

Project: North County Vending  
Machine Operations  
Folio: 003086  
Agent: CS

**LICENSE AGREEMENT**

THIS LICENSE AGREEMENT (hereinafter "License") is made by and between the

County of Santa Barbara, a political  
subdivision of the State of California,  
hereinafter referred to as "COUNTY,"

and

MICHAEL KARLAK dba SAN LUIS  
BEVERAGES, hereinafter referred to as  
"LICENSEE,"

with reference to the following:

**WHEREAS**, COUNTY is the owner, or Lessee, of certain real property in the northern area of Santa Barbara County (hereinafter "License Area"); and

**WHEREAS**, COUNTY is desirous of contracting with a vendor to provide vending machines in certain buildings in the License Area (hereinafter "Sites"); and

**WHEREAS**, LICENSEE is in the business of providing vending machines and servicing same, and has agreed to pay a commission to the COUNTY as payment for the placement of vending machines in such Sites; and

**WHEREAS**, the proposed use of COUNTY-owned or leased space by LICENSEE for the placement of vending machines will not interfere with COUNTY operations or activities in those certain buildings in which the Sites will be located.

**NOW, THEREFORE**, in consideration of the premises and the provisions, covenants, and conditions hereinafter set forth, COUNTY and LICENSEE agree as follows:

1. **LICENSEE RIGHTS:** COUNTY hereby grants to LICENSEE a personal, revocable, and nonassignable right to provide and operate food and non-alcoholic drink vending machines and auxiliary equipment at various sites within COUNTY-owned buildings and COUNTY-leased buildings in the License Area, which area is shown as "A" on Exhibit A attached hereto and incorporated herein by reference. The locations of the Sites shall include but are not limited to those listed on Exhibit B attached hereto and incorporated herein by reference. The Sites shall be used for the placement and operation of vending machines and for no other purpose or purposes whatsoever.

All vending machine service shall be conducted during regular COUNTY business hours.

2. **ADMINISTRATION AND ENFORCEMENT:** The provisions and conditions of this License shall be administered and enforced for the COUNTY by the Director of the General Services Department through the Property Manager, or designee (hereinafter "Property Manager"). The Property Manager shall be the primary contact with the LICENSEE and is the reviewing agent who will make regular visits to the Sites for inspection and/or other matters as necessary. The LICENSEE'S use shall at all times be subject to COUNTY rules and regulations and to the Santa Barbara County Code as such may from time to time be amended.

3. **TERM/OPTIONS:** This License shall be effective upon execution by County, and shall remain in effect for a period of five (5) years unless earlier terminated as hereinafter provided. By mutual agreement of the parties, this License may be extended in writing by the Property Manager on a year-by-year basis for a maximum of five (5) years.

4. **COMMISSION:** As consideration for the rights and privileges granted by this License, LICENSEE shall, on a monthly basis, pay to COUNTY a commission in the amount of 20% of gross revenues. For purposes of computing the commission, "Gross Revenues" shall be defined as the total amount of the cash collected from LICENSEE'S operation of the vending machines installed at the Sites, less any applicable sales tax paid on the vended items.

Said commission shall be paid within thirty (30) days after the close of each LICENSEE'S monthly accounting period.

All payments of commission are to be made payable to the County of Santa Barbara and mailed or hand delivered to:

General Services Department/Support Services Division  
Office of Real Estate Services  
1105 Santa Barbara Street, 2<sup>nd</sup> Floor  
Santa Barbara, CA 93101

5. **ACCOUNTS:** LICENSEE shall keep separate Site specific books, records, and accounts regarding the operation of the vending machines covered by this License and shall submit monthly with the commission payments, reports supporting the percentage of gross sales paid to COUNTY. LICENSEE shall annually, at the close of each fiscal year, have such records audited and certified for correctness by a Certified Public Accountant who is not affiliated with the LICENSEE. COUNTY or its designated representatives shall have the right to inspect and audit such books, records, and accounts kept by LICENSEE during regular business hours. Such records shall be retained by LICENSEE for at least four (4) years following the termination of this License.

Within thirty (30) days of the termination of this License, LICENSEE shall furnish COUNTY at COUNTY'S request, a final accounting of its books, records, and accounts for the previous year.

6. **SITES:** The Property Manager shall designate the specific location within the Sites, and LICENSEE shall determine ingress and egress to the Sites as well as the paths for the delivery and installation of vending machine equipment and merchandise. At COUNTY'S discretion, LICENSEE, at its sole expense, shall be responsible to relocate and/or remove vending machine equipment from the Sites, upon notification by COUNTY. Should LICENSEE desire to relocate or

remove vending machine equipment from a specific location or Site, then LICENSEE shall notify the Property Manager prior to relocation or removal.

