

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract between Storey County's Fair n Recreation Board:

Virginia City Tourism Commission (VCTC)

and

Liquid Blue Events, LLC

748 South Meadows Parkway. Suite A9 #275 Reno, NV 89521

Storey County (VCTC), a political subdivision of the State of Nevada in Storey County, from time to time requires the services of independent contractors; and

The services of Contractor specified in this agreement are both necessary and desirable and in the best interests of Storey County; and

Contractor represents that he/she is duly qualified, equipped, staffed, ready, willing and able to perform and render the services described in this agreement.

In consideration of the mutual agreements made in this agreement, the parties agree as follows:

1. EFFECTIVE DATE OF CONTRACT. *Liquid Blue Events*, has entered into a contract with the Storey County to perform work on their Annual Signature Special Events (see attached Exhibit A with List of Events). The term of this extended contract for professional event management is for six months. (July, 2021, through December, 2021) Prior to the beginning of each individual event season/year, both parties will have the opportunity to renegotiate contracted Professional Fees (listed in Exhibit C). Prior to the end of the contract, both parties will have an opportunity to negotiate a two-year extension. This contract will not become effective until and unless approved by the Storey County Fair n Recreation Board (VCTC).

2. INDEPENDENT CONTRACTOR STATUS. The parties agree that Contractor will have the status of an independent contractor and that this contract, by explicit agreement of the parties, incorporates and applies the provisions of NRS 284.173, as necessarily adapted, to the parties, including that Contractor is not a County employee and that

There will be no:

- (1) Withholding of income taxes by the County;
- (2) Industrial insurance coverage provided by the County;
- (3) Participation in group insurance plans which may be available to employees of the County;
- (4) Participation or contributions by either the independent contractor or the County to the public employees' retirement system;
- (5) Accumulation of vacation leave or sick leave;
- (6) Unemployment compensation coverage provided by the County if the requirements of NRS 612.085 for independent contractors are met.

3. INDUSTRIAL INSURANCE. Contractor further agrees, as a precondition to the performance of any work under this contract and as a precondition to any obligation of the VCTC to make any payment under this contract, to provide the County with a work certificate or a certificate issued by a qualified insurer in accordance with NRS 616B.627. Contractor also agrees, prior to commencing any work under the contract, to complete and to provide the following written request to a qualified insurer:

- 1) a certificate of coverage issued pursuant to NRS 616B.627 and
- 2) notice of any lapse in coverage or nonpayment of coverage that the contractor is required to maintain. The certificate and notice should be mailed to:

Virginia City Tourism Commission
Attn: Deny Dotson, Director
Post Office Box 920
Virginia City, Nevada 89440

Contractor agrees to maintain required worker's compensation coverage throughout the entire term of the contract. If contractor does not maintain coverage throughout the entire term of the contract, contractor agrees that County may, at any time the coverage is not maintained by contractor, order the contractor to stop work, suspend the contract, or terminate the contract. For each six-month period this contract is in effect, contractor agrees, prior to the expiration of the six-month period, to provide another written request to a qualified insurer for the provision of a certificate and notice of lapse in or nonpayment of coverage. If contractor does not make the request or does not provide the certificate before the expiration of the six-month period, contractor agrees that County may order the contractor to stop work, suspend the contract, or terminate the contract.

Contractor may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that he is a sole proprietor and that:

1. In accordance with the provisions of NRS 616B.659, has not elected to be included within the terms, conditions and provisions of chapters 616A to 616D, inclusive, of NRS; and
2. Is otherwise in compliance with those terms, conditions and provisions.

Contractor agrees to obtain and maintain a policy of General Liability Insurance (Occurrence Form) in the amount of \$1,000,000 or as may be required by the Storey County Manager or his designee. Said policy shall be endorsed to include the Virginia City Tourism Commission and Storey County as an additionally insured with respect to liability arising out of any activities pursuant to this agreement. Proof of coverage shall be provided in the form of a Certificate of Insurance and shall provide for thirty (30) days notice of cancellation to Storey County. Storey County's acceptance of such insurance certificate shall not relieve the Promoter of liability nor shall the amount of insurance limit responsibility.

