

ATTACHMENT A: SAMPLE CONTRACT

RACETRACK OPERATIONS AGREEMENT
FOR MOTORIZED AUTO RACING & CONCESSIONS
BETWEEN
49TH DISTRICT AGRICULTURAL ASSOCIATION
AND

Agreement No. RA23/___LT
Date: _____

THIS OPERATIONS AGREEMENT (“Agreement”) is made and entered into between the 49th District Agricultural Association (“DAA”), commonly known as the Lake County Fairgrounds (“Fairgrounds”), an institution of the State of California, having its principal office at 401 Martin Street, Lakeport, California 95453, and [Contractor’s Name] (“Contractor”), having its principal office at [Physical address]. The DAA or Contractor may be individually referred to as a “Party” or collectively as the “Parties.” The DAA and Contractor agree as follows:

TERMS AND CONDITIONS

1. Term

The term of this Agreement is for three (3) years, beginning April 15, 2023 and ending October 15, 2025, unless sooner terminated as provided for in this Agreement. The motorized racing season begins on April 15th of each year and ends October 30th of each year.

This Agreement may be extended for an additional term up to two (2) years, within the sole discretion of the DAA Chief Executive Officer (CEO) and provided that Contractor has fulfilled all of its obligations under this Agreement. Use fees and other financial contribution to be paid under any extension(s) of this Agreement shall be negotiated by October 30 of the expiring year and shall guarantee a minimum use fee that is no less than the 2023 race season. Any extension shall be in a writing, signed by the Parties, and executed no later than November 30 of the expiring year.

2. Premises

During the racing season, only on race days, the DAA grants Contractor the use of the speedway track, permanent grandstands (, concessions under grandstands, pit area, pavilion, legend area, and grandstand and pit “brick” bathrooms as indicated in the “Racing Site Map,” attached hereto as Exhibit “A”, and hereinafter collectively referred to as the “Premises”. Grandstands box-seats shall be split (15 DAA/ 5 Contractor) during race season, excluding Fair or non-race event dates and track wall perimeter sponsorships belong to DAA. South track wall, directly across from main Grandstands, shall be of exclusive sponsorship of Contractor, see Racing Site Map.

The Contractor shall have exclusive use of the Premises only on the dates mutually agreed to in the written race schedule, as further described herein. The DAA reserves the right to use any portion of the Premises any time a racing event is not being conducted for any purpose

whatsoever. The DAA further reserves the right to schedule other events on the Fairgrounds, outside of the Premises, while a race event is being held by Contractor.

Ingress to and egress from the Premises for event attendees or general public shall only be through Carnival Entrance off Martin Street during race events, and Contractor, its employees, volunteers or racers shall only use the utilize Estep Street/Livestock Gate, as indicated in Exhibit A, which are non-exclusive access points and may be shared with other events. The DAA reserves the right to change the ingress and egress of Contractor and its invitees due to other events taking place on the Fairgrounds. Contractor may have non-exclusive use of the Carnival parking, which may be shared with other events.

3. Use

Contractor shall be responsible to advertise, schedule and promote a racing program for the Premises. Contractor will provide, at its sole expense, all necessary staff, offices, food and beverage concessions, supplies and security personnel for the safe, sanitary and efficient operation of the racing program to be open to the general public.

The Premises shall be used for the purpose of conducting auto races and for no other purpose whatsoever. Go-Kart racing, motorcycle flat track events, demolition derbies, monster truck and rock crawling events, firework shows, concerts, motorcycle events and any other activity except auto racing fall outside the scope of this Agreement and require a separate written agreement with the DAA. Within the complete discretion of the DAA, Contractor may be invited to propose a motorsports program for the annual fair of the DAA or other events at the Fairgrounds, which shall be under a separate written agreement, signed by the Parties.

4. Dates and Hours of Operation

A written race schedule shall be mutually agreed to by the Parties, in writing, by April 15 of the first year of this Agreement and thereafter, by January 1 of each subsequent year. The schedule must be agreed to by the Parties in writing, with final approval within the DAA's discretion. The schedule must include not less than six (6) race events, with a maximum of ten (10). Race dates commence on or after April 15 and conclude by October 30.

Contractor shall have no access to the Premises up to two weeks prior to and one week following the annual fair.

