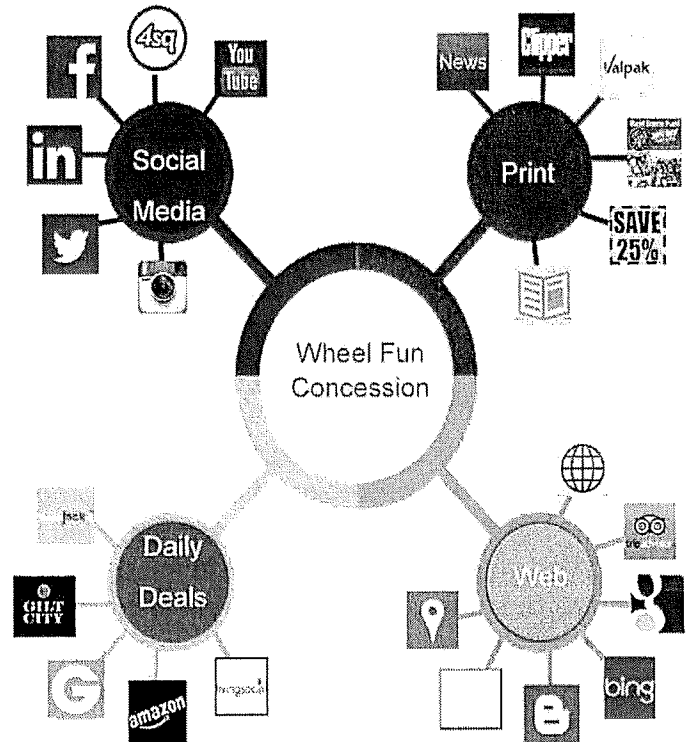
While we pride ourselves in being creative in our marketing efforts, there is no replacement to great print ads. Our print advertisements can be found in newspapers, magazines, mailers, maps, and other tourist, family, recreation, and entertainment publications.

#### Mobile Marketing & Web Ads

In today's market many people have said goodbye to paper and embrace digital media, for that reason we also make sure to promote our recreational rentals, lessons, and tours in online banner ads, and mobile apps.

#### Social Media

We utilize a variety of social media platforms to help spread the word and link to others in the community, including Facebook, Instagram, YouTube, Twitter, and more to post photos and videos, announce events, host contests, and give-a-ways. This also allows us to directly link to our local partners and help promote their causes as well.



**Signage**

Wheel Fun Rentals displays a variety of signage at each of our locations. Our signage includes rental rates, menu boards, rental guidelines, instructional and interpretive signs, flutter flags, lifestyle images, and more. We recognize that each park has different needs and regulations, so we will work closely with the city of Long Beach to determine the best signage variety for the area.

**Website**

Wheel Fun Rentals creates a customized webpage relaying hours of operations, rental rates, menu, full reservation capabilities, FAQ, videos, and other concession information. Additional pages and tabs are created to promote other special offerings including group events, tours, and much more. Our web pages are not only user friendly, but they are built to promote our partners by hyper-linking to the park's page, to city pages, as well as any other concessions within the park. We have launched an entirely new updated website that is mobile friendly and can be translated in any language.

**Search Engine Optimization**

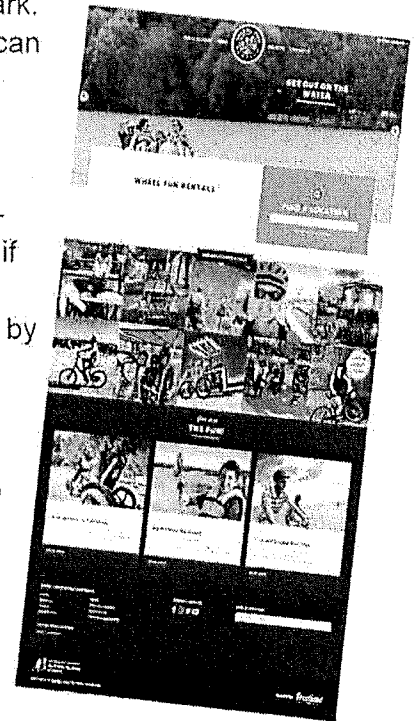
We invest a great amount of time and energy into Search Engine Optimization - the ranking of our web page in a search engine's search results. For example, if a customer were to search "Pedal Bpat Rentals Long Beach", we'd strive to ensure we always come up at the top of the first page in the results. We do this by optimizing our website, editing content, HTML, meta-tags, associated coding, and keywords. We also promote our website with hundreds of inbound links on 3rd party websites like blogs, Google Places, Bing Places, Trip Advisor, Yelp, Yellow Pages, and web publications like TravelWeekly.com, ABNewsWire.com, Ask.com, NewsUniverse.com, and many more.

**Brochures, Coupons and Local Publications**

In addition to the brightly colored rack cards for distribution at local visitors centers, kiosks, hotels and restaurants, Wheel Fun Rentals frequently patronizes local publications.

**Annual Pass Program**

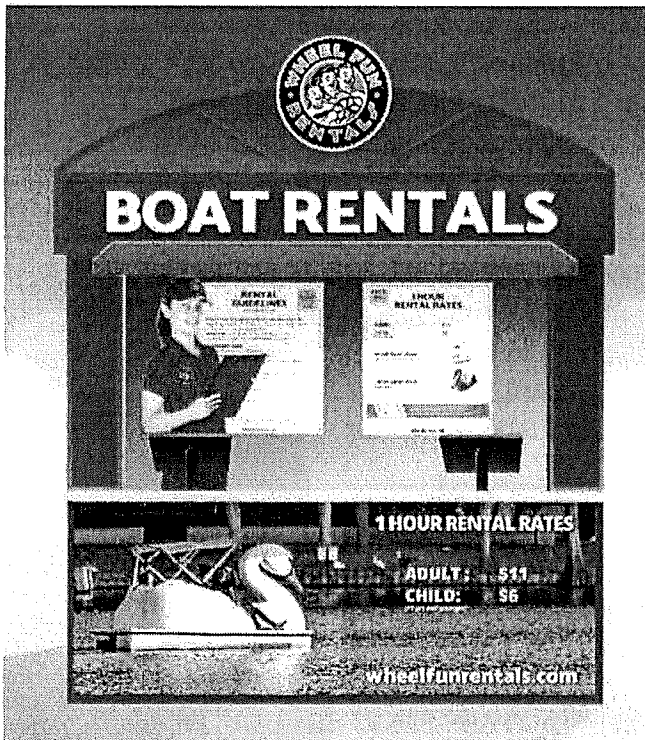
To add an extra element of value, encourage frequent visitation and help more people to enjoy outdoor family activity we will offer our Annual Pass program. For a nominal fee (\$12), customers can purchase a multi-use annual pass enabling them to receive 50% off rentals for one year, good at all Wheel Fun Rentals locations nationwide! This program allows guests the opportunity to come back on a regular basis and try various bikes and watercraft. Rent a boat at Rainbow Lagoon, or a boat or bike at any one of over 50 locations across Southern California or elsewhere across the country at 50% off for an entire year!



