

Project: PRJKT SB, Inc. SeaLegs
Restaurant at Goleta Beach
Concession
APN: 071-200-017
Agent: J. Lindgren

CONCESSION AGREEMENT

THIS CONCESSION AGREEMENT (hereinafter "Agreement") is made by and between the

COUNTY OF SANTA BARBARA, a
political subdivision of the State of California,
hereinafter referred to as "COUNTY,"

and

PRJKT SB, Inc. SeaLegs Restaurant,
hereinafter referred to as
"CONCESSIONAIRE,"

with reference to the following:

WHEREAS, COUNTY is the owner of Goleta Beach County Park (hereinafter "Park"), located at 5905 Sandspit Drive, consisting of County Assessor Parcel Number 071-200-009 and 071-200-017, in the unincorporated area of Santa Barbara County (hereinafter "Property"), identified with the red pin in Exhibit "A", attached hereto and incorporated herein by reference; and

WHEREAS, COUNTY-owned improvements on the Property include a beachfront restaurant, snack bar, and patio area known as the Goleta Beach Restaurant (hereinafter "Premises"); and

WHEREAS, CONCESSIONAIRE bid for and was awarded the right to operate, manage, maintain, and improve the Premises; and

WHEREAS, COUNTY wishes to grant CONCESSIONAIRE the right to operate, manage, maintain, and improve the Premises identified as the cross-hatched area of Exhibit "B", attached hereto and incorporated herein by reference, subject to the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the promises, covenants, and conditions contained herein, the parties agree as follows:

1. **ADMINISTRATION AND ENFORCEMENT:** The provisions of this Agreement shall be administered and enforced for the COUNTY through the Director of the Community Services Department (hereinafter "Director"). The Director shall have authority to issue or deny any COUNTY approvals required by this Agreement but shall not otherwise have the authority to amend the Agreement except for the exercise of the option(s) to extend the term of the Agreement as set forth in Section 6 herein.

2. **RIGHTS GRANTED:** COUNTY hereby grants to CONCESSIONAIRE and CONCESSIONAIRE hereby takes from COUNTY the right to use the area shown on Exhibit "B", attached hereto and incorporated herein by this reference (hereinafter "Premises"), including all facilities existing thereon at the time of execution of this Agreement. Nothing contained in this Agreement shall be construed as purporting to transfer or convey any interest in the land, water or any public facilities to CONCESSIONAIRE. In addition, CONCESSIONAIRE shall, at all times, be subject to all requirements and provisions set forth in the various exhibits attached to this Agreement.

CONCESSIONAIRE shall have the obligation and the right to engage in all of the following activities in accordance with CONCESSIONAIRE'S operating plan, which is attached hereto as Exhibit "C", and incorporated herein by reference:

- a) Obligation and exclusive right to operate an indoor dining facility ("Restaurant") with attached outdoor patio areas selling food and beverages, including beer, wine, and other alcoholic beverages, which have been approved by the Director; and
- b) Obligation and exclusive right to operate a walk-up snack bar ("Snack Bar") selling food and beverages, including beer, wine, and other alcoholic beverages, which have been approved by the Director; and
- c) Obligation and exclusive right to operate an unattached outdoor patio area ("Venue") selling food and beverages, including beer, wine, and other alcoholic beverages, which have been approved by the Director; and
- d) Non-exclusive right to offer food and beverage catering services at Goleta Beach.

Any products sold on the Premises shall comply in all respects with all applicable County, State and Federal laws, ordinances and regulations. CONCESSIONAIRE may only sell programs or services listed in this Agreement and approved by Director. CONCESSIONAIRE agrees to make all facilities, as well as all products and services provided, at the Premises available to the public without discrimination and at reasonable rates.

3. **PURPOSE AND USE:** CONCESSIONAIRE shall have the right to use the Premises to operate, manage, maintain, and improve the Restaurant, Snack Bar, and Venue on the Premises. CONCESSIONAIRE shall not use the Premises for any other purpose without the express written consent of COUNTY. CONCESSIONAIRE shall not install or construct any improvements on the Premises until such has been approved by the Director, on behalf of COUNTY, in accordance with Section 16, IMPROVEMENTS / ALTERATIONS, hereof.

4. **RESERVATIONS**: All activities conducted by CONCESSIONAIRE on the Premises shall be subject to the right of COUNTY and its successors and assigns to periodically access and inspect the Premises, and to monitor CONCESSIONAIRE's operations at the Premises.

5. **TERM**: The term of this Agreement shall have an Initial Term commencing upon final execution of this Agreement by all parties, CONCESSIONAIRE'S submittal of the deposits described in Section 12 hereof, and on the date specified in COUNTY'S written notice to CONCESSIONAIRE to commence use of the Premises (hereinafter "Commencement Date"). During the Initial Term, CONCESSIONAIRE shall develop the Premises and complete the improvements to the Restaurant. The Initial Term shall be one hundred fifty (150) days following the Commencement Date, or the date on which the Restaurant Premises is opened to the public, whichever is sooner, upon which time the Initial Term shall terminate and the Primary Term shall begin. The Primary Term shall continue for a period of ten (10) YEARS (hereinafter "Primary Term") after the Initial Term.

Upon approval of the Director, or designee, based on CONCESSIONAIRE'S performance and progress in completing the improvements in the Capital Improvements Plan for the Restaurant and adherence and compliance with all terms and conditions of this Agreement, CONCESSIONAIRE may request TWO (2) additional THIRTY (30) day extensions of the Initial Term, each subject to the additional following conditions:

- a) CONCESSIONAIRE shall give COUNTY written request to extend the Initial Term at least twenty (20) days prior to the expiration of the Initial Term; and
- b) Concurrently with the written request to extend the Initial Term, CONCESSIONAIRE shall submit a revised Business Plan and Capital Improvements Plan including CONCESSIONAIRE'S improvements to the Premises that need to be performed and a schedule for completion of the improvements; and
- c) CONCESSIONAIRE shall submit a written explanation for all delays with relevant receipts, invoices, permits, and other documentation necessary for the Director, or designee, to evaluate CONCESSIONAIRE'S request to extend the Initial Term.

6. **OPTIONS TO EXTEND THE AGREEMENT**: Upon approval of the Director, or designee, based on CONCESSIONAIRE'S prior performance and adherence and compliance with all terms and conditions of this Agreement, CONCESSIONAIRE may request ONE (1) additional FIVE (5) year extension, followed by TWO (2) additional FIVE (5) year extensions; each subject to the following conditions:

- a) CONCESSIONER shall give COUNTY at least six (6) months written notice of its intention to exercise the option; and
- b) Concurrently with the notice of intent to exercise the option, CONCESSIONER shall submit a revised Business Plan and Capital Improvements Plan for the requested option period; and
- c) CONCESSIONER shall not be in monetary or non-monetary default, nor shall COUNTY have issued more than THREE (3) notices of default; and
- d) The CONCESSIONER has not assigned or otherwise transferred this Agreement or any rights granted herein without the express written consent of the Director, as required in Section 7, ASSIGNMENT / SUBLEASE / SUBCONTRACT, hereof; and

- e) The Premises are in compliance with all Federal, State, and local ordinances, statutes, rules and regulations, including but not limited to all applicable health, safety, and, building codes and regulations.

7. **ASSIGNMENT / SUBLEASE / SUBCONTRACT:** CONCESSIONAIRE shall not voluntarily assign, sublease, subcontract or otherwise encumber any rights granted hereunder, or allow any other person or entity to occupy or use all or part of the Premises without the written consent of COUNTY. Any attempt to assign, sublease, subcontract, hypothecate or otherwise encumber the rights granted hereunder without such consent shall be void and without legal effect, and render this Agreement terminable at the option of COUNTY.

8. **ACCESS TO THE PREMISES:** CONCESSIONAIRE shall only access the Premises using the existing roads and parking lot in the Park. COUNTY shall not be responsible for maintaining access to the Premises and shall not be liable to CONCESSIONAIRE for lack of such access; provided however, in the event that the Premises becomes inaccessible as a result of natural causes, COUNTY shall, to the extent reasonably necessary, cooperate with CONCESSIONAIRE in restoring access in a timely fashion.

9. **NONINTERFERENCE:** CONCESSIONAIRE agrees to not use, nor permit those under its control, including, but not limited to, its employees, tenants, licensees, invitees, agents and/or contractors, to use any portion of the Premises in any way which interferes with public use. Such interference shall be deemed a material breach, and CONCESSIONAIRE shall terminate said interference immediately upon notice from COUNTY. In the event CONCESSIONAIRE fails to stop such interference within FIVE (5) days of receipt of notice from COUNTY, this Agreement shall terminate at the option of COUNTY.

