

**LEASE AND FAIRGROUNDS OPERATION AGREEMENT
BETWEEN
THE COUNTY OF MONTEREY
AND
SALINAS VALLEY FAIR, INC.**

THIS LEASE AND FAIRGROUNDS OPERATIONS AGREEMENT (“AGREEMENT”), is made effective as of _____, 2022 (“EFFECTIVE DATE”), by and between the COUNTY OF MONTEREY, a political subdivision of the State of California (“COUNTY”), and SALINAS VALLEY FAIR, INC., a 501(c)3 non-profit corporation providing services to the County with an office at 625 Division Street, King City, California (“CONTRACTOR”), with the approval of the California Department of Food and Agriculture (“CDFA”), an agency of the State of California. COUNTY and CONTRACTOR may sometimes be referred to collectively herein as “Parties” and in singular as a “Party,” with reference to the following:

A. WHEREAS, the State of California appropriates certain monies for the encouragement of county fairs and said monies are allocated to the Network of California Fairs by the CDFA pursuant to the provisions of Business and Professions Code Sections 19620–19642.1; and

B. WHEREAS, CONTRACTOR and the COUNTY have facilities available to hold said fairs on such dates as may be hereafter selected for the purpose of exhibiting and advertising the agricultural and livestock products of said County and the State of California; and

C. WHEREAS, it is the mutual desire of the Parties hereto that said CONTRACTOR, pursuant to Government Code Section 25906, hold and conduct agricultural fairs, and have the use, possession and management of the fairgrounds for the period of this AGREEMENT; and

D. WHEREAS, it is mutually understood by and between the Parties hereto that the law of the State of California vests in the County and its duly elected and appointed officials and none other, the power and authority to hold and conduct a county fair annually; and

NOW, THEREFORE, said COUNTY and said CONTRACTOR, for the considerations hereinafter set forth, mutually agree as follows:

TERMS AND CONDITIONS

The COUNTY, with the approval of CDFA, pursuant to Section 25906 of the Government Code, does hereby authorize CONTRACTOR to manage, use, possess, operate and conduct an annual agricultural fair and related and appropriate fair(s) and interim events on that certain property in the City of King, County of Monterey, known as the Salinas Valley Fairgrounds, located at 625 Division Street in King City, California (“FAIRGROUNDS”) as further describes in **Exhibit A**, which is attached and incorporated herein by this reference.

CONTRACTOR will, subject to the laws of the State of California and standards prescribed by the CDFA, manage, use and possess said fairgrounds, and operate and conduct said fair(s) and interim usage shall be conducted in accordance with the highest and best standards for the benefit of CONTRACTOR, the COUNTY and the State of California.

ARTICLE I CONTRACT FOR SERVICES

COUNTY hereby engages CONTRACTOR to perform the services hereinafter more particularly described, the term of such contract for services to commence upon the EFFECTIVE DATE of this AGREEMENT and to start and continue until the completion of the work provided for herein and as scheduled in Article IV.

CONTRACTOR hereby agrees to perform the professional services as set forth herein and to furnish or procure the use of incidental services necessary for the completion of said services.

ARTICLE II SCOPE OF SERVICES

The CONTRACTOR shall maintain, improve, and operate the FAIRGROUNDS and conduct an annual fair that includes agriculture and other community-relevant exhibits and competitions.

Pursuant to Government Code Section 25906, the CONTRACTOR shall submit an annual budget to the CDFA as well as any other submittals that may from time to time be required by CDFA to receive funding from the State of California. If the COUNTY desires to receive funding from the State of California under Section 4401.5 of the Food and Agricultural Code, the CONTRACTOR shall submit an annual budget to the CDFA, showing the estimated revenues and proposed expenditures from all sources during the ensuing calendar year, which budget shall first be approved by the County Board of Supervisors. The CONTRACTOR shall also comply with any other provisions of law relating to county fairs as a condition necessary for the COUNTY to receive funding from the State of California for fair purposes.

ARTICLE III COMPENSATION

The CONTRACTOR shall retain and use all monies received by it from the conduct of said fair(s), and from the use, possession, and management of the FAIRGROUNDS. CONTRACTOR agrees to bear, assume, pay and discharge all expenses and obligations incurred by it in connection with said fair(s) and FAIRGROUNDS.

