

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

CONSENT AGENDA REQUEST

TO: Board of County Commissioners

FROM: Mark McCauley, County Administrator

DATE: June 24, 2024

SUBJECT: Request for Board of County Commissioner Approval: Operating Agreement for the Jefferson County Fairgrounds

STATEMENT OF ISSUE:

Previous agreements governing the relationship of the County with the Fairgrounds Association were missing a number of important risk reduction provisions that needed to be incorporated into a new agreement. In addition, the County wished to increase the financial support to the Fairgrounds which a new agreement would do.

ANALYSIS:

After months of negotiations the Fairgrounds Association has approved the attached Operating Agreement developed by Commissioner Dean and Chief Civil Deputy Prosecuting Attorney Hunsucker.

The new agreement achieves the objectives of the County and the Fairgrounds association. It reduces risk to the County and significantly increases the County's financial support of the Fairgrounds Association.

FISCAL IMPACT:

The agreement calls for annual financial support of \$100,000 per year, which will be paid out of the Community Services Department of the General Fund.

RECOMMENDATION:

Approve the attached Operating Agreement for the Jefferson County Fairgrounds.

REVIEWED BY:


Mark McCauley, County Administrator


Date

**OPERATING AGREEMENT FOR
THE JEFFERSON COUNTY FAIRGROUNDS**

This **Operating Agreement** (all terms in **bold** are defined below) is between the **County** and the **Fair Association**.

WHEREAS, RCW [36.37.040](#) states:

The board of county commissioners of any county may appropriate and expend each year such sums of money as they deem advisable and necessary for (1) acquisition of necessary grounds for fairs and world fairs, (2) construction, improvement and maintenance of buildings thereon, (3) payment of fair premiums, and (4) the general maintenance of such fair. The board of county commissioners of any county may also authorize the county auditor to provide a revolving fund to be used by the fair officials for the conduct of the fair. The board of county commissioners may employ persons to assist in the management of fairs or by resolution designate a nonprofit corporation as the exclusive agency to operate and manage such fairs.

and,

WHEREAS, the **County** is the owner of the **Fairgrounds**; and,

WHEREAS, the **Board of Commissioners** has determined that **Fairgrounds** benefits Jefferson County by providing its residents the ability to conduct a county fair and other events at the **Fairgrounds**; and,

WHEREAS, the **Board of Commissioners** has determined it is in the public interest to protect and preserve the continued viability of the **Fairgrounds**; and,

WHEREAS, RCW [36.37.040](#) authorizes the **County** to employ "persons" to assist in the management of fairs or to designate a nonprofit corporation as the exclusive agency to operate and manage county fairs and the **Fair Association** is a "person" under state law; and,

WHEREAS, RCW [36.01.010](#) authorizes the **County** to make such contracts as may be necessary to the exercise of its corporate or administrative powers; and,

WHEREAS, the **County Fair Association** has agreed to operate and maintain the **Fairgrounds** and organize and conduct the **Jefferson County Fair since June 12, 2002**; and,

WHEREAS, the **Parties** desire to continue their relationship and the **Fair Association's** use of the **Fairgrounds** for the purposes specified above; and,

WHEREAS, the **Fair Association** recognizes that the **County** requires protection of the **Fairgrounds** and the people who access the **Fairgrounds**; and,

WHEREAS, the **Parties** expressly acknowledge and assert that valuable consideration has been provided by the **Fair Association** in exchange for this **Operating Agreement**; and,

WHEREAS, for good and valuable consideration, as described in this **Operating Agreement**, and as bargained for and exchanged by the **Parties** in support of this **Operating Agreement** the **Parties** agree as follows.

NOW THEREFORE IT IS AGREED:

1 PURPOSES OF THIS OPERATING AGREEMENT.

The purposes of this **Operating Agreement** are to ensure:

- 1.1 The continued availability, use and maintenance of the **Fairgrounds**;
- 1.2 The **Fairgrounds** is available for use pursuant to this Agreement, including for the **Jefferson County Fair** and for other events and uses by the general public consistent with the mission of the **Fair Association** and the law;
- 1.3 The **Fair Association** operates in a fair and transparent manner pursuant to written **Policies** adopted by the **Fair Association**; and,
- 1.4 The **Fair Association** manages its financial affairs responsibly.

2 DEFINITIONS.

- 2.1 “**Board of Commissioners**” means the Jefferson County Board of Commissioners.
- 2.2 “The **County**” means Jefferson County, Washington, a municipal corporation and a political subdivision of the State of Washington.
- 2.3 “**Critical Areas**” has the same meaning as in WAC [365-190-030\(4\)](#).
- 2.4 “**County Administrator**” means the county administrator appointed by the **Board of Commissioners**.
- 2.5 “**Event Agreement**” means a license to use a portion of the fairgrounds or an existing structure for a short period of time.
- 2.6 “**Environmental Law**” means any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health or the environment, including without limitation, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Toxic Substances Control Act, and any similar or comparable state or local law.
- 2.7 **Fair Association** means the County Fair Association (UBI 161 001 174), a private non-profit corporation.
- 2.8 “**Fair Association Board**” means the governing body of the **Fair Association**.
- 2.9 “**Fairgrounds**” means the property owned by the **County**, as described in [Exhibits A & B](#).

