

AGREEMENT FOR SPECIALIZED MARKETING AND MANAGEMENT SERVICES

THIS AGREEMENT FOR SPECIALIZED MARKETING AND MANAGEMENT SERVICES ("Agreement") is made and entered by and between the COUNTY OF MONTEREY, a political subdivision of the State of California ("COUNTY"), and ALL FIELDS SPORTS, LLC ("AFS"), a California limited liability corporation.

RECITALS

This Agreement is made with respect to the following facts:

A. The COUNTY may contract for professional services when it is necessary and appropriate that special legal services be performed for the COUNTY and its officers and employees.

B. COUNTY desires to retain AFS to provide specialized corporate sponsorship and hospitality marketing and management services to the COUNTY with respect to the Laguna Seca Recreation Area ("LSRA"), including WeatherTech Raceway Laguna Seca, the camping grounds and shooting range and "The Lake Resort".

C. AFS is experienced and competent to perform the services required.

NOW, THEREFORE, the parties agree as follows:

1. EFFECTIVE DATE AND TERM

1.01 This Agreement shall be effective as of January 1, 2019, and shall terminate on December 31, 2021, unless earlier terminated as set forth below. This Agreement may be amended from time-to-time upon the mutual agreement of the parties.

2. SERVICES TO BE PERFORMED

2.01. Services to be Performed by AFS. COUNTY hereby hires AFS to perform specialized corporate sponsorship and hospitality marketing and management services as more fully described in Exhibit A, attached hereto and incorporated herein by reference.

2.02. No Conflicts of Interest. AFS does not have an actual or potential interest adverse to COUNTY nor does AFS presently represent a person or firm with an interest adverse to COUNTY with respect to the matter accepted.

2.03. Direction from and Consultation with COUNTY. AFS shall coordinate and consult with and receive direction from COUNTY in providing services under this Agreement. The initial primary person from COUNTY working with AFS with respect to this agreement shall be Assistant County Administrative Officer Dewayne Woods ("COUNTY

Representative”); however, COUNTY may notify AFS of a change in this designation at any time, and other personnel in the COUNTY may be designated from time-to-time to work with AFS with regard to the services to be performed.

AFS shall have the right to market and procure Corporate Sponsorship, Hospitality, and Vendor agreements on behalf of the County at LSRA, and shall be authorized to negotiate the terms, provisions and conditions of all agreements pursued or obtained by it pursuant to this Agreement; however, all such agreements shall be in the name of the County of Monterey, shall be approved as to form by County Counsel, and shall be approved and executed by the COUNTY Representative or such other officer, employee or Board of COUNTY as may be directed.

2.04. Reporting Requirements. AFS shall provide COUNTY with such reports as may be requested by COUNTY in connection with the performance of services hereunder.

2.05. Closing Report. If this Agreement is terminated as set forth herein, or if for any reason AFS is no longer retained by COUNTY, AFS shall submit a Closing Report describing the status of all sponsorships and hospitality agreements obtained by, or assigned by COUNTY to, AFS and then in effect, setting forth any information needed by COUNTY for the management of such agreements. The Closing Report will be expeditiously submitted.

2.06. Oral Reports. AFS shall immediately report orally to COUNTY, in person or by telephone, any event or discovery which is of an urgent nature or requires the immediate attention of COUNTY. AFS shall immediately advise County Counsel in writing if an actual or potential conflict of interest arises or is discovered.

3. COMPENSATION

3.01. Compensation to AFS. As consideration for AFS's performance of services under this Agreement, COUNTY shall pay to AFS the Base Fee and Commission Fees on the terms and conditions set forth in Exhibit B, attached hereto and incorporated herein by reference.

3.02. Maximum Base Fee Liability. The maximum amount of COUNTY's liability over the full term of this Agreement for the Base Fee shall be an amount not to exceed \$30,000 per month, and \$1,080,000 in the aggregate for the term of the Agreement, but may be reduced as set forth in Exhibit B; Commission Fees shall vary according to the value of agreements obtained.

3.03. No Reimbursement for Expenses.

AFS shall not receive nor be entitled to any additional compensation for expenses incurred in performing services pursuant to this Agreement

3.04. Monthly Claims by AFS for the Base Fee.

(a) Submittal of Claim for Monthly Base Fee. Not later than ten days after the last day of each month, AFS shall submit to COUNTY a claim, on a form or in a format approved by COUNTY, for the monthly Base Fee amount of \$30,000, setting forth in detail the number of hours spent by AFS personnel in performance of AFS's obligations under this Agreement. The detail shall include the date and time of the hours spent, the purpose of the hours spent, the personnel associated with the hours spent, and any other information the COUNTY requires, and shall be certified under penalty of perjury.