Proud Member of the Long Beach Convention and Visitors Bureau since 2000

## 4.11.6

# Design Concept - Rainbow Lagoon Swan Boats



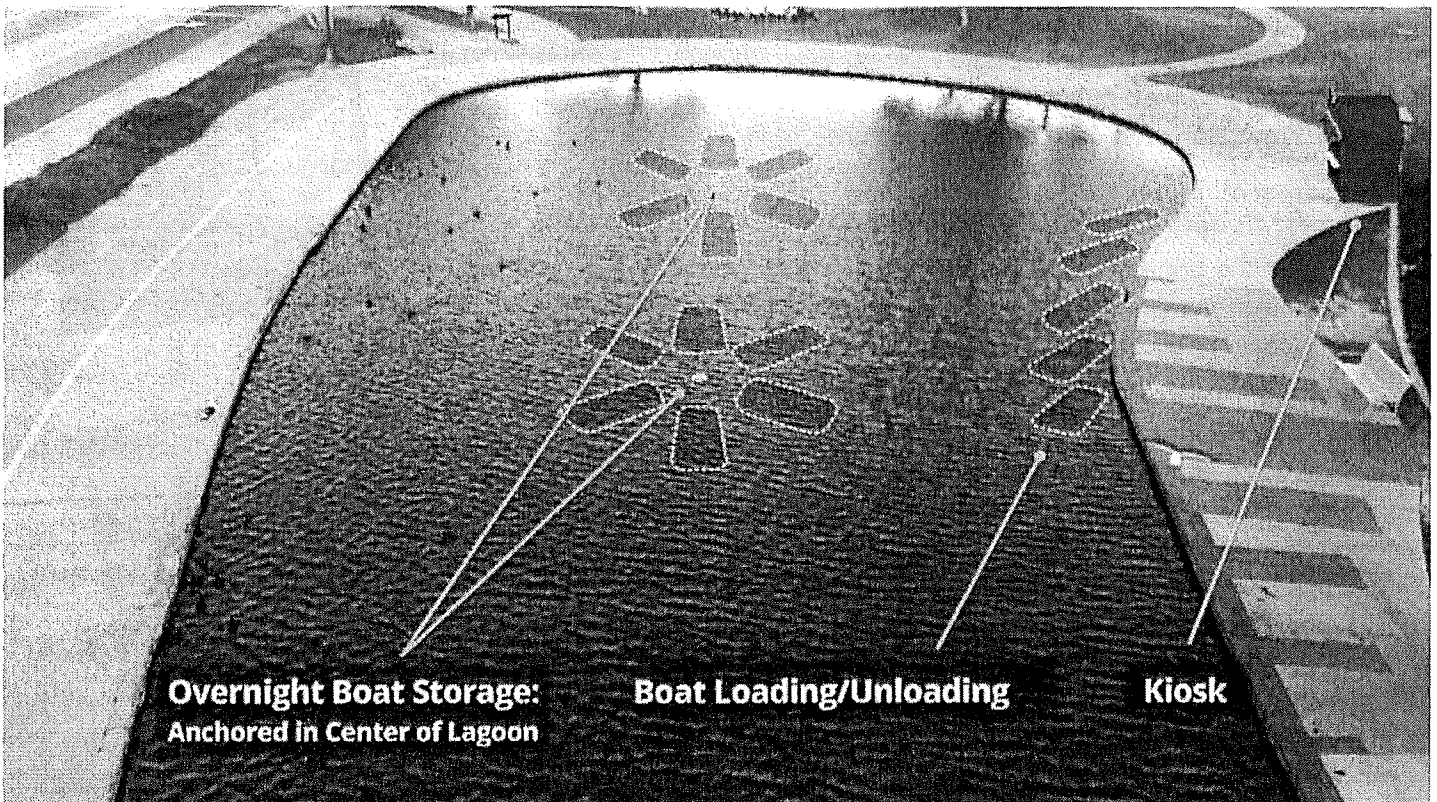
### KIOSK

We propose to place a brand new 8' x 8' custom-made kiosk in the same spot the previous boat rental concessionaire had a kiosk. Our kiosks are modern, secure, and have an upscale esthetic. It will feature molded columns, designer radius roof, awning, di-cut "Boat Rentals" sign and a Wheel Fun Rentals logo sign. The side and front will have complementing lifestyle images.

As we do in many locations, we will operate using solar power.

We understand all signage must be approved by the City of Long Beach.

### SCHEMATIC



We propose to keep the kiosk in the same location as the previous boat concessionaire at Rainbow Lagoon. As explained above, our kiosk is more substantial in size, modern, and exudes an upscale feel. As we do in many other parks around the country, the boats would be stored overnight in clusters anchored to the center of the lagoon. Each morning at opening they would be pulled over to the loading area as depicted above.



## RENDERING



### Why Swan Boats?

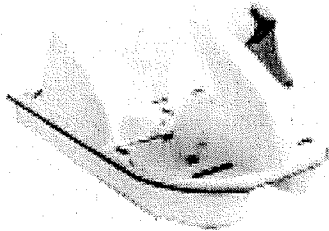
The swan boats are an iconic piece of American history; visitors can practically replicate the beloved rides they took in their own childhoods. Sharing those memories with the young ones makes for an even more special voyage.

100% of the public that have ridden our swan boats love them! In fact, we've seen a significant increase in demand at all of our locations after bringing in the swans. Swan boats are not only fun, and efficient to pedal, but they celebrate the local flora and fauna that can be found in many southern California lakes and lagoons; and overall, make the boating experience much more Disneyesque.

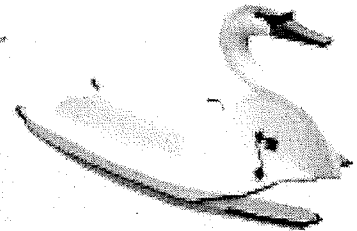
Note: currently one of the bridges in Rainbow Lagoon has been removed which appears permanent to us. It will be necessary to have access to the entire lagoon, so we would require that at least one bridge space remains without a bridge.

# 4.11.7 Menu Concepts - Pricing

## PROPOSED HOURLY RENTAL RATES



Adult: \$11/hr  
 Child (17 yrs & under): \$6/hr




All swan boats have shade canopies installed - not shown

Rates would match all of our existing Los Angeles City Park pedal boat concession locations. Pricing is by the hour, \$11 an hour for adults, and \$6 an hour per child.

We do offer a discount Annual Pass Program where customers can opt in for \$12 (in addition to their first full priced rental). As a pass member, they will receive 50% off all rentals for one year. The pass is valid at over 65 locations nationwide including all southern California Locations.

Sample Kiosk Rental Rate Sign


**FREE**  
SAFETY EQUIPMENT




**1 HOUR RENTAL RATES**

**Adult:** \$11  
**Child:** \$6  
(17 yrs. & under)

**Small Swan Boat**  
(2 Adults and 2 Children under 14 yrs old)





**Large Swan Boat**  
(Up to 5 People)



Sample Sidewalk Sign

**BOAT RENTALS**

**1 HOUR RENTAL**  
**Adults: \$11 Kids: \$6**  
 Open 7 days a week: 9am - Sunset

Included with Every Rental

- Choice of boat
- Life Jackets required for all riders
- Detailed Safety & Riding Instructions

**Attachment A**

**CERTIFICATION OF COMPLIANCE WITH  
TERMS AND CONDITIONS OF RFP**

I have read, understand and agree to comply with the terms and conditions specified in this Request for Proposal. Any exceptions **MUST** be documented.

SIGNATURE  \_\_\_\_\_

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

**EXCEPTION SUMMARY FORM**

<b>RFP SECTION NUMBER</b>	<b>RFP PAGE NUMBER</b>	<b>EXCEPTION (PROVIDE A DETAILED EXPLANATION)</b>

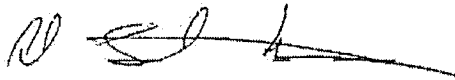


**Attachment C****Statement of Non-collusion**

The proposal is submitted as a firm and fixed request valid and open for 90 days from the submission deadline.

This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the Contractor has not directly or indirectly induced or solicited any other Contractor to put in a sham proposal and the Contractor has not in any manner sought by collusion to secure for himself or herself an advantage over any other Contractor.