- 2.10 “**Hazardous Substance**” means any hazardous, dangerous or toxic wastes, materials, or substances as defined in state or federal statutes or regulations as currently adopted or hereafter amended, and includes without limitation petroleum oil and any of its fractions.
- 2.11 “**Jefferson County Fair**” means the annual county fair, typically conducted over the second weekend in August of each year.
- 2.12 “**Lease**” means a lease of any portion of the **Fairgrounds**. For the avoidance of doubt, **Lease** does not include any **Event Agreement**.
- 2.13 “**Losses**” means, without limitation: (a) the cost of any investigation, removal, remedial or other response action that is required by any **Environmental Law**, that is required by judicial order or by order of or agreement with any governmental authority, or that is necessary or otherwise is reasonable under the circumstances; (b) **Losses** for injury or death of any person; and, (c) **Losses** arising under any later-enacted **Environmental Law**.
- 2.14 “**Operate**” means engaging in **Operations** at the **Fairgrounds**.
- 2.15 “**Operations**” means establishing, promulgating and implementing policies for use of the **Fairgrounds** (and the structures located there) by business invitees, licensees, guests and the public; the scheduling, renting and management of all buildings, facilities and campgrounds; with vendors, booth operators, security forces, local law enforcement agencies, ticket takers, ride operators and other contracts related to **Operations**.
- 2.16 “**Operating Agreement**” means this Operating Agreement for the **Fairgrounds**.
- 2.17 “**Parties**” means the parties to this **Operating Agreement**.
- 2.18 “**Party**” means one of the **Parties**.
- 2.19 “**Policies**” means more than one **Policy**.
- 2.20 “**Policy**” means a policy adopted by the **Fair Association Board** that is approved by the **County Administrator**.
- 2.21 “**Section**” means a section of this **Operating Agreement**.

3 TERM OF OPERATING AGREEMENT.

This **Operating Agreement** begins on the **Effective Date** and terminates on December 31, 2027, unless otherwise terminated or extended by the Board of Commissioners. If this Operating Agreement is not renewed, expiration shall be automatic.

4 RESPONSIBILITIES OF THE FAIR ASSOCIATION.

- 4.1 Revise its by-laws, which must be approved by the **County Administrator**. The **Fair Association** shall adhere to those by-laws faithfully in the execution of **Fair Association** business and operation of the **Fairgrounds**.

- 4.2 Develop and adopt **Policies**, which shall be approved by the **County Administrator**. The **Policies** shall be presented to the **County Administrator** for approval on or before one year after the **Effective Date**. The **County Administrator** may extend this deadline for good cause shown, but for no longer than 180 days. The **Policies** shall include a **Policy** on at least the following:
- 4.2.1 Compliance with state and federal laws prohibiting discrimination and harassment;
 - 4.2.2 Risk Management, including purchasing adequate insurance to cover the risks of **Operation** of the **Fairgrounds**;
 - 4.2.3 Health, Safety and Environment;
 - 4.2.4 Utilization of the **Fairgrounds** by visitors;
 - 4.2.5 Conflict of Interest;
 - 4.2.6 Contracting, including procedures for **Event Agreements** and the use of standard contract forms.
- 4.3 The **Fair Association** shall **Operate** the **Fairgrounds** and all the buildings and facilities located there, except as designated by the **County**.
- 4.4 The **Fair Association** shall **Operate** the **Jefferson County Fair**, including, but not limited to, contracting with vendors, booth operators, security forces, local law enforcement agencies, ticket takers, ride operators and other contracts related to **Operations**.
- 4.5 The **Fair Association** shall pay all costs and expenses related to the use of the **Fairgrounds** for the purposes described in **Section 1**, including, but not limited to, utilities, incorporation fees and any applicable taxes, charges or costs imposed on the **Fair Association** by a municipal corporation with taxing powers.
- 4.6 The **Fair Association** shall maintain the **Fairgrounds** and all the buildings and facilities located there. Maintenance shall include, but not be limited to, routine maintenance activities that are intended to keep the facilities and buildings in good repair, appearance, and working order. The **Fair Association** shall provide materials and labor for these routine maintenance activities.
- 4.7 The **Fair Association** shall employ such persons as necessary to carry out its operations. In doing so, the **Fair Association** shall comply with all State and Federal Laws and regulations dealing with employee and contracted service.
- 4.8 The **Fair Association** shall be responsible for managing its financial affairs, including: payroll, accounts payable and receivable, and inventory and cash management. The Fair Association shall provide monthly, quarterly and annual income and balance sheet statements at its board meetings and make them available to the **County** and the public. The **Fair Association** shall contract with a qualified Certified Public Accountant for an

annual audit of the **Fair Association's** financial statements. Audit results shall be shared at a **Fair Board** meeting and shall be otherwise made available. The **Fair Association** shall present the audit results to the **County** in a regularly scheduled **Board of Commissioners** meeting as soon as practicable after receipt.

