

I. Parties

This Service Contract (the "Contract") is entered into on this _____ day of September **2023**, by and between:

COUNTY:

Franklin County
1016 North 4th Ave
RMA102
Pasco, WA 99301
Mike Gonzales
County Administrator
(509) 543-2969
mrgonzalez@franklincountywa.gov

Contractor:

HWL Team LLC
DBA-HAPO Center Operations Group
100 S. Star Rd STE112
Star ID 83669
Wesley Harris
Member
(208) 898-4742
sirrahw@msn.com

Henceforth FRANKLIN COUNTY, a political subdivision of the State of Washington, shall be referred to as "the COUNTY", the HWL Team, LLC, an Idaho Limited Liability Corporation, shall be referred to as "the CONTRACTOR" and shall Collectively be referred to as "the Parties."

II. BACKGROUND AND PURPOSE

Franklin County, located in Eastern Washington, is the proud home of HAPO Center, a premier public assembly facility. This facility has played a pivotal role in driving economic growth and community engagement.

Franklin County Released a request for proposal (RFP) on 06/16/2023 titled "HAPO Center RFP" RFP# 23-000-0000, in response to this RFP the CONTRACTOR submitted a proposal on 07/14/2023 and was selected as the Awardee on 08/15/2023.

The purpose of this Service Contract is to establish an Operating Agreement for the HAPO Center, outlining the responsibilities and objectives of the CONTRACTOR in managing and operating the facility.

III. SCOPE OF SERVICES & PERFORMANCE GOALS

A. Scope

The CONTRACTOR shall be responsible for the comprehensive management and operation of HAPO Center, including sales, scheduling, event management, catering, bartending, and related activities. The scope of services encompasses the following:

1. Maximizing community-wide economic impact by hosting local and non-local events while minimizing operating costs.
2. Developing annual marketing, business, operating, and capital improvement plans for County approval.
3. Procuring management, labor, materials, bonds, and insurance as required by County and State laws.
4. Reporting to designated representatives and cooperating with The County Commissioner.
5. Maintaining and operating the facility according to current Operating Standards.
6. Complying with all Legal Requirements, including laws, regulations, permits, and intellectual property rights.
7. Providing on-site administrative services for management activities, budgeting, accounting, maintenance, personnel, and more.
8. Implementing initiatives to enhance revenue while minimizing direct competition with local private business interests.
9. Protecting County's capital investments through maintenance and repair recommendations.
10. Offering exceptional services to visitors, focusing on customer satisfaction and re-bookings.
11. Collaborating with regional tourism organizations and hospitality industry to promote HAPO Center.
12. Penetrating new markets, attracting events, and enhancing facility usage.
13. Hosting a diverse array of cultural, educational, entertainment, and community events.
14. Booking community-oriented events for economic and cultural benefits.
15. Implementing Equal Employment Opportunity and workforce diversity plans.
16. Providing sufficient security and maintenance services for safety and comfort.
17. Establishing janitorial, cleaning, and maintenance programs in line with Operating Standards.
18. Achieving objectives professionally and lawfully.
19. Offering catering, bartending services for events.
20. Adhering to cash and electronic transaction standards as established by the County.

21. Demonstrating creativity in areas like sustainability, event booking, collaborative relationships, and technology infrastructure.

B. Performance Goals and Incentives

1. **Performance Meetings:** Throughout the term of this contract, both Parties agree to hold regular performance meetings to assess the CONTRACTOR's performance in delivering services under this Agreement. These meetings will serve as a platform for open communication, issue resolution, and continuous improvement. The frequency and format of these meetings shall be determined collaboratively and may include in-person meetings, teleconferences, or video conferences, as deemed appropriate.
2. **Performance Goals:**
 - a. **Establishment of Goals:** At the outset of each contract year, the Parties shall collaborate to establish clear and measurable performance goals and key performance indicators (KPIs) related to the services provided. These goals and KPIs shall align with the objectives outlined in Section III (Scope of Services) of this contract.
 - b. **Monitoring Progress:** Throughout the contract year, both Parties shall diligently monitor progress toward the established performance goals and KPIs. The CONTRACTOR shall provide regular updates and reports detailing their progress and any challenges encountered.
 - c. **Goal Achievement:** The Parties shall work collaboratively in support of goals and KPIs
3. **Performance Evaluation:** At the end of each contract year, a comprehensive performance evaluation shall be conducted to assess the CONTRACTOR's overall performance against the established goals and KPIs. The results of this evaluation shall be used to inform future goal-setting processes and may impact any applicable incentive fee calculations.
4. **Incentives:** Performance goals and incentive structure shall be agreed upon during the quarterly progress meetings. Incentive Payments need to be included in overall county costs under this contract, in addition to the agreed monthly management fee and personnel costs.

IV. TERM

A. Initial Term

The initial term of this contract ("Contract Term") shall be five (5) years, commencing on October 1st of 2023 and concluding on September 30th of 2028. During this Contract Term, both parties shall fulfill their respective obligations as outlined in this agreement.

