

LEASE AND OPERATIONS AGREEMENT

This **LEASE AND OPERATIONS AGREEMENT** (“Agreement”) is executed this 1st day of July, 2026 (“Effective Date”), between the City of Angels Camp, a California municipal corporation, hereinafter referred to as “City” or “Lessor,” and The Calaveras Visitors Bureau, a nonprofit corporation - CA – Mutual Benefit 501(c)(6) entity, hereinafter referred to as the “Lessee.” Lessor and Lessee may be referred to in this Agreement collectively as the “Parties.”

RECITALS

A. Lessor owns a certain parcel together with all rights and privileges arising in connection therewith located at 753 S. Main Street, Assessor Parcel Number 062-001-053, in the City of Angels Camp, County of Calaveras, State of California, more generally described in **Exhibit A** incorporated herein (collectively, the “Property”).

B. Lessor owns and operates the Angels Camp Museum (the “Museum”) at the Property.

C. The Museum provides City residents and the visiting public with opportunities to learn about local history and a space for recreation, events, and meetings.

D. Lessee has made a proposal to Lessor to operate the Museum on behalf of the Lessor and the Lessor desires to retain Lessee to operate the Museum, subject to the terms and conditions set forth in this Agreement.

E. Allowing Lessee to operate the Museum on behalf of the Lessor, will ensure that the Museum will continue to operate and provide City residents and the visiting public with opportunities to learn about local history and with a space for recreation.

F. Lessor desires to lease a portion of the Property to Lessee for the purpose of operating the Museum in exchange for Lessee’s right to use the Property for office space and other rights as set forth in this Agreement. Lessor desires to grant Lessee the right to use the portion of the Property in accordance with the terms of this Agreement.

THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the Parties agree as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 28 of this Agreement, Sections 1 through 28 shall prevail.

Section 2. Term. The term of this Agreement shall be for one (1) year, commencing on July 1, 2026, and terminating on July 1, 2027 (the “Term”). The Parties may agree to one (1) year extensions of the Term based on mutually agreeable conditions by the express written consent of both Parties. Either Party can terminate this Agreement with ninety (90) days written notice, pursuant to the notice requirements set forth in this Agreement.

Section 3. Lease of Property. Lessor hereby leases to Lessee a portion of the Property, as set forth in **Exhibit B** (the “Lease Space Area”), and Lessee hereby leases the same from Lessor for the Term of this Agreement.

Section 4. Rent. Lessee shall pay Lessor rent in the amount of One Dollar (\$1.00) per year (“Rent”) for the length of the Term of this Agreement to lease the Lease Space Area. Rent shall be payable on the first business day in July. Lessee shall commence with paying Rent on July 1, 2026, payable to the City of Angels Camp, 584 S. Main St., Angels Camp, CA 95222, Attention: City Administrator.

Section 5. Services. Lessee agrees to operate the Museum on behalf of the Lessor during the Term of this Agreement as described in **Exhibit C** (the “Services”) on the Property. Lessee shall perform the Services in a manner considered satisfactory by the Lessor. Except for any items provided by the Lessor, the Lessee shall provide personnel, equipment, materials, information, and administrative assistance, which may be required to perform its obligations under this Agreement. Lessor shall cooperate with the Lessee and shall not actively interfere with the Lessee’s performance of Services under this Agreement.

Section 6. Compensation for Services. For the performances of the Services under this Agreement, Lessor agrees to compensate Lessee in the amount of Fifty-Seven Thousand Five Hundred Dollars (\$57,500) (“Compensation”) on an annual basis. Lessee agrees to utilize Compensation from the Lessor solely for the purposes of performing the Services.

Section 7. Revenues from Operation of Museum. Lessee agrees to use any revenues generated from the performance of the Services solely for performing the Services, maintaining the museum, or making improvements to the Museum.