- 4.9 The **Fair Association** shall manage the risks and hazards associated with events and activities at the **Fairgrounds** in a manner satisfactory to the **County Administrator**. The **Fair Association** shall specifically manage for risks associated with the use and maintenance of the **Fairgrounds**, including but not limited to the identification and mitigation of building and facility hazards.
- 4.10 The **Fair Association** has a duty to offer access to and upon the **Fairgrounds** that provides for the safety of the general public and those persons patronizing the **Fairgrounds**.
- 4.11 The **Fair Association** shall keep the **Fairgrounds** free and clear of any liens and encumbrances arising from its actions pursuant to this **Operating Agreement** and its use of the **Fairgrounds**.
- 4.12 The **Fair Association** shall maintain the **Fairgrounds** structures, infrastructure, and improvements in good condition during the term of this **Operating Agreement** at its own sole expense. The **Fair Association** is not authorized to install any structure, infrastructure, or improvement at the **Fairgrounds**, unless approved in a separate written agreement with the **County**. The **Fair Association** shall be the owner of any structure, infrastructure, or improvements that the **County** has authorized installation in writing, unless an agreement between the **County** and another person controls and says otherwise. The **County** is the owner of any structure, infrastructure, or improvements it has installed or will install. For the avoidance of doubt, the **Parties** understand and agree that enlargement of an existing structure is not considered an installation.
- 4.13 The **Fair Association** shall not cause or permit any damage to any **Critical Areas** on the **Fairgrounds**, except as is necessary for regular maintenance or daily operation and/or any construction or installation of improvements if such construction or installation has been authorized by the **County**.
- 4.14 If the **Fair Association** believes it cannot satisfy the obligation required in this **Section** due to a lack of funds, it shall notify the **County Administrator** in writing immediately for a determination of whether the **County** can make additional funds available.
- 4.14 The **Fair Association** must receive prior written approval by the **County** of any proposed changes in **Operation** of the **Fairgrounds**. Failure to do so may result in termination of this **Operating Agreement** at the discretion of the **County**.
- 4.15 The **Fair Association** may enter into **Event Agreements** for up to 30 consecutive days for portions of the **Fairgrounds** without written permission from the **County**. **Event Agreements** for more than 30 days, must be approved in writing by the **County Administrator**. Revenue from **Event Agreements** issued by the **Fair Association** consistent with this **Section** shall be used by the **Fair Association** for **Operation** of the **Fairgrounds**.

- 4.16 No modifications may be made to the facilities, infrastructure or other property located at the **Fairgrounds** without the written approval of the **County Administrator**. This **Section** shall not apply to maintenance or minor repairs performed by the **Fair Association**.
- 4.17 The **Fair Association** shall **Operate** the **Fairgrounds** and all activities and events in compliance with all federal, state, and local laws, regulations and any permits issued thereunder. The **Fair Association** shall notify the **County** in writing within 24 hours if the **Fair Board** or any **Fair Association** employee becomes aware that the **Fair Association** is acting or operating in alleged violation of any local, state, or federal law or permit.

5 RESPONSIBILITIES OF THE COUNTY.

- 5.1 Exercise financial oversight of the **Fair Association** and the activities it conducts.
- 5.2 Risk Management services including walk-through of facilities, and assistance in the preparation and review of contracts, operating procedures, cash handling procedures and the like, as requested by the **Fair Association**, or as may be initiated by the **County**.
- 5.3 As requested by the **Fair Association**, assist the **Fair Association** in attaining appropriate liability and other insurance coverage. Expenses for such liability and other insurance coverage shall be paid in their entirety by the **Fair Association**.

6 FUNDING BY THE COUNTY.

- 6.1 The **County** shall provide the **Fair Association** funds to be used in support of the **Fair Association's** responsibilities under this **Operating Agreement**.
- 6.2 The amount of the funding to be provided by the **County** shall be \$100,000 for 2023, \$100,000 for 2024, \$100,000 for 2025, \$100,000 for 2025 and \$100,000 for 2027.
- 6.3 Any funds for 2023 that have not been paid as of the **Effective Date**, shall be paid to the **Fair Association** within 30 days of the **Effective Date**. Funds for subsequent years during the term of this **Operating Agreement** shall be payable as a lump sum payment upon receipt of an invoice from the **Fair Association** in January of each year.

7 STATE FUNDING.

The **County** agrees that in any year in which the **Fair Association** manages and **Operates** the **Jefferson County Fair**, the **Fair Association** may receive and keep any such contribution(s) by the State of Washington. The **Fair Association** shall prepare and submit any necessary documentation to the State in connection with the State funding.

8 CELL ANTENNA INSTALLATION AND ITS REVENUE.

The **Fair Association** shall cooperate with the **County** in obtaining a long-term cell antenna lease at the **Fairgrounds**. During the term of this **Operating Agreement**, revenue from long-term cell antenna installation lease shall be paid to the **Fair Association**.

9 USE OF FUNDS PROVIDED TO THE FAIR ASSOCIATION PURSUANT TO THIS AGREEMENT

Funds provided to the **Fair Association** under this **Operating Agreement** shall be used by the **Fair Association** solely for the purpose of supporting the management, maintenance, repairs of the **Fairgrounds** and production of the **Jefferson County Fair** related to carrying out the **Fair Association's** responsibilities outlined in **Section 4**. For the avoidance of doubt, this includes all funding provided under **Sections 6, 7, and 8**.

10 LIMITED LICENSE IN SUPPORT OF OPERATING AGREEMENT.

- 10.1 The **Fair Association** shall have a license to use the **Fairgrounds**, solely for the purposes outlined in **Section 4**.
- 10.2 The **Fair Association** acknowledges that this **Operating Agreement** does not transfer, grant, or convey to it any ownership interest, title, or easement in the **Fairgrounds**.
- 10.3 The **County** reserves the mineral and timber rights associated with the **Fairgrounds**.

11 EFFECTIVE DATE.

This **Operating Agreement** shall become effective when signed by the last **Party**.