4. SERVICES TO BE PERFORMED. The parties agree that the services to be performed are as follows: (see attached Exhibit B with Scope of Services)

5. PAYMENT FOR SERVICES. The parties agree that the fees for professional services performed are as follows: (see attached Exhibit C with Professional Fees)

6. TERMINATION OF CONTRACT. This contract may be revoked without cause by either party prior to the date set forth above, provided that a revocation will not be effective until 90 days after a party has served written notice upon the other party.

7. CONSTRUCTION OF CONTRACT. This contract will be construed and interpreted according to the laws of the State of Nevada.

8. COMPLIANCE WITH APPLICABLE LAWS. Contractor must fully and completely comply with all applicable local, state and federal laws, regulations, orders, or requirements of any sort in carrying out the obligations of this contract, including, but not limited to, all federal, state, and local accounting procedures and requirements and all immigration and naturalization laws.

9. ASSIGNMENT. Contractor may not assign, transfer or delegate any rights, obligations or duties under this contract without the prior written consent of the County.

10. COUNTY INSPECTION. The books, records, documents and accounting procedures and practices of Contractor related to this contract will be subject to inspection, examination and audit by the County, including, but not limited to, the contracting agency, the County Manager, the District Attorney, and, if applicable, the Comptroller General of the United States, or any authorized representative of those entities.

11. DISPOSITION OF CONTRACT MATERIALS. Any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under this contract will be the exclusive property of the County and all materials must be remitted and delivered, at Contractor's expense, by Contractor to the County upon completion, termination or cancellation of this contract. Alternatively, if the County provides its written approval to Contractor, any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under this contract must be retained by Contractor for a minimum of six years after final payment is made and all other pending matters are closed. If, at any time during the retention period, the County, in writing, requests any or all of the materials, then Contractor must promptly remit and deliver the materials, at Contractor's expense, to the County. Contractor will not use, willingly allow or cause to have the materials used for any purpose other than the performance of Contractor's obligations under this contract without the prior written consent of the County.

12. NON-DISCLOSURE / CONFIDENTIALITY

Each party recognizes that by reason of Liquid Blue Events, LLC performing Services for the VCTC, each party may acquire Confidential Information concerning the operation of the other party and its employees, the use or disclosure of which could cause the other party substantial loss and damages that could not be readily calculated and for which no remedy at law would be adequate. Accordingly, each party covenants and agrees with the other party that he or she will not, at any time both during and after the term of this Agreement, directly or indirectly, disclose any Confidential Information that he or she may learn, or, in performance of the Services by Liquid Blue Events for or on behalf of the VCTC, use such information in a manner detrimental to the interests of the other party. The term "Confidential Information" includes, without limitation, any Inventions, as defined below (which such definition shall only be applicable to the VCTC for purposes of this Agreement), products, facilities, methods, trade secrets, software, source code, systems, procedures, manuals, confidential reports, financial information, business plans, drawings, renderings, photographs, designs, customer lists, prospects or opportunities with respect to each party, but shall exclude any information already in the public domain.

13. PUBLIC RECORDS LAW. Contractor expressly agrees that all documents ever submitted, filed, or deposited with the County by Contractor, unless designated as confidential by a specific statute of the State of Nevada, will be treated as public records pursuant to NRS 239 and must be available for inspection and copying by any person, as defined in NRS 0.039, or any governmental entity. Contractor expressly and indefinitely waives all of its rights to bring, including but not limited to, by way of complaint, interpleader, intervention, or any third party practice, any claims, demands, suits, actions, judgments, or executions, for damages or any other relief, in any administrative or judicial forum, against the County or any of its officers or employees, in either their official or individual capacity, for violations of or infringement of the copyright laws of the United States or of any other nation.

14. INDEMNIFICATION. Contractor agrees to indemnify and save and hold the VCTC, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of professional services under this contract by Contractor or Contractor's agents or employees. County agrees to indemnify and save and hold Liquid Blue Events, LLC harmless from any and all causes of action or liability to the extent caused by the negligent act or acts in connection with this contract of the County or anyone for whom the County is legally liable.

15. MODIFICATION OF CONTRACT. This contract constitutes the entire contract between the parties and may only be modified by a written amendment signed by the parties and approved by the Virginia City Tourism Commission.