10. **SPECIAL USE FEES:** In consideration of the rights granted herein, CONCESSIONAIRE shall pay to COUNTY a monthly fee (hereinafter "Fee(s)") based on a percentage of CONCESSIONAIRE'S monthly income from the rights granted herein, i.e., the Percentage Fee, or a monthly base fee, i.e., the Monthly Base Fee, whichever is greater, according to the formula set forth in this Section. Concurrently with the payment of Fees, CONCESSIONAIRE shall submit to COUNTY, a written monthly report, prepared by a Certified Public Accountant (CPA), of all gross income derived from CONCESSIONAIRE'S operations at the Premises. Fees shall begin to accrue on commencement of the Primary Term, and shall be due and payable for each month of the term. All Fees due to COUNTY shall be paid on a monthly basis, on or before the fifteenth (15th) day of the following month, and shall be delivered to COUNTY at the address stated herein in Section 29, Notices. There is no Fee for the Initial Term.

PERCENTAGE FEE: CONCESSIONAIRE shall pay to COUNTY a percentage of the gross income on all sales, income, and receipts arising from, related to, or in connection with CONCESSIONAIRE'S operations at the Premises. Gross income shall not include any amount collected for State or Federal taxes. CONCESSIONAIRE shall pay to COUNTY TEN percent (10%) of the gross income in each calendar month received from all of CONCESSIONAIRE'S operations on the Premises. CONCESSIONAIRE shall pay to COUNTY FIFTEEN percent (15%) of the gross income from alcohol sales in each calendar month received from all of CONCESSIONAIRE'S operations on the Premises. CONCESSIONAIRE shall pay to COUNTY TWELVE AND ONE-HALF percent (12.5%) of the gross income and FIFTEEN percent (15%) for alcohol sales from

special events at Goleta Beach Park in each calendar month received from all of CONCESSIONAIRE'S operations on the Premises or in Goleta Beach Park. CONCESSIONAIRE shall provide a monthly financial report that includes gross receipts and a calculation of the Percentage Fee.

MONTHLY BASE FEE: In the event CONCESSIONAIRE'S Percentage Fee for the Restaurant and Snack Bar, as defined above, is less than EIGHT THOUSAND DOLLARS (\$8,000) for any given calendar month during the Term, CONCESSIONAIRE shall pay to COUNTY, in lieu of any Percentage Fee for that same month only, a Base Monthly Fee of EIGHT THOUSAND DOLLARS (\$8,000). In the event CONCESSIONAIRE'S Percentage Fee for the Venue, as defined above, is less than FOUR THOUSAND DOLLARS (\$4,000) for any given calendar month during the Term, CONCESSIONAIRE shall pay to COUNTY, in lieu of any Percentage Fee for that same month only, a Base Monthly Fee of FOUR THOUSAND DOLLARS (\$4,000).

SPECIAL ACCOUNT: Within thirty (30) days of the Commencement Date, CONCESSIONAIRE shall establish a maintenance improvement account at a financial institution licensed to do business in Santa Barbara County (hereafter "MIA"). Within fifteen (15) days of the end of each month following the Commencement Date, CONCESSIONAIRE shall deposit one (1) percent of monthly gross sales into the MIA. The MIA shall be interest bearing with all interest accruing to the MIA. The MIA will generate monthly account statements to be provided to the COUNTY and will be structured so that any withdrawal from the MIA shall require approval in writing from the Director, or designee. Monies held within the MIA shall be used for maintenance of common public areas for the mutual benefit of the COUNTY and CONCESSIONAIRE for the mutual benefit of park visitors at Goleta Beach Park, as determined and approved in writing by the Director, or designee. COUNTY and the CONCESSIONAIRE shall meet at least annually to develop a plan for expenditures of these funds on maintenance projects. The monthly deposits and expenditures shall be reflected on the CONCESSIONAIRE'S monthly financial report.

11. **REIMBURSEMENT OF FEES:** In no event shall COUNTY be responsible for reimbursement of any payments, bills, fees, charges, deposits, expenditures, or amounts paid by CONCESSIONAIRE or by its patrons, invitees or guests to the CONCESSIONAIRE.

12. **SECURITY DEPOSITS:** CONCESSIONAIRE shall deposit with COUNTY the sum of FIFTEEN THOUSAND DOLLARS (\$15,000) within ten days of execution of this Agreement to secure CONCESSIONAIRE'S last month's Fees. COUNTY shall retain the deposit toward the last month's Fees throughout the term of this Agreement. Upon either party giving notice of termination of this Agreement, CONCESSIONAIRE may apply the deposit to the last month's Fees. In the event CONCESSIONAIRE owes more than \$15,000 for the last month of the Term, CONCESSIONAIRE shall pay the difference. In the event the entire deposit is not required for the last month's Fees, COUNTY shall return any unused portion to CONCESSIONAIRE.

13. **TAXES AND ASSESSMENTS:** This Agreement may confer a possessory interest on CONCESSIONAIRE, and CONCESSIONAIRE shall pay and discharge any and all property taxes and/or assessments, including special assessments and possessory interest taxes, if any, which, due to CONCESSIONAIRE'S rights granted under this Agreement, may be levied upon the Premises during the term of this Agreement.

14. **ACCOUNTING:** CONCESSIONAIRE shall keep and maintain good and sufficient books and records of any and all business conducted under the terms of this Agreement, and shall keep financial records in accordance with generally accepted accounting principles. CONCESSIONAIRE shall keep such books of account, cash receipts and other pertinent data for a period of not less than six (6) years following the end of each year of the term of this Agreement. Such books and records shall be available for inspection by officers, employees and agents of COUNTY at all reasonable times.

CONCESSIONAIRE shall scrupulously endeavor to keep all receipts and accounts for the business conducted under the terms of this Agreement separate and apart from any other business enterprise. All business income derived from the operation of this concession shall be attributed to the gross income under this Agreement. Accounts for revenues from business enterprises owned by CONCESSIONAIRE at other locations than the Premises described herein shall be segregated from those of the Premises to allow accurate audit of income source, including provision of separate bank accounts.

PERCENTAGE FEE: For the purpose of ascertaining the amount payable as Percentage Fees, CONCESSIONAIRE agrees to prepare accurate records showing inventories and receipts of merchandise at the Premises, and to show daily receipts from all sales and other transactions conducted from the Premises by CONCESSIONAIRE or any third-party conducting business from the Premises. CONCESSIONAIRE shall record at the time of the sale and in the presence of the customer, all receipts from sales or other transactions for cash in a cash register that continuously records a cumulative total.

In addition to the monthly report required in Section 10 hereof, CONCESSIONAIRE shall submit, within thirty (30) days of the end of the fiscal year for each and every year of the term, including any extension thereof, an annual financial report that includes gross receipts and an accounting of all transactions, prepared by a licensed Certified Public Accountant (CPA), and certified to be correct by an officer of CONCESSIONAIRE.

COUNTY shall have the right, within twelve months after receipt of the annual financial report, to inspect all of the books of account and supporting data relating to gross receipts, and may, at COUNTY'S sole discretion, conduct an audit of CONCESSIONAIRE'S entire business affairs and records relating to CONCESSIONAIRE'S operations at the Premises. CONCESSIONAIRE, on fourteen days written notice, shall make all financial records available to COUNTY during regular business hours. In the event that any such inspection or audit discloses that CONCESSIONAIRE has not paid COUNTY the proper amount of Percentage Fees, CONCESSIONAIRE shall promptly pay the additional Fees due, together with interest computed from the date such Percentage Fee became due at the rate of TEN PERCENT (10%) per annum. COUNTY may also conduct an independent audit of CONCESSIONAIRE'S entire business affairs and records relating to CONCESSIONAIRE'S operations at the Premises, certified by a certified public accountant or licensed public accountant. In the event of such an audit, should the gross receipts shown by CONCESSIONAIRE for the period covered by such audit be found to be understated by more than FIVE PERCENT (5%), CONCESSIONAIRE shall pay to COUNTY any costs incurred by COUNTY as a result of such audit and/or inspection.

15. **FACILITIES:** CONCESSIONAIRE shall pay all costs of construction and installation of any and all improvements to the Premises incidental to the activities contemplated herein, including, but not limited to, landscaping and maintenance.

16. **IMPROVEMENTS / ALTERATIONS:** CONCESSIONAIRE agrees that any improvements, alterations, equipment, utilities, or utility infrastructure constructed or placed on the Premises, either permanent or temporary in nature, or any alterations or additions made to the Premises shall be subject to prior written approval by Director, or designee. Concurrently with CONCESSIONAIRE'S request for approval of any CONCESSIONAIRE-built fixed-asset improvements to the Premises, CONCESSIONAIRE may propose an amortization schedule be applied to such improvement. COUNTY and CONCESSIONAIRE shall agree to any amortization schedule proposed pursuant to this Section prior to Director, or designee's issuance of written approval of the improvement. All improvements or alterations must be harmonious in form, line, color and texture with the surrounding landscape.

If Director, or designee, approves any new proposed improvement plans, such approval shall be deemed conditioned upon CONCESSIONAIRE acquiring permits or clearances from the appropriate governmental agencies, and the submission of such to Director, or designee, prior to commencement of work. CONCESSIONAIRE shall comply with all conditions of said permits or clearances in a prompt and expeditious manner. Any and all permits or clearances required shall be granted only on the merits of the application thereof, and nothing in this Agreement shall be construed to require COUNTY, or any other governmental agency, to grant such permits or clearances.