Should LICENSEE desire to expand its vending operations into other COUNTY-owned or occupied leased locations not mentioned in Exhibit B, which are located within the geographical boundaries of their respective License Area, then LICENSEE shall contact the Property Manager for prior approval to occupy and use such Site(s). Should LICENSEE discover unauthorized vendors within the buildings owned or leased by COUNTY within the License Area, LICENSEE shall notify the Property Manager.

7. **ACCEPTANCE OF LICENSE AREA:** The LICENSEE has examined the Sites within the License Area and has determined that the Sites are suitable for the needs and operations of the LICENSEE.

The LICENSEE acknowledges that the COUNTY makes no representation or warranty about the condition of the Sites or the suitability of the Sites for the intended use by LICENSEE.

8. **MERCHANDISE:** All products intended for human use and/or consumption that are sold or kept for sale by LICENSEE shall be in a sanitary, fresh, and marketable condition. All products shall comply in every respect with all applicable local, state, and federal laws, ordinances, and regulations concerning food and beverage products for human consumption. Depending on the location, LICENSEE shall provide vending machines that shall dispense those items the LICENSEE believes, while taking into consideration the required healthy snacks and beverages, will best serve the customers of such machines at the most appropriate price. The vending machines and all goods in the machines will remain the property of LICENSEE.

9. **RESTRICTIONS:** LICENSEE shall not sell alcoholic beverages, tobacco products, chewing, bubble or any type of gum, lottery tickets, nor install any amusement/game type machines.

10. **OPERATIONS AND PRICES CHARGED:** LICENSEE shall operate and manage its vending business for the benefit of COUNTY, its employees and the general public, rendering fair and acceptable service without discrimination and at reasonable rates. COUNTY shall have the right, at any time, to review any and all fees, charges and prices established or made by LICENSEE and to recommend changes to such fees, charges, and prices where such are found to be unreasonable or unlawfully discriminatory.

The vended products to be offered by Licensee shall include but are not limited to those items listed on Exhibit C attached hereto and incorporated herein by reference. In the event LICENSEE requires an increase in price, then prior to such price adjustment, LICENSEE will apply for and justify such price adjustment to the Property Manager, who shall approve/disapprove said request, which approval shall not be unreasonably withheld.

LICENSEE shall be solely responsible for the settlement of any disputes arising from operations of the vending machine(s) which may cause a loss of money to a customer. LICENSEE shall respond and take necessary action to remedy all complaints from customers within 24 hours from receipt of complaint. LICENSEE and its employees shall conduct themselves in a professional and businesslike manner at all times.

11. **HEALTHY PRODUCT SPECIFICATIONS:** The use of the name of a

manufacturer or any special brand or make in describing any item contained in Exhibit C does not restrict LICENSEE to that manufacturer or specific article. The items listed on Exhibit C indicate the quality of the healthy products described; however, the healthy goods delivered must in all cases be equal in quantity and quality to those referred to in Exhibit C.

LICENSEE shall offer for sale from all Sites and from all vending machines within the LICENSEE'S License Area, not less than 50% food and beverage products which meet the nutritional standards in current California State legislation for food sales in public schools as defined in Senate Bill 12 and Senate Bill 965 as summarized in Exhibit D attached hereto and incorporated herein by reference, and as such may from time to time be amended. In addition to the aforementioned requirement that all vending machines at all Sites within the LICENSEE'S License Area offer not less than 50% healthy food and beverage products, COUNTY shall have the right to require LICENSEE to offer 100% healthy food and beverage products from designated vending machines and Sites, upon notification from COUNTY Property Manager.

COUNTY may perform annual audits of vending machines for LICENSEE'S compliance with the requirement for 50% healthy products at all locations/Site, and 100% healthy products in designated locations/Sites.

Other products which may be available for sale but do not meet the nutritional standards criteria stated above shall also be of generally acceptable quality and size proportions.

12. **IMPROVEMENTS BY LICENSEE:** No permanent or temporary facilities, improvements, structures, or alterations to any existing structures shall be constructed or installed at the Sites without the express written consent of the General Services Director, Property Manager, or designee. Upon General Services Department approval, LICENSEE shall be responsible for all modifications necessitated by the installation of LICENSEE'S vending machines/operations at each Site. LICENSEE shall obtain all necessary permits for such work prior to construction.

If any facilities, improvements, or structures are constructed or installed in violation of this provision, LICENSEE shall remove such facilities, improvements, or structures, promptly upon written notice from COUNTY.

13. **EQUIPMENT LIST:** Prior to the installation of each and every vending machine and equipment, LICENSEE shall deliver a list of the machines and their voltage requirements to Property Manager for approval.