12 TERMINATION OF PRIOR AGREEMENTS.

This **Operating Agreement** supersedes all previous agreements between the **Parties** concerning the **Fairgrounds**. All prior agreements between the **County** and the **Fair Association** are terminated as of the Effective Date. For the avoidance of doubt, previous agreements include but are not limited to the Memorandum of Understanding by and between the Jefferson County Fair Association and Jefferson County, dated June 12, 2000, the Agreement by and between the Jefferson County Fair Association and Jefferson County, dated May 20, 2019 (2019 Community Services Funding), the Agreement by and between the Jefferson County Fair Association and Jefferson County, dated December 16, 2019 (2020-2022 Community Services Funding) and the Agreement by and between the Jefferson County Fair Association and Jefferson County dated September 12, 2022 (2023-2027 Community Services Funding).

13 RATIFICATION.

All activities performed by the **Fair Association** pursuant to **Section 3** prior to the **Effective Date** are hereby ratified.

14 PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION.

- 14.1 The **Fair Association** shall comply with all the applicable requirements of Chapter [8.05](#) of the Jefferson County Code related to food service sanitation.
- 14.2 The **Fair Association** hereby agrees to indemnify, defend, and hold harmless, and to waive, release and discharge the **County** from any and all present or future claims or demands,

and any and all damages, **Losses**, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation, fines, penalties or judgments, and attorneys' fees) of any and every kind or character, known or unknown, which the **Fair Association** might have asserted or alleged against the **County** arising from or in any way related to the alleged presence, use, storage, generation, manufacture, transport, release, leak, spill, disposal or other handling of any **Hazardous Substances** in, on, or at the **Fairgrounds**. In addition, the **Fair Association** shall indemnify, defend and hold the **County** harmless from and against any **Losses** arising out of or related to: (i) any exacerbation of any condition of the **Fairgrounds**; and, (ii) the cost of any cleanup of the **Fairgrounds**. PROVIDED, however, that nothing in this subsection is intended to cover **Hazardous Substances** in existence at the **Fairgrounds** prior to June 12, 2000, the date the **Fair Association** began **Operations** at the **Fairgrounds**.

15 APPLICABLE LAW.

It is understood and agreed that this **Operating Agreement** is entered into in the State of Washington. This **Operating Agreement** shall be governed by and construed under the laws of the United States, the State of Washington and the County of Jefferson, as if applied to transactions entered into and to be performed wholly within Jefferson County, Washington between Jefferson County residents. No **Party** may argue or assert that any state law other than Washington law applies to the governance or construction of this **Operating Agreement**.

16 DISPUTES.

The **Parties** agree to use their best efforts to prevent and resolve disputes before they escalate into claims or legal actions. Any disputed issue not resolved under this **Operating Agreement** shall be submitted in writing within 10 days to the **County** Risk Manager, whose decision in the matter shall be final, but shall be subject to judicial review. If either **Party** deem it necessary to institute legal action or proceeding to enforce any right or obligation under this **Operating Agreement**, each **Party** in such action shall pay for its own attorney's fees and court costs. Any legal action shall be initiated in the Superior Court of the State of Washington for Jefferson **County**. The **Parties** agree that all questions shall be resolved by application of Washington law and that the **Parties** have the right of appeal from such decisions of the Superior Court under the laws of the State of Washington. The **Fair Association** consents to the personal jurisdiction of the Superior Court of the State of Washington for Jefferson County.

17 INDEMNIFICATION.

- 17.1 The **Fair Association** shall defend, indemnify and hold the **County**, its officers, officials, employees, agents and volunteers (and their marital communities) harmless from any claims, injuries, damages, losses or suits, including attorney's fees, arising out of or resulting from the acts, errors or omissions of the **Fair Association** in performance of this **Operating Agreement**, except for injuries and damages caused by the sole negligence of the **County**.
- 17.2 Should a court of competent jurisdiction determine this **Operating Agreement** is subject to RCW 4.24.115 if liability for damages occurs arising out of bodily injury to persons or

damages to property caused by or resulting from the concurrent negligence of the **Fair Association** and the **County**, its officers, officials, employees, agents and volunteers (and their marital communities), the **Fair Association's** liability, including the duty and cost to defend, shall be only for the **Fair Association's** negligence.

- 17.3 It is further specifically understood that the indemnification provided constitutes the **Fair Association's** waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the **Parties**.
- 17.4 This **Section** shall survive the expiration or termination of this **Operating Agreement**.

18 INDEPENDENT CONTRACTOR.

- 18.1 The **Fair Association** is an independent contractor regarding the services provided under this **Operating Agreement**.
- 18.2 The **Fair Association** is not an agent, an employee or a servant of the **County**.
- 18.3 The **Fair Association** specifically has the right to direct and control **Fair Association's** own activities and all of its employees, agents and representatives in providing the agreed services in accordance with the specifications set out in this **Operating Agreement**.
- 18.4 The **Fair Association** acknowledges that the entire compensation for this **Operating Agreement** is in the compensation provisions of this **Operating Agreement** and the **Fair Association** is not entitled to any **County** benefits, including, but not limited to: retirement, vacation pay; holiday pay; sick leave pay; medical, dental or other insurance benefits; fringe benefits; or any other rights or privileges afforded to **County** employees.
- 18.5 The **Fair Association** agrees to file all necessary governmental documents, including tax returns, reflecting income status as an independent contractor for services rendered to the **County** under this **Operating Agreement**.
- 18.6 Should any governmental agency audit the files of and request information on either **Party**, each **Party** agrees to furnish immediately the requesting **Party** with any records, including tax returns, relating to the services rendered under this **Operating Agreement**.

