



## **NOTICE OF MEETING**

22<sup>nd</sup> District Agricultural Association Board of Directors meeting  
January 9, 2024, at 1:30 p.m.

### **Board Room**

Del Mar Fairgrounds  
2260 Jimmy Durante Boulevard  
Del Mar, California 92014

*While the 22nd District Agricultural Association Board of Director's meeting will be conducted in person, per Government Code section 11133, the 22nd DAA will also provide for remote participation by Board members and members of the public. If you prefer to participate remotely, please check the 22nd DAA's website (Public Information) for the ZOOM link and/or ZOOM dial-in instructions on how to participate and/or view this meeting.*

### **OUR PURPOSE**

We are a timeless community treasure where all can flourish, connect, and interact through year-round exceptional experiences.

### **OUR MISSION**

We connect our community through shared interests, diverse experiences, and service to one another in an inclusive, accessible, and safe place with an emphasis on **entertainment, recreation, agriculture, and education.**

### **22<sup>nd</sup> DAA BOARD OF DIRECTORS**

Frederick Schenk, President

Michael Gelfand, 1<sup>st</sup> Vice President  
G. Joyce Rowland, 2<sup>nd</sup> Vice President  
Mark Arabo, Director  
Lisa Barkett, Director

Kathlyn Mead, Director  
Don Mosier, Director  
Sam Nejabat, Director  
Richard Valdez, Director

Chief Executive Officer  
Carlene Moore

22<sup>nd</sup> DAA Counsel  
Joshua Caplan  
Office of the California Attorney General

## OUR GOALS

### **THE LENS**

*Treat the campuses of the fairgrounds as one ecosystem where all activities are complementary and aligned with the purpose, mission, vision and values of the San Diego County Fair & Event Center.*

### **BUSINESS PLAN**

*Acknowledging the short-term need to plan for fiscal recovery and stabilization, create a 5-to-10-year business plan that rebuilds a strong financial base, contemplates new business activities and partnerships, provides program accessibility, and leads to a thriving San Diego County Fair & Event Center.*

### **MASTER PLAN**

*Create an environmentally and fiscally responsible land use plan for the San Diego County Fair & Event Center, aligning with purpose, mission, vision and values of the organization.*

### **COMMUNITY ENGAGEMENT**

*Incorporate community engagement within the Business Plan and Master Plan processes to enhance understanding and expand opportunities.*

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Persons wishing to attend the meeting and who may require special accommodations pursuant to the provisions of the Americans with Disabilities Act are requested to contact the office of the Chief Executive Officer, (858) 755-1161, at least five working days prior to the meeting to insure proper arrangements can be made.

Items listed on this Agenda may be considered in any order, at the discretion of the chairperson. This Agenda, and all notices required by the California Bagley-Keene Open Meeting Act, are available at [www.delmarfairgrounds.com](http://www.delmarfairgrounds.com). Public comments on agenda items will be accepted during the meeting as items are addressed.



**22<sup>nd</sup> District Agricultural Association Board of Directors Meeting  
AGENDA  
January 9, 2024, at 1:30 p.m.**

1. **CALL TO ORDER** –PRESIDENT FREDERICK SCHENK

All matters noticed on this agenda, in any category, **may be considered for action as listed**. Any items not so noticed may not be considered. Items listed on this agenda may be considered in any order, at the discretion of the Board President.

2. **ROLL CALL**

3. **CONSENT CALENDAR (ACTION ITEMS)**

All matters listed under the Consent Calendar are operational matters about which the Board has governing policies, implementation of which is delegated to the CEO. They will be enacted in one motion. There will be no discussion of these items prior to the time the Board of Directors votes on the motion, unless members of the board, staff, or public request specific items to be discussed separately and/or removed from this section. Any member of the public who wishes to discuss Consent Calendar items should notify the Chair of the Board, at the time requested and be recognized by invitation of the Chair to address the Board.

- **Minutes, Regular Meeting November 14, 2023** 5-9
- **2024 Board Meeting Schedule** 10
- **Contract Approval** 11-40
  - **Standard Agreements**  
22-031 AM1 Trailer Rentals; 22-021 AM1, LED Walls; DAA-20-050-21 AM2, Security Services; 24-003, Fire Alarm, Sprinkler & Suppression; REV-15-008-41 AM3, Volleyball Club Operator (WAVE Volleyball)
  - **Sponsorship Agreements**  
SPO-19-012-19 AM-2, Soleil Communications, Inc.; SPO-22-057-19 AM-1, Patio Resort Lifestyles

4. **PUBLIC COMMENT**

This item is for public comment on issues **NOT** on the current agenda. No debate by the Board shall be permitted on such public comments and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item. Speaker's time is limited to **two** minutes and may be modified based on the number of public speakers. No speaker may cede their time to another speaker.

5. **EXECUTIVE REPORT (INFORMATIONAL)** – CEO Carlene Moore

- **Operational Announcements** Verbal
  - Del Mar National Horse Show updates (Grand Prix Saturday, May 4) 41
  - Volleyball Premises update 42-49  
50-53
- **Review of Contracts Executed per CEO Delegation of Authority** 54-119
  - **Standard Agreements**  
DAA 21-008-35 AM1, Driving Range & Mini Golf Operator; 22-904 AM1, Tennis Center Operator; 24-901, Swim School Operator; 24-902, Golf Retail Shop; 24-904 Volleyball Premises (Del Mar Volleyball Center aka Fairgrounds Volleyball Center)

- **Event Agreements**  
24-440, Jiu Jitsu World League; 24-444, Jiu Jitsu World League
- **Sponsorship Agreements**  
SPO-24-012-19, Champagne Spas; SPO-24-013-19, Carddine, Inc.; SPO-24-018-19, Winning Ways, Inc.; SPO-24-021-19, LPI, Inc.; SPO-24-052-19, Bluegreen Vacations Unlimited, Inc.; SPO-24-058-19, M724, Inc. dba Tropicana Outdoor Living; SPO-24-064-19 DSI dba Global Marketing on behalf of DirecTV

6. **GENERAL BUSINESS**

- |  |         |
|--|---------|
| A. <u>Finance Committee</u> – Michael Gelfand, Chair   | 120-139 |
| 1. Consideration and vote to approve 22-018 Amendment 1 for the Managing Promoter of The Sound, exercising the first of three three-year options (Action)  | 140-151 |
| 2. Consideration and vote on whether to approve operator agreement with Del Mar Golf Center, Inc. for a multi-year operation of the driving range and miniature golf (Action)  | 152-153 |
| 3. Discuss and vote on whether to approve event agreement with Festival Licensing and Acquisition Corporation for a multi-day live music and entertainment festival branded as KAABOO Del Mar (Action)                     | 154-155 |
| 4. Consideration and vote to approve the 2024 Operating <del>and Capital</del> Expenditures-Budgets (Action)   | 156-157 |
| 5. Consideration and vote to approve Out of State Travel (Action)  | 158-159 |
| 6. Consideration and vote to approve the annual Delegation of Authority (Action)   | 160-161 |
| B. <u>Community &amp; Government Relations Committee</u> – Don Mosier, Chair   |         |
| • Meeting Report (Informational)   | Verbal  |
| C. <u>DMTC Liaison Committee</u> – Richard Valdez, Chair   |         |
| 1. Consideration and vote on whether to approve the Del Mar Thoroughbred Club 2024 operating budget (Action)   | 162-186 |
| 2. Consideration and vote to recommend to the State Race Track Leasing Commission that it exercise the final remaining option of the Del Mar Race Track Operating Agreement under Paragraph 4.1 of that agreement (Action) | 187-188 |
| D. <u>Affordable Housing Ad-Hoc Committee</u> – Kathryn Mead, Chair  |         |
| • Meeting Report (Informational)   | Verbal  |

7. **MATTERS OF INFORMATION**

- 2024 Committee Appointments Verbal
- Correspondence 189-213

8. **CLOSED EXECUTIVE SESSION (NOT OPEN TO THE PUBLIC)**

Pursuant to the authority of Government Code section 11126(a), (b), and (e) the Board of Directors will meet in closed executive sessions. The purpose of these executive sessions is:

- A. To confer with and receive advice from legal counsel regarding potential litigation involving the 22nd DAA. Based on existing facts and circumstances, there is significant exposure to litigation against the 22nd DAA.
- B. To confer with counsel, discuss, and consider the following pending litigation to which the 22nd DAA is a party.
- C. To confer with counsel, discuss, and consider the following pending litigation to which the 22nd DAA is a party. Talley Amusements, Inc., et al., v 22nd District Agricultural Association, et al., San Diego County Superior Court, Case No. 37-2021-00032169.
- D. To confer with counsel, discuss, and consider the following pending litigation to which the 22nd DAA is a party. Allen v. 22nd District Agricultural Association, et al., Case No. 37-2023-00004430.

9. **RECONVENE TO OPEN SESSION**

Report on actions, if any, taken by the Board in closed executive session.

10. **ADJOURNMENT**

SECTION  
BREAK



22<sup>nd</sup> DISTRICT AGRICULTURAL ASSOCIATION  
Board of Directors Meeting  
Del Mar Fairgrounds  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014  
**November 14, 2023**

### **MINUTES**

*The following minutes are a summary of the Board action and proceedings. For a full transcript please click on the link below or visit the [delmarfairgrounds.com](https://www.delmarfairgrounds.com) website.*

*<https://www.delmarfairgrounds.com/p/public-information1/public-meetings>*

#### **OFFICERS PRESENT**

Joyce Rowland, President  
Frederick Schenk, 1<sup>st</sup> Vice President (via Zoom)  
Richard Valdez, 2<sup>nd</sup> Vice President (via Zoom)

#### **DIRECTORS PRESENT**

Mark Arabo  
Lisa Barkett (via Zoom)  
Michael Gelfand  
Kathlyn Mead  
Don Mosier  
Sam Nejabat

#### **OTHERS PRESENT**

Josh Caplan, Deputy Attorney General  
Carlene Moore, Chief Executive Officer  
Melinda Carmichael, Chief Administrative Officer  
Katie Mueller, Chief Operations Officer  
Tristan Hallman, Chief Communications Officer  
Donna O'Leary, Executive Assistant

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#### **CALL TO ORDER**

President Rowland called the meeting to order at 12:06 p.m. with a quorum present.

#### **ROLL CALL**

President Rowland, Vice Presidents Schenk and Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all present.

#### **RECESS TO CLOSED EXECUTIVE SESSION**

The Board recessed to Executive Session at 12:07 p.m.

## **RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 2:01 p.m. President Rowland stated that there is nothing to report from the closed session.

## **CONSENT CALENDAR**

PUBLIC COMMENT ON CONSENT CALENDAR (see pages 8-9 of transcript)  
Martha Sullivan

Standard Agreement 23-068 was moved to General Business for discussion.

Director Gelfand moved to approve the Consent Calendar with the removal of Standard Agreement 23-068. Director Mead seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

## **EXECUTIVE REPORT**

### Operational Announcements

- CEO Moore reported that the District continues to work with Festival Licensing and Acquisition Corporation, its insurance company, and counsel on the KAABOO Del Mar contract. A final agreement has not yet been executed.
- The Affordable Housing Committee sent a letter to the City of Del Mar expressing concerns about potential plans to realign the LOSSAN railroad tracks through the Fairgrounds, which could impact District operations and affordable housing negotiations. The City of Del Mar will consider this as an additional guiding principle when evaluating rail realignment options.
- District staff will present at the upcoming International Association of Fairs and Expositions and the Western Fairs Association conventions to showcase diversity efforts, community outreach, and environmental stewardship.

### Review of Contracts Executed per Delegation of Authority

Contract is listed on page 29 of the Board packet.

## **GENERAL BUSINESS**

### Finance Committee Report – Michael Gelfand, Chair

CEO Moore reviewed the financial reports on pages 30-35 of the Board packet.

PUBLIC COMMENT ON FINANCE COMMITTEE REPORT (see pages 22-23 of transcript)

Martha Sullivan

### Item 7-A-1: Delegation of Authority effective January 1, 2024

CEO Moore requested delegation of authority for contract approval check signing, and credit card use until the Board either adopts a 2024 operating budget or approves a new delegation of authority.

Director Mead moved to approve delegation of authority effective January 1, 2024. Director Gelfand seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

Item 7-A-2: Out of State Travel

CEO Moore requested approval for out-of-state travel occurring in the first quarter of 2024.

Director Mosier moved to approve out-of-state travel occurring in the first quarter of 2024. Director Gelfand seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

Item 7-A-3: 2024 Commercial, Concession, and Carnival Rates

CEO Moore requested approval of 2024 rates for commercial vendors and ride and game operators, which would be consistent with 2023 rates.

Director Nejabat moved to approve 2024 commercial, concession, and carnival rates. Director Gelfand seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

Item 7-B: Community & Government Relations Committee Report – Don Mosier, Chair

Director Mosier reported that the committee met in October to discuss Fair operations and the potential impacts of railroad track realignment through the Fairgrounds.

Item 7-C-1: Audit & Governance Committee Report – Joyce Rowland, Chair

Adam Olson of LSL CPAs presented the 2021 Audit Report, which can be found on pages 42-87 of the Board packet.

PUBLIC COMMENT ON AUDIT & GOVERNANCE COMMITTEE REPORT (see pages 35-36 of transcript)

Martha Sullivan

Director Mead moved to accept the 2021 Audit Report. Director Gelfand seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

Item 7-D-1: Vote to approve the Breeders' Cup terms with the Del Mar Thoroughbred Club, as required by Paragraph 5.8 of the Operating Agreement, per the Second Amendment

– Richard Valdez, Chair

Vice President Valdez reviewed the letter from DMTC President Josh Rubinstein on pages 90-91 of the Board packet and reported that Del Mar has been selected to host the 2025 Breeders' Cup in addition to the 2024 Breeders' Cup. President Rubinstein informed the Board that the District is set to receive \$800,000 in 2024 and 2025 from facility rental fees and food and beverage revenue from the two-day Breeders' Cup.



PUBLIC COMMENT ON DMTC LIAISON COMMITTEE REPORT (see pages 50-57 of transcript)

Mike Morton, Martha Sullivan, Jim Coleman, Oscar de la Torre, Maria Luisa Olivas

Vice President Valdez moved to approve the Breeders' Cup terms with the Del Mar Thoroughbred Club, as required by Paragraph 5.8 of the Operating Agreement, per the Second Amendment. Director Arabo seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

Item 7-E-1: Vote to approve the slate of officers effective December 1, 2023

– Lisa Barkett, Chair

Director Barkett proposed the slate of officers effective December 1, 2023: Frederick Schenk for President, Michael Gelfand for First Vice President, and Joyce Rowland for Second Vice President.

Director Mosier moved to approve the slate of officers effective December 1, 2023. Director Mead seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

Item 7-F: Discuss and vote on whether to approve event agreement with Nilforushan Equisports for a multi-day equestrian show event branded as Seaside Equestrian Tour  
CEO Moore introduced a proposed five-year contract with Nilforushan Equisports to hold a multi-day equestrian show branded as Seaside Equestrian Tour.

PUBLIC COMMENT ON ITEM 7-F (see pages 70-73 of transcript)

Carla Hayes, Laura DeMarco

Director Mead moved to approve the event agreement with Nilforushan Equisports for a multi-day equestrian show event branded as Seaside Equestrian Tour. Director Mosier seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

Standard Agreement 23-068 Pulled From Consent Calendar

CEO Moore explained that Standard Agreement 23-068 (pages 15-20 of the Board packet) was awarded to public relations firm Southwest Strategies through a competitive RFP process. The one-year contract amount is not to exceed \$203,111.00.

PUBLIC COMMENT ON STANDARD AGREEMENT 23-068 (see pages 80-81 of transcript)

Martha Sullivan, Zachary MacQuarrie

Director Gelfand moved to approve Standard Agreement 23-068. Vice President Schenk seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez,

and Directors Arabo, Barkett, Gelfand, Mead, Mosier, and Nejabat were all in favor and the motion carried 9-0.

**STRATEGIC PLANNING**

The Board discussed strategic goal priorities with the strategic planning consultant, Lisa Perrine.

**ADJOURNMENT**

There being no further business to discuss, President Rowland adjourned the meeting at 5:03 p.m.

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Carlene Moore  
Chief Executive Officer

SUBJECT TO BOARD APPROVAL

## 2024 – 22<sup>nd</sup> DAA Board of Directors Meeting Dates

Meetings are held the second Tuesday of the month at 1:30pm.  
 ( \*\*June, July & December meetings are held only if needed).  
 Meeting dates are subject to change.

<b>Board Meeting Date</b>	<b>Meeting Notice &amp; Agenda Posted</b>
January 9	Friday, 12/29/23
February 13	Friday, 2/2/24
March 12	Friday, 3/1/24
April 9	Friday, 3/29/24
May 14	Friday, 5/3/24
June 13** (NO MEETING)	
July 11** (NO MEETING)	
August 13	Friday, 8/2/24
September 10	Friday, 8/30/24
October 8	Friday, 9/27/24
November 12	Friday, 11/1/24
December 10** (NO MEETING)	

## ITEM 3 – CONSENT CALENDAR

January 2024

### CONTRACT APPROVAL(S)

In accordance with the requirements of the Department to Food & Agriculture, Fairs & Expositions Branch, Staff requests approval of the agreement(s) listed below:

#### Standard Agreements

<b>Agreements Exercising Option Years</b>						
Contract #	Contractor	Purpose	Acquisition Method	Effort Type	Term	Amount
22-031 AM1	William Scotsman	Trailer rentals	IFB	Fair	5/23/22 – 7/23/24	\$250,659.38
22-021 AM1	Stage-Tech	LED walls	IFB	Fair	6/1/22-7/31/24	\$507,000.00
DAA-20-050-21 AM2	Elite Show Services	Security services	RFP	Year round	3/1/20-2/28/25	\$9,150,275.00
24-003	STILL IN PROGRESS	Fire alarm, sprinkler & suppression	IFB	Year round	1/1/24-12/31/26	\$331,844.00

<b>Agreements to Award Exempt from Competitive Solicitation</b>						
Contract #	Contractor	Purpose	Categorical Exemption / Exception	Effort Type	Term	Amount
REV-15-008-41-AM4	Set Spike, LLC dba Wave Volleyball	Volleyball club operator	Facility Rental	Year Round	9/1/23-8/31/25	\$223,522.08

<b>Sole Source Agreements</b>						
Contract #	Contractor	Purpose	Sole Source Justification	Effort Type	Term	Amount
N/A						

<b>Sponsorship Agreements</b>						
Contract #	Contractor	Purpose	Effort Type	Term	Amount	
SPO-19-012-19 AM1	Soleil Communications	Amendment not executed in 2020; adds additional year	Fair	5/31/19-12/10-24	\$532,500.00	
SPO-19-057-19 AM1	Patio Resort Lifestyles	Lowers cost for 2023 SDCF to secure participation by \$10,000	Fair	6/8/22-7/10/24	\$180,000.00	

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 4/2020)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 5 PAGES

AGREEMENT NUMBER

22-031

AMENDMENT NUMBER

1

Purchasing Authority Number

GL #: 550100-40

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTOR NAME

William Scotsman, Inc.

2. The term of this Agreement is:

START DATE

May 23, 2022

THROUGH END DATE

July 23, 2024

3. The maximum amount of this Agreement after this Amendment is:

\$250,659.38

Two Hundred and Fifty Thousand Six Hundred and Fifty Nine Dollars and Thirty Eight Cents.

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The purpose of this Amendment is to add funding for 2023, which was previously omitted from the contract amount; add funds to cover the overage for the initial term, and exercise the first one-year option, extending the contract term by one year and increasing the dollar amount by \$184,030.31 (Option Year Total + Increase to Initial Term + 2023 Amount Previously Omitted). The Scope of Work has also been revised for clarifications.

\$81,225.30 is hereby added to the initial term amount of \$66,629.07, bringing the new amount for the initial term to \$147,854.37.

\$102,805.01 for Option Year One is hereby added to the Agreement.

The maximum amount of the Agreement is hereby increased from \$66,629.07 to \$250,659.38. The Through End Date is hereby amended from July 23, 2023, to July 23, 2024.

The Scope of Work (Exhibit A) is hereby revised and replaced in its entirety. Annual Rates (Exhibit B, Attachment I) is hereby added to this Agreement.

Amendment Effective Date: July 23, 2023

*All other terms and conditions shall remain the same.*

*IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.*

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

William Scotsman, Inc.

CONTRACTOR BUSINESS ADDRESS

901 S. Bond Street, Suite 600

CITY

Baltimore

STATE

MD

ZIP

21231

PRINTED NAME OF PERSON SIGNING

Rigel Frame

TITLE

General Manager

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 4/2020)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 5 PAGES

AGREEMENT NUMBER

22-031

AMENDMENT NUMBER

1

Purchasing Authority Number

GL #: 550100-40

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTING AGENCY ADDRESS

2260 Jimmy Durante Boulevard

CITY

Del Mar

STATE

CA

ZIP

92014

PRINTED NAME OF PERSON SIGNING

Carlene Moore

TITLE

Chief Executive Officer

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

FAC §4051 .a. 1

**EXHIBIT A  
SCOPE OF WORK**

**1. SERVICES OVERVIEW**

- A. This Agreement is the result of a competitive solicitation that is incorporated by reference and made part of this Agreement.
- B. The Contractor agrees to provide to the 22<sup>nd</sup> District Agricultural Association ("District") / Del Mar Fairgrounds ("Fairgrounds") with Office Trailer and Furniture Rental Services as described herein:

The Contractor shall provide trailers, furniture, and moving/blocking and leveling the District's owned 12'x41' restroom trailer.

- C. The services shall be performed at the Del Mar Fairgrounds, 2260 Jimmy Durante Blvd, Del Mar CA 92014.
- D. The services shall be provided during the district's annual county fair. For 2022 the San Diego County Fair will be held from June 8-July 4<sup>th</sup> 2022. Set-up will occur the week of May 29, 2022 with exact dates to follow. Strike will take place the week of July 3<sup>rd</sup> (not counting the 4<sup>th</sup> of July Holiday with exact date to follow).
- E. The Project Representatives during the term of this Agreement will be:

22 <sup>nd</sup> District Agricultural Association	William Scotsman, Inc.
Name: Henry Rivera, Production and Entertainment Director	Name: Robert Walters, Legal Contracts Analyst
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 901 S. Bond Street, Suite 600 Baltimore, MD 21231
Phone: 858-792-2342	Phone: 410-933-5344
e-mail: <a href="mailto:hrivera@sdfair.com">hrivera@sdfair.com</a>	e-mail: <a href="mailto:Robert.walters@willscot.com">Robert.walters@willscot.com</a>

The parties may change their Project Representative upon providing ten (10) business days written notice to the other party. Said changes shall not require an Amendment to this Agreement.

**2. WORK TO BE PERFORMED**

At the direction of District Management, the Contractor shall provide office trailer rentals services for the fairgrounds in accordance with the specifications herein.

- A. District will provide Contractor with annual delivery and removal dates for fair time trailers as listed in Exhibit A.
- B. All trailers must be clean, with presentable appearance inside and out for the general public, as well as in good working condition with all safety features in place to be fully functional. All trailers are subject to the acceptance of District Management, or their designee.
- C. Contractor acknowledges the inherent risk for normal wear and tear to Contractor's trailer equipment as part of their operation. Therefore, Contractor shall not hold District liable for normal wear and tear to trailer rentals, including cleaning and minor scratches. District will be responsible for trailer damage due to negligence or misuse of trailers.

**EXHIBIT A  
SCOPE OF WORK**

D. The Contractor agrees to provide the following trailers, furniture, and services:

**Star Dressing Room**

Department: Production and Entertainment

Location: Horse Track

Contact: Henry Rivera 858-740-9423

Size and Description: 10'x44' Office Trailer with stair/steps to two (2) exterior doors and two (2) interior doors from reception area to dressing room, air conditioning, security windows, interior window treatments, one (1) restroom with shower, holding tank and electric water heater.

Rental Duration: May 30, 2022 Deliver After 12pm-July 5, 2022 Pick-up After 12pm and May 23, 2023 Deliver After 12pm-July 5, 2023 Pick-up After 12pm

2022 Fair Rental Rate: \$9,146.22

2023 Fair Rental Rate: \$9,603.53

**Band Dressing Room #1**

Department: Production and Entertainment

Location: Horse Track

Contact: Henry Rivera 858-740-9423

Size and Description: 12'x56' (Box Dimensions) Double Office Trailer with stair/steps to two (2) exterior doors and one (2) interior door from reception area to dressing rooms, air conditioning, security windows and interior window treatments.

Rental Duration: May 30, 2022 Deliver After 12pm-July 5, 2022 Pick-up After 12pm and May 23, 2023 Deliver After 12pm-July 5, 2023 Pick-up After 12pm

2022 Fair Rental Rate: \$9,833.70

2023 Fair Rental Rate: \$10,325.39

**Band Dressing Room #2**

Department: Production and Entertainment

Location: Horse Track

Contact: Henry Rivera 858-740-9423

Size and Description: 12'x56' (Box Dimensions) Double Office Trailer with stair/steps to two (2) exterior doors and one (2) interior door from reception area to dressing rooms, air conditioning, security windows and interior window treatments.

Rental Duration: May 30, 2022 Deliver After 12pm-July 5, 2022 Pick-up After 12pm and May 23, 2023 Deliver After 12pm-July 5, 2023 Pick-up After 12pm

2022 Fair Rental Rate: \$9,833.70

2023 Fair Rental Rate: \$10,325.39

**Cart Base Office**

Department: Production and Entertainment

Location: Infield

Contact: Henry Rivera 858-740-9423

Size and Description: 8'x28' Double Office Trailer with steps/stairs to two (2) exterior doors, one (1) interior office with door, air conditioning and security windows

Rental Duration: May 30, 2022-July 6, 2022 and May 23, 2023 -July 5, 2023

2022 Fair Rental Rate: \$6,188.89

2023 Fair Rental Rate: \$6,498.34



**EXHIBIT A  
SCOPE OF WORK**

**Restroom Trailer Rental**

Department: Facilities

Location: Infield

Contact: Henry Rivera 858-740-9423

Size and Description: Trailer will have standard flushable toilets, which the district plumber will connect sewer and water service. Units Cannot be foot pump (RV style) toilets.

Women's Restroom must have at least four (4) stalls. Men's restroom must have at least two (2) urinals plus one (1) stall and both restrooms must have at least two (2) sinks.

Rental Duration: May 24, 2022-July 6, 2022 and May 23, 2023-July 5, 2023

2022 Fair Rental Rate: \$15,813.28

2023 Fair Rental Rate: \$16,603.95

\*Delivery and Pick-up dates subject to change

STD 213A (Rev. 4/2020)

<input type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED	PAGES	AGREEMENT NUMBER 22-021	AMENDMENT NUMBER 1	Purchasing Authority Number GL #: 550100-400
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTOR NAME

Stage-Tech

2. The term of this Agreement is:

START DATE

June 1, 2022

THROUGH END DATE

July 31, 2024

3. The maximum amount of this Agreement after this Amendment is:

\$507,000.00

Five Hundred Seven Thousand Dollars and Zero Cents

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The purpose of this Amendment is to exercise the first option year, extending the term end date by one year and increasing the contract dollar amount by \$169,000.00. The maximum amount of this Agreement is hereby increased from \$338,000.00 to 507,000.00. The Through End Date is hereby amended from July 31, 2023 to July 31, 2024.