14. **SERVICE:** LICENSEE shall provide competent and adequate service personnel to provide appropriate, fresh merchandise and to maintain all dispensing machines in a safe and sanitary operating condition. All vending machines and related equipment are to be set up at the Sites, tested, and made completely ready for use within thirty (30) days of the execution this License. LICENSEE shall take all appropriate precautions to protect the real and personal property of COUNTY, and shall safeguard the public from any harm arising during the course of the LICENSEE'S service and operations.

15. **MAINTENANCE OF MACHINES:** LICENSEE shall regularly inspect all vending machines and equipment and shall ensure that all machine coils, compressors, and other mechanical equipment is kept clean and dust free to minimize the cost of electricity and assure their proper operation. LICENSEE shall keep all machines in an operational, sanitary, clean, orderly, attractive, and safe condition.

16. **SITE CLEANLINESS/TRASH:** LICENSEE shall keep all Sites occupied by LICENSEE'S vending and auxiliary equipment in a neat and clean order, and shall sweep up and perform all other cleaning on a regular basis as required to leave said Sites and equipment in a satisfactory condition. If required by COUNTY, LICENSEE shall provide its own trash receptacles in the service areas. Should LICENSEE'S business make it necessary to increase trash pick-up from the dumpsters at any Site, LICENSEE shall bear the increased cost of such additional service. No boxes, barrels, supplies, garbage, or rubbish shall be kept, piled, or stored upon the Sites. If any storage observed is deemed unreasonable by COUNTY, COUNTY will notify LICENSEE in writing. Upon receipt of written notice from COUNTY, LICENSEE shall cure such problem within twenty-four (24) hours.

17. **UTILITIES:** LICENSEE shall not use any COUNTY utilities other than those required to operate the vending machines. In order to minimize the cost of electricity, the vending machines shall not have unnecessary illumination. LICENSEE shall make every effort to install only energy efficient vending machines in LICENSEE'S License Area. If energy efficient vending machines are not available, LICENSEE shall be required to install a Powermiser® or a like product to every machine.

18. **SIGNS/ADVERTISEMENTS:** LICENSEE shall provide conspicuous durable signs of no more than 8 1/2" x 11" in dimension at each vending Site. The signs shall list the name of the LICENSEE and an "800" or local telephone number that vending machine users can call to report any problem related to LICENSEE'S equipment, service, or product. The number listed must be answered during regular business hours.

All advertising of products on the vending machines, including the vend fronts and sides, shall be only for beverages or food which meet the healthy nutrition standards. LICENSEE shall not erect or place any permanent signs and/or advertisements on the Sites without the prior written consent of the Property Manager

19. **INSURANCE:** Without limiting the LICENSEE'S indemnification of the COUNTY, LICENSEE shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A:VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this License. Failure to comply with the insurance requirements shall place LICENSEE in default. Upon request by the COUNTY, LICENSEE shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

- a. **Workers' Compensation Insurance.** Statutory Workers' Compensation and Employers Liability Insurance shall cover all LICENSEE'S staff while performing any work incidental to the performance of this License. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event LICENSEE is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if LICENSEE has no employees as defined in Labor Code

Section 3350 et seq. during the entire period of this License and LICENSEE submits a written statement to the COUNTY stating that fact.

- b. General and Automobile Liability Insurance.** The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of LICENSEE and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the LICENSEE in the indemnity and hold harmless provisions of the Indemnification Section of this License between COUNTY and LICENSEE. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of LICENSEE pursuant to LICENSEE'S activities hereunder. LICENSEE shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, employees, and agents shall be named as "Loss Payee" status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or loss payee as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the "Loss Payee" status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in aggregate. Any deductible or Self-Insured Retention (SIR) over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

***"Such insurance as is afforded by this policy shall be primary and if the COUNTY has other valid and collectible insurance, that other insurance shall be excess and non-contributory."***

If the policy providing liability coverage is on a 'claims-made' form, the LICENSEE is required to maintain such coverage for a minimum of three years following completion of the performance of the provisions of this License. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

LICENSEE shall submit to the office of the designated COUNTY representative certificate(s) of insurance documenting the required insurance as specified above prior to this License becoming effective. COUNTY shall maintain current certificate(s) of insurance at all times in the office of the designated COUNTY representative as a condition precedent to any payment under this License. Approval of insurance by COUNTY or acceptance of the certificate of insurance by COUNTY shall not relieve or decrease the extent to which the LICENSEE may be held responsible for payment of damages resulting from LICENSEE'S services of operation pursuant to the License, nor shall it be deemed a waiver of COUNTY'S rights to insurance coverage hereunder.

