
From: lisa sabo
Sent: Wednesday, June 26, 2024 8:11 PM
To: 'Tanya Bilezikjian'; Robert Ruiz; Nick Kovacevich; Barbara Bagneris; Dimetria Jackson; Doug LaBelle; Newton Pham; Natalie Rubalcava-Garcia; Michele Richards
Subject: Equestrian Contract

Hello OC Fair Board Members and CEO Michele Richards,

Thank You for reading my letter. I had been struggling with this contract for weeks. Every night I would convince myself to just sign it, then I would read it and realize I could not live by the contract as it is currently written. In the past, I have usually signed contracts from the OC Fair and Event Center. I normally just go with the flow. However, with the strange and in some case dangerous requirements in this contract I realized I could not sign this iteration.

As requested by you here are examples of areas that are not acceptable.

Page 1 #3, #6, Exhibit A #23

The contract says, there is a 50% deposit, whereas, there has not been a deposit in the past. It's not the deposit per-se I am concerned with; it is the language in the contract which opens the door for the entire deposit to be taken to repair items that are not or should not be my responsibility. It's standard practice, that the barn owner repairs damages to infrastructure as a cost of doing business, not the renter. In the Contract Section #3 it states: "Renter shall guarantee the payment of any damage". And in #6 "repair any damage". And in #23 The "tenant is responsible for repairs". Of course, common sense dictates that with normal repairs to the stables having been deferred for years, I could potentially be responsible for thousands of dollars of repairs that should not be my responsibility.

I do not mind paying a deposit on my rent payments. I pay my rent on time and have never been late. However, this new contract allows the deposit to be used to recover costs of deferred maintenance and repairs that the Equestrian Center has needed for years. The prior operator maintained the stalls (including waterers), buildings, footing and fencing. But when Fair staff took over management repairs were neglected and maintenance further deferred. It takes a long time to get repairs to happen. Additionally, there is no baseline for the condition of the stalls. There is no consensus of which entity is responsible for repairs and normal wear and tear. For example, if a waterer breaks in the stall who fixes it, who pays? Many of the waterers are 20 years old. They work well and are still useful. BUT they do and will break, regularly. Is that my responsibility? The staff says "YES". If I am renting an apartment and the sink breaks, the owner of the apartment fixes the sink. Asking for a 50% deposit, with the current facility's maintenance issues, is over-reaching. With my school horse program, it would be \$10,000 a month. I asked Michele if this could be negotiated, and she said "NO". Imagine what could legally happen depending on "interpretation" of the contract. Potentially, I could have to pay monthly rental and then based on needed repair, forced to pay my entire deposit, monthly, to cover these additional costs. So, as I see it, I am expected to pay the monthly rent increase AND an extra fee for to cover repairs that are not my responsibility; potentially this could be my entire deposit?? Good contracts should be designed to lower such ambiguities, not increase them. Contracts should be fair to all parties it is drafted with another purpose in mind.

Exhibit A #2 – The contract states “customary rates and charges”. “Customary rates” should reflect industry standard rates. I am ok with the price increase on June 15th because of inflation. I am not ok with the increase in rates on October 1 and January 1. That would put us far beyond industry standard. I already have 3 training clients moving out this month, because they found better facilities in San Juan, with more amenities at a lower cost. Why should we have to pay for the outrageous Lopez contract the Fair staff entered? I have heard staff’s justifications but to any reasonable listener it is clear their arguments are baseless, not to mention disingenuous. There are many facilities similar to ours on public property that have competitive prices and are fiscally solvent.

#7 Contract says, OCFEC may, at its discretion change these General Rules and Regulations from time to time. Needs to be changed to “with proper notice”.

#11 Contract says, “Never talk on the phone or text while mounted or driving a horse.” I am on a horse 5 to 6 hours a day. I would break this rule in the first hour. I use my phone to communicate with clients. I cannot afford to pay someone to stand ring side and communicate.

#12 Arena Rules

f. The contract says, “Availability of arenas will be based off OCFEC’S public program needs. Notification regarding arena availability and/or closures will be communicated to renters”. We are excited about the public programing, BUT we need to know, how much notification? For example, CEO Michele Richards has said the renters will only be able to use arena #1 when programing is happening. That would close most of my programs, some of which are free public programs, because the beginners and people with disabilities cannot safely ride in arena #1. I need small arenas and round pens. We are asking for a 30-day notice and more spaces available.

#13 Tack Room Rules

c. Contract says, “No modifications of any kind can be done without the expressed written consent of the OCFEC.” What about existing modifications?

OCFEC AGREES: Inadequate Description. I would like a map of the property showing needed improvements, delineating which are NOT my responsibility and an agreed upon list of what IS my responsibility. What if I signed this contract, struggled to put down the \$10,000 for deposit and suddenly they make the Equestrian Center smaller, take away the grass, have busloads of kids and animals coming in so I cannot teach or ride. And, begin charging me for repairs. I feel this contract is massively one sided and being forced on us.

Exhibit W

These price increases are a failure to negotiate industry standard contracts, lack of experience, mismanagement and overstaffing. It is fiscal irresponsibility. These prices make us the highest price stable in OC and the facility lacks the amenities of the other stables.

For example, why are we paying for so much office staff? CEO Michele Richards in our “one-on- One, behind closed doors” meeting, said we pay for Theresa and her assistants. Twice in the last 6 months, when I walk into the office I asked, “What are you working on?” They respond, “Centennial Farm stuff.” That is great, we love Centennial Farm but why am I paying for that? (Do not get me wrong I like Theresa and her staff, but we do not need all of them). This type of bureaucracy reduces the operational efficiency of the stables and inflates costs which management just passes on to each horse owner. A stable in San Juan runs 360 horses has 1 full time and 1 part time office staff. Currently, one of the staff members walks around with a clip board all day.

Facility Use Fee: \$400. This is not industry standard. Again, this is a ridiculous fee tacked on to balance an inappropriate budget. In San Juan they give trainers a 10% discount on everything, because they know trainers raise the quality and safety of the facility. Boarding stables make a profit, they give discounts to the trainers, and they will soon be having a waiting list of boarders.

Storage Containers: You saw the picture of the small shelf from the last board meeting. The contract says I will have to pay to have \$28/month for that small shelf at the end of the barn aisle. This is “Junk Fees”. Read Biden/Harris Junk Fees Bill. Please get rid of this Storage Container Junk Fee.

Other concerns from my One-on-One with CEO Michele Richards:

1. **Bringing in buses for children.** This will create a dangerous situation for the children taking classes or riding at the Equestrian Center. My suggestion was to use the covered livestock arena to the west of the Equestrian Center. We could easily bring horses over for demonstrations and talks. It is the perfect venue for that type of activity. There is not an experienced equestrian on the planet who would think having groups of kids coming into a working equestrian center would be a good idea. These are foundational safety issues that should not be compromised. However, coming into a demonstration area separated from the sight of the working horses would easily work. Solutions can be found provided one has a solid knowledge of the horse.

2. **Bringing in Farm Animals.** None of my horses have been around farm animals. This would be normal for a typical competition horse. Of course, horses trained to work with cattle would be different. But an experienced equestrian knows you can't mix the two. Cow horses are raised around cattle. Competition horses are petrified of cattle or any other type of animal. Goats, pigs, sheep are problematic. Charlotte's Web was a story book, but not reality. My horses and certainly most horses would be scared out of their minds with farm animals in sight. Horses are prey animals that survive by the instinct of flight. Once they are adult horses getting over such fears is difficult. Horses are fearful and react to moving animals and groups of people. Someone will get seriously hurt.

Safety is my #1 concern.

Please help us keep this an EQUESTRIAN CENTER with horses.

I am ok with the June 15th price increase and would really like to pay my bill. I am going to walk into the office today and try to pay. I am not OK with the Trainer Fee and Junk Fees and having to potentially cover repairs that are not my responsibility.

The Fairgrounds Equestrian Center, managed by staff, loses money, bloats the bills to the trainers, charges the most for the least quality facility and tacks on fees for everything possible rather than admitting they are in over their heads. They are pretending they know about horses and how to run an equestrian center. They refuse to use the experts that have offered to help guide them out of the hole they have created. Well, upon re-reading that sentence I can see why so many people feel the “real” agenda is to eliminate the Equestrian Center... Perhaps the Staff and particularly the State legal counsel should be instructed to focus exclusively on developing a well-crafted, legal process to get a professional equestrian operator running on the site and have the amateurs step out of the way.

The Equestrian Center would thrive, be profitable and be quietly running in the background, off the Fair Board's agenda.

Thank you for listening,
Respectfully,
Lisa Sabo