Contractor shall work with the DAA on a schedule for access to the Premises to set-up for an event and for securing the Premises following an event which shall be final no later than 7 days prior to the event. Preparation of the Premises for a race event must be completed during regular business hours, Monday through Friday, 8:00 AM through 5:00 PM. Limited exceptions can be given by the CEO on an as needed basis.

Hours of operation for racecars on the track may begin at noon, except when an earlier start time may be needed with the written preapproval of the DAA. Ending time for all events is midnight with racing concluding at 10:00 PM. Contractor shall be responsible for turning off all lighting and securing the Premises within one hour after the conclusion of each race event.

Play days or practice days or "test and tune" activities may be scheduled under a separate written agreement, are not included in the required race days, and shall only be open to racing

participants and not the general public, with no use of the Grandstand areas. These rentals shall be at the DAA's posted rental rates with cost of utilities to the Contractor.

The DAA is in no way liable to the Contractor in the event of an emergency that requires Contractor to cancel races due to a natural disaster or other unforeseen emergency declared by local, state or federal government. The DAA will make every reasonable effort to accommodate Contractor's request for make-up race dates. Should the Parties be unable to carry out their duties and obligations under this Agreement due to a natural or manmade disaster or emergency for thirty (30) continuous days, the duties and obligations of the Parties may be suspended until the disaster is declared ended by a government entity. This Agreement may then be extended, in a writing signed by the Parties, for the duration of time that it was suspended.

5. Use Fees

Contractor shall guarantee the following for the annual production of a minimum of six (6) race events for each season at the Premises:

Minimum guarantee of \$ _____ for the 2023 race season.
Minimum guarantee of \$ _____ for the 2024 race season.
Minimum guarantee of \$ _____ for the 2025 race season.

Payment and accounting shall be provided to the DAA on the first Wednesday following each race event with an event report as further provided herein.

[Insert: Percentage or minimum amount owed for sales of alcohol, food and beverage, and racing related items for each race from the winning proposal]

[Insert: Other financial contribution as described in winning proposal]

6. Deposit; Performance Bond

Upon execution of this Agreement but before any operations may commence, Contractor shall submit a deposit in the amount of \$5,000.00. If an obligation under this Agreement is unpaid by Contractor after 10 days' notice, the deposit may be applied to the cost to remedy, repair or replace any obligation owed by Contractor during the term of this Agreement or upon its expiration or early termination. Within thirty (30) days of applying any portion of the deposit, the DAA will provide to Contractor an itemized statement of the deductions from the deposit, including the use of the deposit amount and cost. If deductions are made from the deposit during the duration of this Agreement, Contractor shall submit to the DAA the amount equal to the deductions, prior to commencing the subsequent race season, so that the deposit held by the DAA will be replenished to the initial amount of \$5000.00. Upon expiration or early termination of this Agreement, the DAA shall return the deposit within thirty (30) days, with an itemized statement of any deductions.

In addition, prior to commencing annual operations, Contractor shall provide to the DAA evidence of a performance bond in the amount of minimum guarantee to be used in the event Contractor is unable to meet the required annual minimum guarantee payable to the DAA.

In lieu of securing a performance bond, Contractor may submit the minimum guarantee in advance of a race season, at the time the written race schedule is final, as credit to be applied throughout the duration of that race season to the percentage of sales owed following each racing

event. Once the minimum guarantee is met for that race season, Contractor shall begin paying the DAA for the remainder of the events for that race season in accordance with this Agreement.

7. Utilities

Contractor shall reimburse the DAA for the cost of utilities at a rate of \$300.00 per day, including race days and set-up days, which includes water, sewer, electric and general lighting. In addition, Contractor shall reimburse the DAA for use of the track lights at \$37.50 per hour with a four-hour minimum. Contractor shall be responsible for the cost of propane which will be invoiced separately according to use.

8. Storage and Overnight RV/Vehicle Stay

When the Premises is not in use by Contractor, any storage of personal property shall be in an area designated by the DAA, at the discretion of the DAA and the DAA reserves the right to relocate the storage location or demand that Contractor remove the property from the Premises at any time. Storage is restricted to those items used in the general operation of the race program. Storage of personal items is prohibited. Contractor must provide required proof of insurance to DAA for the personal property stored on the Premises and shall keep the coverage in place at all times during the term of this Agreement. The DAA shall not be responsible for the safekeeping of the storage items and Contractor stores its property at the Premises at its own risk.