(b) Payment of Monthly Claims for the Base Fee by COUNTY. COUNTY shall certify AFS's claim, either in the monthly Base Fee amount or in such other amount as COUNTY approves in conformity with this Agreement. COUNTY shall promptly submit such certified claim to the Auditor – Controller's Office which shall thereafter pay the balance of the certified claim not later than 30 days after receipt of the certified claim.

(c) Disputed Payment Amount. If for any claim COUNTY certifies a lesser amount than the monthly Base Fee amount, and if AFS desires to dispute the amount so certified, AFS must submit a written notice of protest to COUNTY within 20 days after AFS's receipt of the certification. The parties shall then promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such dispute until the parties have met and attempted to resolve the dispute in person. AFS will provide a monthly work hour log to COUNTY. COUNTY and AFS will have the opportunity to evaluate the monthly work log every six months to determine work flow productivity.

3.05 Payment of Commission Fees.

(a) Submittal of Claim for Commission Fees. Within thirty (30) days of a payment to the County pursuant to a Sponsor, Hospitality or Vendor agreement, AFS shall provide to COUNTY a claim for Commission Fees. The claim shall be on a form or in a format approved by COUNTY and shall set forth in sufficient detail the basis of the claimed Commission Fees, including the agreement on which the Commission Fees are based, the amount of revenue received by the COUNTY on which the Commission Fees are based, and the Fulfillment Costs (as defined in Exhibit B) for each agreement.

(b) Payment of Claims for Commission Fees by COUNTY. COUNTY shall certify AFS's claim, either in the amount claimed or in such other amount as COUNTY approves in conformity with this Agreement. COUNTY shall promptly submit such certified claim to the Auditor – Controller's Office which shall thereafter pay the balance of the certified claim not later than 30 days after receipt of the certified claim.

(c) Disputed Payment Amount. If for any claim COUNTY certifies a lesser amount than the amount claimed, and if AFS desires to dispute the amount so certified, AFS must submit a written notice of protest to COUNTY within 20 days after AFS's receipt of the certification. The parties shall then promptly meet to review the dispute and resolve it on a

mutually acceptable basis. No court action may be taken on such dispute until the parties have met and attempted to resolve the dispute in person.

4. **INDEMNIFICATION AND INSURANCE**

4.01. **Indemnification.** AFS shall indemnify, defend, and hold harmless the COUNTY, its officers, agents, and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, AFS's and/or its agents', employees' or subcontractors' negligent acts or omissions in the performance of this Agreement, excepting only loss, injury or damage caused by the gross negligence or willful misconduct of COUNTY, its officers or employees. It is the intent of the parties to this Agreement to provide the broadest possible coverage for COUNTY. AFS shall reimburse COUNTY for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the AFS is obligated to indemnify, defend and hold harmless COUNTY under this Agreement.

4.02. **Evidence of Coverage.** Prior to commencement of this Agreement, AFS shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, AFS upon request shall provide a certified copy of the policy or policies. This verification of coverage shall be sent to the COUNTY Representative unless otherwise directed. This approval of insurance shall neither relieve nor decrease the liability of AFS.

4.03. **Qualifying Insurers.** All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by COUNTY.

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

(a) **Commercial General Liability Insurance,** including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

(b) **Business automobile liability insurance,** covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

(c) Workers' Compensation Insurance, if AFS employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

(d) Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the AFS shall, upon the expiration or earlier termination of the Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

(e) Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to COUNTY and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, 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 three years following the date AFS completes its performance of services under this Agreement.

Each liability policy shall provide that COUNTY shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for AFS and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the AFS's work, including ongoing and completed operations, 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 AFS's insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by COUNTY, AFS shall file certificates of insurance with COUNTY, showing that the AFS has in effect the insurance required by this Agreement. The AFS shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on 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.

AFS shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by COUNTY, annual certificates to COUNTY. If the certificate is not received by the expiration date, COUNTY shall notify AFS and AFS shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by AFS to maintain such insurance is a default of this Agreement which entitles COUNTY, at its sole discretion, to terminate this Agreement immediately.