CONCESSIONAIRE shall pay when due all claims for labor or materials furnished or alleged to have been furnished to CONCESSIONAIRE for use on the Premises, which claims are or may be secured by any liens on the Premises or any interest therein. CONCESSIONAIRE shall give COUNTY no less than ten days written notice prior to the commencement of any work on the Premises, and COUNTY shall have the right to post Notices of Non-responsibility in or on the property as provided by law. If CONCESSIONAIRE contests in good faith the validity of any such lien, claim or demand, CONCESSIONAIRE shall, at its sole cost and expense, defend itself and COUNTY against the same, and shall pay and satisfy any such adverse judgment that may be rendered there from. Upon request by COUNTY, CONCESSIONAIRE shall furnish COUNTY with a copy of a surety bond satisfactory to COUNTY in an amount equal to such contested lien claim or demand indemnifying COUNTY from liability for same, and holding the property free and clear of the effect of such lien or claim.

OWNERSHIP OF IMPROVEMENTS: COUNTY shall retain ownership of all improvements on the Premises, except for those improvements to be removed pursuant to Section 35 of this Agreement.

CONCESSIONAIRE RIGHT TO REIMBURSEMENT: In the event this Agreement is terminated prior to CONCESSIONAIRE amortizing the cost of CONCESSIONAIRE-built fixed-asset improvements to the Premises, CONCESSIONAIRE may request partial reimbursement for such improvements pursuant to such prior agreement as may be reached between CONCESSIONAIRE and COUNTY in regard to an amortization schedule for each individual improvement. In no event shall any value be attributed to CONCESSIONAIRE'S ownership interest beyond the term of the Agreement, and no financial obligation or risk shall reside in COUNTY for reimbursement for fixed assets or personal property as a result of this Agreement. In the event Agreement expires or is terminated, CONCESSIONAIRE'S fixed assets and personal property must be removed from the Park unless an agreement is reached between COUNTY and CONCESSIONAIRE.

17. **MAINTENANCE:** CONCESSIONAIRE agrees to keep the Premises, including all buildings, improvements, landscaping, and any CONCESSIONAIRE-installed infrastructure in good

maintenance and repair, at CONCESSIONAIRE'S sole cost and expense. The Premises shall be maintained in a sanitary, orderly, attractive and safe condition. CONCESSIONAIRE shall coordinate all door and gate locks or combination codes with Director, or designee, and keep the garbage area clean and all garbage containers closed to prevent birds and other animals from gaining access to the garbage.

CONCESSIONAIRE shall provide, prior to performing any work under this Agreement, an annual operation plan to be approved by Director, or designee. The parties agree that this Agreement is intended to be at no cost to COUNTY and that COUNTY shall have no obligation to maintain the Premises nor any improvements or landscaping thereon. Notwithstanding, COUNTY reserves the right to enter the Premises at any time for emergency purposes or any other purpose related to the Premises.

18. **UPDATE TO OPERATION PLAN:** On January 1 of each and every year, CONCESSIONAIRE shall provide Director, or designee, with an update to the Operation Plan (described in Section 2, and attached hereto as Exhibit "C"). The updated Operation Plan shall contain a description of any changes in CONCESSIONAIRE'S intended business operations for the ensuing year, as well as a description of proposed improvements, repairs, and general maintenance plans, including facilities, equipment and landscaping. The description of business operations shall include any changes in goods or services offered at the Premises by CONCESSIONAIRE, a price list detailing the costs for all goods and services offered, an estimate of gross revenues for the ensuing calendar year, and a list of current officers or principals conducting business on behalf of CONCESSIONAIRE. CONCESSIONAIRE shall include proposed measures to be taken for the protection, conservation, and preservation of natural, historical, and cultural resources in the Park and Premises.

19. **UTILITY CHARGES:** Subject to Director, or designee, approval, CONCESSIONAIRE shall have the right to install any and all additional utility installations within the Premises that are required by the purposes contemplated herein. CONCESSIONAIRE shall arrange to separately meter and pay all charges for all CONCESSIONAIRE'S utilities such that all utility charges for CONCESSIONAIRE'S operations are independent of utility charges for the Park. CONCESSIONAIRE shall be responsible for maintaining any and all utilities to the Premises, and shall pay when due all charges for utilities now on the Premises, or constructed or placed on the Premises, for use by CONCESSIONAIRE.

20. **SIGNS:** CONCESSIONAIRE shall not erect any signs in the Park without express written consent of Director, or designee.

21. **TRASH DISPOSAL:** CONCESSIONAIRE shall be responsible for the daily removal of all refuse, waste and rubbish from the Premises resulting from CONCESSIONAIRE'S operations and depositing such in proper receptacle which may be provided by COUNTY.

22. **WASTE:** No waste shall be committed in the Park, nor shall any nuisance or other acts be committed that disturb the enjoyment of the general public, the Park, its visitors, COUNTY, or any adjacent property owners.

23. **ENVIRONMENTAL IMPAIRMENT:** CONCESSIONAIRE shall comply with all applicable laws, regulations, rules, and orders regardless of when they become or became effective, including without limitation those relating to construction, grading, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of Director, or designee.

Should any discharge, leakage, spillage, emission, or pollution of any type occur on the Premises due to CONCESSIONAIRE'S use and occupancy, CONCESSIONAIRE shall clean all property affected to the satisfaction of COUNTY and any governmental body having jurisdiction thereover. CONCESSIONAIRE shall indemnify, hold harmless, and defend COUNTY from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, and consulting engineering and construction costs) incurred by COUNTY as a result of CONCESSIONAIRE'S breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to CONCESSIONAIRE'S use and occupancy, regardless of whether such liability, cost or expense arises during or after the term of this Agreement, and regardless of negligence, active or passive, of COUNTY.

24. **TOXICS:** CONCESSIONAIRE shall not manufacture or generate hazardous wastes on the Premises, including but not limited to pesticides, herbicides, sewer effluents, petroleum products, and liquid waste (grey water). CONCESSIONAIRE shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by CONCESSIONAIRE, its agents, employees, or designees on the Premises during the term of this Agreement and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. CONCESSIONAIRE shall notify COUNTY and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

COUNTY shall not manufacture or generate, nor allow others under its control to manufacture or generate hazardous wastes on the property. COUNTY shall notify CONCESSIONAIRE immediately in the event of any release or threatened release of any such wastes, substances or materials. In the event that such wastes, substances, or materials are released upon the property by COUNTY or others under its control, CONCESSIONAIRE may terminate this Agreement. Upon termination of this Agreement by CONCESSIONAIRE, all rights of CONCESSIONAIRE shall cease and CONCESSIONAIRE shall quietly and peacefully deliver to COUNTY, possession and interest in the property.

25. **COMPLIANCE WITH THE LAW:** CONCESSIONAIRE and CONCESSIONAIRE'S customers, licensees, invitees, and guests shall comply with all local, County, State, and Federal laws, rules, regulations, Executive Orders, affecting the Premises, now or hereafter in effect. CONCESSIONAIRE'S occupancy shall at all times be subject to County Park rules, regulations, and restrictions per Santa Barbara County Code, Chapter 26. CONCESSIONAIRE shall make a copy of the County Park Rules, including any subsequent amendments thereto, available to each customer, licensee, invitee or guest.

26. **PROTECTION OF COUNTY PROPERTY:** It is understood by the CONCESSIONAIRE that COUNTY property, including but not limited to, the Premises is to be

used and protected against pollution, contamination or unsanitary conditions. CONCESSIONAIRE covenants that, in the conduct of its business and operations hereunder, it will diligently guard against the contamination or pollution of the Park or Premises by CONCESSIONAIRE, its agents, servants, employees, and by the general public.

27. **INDEMNIFICATION AND INSURANCE:** CONCESSIONAIRE shall comply with the indemnification and insurance provisions as set forth in Exhibit "E" attached hereto and incorporated herein by reference.

28. **NONDISCRIMINATION:** CONCESSIONAIRE 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.

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

29. **NOTICES:** Any notice to be given to the parties, by another, shall be in writing and shall be served, either personally or by mail to the following:

COUNTY:	Santa Barbara County Community Services Department, Parks 123 Anapamu Street, 2 nd Floor Santa Barbara, CA 93101 (805) 568-2461
CONCESSIONAIRE:	Omar Khashen, President PRJKT SB, Inc. 7992 Ubada Circle Huntington Beach, CA 92648

or to the parties at such other place as may be designated in writing. Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. mail or by personal delivery. The date of mailing, or in the event of personal delivery, the date of delivery shall constitute the date of service.