9. Sale of Tickets, Food and Beverage Concessions, Racing Related Items

Contractor shall provide a written report of sale items and prices to be charged five (5) business days prior to the commencement of any sales. Any changes must be noticed to the DAA, in writing, prior to the sale.

(a) Admission Tickets

Contractor is required to obtain sequentially numbered tickets for event admissions at any gate from a bonded ticket distributing or printing firm. This includes any and all paid, complimentary, season credentials or other admissions.

The Contractor shall issue up to ninety (90) attendance vouchers for each race event to the DAA to be used within their discretion for sale/sponsorship by or marketing for the Lake County Fair. Contractor understands DAA may host events for sponsors at the "sponsorship room" during race events and/or may use its fifteen box seats during events.

Contractor shall furnish the DAA with a "Ticket Manifest" or similar document certifying the type of tickets provided, quantity for each, and the numbering sequence of those tickets. Contractor will provide ticket manifest and samples of all tickets covered by the manifest prior to opening gate(s) on race dates.

Contractor may be required to provide to the DAA, upon its request, any and all ticket stubs collected from admissions, including complimentary and paid admissions.

(b) Food and Beverage Concessions; Racing Related Items

The DAA grants to the Contractor and to no other, the right to operate direct concessions for the public sale of (1) alcohol, (2) food, (3) candy and soft drinks, and (4) other sales related to the

race event. The Contractor shall be the only concessionaire for these items listed herein, and that any other business arrangement or subcontract with another individual or entity is prohibited, unless preapproved, in writing, by the DAA.

Contractor understands that concession rights are granted only for the purpose of the racing events covered under this Agreement. The annual fair and other events held on the Premises are specifically excluded. If Contractor is to operate concessions during the annual fair, a separate contract shall be signed by the Parties.

Concessionaires are not permitted to work from an open cash drawer, money apron or cash box. Each item sold must be entered into a cash register, including but not limited to cash and credit/debit sales.

Contractor has access to various DAA equipment for operating concessions, including but not limited to, ice makers, stoves and ovens, sinks, refrigerators, and walk-in boxes. Contractor is not required to use DAA-owned equipment. Should Contractor choose to use DAA-owned equipment, it is available "as is". Contractor shall be responsible for the maintenance, upkeep and, if necessary, replacement of DAA equipment used by Contractor. Equipment is deemed in good repair at commencement and a walk through of facility is required before and after each race season.

Contractor agrees to provide all equipment necessary for successful operation of concessions. All food and drink items shall be served in paper or plastic containers. Glass containers or bottles are prohibited.

It is the responsibility of Contractor to keep a neat and clean concessions operation and to meet Lake County and State of California health and fire regulations and to obtain, at Contractor's expense, all required permits, extinguisher and ancillary systems and updates during this Agreement.

Contractor agrees to obtain a State Seller's Permit from the State Board of Equalization and report all sales on fairgrounds, agrees to obtain and environmental health permits and a special event liquor license from the Department of Alcoholic Beverage Control prior to opening a race event. Copies of required permits and licenses to be provided to the DAA. Contractor must get annual written permission from the DAA for a restaurant or long-term alcohol permit and agrees to surrender alcohol permits for the beer booth as needed for other events.

(c) Sales Records; Event Report

Contractor shall provide an event report and payment to the DAA by the first Wednesday following each race event. The report shall include:

- a. Date, type, quantity and prices of tickets sold and complimentary passes issued.
- b. Nightly ticket manifest showing actual number in public attendance for all gates
- c. Race car attendance with vehicle count per class, pit attendance, grandstand attendance and staff count.
- d. Any failed noise test results.
- e. Copies of sales records, reports and "Z" cash register tapes, including but not limited to, food/beverage concessions, alcohol and other racing related sales.
- f. A copy of the invoice issued by the alcohol distributor.
- g. Inventory of alcohol, beer, wine or other sprits that reflect sales, including kegs opened, stating beginning amounts purchased and any credits received for each event.

- h. Overnight Vehicle/RV count with pass through payment and registration, if approved by the DAA.
- i. Payment reconciliation report with detail of percentage due to the DAA and trial balance including minimum guarantee.
- j. Payment of the minimum amount or percentage of sales of alcohol, food and beverage, and racing related items at the event.