ARTICLE IV SCHEDULE OF WORK

The term of this AGREEMENT and schedule for carrying out this assignment (hereinafter "TERM") will be five (5) years beginning on the effective date and ending on April 1, 2027

CONTRACTOR shall have the option to extend the TERM of this AGREEMENT for eight (8), five (5) year periods upon written notice to COUNTY and CDFA, with any such extension of this AGREEMENT subject to CDFA review and preapproval in accordance with Business and Professions Code Section 19622.3. CONTRACTOR shall give said written notice not less than six (6) months before expiration of the current TERM or any extension thereto. All notices shall be in writing and delivered in person or sent by first class U.S. mail, postage prepaid to the address for notice set forth below.

ARTICLE V NONDISCRIMINATION

CONTRACTOR warrants that during the rendition of any and all services pursuant to the terms of this AGREEMENT, CONTRACTOR will fully comply with all federal, state and local laws and regulations which prohibit discrimination against any employee or applicant for employment because of 'race, color, religion, national origin, sex, age, or mental handicap. CONTRACTOR will take affirmative action to ensure that qualified applicants are employed and employees are treated during their employment without regard to race, color, religion, national origin, sex, age, or mental handicap. CONTRACTOR will, in all solicitations or advertisements, for applicants, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, sex, age, or mental handicap. In addition, CONTRACTOR will not on any such basis discriminate against recipients of services under this contract or against those who apply to receive such services. The provision of services primarily or exclusively to such target population as may be designated in this AGREEMENT shall not be deemed to be prohibited discrimination. The term "discrimination," as used in this contract, is the same term that is used in Monterey County Code, Chapter 2.80 ("Procedures for Investigation and Resolution of Discrimination Complaints"); it means the illegal denial of equal employment opportunity, harassment (including sexual harassment and violent harassment), disparate treatment, favoritism, subjection to unfair or unequal working conditions, and/or other discriminatory practice by any Monterey County official, employee, or agent, due to an individual's race, color, ethnic group, national origin, ancestry, religious creed, marital status, sex, gender, gender identity, gender expression, sexual orientation, sexual preference, age, veteran or military status, medical condition, genetic information, physical disability (including AIDS) or mental disability. The term also includes any act of retaliation, including for political affiliation.

ARTICLE VI RECORDS AND MEETINGS

The COUNTY shall have the right to examine, monitor and audit all records, documents, conditions and activities of the CONTRACTOR and its subcontractors related to services provided under this AGREEMENT during normal business hours. CONTRACTOR shall permit the COUNTY and the State or any of its duly authorized representatives to have access to and to examine all audit any pertinent books, documents, papers and records of the CONTRACTOR related to this AGREEMENT. Pursuant to Government Code section 8546.7, if this AGREEMENT involves the expenditure of public funds in excess of \$10,000, this AGREEMENT is subject to the examination and audit of the State Auditor, at the request of the COUNTY or as part of any audit by the COUNTY, for a period of three (3) years after any final payment under this AGREEMENT.

The CONTRACTOR shall comply with the Ralph M. Brown Act (Government Code § 54950 *et seq.*) and the California Public Records Act (Government Code § 6250 *et seq.*).

ARTICLE VII AUDITS AND RECOVERY OF OVERPAYMENTS

1. Right to Audit at Any Time. Government Code section 8546.7 makes this AGREEMENT subject to the examination and audit of the State Auditor, at the request of the COUNTY or as part of any audit by the COUNTY, for a period of three (3) years after any final payment under this AGREEMENT.

Upon request, the CONTRACTOR shall make available to CDFA, or the California Department of Finance at the request of CDFA, any and all books and records, insofar as they relate to this AGREEMENT and any revenues and expenditures for fair or exposition purposes.

CONTRACTOR agrees that they will submit annual audited financial statements to the COUNTY upon completion of said audited financial statements.