30. **ABANDONMENT:** If CONCESSIONAIRE abandons the Premises or no longer is using the Premises for the purposes identified in Section 3 of this Agreement for a period of 60 days, COUNTY may continue this Agreement in effect after CONCESSIONAIRE'S abandonment or non-use and recover Fees as they become due. If COUNTY chooses to terminate this Agreement, COUNTY may, but shall not be obligated to, remove the personal property of CONCESSIONAIRE and store same, at CONCESSIONAIRE'S expense. Alternatively, COUNTY may dispose of said property and shall have no liability therefore.

With respect to the Venue, if CONCESSIONAIRE abandons the Venue or no longer uses the Venue for the purpose identified in Section 3 of this Agreement for a period of 60 days, COUNTY may continue this Agreement in effect after CONCESSIONAIRE'S abandonment or non-use of the Venue

and recover Fees for the Venue as they become due. Alternatively, COUNTY may terminate this Agreement with respect to the Venue and CONCESSIONAIRE'S interests in and rights to the Venue created by this Agreement, amend this Agreement to reflect, effectuate, and accomplish the same, and offer and make the Venue available for use and/or possession by any other person or entity without any liability on the part of COUNTY to CONCESSIONAIRE therefor. COUNTY may, but shall not be obligated to, remove the property of CONCESSIONAIRE in, on, or about the Venue and store same, at CONCESSIONAIRE'S expense. Alternatively, COUNTY may dispose of said property and shall have not liability therefor.

31. **DESTRUCTION:** If the Premises are totally destroyed by fire or other casualty or are damaged to the extent that the Premises cannot be used for the purposes identified herein, this Agreement, at the sole discretion of COUNTY may terminate.

32. **DEFAULT BY CONCESSIONAIRE:** Except as otherwise required herein, should CONCESSIONAIRE at any time be in default hereunder with respect to any covenant contained herein, COUNTY shall give notice to CONCESSIONAIRE specifying the particulars of the default and CONCESSIONAIRE shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of thirty (30) calendar days from such notice, then, in addition to any other rights COUNTY may be entitled to at law, COUNTY may terminate the rights of CONCESSIONAIRE granted in this Agreement, unless the cure of such default shall reasonably take more than thirty (30) calendar days in which case CONCESSIONAIRE shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

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

34. **TERMINATION:** This Agreement shall terminate and all rights of CONCESSIONAIRE shall cease, and CONCESSIONAIRE shall quietly and peacefully deliver to COUNTY, possession and interest in the Premises:

- a) Upon expiration or earlier termination of this Agreement; or
- b) Upon abandonment of the Premises as provided in Section 30, ABANDONMENT, and COUNTY'S option to terminate this Agreement; or
- d) As provided for in Section 9, NONINTERFERENCE; or
- e) As provided for in Section 31, DESTRUCTION; or
- f) Upon COUNTY'S receipt of notice of CONCESSIONAIRE'S bankruptcy, insolvency, or the appointment of or taking possession by a bankruptcy trustee or custodian; or
- g) In the event CONCESSIONAIRE is found to be in non-compliance with any permits associated with this Agreement and such non-compliance is not resolved in a timely fashion; or
- h) Upon the failure of CONCESSIONAIRE to satisfy, observe, or perform any of the covenants, conditions, or reservations set forth in this Agreement and COUNTY'S exercise of its right to terminate.

Upon expiration or termination of this Agreement, CONCESSIONAIRE'S fixed assets and personal property must be removed from the Premises unless an agreement is reached between COUNTY and CONCESSIONAIRE.

35. **REMOVAL OF PROPERTY UPON TERMINATION:** Upon termination of this Agreement, CONCESSIONAIRE shall vacate the Premises. COUNTY may require CONCESSIONAIRE to remove any and all CONCESSIONAIRE-constructed improvements, alterations, and equipment. However, any improvements to the Premises that have been approved by Director, or designee, pursuant to Section 16 hereof, including utilities pursuant to Section 19 hereof, shall remain property of the COUNTY. Any removal of property by CONCESSIONAIRE shall be completed within sixty (60) days of written request by Director, or designee, and shall be done at CONCESSIONAIRE'S sole cost and expense. CONCESSIONAIRE shall restore the Premises as nearly as possible to its original condition.

36. **AGENCY DISCLOSURE:** CONCESSIONAIRE acknowledges that the Community Services Department of the COUNTY is the agent for the COUNTY exclusively, and is neither the agent for CONCESSIONAIRE nor a dual agent in this transaction.

37. **AMENDMENTS:** This Agreement may only be amended by written consent of the County Board of Supervisors and such changes shall be binding upon the heirs or successors of the parties.

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

39. **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.

40. **CERTIFICATION OF SIGNATORY:** The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind COUNTY and CONCESSIONAIRE to its terms and conditions or to carry out duties contemplated herein.

41. **ENTIRE AGREEMENT:** The parties to this Agreement intend that their negotiations, conversations and statements made prior to execution of this Agreement are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein. In case of a conflict between this Agreement and any of the Exhibits thereto that cannot be resolved, then the terms and conditions of this Agreement shall control.

42. **CONSTRUCTION:** The parties to this Agreement agree that each party and its respective counsel have reviewed and approved this Agreement to the extent that each party in its sole discretion has desired, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement. The terms and conditions of this Agreement embody the parties' mutual intent, and this Agreement shall not be construed more liberally in favor of, nor more strictly against, either party hereto.

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Project: PRJKT SB, Inc. SeaLegs
Restaurant at Goleta Beach
Concession

APN: 071-200-017

Agent: J. Lindgren

IN WITNESS WHEREOF, COUNTY and CONCESSIONAIRE have signed this Concession Agreement by the respective authorized officers as set forth below.

“COUNTY”

COUNTY OF SANTA BARBARA

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

By: Shirley LaGuerra
Deputy Clerk

By: Bob Nelson
BOB NELSON, CHAIR
Board of Supervisors

Date: 10.19.2021

“CONCESSIONAIRE”

APPROVED:

By: Omar Khashen
Omar Khashen, CEO
PRJKT Restaurant Group

By: Geo Chagnon
Director of Community Services

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

By: Rachel Van Mullem
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:
BETSY SHAFFER, C.P.A.
AUDITOR-CONTROLLER

By: Betsy Shaffer
Auditor-Controller
Advanced and Specialty Accounting

APPROVED:

By: Ray Aromatorio
Ray Aromatorio, ARM, AIC
Risk Manager

EXHIBIT "A"
(Goleta Beach Park)



EXHIBIT "B"
(Premises)



EXHIBIT “C”
(Operation Plan)



Hours of Operation

Sealegs Santa Barbara (Restaurant)

Sunday – Thursday
9am – 10pm

Friday - Saturday
8am – 12am

Sealegs at the Beach (Outdoor Venue)

Monday – Thursday
4pm – 10pm

Friday - Sunday
Noon – 10pm

Sealegs Shake Shack (Snack Bar)

Monday – Thursday
Noon – 8pm

Friday – Sunday
8am – 10pm



Delivery Schedule and Plan

Based on the fresh / seasonal nature of the menus that Sealegs Santa Barbara and its sister venues create we will be receiving deliveries several times a week. We understand that a heavy delivery schedule can impact the guest experience at the park and we plan on doing our best to avoid this situation.

A list of vendors that would typically be delivering to the concessions are as follows

Beer from 2 distributors – once a week, typically Thursday or Friday mornings

Spirits from 2 distributors – once a week, typically Thursday or Friday mornings

Paper Goods, Disposables, and Chemicals – once a week, typically Tuesday morning

Meat – once a week, typically Tuesday or Wednesday morning

Seafood – 2-3 times a week, typically Monday, Wednesday, and Friday afternoons

Produce – 4 days a week, typically Monday, Wednesday, Friday, and Saturday mornings

Bread – 4 days a week, typically Monday, Wednesday, Friday, and Saturday mornings

We will coordinate delivery windows for each vendor along with a dedicated drop area adjacent to the side kitchen door for deliveries to be off loaded and moved into storage in a timely manner. Communication with the vendors and drivers will be key to establishing a system the is least invasive to the park. The delivery windows specific to each vendor will eliminate a back up of trucks and mitigate any blockage of roadways.



Trash and Refuge Plan

Based on volume, we anticipate that Sealegs Santa Barbara and its sister venues will be producing a large amount of trash and recyclable items. We typically implement a trash program that begins at the product procurement level. This includes the purchasing of only eco friendly recycled disposable items such as cups and plates for the Sealegs at the Beach and Sealegs Shake Shack concessions. In addition, these spaces will only sell drinks that are packaged in aluminum cans. This leads to an easier product to recycle, as well as avoids any breakage or injury due to glass.

Trash that is produced at the concessions is gathered in distinct cans specific for general waste as well as recycled goods. Our staff then double checks these cans to make sure all items ended up in the proper bin. From there these bins are taken to larger mobile trash bins that are easy for staff to fill and take to the designated dumpster area of the park. We anticipate a need for 3-4 three-yard trash bins onsite. These bins will be scheduled for regular pickup service at least three times a week.

Monday – largest pick up of the week. This removes any trash created during the busy weekends.