In the event the LICENSEE is not able to comply with the COUNTY'S insurance requirements, COUNTY may, at their sole discretion and at the LICENSEE'S expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by COUNTY. The

COUNTY'S Risk Program Administrator is authorized to change the above insurance requirements, with the concurrence of COUNTY COUNSEL, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of the License that results in an increase in the nature of COUNTY'S risk and such change of provisions will be in effect for the term of the amended License. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this License. LICENSEE agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

20. **INDEMNIFICATION:** LICENSEE shall defend, indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this License or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the LICENSEE or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the COUNTY.

LICENSEE shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this License.

21. **DEFAULT:** The occurrence of any one (1) of the following events shall constitute a material default under this License by LICENSEE:

A) **Late Payments:** Failure of LICENSEE to make any Commission payment, as required in Section 4, **COMMISSION**, or other required payment, when due, and such failure continues for a period of ten (10) days after mailing of written notice to LICENSEE.

B) **Insurance:** Failure to maintain and provide Insurance, as required in Section 19, **INSURANCE**.

C) **Failure to Perform:** Failure of LICENSEE to satisfy, observe or perform any of the terms, covenants, conditions, or reservations, or LICENSEE'S violation of, any other provision contained in this License if such failure and/or violation is not cured within ten (10) days from the date written notice has been delivered to LICENSEE to correct such default or breach. However, if the nature of LICENSEE'S default is such that more than ten (10) days are reasonably required for its cure, LICENSEE shall not be in default if LICENSEE can furnish evidence, satisfactory to COUNTY, that LICENSEE has commenced such cure promptly and diligently and in good faith is pursuing it to completion. An exception to this condition would be the 24-hour response to complaints regarding loss of money to users of the vending machines due to a machine's malfunction.

D) **Receiver or Trustee:** The appointment of a receiver or trustee to take possession of all or substantially all the assets of LICENSEE.

In the event of any such default and the expiration of the appropriate cure period, this License shall terminate at the option of the COUNTY.

22. **REMEDY IN EVENT OF DEFAULT:** Upon the failure of LICENSEE to timely

correct any event of default, COUNTY shall have at its option, in addition to and not in limitation of any other remedy permitted by law, the right to terminate and cancel this License by the delivery to LICENSEE of a written notice thirty (30) days prior to the date of such termination.

23. **WAIVER:** It is understood and agreed that any waiver, express or implied of any term of this License shall not be, nor construed to be a waiver of any subsequent breach of a like kind or of any other provision of this License.

24. **NOTICES:** Any notice to be given to either party, by the other, shall be in writing and shall be served, either personally or by registered or certified mail to the following:

To COUNTY: County of Santa Barbara/Support Services Division  
1105 Santa Barbara Street, 2<sup>nd</sup> Floor  
Santa Barbara, CA 93101  
Attn: Property Manager  
Telephone: (805) 568-3070; FAX: (805) 568-3249

To LICENSEE: Michael Karlak dba San Luis Beverages  
P.O. Box 69  
Pismo Beach, CA 93448-0069  
Telephone: 543-7572; FAX: 543-7572

All notices hereunder shall be in writing and shall be deemed to have been given on the date delivered, if personally delivered, or if mailed, then on the first business day following the date on which it is mailed, by certified or registered mail, postage prepaid, addressed to the address specified above, or to such other address designated by the party as provided for herein.

25. **NO INTERFERENCE WITH FACILITIES:** LICENSEE shall not interfere with COUNTY'S existing or future facilities, or COUNTY'S operation and maintenance of the Sites.

LICENSEE shall not use the Sites in any manner that will constitute waste, nuisance, or unreasonable annoyance to the COUNTY or to the general public.

No machinery, apparatus, or other appliance shall be used or operated at the Sites which will in any manner interfere with the COUNTY or with the general public.

26. **RIGHT OF INGRESS OR EGRESS:** LICENSEE, shall not place, operate or maintain machines at the Sites in such a fashion that will interfere with ingress or egress, nor shall such placement or operations hinder COUNTY in its maintenance or operations of the host building.

27. **POSSESSORY INTEREST TAXES:** The use or occupancy of the Sites by LICENSEE may constitute a property interest subject to possessory interest taxes and LICENSEE will be liable for the payment of such, or any other property or special taxes which may be levied pursuant to the Revenue and Taxation Code on the property interest. LICENSEE shall pay before delinquent all taxes and assessments including said possessory interest tax which may be levied against LICENSEE by reason of LICENSEE'S use and occupancy of the Sites or which may be levied upon LICENSEE'S interest in the improvements, fixtures, machines, and other property owned by LICENSEE and used in the exercise of LICENSEE'S rights under this License or levied



by reason of LICENSEE'S operations pursuant to such License.

28. **NONDISCRIMINATION:** LICENSEE, in the performance or attempted performance of services to be provided pursuant to the provisions of this License, shall comply with County laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this License and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this License and the interest hereby created without liability therefore.