In addition, this organization and its members are not now and will not in the future be engaged in any activity resulting in a conflict of interest, real or apparent, in the selection, award, or administration of a subcontract.



5/3/2019

---

Authorized signature and date

Al Stonehouse, President

---

Print Name & Title

**Attachment D**

**Debarment, Suspension, Ineligibility and Voluntary Exclusion Certification**

*Please read Acceptance of Certification and Instructions for Certification before completing*

As a current or potential vendor for the City of Long Beach (City) your firm, through its business relationship with the City, may be the recipient of federal grant funds. As such, the City is required to document that neither your business entity or organization, nor any of your principals are debarred, suspended, ineligible, or have voluntarily been excluded from receiving federal grant funds. Consistent with Executive Order No. 12549 Title 2 CFR Part 180 Subpart C, all potential recipients of federal grant funds are required to comply with the requirements specified below. By submission of proposal/bid/agreement, the undersigned, under penalty of perjury, certifies that the participant, nor any of its principals in the capacity of owner, director, partner, officer, manager, or other person with substantial influence in the development or outcome of a covered transaction, whether or not employed by the participant:

- Are not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal department or agency;
- Have not, within a three (3) year period preceding this bid/agreement/proposal, been suspended, debarred, voluntarily excluded or declared ineligible by a federal agency;
- Do not presently have a proposed debarment proceeding pending;
- Have not, within a three (3) year period preceding this bid/agreement/proposal, been indicted or convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct;
- Have not, within a three (3) year period preceding this bid/agreement/proposal, had one or more public transactions (Federal, State, or local) terminated for cause or default.

If reorganization, management turnover, or a shift or change of principals' status occurs, written notice must be submitted within 21 days. Subsequent disclosure of unfavorable information will be subject to thorough review and remedial action. Updated versions of this certification may be requested on a routine basis.

Where the potential prospective recipient of Federal assistance funds is unable to certify to any of the statement in this certification, such prospective participant shall attach an explanation to the applicable bid/agreement/proposal.

Freetime Inc. dba Wheel Fun Rentals

Business/Contractor/Agency

Al Stonehouse

President

Name of Authorized Representative

Title of Authorized Representative



5/3/2019

Signature of Authorized Representative

Date

726141001

Form **W-9**  
(Rev. October 2018)  
Department of the Treasury  
Internal Revenue Service

**Request for Taxpayer  
Identification Number and Certification**

Give Form to the  
requester. Do not  
send to the IRS.

► Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.  
**Freetime Inc.**

2 Business name/disregarded entity name, if different from above  
**Wheel Fun Rentals**

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

Individual/sole proprietor or single-member LLC

C Corporation

S Corporation

Partnership

Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► \_\_\_\_\_

**Note:** Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ► \_\_\_\_\_

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) \_\_\_\_\_

Exemption from FATCA reporting code (if any) \_\_\_\_\_

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.). See instructions.  
**4526 Telephone Rd. #202**

6 City, state, and ZIP code  
**Ventura CA 93003**

7 List account number(s) here (optional)

Requester's name and address (optional)

Print or type.  
See Specific Instructions on page 3.

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

						-			-					
--	--	--	--	--	--	---	--	--	---	--	--	--	--	--

or

Employer identification number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding; or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ► 

Date ► 5/3/19

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
  - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
  - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
  - Form 1099-S (proceeds from real estate transactions)
  - Form 1099-K (merchant card and third party network transactions)
  - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
  - Form 1099-C (canceled debt)
  - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

# 4.11.12 Secretary of State Registration Printout

ATTACHMENT - F

5/2/2019

Results Detail

## Results Detail

Last statement filed on: 12/21/2018

Corporation		
FREETIME, INC.		
Number: C2151558	Incorporation Date: 12/7/1999	Status: Active
Jurisdiction: CA	Type: Domestic Stock	
Address		
4526 TELEPHONE RD. #202, VENTURA, CA 93003		
Agent For Service Of Process		
AL STONEHOUSE 4526 TELEPHONE RD. #202, VENTURA, CA 93003		

Please review this information to determine if you have located the correct corporation. The corporation is not yet due to file the required statement; therefore, this filing must be filed either by mail or at our public counter in Sacramento. Refer to [Statement of Information for the forms and instructions](#).

[Search Results](#)

[New Search](#)

## ATTACHMENT - G

## EQUAL BENEFITS ORDINANCE DISCLOSURE

As a condition of being awarded a contract with the City of Long Beach ("City"), the selected Contractor/Vendor ("Contractor") may be required during the performance of the Contract, to comply with the City's nondiscrimination provisions of the Equal Benefits Ordinance ("EBO") set forth in the Long Beach Municipal Code section 2.73 et seq. The EBO requires that during the performance of the contract, the Contractor shall provide equal benefits to its employees with spouses and employees with domestic partners. Benefits include but are not limited to, health benefits, bereavement leave, family medical leave membership and membership discounts, moving expenses, retirement benefits and travel benefits. A cash equivalent payment is permitted if an employer has made all reasonable efforts to provide domestic partners with access to benefits but is unable to do so. A situation in which a cash equivalent payment might be used if where the employer has difficulty finding an insurance provider that is willing to provide domestic partner benefits.

The EBO is applicable to the following employers.

- For-profit employers that have a contract with the City for the purchase of goods, services, public works or improvements and other construction projects in the amount of \$100,000 or more
- For-profit entities that generate \$350,000 or more in annual gross receipts leasing City property pursuant to a written agreement for a term exceeding 29 days in any calendar year

Contractors who are subject to the EBO must certify to the City before execution of the contract that they are in compliance with the EBO by completing the EBO Certification Form, attached, or that they have been issued a waiver by the City. Contractors must also allow authorized City representatives access to records so the City can verify compliance with the EBO.

The EBO includes provisions that address difficulties associated with implementing procedures to comply with the EBO. Contractors can delay implementation of procedures to comply with the EBO in the following circumstances:

- 1) By the first effective date after the first open enrollment process following the contract start date, not to exceed two years, if the Contractor/vendor submits evidence of taking reasonable measures to comply with the EBO; or
- 2) At such time that the administrative steps can be taken to incorporate nondiscrimination in benefits in the Contractor/vendor's infrastructure, not to exceed three months, or
- 3) Upon expiration of the contractor's current collective bargaining agreement(s)

Compliance with the EBO

**ATTACHMENT - G**

If a contractor has not received a waiver from complying with the EBO and the timeframe within which it can delay implementation has expired but it has failed to comply with the EBO, the Contractor may be deemed to be in material breach of the Contract. In the event of a material breach, the City may cancel, terminate or suspend the City agreement, in whole or in part. The City also may deem the Contractor an irresponsible bidder and disqualify the Contractor from contracting with the City for a period of three years. In addition, the City may assess liquidated damages against the Contractor which may be deducted from money otherwise due the Contractor. The City may also pursue any other remedies available at law or in equity.

By my signature below, I acknowledge that the Contractor understands that to the extent it is subject to the provisions of the Long Beach Municipal Code section 2.73, the Contractor shall comply with this provision.