2. Recovery of Overpayments. If any audit shows that the COUNTY has paid to the CONTRACTOR any amount in excess of properly allowable costs, then the CONTRACTOR shall reimburse the COUNTY for that amount, either by a cash payment made within thirty (30) days after the COUNTY notifies the CONTRACTOR of the overpayment, or by an offset made by COUNTY against any payments owed by the COUNTY to the CONTRACTOR under this AGREEMENT.

If any audit by the CDFA or California Department of Finance shows that CONTRACTOR unlawfully misused or misappropriated state funds in breach of the purpose for which those funds were allocated, CONTRACTOR shall submit reimbursement of those funds to CDFA.

ARTICLE VIII COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The CONTRACTOR agrees that they and their subcontractors shall comply with all applicable state, federal and local laws, regulations, rules, administrative orders or other requirement of any county, state, federal or other governmental agency or authority having jurisdiction over CONTRACTOR, in effect at the EFFECTIVE DATE of this AGREEMENT or at any time during the TERM (hereinafter "LAWS"). The COUNTY and CONTRACTOR shall comply with all applicable standards prescribed by the CDFA for the purpose of receiving any State of California funding.

**ARTICLE IX
INDEPENDENT CONTRACTOR**

In the performance of work, duties, and obligations under this AGREEMENT, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the COUNTY, CDFG or the State of California.

CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including but not limited to Federal and State income taxes and social security, arising out of CONTRACTOR's performance of this AGREEMENT. In connection therewith, CONTRACTOR shall defend, indemnify, and hold COUNTY, CDFG and the State of California harmless from any failure to pay such taxes.

No offer or obligation of permanent employment with the COUNTY or CDFG or particular COUNTY or State of California department or agency is intended in any manner, and the CONTRACTOR shall not become entitled by virtue of this AGREEMENT to receive from COUNTY or State of California any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits, Federal and State income taxes and social security (collectively referred to hereinafter as "Employee Benefits"), arising out of CONTRACTOR's performance of this AGREEMENT. In connection therewith, CONTRACTOR shall defend, indemnify, and hold COUNTY, CDFG and the State of California harmless from any failure to pay such Employee Benefits.

**ARTICLE X
INSURANCE**

1. Insurance Coverage Requirements. Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT, a policy or policies of insurance with the following minimum limits of liability:

(a) Comprehensive general liability, including but not limited to premises, personal injuries, products and completed operations, with a combined single limit of not less than \$1,000,000.00 per occurrence; and

(b) Comprehensive automobile liability covering all motor vehicles, including owned, leased, non-owned and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit of not less than \$1,000,000.00 per occurrence; and

(c) If CONTRACTOR is an employer, CONTRACTOR shall maintain workers' compensation insurance in accordance with California Labor Code section 3700 and with a minimum of \$100,000.00 per occurrence for employer's liability; and

(d) If, in conjunction with this AGREEMENT, CONTRACTOR renders any professional services for which professional errors and omission insurance is necessary in order that all services rendered under this AGREEMENT be covered by insurance, then CONTRACTOR shall maintain professional liability insurance in the amount of not less than \$1,000,000.00 per occurrence.

2. General Insurance Requirements. All insurance required by this AGREEMENT shall be with a company acceptable to the COUNTY and authorized by law to transact insurance business in the State of California. All such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of two years following the date CONTRACTOR completes its performance of services under this AGREEMENT.

Each liability policy shall provide that the COUNTY shall be given notice in writing at least thirty (30) days in advance of any change, cancellation, or non-renewal thereof. Each policy shall provide identical coverage for each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance showing each subcontractor has identical insurance coverage.

Comprehensive general liability and automobile liability policies shall provide an endorsement naming the County of Monterey and State of California, its officers, agents, and employees and Additional Insureds and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the COUNTY and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR's insurance.

Prior to the execution of this AGREEMENT by the COUNTY, CONTRACTOR shall file certificates of insurance with the County Risk Management and COUNTY's contract administrator, showing that the CONTRACTOR has in effect the insurance required by this AGREEMENT. The CONTRACTOR shall file a new or amended certificate of insurance promptly after any change is made in any insurance policy which would alter the information of the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.