B. Extension Options

Upon the expiration of the initial Contract Term, the parties, the COUNTY and the CONTRACTOR may enter bilateral negotiations to determine whether to extend the contract for additional periods.

1. Any such negotiations shall commence at least sixty (60) days prior to the expiration of the initial Contract Term. If both parties mutually agree, they shall execute a written agreement to extend

the contract for an additional one (1) year ("First Extension Period"), outlining any modified terms, conditions, and pricing.

2. Upon the expiration of the First Extension Period, the parties may again engage in negotiations regarding a possible extension. If the Parties reach a mutual agreement, they shall execute a written agreement to further extend the contract for an additional one (1) year ("Second Extension Period"), specifying any agreed-upon modifications to the contract terms.

C. Notice of Bilateral Agreement:

The parties shall communicate their intent regarding the extension of the contract in writing within the negotiation period specified in each extension phase. Such communication shall include any proposed modifications to the contract terms, as applicable.

D. Modifications to Terms:

Any modifications to the contract terms and conditions as part of an extension shall be documented in the written agreement signed by authorized representatives of The parties.

E. Non-Agreement on Extension:

If the parties do not reach a mutual agreement to extend the contract, the contract shall automatically terminate at the end of the then-current term without any further obligations or liabilities for either party.

F. Termination:

This clause does not affect the right of either party to terminate the contract as provided for in other sections of this agreement.

V. COMPENSATION

The CONTRACTOR shall receive compensation as outlined in Exhibit A attached hereto, which includes details about fees, payment terms, and performance-based incentives.

VI. CONFIDENTIALITY

RESERVED**VII. TERMINATION**

This Contract may be terminated by either Party in accordance with the termination provisions specified in Exhibit B attached hereto.

VIII. GOVERNING LAW

This Contract shall be governed by and construed in accordance with the laws of the State of Washington.

IX. ENTIRE AGREEMENT

This Contract, along with its attached exhibits, constitutes the entire agreement between the Parties and supersedes any prior understandings or agreements, whether written or oral.

X. APPLICABLE LAWS AND COURTS

This solicitation and any resulting contract will be governed in all respects by the laws of the State of Washington, and any litigation with respect thereto will be brought in the superior court of Franklin County, Washington. The CONTRACTOR will comply with all applicable federal, state, and local laws, rules, and regulations.

XI. ANTI-DISCRIMINATION AND NONDISCRIMINATION IN COUNTY CONTRACTS

By submitting their proposals, applicants certify to the County that they will conform to the provisions of the Federal Civil Rights Act of 1964 and the Washington Law against Discrimination, RCW 49.60. If the award is made to a faith-based organization, the organization will not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender, honorably discharged veteran or military status, or national origin and will be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds will be subject to audit by Franklin County.

During the performance of this contract, the applicant agrees as follows:

- a. The applicant will not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, or any other basis prohibited by state law or federal law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the applicant. The applicant agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- b. The applicant, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, will state that such a CONTRACTOR is an equal opportunity employer.
- c. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation will be deemed sufficient for the purpose of meeting the requirements of this section.
- d. The applicant will include the provisions of a., above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

XII. ETHICS IN PUBLIC CONTRACTING

By submitting their proposals, applicants certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other applicant, supplier, manufacturer, or subcontractor in connection with their proposals, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

XIII. IMMIGRATION REFORM AND CONTROL ACT OF 1986

By submitting their proposals, applicants certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

XIV. ANTITRUST

By entering into a contract, the CONTRACTOR conveys, sells, assigns, and transfers to Franklin County all rights, title, and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the State of Washington, relating to the particular services purchased or acquired by Franklin County under said contract.

XXI. CONFLICT RESOLUTION

A. Negotiation

In the event of any dispute, controversy, or claim arising out of or relating to this Contract or the breach thereof, the Parties shall first attempt to resolve the matter amicably through good-faith negotiations. Each Party shall designate a representative to engage in negotiations promptly after receiving written notice from the other Party describing the nature of the dispute. The negotiations shall be confidential and without prejudice to the rights and positions of the Parties.

B. Mediation

If the dispute cannot be resolved through negotiation within 15 days from the commencement of negotiations, either Party may initiate mediation by serving written notice to the other Party. The mediation shall be conducted by a neutral mediator agreed upon by both Parties. The mediator's fees shall be shared equally between the Parties. The Parties shall participate in the mediation in good faith and attempt to reach a mutually acceptable resolution.

C. Arbitration

If mediation fails to resolve the dispute within 15 days from its initiation, the dispute shall be referred to binding arbitration in accordance with the rules and procedures of a reputable arbitration organization agreed upon by the Parties. The arbitration shall take place in Pasco, Washington. The decision of the arbitrator(s) shall be final and binding on both Parties and may be entered as a judgment in any court of competent jurisdiction.