Amendment Effective Date: July 31, 2023

*All other terms and conditions shall remain the same.*

**IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.**

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Stage-Tech

CONTRACTOR BUSINESS ADDRESS

14523 Marquardt Avenue

CITY

Santa Fe Springs

STATE

CA

ZIP

90670

PRINTED NAME OF PERSON SIGNING

Charley Guest

TITLE

Chief Executive Officer

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTING AGENCY ADDRESS

2260 Jimmy Durante Boulevard

CITY

Del Mar

STATE

CA

ZIP

92014

PRINTED NAME OF PERSON SIGNING

Carlene Moore

TITLE

Chief Executive Officer

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (if Applicable)

FAC §4051 .a. 1

**EXHIBIT A  
SCOPE OF WORK**

**A. SERVICES OVERVIEW**

1. The Contractor agrees to provide to the 22nd District Agricultural Association ("District") / Del Mar Fairgrounds ("Fairgrounds") rental of LED Walls for the duration of the San Diego County Fair. The Contractor shall be responsible for set- up, maintenance, and take-down of all equipment encompassed within this Scope of Work. All LED walls must be of Pixel Pitch 7.00mm or below. Actual LED wall dimensions need to be within 8" of requested specifications.
2. The services shall be performed at the Del Mar Fairgrounds, 2260 Jimmy Durante Blvd, Del Mar CA 92014.
3. The Project Representatives during the term of this Agreement will be:

22 <sup>nd</sup> District Agricultural Association	Stage-Tech
Name: Oscar Mendoza	Name: Robert Lance
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 14523 Marquardt Avenue Santa Fe Springs, CA 90670
Phone: 858-792-2345	Phone: 562-407-1133
e-mail: <a href="mailto:omendoza@sdfair.com">omendoza@sdfair.com</a>	e-mail: <a href="mailto:robertlance@stage-tech.com">robertlance@stage-tech.com</a>

The parties may change their Project Representative upon providing ten (10) business days written notice to the other party. Said changes shall not require an Amendment to this Agreement.

**B. WORK TO BE PERFORMED**

Contractor agrees that all equipment rented must be in good working condition, generally less than five (5) years old. District shall not pay for down time due to defective equipment. The Contractor shall provide repair or replacement of any faulty equipment within at least 6 hours of being notified by the District. All delivered equipment is subject to the acceptance of District Management. Contractor shall provide the following:

**1. Grandstand Stage Left and Right LED Walls**

- **Option A: Two 16' wide by 9' tall LED Walls hanging on each wing of the grandstand stage**
- **Option B: Two 16' wide by 21' tall LED Walls hanging on each wing of the grandstand stage**

Both options must include motors and all necessary rigging and electrical equipment. District's Grandstand Stage Roof Rigger will be onsite to hang points and consult. Both options must include SDI video Tie in (feeds both walls) location up to 200' from Stage Right LED wall position. Must include 100' of electrical distribution for each wall.

**2. Grandstand Upstage Center LED Wall**

- **26' wide by 14' tall LED wall.**

**EXHIBIT A  
SCOPE OF WORK**

Must include motors and all necessary rigging and electrical equipment. District's Grandstand Stage Roof Rigger will be onsite to hang points and consult. Must include SDI video Tie in location up to 200' from Stage Right LED wall position. Must include 100' of electrical distribution for each wall.

**3. Generic LED Wall + Structure**

- **20' wide by 12' tall LED wall**
- **Supporting Truss Structure approximately 22' wide by 20' tall by 10' deep capable of supporting LED wall.**

Must include motors and all necessary rigging and electrical equipment. Must include 50' of electrical distribution. Must include SDI video tie in within 100'.

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 4/2020)

<input type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED	PAGES	AGREEMENT NUMBER DAA-20-050-21	AMENDMENT NUMBER 2	Purchasing Authority Number GL #: 600100-20
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTOR NAME

Elite Show Services, Inc.

2. The term of this Agreement is:

START DATE

March 1, 2020

THROUGH END DATE

February 28, 2025

3. The maximum amount of this Agreement after this Amendment is:

\$9,150,275.00

Nine Million One Hundred Fifty Two Hundred Seventy Five Dollars and Zero Cents

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The purpose of this Amendment is to exercise the second one-year option, extending the term and increasing funds by \$1,946,555.00.

The Through End Date is hereby amended from February 29, 2024 to February 28, 2025. The Maximum amount of this Agreement is hereby amended from \$7,203,720.00 to \$9,150,275.00.

Amendment Effective Date: February 29, 2024

*All other terms and conditions shall remain the same.***IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.****CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Elite Show Services, Inc.

CONTRACTOR BUSINESS ADDRESS

2878 Camino Del Rio South, Suite 260

CITY

San Diego

STATE

CA

ZIP

92108

PRINTED NAME OF PERSON SIGNING

John Kontopuls

TITLE

President &amp; Chief Executive Officer

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTING AGENCY ADDRESS

2260 Jimmy Durante Boulevard

CITY

Del Mar

STATE

CA

ZIP

92014

PRINTED NAME OF PERSON SIGNING

Carlene Moore

TITLE

Chief Executive Officer

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

FAC §4051 .a. 1

**Exhibit A****SCOPE OF WORK**

1. Contractor agrees to professionally and efficiently provide security/crowd management services at the annual San Diego County Fair, Del Mar Thoroughbred Race Meets, and a wide variety of numerous interim events held year-round for the State / 22<sup>nd</sup> District Agricultural Association / Del Mar Fairgrounds, as follows:
  - a. The State's Request for Proposals (RFP) package, No. 19-03, dated November 14, 2019, Addendum No. 1, dated December 9, 2019, and Contractor's responding proposal, dated December 9, 2019, are all on file at the State's Contracts Department and are incorporated herein by reference and made part of this Agreement.
  - b. Where the terms of this Agreement, State's RFP No. 19-03 or Addendum No. 1, are more specific, or are inconsistent or in conflict with the provisions, terms and conditions set forth in the Contractor's proposal or Contractor's documents, both parties agree that the terms set forth in State's documents shall supersede and take precedence over Contractor's proposal or Contractor's documents.
  - c. Contractor shall provide public access control, security/crowd control, alcohol, tobacco (including electronic devices) and illegal drug control and asset protection in a professional manner, in addition to providing roving patrols, operating metal detectors, and performing baggage checks. Contractor's personnel shall be required to check patrons and baggage to detect concealed weapons and explosives, alcohol, illegal drugs, check and issue security passes, give directions and make security arrangements for authorized visitors and patrons, provide armed protection for specific events, monitor and respond to alarm systems, adequately communicate via radio, observe and report suspicious activity, apprehend offenders when appropriate and detain until the police arrive, record times of inspections and presence of persons, watch for irregularities (fire hazards, leaking pipes, lights left on, malfunctions of equipment or machinery, unlocked security doors) and patrol areas and check doors, gates and windows.
  - d. Contractor shall also have the ability to implement a safe evacuation plan coordinated with District Management, police and fire agencies, and medical agencies. Contractor's employees and staff shall have the ability to interact with police, fire, and medical personnel, able to deal with members of the public in an official capacity, have good communication and negotiation skills, possess keen observation skills, and have the ability to identify, monitor, and target any emerging threats related to particular events, such as where alcohol is served. Factors include: estimated attendance of event, type of event, availability of alcohol served in venue/event.
  - e. In addition to enhanced security of members of the public and District/State property, the goal is the realization of competitive rates and better public service through the ability of the Contractor to implement and enhance professional operating skills and techniques in the operation of crowd management. Contractor shall thereby assure adequate training programs for Contractor's employees and staff, maintaining proper licensure of those employees, adequate insurance coverage, reliable equipment, and sufficient resources to pay federal payroll taxes.
  - f. Contractor shall be required to provide the following services as directed by District Management: (22<sup>nd</sup> DAA and District shall be used synonymously for the 22<sup>nd</sup> District Agricultural Association/State of California/Department of Food & Agriculture):

**Interim Events** On an as needed basis, Contractor shall provide security/crowd control staff for any part or all of the positions listed in paragraph "Fairtime" below. In addition, Contractor may be required to staff interim events, 24-hours per day. District agrees that Contractor's employees shall

be paid a four-hour minimum for both District and non-District events, except those that volunteer to be released. Refer to Attachment 1, Standard Operating Procedures.

**Fairtime** The District anticipates Contractor's Fairtime responsibilities to be very broad-based to provide 24-hour security over a 30-day period. District agrees Contractor's employees shall be paid a four-hour minimum for Fairtime, except those that volunteer to be released. Staffing shall consist of maintaining three (3) rotating shifts per day. Estimated staff requirements would be approximately two hundred fifty (250) personnel each day. Staff assignments would consist of gate guards that are knowledgeable in the operation and processing of patrons through metal detectors, 24-hour exhibit security, roving patrols, bike patrols, credential access control, parking lot security, beer garden control, concert security, concert ushering, parking enforcement and other security/crowd management functions. Specific staffing requirements will be provided in advance by the District's Security and Medical Manager. Contractor must be able to respond to District's staffing requirements upon 24-hour notification. Examples of fair-time staffing requirements are as follows:

- a. Grandstand Shows - 20 to 100 guards per show, depending upon type of entertainment and anticipated attendance.
- b. Arena Events - 8 to 10 guards during large events such as festivals, action sports, and concerts.
- c. Beer Gardens - 10 to 25 guards per day.
- d. Parking Lots and Admission Gates (public access gates) - as needed; these areas may require up to 75 guards each day.
- e. Operation of Metal Detectors & Wands – 50 to 100 guards per day to operate walk-through metal detectors and use of metal wands on members of the public.

**Del Mar Thoroughbred Race Meets** Duties and responsibilities during the race meet will include but are not limited to the following:

- a. Crowd management and security for large concerts ranging from 15,000 to 20,000 patrons. This includes providing security for equipment, concert staff, VIP areas and green rooms.
- b. Alcohol control. Enforcement of DMTC, 22<sup>nd</sup> DAA, and ABC rules and regulations.
- c. Security for Hospitality events.
- d. Access control for major race events (e.g. Opening Day at the Races.) Checking wristbands and credentials for access into restricted areas.
- e. Provide additional security as needed under the direction of DMTC Security (e.g. stable area, quarantine areas etc.)

**Office** Contractor shall be responsible for a temporary office modular trailer and office equipment for operational purposes during Fairtime. District shall locate suitable area on District property to conduct operations.

**Access to Grounds** Contractor shall be provided limited parking and admission credentials for management staff only. It shall be Contractor's responsibility to develop an identification badge for guards that must be pre-approved by District Management. These identification badges shall be presented at entry points designated by District Management. In addition, *all* security personnel shall possess and carry a current and valid California guard registration card.

**Uniforms and Grooming** While on duty for the District, all personnel employed by Contractor shall be dressed in peer attire or coat and tie subject to the approval of District Management. Such clothing shall be neat in appearance, provide easy identification and shall be provided by Contractor at no expense to the District. District management reserves the right to approve all uniform identification, including color. All personnel are expected to meet the District Minimum Grooming Standards (Refer to Attachment 2, District Grooming Standards). District Management reserves the right to approve all uniforms and identification and shall provide forty-five (45) days advance notification to Contractor of any special uniform requirements. The Fairgrounds is a nonsmoking facility. There are no assigned smoking areas for patrons or employees, therefore smoking of tobacco products or electronic smoking devices are prohibited.

**Equipment** As determined by the District, radios, headsets, flexible boom microphone, earplugs, flashlights, hand stamps, hand counters, metal detector wands, staff transportation binoculars and/or bicycles shall be provided by Contractor at no cost to the District. Contractor shall ensure sufficient supply, including additional equipment.

Contractor must provide communication equipment to support radio systems for interim events and Fairtime operations, unless otherwise authorized by the District Security Manager. This equipment includes, but is not limited to a permanent repeater on-site and antennae, and frequency purchased via a qualified FCC representative.

Contractor shall furnish, maintain and replace, at Contractor's expense, up to 85 hand held radios, and a permanent repeater for use during all events (Interim, Fairtime, and Thoroughbred Race Meet). Contractor shall have a minimum of 10% replacement radios on-site to assure that an adequate number of units is maintained at all times.

**Meetings** Contractor shall provide an on-site dedicated Account Manager who will attend event planning and other District meetings and events, as requested by the District. Meetings will be conducted for interim events, conventions, concerts, the SD Fair and Del Mar Race Meet. Meetings may include planning or briefings with District Security, local law enforcement, event management and promoters. It will be mandatory that the Account Manager attend many of these meetings.

**Account Manager** Contractor must provide an Account Manger to the District. The Account Manager will be the single point of contact for the District and they will be responsible for all aspects of the contract including but not limited to: coordinating and scheduling contractor personnel, checking personnel in and out, time and attendance keeping, attending all event meetings, proper invoicing, communication with the District and Turf Club Management, passing information to their staff, and posting procedures and instructions for their staff on specific events. It will be the Account Managers sole responsibility to ensure that the Districts requirements are met; all personnel are in place for their assignments; their staff is equipped to perform their duties and that staff is informed and on time.

**Standard Operating Procedures** the District shall provide a Standard Operating Procedures (SOP) to establish assignment notification, check-in, posting, staffing, and billing procedures. It shall be the responsibility of the District and Contractor to ensure compliance. All forms and formats used shall be in a manner mutually acceptable to the 22nd DAA and Contractor. See Attachment 1, Standard Operating Procedures.

**Use of Subcontractors** the District is allowing the use of subcontractors for the services described in this Agreement. If Contractor subcontracts any portion of the services described in this Agreement, Contractor must have stipulated, the name of the subcontractor, and the specific services they will be providing in Contractor's proposal to RFP No 19-03, dated November 14, 2019. All subcontractors will be required to meet any and all requirements stipulated in the RFP and this Agreement. Any subcontracting not disclosed in the proposal will be subject to approval by the District in writing and in advance of work performed.



**Timesheets** Contractor's personnel on assignment at the District will be required to record hours worked by event (such as SD Fair, Car show, Home and Garden show, etc.). For example, an employee may be required to record an 8-hour day as follows: 6 hours to Home and Garden Show, 2 hours to the Car Show. As each timesheet is completed, Contractor must calculate the number of hours worked for each event. The Contractor shall develop and provide timesheets for its employees that accommodate the District's timekeeping requirements and train their employees to maintain their timesheets, as required. Timesheets shall be completed and submitted with the invoice.

**Invoices** Contractor shall provide detailed invoices, by event, including copies of staff sign-in sheets (timesheets) for each shift. These shall be delivered to the District within three (3) calendar days of event termination, unless otherwise specified by the District.

Prior to submitting invoices to District for payment, Contractor shall conduct a quality control audit of each invoice and applicable timesheet to assure that the timesheet has the signature of an authorized District representative, that there are no mathematical errors, that overtime hours have been accurately identified, that hours for each charge code have been extended and the extensions add up to the total hours on the timesheet, and that the information on the timesheet matches the information on the invoice. Incomplete and/or inaccurate invoices will be returned to the Contractor for correction and resubmission

**Applicable Laws** Contractor shall strictly adhere to all State and Federal laws with respect to discrimination in employment and shall not discriminate against any individual on the basis of race, color, religion, gender, sexual orientation, marital status, national origin, age or disability.

**Permits, Licenses, Bonding & Taxes** Contractor shall obtain and maintain throughout the life of the contract all required permits, bonds and licenses to comply with State of California and Federal laws and regulations in connection with the work to be performed and shall provide copies of such permits and licenses to the District, upon request. Contractor shall be responsible for all costs associated with the required permits, licenses, bonds and taxes (ie. federal payroll taxes).

**Benefits and Compensation** Contractor personnel shall remain the Contractor's employees and shall not receive State/District benefits. The Contractor accepts full and exclusive liability for the payment of any and all contributions of taxes for Social Security, Workers' Compensation insurance, Medicare, unemployment insurance, retirement benefits, pensions, now or hereinafter imposed under any State or Federal law or by the Contractor salaries, or other remuneration paid to persons hired, including deposits of income tax withholding amount due, and it agrees to indemnify and hold harmless the District from any claims for contributions, taxes, or liability thereof.

Additionally, Contractor must conform to the provisions of the Immigration Reform and Control Act of 1986 (Public Law 99-603) by verifying the employment eligibility of each person referred to the District.

**Any merit raises, bonuses, or other employee salary, or benefit increases, deemed necessary by Contractor during the term of this agreement, are at the sole expense of the Contractor.**

Contractor shall be responsible for communicating its benefits, timecard and attendance, and safety policies, to the District and to Contractor's employees.

**Employee Pre-Screening** Contractor shall carefully pre-screen all applicants prior to referral to the District to ensure that they possess all of the required skills and abilities to perform the assigned tasks and are legal to work in the State of California. **Should the District determine that a Contractor employee is working illegally or does not have the required skills and abilities, the District may request the dismissal of that person within the first four (4) hours of employment; Contractor shall not charge District for that person's time.**

**Personnel & Minimum Staffing Levels** Contractor shall employ staff that is professional, courteous, helpful and considerate. Contractor's employees shall not use improper language or act in a loud, boisterous manner, or act in any inappropriate or improper manner as determined by District. Contractor shall reassign any employee after notification by District that such employee has engaged in unacceptable behavior.

Contractor agrees that all personnel shall be employees of the Contractor, who has the sole and exclusive right to hire and discharge any employees, and shall be solely responsible for all actions and functions to be carried out by its employees.

Contractor shall provide proposed staffing and supervisor ratio levels subject to the review and approval by District and District shall retain the right to set staffing levels for all events. Any deviation from the approved plan must be pre-approved by District.

**Staffing Guaranty** Contractor shall guaranty the availability of sufficient qualified staffing to meet District's requirements as described in this Agreement. In the event, Contractor cannot meet these requirements such as, a no show, staffing shortages, or other performance issues related to unqualified staffing, District may deduct \$100.00 per occurrence. If this occurs, District reserves the right to outsource their requirements to an alternative contractor to ensure a safe and secure event. Contractor will be responsible for any and all additional costs District may incur as a result of their failure to meet District's staffing requirements. In addition, District will have the right to terminate the contract without notice for repetitive staffing failures.

**District Rights** District reserves the following rights with regard to this Agreement:

- a. The right to conduct reference and background checks on contractor personnel.
- b. The right to refuse to continue the employment of contractor personnel unable to perform the assigned duties to its satisfaction.
- c. The right to offer employment to any individual previously employed by District or referred by the District to Contractor. District shall pay no placement fee to Contractor should this occur.
- d. The right to offer employment to any Contractor-referred individual who successfully participates in the District's normal recruitment process. District shall pay no placement fee to Contractor should this occur.
- e. The right to have any temporary employee not satisfactory to the District removed from consideration for all District assignments.

**Required Acknowledgement of all Contractor Employees** Contractor shall require all personnel to acknowledge the following in writing prior to their being assigned to District:

- a. That they are not employees of the District and that their compensation and benefits are to be solely provided by Contractor;
- b. That their assignment to the District does not entitle them to any right or privilege to apply for or to be appointed to any eligibility list or position of employment with the District beyond that to which the general public is entitled; and
- c. That the District has the right to request the Contractor at any time to terminate their assignment to the District and that they have no recourse against the District in the event of any such termination.

**Fire Regulations** All fire regulations as prescribed District Fire Marshall must be strictly observed.

**Gratuities** Contractor is prohibited from offering any gift or gratuity to employees and/or officers of the 22nd District Agricultural Association or the Del Mar Thoroughbred Club, as these employees and officers are not permitted to accept them. Contractor's employees while performing duties for the District or DMTC are prohibited from accepting any gift or gratuity from any customers, contractors or promoters.

**Vacation Accrual Payments** Vacation pay or vacation time accrual shall not be charged as an expense and shall not be reimbursed by District.

**Overtime Payments** Contractor shall be responsible for all personnel scheduling. The scheduling shall be conducted in a manner that minimizes any overtime. Contractor is responsible for any accrued overtime during operating hours, unless exclusively approved by District Security Manager. Overtime payments shall only be authorized for those employees of Contractor who actually perform overtime work at District's request and are paid at overtime rates for District events, exclusive of any other time worked at any other location. It shall be Contractor's obligation to schedule personnel and shifts accordingly to prevent overtime, should events be longer than 8 hours. The District may on occasion approve up to 2.5 hours of overtime on an 8-hour shift, overtime in excess of 2.5 hours will be Contractor's responsibility. **Any overtime incurred due to the inability of Contractor to schedule accordingly or supply requested numbers of employees will be at Contractor's expense.**

**Auditing** Contractor must comply with any requirements arising from any audit evaluations conducted by District Management. Contractor agrees that the District or its designee will have the right to obtain, review, and copy all records pertaining to performance of the contract. Contractor agrees to provide the District or its delegate with any relevant information requested and shall permit the District or its delegate access to its premises. Such access shall be upon reasonable notice, during normal business hours, for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other materials that may be relevant to a matter under investigation for the purpose of determining compliance with this Agreement. Contractor further agrees to maintain such records for a period of three (3) years after final payment under the contract.

**Hourly Rates** – Contractor shall be compensated in accordance with Attachment 3, Contractor's Financial Proposal. Hourly rates for each job classification will be as listed in Attachment 3, Contractor's Financial Proposal.

**Option Years** – The exercising of contractual options to renew will be made at the sole and absolute discretion of the District. District will issue an amendment to the agreement should it chose to exercise a contractual option.

#### **Job Classifications Description and Duties**

**Security Guard** - Security Guards must be able and willing to perform jobs of a security nature involving crowd management and safety. They must be professional and courteous at all times while on duty. They must have the ability to communicate and understand simple oral and written instructions in English; bilingual is preferred but not mandatory. They also must be able to lift articles weighing up to 49 pounds. They must have the ability to operate handheld radios and other detection equipment when necessary. They must follow and enforce all District rules, policies, and procedures and State and Federal laws at all times. They shall have the ability to interact with police, fire, and medical personnel, able to deal with members of the public in an official capacity, have good communication and negotiation skills, possess keen observation skills, and have the ability to identify, monitor, and target any emerging threats related to particular events, such as where alcohol is served.

Duties may include but are not limited to the following:

- a. Crowd management and security for concerts and special events ranging from small to very large attendance. This includes providing security for equipment, concert staff, VIP areas and green rooms;

- b. Access control – the ability to interpret orders to identify credentials re: access to restricted areas;
- c. Checking patrons and baggage to detect concealed weapons and explosives, alcohol, illegal drugs;
- d. Checking and issuing security passes;
- e. Giving directions;
- f. Coordinate and manage crowd in a safe manner during an evacuation;
- g. Making security arrangements for authorized visitors and patrons;
- h. Providing armed protection for specific events;
- i. Monitoring and responding to alarm systems;
- j. Communicating via radio;
- k. Observing and reporting suspicious activity;
- l. Apprehending offenders when appropriate and detain until police arrive;
- m. Recording times of inspections and presence of persons;
- n. Estimated attendance of event, monitor the availability of alcohol served in venue/event;
- o. Watching for irregularities (fire hazards, leaking pipes, lights left on, malfunctions of; equipment or machinery, unlocked security doors), and;
- p. Patrolling areas and checking doors, gates and windows.

Security Supervisor - Will share the same description as the Security Guard and all of the same duties in addition to the following:

- a. Ability to read and understand Event Orders;
  - b. Knowledge of the grounds (including Horsepark) and location of major buildings or landmarks;
  - c. Familiar with the District Contract, District Security, equipment, and check-in and out procedures;
  - d. Knowledge of the District Security Patrol office location and Event information location(s);
  - e. Familiarity with the District Department structure and staffing, and;
  - f. Supervise groups of Security Guards.
- g. Contractor shall provide the above crowd management and security services in accordance with the rates in Attachment 3, Contractor's Financial Proposal, for a total contractual amount not to exceed \$5,298,915.00 (for the current three-year term).

2. The project representatives during the term of this agreement will be:

State Agency: 22 <sup>nd</sup> DAA / Del Mar Fairgrounds	Contractor: Elite Show Services
Section/Unit: Public Safety/Security Department	Section/Unit:
Attention: Mark Elvin, Security Manager	Attention: John Kontopuls, CEO/President
Address: 2260 Jimmy Durante Blvd., Del Mar, CA 92014-2216	Address: 2878 Camino Del Rio South, Suite 260, San Diego, CA 92108
Phone: 858/792-4282	Phone: 619/574-1589
Fax: 858/794-1023	Fax: 619/574-1588

**RENTAL  
AGREEMENT  
AMENDMENT**

This Agreement by and between the **22ND DISTRICT AGRICULTURAL ASSOCIATION**, hereinafter called District, and **SET Spike, LLC dba Wave Volleyball**, hereinafter called the Renter, WITNESSETH:

The parties mutually agree to this Amendment as follows and all actions noted below are by this reference made a part of this Agreement and incorporated herein:

1. To renew the original rental agreement exercising the two-year option, **September 1, 2023, through August 31, 2025.**
2. As stipulated in the original Agreement, the rent for the two-year option shall include an annual 2.5% increase as follows:

<u>Year of Lease</u>	<u>Rent</u>
<b>September 1, 2023</b> – August 31, 2024	<b>\$110,381.28</b>
<b>September 1, 2024</b> – August 31, 2025	<b>\$113,140.80</b>

Rent shall be due in advance or on the 1st (first) of each September and considered late thirty (30) days thereafter.

3. The Rental Agreement is amended to replace section 2.1.4 with the following, which reads in full as follows:

**Old language:** 2.1.4 The above rental fees do not include water, sewer, gas or electrical expenses. The unimproved location has no access to utilities or facilities. Renter shall be responsible for utilities used (water, gas & electric) and services should their use become available.

**New language** 2.1.4 **The above rental fees do not include water, sewer, gas or electrical expenses. Renter shall be responsible for utilities, and maintenance of the Premises at its sole cost and expense. Renter shall be responsible for sustaining an energy saving environment. If Renter fails to install separate utility meter, or pay any utility bill, District has the right, but not the obligation to install separate utility meter, and to pay the bill for Renter, and all sums expended by District shall be deemed to be additional rent payable to District upon demand.**

Except as amended herein, all terms and conditions remain as previously agreed by the parties.

IN WITNESS WHEREOF, this agreement has been executed in duplicate, by and on behalf of the parties hereto, the day and year first above written.

**22ND DISTRICT AGRICULTURAL ASSOCIATION  
2260 JIMMY DURANTE BLVD.  
DEL MAR, CA 92014**

**SET SPIKE, LLC DBA WAVE VOLLEYBALL  
P.O. BOX 675850  
RANCHO SANTA FE, CA 92067**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME/TITLE: Carlene Moore, CEO/General Manager

NAME/TITLE: Doug Forsyth, Manager

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**STANDARD AGREEMENT AMENDMENT**

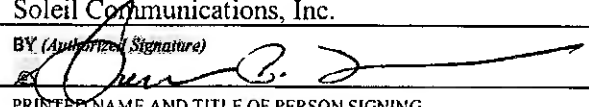


STD 213 A (Rev 9 01)

<input type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ Pages	AGREEMENT NUMBER <b>SPO-19-012-19</b>	AMENDMENT NUMBER <b>AM19-012-2</b>
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1. This Agreement is entered into between the State Agency and Sponsor named below:  
STATE AGENCY'S NAME  
**22<sup>nd</sup> District Agricultural Association/Division of Fairs & Expositions**  
SPONSOR'S NAME  
**Soleil Communications, Inc.**
2. The term of this Agreement is **May 31, 2019 – December 10, 2024**
3. The amount of this Agreement after this amendment is: **\$532,500.00 cash and \$120,000 C.I.K.**
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:
  1. This amendment extends Sponsor's participation to include the 2024 San Diego County Fair and Del Mar Thoroughbred Club race season. The term of the agreement is changed to end on December 10, 2024.
  2. This amendment provides for a change in the sponsorship fee schedule:
    - a. A \$75,000 cash payment on or before June 1, 2021. The cash-in-kind shall be allocated as \$30,000 in 2021.
    - b. A \$150,000 cash payment on or before May 1, 2022. The cash-in-kind shall be allocated as \$30,000 in 2022.
    - c. A \$152,500 cash payment on or before May 1, 2023. The cash-in-kind shall be allocated as \$30,000 in 2023.
    - d. A \$155,000 cash payment on or before May 1, 2024. The cash-in-kind shall be allocated as \$30,000 in 2024.