ARTICLE XI IMPROVEMENT, REPAIR AND MAINTENANCE OF FAIRGROUNDS

1. Maintenance, Repair and Improvements.
 - i. CONTRACTOR shall maintain the FAIRGROUNDS in good condition and repair, at CONTRACTOR's sole cost and expense. From time-to-time during the TERM of this AGREEMENT, CONTRACTOR shall make all repairs and improvements to the FAIRGROUNDS that CONTRACTOR deems necessary in its sole determination. All repairs and improvements shall be made in compliance with all applicable LAWS, and conducted in a good and workmanlike manner, all at CONTRACTOR's sole cost and expense.
 - ii. Major Improvements. In the event CONTRACTOR desires to construct a "Major Improvement" on the FAIRGROUNDS, defined as the complete renovation of an existing building or construction of a new building costing in excess of Three Hundred Thousand Dollars (\$300,000.00), CONTRACTOR shall notify COUNTY in writing, providing COUNTY a copy of the final working plans for the improvement, and the COUNTY shall either approve or disapprove the proposed Major Improvement within thirty (30) days after CONTRACTOR's notification. If COUNTY does not approve or disapprove within thirty days after CONTRACTOR's written notification to COUNTY, said Major Improvement shall be deemed approved. COUNTY's approval of a proposed Major Improvement

shall not be unreasonably withheld. All Major Improvements shall be made in compliance with all applicable LAWS, and conducted in a good and workmanlike manner, all at CONTRACTOR's sole cost and expense. Upon the termination or expiration of this AGREEMENT, all improvements constructed by CONTRACTOR shall become the exclusive property of the COUNTY.

2. Project Management, Permitting and Inspections. From time-to-time during the TERM of this AGREEMENT, CONTRACTOR may contract with that certain joint powers authority, a public entity commonly known as the California Fairs Financing Authority ("CFFA") and also known as the California Construction Authority, to provide project management, bidding and inspection services for repairs and improvements made to the FAIRGROUNDS. CFFA was organized as a joint powers authority in 1988 to provide planning design, and construction services for projects at fairgrounds throughout California. CONTRACTOR may enter into an agreement with CFFA to perform certain construction services including, without limitation:

- (i) plan preparation and approval, including compliance with all applicable LAWS;
- (ii) bidding work and providing contract maintenance services; and
- (iii) providing inspection services for such projects. COUNTY hereby consents and authorizes CFFA to provide such permitting and inspection services on its behalf as it relates to projects on the FAIRGROUNDS pursuant to substantially similar terms and conditions as outlined in the Memorandum of Understanding (MOU) attached as **Exhibit B**, which is incorporated herein by this reference. An executed copy of the MOU shall be attached and incorporated to this AGREEMENT upon execution.

3. Liens. Lessee shall keep the FAIRGROUNDS free from any liens and shall pay when due all bills arising out of any work performed, materials furnished or obligations incurred by CONTRACTOR, its agents, employees or contractors.

ARTICLE XII TERMINATION

This AGREEMENT may be terminated under the following events set forth below:

1. Abandonment. COUNTY may terminate this AGREEMENT if the CONTRACTOR abandons the FAIRGROUNDS. COUNTY shall provide CDFA written notice of abandonment by CONTRACTOR and termination of this AGREEMENT within five (5) business days of discovering abandonment.

2. Termination upon Failure to Perform. COUNTY may terminate this AGREEMENT upon thirty (30) days written notice to CONTRACTOR and CDFA should CONTRACTOR fail to perform any term, covenant or condition of this AGREEMENT, and should CONTRACTOR fail to cure such breach within thirty (30) days after written notice from COUNTY to CONTRACTOR and CDFA specifying the nature of such breach. In the event the act required to cure the non-performance cannot be accomplished within said period, to preclude a default, CONTRACTOR must commence the accomplishment of the necessary act within said period and thereafter proceed with diligence and good faith to accomplish the same.

3. Return of State Funds to CDFA. By the effective date of the termination or expiration of this AGREEMENT, CONTRATOR shall return to COUNTY any state funds, with an accounting, that were allocated to the COUNTY or CONTRACTOR by the CDFA within the past five (5) years and that may be in the possession of the CONTRACTOR at the time of termination. COUNTY shall be responsible for noticing and compelling the return of the state funds and the provision of the accounting from CONTRACTOR. COUNTY shall return the state funds with the accounting to the CDFA within forty-five (45) days following the effective date of termination or expiration of this AGREEMENT.

