

December 7, 2016

MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN THE MODOC DISTRICT FAIR (Fair)-34th
and the MODOC HERITAGE FOUNDATION (Foundation),
collectively known as the "Parties".

Whereas, it was determined in an October 2015 Financial and Operational Assessment by the California Department of Food and Agriculture (CDFA) that the Fair's future projected revenues would be insufficient to cover future operating expenses; and,

Whereas, CDFA worked with the Fair's Board of Directors, and local and state agencies in the region to create a Transition Plan which included the use of volunteers to keep the Fairgrounds operational, as well as a volunteer driven effort to plan and operate the annual Fair; and,

Whereas, the Transition Plan resulted in a community wide effort to form a nonprofit organization known as the Modoc Heritage Foundation who's purpose in part is to assist with the planning and operations of the annual Fair and the Fairgrounds; and,

Whereas, the primary purpose of the Foundation is to promote and support youth and agriculture education through obtaining resources and partnerships to preserve and maintain the area's unique culture; and,

Whereas, the Mission of the Fair is to promote agriculture, education, cultural diversity, history and the traditions of Modoc County by providing a stimulating annual exposition and a year round multi-use facility; and,

Therefore, the Fair and Foundation enter into this MOU to establish the relationship between the parties to work together to promote and maintain the use of the Fairgrounds and provide the necessary resources to celebrate the annual Fair.

TERM

This MOU shall take effect on January 1, 2017 and remain in place for a period of five (5) years, through December 31, 2021, unless terminated as outlined herein.

TERMINATION

Either party can elect to terminate this MOU by giving the other party 60 days' notice in writing following the last day of the annual Fair. Should either party elect to terminate this MOU, such

termination shall take effect 60 days from the day of the notice.

FINANCIAL SUPPORT

The Foundation shall contribute to the Fair \$5000 on or before February 1, 2017. The Fair agrees to accept this contribution and set it aside as the start of a "rainy day" fund to assist the Fair with unanticipated expenses that may arise from time to time that can't be supported from the Fair's annual operating budget.

The Foundation agrees, at its discretion, to make future financial contributions in years 2-5, subject to the Foundation's resources and the needs of the Fair. Nothing in this MOU precludes the Fair from requesting from the Foundation financial assistance to keep the Fairgrounds operational. The Foundation shall have the discretion to accept or reject in whole or part any request by the Fair.

In addition, the Foundation agrees to reimburse the Fair for any expenses incurred by the Fair in the production of the annual Fair as outlined elsewhere in this MOU.

INSURANCE

The Foundation agrees to comply with the Hold Harmless and insurance requirements of the Fair's insurance provider including an annual Insurance Certificate meeting the insurance provider's specifications. These insurance requirements shall apply both during the annual Fair and for any use outside the annual Fair and may change from time to time as dictated by the insurance provider.

USE OF THE FAIRGROUNDS OUTSIDE OF THE ANNUAL FAIR

The Fair understands that the Foundation may request the use of the Fairgrounds other than for the annual Fair to conduct events for the purposes of promoting and raising money for the Foundation and the Fairgrounds. Such use shall be approved by the Fair on a case by case basis under terms and conditions agreed to by the Parties.

ASSIGNMENT

There shall be no assignment of this MOU.

FAIR DATES

The parties agree that the 2017 Modoc District Fair shall be held on August 17-20. Dates for future Fairs during the term of this MOU shall be agreed upon by the parties. Should a dispute arise between the parties regarding the dates of the annual Fair, the Fair shall have the final decision.

PRE AND POST FAIR MEETINGS

The parties agree to conduct joint meetings of both Boards as needed, but not less than twice annually. One meeting shall occur in June of each year as a means for preparing for the Fair and one meeting in September of each year to evaluate the Fair and begin preparations for the following year.

CONFLICT RESOLUTION

In the event that a conflict arises which cannot be resolved by the parties, two members of the Fair and two members of the Foundation will serve as a Conflict Resolution Committee. The Committee members will be selected by their respective Boards at the first Board Meeting of the New Year. Committee members may not serve on the Committee in consecutive years. Should the Committee not be able to resolve the conflict, the Fair shall have the final determination.

RESPONSIBILITIES OF THE PARTIES

The **Fair agrees** to provide the following resources and support to the Foundation for the conduct of the annual Fair and any use of the Fairgrounds by the Foundation outside of the annual Fair.