Except as amended herein, all terms and conditions remain as previously agreed by the parties.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

<b>SPONSOR</b>	<i>California State Use Only</i>
<small>SPONSOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)</small> <b>Soleil Communications, Inc.</b>	
<small>BY (Authorized Signature)</small> 	<small>DATE SIGNED (Do not type)</small> <b>June 17, 2021</b>
<small>PRINTED NAME AND TITLE OF PERSON SIGNING</small> <b>Jonathan P. Friedrichs, President &amp; CEO</b>	
<small>ADDRESS</small> <b>8860 Lawrence Welk Drive, Escondido, CA 92026</b>	
<b>STATE OF CALIFORNIA</b>	
<small>AGENCY NAME</small> <b>22<sup>nd</sup> District Agricultural Association</b>	
<small>BY (Authorized Signature)</small> 	<small>DATE SIGNED (Do not type)</small>
<small>PRINTED NAME AND TITLE OF PERSON SIGNING</small> <b>Carlene Moore, CEO/General Manager</b>	
<small>ADDRESS</small> <b>2260 Jimmy Durante Blvd., Del Mar, CA 92014</b>	
<small>I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above. SIGNATURE OF STATE ACCOUNTING OFFICER</small>  <small>Date</small>	

CONTRACTS MANAGER

MARKETING MANAGER

**SPO-19-012-19**

**Soleil Communications, Inc.**

**Exhibit A - Sponsorship Terms**

**2019, 2020, 2021, 2022 & 2023 San Diego County Fairs**

1. This will confirm the terms and conditions to which Soleil Communications, Inc. has agreed in becoming a Sponsor of the 2019, 2020, 2021, 2022 & 2023 San Diego County Fairs (the "Agreement"), produced by the 22nd District Agricultural Association of the State of California. The cost of this sponsorship is \$737,500.00 cash and email databases to be provided to both the Fair and DMTC with estimated \$150,000.00 cash in kind value.
2. A list of privileges and rights afforded to Sponsor are included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than December 1, 2018.
3. Sponsor shall make payments of the sponsorship on the following schedule:
  - a) May 1, 2019 - \$137,500 cash payment and email databases to both the Fair and DMTC (with \$30,000 cash in kind estimated value).
  - b) May 1, 2020 - \$142,500 cash payment and email databases to both the Fair and DMTC (with \$30,000 cash in kind estimated value).
  - c) May 1, 2021 - \$150,000 cash payment and email databases to both the Fair and DMTC (with \$30,000 cash in kind estimated value).
  - d) May 1, 2022 - \$152,500 cash payment and email databases to both the Fair and DMTC (with \$30,000 cash in kind estimated value).
  - e) May 1, 2023 - \$155,000 cash payment and email databases to both the Fair and DMTC (with \$30,000 cash in kind estimated value).
4. Sponsor shall not enter into any third-party promotions at the Fair without prior written authorization from District.
5. Without the prior written consent of the District, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
6. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/ San Diego County Fair, and their respective agents, directors, and employees (collectively the "District") from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, reasonable attorneys' fees, reasonable expert fees, and reasonable costs of suit), directly arising from, or directly related to the performance or nonperformance of breach of this Agreement; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law). Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the District with respect to the negligence or willful misconduct of the District, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
7. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
8. Where the terms of this Agreement or District's documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor's documents, both parties agree



that the terms set forth in District's documents shall supersede and take precedence over Sponsor's proposal or Sponsor's documents.

9. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations or other variations of the terms of this agreement shall be valid unless made in writing and signed by the parties.
10. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
11. In the event the either party breaches the terms of this agreement, the non-breaching party shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all reasonable costs incurred in enforcing this agreement, including attorney's fees.
12. Except as expressly authorized herein, the parties agree that this is a non-exclusive agreement. The parties also expressly acknowledge and agree that the District may enter into agreements with other Sponsors offering the same or similar services or products during the term of this Agreement.
13. Both parties reserve the sole and exclusive right to terminate this agreement without penalty, with or without cause, upon thirty (30) calendar days written notice to the other during non Fair or Race meet periods with a prorated refund of any amounts paid. If, during the performance of this agreement while the Fair and/or Race Meets are being conducted, a dispute arises between the Sponsor and the District, which cannot be settled by discussion, the Sponsor shall, within twenty four hours of the incident giving rise to the dispute, submit a written statement to District. A decision by the District, in writing, shall be given to the Sponsor within four hours of receipt of such statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements herein without interruptions during the dispute period.
14. Further, in the event that either party is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if either party engages in business practices or activities deemed to be inappropriate or detrimental to the interests of either party, it is agreed that either party may immediately terminate this agreement.
15. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
16. **Responsibilities of Sponsor:**
  - a. Provide examples of all literature, samples and merchandise to be distributed. These items must be pre-approved by the District's Sponsorship office.
  - b. Provide examples of the booth(s) display. These displays and accompanying signage must be pre-approved by the District's Sponsorship office.
  - c. Provide the touchscreen survey machines to be used at the O'Brien gate. At the conclusion of the Fair, provide a demographic profile and a copy of the participants' name and e-mail addresses. The District and DMTC shall use the information provided by Sponsor only in conformance with all applicable laws, including the Federal Trade Commission Act, Fair Credit Reporting Act, Telephone Consumer Protection Act ("TCPA"), Do Not Call Implementation Act, Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-SPAM"), Amended Telemarketing Sales Rule ("TSR"), and state consumer protection laws. The Parties recognize that in January 2020, the California Consumer Privacy Act ("CCPA") shall take effect. The Parties

expressly agree that they will each comply with the CCPA and recognize that compliance with this law may alter the commercial feasibility of sharing consumers' personal information. In such case, Sponsor shall not be required to do so.

- d. Any third party purchases of the leads generated at the Fair must be approved by the Fair, such approval shall not be unreasonably withheld. The Fair expressly approves Sponsor's right to sell leads generated at the Fair to third parties. Nothing herein shall be deemed to prohibit Sponsor's transfer of leads to affiliated entities.
- e. Provide all Welk Resorts signage accompanying each display.
- f. Provide Welk Resorts camera-ready Logo artwork upon request.
- g. Maintain all booth displays associated with this agreement.
- h. The Licensee Handbook is hereby incorporated into this Agreement. Sponsor shall abide by the rules and regulations for all vendors, concessionaires and exhibitors as outlined in the Licensee Handbook for the 2019, 2020, 2021, 2022 & 2023 San Diego County Fair unless otherwise provided for in writing by the District's Sponsorship office.

**17. Responsibilities of the District:**

- a. Provide an 8' X 10' booth directly on the west side of the O'Brien gate information booth with access to electricity.
- b. Provide a 10' x 10' booth outside the east entrance of Bing Crosby Hall with access to electricity.
- c. Provide a 10' x 10' booth inside Bing Crosby Hall (#2226) with access to electricity.
- d. Provide a 10' x 20' booth inside Seaside Pavilion (#3402) with access to electricity.
- e. Provide two (2) 10' x 40' booths for the touch screens on the north side of O'Brien gate inside the Fair with access to electricity.
- f. Allow the distribution of the return ticket at the survey machines.
- g. Use District gate staff to distribute the swipe cards.
- h. Provide a minimum of two (2) public address announcements, with a preapproved message, each weekend of the Fair.

- i. Provide preapproved name recognition on the main parking lot electronic marquees, one message every 15 minutes, 14 hours per day for the duration of the Fair.
- j. Provide a preapproved sponsor listing in the Fair program.
- k. Provide one hundred (100) admission tickets.
- l. Provide twenty five (25) photo ID's for staff, allowing unlimited entry to the Fair.
- m. Provide fifty (50) single day VIP parking passes in the sponsor/media section of the parking lot valid any day of the Fair.
- n. Provide one hundred (100) single day general parking passes valid any day of the Fair.

**18. Responsibilities of the Del Mar Thoroughbred Club**

- a. Provide Welk with exclusive vacation ownership marketing partner status, which includes selling timeshare/vacation club interests, engaging in timeshare marketing, and timeshare resale, cancellation, and exit activities.
- b. Allow placement of Del Mar lead generation kiosks (Decreased down to (2) from the proposed (3) Locations)
  - 1. 10' x 20' in the [Plaza de Mexico](#)
  - 2. 10' x 10' mobile unit (gazebo) in the Concert Area (Fri & Saturdays)
- c. Provide a preapproved 1/3 page black & white program advertisement.
- d. Provide 500 Del Mar promotional admission passes for each year of the agreement.
- e. Develop a lead generating digital campaign that mirrors on-track offers/strategies. Potentially concert focused.
- f. Provide one "Win with Welk" on-track promotion. Provide ten (10) reserved stretch run seats daily, except for Opening Day and Pacific Classic. Seats will be best available and be distributed in the form a voucher that can be redeemed at the reserved seats window in the [Plaza de Mexico](#). (Given away at on-site lead booths)

- g. Provide Del Mar Thoroughbred Club with a Welk hosted promotional trip valued at \$4,000 for promotional/giveaway purposes, annually.**

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 4/2020)

<input type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ PAGES	AGREEMENT NUMBER SPO-22-057-19	AMENDMENT NUMBER 1	Purchasing Authority Number
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

22nd District Agricultural Association

CONTRACTOR NAME

Patio Resort Lifestyles

2. The term of this Agreement is:

START DATE

June 8, 2022

THROUGH END DATE

July 10, 2024

3. The maximum amount of this Agreement after this Amendment is:

\$180,000.00

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

It is agreed to reduce the 2023 payment from \$65,000 to \$55,000. All other terms and conditions remain in effect.

*All other terms and conditions shall remain the same.***IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.****CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Patio Resort Lifestyles

CONTRACTOR BUSINESS ADDRESS

41567 Cherry Street.

CITY

Murietta

STATE

CA

ZIP

92562

PRINTED NAME OF PERSON SIGNING

JEETU MAHBUBANI

TITLE

OFFICE MANAGER

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

11-14-2023

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

22nd District Agricultural Association

CONTRACTING AGENCY ADDRESS

2260 Jimmy Durante Blvd.

CITY

Del Mar

STATE

CA

ZIP

92014

PRINTED NAME OF PERSON SIGNING

Carlene Moore

TITLE

CEO and General Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (if Applicable)

**SPO-22-057-19**

**Patio Resort Lifestyles**

**Exhibit A - Sponsorship Terms**

**2022, 2023, and 2024 San Diego County Fairs**

1. This sponsorship agreement ("Agreement") includes the terms and conditions to which Patio Resort Lifestyles ("Sponsor") has agreed to in providing products and/or services during the 2022, 2023, and 2024 San Diego County Fairs ("Fair"), produced by the 22nd District Agricultural Association, a California state institution ("State", "District" or "22<sup>nd</sup> DAA"). The total cost of this sponsorship is \$190,000.00 contract price.
2. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than March 25, 2022.
3. Participant shall make payment of the participation on the following schedule:
  - a. A \$27,500 payment on or before May 1, 2022 for the 2022 Fair.
  - b. A \$27,500 payment on or before June 24, 2022 for the 2022 Fair.
  - c. A \$32,500 payment on or before May 1, 2023 for the 2023 Fair.
  - d. A \$32,500 payment on or before June 24, 2023 for the 2023 Fair.
  - e. A \$35,000 payment on or before May 1, 2024 for the 2024 Fair.
  - f. A \$35,000 payment on or before June 24, 2024 for the 2024 Fair.
  - g. Failure to meet these deadlines for payment may cause for immediate cancellation of this Agreement. All fees are non-refundable; provided, however, in the event payment is made for a Fair and the Fair does not occur or the State terminates this Agreement prior to the Fair preventing Participant's participation, then the payment for that Fair will be refunded.
4. Sponsor shall not enter into any third-party promotions without prior written authorization from State.
5. Without the prior written consent of the State, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
6. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the "State") from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney's fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
7. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
8. Where the terms of this Agreement or State's documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor's documents, both parties agree that the terms set forth in State's documents shall supersede and take precedence over Sponsor's proposal or Sponsor's documents.
9. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.

10. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
11. In the event the Sponsor breaches the terms of this Agreement, the State shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this Agreement, including attorney's fees.
12. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the State may enter into agreements with other Sponsors and/or Sponsors offering the same or similar services or products during the term of this Agreement.
13. The State reserves the sole and exclusive right to terminate this agreement, with or without cause, upon thirty (30) calendar day's written notice to Participant during non-fair time. If, during the performance of this agreement, i.e., during Fair Time, a dispute arises between the Participant and the State, which cannot be settled by discussion, the Participant shall, within four (4) hours of the incident giving rise to the dispute, submit a written statement stating corrective actions to State. A decision by the State, in writing, shall be given to the Participant within two hours of receipt of such statement, and shall be final and conclusive. The Participant shall continue to perform the requirements herein without interruptions during the dispute period.
14. In the calendar month of August, 2022, either party to this Agreement will have the opportunity to opt out of the remaining term for any reason with no penalty in which case Participant will be relieved of any remaining payment obligations. To opt out a letter must be sent by the party opting out and received by the other party. If no party opts out during this period, the remaining two years will continue on the terms and conditions agreed upon herein.
15. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor's property, including without limitation all vehicles, equipment, materials, products and supplies, except to the extent caused by the sole negligence or willful misconduct of the State. Inadequate protection or security cannot be considered negligence of the State.
16. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently displayed at all times. Sponsor understands and agrees that 22nd DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the State, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to State's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by State management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the State to the Sponsor or its employees.
17. Sponsor is required to comply with the rules and requirements contained in the Licensee Handbook, which is made a part of this Agreement by this reference. If the 22<sup>nd</sup> DAA determines, in its sole and absolute discretion, that Sponsor violated the rules or requirements of the Licensee Handbook, the 22<sup>nd</sup> DAA will provide Sponsor with written notice of the violation(s). If Sponsor fails to correct the violation(s) within 24 hours of delivery of the written notice, the 22<sup>nd</sup> DAA may terminate the Agreement, in its sole and absolute discretion, under Section 17 below.
18. Sponsor is authorized to sell or promote only those products or services specifically identified in this Agreement. If Sponsor sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 17. If, during the performance of this Agreement, a dispute arises between the Sponsor and the State, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to State. A decision by the State, in writing, shall be given to the Sponsor within four hours of receipt of such statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
19. The State reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Sponsor. The Sponsor shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the State to be paid to the Sponsor. If the Sponsor has any vehicles, equipment and materials on State property, the Sponsor must remove this property within 24 hours of the written notice of termination.

20. Further, in the event that Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by State to be inappropriate or detrimental to the interests of the State, it is agreed that the State may immediately terminate this Agreement.
21. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
22. The San Diego Country Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents and vendors comply with this policy.



**23. Responsibilities of Sponsor:**

- a. Operate and maintain booth #1251 in O'Brien Hall at the 2022, 2023, and 2024 San Diego County Fairs for all hours of operation for commercial exhibitors as listed in the Licensee handbook.
- b. Provide to the District's Sponsorship office prior to May 1, 2022, examples of all examples of all literature, samples, and merchandise to be sold or distributed during the Fair. Only District approved items may be sold or distributed by Sponsor.
- c. Provide Sponsor's brand logo to the District's Sponsorship office upon request.

**24. Responsibilities of the State:**

- a. Conduct the 2022, 2023, and 2024 San Diego County Fair.
- b. Provide a booth space approximately 20' x 50' in the O'Brien Hall (#1251) for the sale of patio furniture and gazebos.
- c. Provide electricity to the booth at no charge.
- d. Provide ten (10) sponsor badges for staff allowing unlimited admission the Fair.
- e. Provide fifty (50) single admission Fair tickets valid any day of the Fair.
- f. Provide eighty-four (84) single day general lot parking passes valid any day of the Fair.

SECTION  
BREAK



[Dressage Week](#)

Del Mar National Horse Show CDI4\* USEF Level 5 Qualifier

April 11 – 14, 2024

[Hunter Jumper Week](#)

Del Mar National Horse Show Premier/Jumper 6

April 30 – May 5, 2024

**Save the Date - Grand Prix, Saturday, May 4**



## **Item 5, Executive Report – Volleyball Premises Update**

### **Background:**

Since 2015, there have been two entities operating volleyball facilities at the Surf & Turf Recreation campus, Del Mar Volleyball Center AKA Fairgrounds Volleyball Center (DMVC) and SET Spike, LLC dba Wave Volleyball (Wave).

In consideration of the financial investment made to design and build the new indoor facility and sand courts adjacent to the tennis courts and miniature golf courses, on September 1, 2015, District entered into a four-year agreement with three, two-year options to renew with Wave.

Prior to that, DMVC was the sole volleyball operator, operating the free-standing tent location adjacent to the Hilton and Interstate-5 on annual agreements since 2002. In November 2022, District converted DMVC to monthly agreements subject to 30 days' written notice to terminate.

### **Process/Approach**

On December 1, 2023, District exercised its right to terminate the agreement with DMVC, without penalty or cause, on thirty (30) days' written notice. At the time, it was with the belief that in accordance with Section 5.4 of the Rental Agreement, all physical changes, alterations, modifications, developments and improvements DMVC made to the Premises (e.g., free-standing sport tent, with sport court, nets, poles and partition curtains) were District property. However, as identified by DMVC, Section 2 of the Agreement provided for the ground space rental only, and not the free-standing sport tent, courts, and other equipment. After reviewing the Agreement further, District concurred.

At the request of DMVC, District reconsidered its position regarding the 30-day Notice of Termination and the detrimental impact that the imminent removal of the free-standing sport tent would have on the Wave athletes and their families, the sole operational volleyball program in both facilities, should DMVC be required to vacate the property. District was unaware until recently that DMVC has been subletting their free-standing sport tent and courts exclusively to Wave since 2012.

As detailed in the attached correspondence with DMVC, sent on December 18, 2023, District has offered a path forward that would legally provide for DMVC to sublet to Wave exclusively for a period of seven months at which time DMVC would be required to remove all property from the premises.

### **Environmental/Coastal Commission Review**

None at this time.

### **Fiscal Impact**

Revenue to District of \$28,336 through July 31, 2024, and without disruption to athletes and families of the operational volleyball program.



**VIA CERTIFIED MAIL AND ELECTRONIC DELIVERY**

December 1, 2023

Del Mar Volleyball Center (aka Fairgrounds Volleyball Center)  
Don D. Beaumont, Partner  
[Don@nielsenbeaumont.com](mailto:Don@nielsenbeaumont.com)  
Ed Machado, Partner  
[surfed13@gmail.com](mailto:surfed13@gmail.com)  
2420 Shelter Island Drive  
San Diego, CA 92106

Subject: 22<sup>nd</sup> District Agricultural Association – Del Mar Volleyball Center  
Termination of Rental Agreement No. 22-906

Messrs. Beaumont and Machado:

On November 1, 2022, the 22<sup>nd</sup> District Agricultural Association, a California state institution (“District”) and the Del Mar Volleyball Center, aka Fairgrounds Volleyball Center (“Renter”) entered into Rental Agreement No. 22-906 (the “Rental Agreement”).

Section 1.1 of the Rental Agreement provides, in part, that Renter “expressly agrees to rent the Premises from the [District], on a month-to-month basis beginning on November 1, 2022, and ending upon thirty (30) days’ written notice from either party to the other party.” Similarly, Section 16.1 of the Rental Agreement confirms that during the term of the Rental Agreement, the District “at its sole discretion has the right to cancel this agreement, without penalty or cause, at any time on thirty (30) days’ written notice to the renter.”

The District has elected to terminate the Rental Agreement under Sections 1.1 and 16.1. The termination of the Rental Agreement **is effective thirty (30) days from the date of this letter**. This written termination of the Rental Agreement relieves Renter and the District from any and all further liabilities and/or obligations under the Rental Agreement as of the effective date of the termination.

In accordance with Section 5.4 of the Rental Agreement, all physical changes, alterations, modifications, developments and improvements Renter made to the Premises (e.g., free-standing sport tent, with sport court, nets, poles and partition curtains) are the property of the



**22<sup>ND</sup> DISTRICT AGRICULTURAL ASSOCIATION • DEL MAR FAIRGROUNDS**

2260 Jimmy Durante Blvd. • Del Mar, CA 92014-2216 • phone: 858.755.1161 • [delmarfairgrounds.com](http://delmarfairgrounds.com)



District. Note however that Renter may remove from the Premises its personal property, including for example, paperwork, office supplies, volleyballs and volleyball nets.

Please let us know if you have any questions.

---

Sincerely,

A handwritten signature in blue ink that reads "Carlene Moore". The signature is fluid and cursive, with a prominent initial "C" and "M".

Carlene Moore  
Chief Executive Officer

# Allen Matkins

Allen Matkins Leck Gamble Mallory & Natsis LLP  
Attorneys at Law  
One America Plaza  
600 West Broadway, 27<sup>th</sup> Floor | San Diego, CA 92101-0903  
Telephone: 619.233.1155 | Facsimile: 619.233.1158  
www.allenmatkins.com

**Timothy M. Hutter**

E-mail: [thutter@allenmatkins.com](mailto:thutter@allenmatkins.com)

Direct Dial: 619.235.1510 File Number: 119600.02035/4894-4525-9413.3

**Via Electronic Mail / Certified Mail**  
**Return Receipt Requested**

December 8, 2023

22nd District Agricultural Association  
Del Mar Fairgrounds  
Attention: Carlene Moore, CEO  
2260 Jimmy Durante Blvd.  
Del Mar, CA 92014-2216  
Email: [cmoore@sdfair.com](mailto:cmoore@sdfair.com)

Dear Ms. Moore:

This law firm represents the Del Mar Volleyball Center (“Tenant”), through its partners Don Beaumont and Ed Machado, with respect to Rental Agreement No. 22-906 (the “Rental Agreement”) with the 22nd District Agricultural Association (“District”). Specifically, we write to respond to the Termination Notice you sent on December 1, 2023 (the “Notice”).

At the outset, although we understand this has already been expressed to you by phone and email, Tenant respectfully requests that the District reconsider the termination of the Rental Agreement or engage in good faith negotiations regarding a long-term rental agreement that would allow Tenant to remain in place. As you are likely aware, Tenant has been operating its business on the property since 2002. Over more than two decades, Tenant has taught and trained thousands of young athletes from the community, including hundreds that are currently in the middle of a volleyball season that runs through June. Working with the Wave Volleyball Club, Tenant has been a fantastic tenant throughout its tenure on site and was frankly caught off guard by the sudden termination of the Rental Agreement.

Due to the timing, with the expectation that Tenant would vacate by December 31, 2023, there is no opportunity for Tenant, its representatives, or the hundreds of impacted families to be heard by the full board of the District. Moreover, the timing around the holidays puts a tremendous strain on Tenant’s ability to adjust and relocate its business elsewhere. The resulting impact on Wave Volleyball players would be tremendously negative.

If the District insists on terminating the Rental Agreement and evicting Tenant, the District should be aware of an inconsistency between the terms of the Rental Agreement and the Notice. The Notice refers to Section 5.4 of the Rental Agreement before asserting that Tenant’s free-

22nd District Agricultural Association

December 8, 2023

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standing sport tent, sport court, nets, poles, and partition curtains would somehow convert to District property. Respectfully, this is an improper interpretation of the Lease.

As stated previously, Tenant has leased the same area from the District since November 2002. For that entire period, through multiple leases, the leased property has been referred to as a “Dirt lot, measuring approximately 140’ x 90’, located at the north-east corner of the Surf & Turf property.” (See section 2 of Agreement 02-22R and successive agreements, and the second paragraph of the Rental Agreement). For its entire tenancy, Tenant has been obligated to furnish, at its own expense, the following items:

- a. Improve site with grading, base and asphalt (**to remain after agreement termination**)
- b. **Free-standing** sport tent, with sport court, nets, poles and partition curtains
- c. Lights at the entrance, and sub-panel for all power needs of the facility.
- d. Walkway to the Hilton parking area.

The bold has been added for emphasis, but the language exists in every version of the lease for the entire tenancy, including the Rental Agreement (section 5.1). Tenant does not dispute that the asphalt it installed will remain in place, and that the District will benefit from that permanent improvement of the property. By contrast, Tenant is obligated to provide its own temporary facilities – the **free-standing** tent, sport court, nets, poles, and partition curtains – and no mention is made that such items will “remain after agreement termination.” Canons of contractual construction and common sense dictate that if the District, as drafter of the Rental Agreement (and prior iterations), knew how to express that concept for one item (the asphalt), they also knew how to do so when describing subsequent items. The omission of such language is determinative, and contrary to the interpretation you’ve espoused in the Notice. Despite knowledge of these specific items, they also are not referenced in Section 5.4.

Beyond these provisions, Section 12 of Exhibit B (the Rules and Regulations Governing 22<sup>nd</sup> District Agricultural Association Rental Space) dictates:

12. Should Renter be ordered to vacate the premises, every article of Renter’s property, other materials and debris of whatsoever nature used in connection with space owned by Renter must be removed from the buildings and grounds by Renter at his own expense, not later than a date specified by the 22nd DAA.



Allen Matkins Leck Gamble Mallory & Natsis LLP  
Attorneys at Law

22nd District Agricultural Association

December 8, 2023

Page 3

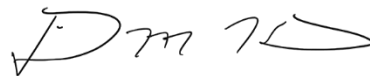
The Notice orders Tenant to vacate by no later than December 31, 2023. If the District remains steadfast in its decision to terminate the tenancy, then Tenant will do so in accordance with the Rental Agreement, and will take every article of its property at its own expense.

Finally, pursuant to Civil Code section 1654, to the extent that the District contends there is ambiguity in the Rental Agreement regarding any of the above provisions, it will be held against its drafter – the District.

Beyond the legal analysis, Tenant rejects the practical effect of your assertion, which is that the District can evict Tenant from space that it has occupied for more than 20 years, and simultaneously demand that Tenant leave behind equipment that it purchased and brought to the premises at its own expense. Indeed, as you are aware (since the District retained approval authority), Tenant recently spent more than \$160,000 to “re-skin” the tent and improve the exterior appearance of the temporary structure. We would hope that the District, as an agency of the State of California, would not improperly claim ownership under these circumstances. The District can make this heartless decision, but its attempt to convert Tenant’s property is hereby rejected.

Tenant reserves all rights under California law and the Rental Agreement. Please feel free to contact the undersigned, or direct your counsel to do so, if you have questions about any of the foregoing.

Sincerely,

A handwritten signature in black ink, appearing to read "DMH", written in a cursive style.

Timothy M. Hutter

TMH



December 11, 2023

Timothy Hutter  
Allen Matkins Leck Gamble Mallory & Natsis LLP  
One America Plaza  
600 West Broadway, 27th Floor  
San Diego, CA 92101-0903

Dear Mr. Hutter:

Through this letter, I confirm receipt of your letter dated December 8, 2023, regarding the Del Mar Volleyball Center (DMVC), Rental Agreement No. 22-906 (Agreement), and the Termination Notice sent by the 22<sup>nd</sup> District Agricultural Association (District) on December 1, 2023.

After further consideration, District will reconsider termination of the Agreement as requested and provide you with a substantive response by Friday, December 15, 2023.

In the meantime, District agrees with your assertion that under Section 5.4 of the Agreement, DMVC maintains ownership of, and has the authority to remove from District property, DMVC's free-standing sport tent, sport court, nets, poles and partition curtains. Additionally, and in the event District decides not to withdraw or cancel the Notice of Termination, District will provide DMVC with the opportunity to remove its personal property (including the items listed above) from the facility at DMVC's own expense.

Sincerely,

A handwritten signature in black ink, appearing to read "Carlene F. Moore".