Section 8. Accounting. Lessee agrees to account for all Compensation provided by the Lessor and all revenues from performing the Services and keep complete books and records of Compensation and revenues in accordance with generally accepted accounting practices and in a form approved by the Lessor. Lessee shall make available for review and submit to audit by the Lessor all such books and records, and other records that are relevant to this Agreement, upon the Lessor’s request and without any prior notice.

Section 9. Permitted Use. Lessee may use and access the Property for the sole purpose of (1) performing the Services; and (2) using the Lease Space Area for office space (collectively, the “Permitted Use”).

Section 10. Fixtures. Lessee shall not make any alterations or additions to the Property without prior written consent of Lessor. Lessee further agrees not to use or keep on the Property any article which the Lessor’s Risk Management Authority may deem hazardous, which would increase the

rate of Lessor's insurance premium.

Section 11. Waste or Nuisance. Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined in Section 3479 of the California Civil Code or under City's Municipal Code on said Property, and Lessee shall not use or permit the use of said Property for any unlawful purpose.

Section 12. Utilities. This Agreement does not include additional utilities or other services not provided to the Property at the time of the execution of this Agreement, and Lessee expressly leases the Property "as is." Utilities include power, water, sewer, waste disposal, telephone, Wi-Fi, alarm.

Section 13. Alterations and Repairs (Condition of Property). Lessee accepts the Lease Space Area, as well as any improvements thereon, in its present condition. Lessee represents to Lessor that it has inspected the Lease Space Area, that it has been assured by means independent of Lessor or any agent of Lessor of the truth of all facts material to this Agreement, and that the Lease Space Area is being leased by Lessee as a result of its inspection and investigation and not as a result of any representation made by Lessor or any agent of Lessor. Lessee promises to keep the Lease Space Area in a neat and sanitary condition and to immediately reimburse Lessor for any sums necessary to repair any portion of the Lease Space Area due to misuse or negligence on the part of Lessee, its agents, or Lessee's invitee(s).

Section 14. Real Property Improvements. Lessee may construct or install upon the Property only those real property improvements that are determined by the Lessor to be necessary and appropriate for the conduct by the Lessee of the Services. Construction or installation of real property improvements may occur only after written approval by the Lessor of the location, plans and specification. Unless otherwise provided by such written approval, all real property improvements, upon substantial completion, or otherwise constructed or installed by the Lessee shall immediately become property of the Lessor.

Section 15. Maintenance. The Property is to be maintained by Lessee. Lessee shall water vegetation as required, regularly mow lawns, remove weeds, and prune any shrubs as may be required to maintain the Property's appearance. Lessee shall prevent any accumulation of leaves, dry grass, or other flammable material on the Property. Lessee shall be responsible for pruning any trees on said Property.

Section 16. Subletting or Assignment. Lessee shall not encumber, assign, or otherwise transfer this Agreement, any right or interest in this Agreement, or any right or interest in the Property without the express written consent of Lessor. Neither shall Lessee sublet the Property or any part thereof or allow any other person, other than Lessee, its agents, servants, and employees, to occupy the Property or any part thereof without the prior written consent of Lessor. Consent by Lessor to one assignment, subletting, or occupation of the Property by another person shall not be deemed a consent to any subsequent assignment, subletting, or occupation of the Property by any person. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Lessor, whether it is voluntary or involuntary, by operation of law or otherwise, is void and may, at the option of Lessor, terminate this Agreement.

Section 17. Inspection by Lessor. Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter said Property at all reasonable times for the purpose of inspecting the Property.

Section 18. Termination. In the event that the Lessor terminates this Agreement prior to the expiration of the term of this Agreement, the Lessor shall be liable only for the fair market value of Services rendered to the date of termination, but shall not be liable for any amount beyond the date of termination. The Lessee shall refund to the Lessor the amount of Compensation in excess of fair market value of the Services rendered by Lessee.

Section 19. Surrender of Property. On expiration or sooner termination of this Agreement, or any extensions or renewals of this Agreement, Lessee shall promptly surrender and deliver said Property to Lessor in as good a condition as it is now, at the date of this Agreement.