1. All buildings and grounds to conduct the annual Fair under the terms and conditions provided herein. The Foundation shall have use of at least one desk and computer in the Administration Building on a year round basis and the Directors Room during the Fair including one week in advance of the Fair and for one week following the Fair. The use of the Administration Building shall include use of the telephone system, copy and fax machine and any office supplies which are in currently available to the Fair. Any additional office supplies not in the Fair's possession shall be the responsibility of the Foundation. The Foundation shall have access to the Junior Building for Fair storage and preparation.
2. Building and grounds for Foundation produced events outside the annual Fair on a case by case basis and on terms and conditions agreed to by the parties. The Foundation shall withhold the announcement of any proposed events until after approval by the Fair.
3. Equipment and supplies currently owned by the Fair for the purposes of conducting the Fair and supporting Foundation produced events outside the annual Fair on terms and conditions agreed to by the parties.
4. Provide a means for tracking and reporting Fair attendance.
5. Provide workers compensation insurance coverage, subject to the reporting procedures established by the Fair, for each volunteer working during the Fair and for any volunteer contributing their time to help maintain the Fairgrounds on a year round basis.
6. Appoint two (2) members as an ad hoc committee of the Board who shall attend the Board meetings of the Foundation. The Ad Hoc committee shall make monthly reports to the Fair Board.
7. All fundraising/sponsorship development for the annual Fair shall be conducted by the Foundation. Any monies or inquiries received by the Fair for the annual event shall be turned over to the Foundation. The Fair shall continue in its efforts to raise money via sponsorship,

donations, grants, etc. to support improvements to the buildings, grounds and equipment.

8. Work with local and state agencies including Cal Fire and the County of Modoc to provide for the maintenance of the buildings and grounds in accordance to the Operations and Maintenance Plan.
9. Take an active role in working with the Foundation to plan and conduct the annual Fair including being on site during all hours of operation.
10. Provide the Foundation with a copy of the Fair's Policy Manual in accordance with the policy requirements outlined in this MOU.

The **Foundation** agrees to provide the following resources and volunteer labor to conduct the annual Fair and support the Fairgrounds on a year basis.

11. Provide management and volunteer labor and resources to plan and carry out the annual Fair in accordance with all local and state laws, including all marketing and pre-event preparation, and set up and take down.
12. Provide volunteer labor when available to assist in the maintenance and upkeep of the Fairgrounds.
13. Provide one Foundation Board Member to attend the Fair's monthly Board of Directors Meetings and provide updates as necessary.
14. Provide the Fair an event budget by June 15 of each year and a program plan and schedule by July 15 of each year. The Fair shall reserve the right to approve the program plan and schedule to ensure the plan complies with State and industry standards and guidelines.
15. Provide funding to meet the financial requirements of the program plan.
16. Reimburse the Fair for it's out of pocket costs including but not necessarily limited to the cost of utilities. An Ad Hoc committee for both parties shall meet in May of each year to identify what those costs are in addition to utilities and the process for tracking the costs.
17. Make capital improvements subject to the Fair's approval.
18. Reimburse the Fair for the cost of propane should the Foundation agree to maintain the Fair's Maintenance Shop building at a temperature agreeable to the parties as long as the Fair agrees to store in the Maintenance Shop all equipment sensitive to cold weather, generally November-April.
19. Work with the Fair to maintain an inventory control system.
20. To act as ambassadors for the Fair and project a positive attitude and image for both the Fair and the Foundation.

21. Records retention shall be in accordance with State policy for Fairs.

22. Concessionaire and Commercial Exhibit Policy and Procedures, as well as policies relative to Alcohol Management and Safety, shall be in accordance with the policies of the Fair.

ADDENDUMS TO THIS AGREEMENT

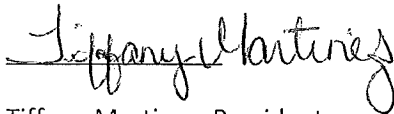
Changes or modifications to this Agreement can be done by Addendum agreed upon by the parties and made part of this Agreement.



Steve Brown, President

Modoc Heritage Foundation Board of Directors

Date 12-19-16



Tiffany Martinez, President

Modoc District Fair Board of Directors

Date 12-19-16