Printed Name Al Stonehouse Title President


Signature:  Date 5/3/2019

Business Entity Name: Freetime Inc. dba Wheel Fun Rentals

ATTACHMENT - G

EQUAL BENEFITS ORDINANCE  
CERTIFICATION OF COMPLIANCE

Section 1. CONTRACTOR/VENDOR INFORMATION

Name: Freetime Inc. dba Wheel Fun Rentals Federal Tax ID No.   
Address: 4526 Telephone Rd. #202  
City: Ventura State: CA ZIP: 93003  
Contact Person: Al Stonehouse Telephone: 805-650-7770  
Email: astonehouse@wheelfunrentals.com Fax: 805-650-7771

Section 2. COMPLIANCE QUESTIONS

- A. The EBO is inapplicable to this Contract because the Contractor/Vendor has no employees.        Yes   x   No
- B. Does your company provide (or make available at the employees' expense) any employee benefits?   x   Yes        No  
(If "yes," proceed to Question C. If "no," proceed to section 5, as the EBO does not apply to you.)
- C. Does your company provide (or make available at the employees' expense) any benefits to the spouse of an employee?  
  x   Yes        No
- D. Does your company provide (or make available at the employees' expense) any benefits to the domestic partner of an employee?  
  x   Yes        No (If you answered "no" to both questions C and D, proceed to section 5, as the EBO is not applicable to this contract. If you answered "yes" to both Questions C and D, please continue to Question E. If you answered "yes" to Question C and "no" to Question D, please continue to section 3.)
- E. Are the benefits that are available to the spouse of an employee identical to the benefits that are available to the domestic partner of an employee?  
  x   Yes        No  
(If "yes," proceed to section 4, as you are in compliance with the EBO. If "no," continue to section 3.)



**ATTACHMENT - G**

Section 3. PROVISIONAL COMPLIANCE

A. Contractor/vendor is not in compliance with the EBO now but will comply by the following date:

\_\_\_\_\_ By the first effective date after the first open enrollment process following the contract start date, not to exceed two years, if the Contractor/vendor submits evidence of taking reasonable measures to comply with the EBO; or

\_\_\_\_\_ At such time that the administrative steps can be taken to incorporate nondiscrimination in benefits in the Contractor/vendor's infrastructure, not to exceed three months; or

\_\_\_\_\_ Upon expiration of the contractor's current collective bargaining agreement(s)

B. If you have taken all reasonable measures to comply with the EBO but are unable to do so, do you agree to provide employees with a cash equivalent? (The cash equivalent is the amount of money your company pays for spousal benefits that are unavailable for domestic partners.)  
\_\_\_\_ Yes \_\_\_\_ No

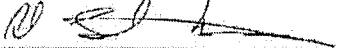
Section 4. REQUIRED DOCUMENTATION

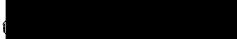
At time of issuance of purchase order or contract award, you may be required by the City to provide documentation (copy of employee handbook, eligibility statement from your plans insurance provider statement, etc ) to verify that you do not discriminate in the provision of benefits.

Section 5. CERTIFICATION

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that I am authorized to bind this entity contractually. By signing this certification, I further agree to comply with all additional obligations of the Equal Benefits Ordinance that are set forth in the Long Beach Municipal Code and in the terms of the contract of purchase order with the City.

Executed this 5 day of 3 2019, at 3:06 pm

Name Al Stonehouse Signature 

Title President Federal Tax ID No. 



City of Long Beach

Department of Financial Management  
Purchasing Division  
333 W Ocean Blvd. 7<sup>th</sup> floor, Long Beach, California 90802  
p 562.570.6200

January 31, 2019

**NOTICE TO PROPOSERS**

**ADDENDUM NO. 1: Pre-Bid Meeting NOT Mandatory**

**RFP No. PW19-018**

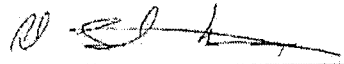
**Concessions and Rental Opportunities at the Beach**

This addendum changes and supersedes the language in the original RFP. Please acknowledge receipt of this addendum by signing and submitting with your proposals. Any proposer who fails to submit this addendum may be disqualified.

- **The Feb. 7, 2019 pre-bid meeting is NOT Mandatory**
- **Updated Pro Forma issued January 31, 2019 is attached**

PREPARED BY: Carlos Peres, Buyer I

ACKNOWLEDGED BY: Wheel Fun Rentals  
 Company Name

<u>Al Stonehouse</u>	<u>President</u>
Print Name	Title
<u></u>	<u>5/3/2019</u>
Signature	Date

SIGN IN SHEET

City of Long Beach  
Public Works - Project Management Division

Non-Mandatory Pre-Proposal Conference for  
RFP PW19-018 Concessions and Rentals Opportunities at the Beach  
February 7, 2019  
Locations: Alamitos Beach, Junipero, Granada, Bayshore and Mother's Beach

PRINT NAME	SIGNATURE	COMPANY / CONTRACTOR	PHONE #	EMAIL
1. Luis Barbera		W-Lu Corp	714-367-3777	Lbarbera@yahoo.com
2. Jeff Bower		Maximus Group	760-484-3054	JBower@CalParks.com
3. Erin Kelly		Pedal Movement	562-522-6751	ERKelly@pedal-movement.com
4. JOHN TUCCI		PEDAL MOVEMENT	562-234-3271	JD TUCCI@PEDALMOVEMENT.COM
5. BRAD FAUKENSTEIN		HofenBlange Cruises	310-341-6000	BRADFAUKENSTEIN@HOFENBLANGE.COM
6. Marshall Pike		Urban Park Concessions	530-949-9451	mpp@calparks.co.com
7. John Edward		Ek-Switch	562-214-3847	JohnE@Ek-Switch.com
8.				



City of Long Beach

Department of Financial Management  
Purchasing Division  
333 W Ocean Blvd, 7<sup>th</sup> floor, Long Beach, California 90802  
p 562.570.6200

February 14, 2019

**NOTICE TO PROPOSERS**

**ADDENDUM NO. 3: Revised Timeline**

**RFP No. PW19-018  
Concessions and Rental Opportunities at the Beach**

This addendum changes and supersedes the language in the original RFP. Please acknowledge receipt of this addendum by signing and submitting with your proposals. Any proposer who fails to submit this addendum may be disqualified.

- The Question submission deadline has been extended to Thursday, March 21, 2019, at 4:00 PM
- The Answers posted deadline has been extended to April 4, 2019, at 4:00 PM
- The RFP deadline has been extended to May 2, 2019, at 11:00 AM
- The additional deadlines have been shifted as follows:

REVISED TIMELINE	
Proposal Evaluation Period:	May - June 2019
Panel Interviews Completed:	June 2019
Notice of Award/s:	August 2019

PREPARED BY: Carlos Peres, Buyer I

ACKNOWLEDGED BY: Wheel Fun Rentals

Company Name

Al Stonehouse

Print Name

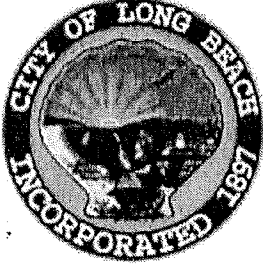
Signature

President

Title

5/3/2019

Date



City of Long Beach

Department of Financial Management  
Purchasing Division  
333 W Ocean Blvd. 7<sup>th</sup> floor, Long Beach, California 90802  
p 562.570.6200

April 18, 2019

NOTICE TO PROPOSERS

ADDENDUM NO. 4: Q & A

**RFP No. PW19-018  
Concessions and Rentals Opportunities at the Beach**

**This addendum changes and supersedes the language in the original RFP. Please acknowledge receipt of this addendum by signing and submitting with your proposals. Any proposer who fails to submit this addendum may be disqualified.**

The City would like to remind Proposers that pursuant to Section 4.1.1 of the RFP, the City will not be responsible for or bound by (1) any oral communication or (2) any other information or contact that occurs outside the official communication process specified in the RFP, unless confirmed in writing by the City Contact or Alternate City Contact.