ARTICLE XIII ASSIGNMENT OF CONTRACT

This AGREEMENT shall not be assigned by CONTRACTOR, either in whole or in part without the prior written consent of COUNTY and CDFA. COUNTY shall not assign this AGREEMENT either in whole or in part without the prior written consent of CONTRACTOR and CDFA.

ARTICLE XIV INDEMNIFICATION AND HOLD HARMLESS

CONTRACTOR shall indemnify, defend, and hold harmless COUNTY, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including, but not limited to, damages to property and injuries to or death of persons, court costs, and attorney's fees) occurring or resulting to any and all persons, firms, or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of COUNTY. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers employees, agents, and subcontractors.

CONTRACTOR and COUNTY shall indemnify and hold harmless the State of California and the California Department of Food and Agriculture, its officers, agents, employees, and servants from and against any and all liability expense, including defense costs, legal fees, and claims for damages arising from CONTRACTOR or COUNTY negligence, intentional acts, violation of county, municipal, federal and/or state laws or regulations, or breaches of this AGREEMENT. Indemnification with respect to defense costs shall be made at the time the State of California or the California Department of Food and Agriculture incurs such costs.

ARTICLE XV PERFORMANCE TIME

Time is of the essence in this AGREEMENT.

ARTICLE XVI NOTICE

Any notice to be given hereunder shall be delivered to the Party to be noticed by either personal delivery or by first class mail, postage prepaid. and addressed as follows:

TO: County of Monterey
Attention: PWFP-Real Property Specialist
1441 Schilling Place, South Building, 2nd Floor
Salinas, California 93901

TO: Salinas Valley Fair, Inc.
Attention: Executive Director
625 Division Street
King City, California 93930

Any notice to CDFA required under this AGREEMENT shall be in writing and delivered by first class mail, postage prepaid, and addressed to the addresses indicated below. Notice shall be deemed effective on the third business day following the date of deposit in first class mail.

TO: California Department of Food and Agriculture
Attention: Fairs and Expositions Branch Chief
1220 N Street
Sacramento, California 95814

Correspondence other than notices may be given by phone, regular mail, email or facsimile. By written notice to the other and CDFA, either Party may change its own mailing address or correspondence information.

ARTICLE XVII CONFLICT OF INTEREST

CONTRACTOR shall not, during the term of this AGREEMENT, without obtaining the written consent of COUNTY, permit any member of the governing board of CONTRACTOR to perform for compensation any administrative or operational functions for CONTRACTOR with respect to the performance of this AGREEMENT (including, but not by way of limitation, fiscal, accounting, or bookkeeping functions). Such consent shall be obtained in writing by CONTRACTOR from COUNTY. COUNTY may consent if COUNTY determines such performance to be fair or responsible. Should COUNTY refuse to consent within three (3) weeks of receipt of the request therefore, then CONTRACTOR either shall comply with COUNTY's decision or remedial action shall be initiated. In that event the performance of such functions may continue until the Board of Supervisors has decided the matter. CONTRACTOR shall comply with such Board decision. CONTRACTOR shall not, during the term of this AGREEMENT, with respect to the performance of this AGREEMENT, without having promptly disclosed the same to COUNTY in writing:

- (a) Employ any person who is related by blood or marriage to a manager or a member of the governing board of the CONTRACTOR; or
- (b) Contract for the acquisition of goods or services for more consideration than would be paid for equivalent goods or services on the open market

from any person who is related by blood or marriage to a manager or a member of the governing board of the CONTRACTOR; or

(c) Contract for the acquisition of goods or services for more consideration than would be paid for equivalent goods or services on the open market from the organization in which any person who is related by blood or marriage to a manager or member of the governing board of the CONTRACTOR has a substantial personal financial interest. Such disclosure shall be in writing, addressed to COUNTY. Should COUNTY object to such employment or contracting and refuse to give consent in writing to the CONTRACTOR within three weeks of receipt of the disclosure, then CONTRACTOR either shall not permit such employment or contracting as so disclosed, or shall file a letter with the Clerk of the Board of Supervisors protesting COUNTY's decision. In that event, said employment or contracting may continue until the Board of Supervisors has decided the matter. CONTRACTOR shall comply with such Board decision.