D. Equitable Remedies

Notwithstanding the foregoing, either Party may seek injunctive or other equitable relief in a court of competent jurisdiction to prevent irreparable harm pending the resolution of the dispute through the above-described processes.

E. Continuation of Performance

During the resolution of any dispute, the Parties shall continue to perform their respective obligations under this Contract to the extent practicable and in good faith.

F. Costs

Each Party shall bear its own costs and expenses related to any dispute resolution process.

G. Governing Law

This Conflict Resolution section shall be governed by and construed in accordance with the laws of the State of Washington.

XXII. PERFORMANCE MEETINGS

A. Regular Performance Meetings

The Parties shall hold regular performance meetings to review the progress and status of the services provided under this Contract. These meetings shall take place as needed or requested, but not less frequently than quarterly, or as otherwise agreed upon by the Parties. The purpose of these meetings is to assess the CONTRACTOR's performance, address any concerns, and ensure that the objectives and goals of this Contract are being met.

B. Meeting Agenda

The agenda for each performance meeting shall include, but not be limited to, the following:

1. Review of the CONTRACTOR's performance in relation to the agreed-upon scope of services.
2. Discussion of any challenges, issues, or concerns that have arisen during the reporting period.
3. Assessment of key performance indicators (KPIs) as outlined in Exhibit A.
4. Evaluation of any proposed changes, adjustments, or improvements to the service delivery.
5. Review of financial performance against the approved budget as outlined in Exhibit A.
6. Review prior quarterly incentive fee and set next quarter incentive fee.

C. Documentation and Reports

The CONTRACTOR shall prepare and submit a written report in advance of each performance meeting. This report shall include, but not be limited to, the following:

1. A summary of activities performed during the reporting period.
2. An assessment of progress made towards achieving the objectives of this Contract.
3. A breakdown of any challenges or issues encountered and the steps taken to address them.
4. Financial statements and budgetary information.

D. Action Items and Follow-Up

At the conclusion of each performance meeting, the Parties shall collectively determine any necessary action items, adjustments, or improvements to be implemented to enhance the overall performance of the services provided under this Contract. The CONTRACTOR shall document these action items and provide a timeline for their completion.

E. Attendance

The performance meetings shall be attended by representatives of both Parties. Additional personnel with relevant expertise may be invited to participate as needed.

F. Minutes

Minutes or notes from each performance meeting shall be documented and distributed to both Parties within 15 days following the meeting. These minutes shall include a summary of discussions, action items, and any decisions made during the meeting.

XXIII. FINANCIAL RESPONSIBILITY FOR CAPITAL IMPROVEMENTS

As the management and operations service CONTRACTOR for the HAPO Center, the CONTRACTOR's role in identifying and prioritizing recommended capital improvements shall not obligate the county to make said improvements. All capital improvement projects authorized by the COUNTY shall be advertised in an open public bid process with final contractor selection by the COUNTY. All services in this section shall be included as part of the standard monthly management fee authorized by this contract.

A. Capital Expenditures Planning and Budgeting:

The CONTRACTOR will work closely with the COUNTY to develop a comprehensive capital expenditures plan for the HAPO Center. This plan will outline the facility's capital improvement needs, including renovations, upgrades, equipment purchases, and infrastructure enhancements, as well as fiscal capacity to undertake such projects. CONTRACTOR will propose a prioritized list of capital projects. The CONTRACTOR will provide expertise and recommendations based on industry best practices and knowledge of facility management.

B. Proposal and Approval Process:

Once the capital projects are identified and prioritized, the CONTRACTOR will prepare detailed proposals outlining the scope, cost estimates, and anticipated benefits of each project. These proposals will be submitted to the COUNTY for review and consideration. The CONTRACTOR will work closely with the COUNTY to address any questions or concerns and provide additional information as needed. Approval of capital improvement projects, and parties executing said projects, rests solely with the COUNTY.

C. Billing and Purchasing:

When requested by COUNTY, the CONTRACTOR may manage the billing and purchasing process for capital improvements in accordance with the County's established financial procedures. This includes preparing and submitting invoices for approved capital projects, tracking expenses, and providing regular financial reports to the County. We will adhere to the County's procurement policies and procedures to ensure transparency, accountability, and cost-effectiveness in the purchasing process.

D. Contract Management:

In cases where capital improvements require the involvement of CONTRACTORS, vendors, or service contractors, we will assist in the selection process, evaluation of bids or proposals, and the letting of contracts. We will work closely with the County's procurement department to ensure compliance with all relevant laws, regulations, and best practices. Throughout the implementation of capital projects, we will monitor the progress, quality, and timely completion of work as per the contracted agreements.

E. Collaborative Approach:

In cases where capital improvements require the involvement of contractors, vendors, or service contractors, CONTRACTOR may, absent any real or perceived conflicts of interests, may assist in the selection process, evaluation of bids or proposals, and the letting of contracts. CONTRACTOR may work closely with the County's procurement department to ensure compliance with all relevant laws, regulations, and best practices. Throughout the implementation of capital projects, we will monitor the progress, quality, and timely completion of work as per the contracted agreements.