Section 20. Insurance Coverage. During the Term, Lessee shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers with a current A M Best's rating of no less than A VII and will provide Lessor with written proof of said insurance. Lessee shall maintain coverage as follows:

(a) *General Liability.* Lessee shall carry commercial general liability insurance in an amount no less than One Million Dollars (\$1,000,000.00) combined single limit for each occurrence, covering bodily injury and property damage. If commercial general liability insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the Permitted Use of the Property or the general aggregate shall be no less than One Million Dollars (\$1,000,000.00).

(b) *Worker's Compensation Insurance.* Lessee shall carry workers' compensation insurance as required by the California Labor Code.

(c) *Fire Insurance.* Each Party to this Agreement shall keep its interest in the Leased Space Area insured at its own expense against fire, extended coverage, and such other risks as it may choose.

(d) *Policy Obligations.* Lessee's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

(e) *Automobile Liability.* Lessee shall maintain and provide to Lessor proof of insurance with a limit of at least one million dollars (\$1,000,000) per accident for bodily injury and property damage

(f) *Material Breach.* If Lessee for any reason fails to maintain insurance coverage that is required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement. Lessor, at its sole option, may terminate this Agreement and obtain damages from Lessee resulting from said breach.

(g) *Other Insurance Requirements.* Lessor shall be listed as an additional insured on Lessee's policy or policies of comprehensive general liability insurance, and Lessee shall provide Lessor with current certificates of insurance evidencing Lessee's compliance with this section.

Section 21. Mutual Indemnification. Each Party (the "Indemnifying Party") agrees to indemnify, defend, and hold the other Party (the "Indemnified Party") and the other Party's elected and appointed council members, commissions, directors, officers, employees, agents, and representatives (collectively, "Indemnified Party's Agents") harmless from and against any and all actions, claims, loss, damage, injury (including, without limitation, disability, injury, or death of an employee of the Indemnifying Party or its subcontractors), costs or expenses (including reasonable attorneys' fees and court costs) to the extent they are caused by the negligence or willful misconduct of the Indemnifying Party or its employees, contractors, representatives, or agents, or anyone else that the Indemnifying Party controls (collectively "Indemnifying Party's Liabilities"). Such Indemnifying Party's obligations to defend, hold harmless, and indemnify the Indemnified Party shall not apply to the extent caused by the negligence, active negligence, or willful misconduct of Indemnified Party or any of them, but shall apply to all other liabilities.

The Indemnified Party: (i) shall promptly provide the Indemnifying Party with written notice of any claim, demand, lawsuit, or the like for which it seeks indemnification pursuant to this section and provide the Indemnifying Party with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of the Indemnifying Party; and (iii) shall fully cooperate with the Indemnifying Party in the defense of the claim, demand, lawsuit, or the like. A delay in notice shall not relieve the Indemnifying Party of its indemnity obligation, except (1) to the extent the Indemnifying Party can show it was prejudiced by the delay; and (2) the Indemnifying Party shall not be liable for any settlement or litigation expenses incurred before the time when notice is given.

Section 22. Liability of Lessor. Notwithstanding any other provision of this Agreement, in no event shall Lessor be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

Section 23. Default. Should Lessee default in the performance of any of the covenants, conditions, or agreements contained in this Agreement, or abandon the Property leased herein, Lessee shall have breached the Agreement and Lessor may, in addition to any other remedies provided by law, reenter and regain possession of said Property in the manner provided by the laws of unlawful detainer of the State of California in effect at that time. In addition, Lessor reserves the right to other remedies for breach in both law and equity. All rights and remedies of the Lessor, whether under this Agreement or applicable law, shall be cumulative.

Section 24. No Conflict of Interest. Lessee represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement.