10. Audit

Contractor shall maintain sales and financial records for a period of five (5) years following the conclusion of this Agreement or until an audit, whichever occurs first. The Contractor agrees that the DAA may audit any or all records relating to this contract during said period.

The DAA may audit the financial records of Contractor by giving a 14-day notice. Contractor shall make all financial records available for inspection or audit by delivering copies to the DAA office within the fourteen days following any request by the DAA.

11. ATM Service

The DAA has the exclusive right to site, operate and collect revenues of ATMs on the Premises within its complete discretion.

12. Operations and Maintenance

Contractor shall be responsible for the operations and maintenance of the Premises as necessary in order to operate the racing program in a safe and sanitary manner for the general public and race participants. Contractor shall provide all tools, equipment, personnel and supplies necessary for maintenance and safety, including the erection of safeguards along the racetrack and grandstand to protect the general public.

Contractor shall provide to the DAA, law enforcement and emergency services a copy of its plans and procedures for emergency response, including medical for the general public and racers, during race events.

Contractor agrees to require completion of annual Hazardous Activity waiver forms for all employees or volunteers of Contractor and race participants, Contractor shall keep an alphabetized binder with waivers available for DAA examination upon request.

Contractor agrees to use reasonable care in its use and occupancy of the Premises and, at all times keep and maintain the Premises in a good, clean and safe condition and to prevent waste upon or damage to the Premises, all within the sole judgment of the DAA. Contractor shall maintain all equipment, inventories and other tangible property in a well maintained, neat, orderly and careful manner at all times.

Contractor agrees to provide two (2) public address systems, one (1) to be audible in the pit area and one (1) to be audible in the grandstand, bleacher and concession areas. Contractor further agrees to allow access and use of said public address systems by the DAA at no cost to the DAA for any or all DAA grandstand events during the term of the Agreement.

Contractor shall maintain safety fencing and crash wall, and paint as needed. Contractor shall make repairs to the crash wall or wheel fence immediately upon damage, and in no case, shall a race be allowed to resume if any hazard to any patron exists due to damage to the fence or wall.

Contractor shall ensure that racetrack and grounds condition meet all safety requirements as well as any applicable codes and regulations or racing association rules. Contractor shall be solely responsible for any penalties or sanctions imposed for any violation. All safety orders of the Division of Industrial Safety, Department of Industrial Relations, must be strictly observed.

(a) Repairs

Contractor shall be responsible for any repairs needed as a result of Contractor's use of the Premises within 72 hours following each race to the satisfaction of the DAA. Should Contractor fail to repair, the DAA may conduct the repairs itself and invoice the Contractor for its cost, including any staff time and the rental of equipment needed to make repairs.

(b) Site Preparation

Contractor understands that the racetrack infield is used for multiple events and may be disked, torn-up or watered depending on usage. Contractor understands and agrees that work may need to be done to Premises before racetrack use, including, but not limited to, filling dirt or debris on track and the relocation of racing barriers or "tractor tires". Contractor further agrees to move and relocate said barriers upon five (5) days' notice to an agreed upon site and later move tires back for Contractor use.

(c) Cleaning and Refuse Removal

Contractor shall be responsible for all janitorial supplies, tools, labor and equipment necessary for the cleaning of the Premises and satisfactory removal of all refuse and waste materials created by the race operations and events within 48 hours of each event. Contractor shall comply with the standard guidance for cleaning issued by the State Department of Public Health and the Center for Disease Control. Refuse that is stored on the Premises shall be removed by noon on the first Tuesday following each event.

Should Contractor fail to clean and remove refuse from the Premises to the satisfaction of the DAA and within the required time period, the DAA may perform these obligations and invoice the Contractor for the cost. An administrative fee of \$100.00 will be assessed.

(d) Hazardous Waste

Contractor shall be responsible for any and all hazardous chemicals and spills on the Premises by Contractor or race participants including, but not limited to, oil, grease, transmission fluid, antifreeze, solvents. No hazardous chemicals may be stored on the Premises outside of race days except for those amounts needed for the operation of tools and equipment by Contractor. Any hazardous chemicals brought onto the Premises must be contained and maintained in a manner that adheres to all laws, regulations and product labels pertaining to the transport, use and storage of such.