29. **COMPLIANCE WITH THE LAW:** LICENSEE shall comply with all local, county, state, and federal laws, rules, ordinances, and regulations relating to the use of the Sites, now or hereafter in effect. Any litigation regarding this License or its contents shall be filed in the County of Santa Barbara.

30. **NEGATION OF PARTNERSHIP/JOINT VENTURE:** Nothing in this License is intended, and no provision of this License shall be construed, to make COUNTY a partner of, nor a joint venturer with LICENSEE, or associated in any other way with LICENSEE in the use of the Sites, or to subject the COUNTY to any obligation, loss, charge or expense resulting from or attributable to LICENSEE'S operation or use of the Sites.

31. **AGENCY DISCLOSURE:** LICENSEE acknowledges that the General Services Department, Support Services Division, of the COUNTY is the agent for the COUNTY exclusively, and is neither the agent for LICENSEE nor a dual agent in this transaction.

32. **TERMINATION:** This License shall terminate and all rights of LICENSEE hereunder shall cease and LICENSEE shall quietly and peacefully vacate the Sites at the end of the term, upon failure to cure a material default, including but not limited to those listed in Section 21 **DEFAULT**, or upon thirty (30) day written notice by either party, which notice may be given without cause at any time.

If this License terminates prior to its natural expiration, COUNTY shall be entitled to all commissions paid and there shall be no proration or refund.

33. **REMOVAL OF PROPERTY ON TERMINATION:** Upon termination of this License LICENSEE shall promptly remove all its vending machines and auxiliary equipment from the Sites, and surrender the Sites to COUNTY. If LICENSEE shall fail to do so, COUNTY may, upon the expiration of thirty (30) days after notice, without further notice enter and take possession of the effects of such LICENSEE without incurring any liability for such entry and removal.

34. **ASSIGNMENT/SUBLEASE/HYPOTHECATION:** LICENSEE shall have no right to mortgage, pledge, hypothecate, encumber, sublease or assign, the Sites, or portions thereof, this License, or any interest therein, nor shall LICENSEE mortgage, pledge, hypothecate, or encumber any improvements placed at the Sites, whether such improvement is placed thereon before or after the date of execution of this License. Any attempt to assign, license, sublease,

mortgage, pledge hypothecate or in any other way encumber shall be void and without legal effect and shall constitute grounds for termination.

35. **PRIOR LICENSES AND LEASES:** This License hereby replaces and revokes all prior Licenses and/or leases between the COUNTY and LICENSEE, if any.

36. **CAPTIONS:** The title or headings to the sections of this License are not a part of this License, and shall have no effect upon the construction or interpretation of any part hereof.

37. **SEVERABILITY:** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this License shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

38. **EXECUTION IN COUNTERPARTS:** This License may be executed in any number of counterparts and each such counterpart shall for all purposes be deemed to be an original; and all such counterparts which the parties to this License shall preserve undestroyed, shall together represent one and the same instrument.

39. **FACSIMILE TRANSMISSIONS:** In the event that the parties hereto utilize facsimile transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided within seventy-two (72) hours of transmission of the facsimile, except that funds shall not be released upon a facsimile signature nor shall facsimile signed documents be accepted for recordation by the Clerk Recorder of the County.

40. **CERTIFICATION OF SIGNATORY:** Signatory represents and certifies that he/she is authorized to sign on behalf of the LICENSEE and that no additional signatures are required to carry out the activities contemplated herein.

41. **RELOCATION/TENANT RIGHTS:** LICENSEE understands and does hereby agree that upon termination of this License for any reason, LICENSEE shall not be entitled to any relocation assistance and that this License confers no tenant rights upon the LICENSEE.

42. **AMENDING LICENSE:** This License may only be amended by written consent of the parties.

43. **ENTIRE AGREEMENT:** This document shall constitute the entire agreement between the COUNTY and LICENSEE and supersedes any and all other writings and oral negotiations.

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Project: North County Vending  
Machine Operations  
Folio: 003086  
Agent: CS

IN WITNESS WHEREOF, COUNTY and LICENSEE have signed this License Agreement, by the respective authorized officers as set forth below, to be effective as of the date executed by COUNTY.