Section 25. Attorney's Fees. Should any litigation be commenced between the Parties to this

Agreement concerning said Property, this Agreement, or the rights and duties of either in relation thereto, the party, Lessor, or Lessee prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum for its attorney's fees in such litigation, which shall be determined by the court in such litigation or in a separate action brought for that purpose.

Section 26. Notice. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to either party hereto by the other party hereto, shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of such personal service, when deposited in the United States mail, first-class postage pre-paid.

Notices will be addressed to the Parties as follows:

If to Lessee: The Calaveras Visitors Bureau
 P.O. Box 637
 Angels Camp, CA 95222
 Attention: Martin Huberty

If to Lessor: City of Angels Camp
 P.O. Box 667
 Angels Camp, CA 95222
 Attention: City Clerk

With a copy to: City of Angels Camp
 P.O. Box 667
 Angels Camp, CA 95222
 Attention: City Administrator

And: Churchwell White, LLP
 1414 K Street, Third Floor
 Sacramento, CA 95814
 Attention: Douglas L. White, Esq.

Either party may change its address for the purpose of this section by giving thirty (30) days prior written notice of such change to the other party in the manner provided in this section.

Section 27. Payment of Taxes and Other Expenses. Payment of any taxes, including California sales and use taxes, levied upon this Agreement, the transaction, or the Services or goods delivered pursuant hereto, shall be the obligation of Lessee. Lessee shall not be responsible for any property related taxes.

Section 28. General Provisions.

(a) *Recitals.* The Recitals to this Agreement are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between

the Recitals and Sections 1 through 28 of this Agreement, Sections 1 through 28 shall prevail.

(b) *Governing Law and Venue.* This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California, applicable to instruments, persons, and transactions having legal context and relations solely within the State of California. Venue for any action to enforce this Agreement shall be in the California Superior Court, in and for the County of Calaveras.

(c) *Headings.* The descriptive headings of the sections and paragraphs contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions.

(d) *Compliance with Law.* Lessee agrees to comply with all federal, state, and local laws, orders, rules, and regulations applicable to Lessee's Permitted Use of the Property. Lessor agrees to comply with all laws relating to Lessor's ownership and use of the Property and any improvements on the Property.

(e) *Severability.* If this Agreement, in its entirety, is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

(f) *Waiver.* Lessor's failure to require compliance with the conditions of this Agreement, or to exercise any right provided herein, shall not be deemed a waiver by Lessor of such condition or right. Lessor's acceptance of Rent with knowledge of any default under Agreement by Lessee shall not be deemed a waiver of such default, nor shall it limit Lessor's rights with respect to that or any subsequent rights. It is further agreed between the Parties that the payment of Rent at any time shall not be a waiver to any unlawful detainer action unless Lessor in writing specifically acknowledges that this constitutes a waiver to the unlawful detainer action.

(g) *Sole and Only Agreement.* This instrument constitutes the sole and only agreement between the Lessor and Lessee with respect to the Property, the leasing of said Property to Lessee, or the Agreement Term herein specified, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations regarding said Property or its leasing by either party, which are not expressly set forth in this Agreement, are null and void.

(h) *Amendment/Waiver.* This Agreement cannot be amended, modified, or revised unless done in writing and signed by Lessor and Lessee. No provision may be waived except in a writing signed by both Parties. The failure by a party to enforce any provision of this Agreement or to require performance by the other party will not be construed to be a waiver, or in any way affect the right of either party to enforce such provision thereafter.

(i) *Mandatory and Permissive.* "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(j) *Successors and Assigns.* All representations, covenants, and warranties specifically set forth in this Agreement, by or on behalf of or for the benefit of any or all the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors, and assigns.

(k) *Counterparts.* This Agreement may be executed in counterparts and all so executed shall constitute an agreement that shall be binding upon the Parties.

(l) *Other Documents.* The Parties agree that they shall cooperate in good faith and agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(m) *Time is of Essence.* Time is expressly declared to be the essence of this Agreement.