Wednesday – typically for removal of boxes and trash created from deliveries

Friday – this removes any trash created during the week and gives us empty bins going into the weekend.

Additional bins and pick ups can be set up as needed.

Sealegs Santa Barbara Staffing Needs

Kitchen Staff	Hourly Rate	Total on Staff
Line Cooks	\$22.00	8.00
Prep Cooks	\$18.00	4.00
Dish Washers	\$16.00	5.00
Expos	\$20.00	5.00
Total		22.00

FOH Staff	Hourly Rate	Total on Staff
Servers	\$15.00	18.00
Bartenders	\$15.00	8.00
Hosts	\$16.00	8.00
Bussers	\$16.00	10.00
Barbacks	\$15.00	4.00
Total		48.00

Management Staff	Annual Salary	Total on Staff
President	\$150,000.00	1.00
Managing Partner	\$125,000.00	1.00
GM	\$150,000.00	1.00
AGM	\$120,000.00	1.00
Manager	\$65,000.00	1.00
Manager	\$65,000.00	1.00
Exec Chef	\$125,000.00	1.00
Sous Chef	\$75,000.00	1.00
Special Events Director	\$50,000.00	1.00
Asst Special Events Dir	\$40,000.00	1.00
Total	\$965,000.00	10.00

Other Staff	Annual Spend	Total on Staff
Office Manager / HR	\$60,000.00	1.00
Maintenance Guy	\$52,000.00	1.00
Security	\$52,416.00	1.00
Cleaning Crew	\$182,500.00	2.00
Legal Council	\$120,000.00	1.00
Graphics Design Team	\$42,000.00	1.00
Social Media Team	\$30,000.00	1.00
Total	\$538,916.00	8.00

Sealegs at the Beach

Labor Detail and Breakdowns

Kitchen Staff	Hourly Rate	Total Staff Needed
Line Cooks	\$22.00	6
Prep Cooks	\$18.00	2
Expos	\$20.00	4
Totals		12

FOH Staff	Hourly Rate	Total Staff Needed
Servers	\$15.00	6
Bartenders	\$15.00	14
Hosts	\$16.00	4
Bussers	\$16.00	6
Barbacks	\$15.00	4
Security	\$25.00	10
Totals	\$17.00	44

Management Staff	Annual Salary	Total Staff Needed
AGM	\$120,000.00	1
Floor Manager	\$65,000.00	1
Kitchen Manager	\$60,000.00	1
Reservations & Events Coordinator	\$50,000.00	1
Total	\$295,000.00	4

Other Staff	Annual Spend	Total Staff Needed
Maintenance Guy	\$52,000.00	1
Cleaning Crew	\$182,500.00	2
Total	\$234,500.00	3

Safety & Security

Security and public safety is something we take extremely seriously especially with the consumption of alcohol being permitted. It is important for us to make sure that our guests stay safe, the Park remains protected and we are responsibly managing the clientele, food, beverage and entertainment.

For the Concessions, we abide by the rules set out for us by ABC. They require signage that states "No alcoholic beverages can leave the premise" and require security guards at the entrances and exists. In addition, we make sure that the properly trained Security Guards are requesting ID's of patrons and identifying anyone who is under 21 years old.

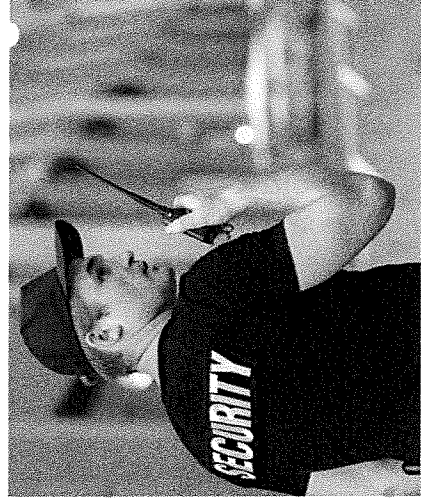
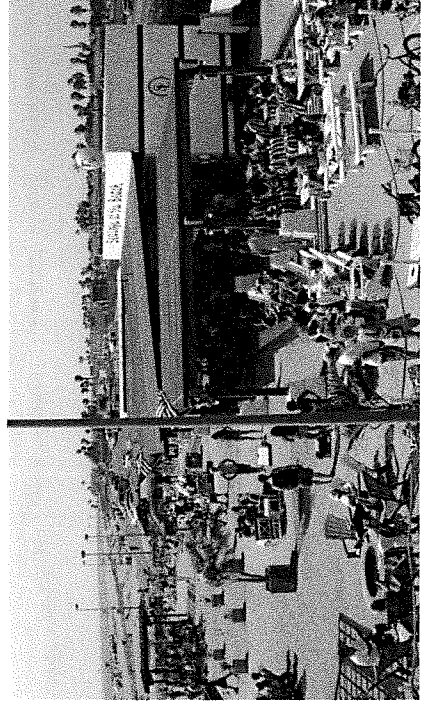
We also have secure guards roaming the parameter of locations ensuring public safety. We are looking to make sure that no one hops over the fence lines, that no one is over intoxicated, looking to make sure there are no altercations happening and that the guests are properly using our space to avoid any incidences where guests can be getting injured and to prevent an unsafe environment.

We hire Security Guards from a vetted security company that provides official Guard Cards for the Security Team that is provided to us to protect our space.

In addition, we perform daily huddles with our team to discuss the events of the day, from private events to VIP guests to ensure that everyone is on the same page regarding our Public Safety programming for the day.

If we do have an incident on site, our Security Guards are trained to remove the problem from the environment. We remove the guest and they are to be taken out of the back entrance to detain the suspect. Our goal is to make sure that any unruly guests is taken away from the other guests view so that we don't start any further altercations. We then call Circom to bring Peace Officers to our location and release the suspect to Peace Officers.

With the large concert and events on our Beach, the Security Team is handled with a strategic plan in place. The concerts involve large planning with the event producers to ensure that Public Safety is upheld to the highest regard. With the Event Producer, ourselves, and local law enforcement we conduct meetings to discuss everything from proper entrances & exits, to what happens during an active shooter/terrorist threat, to where and how guests must be removed from the environment and or sited for their behavior. The Event Producer must supply a complete security plan to approved by Parks and work together with to ensure the safety of our guests.



Employees Staffing & Training

Policies and Training:

Some employees may be joining us with more or less skills than someone else; we recognize every business is different. During the training process we ask all employees to:

- Arrive on Time
- Bring the Training materials with them
- Do the assigned homework each day
- Be attentive, ask questions, and take notes daily
- Study the information that is provided

Our mission is to consistently exceed guest expectations by providing memorable dining experiences in creative and distinct restaurants.

In our training we like to focus on hard skills and soft skills. As important as it is to know food costing, labor budgeting, and health department requirements, it is also as important to come in to work with the right attitude and strive for excellent customer service.

Employees Handbook & Guide:

All employees are given a Handbook & Guide to commence their training that acts as a guide for a successful working relationship with Prik Group. Training manuals provide the basis for consistent results so that we are capable of creating high-quality dining experiences regardless of who is on the floor or in the kitchen. Having a complete and thorough training manual for every position is critical to ensure the consistent training when people are hired and correct, consistent execution in the restaurant.

Restaurant server and employee training can be very complex, depending on the type of food service being performed and the expectations of the establishment and customer. Providing the necessary training materials, including a restaurant training manual and hands-on training related to health and safety and job performance, can ensure that your employees are well-informed and capable of completing tasks related to their position.

Restaurant server training may differ drastically from back-of-the-house employee training; the end goal is the same: better trained employees to create the best customer experience possible. Employee training typically includes several components that work together to create the overall program: the employee handbook, health and safety procedures, and hands-on job performance all work to ensure that the establishment runs smoothly.

An employee handbook is an effective management tool in any industry, but especially in the restaurant industry. This is an essential tool when educating and enforcing employment laws, safety procedures, dress, and code of conduct. Any/all information related to rules and regulations for which employees are held responsible should also be included and readily available. Providing this restaurant training manual ensures that all Prik employees are aware of the expectations of state employment law and the employer, as well as the requirements of their specific position.

Hiring Practices:

Restaurants have a much higher burn/turnover rate than most industries so hiring the right employees and retaining them is a critical part of the hiring process. In order to find the correct candidates, we:

- Have a proper online presence through our website and social media, asking for applicants or referrals
- Use target job advertising through such websites as GlassDoor, Craigslist, Monster, etc.
- Use our personal networks within our business to find referrals of employees

During the interview process we look out for these main qualities:

- Positive Attitude
- Matching Qualifications for the position
- Certifications for positions required
- References



Probation Period:

After a successful training program, employees go on a 30 day "probation/evaluation" period. We use this time to coach and evaluate new employees and performances. Probation periods are also for employees who may be promoted into a new position or are undergoing performance evaluations for issues in the workplace.

Efficient certification:

Prikt Group requires all employees to carry a Food Handlers certification from Serv Safe to ensure all food is handled with the highest health department standards for public safety in the workplace.