19 INSURANCE REQUIREMENTS.

- 19.1 The **Fair Association** shall obtain and keep in force during the terms of the **Operating Agreement** or as otherwise required, the following insurance with companies or through sources approved by the State Insurance Commissioner pursuant to Chapter 48 RCW and on a form acceptable to the Jefferson County Risk Manager.
- 19.2 The **County** shall be named on all certificates of insurance as an additional insured. The certificates of insurance shall cover the activities specified in or performed under this **Operating Agreement**. The **Fair Association** shall provide to the **County** the full text of any endorsement listed solely by its name, number, or title (as opposed to the full text of said endorsement).

- 19.3 Any coverage for third party liability claims provided to the **County** by a “Risk Pool” created pursuant to Ch. [48.62](#) RCW shall be non-contributory with respect to any policy of insurance the **Fair Association** must provide to comply with this Agreement. All policies provided by the **Fair Association** in order to comply with the insurance requirements of this **Operating Agreement** must be endorsed to show this primary coverage.
- 19.4 If the proof of insurance or certificate indicating the **County** is an “additional insured” to a policy obtained by the **Fair Association** refers to an endorsement (by number or name) but does not provide the full text of that endorsement, then it shall the obligation of the **Fair Association** to obtain the full text of that endorsement and forward that full text to the **County**.
- 19.5 Upon the **Fair Association’s** failure to comply with all provisions of this **Operating Agreement** relating to insurance, the **County** may terminate this **Operating Agreement** in a manner consistent with this **Operating Agreement**.
- 19.6 The coverage limit for any insurance purchased to provide coverage for damage to property owned by the **Fair Association** at the **Fairgrounds** shall be in an amount not less than the replacement value of the **Fair Association**-owned property, including but not limited to structures and infrastructure on the **Fairgrounds**.
- 19.7 All insurance shall be obtained from an insurance company authorized to do business in the State of Washington.
- 19.8 The **Fair Association** shall submit a certificate of insurance as outlined above within 14 days of the execution of this **Operating Agreement** to the **County**.
- 19.9 No cancellation of the foregoing policies shall be effective without thirty (30) days prior notice to the **County**.
- 19.10 The following types of insurance shall be maintained by the **Fair Association** for its **Operations** at the **Fairgrounds**.
- 19.11 Worker’s Compensation (Industrial Insurance).
- 19.11.1.1 The **Fair Association** shall maintain workers’ compensation insurance at its own expense, as required by Title 51 RCW, for the term of this Agreement and shall provide evidence of coverage to Jefferson **County** Risk Management, upon request.
- 19.11.1.2 The worker’s compensation insurance shall be cover all employees with limits meeting all state and federal laws. This coverage shall be include Employer’s Liability with limits meeting all state and federal laws.
- 19.11.1.3 The **Fair Association** expressly waives by mutual negotiation all immunity and limitations on liability, regarding the **County**, under any industrial insurance act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise apply in the case of such claim.

- 19.11.1.4 If the **County** incurs any costs to enforce this subsection, all cost and fees may be recoverable from the **Fair Association**.
- 19.12 Commercial Automobile Liability Insurance. The **Fair Association** shall obtain bodily injury and property damage liability coverage for all owned and non-owned vehicles assigned to or used in the performance of the work for a combined single limit of not less than \$1,000,000 per occurrence in connection with the **Fair Association's** performance of the **Operating Agreement**, including coverage for:
 - 19.12.1.1 Owned Automobiles;
 - 19.12.1.2 Hired Automobiles, and;
 - 19.12.1.3 Non-owned Automobiles.
- 19.13 General Commercial Liability Insurance. The **Fair Association** shall obtain general liability coverage in an amount not less than a single limit of one million dollars (\$1,000,000.00) per occurrence and an aggregate of not less than two million dollars (\$2,000,000) for bodily injury, including death and property damage, unless a greater amount is specified in the contract specifications. The insurance coverage shall contain no limitations on the scope of the protection provided and include the following minimum coverages:
 - 19.13.1.1 Broad Form Property Damage, with no employee exclusion;
 - 19.13.1.2 Personal Injury Liability, including extended bodily injury;
 - 19.13.1.3 Broad Form Contractual/Commercial Liability - including: completed operations;
 - 19.13.1.4 Premises - Operations Liability (M&C);
 - 19.13.1.5 Independent Contractors and subcontractors; and,
 - 19.13.1.6 Blanket Contractual Liability.
 - 19.13.1.7 Said general commercial liability policy shall name the **County** as an additional insured and shall include a provision prohibiting cancellation or reduction of coverage of said policy except upon thirty (30) days prior written notice to the **County**. Certificates of coverage as required by this **Section** shall be delivered to the **County** within thirty (30) days of execution of this **Operating Agreement**.
- 19.14 The **Fair Association** shall not **Operate** on or use the **Fairgrounds** without the forgoing insurance provisions being fully satisfied.