5. TERMINATION

5.01. Termination by COUNTY. COUNTY may terminate this Agreement at any time for its convenience and without cause. Upon such termination, AFS shall promptly comply with the provisions of paragraph 2.05. COUNTY shall pay to AFS all sums then due and owing for services performed through the effective date of the termination, subject to all other provisions of this Agreement, as follows; the final Monthly Base Fee shall be prorated based upon the number of days in the month of termination prior to the effective date of termination, and Commission Fees shall be calculated as set forth in Exhibit B.

5.02. Termination by AFS. AFS may terminate this agreement at any time upon giving thirty (30) days written notice to COUNTY. Upon such termination, AFS shall immediately comply with the provisions of paragraph 2.05. COUNTY shall pay to AFS all sums then due and owing for services performed through the effective date of the termination, subject to all other provisions of this Agreement, as follows; the final Monthly Base Fee shall be prorated based upon the number of days in the month of termination prior to the effective date of termination, and Commission Fees shall be calculated as set forth in Exhibit B.

6. GENERAL PROVISIONS

6.01. Nonassignment. AFS shall not assign or transfer this Agreement, or any part thereof, without the written consent of COUNTY, nor shall AFS assign any monies due or to become due to AFS hereunder without the previous written consent of COUNTY.

6.02. Independent Contractor. Nothing in this Agreement shall be construed or interpreted to make AFS anything but an independent contractor and in all AFS 's activities and operations pursuant to this Agreement, AFS shall for no purposes be considered an employee or agent of COUNTY beyond the authority provided under Exhibit A, General, Item 3.

6.03. Authority to Bind COUNTY. It is understood that AFS, in the performance of any and all duties under this Agreement, has no authority to bind COUNTY except for the authority provided under Exhibit A, General, Item 3, to any agreements or undertakings with respect to any and all persons or entities with whom AFS deals in the course of business.

6.04. Nondisclosure of Information. AFS shall not disclose, without express written consent of COUNTY, any information relating to COUNTY business which has been submitted by COUNTY to AFS pursuant to the services to be rendered pursuant to this Agreement. In the event that this Agreement is terminated, AFS shall immediately return to COUNTY all papers, documents and the like belonging to COUNTY.

6.05. Notices.

(a) Notices permitted or required to be given to the respective parties under this Agreement shall be deemed given (1) when personally delivered to the COUNTY Representative or to AFS's principal partner contact; (2) when personally delivered to the party's principal place of business during normal business hours (i.e., to the office of the COUNTY Representative, or to AFS 's office), by leaving the notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by fax machine to the other party, to the fax number indicated below; or (4) 3 days after the notice is deposited in the U.S. mail (by first class, certified, registered, or express mail), with postage fully prepaid, addressed to the party as indicated below.

(b) Notices mailed to the parties shall be addressed as follows:

To COUNTY:

Dewayne Woods
Assistant CAO
County of Monterey
168 West Alisal Street, Third Floor
Salinas, California 93901
Phone Number: (831) 755-5309
Fax Number: (831) 757-5115

To AFS:

Steve Fields
President
All Fields Sports, LLC
803 Tolentino Ct.
Livermore, CA 94550
Phone Number: (925) 789-9864

(c) The names of the individuals, mailing addresses and fax numbers specified in paragraph (b) may be changed by either party, by giving notice to the other in the manner provided herein.

6.06. Subcontracting. AFS shall not subcontract or otherwise assign any portion of the work to be performed under this Agreement without prior written approval of COUNTY. Any and all subcontracts shall be subject to the provisions contained in this Agreement.

6.07. Modifications. This Agreement may be modified or amended only by written agreement of the parties. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the parties hereto.

6.08. Nonwaiver. No covenant or condition of this Agreement can be waived except by the written consent of COUNTY. Forbearance or indulgence by COUNTY in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by AFS. COUNTY shall be entitled to invoke any remedy available to COUNTY under this Agreement or by law or in equity despite said forbearance or indulgence.

6.09. Sole Agreement. This Agreement contains the entire agreement of the parties relating to the rights herein granted and the obligations herein assumed and supersedes all previous agreements, whether written or oral. Any oral representations or modifications concerning this Agreement shall be of no force or effect excepting a subsequent modification in writing, signed by the parties hereto.