All Bartenders are required to provide TIPS certification; this certification allows for them to properly and responsibly serve alcohol with law enforcement in mind.

Both programs ensure added safety in the workplace by holding our employee even further responsible by being properly educated and certified through an accredited agency.

Uniform Requirements:

While you want your employees to feel comfortable while they are at work, it's crucial for their attire and appearance to comply with local regulatory requirements and the **FDA food code**. By complying in the following areas, your business can minimize the risk of physical contaminants, complaints, or bad reviews.

Fingernails:

Unless intact gloves are worn, employees working with exposed food may not wear fingernail polish. Nails should be trimmed, filed, and maintained so that edges are not rough. Artificial nails are not permitted.

Gloves:

Disposable gloves should be used when handling ready-to-eat food and should be provided in multiple sizes. Employees must wash their hands before putting on gloves & they must be changed after becoming dirty or torn. Multi-use gloves must be washed, rinsed, & sanitized between uses. Any open sores, cuts, abrasions, burns, or bandages must be covered with gloves.

Hair restraints:

Hostesses, wait staff, or employees serving only beverages or packaged foods are not required to wear hair restraints. Food employees with a high risk of contaminating exposed food must wear a hat or hair covering, a beard restraint (if applicable), and clothing that covers body hair.

Jewelry:

Rings (except for a plain band without stones), bracelets (including medical bracelets), watches, & other jewelry must be removed from hands & arms. Individual companies may create policies that require necklaces, earrings, or other facial jewelry to be removed to limit the risk of physical contaminants. If your company policy allows for it, servers may wear jewelry.

Outer clothing:

Employees should wear clean clothing, and changing out of street clothing into a work uniform upon arrival should be encouraged. Storage facilities or lockers are required for personal belongings, and dirty aprons or chef coats must be stored in laundry bags and away from prep areas. All employees are required to wear non slip work shoes.

Personal hygiene:

Prevent pathogens from skin and hair from coming in contact with food by demanding that employees shower or bathe regularly. Hands must be washed before starting to work. Designated restaurant uniforms should be cleaned daily.

Customer Service

Our commitment to guest experience revolves around customer service. Guest perception at our locations begins with cleanliness, organization, guest experiences, a well trained staff, and a smiling team filled with positive energy so that the guests will leave our spaces wanting to come back for more. We do this all by implementing a 3-point system: Hire, Train and Motivate.

Hire:

It all begins with hiring the right people with the right attitude. We can train you to do your job but we can't train you how to come to work exuding positivity. We purposely seek these types of personalities throughout the hiring process: people who come in beaming with a smile, people who are committed to working hard and treating every guest like they are a VIP.

Train:

During the training process it is important that we train our teammates that Customer Service starts with the guest's perception when they arrive to our location. Customer service is our opportunity to connect with our customers and show that we care. We train our employees to improve customer support and satisfaction by teaching skills, competencies, and tools needed to better serve customers. The goal is always "customer retention," ensuring happy, delighted customers who will be coming back and bringing their friends and family. In our Customer Service training we implement the following rules:

- The Customer is always Right
- Do Everything with a Smile
- Care
- Always be Polite & Professional
- Come to work with a positive attitude
- Get to know your customers
- Rapid Response Policy

Training the Managers is key to this process as it provides oversight to ensure that the departments are all leading with customers in mind. We enlist all of our Management in an extra series of training for Customer Service which includes excellent guest experience & how to train your teammates in exemplary customer service. All FOH management must have a strong level of commitment to customer service to be hired for their positions.

Motivate:

We believe that the way we treat our employees is the way they will treat our customers, so we start with providing an excellent motivational environment for our team members to work within. We post motivational quotes all over the BOH for our team to see and be reminded to think positively. To ensure the customer service is high priority within our business, we host weekly, monthly, and annual contests for employee of the week, month and year. We also make examples of anyone who is giving "excellent customer service" throughout the shift. For employees to be featured in the contest they must provide a high level of service and receive feedback throughout customer service feedback study highlighting the individual as an exemplary employee.

Customer Service Survey:

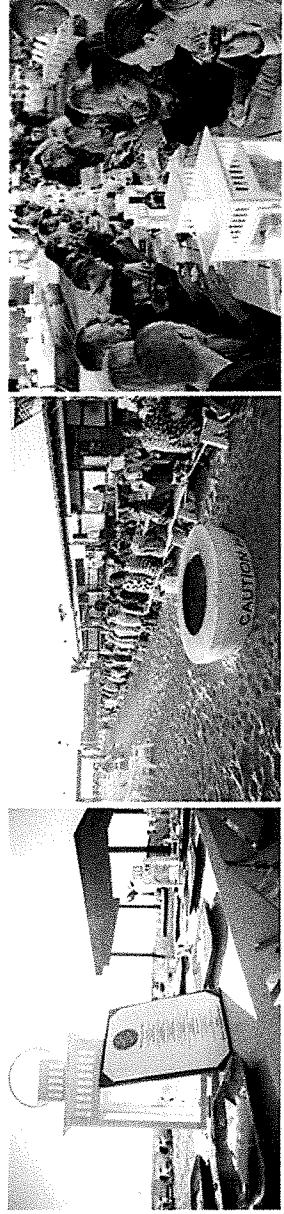
Located on our website and on site, we offer guests the opportunity to give us feedback so that we can ensure guests are receiving the best customer service possible. Example questions on the survey include:

- How often do you visit us?
- Was this restaurant clean upon your visit?
- What do you like best about our food and services?
- How quick or adequate was the speed of service?
- Was the selection of beverage sufficient?
- How would you rate our staff's ability to meet your needs?
- Would you recommend our restaurant to family or friends?
- Did any employee stand out with exemplary customer service?

Social Media Monitoring:

In addition to this extensive customer service plan, we monitor social media comments, posts and reviews to listen back from our guests online. We believe that missing a mention, especially a negative one, is likely to lose us our customer. We enlist the rapid response method to respond to any negative feedback by direct messaging our customer and offer a way to remedy their complaint. Our Social Media plan involves:

- Finding vulnerable customers fast
- Being proactive with social media
- Share customer conversations
- Monitoring our competition
- Demonstrating leadership
- Effective solutions



Prices and Pricing Policies

Prikt Group is dedicated to providing quality products and services at fair & reasonable pricing for consumption and enjoyment on the beaches. Prikt's commitment includes sourcing products from quality purveyors to create made from scratch menu items provided with healthy, locally sourced ingredients. Because of our multifaceted business, we have different price breakdowns based upon our different offerings:

Food & Beverage (General)

All purveyors/vendors are carefully selected by collecting bids from multiple accomplished sources and then selecting the best quality at the best price. Prikt Group always has multiple purveyors under each category so if they know that quality has changed they can switch purveyors.

Our pricing strategy is as follows:

- The price of our item is always 25% higher than
- Fixed expenses
- Labor Expenses
- Cogs of Goods Expenses

Our goal is to be working between 20-30% margin.

Catering Services:

Catering is broken down into two categories: catering private parties on the concession site and in the sand area out front.

On a concession site, if the customer wants to purchase the space for the day we charge a Food & Beverage minimum based upon our annual trending sales number for that location based upon seasonality. Whether the customer is looking for space rental of the entire concession or a smaller space within the footprint, the Food & Beverage minimum adjusts to what revenue we would expect out of that space. From there, our Catering Director customizes a menu based upon our clients' needs and wants.

On the sand out front, we assist our client in obtaining a permit through Parks and then our Catering Director customizes a menu and package based upon their needs and wants.

Typically, our goal for all catering is to have a 30% margin.

Rentals:

Prikt Group concessions provides State Park patrons with rentals to enhance their experience at the Beach. Rentals include: Umbrellas, Chair, Boogie Boards, Surfboards and Bicycles.


Rental Prices are as follows:

All Daily Rates:

- Umbrella: \$15
- Chair: \$15
- Boogie Board: \$30
- Surfboard: \$45
- Bicycle: \$50

All prices are subject to change with market fluctuation.





Maintenance and Housekeeping

PRJKT Concessions takes great pride in maintaining a very clean environment for both our guests and staff. We perform daily cleaning of the facilities in use and larger scale weekly deep cleaning that includes a detailed cleaning of all floors and equipment inside the buildings. This plan involves the use of color-coded microfiber cleaning rags to eliminate cross contamination between food and chemicals, and the use of environmentally safe cleaning products to preserve the environmental health of our facility. Our staff is trained on all Health Department requirements and techniques and performs a 13-point checklist nightly to assure there is no crevice or crack left uncleared. Internally, Busser Staff is trained to keep outside environments litter free during and at the close of business. They do this by trash pick up, maintaining accessible trash cans for guests, and then a final trash sweep at close of business for the day that involves raking the sand. In addition, the staff the following cleaning & maintenance schedules:

Restroom Cleaning

Restrooms say a lot about your facility and can present the greatest cleaning challenge. We implement an hourly checklist for the in-house kitchen and busser staff members to make sure our restrooms are clean, odor-free, and well-stocked. During business hours both staff and public restrooms are checked and maintained hourly.