- 19.15 The **County** may, upon the **Fair Association's** failure to comply with any or all provisions of this **Operating Agreement** relating to insurance, withhold payment or compensation that would otherwise be due to the **Fair Association**.
- 19.16 If the proof of insurance or certificate indicating the **County** is an "additional insured" to a policy obtained by the **Fair Association** refers to an endorsement (by number or name) but does not provide the full text of that endorsement, then it shall be the obligation of the **Fair Association** to obtain the full text of that endorsement and forward that full text to the **County**.
- 19.17 All insurance policies obtained by **Fair Association** in order to comply with this **Section** shall be primary and non-contributory as against any coverage for third party liability claims obtained and retained by the **County** through Ch. 48.62 RCW "Risk Pool."
- 19.18 It is agreed by the **Parties** that insurers shall have no right of recovery or subrogation against the **County** (including its employees and other agents and agencies), it being the intention of the **Parties** that the insurance policies so affected shall protect both **Parties** and be primary coverage for any and all losses covered by the above described insurance.
- 19.19 The insurance maintained by the **Fair Association** under this **Operating Agreement** shall not in any manner limit or qualify the liabilities or obligations of the **Fair Association** under this **Operating Agreement**.
- 19.20 The **Fair Association** shall not **Operate** on or use the **Fairgrounds** without the forgoing insurance provisions being fully satisfied.

20 HARASSMENT AND DISCRIMINATION PROHIBITED.

- 20.1 Any form of harassment, discrimination, or improper fraternization with any **County** employee is strictly prohibited.
- 20.2 The **Fair Association** shall not discriminate against any person in performance of **Fair Association's** responsibilities under this **Operating Agreement** or in the selection and retention of employees or procurement of materials or supplies on the basis of age, sex, marital status, sexual orientation, religion, creed, race, color, national origin, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, unless based upon a bona fide occupational qualification.

21 NO ASSIGNMENT.

No **Party** shall assign its rights under this **Operating Agreement**, unless done in writing and approved by the other **Party**.

22 MODIFICATION.

This **Operating Agreement** may be modified during the term of this **Operating Agreement** only by mutual agreement of the **Parties**, which shall be appended to this **Operating Agreement**.

23 TERMINATION.

- 23.1 This **Operating Agreement** may be terminated by any **Party** for cause upon providing the other **Party** with written notice thirty (30) days prior to the date of termination. The written notice of termination must explain the reason for termination, if any.
- 23.2 After receipt of a notice of termination, and before termination, the **Party** in receiving the notice of termination may cure the defect, if any, or make the case for why this **Operating Agreement** should not be terminated. The **Party** issuing the notice of termination may consider the case by the other **Party** and may continue with the termination or rescind the termination notice. If the termination notice is rescinded this **Operating Agreement** shall continue in force for the full term. If this **Operating Agreement** is terminated, the **Fair Association** shall refund to the **County** the pro-rata share of the funding measured from the date of termination to the end of the year, unless otherwise negotiated
- 23.3 Either **Party** may notify the other **Party** of an alleged default and the **Party** allegedly in default shall have twenty (20) days to cure same. The period to cure the default may be extended by mutual agreement.

24 ENTIRE AGREEMENT. This **Operating Agreement** memorializes the entire Agreement of the **Parties** and all parts of this **Operating Agreement** are contained herein. The **Parties** agree that:

- 24.1 No representation or promise not contained in this **Operating Agreement** has been made.
- 24.2 They are not entering into this **Operating Agreement** based on any inducement, promise or representation, expressed or implied, which is not contained in this **Operating Agreement**.
- 24.3 This **Operating Agreement** supersedes all prior or simultaneous representations, discussions, negotiations, and **Operating Agreements**, whether written or oral, within the scope of this **Operating Agreement**.

25 SECTION HEADINGS.

The headings of the **Sections** of this **Operating Agreement** are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or construction of the **Sections** or this **Operating Agreement**.

26 LIMITS OF ANY WAIVER OF DEFAULT.

No consent by either **Party** to, or waiver of, a breach by either **Party**, whether express or implied, shall constitute a consent to, waiver of, or excuse of any other, different, or subsequent breach by either **Party**.

27 NO ORAL WAIVER.

No term or provision of this **Operating Agreement** will be waived by either **Party**, and no breach excused by either **Party**, unless such waiver or consent is in writing signed on behalf of the **Party** against whom the waiver is asserted. Failure of a **Party** to declare any breach or default immediately upon the occurrence thereof, or delay in taking any action in connection with, shall not waive such breach or default.

28 ORDER OF PRECEDENCE.

If there is an inconsistency in this **Operating Agreement**, or between its terms and any applicable statute or rule, the inconsistency be resolved by giving precedence in the following order: (a) Applicable state statutes and rules; (b) local laws and rules; and, (c) case law.

29 SEVERABILITY.

Provided it does not result in a material change in the terms of this **Operating Agreement**, if any provision of this **Operating Agreement** or the application of this **Operating Agreement** to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this **Operating Agreement** and the application this **Operating Agreement** shall not be affected and shall be enforceable to the fullest extent permitted by law.

30 SURVIVAL.

Those provisions of this **Operating Agreement** that by their sense and purpose should survive the term of this **Operating Agreement** shall survive the term of this **Operating Agreement**. Without limiting the generality of the preceding sentence, and for the avoidance of doubt, the provisions that survive the term of this **Operating Agreement** include: (a) controlling law; (b) insurance; and, (c) indemnification.