XXIV. DATA OWNERSHIP

A. Definition of Data:

The types of data covered by the clause shall include sales data (such as transaction records and COUNTY information), marketing data (such as campaign analytics and COUNTY interactions) and booking data (such as reservations and scheduling information).

B. Ownership of Data:

The ownership of all data pertaining to HAPO Center operations, including but not limited to sales, marketing, and bookings shall be the property of the COUNTY.

C. License to Use:

The COUNTY agrees to allow the CONTRACTOR the right to use data in the following contexts:

1. **Marketing Campaigns:** The COUNTY grants the CONTRACTOR the right to use COUNTY demographic and purchase history data solely for the purpose of creating targeted marketing campaigns during the term of this agreement.
2. **Analytics and Reporting:** The COUNTY provides the CONTRACTOR with the right to use sales and transaction data for generating performance reports and analytics to track business metrics and trends.
3. **Booking Management:** The COUNTY authorizes the CONTRACTOR to utilize booking data, including date and time preferences, to efficiently manage and schedule appointments.
4. **Service Improvement:** The COUNTY permits the CONTRACTOR to utilize feedback and usage data to enhance the quality of the services provided, making improvements based on COUNTY preferences.
5. **Product Development:** The COUNTY grants the CONTRACTOR the right to analyze user-generated data to inform the development and enhancement of new features and products.
6. **Research and Development:** The COUNTY provides the CONTRACTOR with the right to use anonymized data for research and development purposes, in compliance with data privacy laws.
7. **Content Personalization:** The COUNTY allows the CONTRACTOR to use browsing history and interaction data to personalize content recommendations and improve the user experience.
8. **Compliance and Auditing:** The COUNTY acknowledges the CONTRACTOR's right to access and use necessary data for compliance checks, auditing, and regulatory reporting.
9. **COUNTY Support:** The COUNTY grants the CONTRACTOR the right to use COUNTY support interactions and data for resolving inquiries and providing assistance.

- 10. Training and Education:** The COUNTY permits the CONTRACTOR to use user interactions and engagement data to enhance training materials and educational content.

XXV. Insurance Requirements

Prior to commencing any work or services under this contract, the CONTRACTOR shall provide the COUNTY with valid and current evidence of the required insurance types as specified in the following of this contract. This evidence shall include certificates of insurance, policy endorsements, and any other relevant documentation as requested by Franklin County. Upon policy renewal, updated certificates shall be provided to the COUNTY.

A. Workers' Compensation:

The CONTRACTOR shall maintain Workers' Compensation insurance coverage in accordance with statutory requirements as set forth by Washington State Labor and Industries (L&I). Benefits will be administered as mandated by state regulations.

B. Commercial General Liability:

The CONTRACTOR shall maintain Commercial General Liability insurance with coverage of \$4,000,000 per occurrence and \$4,000,000 in the aggregate. This coverage shall include, but not be limited to, bodily injury and property damage, personal injury, advertising injury, products liability, and completed operations coverage. Franklin County and the City of Pasco must be named as an additional insured on the policy. The CONTRACTOR shall provide documented evidence of this endorsement from the insurance carrier.

C. Automobile Liability:

If any motor vehicle not owned by Franklin County is to be used in the execution of this contract, the CONTRACTOR shall maintain Automobile Liability insurance with coverage of \$2,000,000 combined single limit. The CONTRACTOR, or a third-party owner of such motor vehicle, must ensure that the required coverage is continuously maintained throughout the contract term.

D. Other Insurance Provisions:

1. The CONTRACTOR'S liability insurance provisions shall be primary with respect to any insurance or self-insurance programs covering the COUNTY or its elected and appointed officers, officials, employees or agents. CONTRACTOR'S liability insurance policies must be endorsed to show this primary coverage. Any insurance, self-insured retention, deductible or risk retention maintained or participated in by the COUNTY shall be excess and not contributory to CONTRACTOR'S insurance policies.
2. The CONTRACTOR'S will provide a copy of the additional insured provisions.
3. The CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
4. The CONTRACTOR shall furnish separate certificates and endorsement for each subcontractor. All

coverage for subcontractors shall be subject to all of the requirements stated herein.