"COUNTY"  
COUNTY OF SANTA BARBARA

ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

\_\_\_\_\_  
Chair, Board of Supervisors

By: \_\_\_\_\_  
Deputy Clerk

Dated: \_\_\_\_\_

"LICENSEE"  
MICHAEL KARLAK dba SAN LUIS  
BEVERAGES

By: \_\_\_\_\_

APPROVED AS TO FORM:  
STEPHEN SHANE STARK  
COUNTY COUNSEL

APPROVED AS TO FORM  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Deputy

APPROVED:

APPROVED:

\_\_\_\_\_  
Ronn Carlentine, SR/WA  
Real Property Manager

\_\_\_\_\_  
Ray Aromatorio, A.R.M., A.I.C.  
Risk Program Administrator

**TABLE OF CONTENTS**

1. **LICENSEE RIGHTS**
2. **ADMINISTRATION AND ENFORCEMENT**
3. **TERM/OPTIONS**
4. **COMMISSION**
5. **ACCOUNTS**
6. **SITES**
7. **ACCEPTANCE OF LICENSE AREA**
8. **MERCHANDISE**
9. **RESTRICTIONS**
10. **OPERATIONS AND PRICES CHARGED**
11. **HEALTHY PRODUCT SPECIFICATIONS**
12. **IMPROVEMENTS BY LICENSEE**
13. **EQUIPMENT LIST**
14. **SERVICE**
15. **MAINTENANCE OF MACHINES**
16. **SITE CLEANLINESS/TRASH**
17. **UTILITIES**
18. **SIGNS/ADVERTISEMENTS**
19. **INSURANCE**
20. **INDEMNIFICATION**
21. **DEFAULT**
22. **REMEDY IN EVENT OF DEFAULT**
23. **WAIVER**
24. **NOTICES**
25. **NO INTERFERENCE WITH FACILITIES**

26. **RIGHT OF INGRESS OR EGRESS**
27. **POSSESSORY INTEREST TAXES**
28. **NONDISCRIMINATION**
29. **COMPLIANCE WITH THE LAW**
30. **NEGATION OF PARTNERSHIP/JOINT VENTURE**
31. **AGENCY DISCLOSURE**
32. **TERMINATION**
33. **REMOVAL OF PROPERTY ON TERMINATION**
34. **ASSIGNMENT/SUBLEASE/HYPOTHECATION**
35. **PRIOR LICENSES AND LEASES**
36. **CAPTIONS**
37. **SEVERABILITY**
38. **EXECUTION IN COUNTERPARTS**
39. **FACSIMILE TRANSMISSIONS**
40. **CERTIFICATION OF SIGNATORY**
41. **RELOCATION/TENANT RIGHTS**
42. **AMENDING LICENSE**
43. **ENTIRE AGREEMENT**