CONTRACTOR shall not, during the term of this AGREEMENT, permit any member of the governing board of CONTRACTOR to acquire, directly or indirectly, any personal financial interest in the performance of this AGREEMENT, as by providing goods or services for compensation, or otherwise, without having first disclosed the same to the governing board, and said member shall not participate in governing board discussions or action on such matter.

The CONTRACTOR may not utilize his/her position for any personal, financial interest in the performance of this AGREEMENT.

ARTICLE XVIII NEGOTIATED AGREEMENT

This contract for services has been arrived at through negotiation and neither Party is deemed to be the party which prepared this AGREEMENT within the meaning of Civil Code Section 1654.

ARTICLE XIX OWNERSHIP

COUNTY should have title to any fixed assets purchased under this AGREEMENT with COUNTY funds, and COUNTY may, at any time, take possession and control thereof from CONTRACTOR.

ARTICLE XX ADMINISTRATION

CONTRACTOR shall designate the Executive Director of the Salinas Valley Fair, Inc. as CONTRACTOR's responsible principal who shall have full authority to obligate CONTRACTOR. The Executive Director of the Salinas Valley Fair, Inc. will serve as principal liaison between COUNTY and CONTRACTOR, and shall be responsible for CONTRACTOR's obligations under this AGREEMENT. COUNTY will be notified in writing of the designation of a responsible principal other than the Executive Director.

ARTICLE XXI

COUNTY'S USE

Subject to its own requirements CONTRACTOR shall permit COUNTY to use and occupy one of CONTRACTOR's buildings located upon the FAIRGROUNDS, at no cost to COUNTY, one time per year for a period to not exceed three (3) days, during the term of this AGREEMENT and any extension thereof for any public purpose, provided such building is not being used or occupied by any other CONTRACTOR approved user. The COUNTY shall not sublet said building. CONTRACTOR agrees to rent CONTRACTOR's buildings to COUNTY, during the term of the AGREEMENT and any extension thereof, at a special at-cost rental, established by CONTRACTOR covering CONTRACTOR's administrative, set-up, cleanup and other costs related to said rental, provided CONTRACTOR shall not be obligated to rent any building to COUNTY that is otherwise scheduled to be occupied by any other approved CONTRACTOR user.

Subject to its own requirements CONTRACTOR shall permit COUNTY to use the FAIRGROUNDS pursuant to substantially similar terms and conditions as outlined in the Emergency Facility Use Agreement (EFUA) attached as **Exhibit C**, which is incorporated herein by this reference. An executed copy of the EFUA shall be attached and incorporated to this AGREEMENT upon execution.

ARTICLE XXII CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

This AGREEMENT shall not be deemed effective unless it is approved and executed by the Fairs and Expositions Branch Chief of the CDFA. The Parties understand and agree that approval of this AGREEMENT by CDFA qualifies COUNTY and/or CONTRACTOR to receive funding from the CDFA Fairs and Expositions Branch but shall not guarantee that any funding from the State of California will be allocated to COUNTY or CONTRACTOR.

The Parties understand and agree that approval of this AGREEMENT by CDFA is conditioned upon the right of CDFA to enforce any term or condition of this AGREEMENT to the extent that duties and obligations are owed by COUNTY and CONTRACTOR to CDFA under this AGREEMENT. Failure of COUNTY or CONTRACTOR to comply with any duty or obligation owed to CDFA may preclude COUNTY or CONTRACTOR from receiving any allocation of funds from the State of California.

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IN WITNESS WHEREOF, COUNTY and CONTRACTOR have caused this AGREEMENT to be executed, all as of the day provided below.

COUNTY OF MONTEREY

CONTRACTOR

By: _____
Mary L. Adams
Chair of the Board of Supervisors

By: _____
Executive Director,
Salinas Valley Fair, Inc.