5. The insurance limits mandated for any insurance coverage required by this Contract are not intended to be an indication of exposure nor are they limitations on indemnification. **If the CONTRACTOR maintains higher limits than the minimums required in this Contract, the COUNTY shall be entitled to coverage for the higher limits maintained by the CONTRACTOR.**
6. The CONTRACTOR shall maintain all required policies in force from the time services commence until services are completed. Certificates, policies, and endorsements expiring before completion of services shall be promptly replaced. CONTRACTOR is required to maintain claims made professional liability insurance for a minimum of 36 months after the effective date of termination or completion of this Contract. All liability insurance required under this Contract, except for professional liability under Section **8(a)**, shall be written on a claims made form.
7. CONTRACTOR hereby agrees to waive subrogation with respect to each insurance policy maintained under this Contract. When required by an insurer, or if a policy condition does not permit CONTRACTOR to enter into a pre-loss agreement to waive subrogation without an endorsement, then CONTRACTOR agrees to notify the insurer and obtain such endorsement. This requirement shall not apply to any policy which includes a condition expressly prohibiting waiver of subrogation by the insured or which voids coverage should the CONTRACTOR enter into such a waiver of subrogation on a pre-loss basis. Waiver of subrogation is not available for Professional Liability policy.
8. Compensation and/or payments due to CONTRACTOR under this Contract are expressly conditioned upon CONTRACTOR'S strict compliance with all insurance requirements. Payment to CONTRACTOR may be suspended in the event of non-compliance. Upon receipt of evidence of CONTRACTOR'S compliance, such payments not otherwise subject to withholding or set-off will be released to CONTRACTOR.

XXVI. Hold Harmless and Indemnification:

- A. The CONTRACTOR shall hold harmless, indemnify and defend the COUNTY and its officers, officials, employees and agents, from and against any and all third-party claims, actions, suits, liability, losses, expenses, damages, and judgments of any nature whatsoever, including reasonable costs and attorneys' fees in defense thereof, for injury, sickness, disability or death to persons or damage to property or business arising from the services rendered by CONTRACTOR pursuant to this Agreement. Despite the above, in no event shall CONTRACTOR obligated to indemnify defend and save harmless the County their officers, officials, employees, contractors, agents to the extent that any action claim or loss occurs or results, in whole or in part, from the acts or omissions of the Franklin County their officers, officials, employees, contractors, agents, or third parties
- B. In any and all claims against the COUNTY and its officers, officials, employees and agents by any employee of the CONTRACTOR, any subcontractor, anyone directly or indirectly employed by any of

them, or anyone for whose acts any of them may be liable, the indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor or subcontractor under Workers Compensation acts, disability benefit acts, or other employee benefit acts, it being clearly agreed and understood by the parties hereto that the Contractor expressly waives any immunity the CONTRACTOR might have had under such laws, including but not limited to Title 51 of the Revised Code of Washington. By executing this Contract, the CONTRACTOR acknowledges that the foregoing waiver has been mutually negotiated by the parties and that the provisions of this section shall be incorporated, as relevant, into any contract the CONTRACTOR makes with any subcontractor or agent performing work hereunder. CONTRACTOR's obligations under this Section 7 shall survive termination and expiration of this Contract.

C. The CONTRACTOR's obligations hereunder shall include, but are not limited to, investigating, adjusting and defending all claims alleging loss directly arising from action, error or omission, or breach of any common law, statutory or other delegated duty by the CONTRACTOR, or the CONTRACTOR's employees, agents or subcontractors.

XXVII Public Records Act:

CONTRACTOR hereby acknowledges that the County is a governmental entity and as such is subject to the requirements of the Public Records Act, Chapter 42.56 RCW. Accordingly, CONTRACTOR understands that to the extent a proper request is made, the County may be required by virtue of that Act to disclose any records related to this Contract actually in its possession or in CONTRACTOR's possession. This may include records that CONTRACTOR regards as confidential or proprietary. To the extent that CONTRACTOR provides any records to the County that it regards as confidential or proprietary, CONTRACTOR agrees to conspicuously mark the records as such. CONTRACTOR also hereby waives any and all claims or causes of action for any injury it may suffer by virtue of County's release of records covered under the Public Records Act. The County agrees to take all reasonable steps to notify CONTRACTOR in a timely fashion of any request made under the Public Records Act that will require disclosure of any records marked by CONTRACTOR as confidential or proprietary, so that CONTRACTOR may seek a judicial order of protection if necessary.

XXVIII Patent/Copyright Infringement:

The CONTRACTOR shall hold harmless, indemnify and defend the COUNTY and their officers, officials, employees and agents, from and against any claimed action, cause or demand brought against the COUNTY, where such action is based on the claim that information supplied by the CONTRACTOR or subcontractor infringes any patent or copyright. The PROVIDER shall be notified promptly in writing by the COUNTY of any notice of such claim.

XXIX Severability:

A. If a court of competent jurisdiction holds any part, term or provision of this Contract to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if this Contract did not contain the particular provision held to be invalid.

B. If it should appear that any provision of this Contract is in conflict with any statutory provision of the State of Washington, said provision which may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provision.

XXX Accounting Books and Records:

A. Inspection: The County may, at reasonable times, inspect the books and records of the Provider relating to the performance of this Contract. The County has the option of 3 unannounced inspections per year which can cover all aspects of the HAPO Center's operations and records. The CONTRACTOR shall keep, and make available to the County upon request, all records relating to the performance of this Contract for six (6) years after Contract termination or expiration.