6.10. Venue. If any party herein initiates an action to enforce the terms hereof or declare rights hereunder, the parties agree that venue thereof shall be the County of Monterey, State of California.

6.11. Construed Pursuant to California Law. The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the State of California.

6.12. Exhibits. The following exhibits are attached hereto:

Exhibit A - Scope of Services

Exhibit B - Financial Terms

IN WITNESS WHEREOF, COUNTY and AFS have caused this Agreement to be executed:


DATED: _____

COUNTY OF MONTEREY

By _____
John Phillips, Chair
Monterey County Board of Supervisors

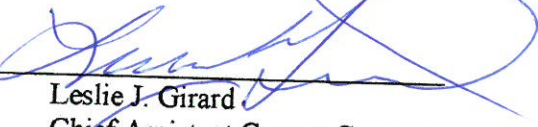
DATED: 1/10/19

ALL FIELDS SPORTS, LLC

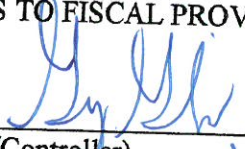
By 
Steve Fields, President
All Fields Sports, LLC

APPROVED AS TO FORM

CHARLES J. MCKEE, County Counsel

By 
Leslie J. Girard
Chief Assistant County Counsel

APPROVED AS TO FISCAL PROVISIONS

By 
(Auditor/Controller) 7-10-19

APPROVED AS TO LIABILITY PROVISIONS

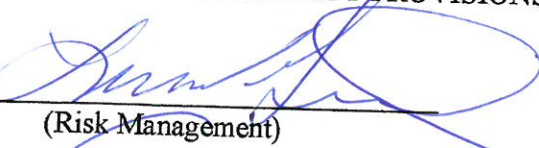
By 
(Risk Management)

EXHIBIT A
SCOPE OF SERVICES

Definitions.

Unless otherwise indicated, the following definitions apply to this Agreement, including Exhibits A and B.

Base Fee – a flat amount due AFS each month during the term of this Agreement.

Commission Fee – an amount due annually to AFS based upon Net Income from Sponsor/Hospitality/Vendor agreements.

County Agent– Firm under contract with County who is charged with the management of the Facility. The County Agent as of the date of execution of this Agreement is the Sports Car Racing Association of the Monterey Peninsula (“SCRAMP”); COUNTY shall notify AFS of any change in the County Agent.

Event(s) – All events within the Facility where tickets are sold to the general public. Events may change year to year.

Facility – the Laguna Seca Recreation Area, including WeatherTech Raceway Laguna Seca, Camping Grounds and Shooting Range.

Fulfillment Costs – actual direct or hard costs incurred by COUNTY or AFS pursuant to specific contractual obligations for benefit of a Sponsor/Hospitality/Vendor agreement (i.e. signage, catering, tent rentals, utilities, goods and supplies, direct staff costs); however, such costs associated with a Pre-Approved Sub-Event shall not be considered Fulfillment Costs.

Net Income – the gross payment to COUNTY pursuant to each Sponsor/Hospitality/Vendor agreement, minus Fulfillment Costs.

Pre-Approved Sub-Event – a sub-event within an Event that has been approved by COUNTY prior to AFS securing a sponsor for such sub-event. By way of example only, the Rolex Reunion Participant Breakfast has been a long-standing tradition with associated direct or hard costs. If County approves holding the Participant Breakfast prior to AFS securing a sponsor for it, it is a Pre-Approved Sub-Event.

Services.

AFS shall:

General.

1. Prior to each calendar year, work with COUNTY on setting realistic annual sales goals for the procurement of Sponsor/Hospitality/Vendor agreements.
2. Provide monthly, event and annual sales revenue updates and reports as requested by COUNTY including reports indicating the status of all Sponsor/Hospitality/Vendor agreements ("client reports").
3. For all agreements procured by AFS, manage billing on behalf of COUNTY for payments to COUNTY pursuant to such agreements. AFS shall have negotiating authority, with County retaining final approval authority for Sponsor/Hospitality/Vendor agreements, and all other revenue generating agreements throughout the term of this Agreement.