Carlene F. Moore  
Chief Executive Officer



**VIA EMAIL AND OVERNIGHT DELIVERY**

December 18, 2023

Timothy M. Hutter  
Allen Matkins Leck Gamble Mallory & Natsis LLP  
600 West Broadway, 27th Floor  
San Diego, CA 92101

Subject: 22nd District Agricultural Association – Del Mar Volleyball Center Termination of Rental Agreement No. 22-906 and New Rental Agreement

Mr. Hutter:

This letter responds to your letter dated December 8, 2023 regarding the rental agreement entered into on November 1, 2022 (Rental Agreement No. 22-906, between the 22nd District Agricultural Association, a California state institution (“District”) and your client, the Del Mar Volleyball Center, aka Fairgrounds Volleyball Center (“Renter”).

On December 1, 2023, the District sent Renter a written termination notice of the rental agreement, with an effective date of December 31, 2023. After internal discussions, and so not to disrupt the existing operations of the volleyball facilities at the District’s facilities, the District proposes the following path forward – the existing rental agreement will terminate effective December 31, 2023 and the District and Renter will enter into a new rental agreement, identical in form to the existing agreement, except for the following:

1. The agreement term would be from January 1, 2024 through July 31, 2024, with no options to renew the term;
2. The Renter would be prevented from removing from the facility the free-standing sport tent, sport court, nets, poles or partition curtains during the term of the agreement; and
3. The Renter would be required to remove all personal property, including the free-standing sport tent, sport court, nets, poles and partition by August 15, 2023 (should the Renter need additional time to remove the property, the District can work with the Renter to accommodate the request).

Finally, the District would provide the Renter with express written consent to sublet a portion of the facilities to the Wave Volleyball Club.

Please let me know if you have any questions. In the meantime, the District will prepare and route the new rental agreement to your client for review and signature.

Sincerely,

Carlene Moore  
Chief Executive Officer

## Carlene Moore

---

**From:** Shaun Beard <sbeard@asmglobal.com>  
**Sent:** Monday, November 13, 2023 6:52 AM  
**To:** Carlene Moore  
**Subject:** ASM Globe Update  
**Attachments:** Legends - Press Release - FINAL.pdf

**Categories:** Board

Good Morning Carlene,

This past week, we announced that ASM Global has agreed to be acquired by Legends to create a premium live events company dedicated to providing outstanding experiences for guests around the world. This is the third time our company has gone through this process and just like in each previous case, the company has emerged with more resources, more products and improved services for our customers and their patrons and poised for future growth. And we've managed the process without any interruption of service or personnel at the venue level -- only improved capabilities, and resources.

I have attached a copy of the press release. I am convinced that this news presents a tremendous opportunity for our industry and will provide significant benefits to you, our valued partners for years to come.

This new chapter will redefine and further elevate our world-class venue and event management business and will provide significant benefits to our customers and partners, which includes you. We're going to emerge from this announcement an even stronger partner to you and we'll have a deeper portfolio of resources. We'll expand our expertise and investment in new services to drive profitability and success across all areas of the business including hospitality, planning, consulting, premium experiences, sponsorship, and merchandising under this new company.

We'll continue to use our leadership and knowledge and further build on that with an expanded roster of subject matter experts. We'll have access to a tremendous breadth and depth of knowledge, technical know-how, relationships, and experiences that we will bring together to ensure that clients like you always receive the best and highest level of service possible.

While the team you have come to know and work with day-to-day will stay in place, you will benefit from the expanded capability set and best-practices of both companies, which we will bring together to ensure that clients like you receive the best and highest level of service possible in any venue, anywhere in the world.

In terms of timing, we expect the deal to be completed sometime in Q1 following regulatory approval. In the meantime, we are focused on operating our business as usual, and will continue doing what we love, which is providing you with the same venue-management services that we always have, delivered by the same teams you have come to know.

As always, I thank you for your partnership and support. You are an extremely important part of our family, and I look forward to building on our relationship as we continue to innovate, grow, and pursue the great opportunities ahead for both of us.

Please feel free to contact your me should you have any questions.

**Shaun M Beard**  
Senior Vice President of Food & Beverage

**ASM GLOBAL**  
+1 610.729.7916 Office

+1 215.264.0233 Mobile

[sbeard@asmglobal.com](mailto:sbeard@asmglobal.com)

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300 Conshohocken State Road, Suite 770

West Conshohocken, PA 19428, USA

Notice: This email may contain confidential and/or proprietary information and is intended only for the use of the Individual(s) or entity(ies) named above. Any unauthorized use, dissemination, or copying of this email is strictly prohibited if you are not the intended recipient of this email. If you have received this email in error, notify the sender by replying to this message and delete the email from your system. When responding to this communication, remember that it could be lost in transit and viewed by a party other than the addressee.

**FOR IMMEDIATE RELEASE**



## **LEGENDS ANNOUNCES ACQUISITION OF ASM GLOBAL**

**Combination Creates Global Live Events Company Dedicated to Serving the Most Iconic and Innovative Brands in Sports and Entertainment**

**New York and Los Angeles (November 7, 2023)** – Legends and ASM Global today announced the signing of a definitive agreement under which Legends will acquire ASM Global to create a premium live events company dedicated to providing outstanding experiences for fans around the world.

The acquisition of ASM Global’s venue management capabilities will enhance Legends’ services portfolio, positioning Legends to meet the expanding needs of sports organizations, entertainment venues, convention centers, and attractions globally while supporting its vision to deliver exceptional live experiences for fans in the digital age.

“Legends and ASM Global are both deeply client-centric and fan-focused and together we will deliver maximum value for our global client roster with even greater support and service options,” said Shervin Mirhashemi, CEO of Legends. “Welcoming ASM Global to Legends is a capstone achievement in our 15-year journey toward becoming the world’s trusted partner for connecting people with the brands and communities that matter most to them, and for helping our clients create memorable moments that keep their fans and patrons returning time and again.”

Ron Bension, President and CEO of ASM Global, said: “We’re thrilled to join Legends, which shares our client-first approach and advances our goal of offering our partner organizations a truly seamless experience while driving the growth of their businesses. Our clients will benefit from Legends’ robust services, innovation, technology, and global partnerships which, combined with ASM Global’s venue management and content and event booking expertise, will provide our clients with locally tailored solutions and cutting-edge technologies to achieve outstanding fan experiences and improved venue owner results.”

Legends provides venue planning and project management, premium sales, sponsorship, hospitality, and merchandise services to many of the world's most iconic sports, entertainment, and attractions brands, including Real Madrid, SoFi Stadium, One World Observatory, Dallas Cowboys, FC Barcelona, University of Notre Dame, New York Yankees, and Ryder Cup, as well as leagues and properties such as the NFL, MLB, NASCAR, PGA of America, and FIFA World Cup. Sixth Street, a leading global investment firm with over \$74 billion in assets under management, is the majority investor in Legends in partnership with YGE Holdings, LLC, an affiliate of the New York Yankees, and the Jerry Jones family, owners of the Dallas Cowboys.

ASM Global manages a portfolio of live event entertainment venues worldwide and provides best-in-class venue operation and content and event booking. With clients spanning five continents, ASM Global operates venues that serve live events for more than 164 million guests annually including at ICC Sydney Convention Center, Avicii Arena in Stockholm, OVO Arena Wembley in London, Coca-Cola Arena in Dubai, and State Farm Stadium, among many others.

Through this acquisition, Legends will expand its geographic reach and range of services as it continues to innovate and create data-driven solutions tailored to the needs of each individual client. By adding ASM Global's complementary capabilities, Legends will be able to support its clients from project conception and planning to venue development and management, content and event booking, revenue strategy and sales execution, as well as omnichannel merchandising and hospitality services.

As part of the transaction, current ASM Global equity holders Onex and AEG will sell their ownership interests. ASM Global will continue to serve existing and in-development AEG venues.

Financial terms of the transaction were not disclosed. Moelis & Company LLC and BofA Securities, Inc. are serving as financial advisors to Legends, and Ropes & Gray LLP is serving as its legal counsel. ASM Global's financial advisors are Goldman Sachs and Jefferies, and its legal advisors are Latham & Watkins LLP, Hogan Lovells, and Arnold & Porter.

### **About Legends**

Founded in 2008, Legends is a premium experiences company with six divisions operating worldwide – Global Planning, Global Sales, Global Partnerships, Hospitality, Global Merchandise, and Global Technology Solutions – offering clients and partners a 360-degree data and analytics fueled service solution platform to elevate their brand and execute their vision. Currently, Legends works with marquee clients across business verticals including professional sports; collegiate; attractions; entertainment; and leisure. We are industry leaders in designing, planning, and realizing exceptional experiences in sports and entertainment. For more information, visit [www.Legends.net](http://www.Legends.net) and follow @TheLegendsWay on Twitter and Instagram.

### **About ASM Global**

ASM Global is a leading global producer of entertainment experiences. It is a global leader in venue and event strategy and management—delivering locally tailored solutions and cutting-edge technologies to achieve maximum results for venue owners. The company's elite venue network spans five continents with a portfolio of more than 350 of the world's most prestigious arenas, stadiums, convention and exhibition centers, and performing arts venues. Follow us on [Facebook](#), [Instagram](#), [LinkedIn](#) and [Twitter](#). [asmglobal.com](http://asmglobal.com)

## ITEM 5 – EXECUTIVE REPORT

January 2024

### CONTRACT APPROVAL(S)

In accordance with the requirements of the Department to Food & Agriculture, Fairs & Expositions Branch, Staff requests approval of the agreement(s) listed below:

### Review of Contracts to be Executed per Delegated Authority

#### Standard Agreements, up to \$50,000

Contract #	Contractor	Purpose	Acquisition Method	Effort Type	Term	Amount
REV-21-008-35 AM1	DMGC Golf Management, Inc. dba Surf and Turf Recreation Center	Driving range and mini golf operator	Categorical Exemption – Rental Agreement	Year Round	1/1/24-12/31/26	20% of all gross revenue
22-904 AM1	Racket Club One, LLC	Tennis center operator	RFP – Rental Agreement	Year Round	12/1/23-11/30/24	\$10,847.00 per month
24-901	Noonan Family Swim School	Swim school operator	Categorical Exemption – Rental Agreement	Year Round	1/1/24-12/31/24	\$3,063.00 per month
24-902	Worldwide Golf Shops LLC	Golf retail shop	Categorical Exemption – Rental Agreement	Year Round	1/1/24-12/31/24	6% of gross monthly revenue
24-904	Del Mar Volleyball Center dba Fairgrounds Volleyball Center	Volleyball premises	Categorical Exemption – Rental Agreement	Year Round	1/1/24-7/31/24	\$4,048.00 per month

#### Revenue Contracts, up to \$250,000 and less than one year

<b>Event Agreements</b>				
Contract #	Contractor	Event Name	Term	Rental Fee
24-440	Jiu Jitsu World League	Jiu Jitsu Tournament	10/11/24-10/13/24	\$10,120.00
24-444	Jiu Jitsu World League	Jiu Jitsu Tournament	12/6/24-12/8/24	\$10,120.00



## Sponsorship Agreements

Contract #	Contractor	Summary	Term	Amount
SPO-24-012-19	Champagne Spas	Champagne Spas will return to the Fair to sell their spas and gazebos	6/12/24-7/7/24	\$100,000.00
SPO-24-013-19	Carddine, Inc.	Carddine will return to the Fair to sell their spas, gazebos, and BBQ islands	6/12/24-7/7/24	\$121,500.00
SPO-24-018-19	Winning Ways, Inc.	Winning Ways will return to the Fair to sell vacation packages	6/12/24-7/7/24	\$60,000.00
SPO-24-021-19	LPI, Inc.	LPI will return to the Fair to sell Tuff, Catalina, and LPI spas	6/12/24-7/7/24	\$71,000.00
SPO-24-052-19	Bluegreen Vacations Unlimited, Inc.	Bluegreen Vacations will return to the Fair to sell vacation packages	6/12/24-7/7/24	\$60,000.00
SPO-24-058-19	M724, Inc. dba Tropicana Outdoor Living	Tropicana BBQ will return to the Fair to sell their BBQ islands and backyard amenities	6/12/24-7/7/24	\$80,000.00
SPO-24-064-19	DSI dba Global Marketing on behalf of DirecTV	DiracTV will return to the Fair to sell satellite television services	6/12/24-7/7/24	\$52,500.00

## Individual Project Agreements (IPA) with California Construction Authority (CCA)

Contract #	Purpose	Term	Amount
N/A			

**RENTAL  
AGREEMENT  
AMENDMENT**

This Agreement by and between the **22ND DISTRICT AGRICULTURAL ASSOCIATION**, hereinafter called District, and **DMGC GOLF MANAGEMENT, INC DBA SURF AND TURF RECREATION CENTER**, hereinafter called the Renter, WITNESSETH:

The parties mutually agree to this Amendment as follows and all actions noted below are by this reference made a part of this Agreement and incorporated herein:

1. To extend the term of the Agreement, exercising the first three (3) year option extension, **January 1, 2024, through December 31, 2026**. This extension is subject to all of the provisions of the original Agreement and subsequent Amendments.
2. **This Rental Agreement is amended to remove all and its related RV Park management duties. Any duties related to management of the RV Park shall no longer be the responsibility of the Renter.**
3. On a monthly basis, Renter shall pay the 22<sup>nd</sup> DAA twenty percent (20%) of all gross revenue generated from the operation of the 22<sup>nd</sup> DAAs golf related facilities. Renter shall pay twenty percent (20%) of any other revenue generating enterprises or ventures conducted by the Renter on the 22<sup>nd</sup> DAAs property.
4. **Renter shall be responsible for utilities, and maintenance of the Premises at its sole cost and expense. Renter shall be responsible for sustaining an energy saving environment. If Renter fails to install separate utility meter, or pay any utility bill, District has the right, but not the obligation to install separate utility meter, and to pay the bill for Renter, and all sums expended by District shall be deemed to be additional rent payable to District upon demand.**

Except as amended herein, all terms and conditions remain as previously agreed by the parties.

IN WITNESS WHEREOF, this agreement has been executed in duplicate, by and on behalf of the parties hereto, the day and year first above written.

**22ND DISTRICT AGRICULTURAL ASSOCIATION  
2260 JIMMY DURANTE BLVD.  
DEL MAR, CA 92014**

**DMGC GOLF MANAGEMENT, INC  
DBA SURF AND TURF RECREATION CENTER  
1555 JIMMY DURANTE BLVD.  
DEL MAR, CA 92014**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME/TITLE: Carlene Moore, CEO

NAME/TITLE: Matthew Clay, Managing Partner

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**RENTAL  
AGREEMENT  
AMENDMENT**

This Agreement by and between the **22ND DISTRICT AGRICULTURAL ASSOCIATION**, hereinafter called District, and **Racket Club One, LLC**, hereinafter called the Renter, WITNESSETH:

The parties mutually agree to this Amendment as follows and all actions noted below are by this reference made a part of this Agreement and incorporated herein:

1. To renew the original rental agreement exercising the first one-year option, **December 1, 2023, through November 30, 2024.**
2. As stipulated in the original Agreement, the rent for the one-year option shall increase automatically each year by a percentage equal to the percentage change in the Consumer Price Index (CPI) statistics published by the Unites States Bureau of Labor. The rent with a 3.3% CPI increase is as follows:

<u>Year of Lease</u>	<u>Rent</u>
<b>December 1, 2023 – November 30, 2024, 2022</b>	<b>\$10,847.00</b>

Rent shall be due in advance or on the 1st (first) of each month and considered late thirty (30) days thereafter.

Except as amended herein, all terms and conditions remain as previously agreed by the parties.

IN WITNESS WHEREOF, this agreement has been executed in duplicate, by and on behalf of the parties hereto, the day and year first above written.

**22ND DISTRICT AGRICULTURAL ASSOCIATION**  
**2260 JIMMY DURANTE BLVD.**  
**DEL MAR, CA 92014**

**Racket Club One, LLC**  
**3525 Del Mar Heights Road, Suite 743**  
**San Diego, CA 92130**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME/TITLE: Carlene Moore, CEO/General Manager

NAME/TITLE: Jesse Steinberg, CEO

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

## RENTAL AGREEMENT

This Rental Agreement ("Agreement") is made and entered into effective January 1, 2024 by and between the 22<sup>nd</sup> District Agricultural Association, a California state institution ("District") and **Noonan Family Swim School, Inc.**, a ("Renter"). Renter and District are collectively referred to herein as "Parties."

Renter desires to rent from District the **Pool deck/area located in the Surf & Turf facility, east of Jimmy Durante Blvd., on the Del Mar Fairgrounds with an address at 15555 Jimmy Durante Blvd., Del Mar, CA 92014 ("Premises")**.

THEREFORE, in consideration of the mutual promises in this Agreement and for other good and valuable consideration, District and Renter agree as follows:

### 1. Term

1.1 District hereby rents Premises to Renter, and Renter expressly agrees to rent Premises from District, for a "Term" **beginning on January 1, 2024, and ending December 31, 2024.**

1.2 During the Term of this Agreement, District at its sole discretion also has the right to cancel this agreement, without penalty for monetary cause and/or delinquent rent, at any time on thirty (30) days written notice to Renter.

### 2. Rental Payments

#### 2.1 Payments

2.1.1 Commencing January 1, 2024, rent of \$3,063.00 (increased based on 3.3% Consumer Price Index) per month shall be due on the first (1st) day of each month. For each year that an option year is exercised by District (in its sole and absolute discretion), subsequent monthly rent shall increase automatically each year by a percentage equal to the percentage change in the Consumer Price Index (CPI) statistics published by the United States Bureau of Labor immediately prior to the expiration date of the then-current term. In no event shall this calculation cause a reduction in monthly rent below that payable during the Initial Term Year One.

2.1.2 Renter shall be responsible for utilities, and maintenance of the Premises at its sole cost and expense. Renter shall be responsible for sustaining an energy saving environment. If Renter fails to install separate utility meter, or pay any utility bill, District has the right, but

**not the obligation to install separate utility meter, and to pay the bill for Renter, and all sums expended by District shall be deemed to be additional rent payable to District upon demand.**

**2.1.3 Cost of maintaining landscape shall be shared by all Contractors, and Renter shall coordinate efforts with the Tennis Courts and Clubhouse Contractor.**

**2.2** Late Fees. Rent shall be due on the 1st (first) of each month and considered delinquent on the 10<sup>th</sup> (tenth) of that month. Renter acknowledges that late payment by Renter of any rent will cause District to incur costs not contemplated by this Agreement, the exact amount of which are extremely difficult and impracticable to ascertain based on the facts and circumstances existing on the effective date of this Agreement. Accordingly, if any rent is not paid by Renter when due, a late charge equal to five percent (5%) of such rent shall be due, and such late fee shall be considered additional rent. The parties acknowledge that such late charge represents a fair and reasonable estimate of the costs and losses District will incur by reason of a late rent payment by Renter, but District's acceptance of such late charge shall not constitute a waiver of Renter's default with respect to such rent or prevent District from exercising any other rights and remedies provided under this Agreement, at law or in equity.

**2.3** Each rent payment shall be paid to District, Attention: Accounting Department, 2260 Jimmy Durante Blvd, Del Mar, CA 92014, or at such other place designated by written notice from District to Renter.

**2.4** The rent amount for any partial calendar months included in the Term shall be prorated on a daily basis.

**2.5** If rent or any other moneys due to District is delinquent, District shall have the right to audit and monitor any and all of Renter's sales and accounting records. Renter agrees to and shall maintain all accounting records regarding its operation in accordance with generally accepted accounting principles. Renter shall keep full and accurate records of all of its operations including, but not limited to:

**2.5.1** daily and monthly sales reports by source of revenue;

**2.5.2** current monthly profit and loss statements, and balance sheet;

**2.5.3** annual operating sales, costs, and budgets

**2.5.4** semi-annual equipment rental and inventory sales items

### **3. Uses**

**3.1** Renter's use of Premises shall be limited to the use and operation of a **swimming school and similar activities for children** at Premises. Renter expressly agrees that its use of Premises creates no property right to or interest

in the real property being used, either by way of occupancy, possession, or otherwise

- 3.2** Renter acknowledges and agrees that District hosts numerous events on District properties on a year-round basis, with the concomitant presence of thousands of producers, vendors, patrons, customers, and guests.
- 3.3** All visitors and staff of the swimming school must park in the main parking area of the Surf & Turf Recreation Center. Renter shall coordinate with District Public Safety Department for ingress/egress during all scheduled events held on District property as the presence of other events can impact parking availability. District agrees to work in good faith to provide as many parking spaces for Renter's customers as possible.
- 3.4** Renter further agrees to coordinate and cooperate with Contractors of the Tennis Courts and Clubhouse. This includes but is not limited to sharing shower and restroom facilities, cleanliness, and best use of storage/closet space.
- 3.5** Renter's use as permitted by this Agreement shall be for no other purpose or purposes whatsoever. District reserves the right to approve any merchandise intended to be sold.
- 3.6** Renter shall not use Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.
- 3.7** This Rental Agreement is subject to all existing and valid contracts, leases, licenses, permits, easements, encumbrances, and District policies which may affect said Premises and Del Mar Fairgrounds.
- 3.8** District is designated as an emergency evacuation site in the event of a natural disaster or other emergency that may be declared by federal, state, county, city, or local authorities. In the event of such a declaration, and at the request of District, Renter will be required to vacate Premises entirely, including removal of all of Renter's goods, merchandise, equipment, and other property required for Renter's operations on Premises until the conclusion or resolution of the situation requiring such vacation of Premises.
- 3.9** Any temporary structures installed between November and March (winter season), such as tenting to shield from weather conditions, shall be removable within four (4) hours, and subject to District approval, and to local, state, and federal environmental rules and regulations (see item 5, Maintenance, Alterations, and Improvements below). District acknowledges that such temporary structures during the winter season may be necessary for Renter's operations, and rental payments may be negotiated for those months should such structures be non-compliant.
- 3.10** Renter shall comply with all health & safety codes and regulations regarding public swimming pools; lifeguard safety personnel services, pool sanitation, swimming instruction, etc.

**4. No Subletting or Assignment**

- 4.1** Renter expressly agrees it has no real property rights under this Agreement. As a result, Renter shall not attempt to assign, mortgage, encumber, sublet, license, or sublicense Premises or any part thereof and any such purported transfer shall be void. If any prohibited transfer occurs, Renter shall not be relieved of its obligation to perform all obligations under this Agreement and any purported transferee shall also be subject to the same terms and conditions of this Agreement. Further, the acceptance of payment by District from any other person shall not be deemed a waiver by District of any provisions of this Agreement or consent of any assignment, mortgage, encumbrance, license, sublet, or sublicense or other transfer.
- 4.2** Notwithstanding any provision of this Agreement, this Agreement shall not be assigned or assignable by operation of law and in no event shall this Agreement be an asset of the Renter in any receivership, bankruptcy, insolvency or reorganization proceeding.

**5. Maintenance, Alterations, and Improvements**

- 5.1** Renter shall be solely responsible for all costs and expenses to maintain the swimming pool and landscaping. Maintenance and repairs or replacements shall be scheduled as needed by Renter, with the understanding that the facility is to be maintained in good and orderly condition. Cost of maintaining landscaping shall be shared by all Contractors, excluding the parking lot. If Renter fails to maintain Premises as required by this Agreement, District has the right, but not the obligation, to perform maintenance on behalf of Renter, and all sums expended by District shall be deemed to be additional rent payable to District upon demand.
- 5.2** Renter shall be responsible for routine maintenance of pool deck/area including day-to-day custodial service, trash and debris removal, and landscaping surrounding pool deck/area. Repairs and maintenance shall be made promptly as, and when, necessary.
- 5.3** Renter accepts Premises “as-is” and in the condition as of the effective date of this Agreement. District has made no representation or warranty that Premises is now or in the future will be suitable for Renter’s use. Renter has made its own investigation regarding condition and ability for use. Upon the expiration of the term of this Agreement, Renter will return Premises to District in the same condition, normal wear and tear excepted.
- 5.4** Renter may not make any physical changes, alterations, modifications, developments or improvements whatsoever to Premises without the prior written consent of District, which District may grant or withhold in its sole exclusive discretion; and, may not modify, paint, alter, change or install locks, equipment, screws, fastening devices, signs, displays, or other exhibits, on or in any portion of Premises or occupied space, without the prior written consent of District which District may grant or withhold in its sole exclusive discretion.

- 5.5 Any and all physical changes, alterations, modifications, developments, or improvements to Premises shall be at Renter's sole cost and expense and shall become District property, and Renter will not be entitled to any payment or compensation. Renter shall permit no waste, damage, or injury to Premises.
- 5.6 **NOTICE:** *The California Coastal Commission (CCC) has jurisdiction over all developments and improvements to District property. In addition, the San Diego Regional Water Quality Control Board (Regional Board) is the State agency responsible for ensuring compliance with the Clean Water Act and District is required to comply with the California Environmental Quality Act (CEQA). Significant fines and penalties are assessed by the CCC for violations to the Coastal Act and by the Regional Board for violations of the Clean Water Act. Additionally, several Federal, State, and local agencies retain permit authority over portions of the grounds and are authorized to assess fines and penalties for violations of their respective rules and regulations. Any and all fines, fees, attorney's fees, costs of suit (administrative and/or judicial) incurred by District as a direct or indirect result of physical changes, alterations, modifications, developments or improvements by Renter to Premises that are not authorized in writing by the CCC or District, that violate the Clean Water Act or violate the rules and/or regulations of other Federal, State, and local agencies with permit authority on the grounds will be the sole and exclusive responsibility of the Renter. In addition, any and all costs and expenses to repair or remediate the condition giving rise to the violations will be the sole and exclusive responsibility of the Renter. Strict adherence to the above requirements is mandatory. Any violation of this shall, in the sole and exclusive discretion of District, be considered a material breach of this Agreement and constitute grounds for immediate termination of this Agreement.*
- 5.7 District, at its sole cost and expense, has the right, from time to time during the Term to improve Premises and change Renter's occupied space in a manner consistent with the purposes of this Agreement. District's exercise of this right shall not relieve Renter of the obligation of complying with any and all terms and conditions of this Agreement.

## 6. **Personal Property**

- 6.1 Renter shall be solely responsible for paying all personal property taxes with respect to Renter's personal property at Premises.
- 6.2 District will have no liability or responsibility for the personal property of Renter, and that any personal property is placed, kept, or stored on Premises at the sole risk of the Renter.
- 6.3 Renter shall pay any and all taxes of whatever character that may be levied or charged upon Premises, or upon the Renter's improvements, fixtures, equipment, or other property thereon or upon the Renter's use thereof.

## 7. **Insurance – Refer to Exhibit C CFSA Insurance Requirements**



**8. Indemnity**

**8.1** To the fullest extent permitted by law, Renter shall defend, indemnify, and hold harmless the State of California, District, and their respective agents, officers, servants, directors, and employees from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorneys' fees, expert fees, and costs of suit), directly, or indirectly, arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage; or, by reason of any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of District. Provided, however, that in no event shall Renter be obligated to defend or indemnify District with respect to the sole negligence or willful misconduct of District, its employees, or agents (excluding the Renter herein, or any of Renter's employees or agents.) Renter's obligation to defend, indemnify, and hold District harmless, and other indemnified persons and entities set forth herein, shall survive the expiration of the Term and any termination of this Agreement and shall not be restricted to insurance proceeds, if any, received by District.

**9. Expenses**

**9.1** Renter agrees to pay the cost of any additional security and safety personnel or equipment that District deems necessary to ensure the safety of the public and Premises in connection with Renter's operation.

**9.2** District will have no liability or responsibility for the personal property of Renter, and the loss, theft, damage to, or destruction of any personal property belonging to Renter that is placed, kept, or stored on Premises is at the sole risk of the Renter. In addition, District will have no liability or responsibility for the personal property of the Renter, including storage of Renter's personal property during ANY vacancy period.