B. Accounting: All bookkeeping and accounting for the Operations of the Hapo Center shall be kept in accordance with standard Accrual Accounting Principles.

C. Monthly Close Out: The Contractor shall ensure that accounting records be closed for the month and financial statements be completed by the Fifteenth (15th) calendar day subsequent to the last day of the month. Upon completion of the Close out, a Closeout Package shall be submitted to the County. The closeout package shall include:

Primary Package

Balance Sheet.

Profit and Loss Statement (comparative to budget)

KPI Dashboard Review

Aggregate Event Profitability Schedule by event category.

Completed Event Settlements with Revenue, Expenses, and Date.

Supporting Detail Package (upon request)

AR Detail Report

AP Detail Report

Bank Reconciliations

Credit Card Reconciliations.

Payroll Liability Reconciliations.

Client Deposit Reconciliations.

XXXI Independent Contractor:

- a. The CONTRACTOR'S services shall be furnished by the CONTRACTOR as an independent contractor and not as an agent, employee or servant of the COUNTY. The CONTRACTOR specifically has the right to direct and control CONTRACTOR'S own activities in providing the agreed services in accordance with the specifications set out in this Contract.
- b. The CONTRACTOR acknowledges that the entire compensation for this Contract is set forth in Section 5 of this Contract, and neither the CONTRACTOR, nor its employees are entitled to any COUNTY benefits, including, but not limited to: 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.

- c. The CONTRACTOR shall have and maintain complete responsibility and control over all of its subcontractors, employees, agents, and representatives. No subcontractor, employee, agent, or representative of the PROVIDER shall be, deem to be, act or purport to act as an employee, agent, or representative of the COUNTY.
- d. THE PROVIDER shall pay for all taxes, fees, licenses, or payments required by federal, state or local law that are now or may be enacted during the term of this Contract.

The PROVIDER agrees to immediately remove any of its employees or agents from their assignment to perform services under this Contract upon receipt of a written request to do so from the COUNTY contract representative or designee.

XXVII. DUAL-PARTY CASH COUNTING

A. Procedure:

1. For events or instances involving cash transactions, a dual-party cash counting procedure shall be available upon the COUNTY's desires to perform the Dual-Party Cash Counting for specific events announced in advance. This procedure involves at least two designated representatives, one from the Contractor and one from the County, jointly conducting the cash counting.
2. The dual-party cash counting shall take place in a secure and designated location agreed upon by both Parties. This location shall be equipped with the necessary tools, such as counting machines, for an accurate cash count.

B. Cash Counting Process:

1. At the conclusion of an event or cash transaction, both designated representatives shall meet at the agreed-upon location.
2. The cash, including bills and coins, shall be counted in a systematic and organized manner to ensure accuracy.
3. Both representatives shall verify each other's counts for bills and coins and reconcile any discrepancies to reach a mutually agreed-upon final count.
4. A record of the final count, signed by both designated representatives, shall be generated and kept as an official record of the cash collected.

C. Discrepancies:

1. In the event of a discrepancy during the dual-party cash counting, both designated representatives shall thoroughly investigate the cause of the discrepancy and attempt to reconcile the count.
2. If a resolution is not immediately attainable, the incident shall be reported to the appropriate authorities and thoroughly documented for further investigation.

D. Accountability:

1. Both Parties shall maintain strict confidentiality regarding the cash counting process and results.

2. Both designated representatives shall be accountable for the accuracy of the cash count and shall uphold the highest level of integrity throughout the procedure.

XXXII County Administrator as contracting agent for County:

The COUNTY hereby designates the County Administrator as the Contracting agent for the COUNTY under this agreement. The County Administrator has the authority to sign lease agreements for events booked under this agreement on behalf of the COUNTY without further action of the Board of County Commissioners.

XXXIII Initial Budget and Master Plan:

Master Plan-No later than November 1st, the Contractor shall submit a Draft Master Plan for the COUNTY's review. The scope of the shall encompass the following:

1. Executive Summary: A brief overview highlighting the key aspects of the master plan, including its purpose, goals, and major recommendations.
2. Introduction: Provides context, background, and rationale for developing the master plan, outlining the need and purpose of the plan.
3. Vision and Mission: Articulates the overarching vision and mission statements that guide the planning process and future actions.
4. Goals and Objectives: Clearly defined goals and corresponding measurable objectives that align with the vision and mission, serving as benchmarks for success.
5. Existing Conditions and Analysis: An assessment of the current state of the subject area, analyzing demographics, infrastructure, environment, economic conditions, social factors, and other relevant aspects.
6. Land Use and Zoning: Outlines land use categories, zoning regulations, and development guidelines to optimize land utilization and meet the envisioned objectives.
7. Infrastructure and Utilities: Overview of essential infrastructure necessary to support development and growth.
8. Economic Development: Addresses economic growth, industry sectors, and business development to bolster the local or organizational economy.
9. Public Spaces and Recreation: Plans for possible parks, recreational areas, cultural facilities, and public spaces to promote community engagement, health, and wellbeing.
10. Implementation Overview: A roadmap outlining actions, responsibilities, timelines, and budgeting necessary to execute the master plan effectively.
11. A master plan serves as a guide for decision-making, ensuring coordinated and sustainable development that aligns with the COUNTY's growth goals.