(e) Green Waste and Weed Control

Contractor shall maintain a program of green waste site cleanup and weed control in and around the immediate track, pit and grandstand areas. Chemicals used for weed control shall be used in accordance with its product labels and applicable codes and regulations and subject to preapproval of the DAA.

13. Sound Level

Contractor shall strictly observe the following terms regarding sound level, including but not limited to, a 10:00 P.M. noise curfew for racing and a maximum noise level of 95 DBA at 100 feet from the source. Any fines, penalties, or sanctions assessed for violating these rules shall be solely the responsibility of Contractor.

All testing will be conducted using an ANSI type 1 or 2 Sound Level Meter capable of recording the necessary parameters. Ancillary recording instrumentation is permitted. Equipment will be field calibrated before and after each measurement day, and the value recorded on a daily data sheet.

All vehicles used on the Premises shall be equipped with mufflers. Failure to pass a certification test(s) means a racer shall be prohibited to race until a repair is made. Retesting will be permitted as many times as desired until certification testing is closed. Any racer found to be in violation of the procedures or found to have tampered with the vehicle muffler system after the certification shall be immediately suspended from racing and will not be permitted to return during the same event. It is the responsibility of the Contractor to report failed tests to the DAA within 48 hours.

A static test area, 100 feet in diameter, will be set up each event day. No motorized vehicle will be permitted within 25 feet of test position. Any vehicles waiting to be tested will shut down engines and start up only when requested by test officials.

The following, with modification to local City of Lakeport noise curfews, shall apply:

- (a) 95 DBA at 100 feet LEQ will be the maximum allowed with pre-race certification.
- (b) No racing shall start after 9:45 P.M. and all racing shall be concluded by 10:00 P.M.

Violation of the above shall result in the following fines payable to the DAA:

- | | | |
|----|---------------------------------|------------|
| 1. | First offense in a race season | \$500.00 |
| 2. | Second offense in a race season | \$1,000.00 |
| 3. | Third offense in a race season | \$1,500.00 |

This section is a material term of the contract, breach of which may result in the termination of this Agreement.

14. Racing Program Manager; Employees

Contractor shall provide a representative to be present on the Premises and available by cell during all race events and to act as the Racing Program Manager with authority to provide information and make decisions on behalf of Contractor.

Contractor shall hire, train, supervise, and control qualified employees for operations. Contractor employees shall have neatness of appearance, including uniforms and name tags, for those in positions requiring contact with the public. Courteous professional treatment of the public and participants and responsible behavior on the Fairgrounds is required.

15. Security

Contractor shall provide adequate security for each race event which shall include a minimum of five (5) uniformed security officers. At a minimum, one (1) at any entry/exit gate, two (2) shall be positioned in the grandstand and two (2) shall be stationed in or near the pit area who shall be responsible for ensuring that only authorized personnel enter the pit area. After each race event, the number of security officers required may be evaluated by the DAA in conjunction with law enforcement but shall not be reduced to less than the minimum of five (5) officers. Any additional requirements shall be delivered in writing at least 48 hours prior to the next event.

Any uniformed security officers utilized by Contractor shall be licensed by the State of California and be covered by workers compensation coverage and general liability insurance.

16. Signage

The Contractor may install signage only with the written preapproval of the DAA. All signs must be professional in appearance and posted in a manner and location deemed appropriate by the DAA. The DAA reserves the right to have Contractor remove its signage for the week of the annual fair or for other occasional events. All signs must be removed within 72 hours after the last race of each season.

17. Improvements

Contractor may make "tenant improvements" or attach fixtures to the Premises at its sole cost and expense but only with the written preapproval of the DAA. "Tenant improvements" are defined as additions or modifications to the racetrack and its lighting, fencing, and/or pit area that directly relate to the regular course of racing and racetrack operations. All tenant improvements or any fixtures attached to the Premises shall become the property of the DAA upon the expiration or early termination of this Agreement.

No capital improvements shall be made to the Premises unless pursuant to a separate, written agreement, signed by the Parties, and approved by the California Department of General Services. Plan reviews and inspections shall be conducted by the California Construction Authority. "Capital improvements" are defined as any construction or installation of new and permanent facilities or real property improvements, or replacement or reconstruction of existing improvements and facilities, which are above and beyond tenant improvements (as defined above) or ordinary repairs and maintenance, and that enhance the value, quality, capacity, and/or strength of the Premises.