**The City would like to provide the following changes:**

- Section 4.2 RFP Timeline has been updated with:

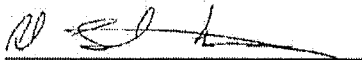
"Deadline for submission of proposals...05/16/19 by 11:00 AM"

PREPARED BY: Tommy Ryan, Buyer I

ACKNOWLEDGED BY: Wheel Fun Rentals  
Company Name

Al Stonehouse  
Print Name

President  
Title

  
Signature

5/3/2019  
Date



City of Long Beach

Department of Financial Management  
Purchasing Division  
333 W Ocean Blvd. 7<sup>th</sup> floor, Long Beach, California 90802  
p.562.570.6200

April 22, 2019

**NOTICE TO PROPOSERS  
ADDENDUM NO. 5: Q & A**

**RFP No. PW19-018  
Concessions and Rentals Opportunities at the Beach**

**This addendum changes and supersedes the language in the original RFP. Please acknowledge receipt of this addendum by signing and submitting with your proposals. Any proposer who fails to submit this addendum may be disqualified.**

The City would like to remind Proposers that pursuant to Section 4.1.1 of the RFP, the City will not be responsible for or bound by (1) any oral communication or (2) any other information or contact that occurs outside the official communication process specified in the RFP, unless confirmed in writing by the City Contact or Alternate City Contact.

**The questions and answers are as follows:**

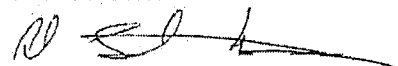
1. **Q:** Regarding the rental concession at Alamitos Beach – The RFP data shows storage space for recreational rentals to be 470 square feet. Is it possible to expand beyond 470 square feet or have additional portable storage?

**A:** The sites as shown in the RFP have been permitted through the appropriate agencies. Any additional expansion would be the Contractor’s responsibility for permitting through the regulatory agencies.

PREPARED BY: Tommy Ryan, Buyer I

ACKNOWLEDGED BY: Wheel Fun Rentals  
Company Name

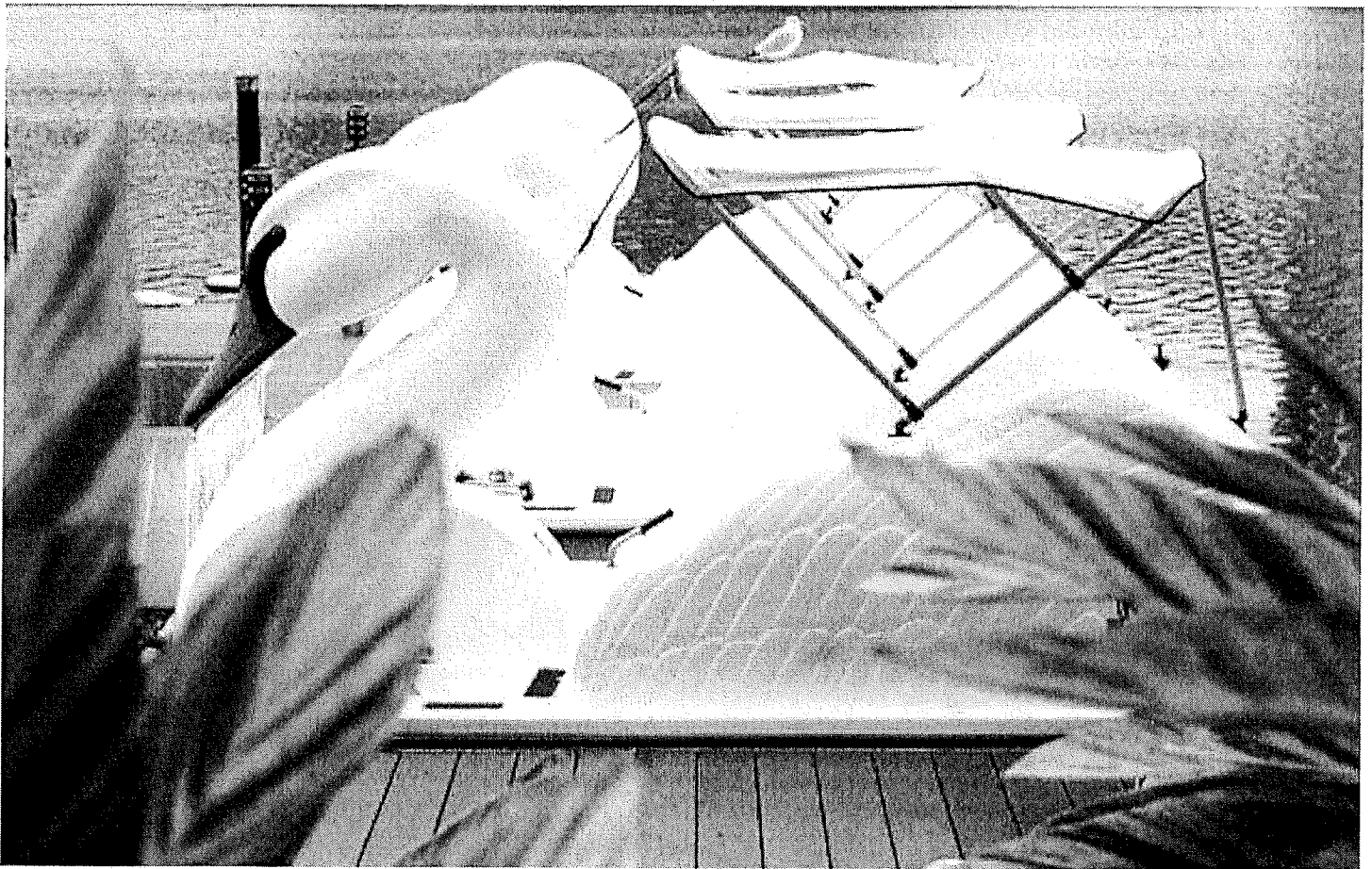
Al Stonehouse  
Print Name

  
Signature

President  
Title

5/3/2019  
Date

We thank you for taking the time to review our proposal. We are dedicated to recreation and excellence in customer service. As a company it is our entire focus, it's all we do at 100+ locations nationwide. We provide high-quality and safe rental and tour equipment at competitive prices, an enhanced visitor experience, and a true passion for promoting and preserving the natural and cultural resources of the area. With our expertise and proven track record, we are confident we can execute, at a very high-level, everything called for in the RFP and bring something special to Rainbow Lagoon and the City of Long Beach.



Wheel Fun Rentals Inc.  
4526 Telephone Rd. Ventura, CA 93003  
805-650-7770 [www.WheelFunRentals.com](http://www.WheelFunRentals.com)





**TABLE OF CONTENTS -  
PACKAGE 2 (COST PROPOSAL)**

4.12.1 Financial Offer Form ..... 2

4.12.2 Capital Investment Form ..... 3

4.12.3 Financial Pro formal Spreadsheet Forms .....4-8



ATTACHMENT H

FINANCIAL OFFER FORM

(Submit in Package 2 of Proposal)

Provide multiple sheets as needed to clearly outline the proposed strategy and concessions being proposed on. A single sheet can be submitted if the same offer is carried across all proposed locations.

Upfront Financial Contribution:

Proposer shall make a onetime upfront monetary contribution towards the core and shell project and/or surrounding area at the time of lease execution in the amount of: \$ \$00

AND/OR

Proposer shall in Year One of this Concession Agreement and each year thereafter pay to the City a Minimum Annual Guarantee (MAG) of: \$ \$80,000

AND/OR

Proposer shall in Year One of this Concession Agreement and each year thereafter pay to the City a percentage of gross receipts (PGR) of: 18 %

MAG of \$80,000, or 18%, whichever is greater

Prepared By:

[Signature] (Authorized Signature)

Al Stonehouse (Print Name)

Freetime Inc. dba Wheel Fun Rentals (Company Name)

President (Title)

Date: 5/3/2019

Note:

We understand the city may proceed to re-envision the Rainbow Lagoon property which may lead to construction and possibly elimination of the lagoon down the road. We are prepared to be flexible with the contract term and would agree to a clause suspending or ending the concession agreement with 60 days notice.