31 PROVISIONS REQUIRED BY LAW ARE ADDED.

Any provision of law and any clause required by law to be in this **Operating Agreement** are made a part of this **Operating Agreement** and shall be read and enforced as though they were they were included in this **Operating Agreement** and as if omitted by mistake, if ever any such provision or clause is not included, or is not correctly inserted, this **Operating Agreement** shall be amended to add or correct such clause forthwith upon the request of any **Party** to another **Party**.

32 BINDING ON SUCCESSORS, HEIRS AND ASSIGNS.

This **Operating Agreement** shall binding upon and inure to the benefit of the **Parties'** successors in interest, heirs and assigns.

33 NO THIRD-PARTY BENEFICIARIES.

The **Parties** do not intend, and nothing in this **Operating Agreement** shall be construed to mean, that any provision in this **Operating Agreement** is to benefit any person or entity who is not a **Party**.

34 SIGNATURE IN COUNTERPARTS.

This **Operating Agreement** may be executed in one or more counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this **Operating Agreement** at different times and places by the **Parties** shall not affect the validity of this **Operating Agreement**, so long as all the **Parties** execute a counterpart of this **Operating Agreement**.

35 FACSIMILE AND ELECTRONIC SIGNATURES.

The **Parties** agree that facsimile and electronic signatures shall have the same force and effect as original signatures.

36 ARMS-LENGTH NEGOTIATIONS.

The **Parties** agree this **Operating Agreement** has been negotiated at arms-length, with the assistance and advice of competent, independent legal counsel.

37 MAINTENANCE OF RECORDS.

- 37.1 Each **Party** shall maintain books, records, documents and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either to perform this **Operating Agreement**. These records shall be subject to inspection, review or audit by personnel of both **Parties**, other personnel duly authorized by either **Party**, the Office of the State Auditor, and federal officials so authorized by law.
- 37.2 All books, records, documents, and other material relevant to this **Operating Agreement** shall be retained for six years after expiration the **Operating Agreement**. The Office of the State Auditor, federal auditors, the Jefferson County Auditor, and any persons duly authorized by the **Parties** shall have full access and the right to examine these materials during this period.
- 37.3 If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
- 37.4 Records and other documents, in any medium, furnished by one **Party** to this **Operating Agreement** to the other **Party**, shall remain the property of the furnishing **Party**, unless otherwise agreed.

38 PUBLIC RECORDS ACT.

- 38.1 Notwithstanding any provisions of this **Operating Agreement** to the contrary, to the extent any record, including any electronic, audio, paper or other media, must be kept or indexed as a public record under the Washington Public Records Act, Chapter 42.56 RCW (as may be amended), the **Fair Association** agrees to maintain all records constituting public records and to produce or assist the **County** in producing such records, within the time frames and parameters in state law.

38.2 The **Fair Association** also agrees that upon receipt of any written public records request, the **Fair Association** shall, within two business days, notify the **County** by providing a copy of the request per the notice provisions of this **Operating Agreement**.

38.3 This **Operating Agreement**, once executed, becomes a "public record" subject to production to a third **Party** if it is requested under the Washington Public Records Act, Chapter [42.56](#) RCW (as may be amended).

39 ATTACHMENTS.

Any document in this **Operating Agreement** identified as an attachment is part of this **Operating Agreement** and is incorporated by reference into this **Operating Agreement**.

40 REFERENCE TO SECTIONS IN THIS OPERATING AGREEMENT.

Any reference to a section in this **Operating Agreement** is a reference to a **Section** of this **Operating Agreement**, unless clearly stated to the contrary.

41 NOTICES. Notices shall be given at these addresses and contact points:

Jefferson County Board of County
Commissioners
PO Box 1220
Port Townsend, WA 98368

County Fair Association
Association Treasurer
P.O. Box 242
Port Townsend, WA 98368

(SIGNATURES FOLLOW ON NEXT PAGE)

JEFFERSON COUNTY WASHINGTON

Board of County Commissioners
Jefferson County, Washington

By: _____
Greg Brotherton, Chair Date

By: _____
Kate Dean, Commissioner Date

By: _____
Heidi Eisenhour, Commissioner Date

SEAL:

ATTEST:

Carolyn Gallaway, CMC Date
Clerk of the Board
Approved as to form only:



June 20, 2024

Philip C. Hunsucker Date
Chief Civil Deputy Prosecuting Attorney

COUNTY FAIR ASSOCIATION

By: _____
Signature

Name: _____

Title: _____

Date: _____

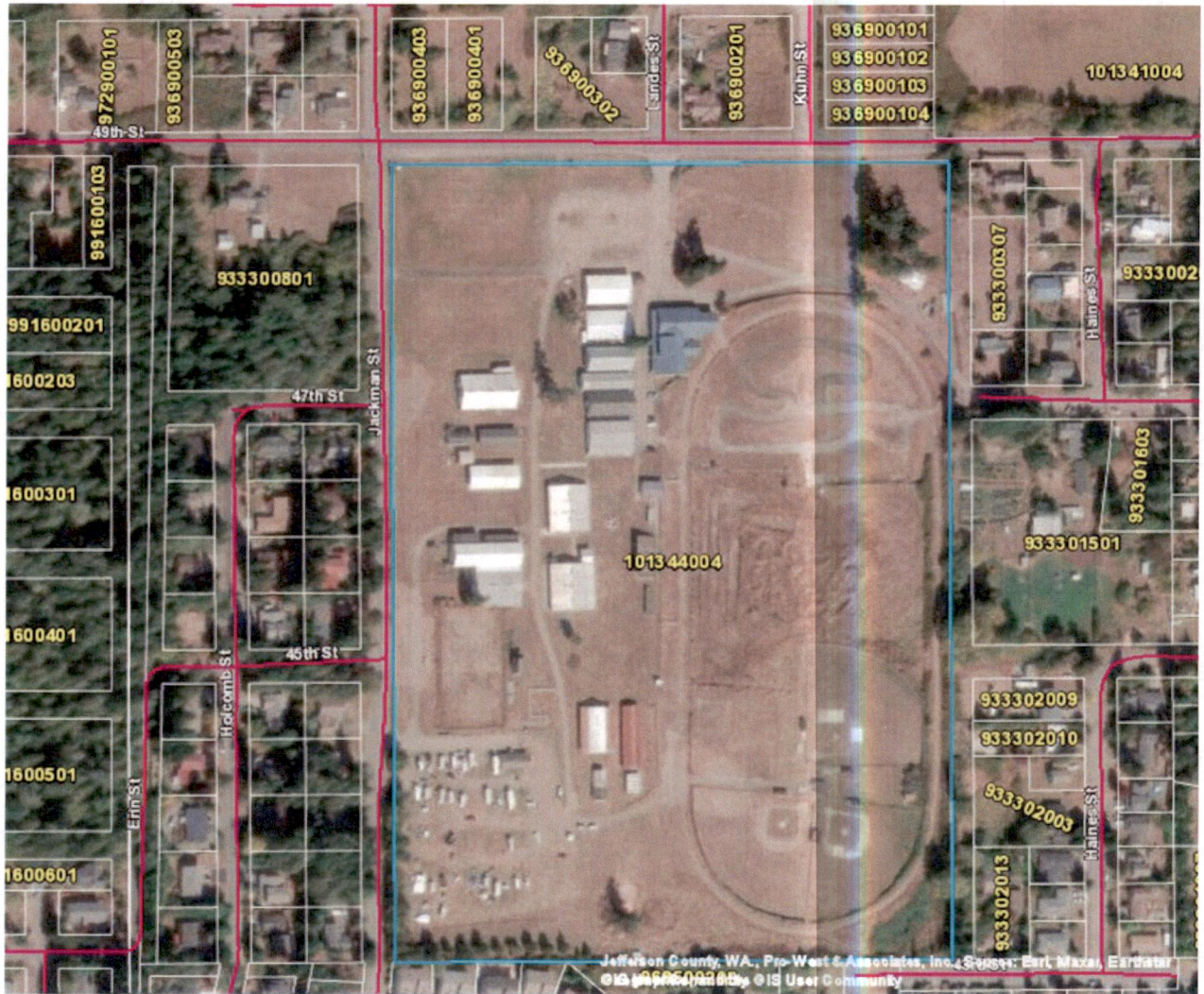
EXHIBIT A

The land referred to herein is described as follows:

The Southwest 1/4 of the Southeast 1 1/4 of the Southeast 1/4; and, the East 1/2 of the Southeast 1 1/4 of the Southeast 1/4; and, the East 1/2 of the Southeast 1/4 of the Southwest 1/4 of the Southeast 1/4; except any portion thereof lying northerly of the southerly limits of South Jacob Miller Road; together with the East 300 Feet of the West 1/2 of the Southeast 1/4 of the Southwest 1/4 of the Southeast 1/4; of Section 8, Township 30 North, Range 1 West, W.M.; said described parcel being a portion of Jefferson County Fire Protection District #6 Short Plat as per plat recorded in Volume 4 Pages 39 and 40 of Short Plats, Auditor's File Number 403948, records of Jefferson County Washington.

Situate in Jefferson County, State of Washington.

EXHIBIT B -Fairgrounds Aerial View



ATTACH DIAGRAM HERE

CONTRACT REVIEW FORM
(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: Jefferson County Fairgrounds Association

Contract No: Fair 2024-2027

Contract For: Fairground Operations

Term: Through 2027

COUNTY DEPARTMENT: County Administrator

Contact Person: Mark McCauley

Contact Phone: 360-385-9130

Contact email: mmccauley@co.jefferson.wa.us

AMOUNT: \$100,000 per year

Revenue: N/A

Expenditure: \$100,000 per year

Matching Funds Required: N/A

Sources(s) of Matching Funds: N/A

Fund #: 001-068

Munis Org/Obj: 001-068

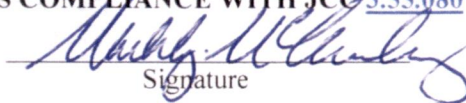
PROCESS:

- ☒ Exempt from Bid Process
- ☐ Cooperative Purchase
- ☐ Competitive Sealed Bid
- ☐ Small Works Roster
- ☐ Vendor List Bid
- ☐ RFP or RFQ
- ☐ Other: _____

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

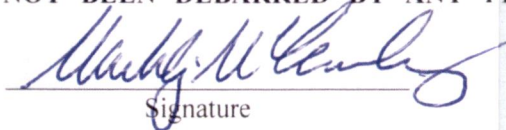
CERTIFIED: ☒ N/A: ☐


Signature

6/20/24
Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☒ N/A: ☐


Signature

6/20/24
Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 6/20/2024.

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 6/20/2024.
Negotiated with the assistance of the PAO.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY (IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL