
From: carolynbeaver [REDACTED]
Sent: Sunday, May 19, 2024 11:18 PM
To: nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; rruiz@ocfairboard.com; tbilezikjian@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; djackson@ocfairboard.com; Michele Richards; OCF Executive
Cc: [REDACTED]
Subject: Letter regarding May 23, 2024 meeting
Attachments: C Beaver letter to OCFEC Board May 19 2024.pdf

Please see attached letter related to the OCFEC Board meeting agenda for May 23, 2024.

For your convenience, the text of the letter is in the email below, in addition to the attachment if that is more convenient for you.

I have a prior business commitment and will be unable to attend the OCFEC Board meeting on May 23, 2024. Please consider and discuss the following input as you consider the agenda items during the meeting.

The agenda includes the March 28 minutes which were previously approved by the Board. On May 7, I emailed to the Board of Directors a letter signed by attorney Brooke Miller from the law firm of Sheppard, Mullin, Richter & Hampton LLP. Her letter states that based upon Policy 3.05 of the OCFEC Board of Directors Policy Manual, the vote on March 28 to approve the new Equestrian Center phase-in rental rates as presented **failed**, and the approved minutes are inaccurate and subject to challenge, as is any action to implement the disapproved action to increase rental rates at the OCFEC.

Please correct the March 28 minutes when you review this agenda item at the May meeting, and reflect the vote on the rates as **failed**.

Despite the knowledge of this lack of valid approval, management sent updated contracts to the boarders at OCFEC, prior to this meeting. **Please remove the Equestrian contracts from the consent agenda.** This item should require further discussion amongst the Board since the prior vote failed.

These 23-page contracts not only include the increased rates, which have not yet been validly approved, but have other contractual elements which are superfluous, vague and unfair.

1. 50% deposit – I have boarded one or more horses for over 10 years and paid my board bill on time every month. Why am I being additionally burdened with a security deposit on top of the 52% board increase? This deposit is for “repair or damage caused by the Renter”. My horse has occupied the same stall. How would you define any damage caused by me (or my horse) as “Renter”? You should expect normal wear and tear in an equine facility, which has not been maintained nearly to the level that it used to be. We have not seen the normal welding maintenance performed since the OCFEC took over the operation. My horse’s stall has pieces of metal curling up at the bottom of certain panels. That is unsafe and should be fixed by the Equestrian Center. What damage might I be asked to pay for, when you have not been maintaining the barns? This is true for all of the stalls.

2. Onerous additional and/or increased fees for tack rooms, storage and trainers, all of which contribute to making the boarders’ costs significantly higher than other facilities in Orange County. Why should my trainer have to pay nearly \$5K a year to provide lessons and training? These services benefit the public, and benefit the Equestrian Center since the trainers help fill stalls. The trainers are the “glue” that holds the Equestrian Center together. You

are charging them more for the stalls for their lesson horses, and at the same time want to charge a fee for the use of the facility, which we (and they) as boarders are already paying for through our board. You should welcome trainers and should realize that the relationship is symbiotic; the trainers' services benefit you. Do not charge the trainers an additional fee.

Furthermore, the additional fees for storage are exorbitant. It is for safety reasons that supplemental feed is kept in rodent-proof containers that also prevent a loose horse from accessing food. Why are the boarders being penalized for safe storage of feed? Would the District prefer we leave all of this out in the public space creating safety issues for people and animals?

3. The Contract is one-sided and there is no mention in the contract of the Fairgrounds' obligations to boarders, including facility maintenance which is sorely lacking (further discussed both above and below). It is not a "bargained for" contract and none of the boarders nor industry experts have had any input. Additionally, some of the terms make zero sense for me as a boarder or for future boarders: A. *"Association shall have the right to audit and monitor any and all sales as well as access to the Premises."* Why is that in the contract? I am not a vendor conducting sales.