ATTACHMENT I

CAPITAL INVESTMENT OFFER FORM

(Submit in Package 2 of Proposal)

Proposer MUST submit a separate sheet for each location being proposed.

Location: Rainbow Lagoon

1. Proposed Capital Investment for Leasehold Improvements \$ 00

(EXCLUSIVE OF ARCHITECTURAL, ENGINEERING, AND IN-HOUSE FEES)

Description

As shown in our proposal, we will install a very upscale sales kiosk, however since there is no building on the site, there will be no leasehold improvements.

2. Proposed Capital Investment for Furniture, Fixtures, and Equipment \$ 227,500

(EXCLUSIVE OF ARCHITECTURAL, ENGINEERING, AND IN-HOUSE FEES)

Description

Swan boat rental fleet, sales kiosk, miscellaneous start up costs, fixtures and equipment.

3. Architectural, engineering, and in-house fees \$ 00

Total Capital Investment Commitment (add 1 + 2 + 3 above) = \$ 227,500

Total Mid-term Refurbishment Commitment Fleet refurbished annually \$ 00

Source of Funds:

Prepared by: [Signature]

Date: 5/3/19

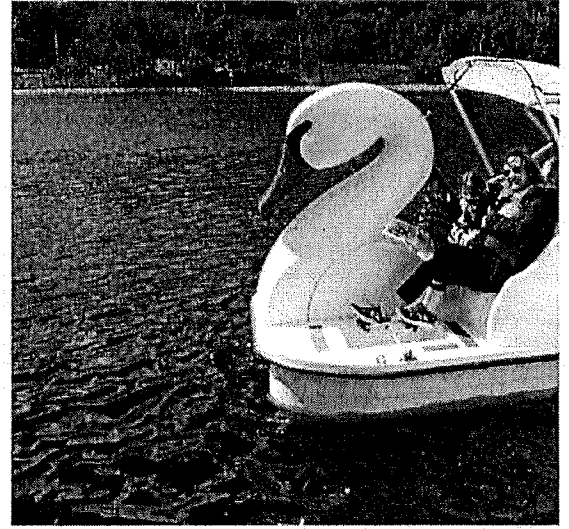
# 4.12.3

# Financial Pro Forma Spreadsheet Form

## PROJECTED 10-YEAR PRO-FORMA

FINANCIAL PRO FORMA ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rainbow Lagoon Pro Forma Boat Rentals	\$500,000	\$550,000	\$575,000	\$600,000	\$625,000	\$650,000	\$675,000	\$700,000	\$725,000	\$750,000
<b>Total Gross Sales</b>	\$500,000	\$550,000	\$575,000	\$600,000	\$625,000	\$650,000	\$675,000	\$700,000	\$725,000	\$750,000
<b>OPERATING EXPENSES</b>										
Salaries & Payroll Related	\$150,000	\$165,000	\$179,850	\$194,238	\$200,065	\$206,067	\$212,249	\$218,617	\$225,175	\$231,950
Administrative & Overhead	\$20,000	\$22,000	\$23,000	\$24,000	\$25,000	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000
Taxes & Licenses (other than sales income)	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Insurance	\$19,950	\$21,945	\$23,185	\$24,410	\$25,352	\$26,300	\$27,254	\$28,214	\$29,181	\$30,154
Marketing, Advertising, Trade Shows	\$25,000	\$27,500	\$28,750	\$30,000	\$31,250	\$32,500	\$33,750	\$35,000	\$36,250	\$37,500
Fleet & Facilities Improvements, Maint. & Repairs	\$45,000	\$5,500	\$5,750	\$6,000	\$6,250	\$6,500	\$6,750	\$7,000	\$7,250	\$7,500
Information Technology	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950
Telephone/Internet	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Minimum Guaranteed Fee	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Add'l License Fee (18% or Minimum Fee whichever is greater)	\$10,000	\$19,000	\$23,500	\$28,000	\$32,500	\$37,000	\$41,500	\$46,000	\$50,500	\$55,000
Start up Costs	\$45,000									
Parts	\$17,500	\$19,250	\$20,125	\$21,000	\$21,875	\$22,750	\$23,625	\$24,500	\$25,375	\$26,250
Depreciation	\$36,500	\$36,500	\$36,500	\$36,500	\$36,500	\$0	\$0	\$0	\$0	\$0
Credit Card Fees	\$10,000	\$11,000	\$11,500	\$12,000	\$12,500	\$13,000	\$13,500	\$14,000	\$14,500	\$15,000
Misc (Supplies)	\$2,500	\$2,750	\$2,875	\$3,000	\$3,125	\$3,250	\$3,375	\$3,500	\$3,625	\$3,750
<b>Net Income</b>	<b>\$34,300</b>	<b>\$135,305</b>	<b>\$135,715</b>	<b>\$136,602</b>	<b>\$146,333</b>	<b>\$192,383</b>	<b>\$201,747</b>	<b>\$210,919</b>	<b>\$219,894</b>	<b>\$228,666</b>

Reflects rent/concession fee and parts expense, not shown on the PRO FORMA FINANCIAL STATEMENT SUBMITTAL FORM