**10. Signs**

**10.1.** Renter will not post or allow to be posted on Premises, indoors or outdoors, any signs, banners, cards, or posters, nor flyers or other written material to be distributed on premises without the prior consent and approval of District which shall not be unreasonably withheld. The copy of all printed material to be used to promote Renter's operation shall be accurate in all respects and shall be approved by District prior to dissemination. Such approval shall not be unreasonably withheld. All forms of advertising, marketing, and promotion by Renter must clearly state the Renter is the seller.

**10.2** Renter shall repair all damage to Premises resulting from the removal of signs installed by Renter.

**11. Entry**

11.1 District shall have the right to enter upon Premises at reasonable hours to inspect Premises at any time and from time to time.

**12. Building Rules**

12.1 Renter will comply with the Rules and Regulations Governing Rental Space adopted by District and subject to alteration by District from time to time and will cause all of its agents, employees, invitees and visitors to do so. Any and all changes to the Rules and Regulations Governing Rental Space will be provided by District to Renter in writing. The initial Rules and Regulations Governing Rental Space for Premises are attached hereto and incorporated into this Agreement by this reference.

**13. Damage and Destruction**

13.1 Subject to the provisions of Section 8 above, if Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Renter's purposes, then Renter shall have the right within thirty (30) days following damage to elect by notice to District to terminate this Agreement as of the date of such damage. In the event of minor damage to any part of Premises, and if such damage does not render Premises unusable for Renter's purposes, District shall promptly repair such damage at the cost of District. In making the repairs called for in this paragraph, District shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of District. Renter shall be relieved from paying rent and other charges during any portion of the Term that Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Renter's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Renter. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Renter's reasonable control and which renders Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Renter's purposes.

**14. Compliance with Law**

14.1 Renter shall comply with all laws, orders, ordinances, regulations, and other public and/or governmental codes and requirements now or hereafter pertaining to Renter's use of Premises.

14.2 Renter will be required to obtain any and all licenses and permits that may be required by the United States of America, the State of California, the County of San Diego and/or the City of Del Mar for the use of Premises and Renter's operations. Each license and permit shall remain in full force and effect for the duration of this Agreement, including any extension of this Agreement.

14.3 Renter will not sell, exchange or barter, or permit Renter's employees to sell, exchange or barter, any permits issued to Renter or his employees hereunder.

- 14.4 In the event of any violation by Renter, District shall have the option, in its sole and exclusive discretion, to declare such violation to constitute a non-curable material breach of this Agreement.
- 14.5 All safety orders of any governmental agency of competent jurisdiction, including, but not limited to, the State Fire Marshal, the California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) must be strictly observed.

**15. Prohibitions**

- 15.1 Renter shall protect the public use from any natural or artificial hazards on Premises or from Renter's operation on Premises. Renter shall be solely responsible to maintain the facility and Renter's operation on premises suitable for public use, at all times, including maintaining Premises in a good and orderly condition. Renter shall not admit more persons than can safely and freely move about Premises; and in no event shall Renter admit more persons than permitted under any code, statute, law, ordinance, regulation, or order of any governmental agency of competent jurisdiction, including, but not limited to, the State Fire Marshall.
- 15.2 Renter shall not permit consumption of alcoholic beverages on Premises unless approved by District Management for events; and no tobacco, or e-cigarette items are permitted to be sold or used on premises.
- 15.3 Retail sales, catering or sale of any food and beverage items, including vending machines are not permitted at any time unless authorized by District in advance.
- 15.4 The Renter shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about Premises, by the Renter, its agents, employees, contractors or invitees in a matter or for a purpose prohibited by any governmental agency or authority. If the presence of any Hazardous Material on Premises caused or permitted by the Renter prior to or during the term of this Agreement results in any contamination of Premises, the Renter shall promptly take all actions at its sole expense as are necessary to return Premises to the condition existing prior to the introduction of any such Hazardous Material to Premises, provided that District's consent to such action shall first be obtained.

Definition of "Hazardous Material". As used in this Agreement, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Division 20, Chapter 6.5, of the California Health and Safety Code ("Hazardous Waste Control") or listed to pursuant to Health and Safety Code section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 2, Chapter 6.8 (Carpenter-Presly-Tanner Hazardous Substance Account Act), (iii) defined as a

“hazardous material,” “hazardous substance” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) defined as “Extremely Hazardous Material”, “Extremely Hazardous Waste”, “Hazardous Constituent”, “Hazardous debris”, “Hazardous Material” or “Hazardous Waste” under California Code of Regulations, title or any related Appendix thereto, (viii) designated as a “hazardous substance” pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), (ix) defined as a “hazardous waste” pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. § 6903), or (x) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601, et seq. (42 U.S.C. Section 9601).

- 15.5 Renter will comply with all fire regulations as prescribed by the State Fire Marshall.
- 15.6 Renter agrees to follow storm water pollution prevention requirements described in Exhibit D, Preventing Storm Water Pollution.
- 15.7 The mass release of helium balloons is strictly prohibited.
- 15.8 Renter will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is or has been granted or sold by District. Renter will not engage in any other business whatsoever upon or within Premises or the Del Mar Fairgrounds not within the scope of this Agreement; including, but not limited to, sponsorships, merchandise, and other marketing related items.

## 16. Termination

### 16.1 Termination for Convenience

During the term of this rental agreement, the association at its sole discretion has the right to cancel this agreement, without penalty or cause, at any time on thirty (30) days' written notice to the renter.

If by any reason District is unable to perform their obligations in connection with this Agreement, as a result of any Act of God, war, epidemic, accident, fire, public emergency, strike, lock-out, or other labor controversy, riot, civil disturbance, act of public enemy, law enactment, rule, restraint, order, or act of any governmental instrumentality or military authority, failure of technical facilities, failure, delay or reduction of services, explosion, destruction of District property, or other buildings or facilities on District's fairgrounds property or other cause not reasonably within District's control and which renders District's obligations under this Agreement impossible, infeasible, or unsafe in any way or any event then, District may cancel this agreement in its entirety effective immediately upon notice and neither party shall have any further liabilities and/or obligations in connection therewith.

### 16.2 Termination for Renter Default

In the event Renter defaults in any of the requirements, or fails to perform any material obligation or condition of this Agreement, District shall notify Renter of such default in writing. Such notice shall be deemed delivered upon presentation to Renter. A copy of such notice shall also be sent to Renter via certified mail.

**16.2.1** If the default is with respect to any payment required to be made by Renter, Renter shall correct such default within five (5) calendar days of receipt of notice of default from District. If the default is of a non-monetary nature, Renter shall cure the conditions creating such default within five (5) calendar of receipt of notice of default. In the event Renter fails to cure within the time specified, District shall have all rights accorded by law, including the right to terminate this Agreement upon thirty (30) calendar days written notice. Any termination shall not release Renter from paying all sums due to District or from claims accruing prior to termination.

**16.2.2** Failure on the part of District to promptly notify Renter of default in accordance with this section shall not be deemed a waiver by District of District's rights on default of Renter or such default at a subsequent time.

**16.3** Other Bases for Termination

**16.3.1** In the event a decree or order by a court having jurisdiction shall be issued a) adjudging Renter bankrupt or insolvent; b) approving as properly filed a petition seeking reorganization of Renter under any section of the Federal Bankruptcy Code, as amended; c) ordering or approving the winding up or liquidation of Renter's affairs; d) appointing a receiver, liquidator or trustee in bankruptcy for Renter it its property; e) if Renter shall institute proceedings to be adjudicated a voluntary bankrupt, shall consent to the filing of any bankruptcy or insolvency proceedings against it; f) if Renter shall file a petition or seek reorganization under any state insolvency law, or shall admit in writing its inability to pay its debts generally as they become due, or take any action in furtherance of any of the aforesaid purposes; g) if Renter shall abandon the agreement; or h) if a court shall have finally determined that Renter has discriminated on account of color, race, religion, ancestry, national origin, or sex; h) violation of Paragraph Section 15 above: District may, in its sole and exclusive discretion, terminate this Agreement and all rights of Renter under this Agreement, upon thirty (30) calendar days' written notice.

**16.4** Post Termination Obligations

**16.4.1** In the event that this Agreement is terminated upon Renter's default District shall assume control of Premises and all equipment installed on or at Premises and District may continue to operate the same, to the extent permitted by law, until satisfactory arrangements are reached with Renter concerning the default, or until District enters into an agreement with another renter.

**16.4.2** During the period of operation by District, District shall be entitled to use all fixtures, equipment, supplies and inventory of Renter on hand at

Premises and Renter shall not be entitled to any monies and/or other compensation directly or indirectly received from such operations.

**16.5 Non-Waiver**

**16.5.1** The failure to District to enforce any of its rights or remedies upon the default, breach or non-observances by Renter at the time or times in respect of any covenant, proviso or condition herein contained shall not, under any circumstances, operate as a waiver of District's rights hereunder in respect to any continuing or subsequent default, breach or non-observance, or operate so as to defeat or affect in any way the rights of District in respect of any such continuing or subsequent default or breach and no waiver shall be inferred from or implied by anything done or omitted by District; excepting only an express written waiver signed by the Chief Executive Officer or the Chair of the Board of Directors of District. All rights and remedies of District in this Agreement contained shall be cumulative and not alternative.

**17. General Provisions**

**17.1 Notice** Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, or by overnight delivery service, addressed as follows:

If to the 22<sup>nd</sup> District Agricultural Association:

22<sup>ND</sup> District Agricultural Association  
Attention: CEO  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014

If to Renter:

Noonan Family Swim School, Inc.  
Attention: Jeff Noonan, President, or Monica Noonan, VP  
P.O. Box 285  
Del Mar, CA 92014

Notice shall be deemed duly given, if (1) (1) physically received; (2) (2) the day on which the same has been delivered prepaid (or on an invoice basis) to a reputable national overnight delivery service; or (3) (3) the day on which the same is delivered or delivery is first refused, if sent by first class certified or registered mail with return receipt requested.

**17.2 Waiver** Failure of District to insist in any one or more instances upon the observance and/or performance of any of these rules and regulations shall not constitute a waiver of any subsequent breach of any such rules and regulations. No waiver of any default by the Renter shall be implied from any omission by District to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default

specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by District shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

- 17.3** Headings The headings used in this Agreement are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Agreement.
- 17.4** Successors Subject to the provisions of this Agreement prohibiting the assignment or transfer of this Agreement, the provisions of this Agreement, shall extend to and be binding upon District and Renter and their respective legal representatives, successors and assigns.
- 17.5** Employees Renter or Renter's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Renter's employee shall be prominently displayed at all times. Renter further understands and agrees District Management, at its sole discretion, may determine that a person or agent utilized by Renter in its operations under this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to District, if it is determined that such appearance, conduct, or demeanor is detrimental to District operations. Renter agrees to remove such person or agent from operations arising out of this Agreement. Determination by District Management regarding these matters shall be final.
- 17.6** Renter agrees that it, and its agents, servants, and employees, in the performance of this Agreement, acts in an independent capacity and not as an agent, officer, servant, or employee of District. In no way does this Agreement create a partnership, joint venture, principal-agent or such similar relationships between the parties.
- 17.7** Nothing contained in this Agreement or otherwise, shall create any contractual relation between District and any subcontractors of Renter, and no subcontract shall relieve the Renter of his/her responsibilities and obligations hereunder. The Renter agrees to be as fully responsible to District for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Renter. The Renter's obligation to pay its subcontractors is an independent obligation. As a result, District shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
- 17.8** No alteration, modification, and/or amendment of this Agreement, or any of its terms and conditions shall be valid unless made in writing and signed by all of the parties to this Agreement.
- 17.9** This Agreement is being made and delivered and is intended to be performed in the State of California and the execution, validity, construction, and performance of this Agreement shall be construed and enforced in accordance with the laws of California. This Agreement shall be deemed made, entered into, and performed in San Diego County, which shall be the exclusive venue for any action relating to this Agreement.
- 17.10** Time is of the essence of each, every, and all of the provisions of this Agreement.

**17.11** This is an integrated Agreement. The terms of this Agreement are contractual, and not merely a recital. Except as otherwise expressly provided in this Agreement, this Agreement supersedes all prior representations and agreements, if any, between the Parties or their legal counsel regarding its subject matter

**18. Exhibits**

**18.1** The following exhibits are attached herewith and made part of this Agreement:

- Standard Contract Terms and Conditions – Exhibit A
- Rules and Regulations – Exhibit B
- Insurance Requirements – Exhibit C
- Preventing Storm Water Pollution – Exhibit D

**19. This Agreement is of no force or effect until duly accepted and signed by both parties**

IN WITNESS WHEREOF, this agreement has been executed in duplicate, by and on behalf of the parties hereto.

22<sup>nd</sup> District Agricultural Association  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014

BY: \_\_\_\_\_

NAME/TITLE: Carlene Moore, Chief Executive Officer

Noonan Family Swim School, Inc.  
P.O. Box 285  
Del Mar, CA 92014

BY: \_\_\_\_\_

NAME/TITLE: Jeff Noonan, President, Or Monica Noonan, VP



## RENTAL AGREEMENT

This Rental Agreement ("Agreement") is made and entered into effective January 1, 2024, by and between the 22<sup>nd</sup> District Agricultural Association, a California state institution ("District") and **Worldwide Golf Shops LLC.**, a ("Renter"). Renter and District are collectively referred to herein as "Parties."

Renter desires to rent from District the **Retail shop located in the Surf & Turf facility, east of Jimmy Durante Blvd., on the Del Mar Fairgrounds, with an address at 1555 Jimmy Durante Blvd., Del Mar, CA 92014 ("Premises").**

THEREFORE, in consideration of the mutual promises in this Agreement and for other good and valuable consideration, District and Renter agree as follows:

### 1. Term

- 1.1 District hereby rents Premises to Renter, and Renter expressly agrees to rent Premises from District, for a "Term" **beginning on January 1, 2024, and ending December 31, 2024.**
- 1.2 During the Term of this Agreement, District at its sole discretion also has the right to cancel this agreement, without penalty for monetary cause and/or delinquent rent, at any time on thirty (30) days written notice to the Renter.

### 2. Rental Payments

#### 2.1 Payments

- 2.1.1 **Renter shall pay an amount equal to 6.0 % (six percent) of the gross monthly revenue at Premises up to \$2,000,000.00 (two million dollars) annually and shall pay an additional 0.50% (one half percent) for all sales above that figure (the "rent" or "rental payment").**
- 2.1.2 Rent owed to Association shall be due by the 1st (first) of each month with a profit & loss statement(s) and balance sheet(s). This shall include the preceding month's detailed revenue and operating expenses. The association shall send separate invoices for any additional charges or adjustments. **An annual financial statement of Renter's operations at Premises, prepared by Renter and audited by Certified Public Accountants selected by Renter and approved by District, must be submitted to Association no later than one-hundred twenty (120) calendar days after the end of fiscal year (January through December). The annual audit report shall be prepared compliance with Generally Accepted Accounting Principles (GAAP) If, due to Renter's discrepancies or failure to comply with any financial reporting**

**procedures, additional audit procedures are deemed necessary by the District at anytime, the additional audit expenses shall be borne solely by the Renter.**

2.1.3 The above rental fees include water, sewer, utilities, and maintenance of landscaping

2.2 Late Fees. Rent shall be due on the 1st (first) of each month and considered delinquent on the 5<sup>th</sup> (fifth) of that month. Renter acknowledges that late payment by Renter of any rent will cause District to incur costs not contemplated by this Agreement, the exact amount of which are extremely difficult and impracticable to ascertain based on the facts and circumstances existing on the effective date of this Agreement. Accordingly, if any rent is not paid by Renter when due, a late charge equal to five percent (5%) of such rent shall be due, and such late fee shall be considered additional rent. The parties acknowledge that such late charge represents a fair and reasonable estimate of the costs and losses District will incur by reason of a late rent payment by Renter, but District's acceptance of such late charge shall not constitute a waiver of Renter's default with respect to such rent or prevent District from exercising any other rights and remedies provided under this Agreement, at law or in equity.

2.3 Each rent payment shall be paid to District, Attention: Accounting Department, 2260 Jimmy Durante Blvd, Del Mar, CA 92014, or at such other place designated by written notice from District to Renter.

2.4 The rent amount for any partial calendar months included in the Term shall be prorated on a daily basis.

2.5 If rent or any other moneys due to District is delinquent, District shall have the right to audit and monitor any and all of Renter's sales and accounting records. Renter agrees to and shall maintain all accounting records regarding its operation in accordance with generally accepted accounting principles. Renter shall keep full and accurate records of all of its operations including, but not limited to:

2.5.1 daily and monthly sales reports by source of revenue;

2.5.2 current monthly profit and loss statements, and balance sheet;

2.5.3 annual operating sales, costs, and budgets

2.5.4 semi-annual equipment rental and inventory sales items

3. **Uses**

3.1 Renter's use of the Premises shall be limited to the use and operation of **Worldwide Golf Shop** at the Premises. Renter expressly agrees that its use of the Premises creates no property right to or interest in the real property being used, either by way of occupancy, possession, or otherwise.

3.2 Renter acknowledges and agrees that the District hosts numerous events on District properties on a year-round basis, with the concomitant presence of

thousands of producers, vendors, patrons, customers, and guests.

- 3.3** All visitors and staff of the Worldwide Golf Shop must park in the main parking area of the Surf & Turf Recreation Center. Renter shall coordinate with District Public Safety Department for ingress/egress during all scheduled events held on District property as the presence of other events can impact parking availability. District agrees to work in good faith to provide as many parking spaces for Renter's customers as possible.
- 3.4** Renter understands and agrees that this is a nonexclusive Agreement. The 22<sup>nd</sup> DAA may lease or rent 22<sup>nd</sup> DAA property, other than Premises, to other Renters for services or merchandising of a similar or identical nature
- 3.5** Renter's use as permitted by this Agreement shall be for no other purpose or purposes whatsoever. 22<sup>nd</sup> DAA reserves the right to reject any merchandise deemed inappropriate for retail golf shop intended to be sold.
- 3.6** Renter shall not use Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.
- 3.7** This Rental Agreement is subject to all existing and valid contracts, leases, licenses, permits, easements, encumbrances, and 22<sup>nd</sup> DAA policies which may affect said premises.
- 3.8** The District is designated as an emergency evacuation site in the event of a natural disaster or other emergency that may be declared by federal, state, county, city, or local authorities. In the event of such a declaration, and at the request of the District, Renter will be required to vacate Premises entirely, including all of Renter's goods, merchandise, equipment, and other property required for Renter's operations on Premises until the conclusion or resolution of the situation requiring such vacation of Premises.

#### **4. No Subletting or Assignment**

- 4.1** Renter expressly agrees it has no real property rights under this Agreement. As a result, Renter shall not attempt to assign, mortgage, encumber, sublet, license, or sublicense Premises or any part thereof and any such purported transfer shall be void. If any prohibited transfer occurs, Renter shall not be relieved of its obligation to perform all obligations under this Agreement and any purported transferee shall also be subject to the same terms and conditions of this Agreement. Further, the acceptance of payment by District from any other person shall not be deemed a waiver by District of any provisions of this Agreement or consent of any assignment, mortgage, encumbrance, license, sublet, or sublicense or other transfer.
- 4.2** Notwithstanding any provision of this Agreement, this Agreement shall not be assigned or assignable by operation of law and in no event shall this

Agreement be an asset of the Renter in any receivership, bankruptcy, insolvency or reorganization proceeding.

## 5. Maintenance, Alterations, and Improvements

- 5.1 Renter shall be responsible for maintaining the shop area in clean and orderly condition.
- 5.2 Renter is responsible for repairs and maintenance to doors, air conditioner, and any other equipment/appliances/hardware that are located on Premises and used singly by Renter. Renter is not responsible for any equipment/appliances/hardware that are joint Renter use such as bathrooms, water heater, etc.
- 5.3 Renter accepts Premises “as-is” and in the condition as of the effective date of this Agreement. District has made no representation or warranty that Premises is now or in the future will be suitable for Renter’s use. Renter has made its own investigation regarding condition and ability for use. Upon the expiration of the term of this Agreement, Renter will return Premises to District in the same condition, normal wear and tear excepted.
- 5.4 Renter may not make any physical changes, alterations, modifications, developments or improvements whatsoever to Premises without the prior written consent of District, which District may grant or withhold in its sole exclusive discretion; and, may not modify, paint, alter, change or install locks, equipment, screws, fastening devices, signs, displays, or other exhibits, on or in any portion of Premises or occupied space, without the prior written consent of District which District may grant or withhold in its sole exclusive discretion.
- 5.5 Any and all physical changes, alterations, modifications, developments, or improvements to Premises shall be at Renter’s sole cost and expense and shall become District property, and Renter will not be entitled to any payment or compensation. Renter shall permit no waste, damage, or injury to Premises.
- 5.6 ***NOTICE:*** *The California Coastal Commission (CCC) has jurisdiction over all developments and improvements to District property. In addition, the San Diego Regional Water Quality Control Board (Regional Board) is the State agency responsible for ensuring compliance with the Clean Water Act and District is required to comply with the California Environmental Quality Act (CEQA). Significant fines and penalties are assessed by the CCC for violations to the Coastal Act and by the Regional Board for violations of the Clean Water Act. Additionally, several Federal, State, and local agencies retain permit authority over portions of the grounds and are authorized to assess fines and penalties for violations of their respective rules and regulations. Any and all fines, fees, attorney’s fees, costs of suit (administrative and/or judicial) incurred by District as a direct or indirect result of physical changes, alterations, modifications, developments or improvements by Renter to Premises that are not authorized in writing by the CCC or District, that violate the Clean Water Act or violate the rules and/or regulations of other Federal, State, and local agencies with permit authority on the grounds will be the sole and exclusive responsibility of the Renter. In addition, any and all costs and expenses to repair or remediate the*

*condition giving rise to the violations will be the sole and exclusive responsibility of the Renter.* Strict adherence to the above requirements is mandatory. Any violation of this shall, in the sole and exclusive discretion of District, be considered a material breach of this Agreement and constitute grounds for immediate termination of this Agreement.

5.7 District, at its sole cost and expense, has the right, from time to time during the Term to improve Premises and change Renter's occupied space in a manner consistent with the purposes of this Agreement. District's exercise of this right shall not relieve Renter of the obligation of complying with any and all terms and conditions of this Agreement.

## 6 **Personal Property**

6.1 Renter shall be solely responsible for paying all personal property taxes with respect to Renter's personal property at Premises.

6.2 District will have no liability or responsibility for the personal property of Renter, and that any personal property is placed, kept, or stored on Premises at the sole risk of the Renter.

6.3 Renter shall pay any and all taxes of whatever character that may be levied or charged upon Premises, or upon the Renter's improvements, fixtures, equipment, or other property thereon or upon the Renter's use thereof.

## 7 **Insurance – See Exhibit C Insurance Requirements**

## 8. **Indemnity**

8.1 To the fullest extent permitted by law, Renter shall defend, indemnify, and hold harmless the State of California, the 22nd DAA, and their respective agents, officers, servants, directors, and employees from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorneys' fees, expert fees, and costs of suit), directly, or indirectly, arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage; or, by reason of any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the 22nd DAA. Provided, however, that in no event shall Renter be obligated to defend or indemnify the 22nd DAA with respect to the sole negligence or willful misconduct of the 22nd DAA, its employees, or agents (excluding the Renter herein, or any of Renter's employees or agents.) Renter's obligation to defend, indemnify, and hold the 22nd DAA harmless, and other indemnified persons and entities set forth herein, shall survive the expiration of the Term and any termination of this Agreement and shall not be restricted to insurance proceeds, if any, received by the 22nd DAA.

## 9. **Expenses**

- 9.1 Renter agrees to pay the cost of any additional security and safety personnel or equipment that District deems necessary to ensure the safety of the public and Premises in connection with Renter's operation.
- 9.2 District will have no liability or responsibility for the personal property of Renter, and the loss, theft, damage to, or destruction of any personal property belonging to Renter that is placed, kept, or stored on Premises is at the sole risk of the Renter. In addition, District will have no liability or responsibility for the personal property of the Renter, including storage of Renter's personal property during ANY vacancy period.

10. **Signs**

- 10.1. Renter will not post or allow to be posted on Premises, indoors or outdoors, any signs, banners, cards, or posters, nor flyers or other written material to be distributed on premises without the prior consent and approval of District which shall not be unreasonably withheld. The copy of all printed material to be used to promote Renter's operation shall be accurate in all respects and shall be approval by District prior to dissemination. Such approval shall not be unreasonably withheld. All forms of advertising, marketing, and promotion by Renter must clearly state the Renter is the seller.
- 10.2 Renter shall repair all damage to Premises resulting from the removal of signs installed by Renter.

11. **Entry**

- 11.1 District shall have the right to enter upon Premises at reasonable hours to inspect Premises at any time and from time to time.

12. **Building Rules**

- 12.1 Renter will comply with the Rules and Regulations Governing Rental Space adopted by District and subject to alteration by District from time to time and will cause all of its agents, employees, invitees and visitors to do so. Any and all changes to the Rules and Regulations Governing Rental Space will be provided by District to Renter in writing. The initial Rules and Regulations Governing Rental Space for Premises are attached hereto and incorporated into this Agreement by this reference.

13. **Damage and Destruction**

- 13.1 Subject to the provisions of Section 8 above, if Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Renter's purposes, then Renter shall have the right within thirty (30) days following damage to elect by notice to District to terminate this Agreement as of the date of such damage. In the event of minor damage to any part of Premises, and if such damage does not render Premises unusable for Renter's purposes, District shall promptly repair such damage at the cost of District. In making the repairs called for in this paragraph, District

shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of District. Renter shall be relieved from paying rent and other charges during any portion of the Term that Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Renter's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Renter. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Renter's reasonable control and which renders Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Renter's purposes.

#### **14. Compliance with Law**

- 14.1** Renter shall comply with all laws, orders, ordinances, regulations, and other public and/or governmental codes and requirements now or hereafter pertaining to Renter's use of Premises.
- 14.2** Renter will be required to obtain any and all licenses and permits that may be required by the United States of America, the State of California, the County of San Diego and/or the City of Del Mar for the use of Premises and Renter's operations. Each license and permit shall remain in full force and effect for the duration of this Agreement, including any extension of this Agreement.
- 14.3** Renter will not sell, exchange or barter, or permit Renter's employees to sell, exchange or barter, any permits issued to Renter or his employees hereunder.
- 14.4** In the event of any violation by Renter, District shall have the option, in its sole and exclusive discretion, to declare such violation to constitute a non-curable material breach of this Agreement.
- 14.5** All safety orders of any governmental agency of competent jurisdiction, including, but not limited to, the State Fire Marshal, the California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) must be strictly observed.

#### **15. Prohibitions**

- 15.1** Renter shall protect the public use from any natural or artificial hazards on Premises or from Renter's operation on Premises. Renter shall be solely responsible to maintain the facility and Renter's operation on premises suitable for public use, at all times, including maintaining Premises in a good and orderly condition. Renter shall not admit more persons than can safely and freely move about Premises; and in no event shall Renter admit more persons than permitted under any code, statute, law, ordinance, regulation, or order of any governmental agency of competent jurisdiction, including, but not limited to, the State Fire Marshall.

- 15.2** Renter shall not permit consumption of alcoholic beverages on Premises unless approved by District Management for events; and no tobacco, or e-cigarette items are permitted to be sold or used on premises.
- 15.3** Retail sales, catering or sale of any food and beverage items, including vending machines are not permitted at any time unless authorized by District in advance.
- 15.4** The Renter shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about Premises, by the Renter, its agents, employees, contractors or invitees in a matter or for a purpose prohibited by any governmental agency or authority. If the presence of any Hazardous Material on Premises caused or permitted by the Renter prior to or during the term of this Agreement results in any contamination of Premises, the Renter shall promptly take all actions at its sole expense as are necessary to return Premises to the condition existing prior to the introduction of any such Hazardous Material to Premises, provided that District's consent to such action shall first be obtained.