Kitchen Weekly Deep Clean

Concessions receive a weekly "deep clean" with a professional cleaning service to ensure we are always staying compliant with food safety regulations and keeping a safe hygienic environment. All surfaces, including but not limited to corners, ceilings, hidden or hard to reach areas, inside refrigeration and stoves, are included.

Hoods

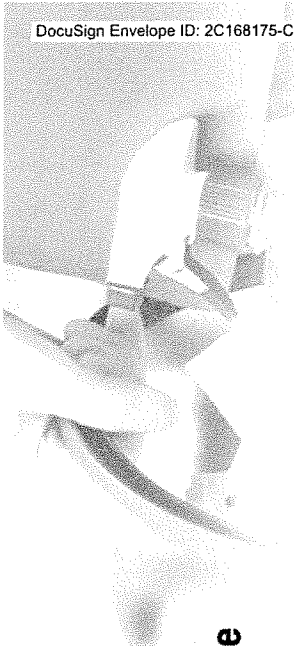
Every 3 months the hoods, ducting, and Ansel system are serviced and cleaned by a reputable hood service cleaning company. During this cleaning they focus on grease duct, flue cleaning, exhaust fan, exhaust system, and kitchen exhaust.

Break Rooms / Kitchens / Trash areas

We make sure that these areas receive the same attention as other areas. We clean and disinfect counters, tables, chairs and sinks. Floors are cleaned and disinfected (as needed) and regularly buffed to a high shine. Sinks and bright work sparkle with regular cleaning and polishing. Walls behind trash receptacles are regularly cleaned and disinfected. On a nightly basis, our kitchen and busser staff cleans and maintains all trash dumpster facilities as these are often in public view and are a direct reflection of our quality of service

Painting & Powerwashing

The weather at the beach can beat the buildings up rather quickly. To ensure that the concession buildings look their very best, we require the buildings and concrete surface to be power washed bi-weekly to remove the sand build up and any dirt/spills etc on the buildings. Fresh paint ensures that the buildings continue to look their very best, so we give the buildings a full paint over once a year and touch up all paint monthly as needed.



Regular Maintenance Schedule

General Maintenance

PRJKT Concessions staff work in coordination with the Parks staff to maintain and repair any surrounding areas to the concession facilities for the common goal of keeping Sealegs Santa Barbara looking its best and maintain a safe and comfortable environment for our guests.

Weekly Maintenance

- Replace all burned out light bulbs.
- Identify and repair broken or damaged furniture.
- Identify and repair broken or damaged fencing.
- Identify and repair broken fixtures.
- Remove / Repaint any graffiti or vandalism.

Quarterly Maintenance

- Inspect building structure, canopies, and equipment for damage, and repair as needed.

Annual Maintenance

- Inspect and repaint the exterior walls, canopies, and tables as needed before reopening for the season.
- Perform an annual walk through with Park officials to identify improvements that can be made for the betterment of our operation.
- Identify beautification projects that can be added each year to improve the facilities look and functionality, giving the park guests a better overall experience.

CLEANING TEAM & BUDGET

Cleaning and repairs budget approx. of 5% gross sales. Team includes:

Outside Labor

- Ramirez Painting & Power Wash: Semi weekly power washing to all buildings, annual full painting and monthly paint touch ups. Proficient in quality and keeping the environment litter free while painting.
- 5051 Deep Cleaning: Monthly deep cleaning from reputable kitchen cleaning company.
- Hood Cleaning Service: Hoods cleaned every six month by reputable hood cleaning company.

Inside Labor

- Bussers: Must keep outside premise clean to start and end day, checks up and clean bathrooms, and assist in end of night kitchen cleaning duties.
- Bartenders: Must keep bar station clean and dry, keep refrigeration clean, and complete day with a thorough cleaning of bar area
- Dishwashers: Wash dishes, pans and all cooking devices and assist in end of night kitchen cleaning duties.
- Cooks: Keep stations clean during shift and then assist in end of night kitchen cleaning duties. Ensure all food is properly labeled and stored to health department standards and the kitchen is left crumb free before end of shift.

Conservation & Recycling

Keeping our environment better when we left then we arrived is part of our motto at Prikj Group. With that all of our staff is trained to keep our parks clean, respect the park, the wildlife, the visitors, the land and the opportunity given to us. It is of utmost importance to ensure that we are disposing of and properly caring for our waste.

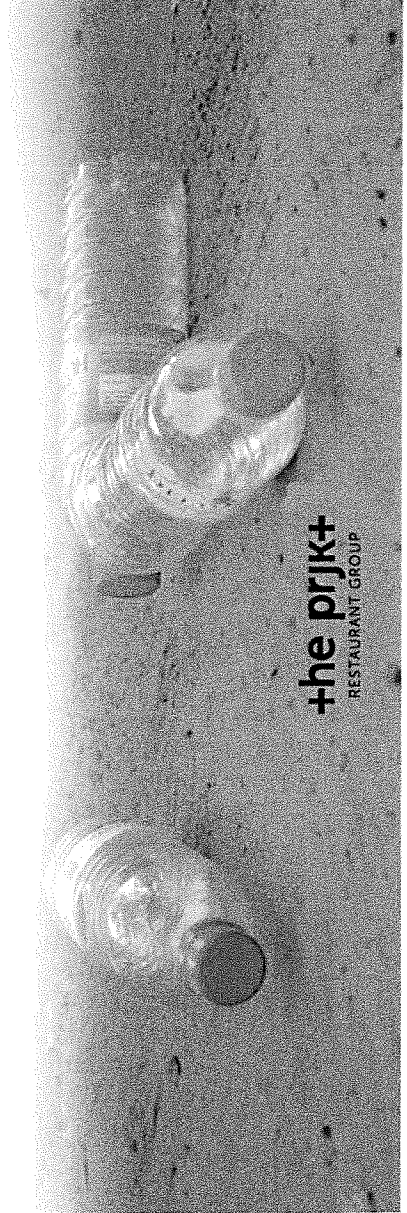
Due to the number of beverages consumed, Prikj Group staff is trained to separate plastics and cardboard for the trash pick-up. Our local Environmental Waste company then takes those separations and recycles on our behalf. By assisting them in the separation, it allows for us to ensure that the products are being recycled properly.

We conserve energy by having all of our lights on automatic timers. During the operating hours our lights will be turned on, but they are automatically shut off as soon as park hours commence. This allows us to know that our energy is being conserved when we are not using the space. During the off season, we do a final walk through of all spaces to make sure that all panel switches are set to the off position to conserve when we are not open.

We use water efficiently; all bathrooms are set to sink handles that automatically stop to ensure that no water is consistently running. We offer our guests containers filled daily as watering stations, so we avoid extra waste of water bottles and/or disposable cups. Our landscaping allows for minimal water use by using DG (Decomposed Granite) or take sod to the environment. Any additional floral will be in planters that will be watered 2x a week.

In addition, we train our staff to follow the proper protocol in our kitchens to reduce waste and protect energy efficiency:

- Avoid over-purchasing. Over-purchasing causes spoilage and waste. Take inventory frequently and adjust orders where necessary. Consider using an inventory tracking system which includes a system to analyze inventory levels, spending and predicting future needs. Many inventory tracking systems also include tracking of orders and use. Order Tracking and Inventory systems like this can count quantities and ingredients used per dish or order, keeping track of how much stock is used and should be purchased.
- Store items in the order you purchase them. Use older items first. Place newly purchased items at the back of the shelves and train employees on the order of use.
- Inspect deliveries. Many deliveries include unusable meats and perishable items which may have come open or spilled during shipment. Accepting delivery of these items can cause discrepancies in inventory tracking. Be sure to inspect deliveries and make adjustments to inventory tracking.
- To avoid spoilage, store food tightly and appropriately, eliminating air in containers.
- Use storage containers that can be reused and request that food be delivered in reusable and recyclable containers.
- Products that have a long shelf life should be purchased in bulk if you have the space available to store them.
- Use up all of a food product by reviewing your menu. For example, instead of discarding, add celery leaves to a soup, make stock from stems and heads of vegetables.
- All refrigeration and HVAC (heating, ventilation, and air conditioning) equipment should have regular schedules for cleaning and maintenance. All coils and filters should be cleaned on a regular basis.
- Check for air loss coming from refrigerator doors and freezers and make sure they close tightly.
- Check the temperature calibration of oven equipment on a periodic basis.
- Be sure to clean fryers and filter the oil on a daily basis (which will help extend the life of fryers and fryer oil).
- Use paper products made from recycled materials. Many recycled paper products are readily available and are cost-feasible. Some examples are napkins, paper towels, toilet paper, bags, etc.
- Don't use Styrofoam when possible. Styrofoam takes up more room in both storage and disposal than paper/cardboard products. Almost everything available in Styrofoam is available in a paper equivalent.
- Rather than using prewrapped straws, use straw containers (health department approved) to serve straws to patron.
- Use washable and reusable dinnerware and table linens.
- Use plastic trash can bags made of recycled HDPE instead of ones made of LDPE or LLDPE. They are much more environmentally and cost friendly. HDPE works equally as well or better and cost less too.
- Purchase cleaning supplies in concentrate, rather than in ready-to-use (RTU) form; then portion them into properly labeled dispensing bottles.
- Use environmentally friendly cleaners. Cleaners that can be used for multiple surfaces are better than job-specific cleaners.