**4.12.3 Financial Statements**

**FORCAST 1ST YEAR**

**PRO FORMA FINANCIAL STATEMENT SUBMITTAL FORM  
YEAR 1 FORECAST**

PROPOSER: Wheel Fun Rentals

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR 1 TOTAL
<b>SALES</b>													
Food													\$ -
Bar													\$ -
Wine													\$ -
Beer													\$ -
<b>TOTAL BAR SALES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL INCOME</b>	\$25,000.00	\$25,000.00	\$30,000.00	\$40,000.00	\$45,000.00	\$60,000.00	\$80,000.00	\$65,000.00	\$40,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$ 500,000.00
<b>COST OF GOODS</b>													
Cost of Food													\$ -
Cost of Bar													\$ -
Wine													\$ -
Beer													\$ -
<b>Total Cost of Bar</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL COST OF GOODS</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>GROSS PROFIT FROM SALES</b>	\$ 25,000.00	\$ 25,000.00	\$ 30,000.00	\$ 40,000.00	\$ 45,000.00	\$ 60,000.00	\$ 80,000.00	\$ 65,000.00	\$ 40,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 500,000.00
<b>OPERATING EXPENSES</b>													
Wage Expense	\$ 7,500.00	\$ 7,500.00	\$ 9,000.00	\$ 11,000.00	\$ 12,000.00	\$ 14,000.00	\$ 16,000.00	\$ 14,000.00	\$ 11,000.00	\$ 8,000.00	\$ 7,500.00	\$ 7,500.00	\$ 125,000.00
<b>Total Wage Expense</b>	7,500.00	7,500.00	9,000.00	11,000.00	12,000.00	14,000.00	16,000.00	14,000.00	11,000.00	8,000.00	7,500.00	7,500.00	\$ 125,000.00
FICA	573.75	573.75	688.50	841.50	918.00	1,071.00	1,224.00	1,071.00	841.50	612.00	573.75	573.75	\$ 9,562.00
CA EDD	277.50	277.50	333.00	407.00	444.00	518.00	592.00	518.00	407.00	298.00	277.50	277.50	\$ 4,625.00
Worker's comp	337.50	337.50	405.00	495.00	540.00	630.00	720.00	630.00	495.00	360.00	337.50	337.50	\$ 5,625.00
Insurance and Benefits	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$ 3,000.00
<b>TOTAL LABOR EXPENSES</b>	\$8,938.75	\$8,938.75	\$10,676.50	\$12,993.50	\$14,152.00	\$16,469.00	\$18,786.00	\$16,469.00	\$12,993.50	\$9,518.00	\$8,938.75	\$8,938.75	\$ 147,812.00
<b>VARIABLE EXPENSES</b>													
Acctg/Legal	550.00	550.00	550.00	550.00	550.00	675.00	700.00	675.00	550.00	550.00	550.00	550.00	7,000.00
Cleaning & Paper Supplies	125.00	125.00	150.00	200.00	225.00	300.00	400.00	325.00	200.00	150.00	150.00	150.00	2,500.00
Credit Card Expense	500.00	500.00	600.00	800.00	900.00	1,200.00	1,600.00	1,300.00	800.00	600.00	600.00	600.00	10,000.00
Entertainment/Music													-
Equipment Rental													-
Floral Expendables													-
Laundry & Linens													-
Office Expense	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	20,000.00
Telephone	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	800.00
Trash Removal	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Utilities	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	750.00
Marketing	750.00	750.00	900.00	1,200.00	1,350.00	1,800.00	2,400.00	1,950.00	1,200.00	900.00	900.00	900.00	15,000.00
<b>TOTAL VARIABLE EXPENSES</b>	\$3,920.83	\$3,920.83	\$4,195.83	\$4,745.83	\$5,020.83	\$5,970.83	\$7,095.83	\$6,245.83	\$4,745.83	\$4,195.83	\$4,195.83	\$4,195.83	\$58,450.00
<b>FIXED EXPENSES</b>													
Insurance	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00
Licenses & Permits	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
Replacement Reserve													-
<b>TOTAL FIXED EXPENSES</b>	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$1,375.00	\$16,500.00
<b>OCCUPANCY EXPENSES (MAG)</b>													
Food													-
Alcohol													-
Special Events													-
<b>TOTAL MAG PAYMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL OPERATING EXPENSES</b>	\$14,234.58	\$14,234.58	\$16,247.33	\$19,114.33	\$20,547.83	\$23,814.83	\$27,256.83	\$24,089.83	\$19,114.33	\$15,088.83	\$14,509.58	\$14,509.58	\$222,762.00
<b>TOTAL NET INCOME</b>	\$ 10,765.42	\$ 10,765.42	\$ 13,752.67	\$ 20,885.67	\$ 24,452.17	\$ 36,185.17	\$ 52,743.17	\$ 40,910.17	\$ 20,885.67	\$ 14,911.17	\$ 15,490.42	\$ 15,490.42	\$277,237.00

\* Rent and parts expenses are not reflected in the above numbers, but are outlined in our supplemental forecast on previous page.

\* TOTAL ANNUAL NET INCOME \$277,237

FORCAST 10 YEARS

PRO FORMA FINANCIAL STATEMENT SUBMITTAL FORMS

10 YEAR FORECAST

PROPOSER: Wheel Fun Rentals

Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 10 YEAR TOTAL

SALES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 YEAR TOTAL
Food											\$0
Bar											\$0
Wine											\$0
Beer											\$0
Total Bar	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0

TOTAL INCOME	\$500,000.00	\$550,000.00	\$575,000.00	\$600,000.00	\$625,000.00	\$650,000.00	\$675,000.00	\$700,000.00	\$725,000.00	\$750,000.00	\$6,350,000.00
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	----------------

COST OF GOODS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 YEAR TOTAL
Cost of Food											\$ -
Cost of Bar											\$ -
Wine											\$ -
Beer											\$ -
Total Cost of Bar	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL COST OF GOODS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
---------------------	------	------	------	------	------	------	------	------	------	------	------

GROSS PROFIT FROM SALES	\$ 500,000.00	\$ 550,000.00	\$ 575,000.00	\$ 600,000.00	\$ 625,000.00	\$ 650,000.00	\$ 675,000.00	\$ 700,000.00	\$ 725,000.00	\$ 750,000.00	\$ 6,350,000.00
-------------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	-----------------

OPERATING EXPENSES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 YEAR TOTAL
Wage Expense	\$ 125,000.00	\$ 137,500.00	\$ 149,875.00	\$ 161,865.00	\$ 166,720.95	\$ 171,722.58	\$ 176,874.26	\$ 182,180.48	\$ 187,645.90	\$ 193,275.27	\$ 1,652,659.24
Total Wage Expense	125,000	137,500	149,875	161,865	166,721	171,723	176,874	182,180	187,646	193,275	1,652,659
FICA	9,582.50	10,518.75	11,465.44	12,382.67	12,754.15	13,136.78	13,530.88	13,936.81	14,354.91	14,785.56	126,428.44
CA EDD	4,625.00	5,087.50	5,548.38	5,989.01	6,168.68	6,353.74	6,544.35	6,740.68	6,942.90	7,151.19	61,148.44
Worker's comp.	5,625.00	6,187.50	6,744.38	7,283.93	7,502.44	7,727.52	7,959.34	8,198.12	8,444.07	8,697.39	74,369.44
Insurance and Benefits	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$30,000.00
TOTAL LABOR EXPENSES	\$147,812.50	\$162,293.75	\$176,830.19	\$190,520.60	\$196,146.22	\$201,940.61	\$207,908.63	\$214,056.09	\$220,387.77	\$226,909.41	\$1,944,605.12

VARIABLE EXPENSES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 YEAR TOTAL
Acctg/Legal	7,000.00	7,700.00	8,050.00	8,400.00	8,750.00	9,100.00	9,450.00	9,800.00	10,150.00	10,500.00	\$ 88,900.00
Cleaning & Paper Supplies	2,500.00	2,750.00	2,875.00	3,000.00	3,125.00	3,250.00	3,375.00	3,500.00	3,625.00	3,750.00	\$ 31,750.00
Credit Card Expense	10,000.00	11,000.00	11,500.00	12,000.00	12,500.00	13,000.00	13,500.00	14,000.00	14,500.00	15,000.00	\$ 127,000.00
Entertainment/Music											\$ -
Equipment Rental											\$ -
Floral, Expendables											\$ -
Laundry & Linens											\$ -
Office Expense	20,000.00	22,000.00	23,000.00	24,000.00	25,000.00	26,000.00	27,000.00	28,000.00	29,000.00	30,000.00	\$ 254,000.00
Telephone	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	\$ 8,000.00
Trash Removal	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	\$ 24,000.00
Utilities	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	\$ 7,500.00
Marketing	15,000.00	16,500.00	17,250.00	18,000.00	18,750.00	19,500.00	20,250.00	21,000.00	21,750.00	22,500.00	\$ 190,500.00
TOTAL VARIABLE EXPENSES	\$58,460.00	\$63,900.00	\$66,825.00	\$69,350.00	\$72,075.00	\$74,800.00	\$77,525.00	\$80,250.00	\$82,975.00	\$86,700.00	\$731,650.00

FIXED EXPENSES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 YEAR TOTAL
Insurance	15,000.00	16,500.00	17,250.00	18,000.00	18,750.00	19,500.00	20,250.00	21,000.00	21,750.00	22,500.00	\$ 190,500.00
Licenses & Permits	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	\$ 15,000.00
Replacement Reserve											\$ -
TOTAL FIXED EXPENSES	\$16,500.00	\$18,000.00	\$18,750.00	\$19,500.00	\$20,250.00	\$21,000.00	\$21,750.00	\$22,500.00	\$23,250.00	\$24,000.00	\$205,500.00

OCCUPANCY EXPENSES (MAG)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 YEAR TOTAL
Food											\$ -
Alcohol											\$ -
Special Events											\$ -
TOTAL MAG PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

DEBT AND TAX EXPENSES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 YEAR TOTAL
Debt											\$ -
Taxes											\$ -
Other											\$ -
TOTAL DEBT AND TAX EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

TOTAL OPERATING EXPENSES	\$222,762.50	\$244,193.75	\$262,005.19	\$279,370.60	\$288,471.22	\$297,740.61	\$307,183.83	\$316,808.09	\$326,612.77	\$336,609.41	\$2,881,756.12
--------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	----------------

\* TOTAL OPERATING EXPENSES - Rent and parts expenses are not reflected in these numbers, but are outlined in our supplemental forecast.