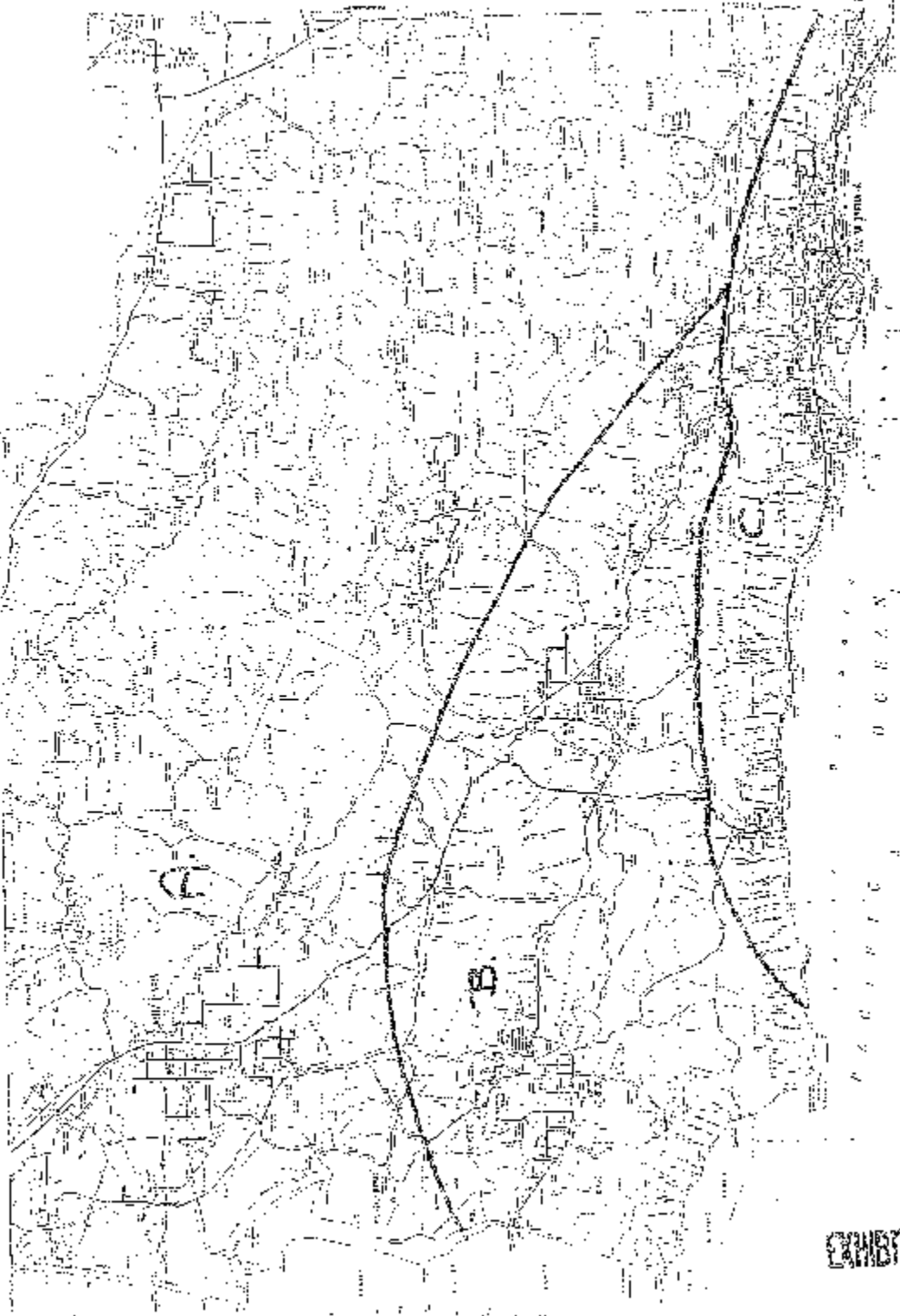


EXHIBIT A

**EXHIBIT B**

**Sites/Locations of Vending Machines**

**Area "A"**

<b>Site/Location</b>	<b>Location</b>	<b># of Machines</b>	<b>Beverage/Snack</b>
Parks Department 300 Goodwin Road Santa Maria	In the yard	1	
SM Mental Health 500 W. Foster Road Santa Maria	Outside restrooms	2	
SM County Yard 912 W. Foster Santa Maria	Staff room	2	
Technical Services 624 W. Foster Santa Maria	By copy machines in office	2	

## EXHIBIT C

### Products List

#### Beverages:

- After the Fall Spritzers: Black Cherry, Concord Grape, Raspberry, Tangerine
- Aquafina Water
- Arrowhead Sparkling Mountain Spring Water w/Fruit Essence
- Arrowhead Water
- Campbell's Tomato Juice
- Crystal Geyser Juice Squeeze: Wild Berry, Cranberry Black Cherry, & Pink Lemonade
- Crystal Splash Purified Water (plain-Gold Coast)
- Dasani Water
- Dole Light Berry Juice
- Dole Pineapple Juice
- Edensoy Rice Milk
- Edensoy Soy Milk: Chocolate and Vanilla
- Gatorade - some flavors (must be less than 42 grams sugar/sweetener per 20 oz. serving)
- Glaceau Fruit Water
- Hanson's Natural Junior Juice
- Horizon Reduced Fat Milk Boxes
- Juicy Juice: Apple, Berry, Grape, Punch, Kiwi-Strawberry
- Langer's Juice: Mixed Berry, Apple, Orange, Cranberry, Cranberry Raspberry, Cranberry Grape
- Martinelli's Sparkling Juice: Apple, Apple Grape & Apple Cranberry
- Milk: plain and chocolate (1%, 2% & nonfat)
- Minute Maid Juice: Orange, Apple, Grape, Mixed Berry & Fruit Punch
- Motts Juice: Fruit Punch, Apple & Orange
- Pellegrino Sparkling Water
- Perrier Sparkling Water
- Powerade - some flavors (must be less than 42 grams sugar/sweetener per 20 oz. serving)
- Propel - some flavors (must be less than 42 grams sugar/sweetener per 20 oz. serving)
- Schwepps Sparkling Water with Natural Flavors
- Silk Soy Milk: Chocolate and Vanilla
- Switch Pure Sparkling Juice: Apricot-Peach, Cranberry-Ginger & Kiwi-Strawberry
- Treetop Juice: Apple, Grape, Fruit Punch & Apple Pear
- Tropicana Juice: Apple, Grape, Orange & Grapefruit
- V8, 100% Vegetable Juice
- Very Fine Fruit Juice: Grape, Apple & Orange
- Vitasoy Soy Milk: Chocolate & Vanilla
- Welch's Grape Juice