18. Condition of Property

Contractor accepts the Premises "AS-IS," "WHERE-IS" and "WITH-ALL-FAULTS" subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the License Area, and accepts this Agreement subject thereto and to all matters disclosed thereby.

19. Right to Enter

The DAA reserves the right to enter the Premises at any time for any purpose. The DAA may make periodic inspections of the Premises to determine whether Contractor is in compliance with this Agreement.

20. Licenses and Permits

Contractor, at its own expense, shall obtain, maintain and comply with all licenses and permits required for its operations throughout the entire term of the Agreement.

21. Insurance

The provisions of the attached Exhibit "B", "Insurance Requirements", are incorporated herein and made a part of this agreement. General Liability coverage shall be in an amount not less than Five Million Dollars (\$5,000,000) per occurrence. All other applicable coverage limits are as stated.

22. Indemnity and Hold Harmless

To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless the State of California, 49th District Agricultural Association and its agents, directors and employees from and against all claims, damages, losses and expenses of every kind, nature and description (including, but not limited to, attorney fees, expert fees and costs of suit), directly, or indirectly, arising from or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor or comparable provision of law) however caused or alleged to have been caused and even though claimed to be due to the negligence of the DAA. Provided, however, that in no event shall Contractor be obligated to defend and indemnify the DAA with respect to the sole negligence or willful misconduct of the DAA, its employees or agents (excluding Contractor herein or any of its employees or agents).

23. Incident or Injury

Contractor shall, within three (3) business days, report in writing to the DAA any incident that might reasonably be expected to result in a claim under the Indemnity and Hold Harmless or Insurance provisions of this Agreement. Contractor also agrees to provide the DAA with information as to the disposition of any claims within thirty (30) days following said disposition.

Contractor shall provide written notice to the DAA of any incident that results in death, dismemberment or other severe injury immediately, and no later than 24 hours, after the incident has concluded.

24. Compliance with Laws

Contractor shall not conduct or permit to be conducted on the Premises any activity, act or omission which is or may be contrary to, or in violation of, any applicable federal, state, or local law. Contractor shall comply with all applicable federal, state, and local environmental laws,

including but not limited to, the Air Quality Board and Regional Water Quality Control Board. Contractor shall at all times conduct its business in compliance with the Clean Air Act, the Clean Water Act, The Porter-Cologne Water Quality Act, the California Environmental Quality Act, the national Environmental Protection Act and all comparable related and successor statutes, laws, ordinances and regulations.

25. Contractor Certification

Contractor shall comply with the State of California Contractor Certification Clauses, attached as Exhibit "A", and General Terms and Conditions, attached as Exhibit "C".

26. Equal Employment

Contractor shall comply with all federal, state, and local laws and regulations relating to equal employment, disability access and non-discrimination, including, but not limited to, the Unruh Act, Americans with Disabilities Act, Occupational Safety and Health Act, California Civil Code sections 51 through 54.6, inclusive and all comparable, related and successor statutes, laws, ordinances and regulations.

27. Non-Discrimination

During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

28. National Labor Relations

Contractor, by signing this Agreement, does swear under penalty that no more than one final unappealable finding of contempt of court by a Federal court has been issued against that Contractor within the immediately preceding two-year period because of the Contractor's failure

to comply with an order of the national Labor Relations Board (Government Code Section 14780.5) (SAM Section 1212.7).

29. Certification

The "Contractor Certification Clauses" contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

30. Assignment and Subletting

The right and privileges granted hereunder shall not be assigned or transferred in any manner whatsoever by Contractor. For the purpose of this paragraph, an assignment or transfer includes the sale of any legal and/or equitable interest in Contractor. In the event of a sale or transfer of ownership that is approved by the DAA, the DAA reserves the right to negotiate all terms and conditions relevant to the Agreement, including termination of the Agreement.

Contractor shall not sublet any rights or privileges granted herein without the prior written approval of the DAA. In the event of a sublet that is approved by the DAA, the DAA shall have the right to review the contract and receive the percentage rent designated in the Agreement based upon the gross revenue from the operation of the sublease.

31. Default and Termination of Agreement

This Agreement shall be subject to termination by either Party at any time during the term hereof by giving the other Party at least ninety (90) days written notice.