TOTAL ANNUAL NET PROFIT	\$277,237.50	\$305,806.25	\$312,994.81	\$320,629.40	\$336,528.78	\$362,259.39	\$387,816.17	\$383,193.91	\$398,387.23	\$413,390.59	\$3,468,244.00
-------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	----------------

\* TOTAL ANNUAL NET PROFIT - Rent and parts expenses are not reflected in these numbers, but are outlined in our supplemental forecast.



**4.12.3** Financial Statements

**ASSUMPTIONS**

**PRO FORMA FINANCIAL STATEMENT SUBMITTAL FORM**

**DETAIL ASSUMPTIONS USED FOR DEVELOPING PROPOSED REVENUES AND EXPENSES**

PROPOSER: Wheel Fun Rentals

<b>Revenue:</b>	
Food and Beverage Sales	We are offering swan boat rental services and do not incur food and beverage related revenue.
Other	In our experience of operating \$2 million in Los Angeles swan boat activity, and over \$700,000 in recreational rentals in Long Beach, these are the revenue numbers we anticipate.
<b>Cost of Goods:</b>	
	N/A
<b>Expenses:</b>	
Concession Fee	While there is no section to note a concession fee on this document's forecasts, we allude to this total in a separate Excel file as a minimum guarantee of \$80,000 annually.
Food	We are offering swan boat rental services and do not incur food related expenses.
Beverages	We are offering swan boat rental services and do not incur beverage related expenses.
Other	
<b>Payroll Costs:</b>	
Wages	Knowing the scope of the operation, and managing a location in Shoreline Village with similar revenue, we expect these outlined wage costs.
Payroll Taxes	In overseeing over 100 locations, we have the knowledge of the various payroll taxes applicable.
Health Insurance & Benefits	These totals are based on our typical allowances for other similar sized operations.
Workers' Compensation Insurance	Being a function of wage totals, these costs are formulaic and are similar to our other similar locations.
Other	
<b>Variable Costs:</b>	
Accounting	Based on locations of similar size, we understand the resources required to effectively manage this operation.
Advertising, Marketing & Promotion	Due to our experience advertising in this market, we know the costs to be expected. In addition, we can incorporate this location with our entire Southern California marketing budget to drive an much greater presence than these costs alone.
Dues & Subscriptions	Operating over 100 locations nationwide, we have a solid understanding of these costs.
Environmental Costs	Other than our typical Green Business practices, we do not anticipate any additional costs.
Equipment Replacement - Small	We do not anticipate equipment replacement for small items.
Equipment Replacement - Large	We do not anticipate equipment replacement for large items, however we refurbish the rental fleet annually.
Legal	Based on locations of similar size, we understand the resources required to support this operation.
Office Expenses	In our experience, we have gained a sense of what these costs will be.
Payroll Processing Fees	We process payroll internally and operating in over 100 locations helps us understand the processing costs.
Professional Services	We do not anticipate any third-party professional service costs for this location.
Repair & Maint. - FF&E	Based on our locations of a similar scope, we anticipate recurring costs that can be found on our supplemental forecast.
Repair & Maint. - Building	As there is no building on site, we do not anticipate any building related expenses (we do propose a portable kiosk building).
Supplies	In our experience with over 100 locations, we understand the range of costs to supply the site.
Start up Expenses - Yr 1	Based on locations of similar size and scope, we anticipate similar start up costs that we have seen historically.
Telephone	Operating over 100 locations nationwide, we have a solid understanding of these costs.
Travel & Entertainment	We do not anticipate travel and entertainment expenses specific for this location.
Utilities	In our experience with locations powered by solar, these costs include the initial equipment and the continual servicing of the components for electricity. Trash removal reflects locations of similar scope.
Other	
<b>Fixed Costs:</b>	
Depreciation	Due to our flexibility of operating under the possibility of a Rainbow Lagoon remodel, we have chosen to depreciate our capital expenditures over a five year period rather than ten years. Additionally, fleet product may be redeployed elsewhere.
Insurance & Liability	In our experience of locations of similar scope, we expect these projections to be accurate.
Service Contracts	We do not anticipate any service contracts for this location.
Licenses	Based on similar operations in the area, we have a good sense of these costs.
Other	
Debt Expense	We do not anticipate debt expense for this location.
Taxes	We are taxed as a corporate entity and these totals are a conglomerate of a different scale.
Other	



**4.12.3** Financial Statements

**CASH FLOW**

**PRO FORMA FINANCIAL STATEMENT SUBMITTAL FORM**

**CASH FLOW: YEARS 1-10**

PROPOSER: Wheel Fun Rentals

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Sources of Cash</b>										
Capital Loan										
Private Funds	\$ 182,500									
Operating Profits	\$ 34,300	\$ 135,305	\$ 135,715	\$ 136,602	\$ 146,333	\$ 192,383	\$ 201,747	\$ 210,919	\$ 219,894	\$ 228,666
<b>Plus:</b>										
Depreciation	\$ 36,500	\$ 36,500	\$ 36,500	\$ 36,500	\$ 36,500					
Change in Accounts Payable										
Change in Payroll Payable										
Other										
<b>Total Sources Of Cash</b>	<b>\$ 263,300</b>	<b>\$ 171,806</b>	<b>\$ 172,215</b>	<b>\$ 173,102</b>	<b>\$ 182,833</b>	<b>\$ 192,383</b>	<b>\$ 201,747</b>	<b>\$ 210,919</b>	<b>\$ 219,894</b>	<b>\$ 228,666</b>

<b>Uses of Cash</b>										
Capital Investment	\$ 182,500									
Change in Accounts Receivables										
Change in Inventory										
Repayment of Loan Principal										
Other										
<b>Total Uses of Cash</b>	<b>\$ 182,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Net Change in Cash Flow</b>	<b>\$ 70,800</b>	<b>\$ 171,806</b>	<b>\$ 172,215</b>	<b>\$ 173,102</b>	<b>\$ 182,833</b>	<b>\$ 192,383</b>	<b>\$ 201,747</b>	<b>\$ 210,919</b>	<b>\$ 219,894</b>	<b>\$ 228,666</b>
<b>Break Even Cash Flow</b>	<b>\$ 70,800</b>	<b>\$ 242,606</b>	<b>\$ 414,820</b>	<b>\$ 587,922</b>	<b>\$ 770,755</b>	<b>\$ 963,137</b>	<b>\$ 1,164,884</b>	<b>\$ 1,375,803</b>	<b>\$ 1,695,697</b>	<b>\$ 1,824,363</b>

Private funds in Year 1 are obtained from the Wheel Fun Rentals entity.

Due to our flexibility of operating under the possibility of a Rainbow Lagoon remodel, we have chosen to depreciate our capital expenditures over a five year period rather than ten years.