**Snacks:**

- Barbara's Granola Bars: Cinnamon Raisin, Oats and Honey, Carob Chip & Peanut Butter
- Barbara's Multigrain Cereal Bar: Cherry, Strawberry & Apple Cinnamon
- Barbara's Snackimals: Oatmeal, Vanilla & Carob Chip
- Basil's Animal Crackers
- Blue Diamond Almonds: Plain & Smokehouse
- Bodhi Jungle Nut Crunch Bar
- Cal-Tropic Ameri-Mix Fruit & Nut Snack Mix
- Cal-Tropic Totally California Trail Mix
- Chex Mix: Traditional
- Cliff Bars: Chocolate Chip Peanut Crunch, Chocolate Almond Fudge, Cookies and Crème, & Chocolate Brownie
- Cliff Z Bar: Peanut Butter, Chocolate Brownie & Apple Caramel
- Corn Nuts
- Cracker Jack
- Dakota Gourmet Honey Roasted Sunflower Kernal
- Dakota Gourmet Lightly Salted Sunflower Kernal
- David Pumpkin Seeds
- David Sunflower Seeds
- Del Monte Fruit, lite syrup
- Dole Fruit Bowls
- Dried Fruit (individual serving)
- Dr. Steins Energy Bars (perishable)
- Environkidz Crispy Rice Bar
- Famous Amos Oatmeal Raisin Cookies
- Fig Newmans
- Fresh Fruits and Vegetables
- Frito Lay Baked Chips
- Frito Lay Rold Gold Pretzels
- Frunola Energy Bars
- GM Morning Mix
- Genisoy Soy Crisps
- Glad Corn Original A-Maizing Corn Snack
- Golden Nut Chile Y Limon: Garbanzos & Havas
- Health Valley Cobbler: Apple & Strawberry
- Health Valley Granola Bars
- Health Valley Solar Bars: Berry, Peanut Butter, Chocolate
- Jolly Time, Orville Redenbacher's or Newman's Own 94% Fat Free Popcorn
- Kar's Nuts & Trail Mix
- Kellogg's Nutri-Grain Bars & Twists
- Kellogg's Pop Tarts
- Kettle Krisps: BBQ and Low-Salt
- Kettle Valley 100% Fruit Bars
- Kirkland's Trail Mix
- Kraft Lunchables: Turkey/cheese & Ham/swiss
- Kudos Milk Chocolate Granola Bars: Chocolate Chip & M&M flavors
- Lean Pockets
- Lean Quisine
- Luna Bars
- Mott's Applesauce (individual cups)
- Mr. Krispers Rice Chips
- Mr. Nature Unsalted Trail Mix
- Nabisco Corn Nuts, original, BBQ, Chili Picante con Limon, Red Hot, Taco
- Nabisco 100 Calorie Snacks
- Nature Valley Crunch Granola Bars
- Nature Valley Chewy Trail Mix Bars
- Natural Value Fruit Leathers
- Newman's Own Salted Rounds Pretzels

- Oberto's Beef Jerky
- Pacific Gold Jerky
- Pemmican Tender Beef Jerky
- Pita Snax
- Planter's Peanuts
- Quaker Fruit & Oatmeal Bar
- Quaker Oatmeal Breakfast Bar
- Quaker Quakes Rice Snacks
- Robert's American Booty Products
- Sensible Foods Cracklin' Fruit
- Snyder's of Hanover Pretzels
- Soy Nut Butter Pretzel Sticks
- Stacy's Pita and Soy Chips
- Stretch Island Fruit Leather
- Sun Chips (except French Onion)
- Sunkist Cashews
- Tumaro's Krispy Crunchy Puffs
- Welch's Fruit Snacks
- Yogurt: Light, Non-Fat & Low-Fat

## EXHIBIT D

### A. Nutrition Standards for Healthy Food/Snacks based on Senate Bill 12

Snacks shall meet all of the following standards:

- Not more than 35% of its total calories shall be from fat.
- Not more than 10% of its total calories shall be from saturated fat.
- Not more than 35% of its total weight shall be composed of sugar, including naturally occurring and added sugar.
- Not more than 250 calories per individual food item.

*NOTE: Nuts, nut butters, seeds, eggs, legumes, cheese packaged for individual sale, and fruits/vegetables that have not been deep fried, are exempt.*

### B. Nutrition Standards for Healthy Beverages based on Senate Bill 965

Only the following beverages may be sold:

- Fruit-based drinks that are composed of no less than 50% fruit juice and have no added sweetener.
- Vegetable-based drinks that are composed of no less than 50% vegetable juice and have no added sweetener.
- Drinking water with no added sweetener.
- 2% fat milk, 1% fat milk, nonfat milk, soy milk, rice milk, and other similar nondairy milk.
- An electrolyte replacement beverage that contains no more than 42 grams of added sweetener per 20 ounce serving.

**C. For product lists which meet these standards and for other supportive assistance, LICENSEE is encouraged to contact the Director of Nutrition Services in the Public Health Department at (805) 681-4757 or (805) 346-8456. On-line assistance for determining if a snack meets SB12 food standards is available at [www.CaliforniaProjectLEAN.org/calculator](http://www.CaliforniaProjectLEAN.org/calculator) (use the Middle/High School calculator).**