16. SUSPENSION AND DEBARMENT REQUIREMENTS FOR FEDERAL CONTRACTS.
For federally-funded public works, the bidder certifies, by submission of this bid or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this bid that it will include this clause without modification in all lower tier transactions, solicitations, bids, contracts, and subcontracts. Where the bidder, contractor or any lower tier participant is unable to certify to this statement, it must attach an explanation to the solicitation or proposal.

The Parties have executed this agreement as of the date written above and intend to be legally by it.

VIRGINIA CITY TOURISM COMMISSION

CONTRACTOR (LIQUID BLUE EVENTS, LLC)

(Date)

(Date)

Title

Title

Exhibit A: LIST OF EVENTS UNDER 6-MONTH CONTRACT

- **International Camel & Ostrich Races**
- **World Championship Outhouse Races**
- **The Hunt for Spirits**
- **The Grinch Made Me Do It Saloon Crawl**

Exhibit B: SCOPE OF SERVICES

Liquid Blue Events will do the following for each of the above listed events unless otherwise noted:

1. Sponsors, Vendors, & Partners:

- a. Manage solicitation, logistics, coordination, and fulfillment across all events under the supervision of the VCTC director.
- b. Review and further develop a new-tiered sponsorship program for each applicable event, as well as an all-encompassing sponsorship program to include all VCTC events. This tiered program will be reviewed and approved by the VCTC Board before it is presented to prospective sponsors.
- c. Solicit all potential ticket location, saloon crawl, and local partnerships.

2. Marketing & RAD Strategies:

- a. Work with RAD Strategies on any recommended paid media schedules to best suit each individual event.
- b. Promote the website as the driving force behind ticket sales and participant registration through RAD Strategies' PR, Social Media, and marketing efforts.

3. Overall Event Management:

- a. Responsible for management of all aspects of budgeting, expenses, revenue, & reporting for each event
 - Upon individual event budget approvals, the VCTC will submit and voucher the full budgeted expense amount (Master Expense), including all necessary cash-in-registers amounts, directly to Liquid Blue Events.
 - All expenses will then be paid by Liquid Blue Events, under the pre-approved budgets, with accurate reporting back to the VCTC.
 - Work with VCTC/Storey Co. at the conclusion of each event in accurately reconciling all accounting/financial aspects.
- b. Work with VCTC on all permits and applications as it pertains to each event with Liquid Blue Events responsible for any and all associated fees paid via pre-approved Master Expenses.
- c. Manage all event layout and décor.
- d. Responsible for invoicing/billing and collecting all fees in association with sponsorships, ticket sales, bar revenue, silent auction, etc., with all revenues directed to and/or given to the VCTC for deposit.
- e. Schedule all entertainment and hired event staff.
- f. Manage all event volunteers.
- g. Solicit, secure, and fulfill any VCTC event silent auction/raffle needs when applicable.
- h. Create a ticket location lead list for ticketed events, and once approved by the VCTC, LBE will manage all ticket locations and participation.

Exhibit B: SCOPE OF SERVICES continued

VCTC RESPONSIBILITY TO LIQUID BLUE EVENTS

VCTC will maintain ownership of each event at all times and will provide support to event management in the form of the following activities:

1. Work with LBE in producing a pre-approved budget for each event.
2. All invoices and costs associated with each VCTC event will be paid by Liquid Blue Events via pre-approved “Master Expenses” managed by LBE.
3. All event revenues are to be deposited and managed by the VCTC with accurate and detailed “chart of accounts/POS” reporting available to LBE during post-event reconciliations.
4. All event contracts and agreements will remain in the VCTC/Storey County name, but can be signed by a Liquid Blue representative on behalf of the VCTC upon contract/agreement approvals from the VCTC.
5. Manage and secure all County event permits and applications as it pertains to each event. LBE will continue to handle all liquor, health, vendor permits per event. Any associated fees will be paid by LBE via the pre-approved “Master Expenses”.
6. Responsible for all event scheduling as it relates to the events in contract.
7. Maintain, manage, and acquire all necessary event insurance policies, whether individual and/or under an umbrella, including any and all necessary "Additional Insured" certificates when applicable.
8. Available for a minimum of one-hour brainstorming sessions at least twice per month.
9. Staffing and volunteer support when necessary and/or applicable.