Initial Budget-No later than January 1st, 2024, the Contractor shall submit a Draft Budget for the COUNTY's review.

-----Signature Page Follows-----

HAPO Center Management & Operations Service Contract

Signature Block

In witness whereof, the Parties hereto have executed this Contract as of the date first above written.

COUNTY: Franklin County Commissioners

Signature: _____

Name: Mike Gonzales

Title: County Administrator

Date: _____

Email: mrgonzalez@franklincountywa.gov

Phone: (509) 543-2969

Address:

1016 North 4th Ave RMA102

Pasco, WA 99301

Contractor: HWL Team LLC DBA-HAPO Center Operations Group

Signature: _____

Name: Wesley Harris

Title: Member

Date: _____

Email: sirrahw@msn.com

Phone: (208) 898-4742

Address:

1081 S. Star Rd

Star ID 83669

Exhibit A: Fee Structure & Reimbursements

1. Management Fee:

The Contractor shall receive a fixed monthly management fee for the comprehensive management and operation of the HAPO Center. The Management fee shall be paid as follows:

- Months 1-12 the CONTRACTOR shall be paid \$15,000.00 monthly.
- Months 13-24 the CONTRACTOR shall be paid \$18,500.00 monthly.
- Months 25-36 the CONTRACTOR shall be paid \$22,000.00 monthly.
- Months 37-48 the CONTRACTOR shall be paid \$30,000.00 monthly.
- Months 49-60 the CONTRACTOR shall be paid \$35,000.00 monthly.
- Renewal Periods shall be paid the same rate as months 49-60.

2. Incentive Fee:

As described in section III.B of the agreement, budgets & revenue goals shall be agreed to during the Quarterly Progress meetings. During these meeting incentive goals and metrics shall be agreed to, and prior quarters incentives shall be reconciled.

3. Sponsorship/Partnership Fee:

The CONTRACTOR shall actively seek and secure sponsorships and partnerships for events held at the HAPO Center. In consideration of the efforts expended by the CONTRACTOR in securing these sponsorships/partnerships, the CONTRACTOR shall be entitled to 20% of the total sponsorship/partnership revenue generated. If the CONTRACTOR has any 3rd party partnerships, that payment will be taken out of the 20% paid to the CONTRACTOR. COUNTY reserves the right to disallow any sponsorship or partnership it deems, in its sole discretion, contrary to the best interests of Franklin County.

4. Alcohol Sales:

The CONTRACTOR shall provide bartending services for events held at the HAPO Center. The CONTRACTOR shall remit 30% of the total sales revenue generated from alcohol sales to the COUNTY.

5. Parking

The CONTRACTOR shall arrange parking lot management services for events held at the HAPO Center. These services are considered part of CONTRACTOR's management responsibilities. Any net revenue or expense resulting from said efforts shall accrue to the HAPO Center budget without additional compensation to CONTRACTOR. However, revenues from said activity may count toward CONTRACTOR'S incentive goals.

6. Security

The CONTRACTOR shall arrange security services as needed for events held at the HAPO Center. These services are considered part of CONTRACTOR's management responsibilities. Any net revenue or expense resulting from said efforts shall accrue to the HAPO Center budget, without additional compensation to CONTRACTOR. However, revenues from said activity may count toward CONTRACTOR'S incentive goals.

7. Ticketing

The CONTRACTOR shall arrange ticketing services for events held at the HAPO Center. These services are considered part of CONTRACTOR's management responsibilities. Any net revenue or expense resulting from said efforts shall accrue to the HAPO Center budget, without additional compensation to CONTRACTOR. However, revenues from said activity may count toward CONTRACTOR'S incentive goals.

8. Contract Expense Reimbursement:

CONTRACTOR shall be reimbursed within 30 days for operating expenses, payroll and related expenses, fees and supplies that are not otherwise directly billed to the HAPO Center or supplied by the HAPO Center. The HAPO Center shall pay third party vendors for services and products (such as caterers and other vendors) according to their contracts within 30 days.

9. Payment Terms:

Payment of fees shall be made by Franklin County to the CONTRACTOR in accordance with the following terms:

- The management fee shall be paid monthly in arrears, within 30 days following the end of each month.
- The incentive fee shall be calculated and paid annually within 30 days of the end of the fiscal year.
- The sponsorship/partnership fee and the percentage of sales for alcohol sales shall be reconciled on a monthly basis, with payment made within 30 days following the reconciliation period.