Furthermore, another provision states: B. *"The Event Sales & Services Policies & Procedures Handbook does hereby become a*

part of this Agreement by reference and is on file with the Association. By signing the Agreement, Renter acknowledges that they have read the Event Sales & Services Policies & Procedures Handbook and agrees to abide by said Policies and Procedures." Why do I have to be concerned about the Event Sales & Services Policies & Procedures Handbook? I am not a vendor. If the District is sincere in offering horse boarding as a public service, it needs to do so in a way that it will be successful. These current contracts and onerous terms are in contradiction to the board's stated desire to continue to offer public boarding as part of your community-focused plan. You are not serving the public by charging the highest rates in the area while offering the worst-maintained facilities and limiting space access. You can't charge more and offer less. Those of you in business know that isn't a plan for success.

The Lopez Works contract includes costs which are excessive. As a Board, you made the choice to enter into that contract and knowingly approved excessive losses for up to 5 years. As stated in the letter from Brooke Miller: "Additionally, we urge your Board to direct staff and counsel to further investigate and advise you of the legal standards governing a determination pursuant to Article XVI, Section 6 of the California Constitution relating to "gifts of public funds" so that your Board may be fully informed of its discretion to consider the public benefit provided by current boarders within the OCFEC in making decisions relating to future operations, including rental rates."

As a result, you are not required to raise rates to cover all costs.

Furthermore, Lopez Works, Inc. is doing a very poor job. The arenas have been maintained in deplorable and unsafe conditions for a long time. The stall cleaning is well-below industry standard with insufficient bedding cleaning and replenishment resulting in horses with hock sores and lameness issues. Recently, some horses were fed moldy hay, which could result in illness or even death of horses. Horses are losing weight as they are not being fed the appropriate amounts or quality of feed. Personally, I had to increase my horse's feed, at an additional cost to me, because he was losing weight despite the fact that he is being ridden less. Neither the EQ office staff nor the contractor have horse boarding facility management experience and they have not yet learned how to care for horses. The EQC staff's general response to complaints is that they don't manage the workers. Some of the workers are experienced, but all workers require supervision. Because their supervisors – both Lopez and the District - have zero equine experience – there are no appropriate standards of horse or facility care being set or met. All of this is in direct violation of the Board's strategic plan goals for a "Best in Breed" facility. Between the lack of standard repairs and sub-standard animal care, the facility and care are well below what they have been in the past. The Board should direct management to terminate the contract and put out an RFP for another provider to perform services by people who are knowledgeable about equine care at standard industry costs. This would not only benefit the boarders but would also benefit the public programs you plan to provide. Alternatively, allow the boarders to opt-out of feeding, cleaning and daily arena maintenance provided by Lopez Works, Inc. and we will work together to provide/obtain those services ourselves.

As we have said repeatedly, we would welcome a meeting to further discuss solutions and a pathway forward for the Equestrian Center's boarding and public programming success.

We want to be able to stay, but want our horses to be in a safe environment and well cared for.

You have heard so much about the public benefits of the Equestrian Center, and the need for the public to have space to board horses and/or take lessons on horses which are available nearby. There aren't other facilities nearby where residents of Costa Mesa, Newport Beach, Santa Ana, Irvine, Fountain Valley and surrounding areas can board horses or come for lessons. And yet, we hear NO board discussions that considers the input of the public, such as those expressed at the April Board meeting and many other prior Board meetings. So many great points expressed, yet crickets in terms of Board discussion.

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Is that appropriate for a facility on state property, which you say you want to provide public benefits to all? Is that FAIR? What choice will YOU make as you consider the board and other rate increases?

Sincerely,

Carolyn Beaver
Equestrian, CPA (inactive) and independent board director

Cc: Michele Richards, CEO
Equestrian Task Force

Carolyn Beaver



May 19, 2024

Board of Directors
32nd District Agricultural Association Board
88 Fair Drive
Costa Mesa, CA 92626

Dear Director:

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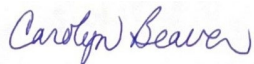
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Sincerely,

A handwritten signature in blue ink that reads "Carolyn Beaver". The signature is fluid and cursive, with the first name "Carolyn" and the last name "Beaver" clearly distinguishable.

Carolyn Beaver
Equestrian, CPA (inactive) and independent board director

Cc: Michele Richards, CEO
Equestrian Task Force