Date: _____

Date: _____

APPROVED AS TO FORM
Office of the County Counsel
Leslie J. Girard, County Counsel

APPROVED RISK MANAGEMENT

By: _____
Mary Grace Perry
Deputy County Counsel

By: _____
Danielle P. Mancuso
Risk Manager

Date: _____

Date: _____

APPROVED BY CALIFORNIA
DEPARTMENT OF FOOD AND
AGRICULTURE

By: _____
Mike Francesconi
Fairs and Expositions Branch Chief

Date: _____

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Exhibit A SALINAS VALLEY FAIRGROUNDS

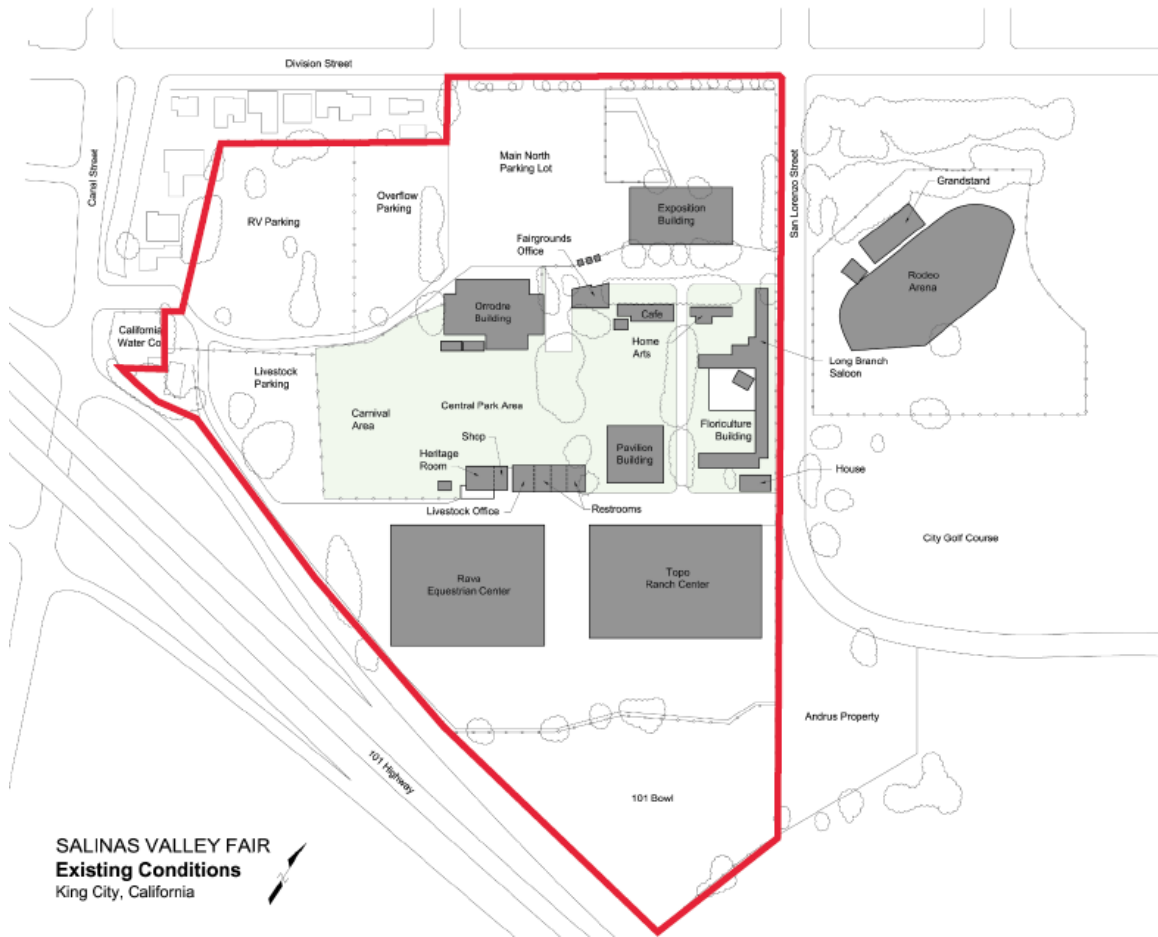


Exhibit B

CFFA MEMORANDUM OF UNDERSTANDING

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Exhibit C

EMERGENCY FACILITY USE AGREEMENT

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