9. Adjustments and Auditing:

Franklin County reserves the right to audit and verify all revenue and expense components used to calculate the incentive fee, sponsorship/partnership fee, and percentage of sales for catering/alcohol sales. In the event that discrepancies are identified, adjustments shall be made accordingly, and any overpayments or underpayments shall be reconciled in the subsequent payment cycle. **By signing below, both Parties acknowledge their understanding and agreement to the terms and conditions specified in this Fee Structure.**

COUNTY: Franklin County

Contractor: HWL Team LLC

Signature: _____

Signature: _____

Name: Mike Gonzales

Name: Wesley Harris

Title: County Administrator

Title: Member

Date: _____

Date: _____

Exhibit B: Termination Clause

A. Termination for Convenience:

1. **COUNTY's Right to Terminate:** Franklin County Commissioners ("COUNTY") reserves the right to terminate this Contract, in whole or in part, for its convenience at any time during the Contract Term or any extension thereof. Termination shall be effective by providing written notice to the CONTRACTOR.
2. **CONTRACTOR's Right to Terminate:** The CONTRACTOR reserves the right to terminate this Contract, in whole or in part, for its convenience at any time during the Contract Term or any extension thereof. Termination shall be effective by providing written notice to the COUNTY.
3. **Notice Period:** The notice of termination shall specify the effective date of termination, which shall be no less than 90 days from the date of the notice.
4. **Compensation upon Termination:** In the event of termination for convenience by the COUNTY, the CONTRACTOR shall be compensated for the actual costs incurred up to the effective date of termination, including documented reasonable and necessary expenses, and for any non-cancellable obligations resulting from this Contract. If Early Termination for Convenience is initiated by the County the Contractor shall receive a termination fee equal to three times the monthly management fee.

B. Termination for Cause:

1. **Grounds for Termination:** Either Party may terminate this Contract, in whole or in part, for cause in the event of a material breach by the other Party. Material breaches include, but are not limited to, failure to perform obligations as stipulated in this Contract, violation of applicable laws, or substantial failure to achieve performance metrics as agreed upon in this Contract.
2. **Notice and Cure:** The Party seeking termination for cause shall provide written notice to the other Party specifying the alleged breach. The Party in breach shall have 30 days from the receipt of the notice to cure the breach. If the breach is not cured within the stipulated period, the Party seeking termination may proceed with termination. Provided, that a cure period shall not be required if it is determined by the COUNTY that breach is due to criminal activity of the agents of CONTRACTOR made while performing duties on behalf of CONTRACTOR under this agreement, (e.g. fraud, embezzlement, moral turpitude, or other overt actions clearly contrary to COUNTY interests); provided further, that termination under these circumstances shall not otherwise prejudice PARTIES' exercise of rights under this agreement.
3. **Termination Effective Date:** Except as otherwise provided herein, if the breach is not cured within the specified cure period, termination shall become effective on the date specified in the notice of termination.
4. **Liabilities upon Termination:** In the event of termination for cause, the Party in breach shall be liable for any direct damages incurred by the non-breaching Party as a result of the breach.

C. Termination due to Insolvency or Bankruptcy:

HAPO Center Management & Operations Service Contract

1. **Insolvency or Bankruptcy:** If either Party becomes insolvent, files for bankruptcy, has a receiver or trustee appointed for its assets, or makes an assignment for the benefit of creditors, the other Party may terminate this Contract immediately upon written notice.

D. Effect of Termination:

1. **Ceasing of Services:** Upon the effective date of termination of this Contract, the CONTRACTOR shall promptly cease all services related to the management and operation of the HAPO Center, unless otherwise specified in the termination notice.
2. **Returning of Property:** The CONTRACTOR shall return all property, records, documents, and materials belonging to the COUNTY promptly upon termination.
3. **Final Settlement:** The Parties shall promptly settle any outstanding accounts, financial obligations, or disputes arising out of or related to the Contract upon termination.

E. Survival of Obligations:

1. **Survival of Terms:** The termination of this Contract, for any reason, shall not affect the survival of provisions that, by their nature, are intended to survive termination, including but not limited to confidentiality, intellectual property rights, and dispute resolution provisions.

F. Resumption of Services:

1. **Right to Resume Services:** In the event that a termination is affected due to a material breach by one Party and the breach is subsequently cured within 30 days of the effective date of termination, the non-breaching Party reserves the right to consider the termination null and void and request the resumption of services. In lieu of resuming services CONTRACTOR may pursue contract termination under Exhibit B.

G. Termination Costs:

1. **Costs of Termination:** In the event of termination, each Party shall bear its own costs associated with the termination, except as delineated in B: Termination for Cause.

This Exhibit B is subject to the terms and conditions outlined in the main Contract and is considered an integral part thereof.

By signing below, both Parties acknowledge their understanding and agreement to the terms and conditions specified in this Termination Clause.

COUNTY: Franklin County

Contractor: HWL Team LLC

Signature: _____

Signature: _____

Name: Mike Gonzales

Name: Wesley Harris

Title: County Administrator

Title: Member

Date: _____

Date: _____