Corporate Sponsorship Development and Procurement

Provide comprehensive solutions for corporate partnerships and sponsorships including, but not limited to:

- Asset and pricing development
- Deal structuring and negotiating
- Asset activation
- Ensuring fulfillment of all contractual obligations by the Sponsor/Hospitality/Vendor contractor and COUNTY ("entitlement fulfillment")
- Vendor/Expo Exhibit Sales
- Comprehensive event management of the vendor area
- Prospect lead generation
- Pricing structure development consultation
- Building layout maps in conjunction with County Agent,
- Work cohesively with facility vendors (tents, power, TV, etc.) to fulfill vendor display agreements
- Manage billing of all sponsor/vendors/expo displays
- Facility enhancement advisory for higher ROI
- Manage Sponsorship Agreements and Agreement coordination

Corporate Hospitality Sales

Develop an out bound corporate hospitality sales program including, but not limited to:

- Pricing structure in coordination with County Agent (County final approval)
- Attending industry events to build and solidify Corporate relationships
- Working with County Agent on hospitality locations and P&L
- Collaborating with County Agent on catering representation
- Working with County Agent on Operations and Ticketing and overall entitlement fulfillment

Souvenir Program Ad and Digital Assets Sales

Develop a program including, but not limited to:

- Pricing structure
- Setting deadlines and fulfillment page level targets for each program
- Evaluating sellable inventory throughout digital assets on Official Website, eNewsletter, digital content marketing, social media and other assets as developed

Facility Signage and Branding

- Set up and manage available sponsor signage assets and inventory for year-round and event specific signage plans
- Arrange signage plan with sanctioning bodies for best desired television coverage for corporate sponsors
- Negotiate and manage third-party signage production and installation resources as Official Signage Vendor

Client Staffing Services

- Dedicate a minimum of two full-time staff plus AFS President Steve Fields for the raceway year-round and additional staff during the race season as required
- Have representation at County Agent scheduled "leadership meetings" when scheduled
- Be available for face-to-face meetings with COUNTY at a minimum of once a week, or as necessary

Vendor Procurement and Development

Develop an out-bound vendor sales program including, but not limited to:

- Pricing structure in coordination with County Agent (County final approval)
- Working with County Agent on vendor locations and P&L
- Expanding vendor presence at all events
- Attending industry trade shows to attract new vendor sales
- Working with County Agent on vendor entitlement fulfillment

EXHIBIT B
FINANCIAL TERMS

Base Fee:

\$30,000 per month base payment. AFS will commit to a minimum of 420 dedicated and exclusive hours monthly on behalf of the COUNTY. In the event of mutual agreement in writing that a reduced amount of dedicated and exclusive hours monthly is not provided the Base Fee will be reduced on a pro-rata basis calculated at \$50.00 Hour.

Commission Fees:

In addition to the Base Fee, AFS will be entitled to Commission Fees based on the Net Income per event from Sponsorship/Hospitality/Vendor agreements as follows:

Sponsorship Category

Gross Payment to County – per event basis	Commission
\$0 through \$250,000	0% of Net Income
\$250,00 through 3 million	8% of Net Income
\$3 through \$4 million	10% of Net Income
\$4 through \$6 million	15% of Net Income

In the event of termination or non-renewal of this Agreement, commission payments for this category shall be reduced across all levels to 7.5% of Net Income for remainder of Sponsorship agreement term in place at time of termination or non-renewal, except for \$0 - \$250,000 level which shall remain at 0%.

Hospitality Category

10% of net income per event.

In the event of termination or non-renewal of this Agreement, Commission Fees will not continue or be paid after termination or non-renewal.

Vendor Category (per event basis)

Gross Payment to County	Commission
\$0 through \$1 million	10% of net income
\$1 through \$2 million	12% of net income
\$2 through \$4 million	14% of net income

In the event of termination or non-renewal of this Agreement, Commission Fees will not continue or be paid after termination or non-renewal.

Use of County Facilities and Vehicles:

COUNTY will provide AFS the use of available onsite space for up to two salespersons to conduct sales activities. Space shall be equipped with standard office furniture, fixtures and amenities to allow for operations of a typical Class A office space.

COUNTY shall provide AFS with the use of two vehicles for business purposes subject to:

- COUNTY having an official vehicle sponsor with provided vehicles
- Official Vehicle sponsor agreement provision of approval for usage of vehicles
- AFS provides necessary insurance and follows COUNTY policies

AFS will have access to onsite gas privileges for business purposes (staff fueling location)

Business relationship:

COUNTY shall provide AFS personnel appropriate business cards and identification necessary to fulfill AFS's contractual duties.