DIRECT COSTS / PRODUCTIONS

The VCTC will voucher and pay out to LBE each individual event’s total projected expenses, including all cash-in-register amounts (Master Expenses). LBE will deposit said Master Expenses into an LBE bank account. LBE will then pay for any and all event expenses via this bank account, which will allow for accurate, less time-consuming event accounting, budgeting, and post-event reconciliations. This Master Expense system will be put in place to eliminate delays on overall event production and final post-event financial reconciliation/reporting. LBE will have direct access to said account via debit cards, checks, deposit slips, etc. with consistent and accurate financial reporting back to the VCTC.

Upon approvals of each individual event budget, LBE will invoice the total amount of budgeted expenses to Storey County. The VCTC will then voucher for full payment via check from Storey County to be deposited direct into the LBE bank account giving LBE the immediate access needed to accurately and efficiently manage/produce each individual event. Each of the individual event’s “budgeted expenses” to be invoiced shall also include the total amount of Petty Cash (cash-in-registers) needed per event.

In the event that any direct costs are incurred by LBE while performing contract event management duties and onsite responsibilities during actual event dates, will be invoiced by LBE via documented receipts to be reimbursed to LBE via the event Master Expenses and not the VCTC. These direct costs, when applicable, will be built into each individual pre-approved event budget (e.g. hotel rooms, staffing, food/beverage, supplies, etc.).

Exhibit B: SCOPE OF SERVICES continued

Larger sized production and print projects (newsletters, mass mailings, printing, etc.) will be estimated in advance and presented to VCTC for approval prior to any such projects initiating.

In the event that any “Capital Expenses” are incurred in the production of any of the above listed events, those dedicated Capital Expenses will not be included in the overall LBE “profitability incentives” budget(s). Capital Expenses include, but are not limited to, any tangible purchased items where full ownership is held by the VCTC and in no way benefit LBE moving forward (Example: the relocation and construction of a brand-new Camel Race Arena/Fairground improvements). Any and all Capital Expenses will be pre-determined and pre-approved through the VCTC prior to purchase and will not be included in each individual event’s budget management, as it only pertains to the VCTC.

Two storage units will be utilized by LBE, one in Virginia City (V.C. Fairgrounds) and one in the Reno area to store, organize, maintain, and monitor all items pertaining to the production of the dedicated event calendar (Exhibit A). The VCTC will be given direct access to both storage units 365 days per year.

In the instance that any pre-approved event budget has exceeded the projected total expenses amount, and the amount that was paid out to LBE, LBE will submit a secondary Master Expenses invoice to Storey County for payment to LBE to cover said additional expenses on an individual event basis.

Exhibit C: PROFESSIONAL FEES

In return for services, LBE is proposing the following pay structure:

- 1. Structured Retainer Fees compensated for all of the above outlined event and creative services (due the 1st of each month)
6-month contract:**

\$2,300/month - Monthly Event Management & Accounting

- 2. Profitability incentive:** 85% of net profits combined between all revenue generating VCTC events managed by LBE are due within 2 weeks of post-event final budget reconciliation processes. Any contracted payments hereunder which are delayed beyond the 2-week due date shall be subject to a monthly penalty charge at a rate of two percent (2%) per month on the unpaid amount until the unpaid amount together with any penalty charges due have been fully paid.

6-month Incentive Example :

	<u>Net Profit</u>
International Camel & Ostrich Races	\$ 40,000
World Championship Outhouse Races	\$ 1,000
The Hunt for Spirits	\$ 4,000
The Grinch Made Me Do It Saloon Crawl	<u>\$ 3,000</u>
Total Annual Event Net Profit	\$ 48,000
Total Liquid Blue Event Incentive @ 85%	\$ 40,800

- 3. Event Loss:** The VCTC has complete ownership of each of their signature events including trademark rights. The final decision making for any marketing or budgeting purposes lie solely with the VCTC Board. In the event that any VCTC event loses money, or if the VCTC's overall event calendar loses money, Liquid Blue Events shall not be financially responsible for any losses whatsoever.
- 4. Non-Contracted Services:** Any scope of work outside of the above-mentioned contracted services will be billed to the VCTC by LBE at a rate of \$150/hour. These non-contracted services shall encompass, but are not limited to, graphic design, additional event consultations, non-contracted labor, cancellation procedures, VCTC mandated event structure adjustments, etc.