In the event Contractor breaches any term or condition of this Agreement, the DAA shall provide written notice to Contractor of such breach within ten (10) calendar days of discovering the breach. Within thirty (30) calendar days of receiving the notice, Contractor shall correct the breach. In the event Contractor fails to correct the breach to the satisfaction of the DAA within the time specified, or such greater time period as the DAA may consent to in writing, the DAA shall have the right to terminate this Agreement within thirty (30) days written notice.

32. Possessory Interest

Contractor understands that this agreement may create a possessory interest, which is subject to Possessory Interest Taxation by the County of Lake. The contractor is solely responsible for all licenses, permit and taxes levied. Use of DAA property as described in Limits of Possession above may affect the taxation amount created by Contractor.

33. Entire Agreement; Amendment or Modification of Agreement

The Agreement, together with all exhibits attached hereto, constitutes the entire Agreement between the parties. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the Parties, and no oral understandings or agreements not incorporated into this Agreement and no alterations or variations of the terms hereof shall be binding upon either Party, unless made in writing and signed by the Parties.

34. Notices

Any and all notice given under this Agreement or otherwise may be served by enclosing the notice in a sealed envelope addressed to the other party and sent by certified or registered mail with postage prepaid, or by personal delivery. Notice shall be deemed given on the day of personal delivery, or three (3) days after mailing. Notice shall be given as follows:

DAA: 49th District Agricultural Association
Lake County Fairgrounds
401 Martin Street
Lakeport, CA 95453
Attention: Chief Executive Officer

| | | |
|-------------|-------------------------|------------------------|
| Contractor: | <i>Physical Address</i> | <i>Mailing Address</i> |
| | Contractor Name | Contractor Name |
| | Address | Address |
| | City, CA Zip | City, CA Zip |
| | Attention: Name, Title | Attention: Name, Title |

35. Destruction of Premises

If all or any portion of the Premises is damaged or destroyed by any cause whatsoever (or by any cause for which Contractor is required under this Agreement to carry insurance), Contractor shall at its own cost and expense promptly repair the damage and restore the premises to at least the same condition that existed before that damage or destruction, regardless of whether any insurance proceeds paid for the damage or destruction are sufficient to cover the entire cost of repair or restoration.

During repair and restoration this Agreement shall remain in full force and effect and the rent payable under this Agreement shall not be abated in any way or to any extent. The proceeds of any insurance purchased by Contractor covering the damage or destruction shall be made available to Contractor for the repair or restoration required under this section.

36. Successors

Each and all of the terms and conditions herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the DAA and, subject to the provision as to assignment, any successors in interest of Contractor.

Subject to the provisions of this Agreement regarding assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representative of the respective Parties.

37. Independent Contractor

Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

38. Applicable Law and Venue

The Agreement shall be interpreted and enforced in accordance with the laws of the State of California and shall be deemed to have been made, and shall be performed, in the State of California.

39. Headings

The headings are inserted only as a matter of convenience and reference and do not define or limit to the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

40. Severability

If any covenant, term, condition, or provision of this Agreement shall, to any extent, be invalid or unenforceable, the remainder of the Agreement shall be valid and enforceable to the fullest extent permitted by law.

41. Attorney's Fees and Costs

If either party brings any action or proceeding arising out of, or in any way related to this Agreement, or any right or remedy under this Agreement, the prevailing Party shall be entitled to recover reasonable attorney's fees and costs.

42. Approval

This agreement is not binding upon Association until it has been duly accepted and signed by its authorized representative and approved (if required) by the Department of Food and Agriculture (CDFA) and the Department of General Services.

Attachments included and are incorporated herein and made a part of this agreement:

- ✓Exhibit A: Contractor Certification Clauses
- ✓Exhibit B: Insurance Requirements
- ✓Exhibit C: General Terms and Conditions
- ✓Exhibit D – Rental Agreement Policy & Procedure
- ✓Exhibit E: Cleaning
- ✓Exhibit X -Labor Policy
- ✓COVID Liability/Hazardous Activity Forms
- ✓SITE MAP

IN WITNESS WHEREOF, this agreement has been executed in duplicate, by and on behalf of the parties hereto, the day and year first above written.

Contractor Address Here

Lake County Fair
401 Martin Street
Lakeport, CA 95453

Contractor

CEO

707-263-6181

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