(n) *Authority.* The Parties have full and complete authority to enter into this Agreement and to perform all acts and incur all obligations created under this Agreement without the consent or approval of any other person or entity. The Parties warrant that each is legally competent to execute this Agreement. When duly executed and delivered, this Agreement shall be valid and binding upon the Parties and shall be fully enforceable against the Parties in accordance with its terms.

(o) *Document Preparation.* The language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against either of the Parties.

(p) *Advice of Legal Counsel.* Each party acknowledges that it has had the opportunity to review this Agreement with its own legal counsel and have freely entered into this Agreement.

(q) *No Joint Venture.* Neither this Agreement nor any Rent payments shall constitute or create any form of association, joint venture, partnership, or cooperative activity, of any nature whatsoever, for any purpose between Lessor and Lessee. Neither this Agreement nor the Rent payments hereunder shall constitute or create a trust, express or implied, for the benefit of Lessor or any other persons. Lessee shall be deemed to be an independent contractor, and the Services provided by the Lessee shall be solely the responsibility of the Lessee.

[Signatures on following page]

IN WITNESS WHEREOF, this Agreement has been entered into by and between Lessor and Lessee this ____ day of _____ 20__, at Angels Camp, Calaveras County, California.

LESSOR:

CITY OF ANGELS CAMP

By: _____
Michael Hodson, City Administrator

Date: _____

Attest:

By: _____
Haley Bugarin, City Clerk

Date: _____

Approved as to Form:

By: _____
Douglas L. White, City Attorney

Date: _____

LESSEE:

THE CALAVERAS VISITORS BUREAU

By: _____

Date: _____

EXHIBIT A
Legal Description

EXHIBIT B
Lease Space Area

The Lease Space Area shall be:

1. The upper two offices of the Museum.
2. The guest sign in area of the Museum.

EXHIBIT C

Services

Specific Museum Management Duties. Subject only to the limitations set forth in this Contract, Lessee hereby agrees to undertake and assume, full and complete responsibility and discretion in the management and operation of the Museum during the term of this contract including:

1. Employ, pay, supervise and discharge all employees as deemed necessary by the Lessee for operations of the Museum
2. Adopt and implement policies relating to the acquisition, accession, loan care, storage, deaccession, and disposal of the Collection in accordance with the standards defined by the American Alliance of Museums to be presented to the City Council;
3. Properly maintain all Collection inventory and records, accession records, condition assessment and conservation records, and exhibition records in accordance with Museum Commission Policy to be presented to the City Council;
4. Adopt and implement the budgetary and fiscal policies of the Museum, including establishment of admission fees and other fees charged for program services as approved by the Museum Commission on an annual basis;
5. Keep and maintain financial books and records of the Museum in accordance with the generally accepted accounting principles and in a form approved by the City;
6. Adopt and implement best practices for building stewardship of the Museum;
7. Maintain the facility grounds;
8. Seek City approval for improvements and modifications to buildings, grounds, exhibits and programs.
9. Adopt and implement policies relating to the promotion and publicity of the Museum as directed by the City.
10. Maintain communication with City Administrator on all Museum direction and approvals.
11. Develop with a capital improvement plan for adoption by the City Council.

Lessee shall operate the Museum as a facility open to the general public, subject to such reasonable rules and regulations as Lessee may promulgate in its discretion from time to time regarding matters that include without limitation: admission fees; days and hours of operation; the safety of employees and the general public; the safety and protection of the collection; the anonymity of donors who desire anonymity; and, to the extent required by law, the confidentiality of employee records and business records.

Lessee shall have full responsibility for the maintenance, care, documentation and use of the collection as directed by the Museum Commission. The accession and deaccession of the Collection items as well as their management, care, documentation and use shall be governed by the Lessee's Collection Management Policy as approved by the City. The Collection will be used for exhibitions, research, and public programs in accordance with the Museum's Mission and in order to provide Museum service to the City and City residents.