Community Commitment

Prikt Group is committed to developing lasting and successful relationships with key community partners, organizations, non-profits, and alliances. Through building these relationships we work together to benefit Parks and the community and bridge the gap to create a long-lasting successful relationship with the residents of Santa Barbara County. In addition, we host a variety of events to partner with community partners and drive the community to experience the many offerings. Goleta Beach has to offer while giving back to the locals.

Beach Clean Ups:

Building partnerships within the community to co-host Beach Clean Ups with various local companies and their employees to send a clear message that we are here to leave the beach cleaner than when we arrived.

Yoga & Fitness Events:

Partnering with local gyms and fitness groups to bring attendance to the beach by building sporting events that showcase events such as Yoga on the sand in the early morning while enjoying the amenities that Goleta Beach has to offer.

Supporting Local Schools & Sports Teams:

Prikt Group is proud to sponsor and support local schools and sports teams. We offer discounted offerings to local sports teams to host team events at our facilities. We also offer gift certificates for school events for fundraisers and sponsor community events branding our concessions logo at school sporting events.

Community Partnership:

Working together with companies, organizations, agencies, retail stores, and brands to build long lasting effective relationships and programming tying the community to events and partnerships

Interpretive Programming:

We work together with County Parks to offer interpretive programming for guests to learn more about the history, environment, and facts about the Beach.

Jr. LifeGuard Lunches:

We work closely with the Beach Jr. Lifeguard program to offer a lunch program to feed the kids who are training to become future lifeguards.

Accessibility at Events

Staff and Volunteers

One of the first things that you should do when events would be to prepare staff and volunteers with basic awareness and information about attendees that may have disabilities. To make sure they're aware that individuals with disabilities should be treated like any other attendee. Remind them to not act too overly protective or anxious around people with disabilities. If you see someone really struggling you can offer your help, but at the end of the day most people know what they require and will ask for help if they need it.

Vendors

An important part of complying includes providing the proper information to all of vendors. To comply with ADA regulations all people with disabilities must have comparable access to food, drink, merchandise and other services offered at the event. This means that vendors cannot be placed in any in-accessible area; vendors should also provide additional assistance to any individual that requires it.

Portable Restrooms

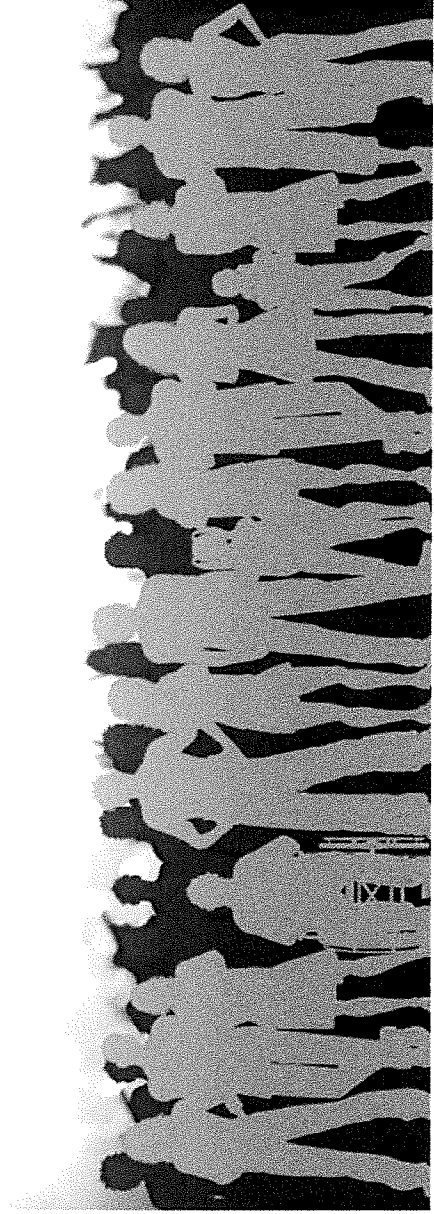
When events requires portable restrooms, we consider ADA regulations when ordering portable restrooms. We provide 1 wheelchair accessible portable restroom for every 10 regular portable restrooms required. These restrooms also shouldn't be placed anywhere that requires the users to step up on a curb or any other in-accessible location.

Accessibility of Performance Areas

When there is a stage involved at the event, we must provide accessible performance areas. High stages are difficult for accessibility, so we must rent portable lifts for the stages or also install ADA specific ramps.

Marketing Your Accessibility Practices Before Your Event

Most people with disabilities may assume that public events aren't going to be very accessible, so it's important to let guests know that we are going to accommodate their needs. We include statements about access on press releases and publicity materials and website by placing accessibility symbols on promo materials to point out the steps you're taking to make sure they're taken care of.



Accessibility

It is important that all guests are given the opportunity to have the same amazing experience when visiting Goleta Beach, the Concessions and the events at the Beach. It is imperative that we follow the ADA guidelines ensuring that each guest experience is ADA compliant from heights of table tops to proper walk ways. It is important that no guest feels discriminated because of their disability. Below outlines our rules of operation for both Concessions and Events to ensure we are ADA compliant.

Concessions

Ramps

If a restaurant provides a ramp for its disabled patrons, the maximum slope must be 1:12 or less. Ramps have to be at least 36 inches wide with a minimum landing length of 60 inches. If a ramp is longer than 6 feet, it must have a handrail on either side that measure 34 to 38 inches in height.

Entrances

If the entrance to a restaurant has stairs to the dining room, it must also provide a ramp, a lift or an alternate, accessible entrance. Accessible restaurant doors are those that provide a 32-inch opening. In the case of a double door, at least one of the doors should provide a 32-inch opening. There must be at least 18 inches of clear wall space when an individual must pull on the door to enter or exit the restaurant or a room within it. Moreover, an individual ought to be able to open or close a door with a closed fist. Beveled edges in the door must not measure more than 0.75 inches, and a threshold edge must be 0.25 inches or less.

Seats, Tables and Counters

The aisles between fixed seats must be at least 36 inches wide, and restaurants should provide wheelchair accessible seats throughout the dining room. To accommodate those in wheelchairs, tabletops and counters need to measure 28 to 34 inches in height. Under the table, a restaurant must provide knee room that is at least 30 inches wide, 27 inches high and 19 inches deep. Cashier and food-ordering counters must be 36 inches tall or less or have a space on the side where restaurant staff can assist customers or pass food to a customer who cannot reach over the counter.

Travel Routes to the Restaurant

A restaurant must provide at least one travel route that is accessible for those who wish to access the eatery from parking spaces, public transportation stops, public streets or a passenger-loading zone. Passenger loading zones ought to be parallel to a vehicle pull-up space and be at least 60 inches in width and 20 feet in length. If there are any curbs on a travel route, a restaurant must also provide a curb ramp that is at least 36 inches wide, not counting any flared sides, and have a slope of 2 percent or less.



EXHIBIT "E"
(Indemnification and Insurance)

**Indemnification and Insurance Requirements
(For Lease Agreements)**

INDEMNIFICATION

LESSEE agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by COUNTY on account of any claim except where such indemnification is prohibited by law. LESSEE's indemnification obligation applies to COUNTY's active as well as passive negligence but does not apply to COUNTY's sole negligence or willful misconduct.

NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS

LESSEE shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

INSURANCE

Lessee shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than

\$1,000,000 per accident for bodily injury or disease. (This applies to lessees with employees).

4. **Property Insurance:** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision

If the LESSEE maintains higher limits than the minimums shown above, the COUNTY requires and shall be entitled to coverage for the higher limits maintained by the LESSEE. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

B. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured** – The COUNTY, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Lessee including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Lessee's insurance at (least as broad as ISO Form CG 20 10.
2. **Primary Coverage** – For any claims related to this contract, the LESSEE's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the COUNTY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the LESSEE's insurance and shall not contribute with it.
3. **Legal Liability Coverage** – The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property.
4. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.
5. **Waiver of Subrogation Rights** – LESSEE hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said LESSEE may acquire against the COUNTY by virtue of the payment of any loss under such insurance. LESSEE agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.
6. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the LESSEE to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

7. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
8. **Verification of Coverage** – LESSEE shall furnish the COUNTY with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the LESSEE's obligation to provide them. The LESSEE shall furnish evidence of renewal of coverage throughout the term of the Agreement. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
9. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.
10. **Special Risks or Circumstances** – COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. LESSEE agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of COUNTY.