Definition of "Hazardous Material". As used in this Agreement, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Division 20, Chapter 6.5, of the California Health and Safety Code ("Hazardous Waste Control") or listed pursuant to Health and Safety Code section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 2, Chapter 6.8 (Carpenter-Presly-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance" or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) defined as "Extremely Hazardous Material", "Extremely Hazardous Waste", "Hazardous Constituent", "Hazardous debris", "Hazardous Material" or "Hazardous Waste" under California Code of Regulations, title or any related Appendix thereto, (viii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), (ix) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. § 6903), or (x) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601, et seq. (42 U.S.C. Section 9601).

- 15.5** Renter will comply with all fire regulations as prescribed by the State Fire Marshall.
- 15.6** Renter agrees to follow storm water pollution prevention requirements described in Exhibit D, Preventing Storm Water Pollution.
- 15.7** The mass release of helium balloons is strictly prohibited.



**15.8** Renter will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is or has been granted or sold by District. Renter will not engage in any other business whatsoever upon or within Premises or the Del Mar Fairgrounds not within the scope of this Agreement; including, but not limited to, sponsorships, merchandise, and other marketing related items.

## **16. Termination**

### **16.1 Termination for Convenience**

During the term of this rental agreement, either party at its sole discretion has the right to cancel this agreement, without penalty or cause, at any time on thirty (30) days' written notice to the renter.

If by any reason either party is unable to perform their obligations in connection with this Agreement, as a result of any Act of God, war, epidemic, accident, fire, public emergency, strike, lock-out, riot, civil disturbance, act of public enemy, law enactment, rule, restraint, order, or act of any governmental instrumentality or military authority, failure of technical facilities, failure, explosion, destruction of District property, or other buildings or facilities on District's fairgrounds property or other cause not reasonably within each party's control and which renders such party's obligations under this Agreement impossible, infeasible, or unsafe in any way or any event then, That party may cancel this agreement in its entirety effective immediately upon notice and neither party shall have any further liabilities and/or obligations in connection therewith.

### **16.2 Termination for Renter Default**

In the event Renter defaults in any of the requirements, or fails to perform any material obligation or condition of this Agreement, District shall notify Renter of such default in writing. Such notice shall be deemed delivered upon presentation to Renter. A copy of such notice shall also be sent to Renter via certified mail.

**16.2.1** If the default is with respect to any payment required to be made by Renter, Renter shall correct such default within five (5) calendar days of receipt of notice of default from District. If the default is of a non-monetary nature, Renter shall cure the conditions creating such default within five (5) calendar days of receipt of notice of default. In the event Renter fails to cure within the time specified, District shall have all rights accorded by law, including the right to terminate this Agreement upon thirty (30) calendar days written notice. Any termination shall not release Renter from paying all sums due to District or from claims accruing prior to termination.

**16.2.2** Failure on the part of District to promptly notify Renter of default in accordance with this section shall not be deemed a waiver by District of District's rights on default of Renter or such default at a subsequent time.

### **16.3 Other Bases for Termination**

**16.3.1** In the event a decree or order by a court having jurisdiction shall be issued a) adjudging Renter bankrupt or insolvent; b) approving as properly filed a petition seeking reorganization of Renter under any section of the Federal Bankruptcy Code, as amended; c) ordering or approving the winding up or

liquidation of Renter's affairs; d) appointing a receiver, liquidator or trustee in bankruptcy for Renter its property; e) if Renter shall institute proceedings to be adjudicated a voluntary bankrupt, shall consent to the filing of any bankruptcy or insolvency proceedings against it; f) if Renter shall file a petition or seek reorganization under any state insolvency law, or shall admit in writing its inability to pay its debts generally as they become due, or take any action in furtherance of any of the aforesaid purposes; g) if Renter shall abandon the agreement; or h) if a court shall have finally determined that Renter has discriminated on account of color, race, religion, ancestry, national origin, or sex; h) violation of Paragraph Section 15 above: District may, in its sole and exclusive discretion, terminate this Agreement and all rights of Renter under this Agreement, upon thirty (30) calendar days' written notice.

#### **16.4 Post Termination Obligations**

**16.4.1** In the event that this Agreement is terminated upon Renter's default District shall assume control of Premises and all equipment installed on or at Premises and District may continue to operate the same, to the extent permitted by law, until satisfactory arrangements are reached with Renter concerning the default, or until District enters into an agreement with another renter.

**16.4.2** During the period of operation by District, District shall be entitled to use all fixtures, equipment, supplies and inventory of Renter on hand at Premises and Renter shall not be entitled to any monies and/or other compensation directly or indirectly received from such operations.

#### **16.5 Non-Waiver**

**16.5.1** The failure to District to enforce any of its rights or remedies upon the default, breach or non-observances by Renter at the time or times in respect of any covenant, proviso or condition herein contained shall not, under any circumstances, operate as a waiver of District's rights hereunder in respect to any continuing or subsequent default, breach or non-observance, or operate so as to defeat or affect in any way the rights of District in respect of any such continuing or subsequent default or breach and no waiver shall be inferred from or implied by anything done or omitted by District; excepting only an express written waiver signed by the Chief Executive Officer or the Chair of the Board of Directors of District. All rights and remedies of District in this Agreement contained shall be cumulative and not alternative.

### **17. General Provisions**

**17.1 Notice** Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, or by overnight delivery service, addressed as follows:

If to the 22<sup>nd</sup> District Agricultural Association:  
22<sup>ND</sup> District Agricultural Association

Attention: CEO  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014

If to Renter:

Worldwide Golf Shops LLC  
Al Morris, CEO  
1430 South Village Way, Suite J  
Santa Ana, CA 92705

With a copy to:

Worldwide Golf Shops LLC  
4350 East West Highway, Suite 950  
Bethesda, MD 20814  
Attn: Legal Department

With an email copy to: [legal@worldwidegolfshops.com](mailto:legal@worldwidegolfshops.com)

Notice shall be deemed duly given, if (1) physically received; (2) the day on which the same has been delivered prepaid (or on an invoice basis) to a reputable national overnight delivery service; or (3) the day on which the same is delivered or delivery is first refused, if sent by first class certified or registered mail with return receipt requested.

- 17.2** Waiver Failure of District to insist in any one or more instances upon the observance and/or performance of any of these rules and regulations shall not constitute a waiver of any subsequent breach of any such rules and regulations. No waiver of any default by the Renter shall be implied from any omission by District to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by District shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.
- 17.3** Headings The headings used in this Agreement are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Agreement.
- 17.4** Successors Subject to the provisions of this Agreement prohibiting the assignment or transfer of this Agreement, the provisions of this Agreement, shall extend to and be binding upon District and Renter and their respective legal representatives, successors and assigns.
- 17.5** Employees Renter or Renter's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Renter's employee shall be prominently displayed at all times. Renter further understands and agrees District Management, at its sole discretion, may determine that a person or agent utilized by Renter in its operations under this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to

District, if it is determined that such appearance, conduct, or demeanor is detrimental to District operations. Renter agrees to remove such person or agent from operations arising out of this Agreement. Determination by District Management regarding these matters shall be final.

- 17.6** Renter agrees that it, and its agents, servants, and employees, in the performance of this Agreement, acts in an independent capacity and not as an agent, officer, servant, or employee of District. In no way does this Agreement create a partnership, joint venture, principal-agent or such similar relationships between the parties.
- 17.7** Nothing contained in this Agreement or otherwise, shall create any contractual relation between District and any subcontractors of Renter, and no subcontract shall relieve the Renter of his/her responsibilities and obligations hereunder. The Renter agrees to be as fully responsible to District for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Renter. The Renter's obligation to pay its subcontractors is an independent obligation. As a result, District shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
- 17.8** No alteration, modification, and/or amendment of this Agreement, or any of its terms and conditions shall be valid unless made in writing and signed by all of the parties to this Agreement.
- 17.9** This Agreement is being made and delivered and is intended to be performed in the State of California and the execution, validity, construction, and performance of this Agreement shall be construed and enforced in accordance with the laws of California. This Agreement shall be deemed made, entered into, and performed in San Diego County, which shall be the exclusive venue for any action relating to this Agreement.
- 17.10** Time is of the essence of each, every, and all of the provisions of this Agreement.
- 17.11** This is an integrated Agreement. The terms of this Agreement are contractual, and not merely a recital. Except as otherwise expressly provided in this Agreement, this Agreement supersedes all prior representations and agreements, if any, between the Parties or their legal counsel regarding its subject matter

**18. Exhibits**

- 18.1** The following exhibits are attached herewith and made part of this Agreement:

Standard Contract Terms and Conditions – Exhibit A  
Rules and Regulations – Exhibit B  
Insurance Requirements – Exhibit C  
Preventing Storm Water Pollution – Exhibit D

**19. This Agreement is of no force or effect until duly accepted and signed by both parties**

IN WITNESS WHEREOF, this agreement has been executed in duplicate, by and on behalf of the parties hereto.

Worldwide Golf Shops LLC  
1430 South Village Way, Suite J  
Santa Ana, CA 92705

BY: \_\_\_\_\_

NAME/TITLE: Al Morris, CEO

22<sup>nd</sup> District Agricultural Association  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014

BY: \_\_\_\_\_

NAME/TITLE: Carlene Moore, Chief Executive Officer

## RENTAL AGREEMENT

This Rental Agreement ("Agreement") is made and entered into effective November 1, 2022 by and between the 22<sup>nd</sup> District Agricultural Association, a California state institution ("22<sup>nd</sup> DAA") and **Del Mar Volleyball Center a.k.a. Fairgrounds Volleyball Center**, a ("Renter"). Renter and the 22<sup>nd</sup> DAA are collectively referred to herein as "Parties."

Renter desires to rent from the 22<sup>nd</sup> DAA the **Dirt lot, measuring approximately 140' x 90' located at the north-east corner of the Surf & Turf facility, east of Jimmy Durante Blvd., on the Del Mar Fairgrounds ("Premises")**.

THEREFORE, in consideration of the mutual promises in this Agreement and for other good and valuable consideration, the 22<sup>nd</sup> DAA and Renter agree as follows:

### 1. Term

1.1 The 22<sup>nd</sup> DAA hereby rents the Premises to Renter, and Renter expressly agrees to rent the Premises from the 22<sup>nd</sup> DAA, **beginning on January 1, 2024, and ending July 31, 2024.**

1.2 During the Term of this Agreement, the 22<sup>nd</sup> DAA at its sole discretion also has the right to cancel this agreement, without penalty for monetary cause and/or delinquent rent, at any time on thirty (30) days written notice to Renter.

### 2. Rental Payments

#### 2.1 Monthly Rental Payments

2.1.1 Commencing January 1, 2024, rent of **\$4,048.00** (Four Thousand Forty-Eight dollars) per month shall be due on the first (1st) day of each month. The 22<sup>nd</sup> DAA reserves the right to adjust the monthly rent upon thirty (30) days' written notice to Renter.

2.1.2 The above rental fees include water and sewer expenses.

2.1.3 Renter shall be responsible for utilities (gas & electric) and maintenance of the area. If Renter fails to pay any utility bill, the 22<sup>nd</sup> DAA has the right, but not the obligation, to pay the bill for Renter, and all sums expended by the 22<sup>nd</sup> DAA shall be deemed to be additional rent payable to the 22<sup>nd</sup> DAA upon demand.

2.2 Late Fees Rent shall be due on the 1<sup>st</sup> (first) of each month and considered delinquent on the 10<sup>th</sup> (tenth) of that month. Renter acknowledges that late payment by Renter of any rent will cause the District to incur costs not contemplated by this Agreement, the exact amount of which are extremely difficult and impracticable to ascertain based on the facts and circumstances existing on the effective date of this Agreement. Accordingly, if any rent is not paid by Renter when due, a late charge equal to five percent (5%) of such

rent shall be due, and such late fee shall be considered additional rent. The parties acknowledge that such late charge represents a fair and reasonable estimate of the costs and losses the District will incur by reason of a late rent payment by Renter, but the District's acceptance of such late charge shall not constitute a waiver of Renter's default with respect to such rent or prevent the District from exercising any other rights and remedies provided under this Agreement, at law or in equity.

**2.3** Each rent payment shall be paid to the 22<sup>nd</sup> DAA, Attention: Accounting Department, 2260 Jimmy Durante Blvd, Del Mar, CA 92014, or at such other place designated by written notice from the 22<sup>nd</sup> DAA to Renter.

**2.4** The rent amount for any partial calendar months included in the Term shall be prorated on a daily basis.

**2.5** If rent or any other moneys due to the 22<sup>nd</sup> DAA is delinquent, the 22<sup>nd</sup> DAA shall have the right to audit and monitor any and all of Renter's sales and accounting records. Renter agrees to and shall maintain all accounting records regarding its operation in accordance with generally accepted accounting principles. Renter shall keep full and accurate records of all of its operations including, but not limited to:

**2.5.1** daily and monthly sales reports by source of revenue;

**2.5.2** current monthly profit and loss statements, and balance sheet;

**2.5.3** annual operating sales, costs, and budgets

**2.5.4** semi-annual equipment rental and inventory sales items

### **3. Uses**

**3.1** Renter's use of the Premises shall be limited to the use and operation of **Volleyball club activities** at the Premises. Renter expressly agrees that its use of the Premises creates no property right to or interest in the real property being used, either by way of occupancy, possession, or otherwise.

**3.2** All visitors and staff of Renter must park in the main parking area of the Surf & Turf facility. Parking for the Volleyball Center must not interfere with the tennis facility.

**3.3** Renter's use as permitted by this Agreement shall be for no other purpose or purposes whatsoever. 22<sup>nd</sup> DAA reserves the right to approve any merchandise intended to be sold.

**3.4** Renter understands and agrees that this is a nonexclusive Agreement. 22<sup>nd</sup> DAA may lease or rent 22<sup>nd</sup> DAA property to other Renters for services or merchandising of a similar or identical nature.

**3.5** Renter shall not use the Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.

**3.6** This Rental Agreement is subject to all existing and valid contracts, leases, licenses, permits, easements, encumbrances, and 22<sup>nd</sup> DAA policies which may affect said Premises and Del Mar Fairgrounds.

**3.7** 22<sup>nd</sup> DAA is designated as an emergency evacuation site in the event of a natural disaster or other emergency that may be declared by federal, state, county, city, or local authorities. In the event of such a declaration, and at the request of 22<sup>nd</sup> DAA, Renter will be required to vacate the Premises entirely, including removal of all of Renter's goods, merchandise, equipment, and other property required for Renter's operations on the Premises until the conclusion or resolution of the situation requiring such vacation of the Premises.

**3.8** Renter acknowledges and agrees that 22<sup>nd</sup> DAA hosts numerous events at the Del Mar Fairgrounds on a year-round basis, with the concomitant presence of thousands of producers, vendors, patrons, customers, and guests. Renter agrees to coordinate with 22<sup>nd</sup> DAA's Public Safety Director for ingress/egress during all interim events. Because the presence of other interim events can impact parking availability, 22<sup>nd</sup> DAA agrees to work in good faith to provide as many parking spaces for Renter's customers as possible.

#### **4. Subletting or Assignment**

**4.1** Renter expressly agrees it has no real property rights under this Agreement. As a result, Renter shall not attempt to assign, mortgage, encumber, sublet, license, or sublicense the Premises or any part thereof and any such purported transfer shall be void. If any prohibited transfer occurs, Renter shall not be relieved of its obligation to perform all obligations under this Agreement and any purported transferee shall also be subject to the same terms and conditions of this Agreement. Further, the acceptance of payment by 22<sup>nd</sup> DAA from any other person shall not be deemed a waiver by 22<sup>nd</sup> DAA of any provisions of this Agreement or consent of any assignment, mortgage, encumbrance, license, sublet, or sublicense or other transfer.

**4.2** Notwithstanding any provision of this Agreement, this Agreement shall not be assigned or assignable by operation of law and in no event shall this Agreement be an asset of Renter in any receivership, bankruptcy, insolvency or reorganization proceeding.

**4.3** Renter may not sublease all or any part of the Premises without 22<sup>nd</sup> DAA's consent, which 22<sup>nd</sup> DAA may grant or withhold in its sole and exclusive discretion. During this limited rental term, Renter has consent to sublet all or a portion of the Premises to Wave Volleyball Club exclusively.

#### **5. Maintenance, Alterations, and Improvements**

**5.1** Renter shall maintain/provide the following, upon Association's prior authorization and approval, at Renter's sole expense, in accordance with all Federal, State, and local rules, laws, and regulations:

- a. Improved site with grading, base and asphalt (to remain after agreement termination)
- b. Free-standing sport tent, with sport court, nets, poles and partition curtains
- c. Lights at the entrance, and sub-panel for all power needs of the facility.
- d. Walkway to the Hilton parking area.

**5.2** Renter accepts the Premises "as-is" and in the condition as of the effective date of this Agreement. Upon the expiration of the term of this Agreement, Renter will return the Premises to 22<sup>nd</sup> DAA in the same condition, normal wear and tear excepted.



**5.3** Renter may not make any physical changes, alterations, modifications, developments or improvements whatsoever to the Premises; and, may not modify, paint, alter, change or install locks, equipment, screws, fastening devices, signs, displays, or other exhibits, on or in any portion of the premises or occupied space, without the prior written consent of 22<sup>nd</sup> DAA which 22<sup>nd</sup> DAA may grant or withhold in its sole exclusive discretion.

**5.4** Any and all physical changes, alterations, modifications, developments or improvements to the Premises shall be at Renter's sole cost and expense, and shall become 22<sup>nd</sup> DAA's property, and Renter will not be entitled to any payment or compensation. Renter shall permit no waste, damage, or injury to the Premises.

**5.5** **NOTICE:** *The California Coastal Commission (CCC) has jurisdiction over all developments and improvements to 22<sup>nd</sup> DAA property. In addition, the San Diego Regional Water Quality Control Board (Regional Board) is the State agency responsible for ensuring compliance with the Clean Water Act. Significant fines and penalties are assessed by the CCC for violations to the Coastal Act and by the Regional Board for violations of the Clean Water Act. Additionally, several Federal, State, and local agencies retain permit authority over portions of the grounds and are authorized to assess fines and penalties for violations of their respective rules and regulations. Any and all fines, fees, attorney's fees, costs of suit (administrative and/or judicial) incurred by 22<sup>nd</sup> DAA as a direct or indirect result of physical changes, alterations, modifications, developments or improvements by Renter to the Premises that are not authorized in writing by the CCC or 22<sup>nd</sup> DAA, that violate the Clean Water Act or violate the rules and/or regulations of other Federal, State, and local agencies with permit authority on the grounds will be the sole and exclusive responsibility of Renter. In addition, any and all costs and expenses to repair or remediate the condition giving rise to the violations will be the sole and exclusive responsibility of Renter. Strict adherence to the above requirements are mandatory. Any violation of this shall, in the sole and exclusive discretion of 22<sup>nd</sup> DAA, be considered a material breach of this Agreement and constitute grounds for immediate termination of this Agreement.*

**5.6** 22<sup>nd</sup> DAA, at its sole cost and expense, has the right, from time to time during the Term to improve the Premises and change Renter's occupied space in a manner consistent with the purposes of this Agreement. 22<sup>nd</sup> DAA's exercise of this right shall not relieve Renter of the obligation of complying with any and all terms and conditions of this Agreement.

## **6. Personal Property**

**6.1** Renter shall be solely responsible for paying all personal property taxes with respect to Renter's personal property at the Premises.

**6.2** 22<sup>nd</sup> DAA will have no liability or responsibility for the personal property of Renter, and that any personal property is placed, kept, or stored on the premises at the sole risk of Renter.

**6.3** Renter shall pay any and all taxes of whatever character that may be levied or charged upon the Premises, or upon Renter's improvements, fixtures, equipment, or other property thereon or upon Renter's use thereof.

**6.4** During the Term of this Agreement Renter shall not remove from the facility the free-standing sport tent, sport court, nets, poles or partition curtains.

**6.5** Renter shall remove all personal property, including the free-standing sport tent, sport

court, nets, poles and partition by August 15, 2024. Should Renter need additional time to remove the property, Renter may request and 22nd DAA, in its sole and absolute discretion, may or may not grant to Renter.

## **7. Insurance – See Exhibit C Insurance Requirements**

### **7.1 Participant Release and Waiver of Liability**

**7.4.1** For Renter's operation of sporting events and instruction, Renter agrees to obtain from each participant a properly executed Release and Waiver of Liability Agreement ("Release and Waiver"). The Release and Waiver shall release 22<sup>nd</sup> DAA and the State of California and their respective agents, servants, employees, directors and officers from any and all liability arising out of each individual's participation in Renter's sponsored activities. Each such Release and Waiver shall be fully executed by each participant and/or participant's legal guardian, prior to participation. Renter agrees to contact the 22<sup>nd</sup> DAA's Contracts Department, (858) 792-4263 for further information.

### **7.2 Waiver of Subrogation**

**7.2.1** Renter, its agents, employees and insurer(s), hereby release 22<sup>nd</sup> DAA and the San Diego County Fair, their agents and assigns from any and all liability or responsibility including anyone claiming through or under them by way of subrogation or otherwise for any loss or damage which Renter, as its agent or insurers may sustain incidental to or in any way related to Renter's operation under this Agreement.

### **7.3 Failure to Maintain Insurance**

**7.3.1** If at any time during the term of this Agreement, Renter fails to maintain any of the insurance requirements, 22<sup>nd</sup> DAA may, at 22<sup>nd</sup> DAA's option and in addition to all other remedies available, do one of the following: (1) declare a material breach of this Agreement by Renter and terminate the Agreement; (2) order all Renter operations to be discontinued immediately until notice is received by 22<sup>nd</sup> DAA that such insurance requirements have been restored or replaced in full force and effect that the premiums therefore have been paid to cover a period of time satisfactory to 22<sup>nd</sup> DAA; or (3) obtain such insurance and add premiums due for same from any sums due or which become due to 22<sup>nd</sup> DAA under this Agreement. No action taken by 22<sup>nd</sup> DAA pursuant to this paragraph shall in any way relieve Renter of its responsibilities under this Agreement.

## **8. Indemnity**

**8.1** To the fullest extent permitted by law, Renter shall defend, indemnify, and hold harmless the State of California, 22<sup>nd</sup> DAA, and their respective agents, officers, servants, directors, and employees from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorneys' fees, expert fees, and costs of suit), directly, or indirectly, arising from, or in any way

related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage; or, by reason of any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of 22<sup>nd</sup> DAA. Provided, however, that in no event shall Renter be obligated to defend or indemnify 22<sup>nd</sup> DAA with respect to the sole negligence or willful misconduct of 22<sup>nd</sup> DAA, its employees, or agents (excluding Renter herein, or any of Renter's employees or agents). Renter's obligation to defend, indemnify, and hold 22<sup>nd</sup> DAA harmless, and other indemnified persons and entities set forth herein, shall survive the expiration of the Term and any termination of this Agreement and shall not be restricted to insurance proceeds, if any, received by 22<sup>nd</sup> DAA.

## **9. Utilities and Expenses**

**9.1** Renter will assume and pay when due all charges for gas, electricity, heat, power, telephone, and other services and utilities, with the exception of water and sewer, used by Renter on the Premises during the term of this Agreement accruing or payable in connection with its occupation of and operation of the Premises or any party thereof, including deposits, connection fees, or charges in meter rentals required by the supplier of any utility service.

**9.2** Renter agrees to pay the cost of any additional security and safety personnel or equipment that 22<sup>nd</sup> DAA deems necessary to ensure the safety of the public and the premises in connection with Renter's operation.

**9.3** 22<sup>nd</sup> DAA will have no liability or responsibility for the personal property of Renter, and the loss, theft, damage to, or destruction of any personal property belonging to Renter that is placed, kept, or stored on the premises is at the sole risk of Renter. In addition, 22<sup>nd</sup> DAA will have no liability or responsibility for the personal property of Renter, including storage of Renter's personal property during ANY vacancy period.

## **10. Signs**

**10.1.** Renter will not post or allow to be posted on the premises, indoors or outdoors, any signs, banners, cards, or posters, nor flyers or other written material to be distributed on premises without the prior consent and approval of 22<sup>nd</sup> DAA which shall not be unreasonably withheld. The copy of all printed material to be used to promote Renter's operation shall be accurate in all respects and shall be approval by 22<sup>nd</sup> DAA prior to dissemination. Such approval shall not be unreasonably withheld. All forms of advertising, marketing, and promotion by Renter must clearly state Renter is the seller.

**10.2** Renter shall repair all damage to the Premises resulting from the removal of signs installed by Renter.

## **11. Entry**

**11.1** 22<sup>nd</sup> DAA shall have the right to enter upon the Premises at reasonable hours to inspect the Premises at any time and from time to time.

## **12. Building Rules**

**12.1** Renter will comply with the Rules and Regulations Governing Rental Space adopted by 22<sup>nd</sup> DAA and subject to alteration by 22<sup>nd</sup> DAA from time to time and will cause all of its agents, employees, invitees and visitors to do so. Any and all changes to the Rules and Regulations Governing Rental Space will be provided by 22<sup>nd</sup> DAA to Renter in writing. The initial Rules and Regulations Governing Rental Space for the Premises are attached hereto and incorporated into this Agreement by this reference.

### **13. Damage and Destruction**

**13.1** Subject to the provisions of Section 8 above, if the Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Renter's purposes, then Renter shall have the right within thirty (30) days following damage to elect by notice to 22<sup>nd</sup> DAA to terminate this Agreement as of the date of such damage. In the event of minor damage to any part of the Premises, and if such damage does not render the Premises unusable for Renter's purposes, 22<sup>nd</sup> DAA shall promptly repair such damage at the cost of 22<sup>nd</sup> DAA. In making the repairs called for in this paragraph, 22<sup>nd</sup> DAA shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of 22<sup>nd</sup> DAA. Renter shall be relieved from paying rent and other charges during any portion of the Term that the Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Renter's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Renter. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Renter's reasonable control and which renders the Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Renter's purposes.

### **14. Compliance with Law**

**14.1** Renter shall comply with all laws, orders, ordinances, regulations, and other public and/or governmental codes and requirements now or hereafter pertaining to Renter's use of the Premises.

**14.2** Renter will be required to obtain any and all licenses and permits that may be required by the United States of America, the State of California, the County of San Diego and/or the City of Del Mar for the use of the Premises and Renter's operations. Each license and permit shall remain in full force and effect for the duration of this Agreement, including any extension of this Agreement.

**14.3** Renter will not sell, exchange or barter, or permit Renter's employees to sell, exchange or barter, any permits issued to Renter or his employees hereunder.

**14.4** In the event of any violation by Renter, 22<sup>nd</sup> DAA shall have the option, in its sole and exclusive discretion, to declare such violation to constitute a non-curable material breach of this Agreement.

**14.5** All safety orders of any governmental agency of competent jurisdiction, including, but not limited to, the State Fire Marshal, the California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) must be strictly observed.

### **15. Prohibitions**

**15.1** Renter shall protect the public use from any natural or artificial hazards on the premises or from Renter's operation on the premises. Renter shall be solely responsible to maintain the facility and Renter's operation on premises suitable for public use, at all times, including maintaining the premises in a good and orderly condition. Renter shall not admit more persons than can safely and freely move about the premises; and in no event shall Renter admit more persons than permitted under any code, statute, law, ordinance, regulation, or order of any governmental agency of competent jurisdiction, including, but not limited to, the State Fire Marshall.

**15.2** Renter shall not permit consumption of alcoholic beverages on the premises unless approved by 22<sup>nd</sup> DAA Management for events; and no tobacco, or e-cigarette items are permitted to be sold or used on premises.

**15.3** Retail sales, catering or sale of any food and beverage items, including vending machines are not permitted at any time unless authorized by 22<sup>nd</sup> DAA in advance.

**15.4** Renter shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises, by Renter, its agents, employees, contractors or invitees in a matter or for a purpose prohibited by any governmental agency or authority. If the presence of any Hazardous Material on the Premises caused or permitted by Renter prior to or during the term of this Agreement results in any contamination of the Premises, Renter shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises, provided that 22<sup>nd</sup> DAA's consent to such action shall first be obtained.

Definition of "Hazardous Material". As used in this Agreement, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Division 20, Chapter 6.5, of the California Health and Safety Code ("Hazardous Waste Control") or listed to pursuant to Health and Safety Code section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 2, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance" or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) defined as "Extremely Hazardous Material", "Extremely Hazardous Waste", "Hazardous Constituent", "Hazardous debris", "Hazardous Material" or "Hazardous Waste" under California Code of Regulations, title or any related Appendix thereto, (viii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), (ix) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. § 6903), or (x) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601, et seq. (42 U.S.C. Section 9601).

**15.5** Renter will comply with all fire regulations as prescribed by the State Fire Marshall.

**15.6** Renter agrees to follow storm water pollution prevention requirements described in Exhibit D, Preventing Storm Water Pollution.

**15.7** The mass release of helium balloons is strictly prohibited.

**15.8** Renter will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is or has been granted or sold by 22<sup>nd</sup> DAA. Renter will not engage in any other business whatsoever upon or within the Premises or the Del Mar Fairgrounds not within the scope of this Agreement; including, but not limited to, sponsorships, merchandise, and other marketing related items.

## **16. Termination**

### **16.1 Termination for Convenience**

During the term of this rental agreement, 22<sup>nd</sup> DAA at its sole discretion has the right to cancel this agreement, without penalty or cause, at any time on thirty (30) days' written notice to Renter.

If by any reason 22<sup>nd</sup> DAA is unable to perform their obligations in connection with this Agreement, as a result of any Act of God, war, epidemic, accident, fire, public emergency, strike, lock-out, or other labor controversy, riot, civil disturbance, act of public enemy, law enactment, rule, restraint, order, or act of any governmental instrumentality or military authority, failure of technical facilities, failure, delay or reduction of services, explosion, destruction of District property, or other buildings or facilities on the District's fairgrounds property or other cause not reasonably within the District's control and which renders the District's obligations under this Agreement impossible, infeasible, or unsafe in any way or any event then, the District may cancel this agreement in its entirety effective immediately upon notice and neither party shall have any further liabilities and/or obligations in connection therewith.

### **16.2 Termination for Renter Default**

In the event Renter defaults in any of the requirements, or fails to perform any material obligation or condition of this Agreement, 22<sup>nd</sup> DAA shall notify Renter of such default in writing. Such notice shall be deemed delivered upon presentation to Renter. A copy of such notice shall also be sent to Renter via certified mail.

**16.2.1** If the default is with respect to any payment required to be made by Renter, Renter shall correct such default within five (5) calendar days of receipt of notice of default from 22<sup>nd</sup> DAA. If the default is of a non-monetary nature, Renter shall cure the conditions creating such default within five (5) calendar of receipt of notice of default. In the event Renter fails to cure within the time specified, 22<sup>nd</sup> DAA shall have all rights accorded by law, including the right to terminate this Agreement upon thirty (30) calendar days written notice. Any termination shall not release Renter from paying all sums due to 22<sup>nd</sup> DAA or from claims accruing prior to termination.

**16.2.2** Failure on the part of 22<sup>nd</sup> DAA to promptly notify Renter of default in accordance with this section shall not be deemed a waiver by 22<sup>nd</sup> DAA of 22<sup>nd</sup> DAA's rights on default of Renter or such default at a subsequent time.

### **16.3 Other Bases for Termination**

**16.3.1** In the event a decree or order by a court having jurisdiction shall be issued a) adjudging Renter bankrupt or insolvent; b) approving as properly filed a petition seeking reorganization of Renter under any section of the Federal Bankruptcy Code, as amended; c) ordering or approving the winding up or liquidation of Renter's affairs; d) appointing a receiver, liquidator or trustee in bankruptcy for Renter it its property; e) if Renter shall

institute proceedings to be adjudicated a voluntary bankrupt, shall consent to the filing of any bankruptcy or insolvency proceedings against it; f) if Renter shall file a petition or seek reorganization under any state insolvency law, or shall admit in writing its inability to pay its debts generally as they become due, or take any action in furtherance of any of the aforesaid purposes; g) if Renter shall abandon the agreement; or h) if a court shall have finally determined that Renter has discriminated on account of color, race, religion, ancestry, national origin, or sex; h) violation of Paragraph Section 15 above: 22<sup>nd</sup> DAA may, in its sole and exclusive discretion, terminate this Agreement and all rights of Renter under this Agreement, upon thirty (30) calendar days' written notice.

#### **16.4 Post Termination Obligations**

**16.4.1** In the event that this Agreement is terminated upon Renter's default 22<sup>nd</sup> DAA shall assume control of the Premises and all equipment installed on or at the Premises and 22<sup>nd</sup> DAA may continue to operate the same, to the extent permitted by law, until satisfactory arrangements are reached with Renter concerning the default, or until District enters into an agreement with another renter.

**16.4.2** During the period of operation by 22<sup>nd</sup> DAA, 22<sup>nd</sup> DAA shall be entitled to use all fixtures, equipment, supplies and inventory of Renter on hand at the Premises and Renter shall not be entitled to any monies and/or other compensation directly or indirectly received from such operations.

#### **16.5 Non-Waiver**

**16.5.1** The failure to 22<sup>nd</sup> DAA to enforce any of its rights or remedies upon the default, breach or non-observances by Renter at the time or times in respect of any covenant, proviso or condition herein contained shall not, under any circumstances, operate as a waiver of 22<sup>nd</sup> DAA's rights hereunder in respect to any continuing or subsequent default, breach or non-observance, or operate so as to defeat or affect in any way the rights of 22<sup>nd</sup> DAA in respect of any such continuing or subsequent default or breach and no waiver shall be inferred from or implied by anything done or omitted by 22<sup>nd</sup> DAA; excepting only an express written waiver signed by the Chief Executive Officer or the Chair of the Board of Directors of 22<sup>nd</sup> DAA. All rights and remedies of the District in this Agreement contained shall be cumulative and not alternative.

### **17. General Provisions**

**17.1 Notice** Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, or by overnight delivery service, addressed as follows:

If to 22<sup>nd</sup> District Agricultural Association:

22<sup>ND</sup> District Agricultural Association  
Attention: CEO  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014

If to Renter:

Del Mar Volleyball Center aka Fairgrounds Volleyball Center

Don D. Beaumont & Ed Machado, Partners  
2420 Shelter Island Drive  
San Diego, CA 92106

**17.2** Waiver Failure of 22<sup>nd</sup> DAA to insist in any one or more instances upon the observance and/or performance of any of these rules and regulations shall not constitute a waiver of any subsequent breach of any such rules and regulations. No waiver of any default by Renter shall be implied from any omission by 22<sup>nd</sup> DAA to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by 22<sup>nd</sup> DAA shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

**17.3** Headings The headings used in this Agreement are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Agreement.

**17.4** Successors Subject to the provisions of this Agreement prohibiting the assignment or transfer of this Agreement, the provisions of this Agreement, shall extend to and be binding upon 22<sup>nd</sup> DAA and Renter and their respective legal representatives, successors and assigns.

**17.5** Employees Renter or Renter's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Renter's employee shall be prominently displayed at all times. Renter further understands and agrees 22<sup>nd</sup> DAA Management, at its sole discretion, may determine that a person or agent utilized by Renter in its operations under this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to 22<sup>nd</sup> DAA, if it is determined that such appearance, conduct, or demeanor is detrimental to 22<sup>nd</sup> DAA operations. Renter agrees to remove such person or agent from operations arising out of this Agreement. Determination by 22<sup>nd</sup> DAA Management regarding these matters shall be final.

**17.6** Renter agrees that it, and its agents, servants, and employees, in the performance of this Agreement, acts in an independent capacity and not as an agent, officer, servant, or employee of 22<sup>nd</sup> DAA. In no way does this Agreement create a partnership, joint venture, principal-agent or such similar relationships between the parties.

**17.7** Nothing contained in this Agreement or otherwise, shall create any contractual relation between 22<sup>nd</sup> DAA and any subcontractors of Renter, and no subcontract shall relieve Renter of his/her responsibilities and obligations hereunder. Renter agrees to be as fully responsible to 22<sup>nd</sup> DAA for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Renter. Renter's obligation to pay its subcontractors is an independent obligation. As a result, 22<sup>nd</sup> DAA shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

**17.8** No alteration, modification, and/or amendment of this Agreement, or any of its terms and conditions shall be valid unless made in writing and signed by all of the parties to this Agreement.

**17.9** This Agreement is being made and delivered and is intended to be performed in the State of California and the execution, validity, construction, and performance of this



Agreement shall be construed and enforced in accordance with the laws of California. This Agreement shall be deemed made, entered into, and performed in San Diego County, which shall be the exclusive venue for any action relating to this Agreement.

**17.10** Time is of the essence of each, every, and all of the provisions of this Agreement.

**17.11** This is an integrated Agreement. The terms of this Agreement are contractual, and not merely a recital. Except as otherwise expressly provided in this Agreement, this Agreement supersedes all prior representations and agreements, if any, between the Parties or their legal counsel regarding its subject matter

**18. Exhibits**

**18.1** The following exhibits are attached herewith and made part of this Agreement:

- Standard Contract Terms and Conditions – Exhibit A
- Rules and Regulations – Exhibit B
- Insurance Requirements – Exhibit C
- Preventing Storm Water Pollution – Exhibit D

**19. This Agreement is of no force or effect until duly accepted and signed by both parties**

IN WITNESS WHEREOF, this Agreement has been executed in duplicate, by and on behalf of the parties hereto.

22ND DISTRICT AGRICULTURAL ASSOCIATION  
2260 JIMMY DURANTE BLVD.  
DEL MAR, CA 92014

BY: \_\_\_\_\_

NAME/TITLE: Carlene Moore, Chief Executive Officer

Del Mar Volleyball Center aka Fairgrounds Volleyball Center  
2420 Shelter Island Drive  
San Diego, CA 92106

BY: \_\_\_\_\_

NAME/TITLE: Don D. Beaumont, Partner

BY: \_\_\_\_\_

NAME/TITLE: Ed Machado, Partner

STATE OF CALIFORNIA  
**SPONSORSHIP AGREEMENT**  
 (Rev 11/09)

AGREEMENT NUMBER <b>SPO-24-012-19</b>
--

1. This Agreement is entered into between the State Agency and the Sponsor named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association**

SPONSOR'S NAME

**Champagne Spas**

2. The term of this Agreement is: **June 12 – July 7, 2024**

3. The amount of this Sponsorship Agreement is: **\$100,000.00**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Sponsorship Terms**

**Exhibit B – Insurance Requirements**

Please Note: Sponsor agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**Exhibit C\* – Licensee Handbook**

The Licensee Handbook is made part of this Agreement and Sponsor must comply with all terms and conditions contained in the Handbook unless provided for in writing by the District.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>SPONSOR</b>		<i>California State Use Only</i>
SPONSOR'S NAME <b>Champagne Spas</b>		
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Rick Rowland, President</b>		
ADDRESS <b>5710 Kearny Villa Road #C San Diego, CA 92123</b>		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME <b>22<sup>nd</sup> District Agricultural Association</b>		<b>GL 405-100-00</b>
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Carlene Moore, CEO/General Manager</b>		
ADDRESS <b>2260 Jimmy Durante Blvd Del Mar, CA 92014-2216</b>		

**SPO-24-012-19**  
**Champagne Spas**  
**Exhibit A - Sponsorship Terms**  
**2024 San Diego County Fair**

1. This sponsorship agreement (“Agreement”) includes the terms and conditions to which Champagne Spas (“Sponsor”) has agreed to in becoming a sponsor during the 2024 San Diego County Fair (“Fair”), produced by the 22nd District Agricultural Association, a California state institution (“State”, “District” or “22<sup>nd</sup> DAA”). The cost of this sponsorship is \$100,000.00.
1. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than December 1, 2023.
2. Sponsor shall make payments on the following schedule: A payment of \$100,000, due May 1<sup>st</sup>, 2024.
3. Sponsor shall not enter into any third-party promotions for the Fair without prior written authorization from District.
4. Without the prior written consent of the District, this agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
5. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the “State”) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney’s fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
6. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
7. Where the terms of this Agreement or District’s documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor’s documents, both parties agree that the terms set forth in District’s documents shall supersede and take precedence over Sponsor’s proposal or Sponsor’s documents.
8. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations or other variations of the terms of this agreement shall be valid unless made in writing and signed by the parties.
9. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
10. In the event the Sponsor breaches the terms of this agreement, the District shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this agreement, including attorney’s fees.
11. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive agreement. The parties also expressly acknowledge and agree that the District may enter into agreements with other Sponsors offering the same or similar services or products during the term of this Agreement.

12. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor's property, including without limitation all vehicles, equipment, materials, products and supplies, except to the extent caused by the sole negligence or willful misconduct of the State. Inadequate protection or security cannot be considered negligence of the State.
13. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently displayed at all times. Sponsor understands and agrees that 22nd DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the State, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to State's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by State management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the State to the Sponsor or its employees.
14. Sponsor is required to comply with the rules and requirements contained in the Licensee Handbook, which is made a part of this Agreement by this reference. If the 22<sup>nd</sup> DAA determines, in its sole and absolute discretion, that Sponsor violated the rules or requirements of the Licensee Handbook, the 22<sup>nd</sup> DAA will provide Sponsor with written notice of the violation(s). If Sponsor fails to correct the violation(s) within 24 hours of delivery of the written notice, the 22<sup>nd</sup> DAA may terminate the Agreement, in its sole and absolute discretion, under Section 17 below.
15. Sponsor is authorized to sell or promote only those products or services specifically identified in this Agreement. If Sponsor sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 17. If, during the performance of this Agreement, a dispute arises between the Sponsor and the State, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to State. A decision by the State, in writing, shall be given to the Sponsor within four hours of receipt of such statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
16. The State reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Sponsor. The Sponsor shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the State to be paid to the Sponsor. If the Sponsor has any vehicles, equipment and materials on State property, the Sponsor must remove this property within 24 hours of the written notice of termination.
17. Further, in the event that Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by State to be inappropriate or detrimental to the interests of the State, it is agreed that the State may immediately terminate this Agreement.
18. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
19. The San Diego Country Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents and vendors comply with this policy.

20. **Responsibilities of Sponsor:**

- a. Operate, decorate, staff and promote the Champagne Spas booths at the 2024 San Diego County Fair.
- b. Provide examples of all literature, samples and merchandise to be distributed. These items must be pre-approved by the District's Sponsorship office. Additionally, should sponsor wish to distribute premiums, prior approval must be secured in writing from the sponsorship office.
- c. Agree that no cold air inflatable balloons will be allowed.
- d. Ensure no walls exceed 8' in height.
- e. The Concessions Handbook is hereby incorporated into this Agreement. Sponsor shall abide by the rules and regulations for all vendors, concessionaires and exhibitors as outlined in the Concession Handbook for the 2024 San Diego County Fairs unless provided for in writing by the Districts Sponsorship office.

21. **Responsibilities of the District:**

- a. Provide a 27' X 80' space, identified as spaces 1419 – 1427 & 1320 - 1328, in the O'Brien Hall for the 2024 San Diego County Fair.
- b. Provide electricity to the booths.
- c. Include the Champagne Spas logo on the main entrance signs listing all the Fair's major sponsors.
- d. Provide a sponsor listing on the main electronic matrix boards (located in the main parking lot entrance off Jimmy Durante Blvd.) every day of the Fair.
- e. Provide seventy five (75) Fair admission tickets.
- f. Provide twelve (12) ID's for staff allowing unlimited admissions to the Fair.
- g. Provide one hundred ten (110) single day track parking passes valid any day of the Fair.
- h. Provide two 50amp spa hookups. Any additional requested will be billed directly to Champagne Spas.

STATE OF CALIFORNIA  
**PARTICIPATION AGREEMENT**  
 (Rev 11/19)

AGREEMENT NUMBER <b>SPO-24-013-19</b>
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1. This Agreement is entered into between the State Agency and the Participant named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association**

PARTICIPANT'S NAME

**Carddine, Inc.**

2. The term of this Agreement is: **June 12 – July 7, 2024**

3. The amount of this Participation Agreement is: **\$157,950.00 Contract Price**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Participation Terms**



**Exhibit B – Insurance Requirements**

Participant agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**Exhibit C – Licensee Handbook**

The Licensee Handbook is made part of this Agreement. All terms and conditions as set forth in this handbook will apply unless provided for in writing by the States' Participation office.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>PARTICIPANT</b>		<i>California State Use Only</i>
PARTICIPANT'S NAME <b>Carddine, Inc.</b>		
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Julian Sanchez</b>		
ADDRESS <b>2348 Meyers Ave., Escondido, CA 92029</b>		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME <b>22<sup>nd</sup> District Agricultural Association</b>		<input checked="" type="checkbox"/> Exempt per: <u>Sponsorship</u>
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Carlene Moore, CEO/General Manager</b>		
ADDRESS <b>2260 Jimmy Durante Blvd Del Mar, CA 92014-2216</b>		

**SPO-24-013-19**

**Carddine, Inc.**

**Exhibit A - Participation Terms**

**2024 San Diego County Fair**

1. This participation agreement (“Agreement”) includes the terms and conditions to which Carddine, Inc. (“Sponsor”) has agreed to provide products or services during the 2024 San Diego County Fair (“Fair”) produced by the 22nd District Agricultural Association, a California state institution (“State” or “22<sup>nd</sup> DAA”). The cost of this participation is \$157,950.00 contract price.
1. A list of privileges and rights afforded to Participant is included herein. Participant must sign this Agreement and return it to the Del Mar Fairgrounds no later than January 15, 2024.
2. Participant shall make payment of the participation in total when the Agreement is signed, or no later than May 1, 2024.
3. Participant shall not enter into any third-party promotions without prior written authorization from State.
4. Without the prior written consent of the State, this Agreement shall not be assigned or transferred by Participant to any other party either in whole or in part.
5. To the fullest extent permitted by law, Participant shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the “State”) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney’s fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Participant be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Participant herein, or any of its employees or agents.)
6. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Participant, and the agents and employees of Participant, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
7. Where the terms of this Agreement or State’s documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Participant or Participant’s documents, both parties agree that the terms set forth in State’s documents shall supersede and take precedence over Participant’s proposal or Participant’s documents.
8. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.
9. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
10. In the event the Participant breaches the terms of this Agreement, the State shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this Agreement, including attorney’s fees.

11. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the State may enter into agreements with other Participants and/or Participants offering the same or similar services or products during the term of this Agreement.
12. In all circumstances, Participant shall be solely responsible for damage to, or loss of, Participant's property, including without limitation all vehicles, equipment, materials, products and supplies, except to the extent caused by the sole negligence or willful misconduct of the State. Inadequate protection or security cannot be considered negligence of the State.
13. Participant and Participant's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Participant's employee will be prominently displayed at all times. Participant understands and agrees that 22<sup>nd</sup> DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Participant in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the State, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to State's operations. Participant agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by State management regarding these matters shall be final. Participant agrees that it will not sell, exchange or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the State to the Participant or its employees.
14. Participant is required to comply with the rules and requirements contained in the Licensee Handbook, which is made a part of this Agreement by this reference. If the 22<sup>nd</sup> DAA determines, in its sole and absolute discretion, that Participant violated the rules or requirements of the Licensee Handbook, the 22<sup>nd</sup> DAA will provide Participant with written notice of the violation(s). If Participant fails to correct the violation(s) within 24 hours of delivery of the written notice, the 22<sup>nd</sup> DAA may terminate the Agreement, in its sole and absolute discretion, under Section 17 below.
15. Participant is authorized to sell or promote only those products or services specifically identified in this Agreement. If Participant sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 17. If, during the performance of this Agreement, a dispute arises between the Participant and the State, which cannot be settled by discussion, the Participant shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to State. A decision by the State, in writing, shall be given to the Participant within four hours of receipt of such statement, and shall be final and conclusive. The Participant shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
16. The State reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Participant. The Participant shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the State to be paid to the Participant. If the Participant has any vehicles, equipment and materials on State property, the Participant must remove this property within 24 hours of the written notice of termination.
17. Further, in the event that Participant is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Participant engages in business practices or activities deemed by State to be inappropriate or detrimental to the interests of the State, it is agreed that the State may immediately terminate this Agreement.
18. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
19. The San Diego Country Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Participants' employees, agents and vendors comply with this policy.



20. **Responsibilities of Participant:**

- a. Operate and maintain the Carddine booth at the 2024 San Diego County Fair/Homegrown Fun for all hours as noted in the Licensee handbook for all vendors.
- b. Provide examples of all literature, samples and merchandise to be distributed and sold. Only approved items will be allowed to be sold at the booth. All items must be pre-approved by the State's Sponsorship office.
- c. The Licensee Handbook is hereby incorporated into this Agreement. Participant shall abide by the rules and regulations for all vendors, concessionaires and exhibitors as outlined in the Licensee Handbook for the 2024 San Diego County Fair unless otherwise provided for in writing by the State's Sponsorship office.

21. **Responsibilities of the State:**

- a. Provide a space approximately 25' x 100' in the O'Brien Hall for selling Spas, BBQ's and BBQ islands and accessories at the 2024 San Diego County Fair.
- b. Provide a space approximately 25' x 30' in the O'Brien Hall for selling Spas, BBQ's and BBQ Islands at the 2024 San Diego County Fair.
- c. Provide eight (8) ID badges for staff allowing unlimited admission to the Fair.
- d. Provide two hundred (200) Fair admission tickets.
- d. Provide one hundred (100) single day track parking passes.
- e. Provide six (6) season track parking passes valid any day of the Fair.
- f. Provide two 50 amp spa hookups. Any additional 50 amp connections requested will be billed directly to Carddine Spas.
- g. Provide a grandstand concert ticket bank of ten (10) tickets. Requests will be honored based on availability.

STATE OF CALIFORNIA  
**SPONSORSHIP AGREEMENT**  
 (Rev 11/19)

AGREEMENT NUMBER <b>SPO-24-018-19</b>
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1. This Agreement is entered into between the State Agency and the Sponsor named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association**

SPONSOR'S NAME

**Winning Ways, Inc.**

2. The term of this Agreement is: **June 12 – July 7, 2024**

3. The amount of this Sponsorship Agreement is: **\$60,000.00 Contract Price**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Sponsorship Terms**

**Exhibit B – Insurance Requirements**

Sponsor agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**Exhibit C – Licensee Handbook**

The Licensee Handbook is made part of this Agreement and Sponsor must comply with all terms and conditions contained in the Handbook unless provided for in writing by the District.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>SPONSOR</b>		<i>California State Use Only</i>
SPONSOR'S NAME <b>Winning Ways, Inc.</b>		
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Jake Haller</b>		
ADDRESS <b>1651 Greenwood Ways San Bruno, CA 94066</b>		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME <b>22<sup>nd</sup> District Agricultural Association</b>		<b>GL 405-100-00</b>
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Carlene Moore, CEO/General Manager</b>		
ADDRESS <b>2260 Jimmy Durante Blvd Del Mar, CA 92014-2216</b>		

**SPO-24-018-19**  
**Winning Ways, Inc.**  
**Exhibit A - Sponsorship Terms**  
**2024 San Diego County Fair**

1. This sponsorship agreement (“Agreement”) includes the terms and conditions to which Winning Ways, Inc. (“Sponsor”) has agreed to provide products and/or services during the 2024 San Diego County Fair (“Fair”), produced by the 22nd District Agricultural Association, a California state institution (“State”, “District” or “22<sup>nd</sup> DAA”). The cost of this sponsorship is \$60,000.00 contract price.
1. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than January 15, 2024.
2. Sponsor shall make payment of the sponsorship in total when the Agreement is signed, or no later than May 1, 2024.
3. Sponsor shall not enter into any third-party promotions without prior written authorization from State.
4. Without the prior written consent of the State, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
5. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the “State”) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney’s fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
6. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
7. Where the terms of this Agreement or State’s documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor’s documents, both parties agree that the terms set forth in State’s documents shall supersede and take precedence over Sponsor’s proposal or Sponsor’s documents.
8. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.
9. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
10. In the event the Sponsor breaches the terms of this Agreement, the State shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this Agreement, including attorney’s fees.
11. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the State may enter into agreements with other Sponsors and/or Sponsors offering the same or similar services or products during the term of this Agreement.

12. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor's property, including without limitation all vehicles, equipment, materials, products and supplies, except to the extent caused by the sole negligence or willful misconduct of the State. Inadequate protection or security cannot be considered negligence of the State.
13. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently displayed at all times. Sponsor understands and agrees that 22nd DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the State, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to State's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by State management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the State to the Sponsor or its employees.
14. Sponsor is required to comply with the rules and requirements contained in the Licensee Handbook, which is made a part of this Agreement by this reference. If the 22<sup>nd</sup> DAA determines, in its sole and absolute discretion, that Sponsor violated the rules or requirements of the Licensee Handbook, the 22<sup>nd</sup> DAA will provide Sponsor with written notice of the violation(s). If Sponsor fails to correct the violation(s) within 24 hours of delivery of the written notice, the 22<sup>nd</sup> DAA may terminate the Agreement, in its sole and absolute discretion, under Section 17 below.
15. Sponsor is authorized to sell or promote only those products or services specifically identified in this Agreement. If Sponsor sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 17. If, during the performance of this Agreement, a dispute arises between the Sponsor and the State, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to State. A decision by the State, in writing, shall be given to the Sponsor within four hours of receipt of such statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
16. The State reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Sponsor. The Sponsor shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the State to be paid to the Sponsor. If the Sponsor has any vehicles, equipment and materials on State property, the Sponsor must remove this property within 24 hours of the written notice of termination.
17. Further, in the event that Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by State to be inappropriate or detrimental to the interests of the State, it is agreed that the State may immediately terminate this Agreement.
18. It is understood and agreed that neither the District nor Sponsor shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure constitute default or breach of contract, if such delay or failure is caused by "Force Majeure." For purposes of this agreement, Force Majeure includes, but is not limited to, acts of God (such as earthquakes, floods, wildfires, hurricanes, volcanic eruptions, and other natural disasters that render performance impossible), war, riots, acts of public enemy, labor disputes that result in work stoppage, epidemics, pandemics, and governmental restrictions, appropriations, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement) or other cause without fault attributable to and beyond the control of the party obligated to perform (except financial inability). Further, if either District or Sponsor will be delayed or prevented from the performance of any act required hereunder by reason of Force Majeure, performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. If by reason of Force Majeure, performance is rendered impossible even if the period for performance is extended, this Agreement shall terminate. Except for delay or failure in performance caused by "Force Majeure," nothing in this Paragraph shall excuse Sponsor from prompt payment of any rent or any other

charge required of Sponsor. Except as otherwise provided in this section or elsewhere in this Agreement or unless due by default of the District, if Sponsor shall for any reason fail to occupy the District, no refund shall be made of any amounts paid by Sponsor to the District hereunder.

19. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
20. The San Diego County Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents and vendors comply with this policy.
21. **Responsibilities of Sponsor:**
  - a. Operate and maintain the Winning Ways booths at the 2024 San Diego County Fair for all hours of operation for commercial exhibitors as listed in the Licensee handbook.
  - b. Provide to the District's Sponsorship office prior to May 1, 2024, examples of all examples of all literature, samples, and merchandise to be sold or distributed during the Fair. Only District approved items may be sold or distributed by Sponsor.
  - c. Provide Sponsor's brand logo to the District's Sponsorship office upon request.
22. **Responsibilities of the State:**
  - a. Provide one space approximately 10' X 30' inside the Arena gate and one space approximately 10' X 30' located at the East end of the grandstand, adjacent to the footbridge. At these displays the prize giveaway (use of a microphone at each location will be permitted; the District will determine volume levels). All designated spaces will have electricity and lighting. The District will provide the canopies.
  - b. Provide name recognition on the main parking lot electronic marquee, each hour, 18 hours per day for the duration of the Fair.
  - c. Provide one hundred seventy-five (175) admission tickets for short term staff.
  - d. Provide forty (40) sponsor badges for staff, allowing unlimited entry to the Fair.
  - e. Provide ten (10) track season parking passes.
  - f. Provide one hundred (100) single day track parking passes valid any day of the Fair.
  - g. Provide a ticket bank of eight (8) Grandstand concert tickets. Requests are subject to availability.

STATE OF CALIFORNIA  
**SPONSORSHIP AGREEMENT**  
 (Rev 11/19)

AGREEMENT NUMBER <b>SPO-24-021-19</b>
--

1. This Agreement is entered into between the State Agency and the Sponsor named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association**

SPONSOR'S NAME

**LPI, Inc.**

2. The term of this Agreement is: **June 12 – July 7, 2024**

3. The amount of this Sponsorship Agreement is: **\$74,000.00 Contract Price**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Sponsorship Terms**

**Exhibit B – Insurance Requirements**

Sponsor agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**Exhibit C – Licensee Handbook**

The Licensee Handbook is made part of this Agreement and Sponsor must comply with all terms and conditions contained in the Handbook unless provided for in writing by the District.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>SPONSOR</b>		<i>California State Use Only</i>          GL 431-102-00
SPONSOR'S NAME		
<b>LPI, Inc.</b>		
BY (Authorized Signature)	DATE SIGNED	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		
506 Twin Oaks Drive, Johnson City, TN 37604		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME		
<b>22<sup>nd</sup> District Agricultural Association</b>		
BY (Authorized Signature)	DATE SIGNED	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
<b>Carlene Moore, CEO/General Manager</b>		
ADDRESS		
2260 Jimmy Durante Blvd Del Mar, CA 92014-2216		

**SPO-24-021-19**

**LPI, Inc.**

**Exhibit A - Sponsorship Terms**

**2024 San Diego County Fair**

1. This sponsorship agreement (“Agreement”) includes the terms and conditions to which **LPI, Inc.** (“Sponsor”) has agreed to in providing products and/or services for sale during the 2024 San Diego County Fair (“Fair”), produced by the 22nd District Agricultural Association, a California state institution (“State”, “District” or “22<sup>nd</sup> DAA”). The cost of this sponsorship is \$74,000.00.
2. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than January 15, 2024.
3. Sponsor shall make payment of the sponsorship in total when the Agreement is signed, or no later than May 1, 2024.
4. Sponsor shall not enter into any third-party promotions without prior written authorization from State.
5. Without the prior written consent of the State, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
6. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the “State”) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney’s fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
7. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
8. Where the terms of this Agreement or State’s documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor’s documents, both parties agree that the terms set forth in State’s documents shall supersede and take precedence over Sponsor’s proposal or Sponsor’s documents.
9. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.
10. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
11. In the event the Sponsor breaches the terms of this Agreement, the State shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this Agreement, including attorney’s fees.
12. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the State may enter into agreements with other Sponsors and/or Sponsors offering the same or similar services or products during the term of this Agreement.

13. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor's property, including without limitation all vehicles, equipment, materials, products and supplies, except to the extent caused by the sole negligence or willful misconduct of the State. Inadequate protection or security cannot be considered negligence of the State.
14. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently displayed at all times. Sponsor understands and agrees that 22nd DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the State, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to State's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by State management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the State to the Sponsor or its employees.
15. Sponsor is required to comply with the rules and requirements contained in the Licensee Handbook, which is made a part of this Agreement by this reference. If the 22<sup>nd</sup> DAA determines, in its sole and absolute discretion, that Sponsor violated the rules or requirements of the Licensee Handbook, the 22<sup>nd</sup> DAA will provide Sponsor with written notice of the violation(s). If Sponsor fails to correct the violation(s) within 24 hours of delivery of the written notice, the 22<sup>nd</sup> DAA may terminate the Agreement, in its sole and absolute discretion, under Section 17 below.
16. Sponsor is authorized to sell or promote only those products or services specifically identified in this Agreement. If Sponsor sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 17. If, during the performance of this Agreement, a dispute arises between the Sponsor and the State, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to State. A decision by the State, in writing, shall be given to the Sponsor within four hours of receipt of such statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
17. The State reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Sponsor. The Sponsor shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the State to be paid to the Sponsor. If the Sponsor has any vehicles, equipment and materials on State property, the Sponsor must remove this property within 24 hours of the written notice of termination.
18. Further, in the event that Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by State to be inappropriate or detrimental to the interests of the State, it is agreed that the State may immediately terminate this Agreement.
19. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
20. The San Diego Country Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents and vendors comply with this policy.



21. **Responsibilities of Participant:**

- a) Operate and maintain the LPI Spa booth at the 2024 San Diego County Fair for all hours as noted in the commercial handbook for all vendors.
- b) Provide examples of all literature, samples and merchandise to be distributed and/or sold at the booth. These items must be pre-approved by the State's Sponsorship office.
- c) Provide conceptual drawings or images as to the booth design for approval from the District.
- d) The Licensee Handbook is hereby incorporated into this Agreement. Participant shall abide by the rules and regulations for all vendors, concessionaires and exhibitors as outlined in the Licensee Handbook for the 2024 San Diego County Fair unless otherwise provided for in writing by the State's Sponsorship office.

22. **Responsibilities of the State:**

- a) Provide a 20' x 60' booth at the 2024 San Diego County Fair in O'Brien Hall for the sale of LPI, Tuff and Catalina spas.
- b) Provide up to two 50amp connections to the wet spas. Any additional connections will be billed directly to LPI.
- c) Provide six (6) photo ID badges for staff allowing unlimited admission to the Fair.
- d) Provide one hundred fifty (150) Fair admission tickets.
- e) Provide forty (40) single day parking passes valid any day of the Fair.
- f) Provide six (6) season parking passes.
- g) Provide a ticket bank of six (6) concert tickets. Tickets are based on availability.

STATE OF CALIFORNIA  
**SPONSORSHIP AGREEMENT**  
 (Rev 11/19)

AGREEMENT NUMBER <b>SPO-24-052-19</b>
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1. This Agreement is entered into between the State Agency and the Sponsor named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association**

SPONSOR'S NAME

**Bluegreen Vacations Unlimited, Inc**

2. The term of this Agreement is: **June 12 – July 7, 2024**

3. The amount of this Sponsorship Agreement is: **\$60,000.00 cash**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Sponsorship Terms**

**Exhibit B – Insurance Requirements**

Please Note: Sponsor agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**Exhibit C – Licensee Handbook**

The Licensee Handbook is made part of this agreement. All terms and conditions as set forth in this handbook will apply unless provided for in writing by the Districts' Sponsorship office.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>SPONSOR</b>		<i>California State Use Only</i>
SPONSOR'S NAME Bluegreen Vacations Unlimited, Inc.		
BY (Authorized Signature) 		
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS 4960 Conference Way North, Suite 100, Boca Raton, FL 33431		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME 22 <sup>nd</sup> District Agricultural Association		<b>405-100-00</b>
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING Carlene Moore, CEO/General Manager		
ADDRESS 2260 Jimmy Durante Blvd Del Mar, CA 92014-2216		

**SPO-24-052-19**  
**Bluegreen Vacations Unlimited, Inc**  
**Exhibit A - Sponsorship Terms**  
**2024 San Diego County Fair**

1. This will confirm the terms and conditions to which Bluegreen Vacations Unlimited, Inc. has agreed in becoming a Sponsor of the 2024 San Diego County Fair, produced by the 22nd District Agricultural Association of the State of California. The total cost covered by this Agreement is \$60,000.00 cash.
1. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than January 15, 2024.
2. Sponsor shall make payment of the sponsorship in total when the agreement is signed, or no later than June 15<sup>th</sup>, 2024.
3. Sponsor shall not enter into any third-party promotions at the Fair without prior written authorization from District.
4. Without the prior written consent of the District, this agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
5. To the fullest extent permitted by law, and except to the extent caused by the negligent or wrongful conduct of the District (as hereinafter defined), Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the "District") from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorneys fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, except if claimed to be due to the negligence of the District. In no event shall Sponsor be obligated to defend or indemnify the District with respect to the negligence or willful misconduct of the District, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
6. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
7. Where the terms of this Agreement or District's documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor's documents, both parties agree that the terms set forth in District's documents shall supersede and take precedence over Sponsor's proposal or Sponsor's documents.
8. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations or other variations of the terms of this agreement shall be valid unless made in writing and signed by the parties.
9. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
10. In the event the Sponsor breaches the terms of this agreement and fails to remedy that breach within 48 hours of receiving notice thereof, the District shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this agreement, including attorney's fees.
11. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive agreement. The parties also expressly acknowledge and agree that the District may enter into agreements with other Sponsors offering the same or similar services or products during the term of this Agreement.
12. The District reserves the sole and exclusive right to terminate this agreement, with or without cause, upon thirty (30) calendar days written notice to Sponsor. If, during the performance of this agreement, a dispute arises between the

Sponsor and the District, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident giving rise to the dispute, submit a written statement to District. A decision by the District, in writing, shall be given to the Sponsor within four hours of receipt of such statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements herein without interruptions during the dispute period.

13. Further, in the event that Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by District to be inappropriate or detrimental to the interests of the District, it is agreed that the District may immediately terminate this agreement.
14. It is understood and agreed that neither the District nor Sponsor shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure constitute default or breach of contract, if such delay or failure is caused by "Force Majeure." For purposes of this agreement, Force Majeure includes, but is not limited to, acts of God (such as earthquakes, floods, wildfires, hurricanes, volcanic eruptions, and other natural disasters that render performance impossible), war, riots, acts of public enemy, labor disputes that result in work stoppage, epidemics, pandemics, and governmental restrictions, appropriations, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement) or other cause without fault attributable to and beyond the control of the party obligated to perform (except financial inability). Further, if either District or Sponsor will be delayed or prevented from the performance of any act required hereunder by reason of Force Majeure, performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. If by reason of Force Majeure, performance is rendered impossible even if the period for performance is extended, this Agreement shall terminate. Except for delay or failure in performance caused by "Force Majeure," nothing in this Paragraph shall excuse Sponsor from prompt payment of any rent or any other charge required of Sponsor. Except as otherwise provided in this section or elsewhere in this Agreement or unless due by default of the District, if Sponsor shall for any reason fail to occupy the District, no refund shall be made of any amounts paid by Sponsor to the District hereunder.
15. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
16. The San Diego Country Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all sponsor's employees, agents and vendors comply with this policy.
17. **Responsibilities of Sponsor:**
  - a. Decorate, staff and maintain the Bluegreen booth and kiosks at the 2024 San Diego County Fair on a pre-approved design.
  - b. Provide a booth design to the fair for approval.
  - c. Provide either staff or third-party contractors to staff the booths.
  - d. Provide the prizes to be used in conjunction with these displays. The Fair retains final approval for all prizes to be offered.
  - e. Print all entry forms and materials for the drawing of prizes.
  - f. Provide all tables, skirts and banners to be used in the Bluegreen booth and kiosks.
  - g. The Licensee Handbook is hereby incorporated into this Agreement. Sponsor shall abide by the rules and regulations for all vendors, concessionaires and exhibitors as outlined in the Licensee Handbook for the 2024 San Diego County Fair unless otherwise provided for in writing by the District's Sponsorship office.

18. **Responsibilities of the District:**

- a. Provide a 10 x 30 space inside the Arena gates for the placement of the kiosks for the 2024 San Diego County Fair. The District will provide a canopy and electricity. This booth will be located next to the Arena.
- b. Allow the placement of a 10 x 10 octagon Bluegreen booth on the south side of this 10 x 20.
- c. Provide a 10' x 20' space in the Exhibit Hall if needed for the duration of the Fair.
- d. Provide a logo and link on the Fair's website for the duration of the Fair.
- e. Provide one hundred fifty (150) admission tickets for short term staff.
- f. Provide thirty (30) photo ID's for staff, allowing unlimited entry to the Fair for all open days.
- g. Provide four (4) season main parking lot parking passes.
- h. Provide one hundred fifty (150) single day track parking passes valid any day of the Fair.

STATE OF CALIFORNIA  
**SPONSORSHIP AGREEMENT**  
 (Rev 11/19)

AGREEMENT NUMBER <b>SPO-24-058-19</b>
--

1. This Agreement is entered into between the State Agency and the Sponsor named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association**

SPONSOR'S NAME

**M724, Inc. dba Tropicana Outdoor Living**

2. The term of this Agreement is: **June 12 – July 7, 2024**

3. The amount of this Sponsorship Agreement is: **\$80,000.00 Contract Price**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Sponsorship Terms**

**Exhibit B – Insurance Requirements**

Sponsor agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**Exhibit C – Licensee Handbook**

The Licensee Handbook is made part of this Agreement. All terms and conditions as set forth in this handbook will apply unless provided for in writing by the States' Sponsorship office.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>SPONSOR</b>		<i>California State Use Only</i>
SPONSOR'S NAME <b>M724, Inc. dba Tropicana Outdoor Living</b>		
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Mike Correia</b>		
ADDRESS <b>2105 Foothill Blvd., B160 La Verne CA 91750</b>		
<b>STATE OF CALIFORNIA</b>		<b>GL 405-100-00</b>
AGENCY NAME <b>22<sup>nd</sup> District Agricultural Association</b>		
BY (Authorized Signature) 	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Carlene Moore, CEO/General Manager</b>		
ADDRESS <b>2260 Jimmy Durante Blvd Del Mar, CA 92014-2216</b>		

**SPO-24-058-19**  
**M724, Inc. dba Tropicana Outdoor Living**  
**Exhibit A - Sponsorship Terms**  
**2024 San Diego County Fair**

1. This sponsorship agreement (“Agreement”) includes the terms and conditions to which M724, Inc. dba Tropicana Outdoor Living (“Sponsor”) has agreed to sponsor the 2024 San Diego County Fair (“Fair”), produced by the 22nd District Agricultural Association, a California state institution (“State”, “District” or “22<sup>nd</sup> DAA”). The cost of this sponsorship is \$80,000.00 contract price.
1. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than December 15, 2023.
2. Sponsor shall make payment of the Sponsorship in total when the Agreement is signed, or no later than May 1, 2024.
3. Sponsor shall not enter into any third-party promotions without prior written authorization from Fair.
4. Without the prior written consent of the State, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
5. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the “State”) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney’s fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
6. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
7. Where the terms of this Agreement or State’s documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor’s documents, both parties agree that the terms set forth in State’s documents shall supersede and take precedence over Sponsor’s proposal or Sponsor’s documents.
8. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.
9. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
10. In the event the Sponsor breaches the terms of this Agreement, the State shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this Agreement, including attorney’s fees.

11. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the State may enter into agreements with other Sponsors and/or Sponsors offering the same or similar services or products during the term of this Agreement.
12. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor's property, including without limitation all vehicles, equipment, materials, products and supplies, except to the extent caused by the sole negligence or willful misconduct of the State. Inadequate protection or security cannot be considered negligence of the State.
13. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently displayed at all times. Sponsor understands and agrees that 22<sup>nd</sup> DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the State, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to State's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by State management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the State to the Sponsor or its employees.
14. Sponsor is required to comply with the rules and requirements contained in the Licensee Handbook, which is made a part of this Agreement by this reference. If the 22<sup>nd</sup> DAA determines, in its sole and absolute discretion, that Sponsor violated the rules or requirements of the Licensee Handbook, the 22<sup>nd</sup> DAA will provide Sponsor with written notice of the violation(s). If Sponsor fails to correct the violation(s) within 24 hours of delivery of the written notice, the 22<sup>nd</sup> DAA may terminate the Agreement, in its sole and absolute discretion, under Section 17 below.
15. Sponsor is authorized to sell or promote only those products or services specifically identified in this Agreement. If Sponsor sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 17. If, during the performance of this Agreement, a dispute arises between the Sponsor and the State, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to State. A decision by the State, in writing, shall be given to the Sponsor within four hours of receipt of such statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
16. The State reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Sponsor. The Sponsor shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the State to be paid to the Sponsor. If the Sponsor has any vehicles, equipment and materials on State property, the Sponsor must remove this property within 24 hours of the written notice of termination.
17. Further, in the event that Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by State to be inappropriate or detrimental to the interests of the State, it is agreed that the State may immediately terminate this Agreement.
18. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
19. The San Diego Country Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents and vendors comply with this policy.



20. **Responsibilities of Sponsor:**

- a. Operate and maintain the Tropicana Outdoor Living booths at the 2024 San Diego County Fair for all hours of operation for commercial exhibitors as listed in the Licensee handbook.
- b. Sell approved BBQ's, BBQ islands, Palapas and patio furniture as well as BBQ accessories.
- c. Provide to the District's Sponsorship office prior to May 1, 2024, examples of all literature, samples, and merchandise to be sold or distributed during the Fair. Only District approved items may be sold or distributed by Sponsor.
- d. Provide Sponsor's brand logo to the District's Sponsorship office upon request.

21. **Responsibilities of the State:**

- a. Provide a booth space approximately 22' x 80' in the O'Brien Hall (#1202) for the sale of BBQ's and BBQ islands and patio furniture.
- b. Provide electricity to the booth at no charge.
- c. Include Sponsor's logo on entrance signage where the Fair's sponsors are listed.
- d. Include Sponsor's logo in rotation across the digital matrix boards in the main parking lot and Jimmy Durante Blvd. every day of the Fair.
- e. Provide ten (10) Sponsor badges for staff allowing unlimited admission to the Fair.
- f. Provide one hundred seventy-five (175) single admission Fair tickets valid any day of the Fair.
- g. Provide six (6) season track parking passes.
- h. Provide one (1) Preferred parking season pass.
- i. Provide forty (40) single day track parking passes valid any day of the Fair.

SECTION  
BREAK



## Item 6-A, Finance Committee Report

### Executive Summary

The attached preliminary financial reports are through November 30, 2023, and are subject to change as the 22<sup>nd</sup> District Agricultural Association (District) works to review and close out the month.

The Balance Sheet is consolidated with District, State Race Track Leasing Commission, and Race Track Authority. The Income Statement is inclusive of District programs and operations only.

As has previously been discussed, due to the proximity of the board meeting dates to the end of the month immediately prior, there is approximately a six (6) week lag between the financial report presentation and current activity. Therefore, the Committee reviews and presents financial reports to the Board from two months prior (March financials in May, April financials in June, etc.).

### Balance Sheet:

Data for fiscal years 2021 and 2022 is included for comparison purposes to the current year, 2023. The most recent full year of activities and operations was 2022 as it included a full San Diego County Fair while 2021 included the modified summer event, Home\*Grown\*Fun, and ongoing pandemic-related restrictions.

- Assets:
  - **Total Cash and Cash Equivalents.** The unrestricted cash position continues to remain strong. In 2021, **Restricted Cash in Trust** (loan funds) for capital projects comprised a portion of the overall cash position and those loan funds were exhausted due to completion of the projects in 2022.
  - **Restricted Cash RTA** is the cash available for the Race Track Authority bond obligations including 1) maintaining a reserve fund held in trust equivalent to one year's debt obligation, 2) the current year's debt obligation, and 3) the minimum cash balance requirement for the District (also one year's debt obligation). Net Horse Racing Revenues and/or Net Concession Revenues are transferred to the trustee by January 15<sup>th</sup> of each year. The trustee makes withdrawals in April and October for the payment of the current year debt.
- Liabilities:
  - Beginning in 2022, greater detail has been provided in the footnotes.
  - **Deferred Revenue** consists of advance payments received for activities in the future such as event rentals and the San Diego County Fair.
  - **Accrued Employee Leave Liabilities** reflects the value of the leave balances

currently due to employees upon separation from District and continues to be managed to remain within the state mandated thresholds.

#### Income Statement (All Programs & Operations):

Revenues are recognized in the month in which they are earned; expenses in the month incurred. For example, revenues for the San Diego County Fair are reflected in the June and July financial reports.

The first three columns of figures represent the month's activity – Actual, Budget, and Variance of Actual to Budget. The middle grouping of columns represents the year-to-date activity, while the last column presents the complete operating budget goals for 2023.

The overall activity for the District through November has been on pace with budget forecasts.

- Revenues:
  - **Total Operating Revenues** exceeded expectations by 24% for the month of November and cumulatively for the first eleven months of the year by 7%.
  - **Gate Admissions** are in line with the budgeted amounts as of the end of the third quarter. The actual figures were less than 2% short of cumulative expectation.
  - **Concessions revenues** exceeded expectations for the month of November and were up about 15% higher than the budgeted amounts. Cumulatively for the year, these revenues exceeded expectation based on stronger performances from Premier (up 13%), Fair Concession Sales (up 16%), and Midway Sales (up 8%).
  - **Parking Revenues** exceeded the forecast for the month of November 158%; however, for the year, this category trends below anticipated results by 13%.
  - **Interest Earnings** outperformed the budget by \$1,000,000 for the year due to Fed Fund Rate increases pursuant to actions taken by the Federal Reserve/Federal Open Market Committee.
  
- Expenses:
  - **Total Operating Expenses** for the month were below expectations by 4% in November and about 3% for the year, resulting in savings of \$137,000 for the month and \$2,015,000 for the year.
  - **Payroll & Related Expenses** are indicative of the ability to fill full-time, civil service vacancies within any given month as well as actual hours incurred versus those anticipated for temporary employees working during events. Through November 30, 2023, payroll and related expenses are \$2,972,000, or 16%, under budget.
  - **Professional Services** consists of a multitude of services, the largest being food and beverage. For the eleven months ending in November, this element trends below budget amounts by \$266,000 (or 1%) for the year.
    - **Food and Beverage Expenses** were higher than budget by 24% for the month. Cumulatively for the year, this element is trending 10% higher than expectations partly due to the corresponding increased revenues from Premier.

## 2022 CDFA Statement of Operations

The Statement of Operations (“STOP”) is the end-of-year financial report required by the California Department of Food and Agriculture (CDFA). The District requested, and CDFA has approved, a delayed submission while the District awaited the conclusion of the audit report for 2021. Following the Board’s acceptance of the 2021 audit report at the November meeting, the 2022 Statement of Operations was submitted to CDFA on December 8, 2023.

# UNAUDITED FINANCIAL STATEMENTS

## 22nd DAA

### Consolidated Balance Sheet (DAA, RTA, RTLC)

As of November 30, 2023

	2023	2022	2021
<b>Assets</b>			
Cash	\$ 38,546,777	\$ 35,076,122	\$ 28,881,018
Restricted Cash - JLA	(13,809)	44,944	24,048
<sup>1</sup> Restricted Cash - F&B Equipment Fund	46,884	208,412	191,017
<sup>2</sup> Restricted Cash - RTA	12,849,511	14,350,889	6,619,999
Restricted Cash in Trust - WQI	(89,001)	(89,001)	332,064
Restricted Cash in Trust - The Center	-	-	1,983,024
<b>Total Cash and Cash Equivalents</b>	<b>51,340,362</b>	<b>49,591,366</b>	<b>38,031,170</b>
Accounts Receivable	692,965	1,313,984	(43,236)
Prepaid Expenses	520,998	654,643	482,248
<sup>3</sup> Deferred Outflows Pension	5,298,571	5,298,571	6,547,075
<b>Total Current Assets</b>	<b>6,512,534</b>	<b>7,267,198</b>	<b>6,986,087</b>
Land	35,011,899	35,011,899	35,011,899
Building and Improvements	197,145,152	197,145,152	189,021,781
Equipment	38,756,119	38,178,366	37,989,227
Capital Projects in Process	32,872,467	30,579,907	37,320,771
Accumulated Depreciation	(181,302,229)	(180,678,773)	(173,255,695)
<b>Total Capital Assets</b>	<b>122,483,409</b>	<b>120,236,551</b>	<b>126,087,983</b>
<b>Total Assets</b>	<b>\$ 180,336,306</b>	<b>\$ 177,095,115</b>	<b>\$ 171,105,240</b>
<b>Liabilities</b>			
Accounts Payable	6,505,480	8,323,371	7,140,292
Payroll Liabilities	952,012	499,199	178,259
Accrued Liabilities	1,986,378	1,949,760	2,185,100
<sup>4</sup> Other Current Liabilities	758,855	1,404,748	809,274
<sup>5</sup> Deferred Revenue	2,004,987	2,254,564	11,531,324
Current Long Term Debt	2,616,675	3,133,355	4,270,797
<sup>6</sup> Accrued Employees Leave Liabilities	1,368,877	1,255,251	1,049,520
<sup>7</sup> Long Term Debt	57,812,132	61,448,807	63,962,267
Reserve - F&B Equipment Fund	901,255	600,484	338,980
Reserve - JLA	36,607	16,305	20,838
<sup>3</sup> Pension Liability	40,124,480	39,912,866	45,056,093
<sup>3</sup> Deferred Inflows - Pension	1,754,199	1,754,199	2,744,433
<b>Total Liabilities</b>	<b>116,821,937</b>	<b>122,552,908</b>	<b>139,287,176</b>
<b>Net Resources</b>			
Contributed Capital	78,877,171	78,877,171	78,877,171
Less Contributed Capital to RTA	(34,358,470)	(34,358,470)	(34,358,470)
Net Resources - Unrestricted	11,783,919	(5,921,909)	(13,151,333)
Investment in Capital Assets	(3,891,786)	(3,891,786)	(3,891,786)
	52,410,834	34,705,006	27,475,582
Net Proceeds from Operations	11,103,534	19,837,202	4,342,483
<b>Total Net Resources</b>	<b>63,514,368</b>	<b>54,542,207</b>	<b>31,818,064</b>
<b>Total Liabilities and Net Resources</b>	<b>\$ 180,336,306</b>	<b>\$ 177,095,115</b>	<b>\$ 171,105,240</b>

<sup>1</sup> Per Food & Beverage Services agreement, 1.50% of all Gross Revenues for unexpected or emergency expenses, including repair and m

<sup>2</sup> Per bond Pledge Agreement, maintain Reserve account and District cash separately equal to at least Maximum Annual Debt Service

<sup>3</sup> Information provided by CDFA/State Controllers Office; results from changes in components of net pension liability; applicable to a future

<sup>4</sup> Current portion of long-term debt due within the next 12 months

<sup>5</sup> Advance payments for events/activities in the future

<sup>6</sup> Due to employees at time of separation for paid leave balances

<sup>7</sup> RTA Bonds \$34.2M; Ibank WQI \$7M; Ibank Surfside \$13.7M; Premier \$1.8M; Energy Efficiency \$3.2M; CalPers SB84 \$2.2M

# UNAUDITED FINANCIAL STATEMENTS

## 22nd DAA Income Statement For the Period Ending November 30, 2023

	November 2023			Year-to-Date			Full 2023
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>REVENUES</b>							
<b>Admissions Revenue</b>	0	0	0	12,037,908	12,337,386	(299,478)	12,337,386
Gates	0	0	0	12,037,908	12,337,386	(299,478)	12,337,386
<b>Concessions Revenue</b>	1,453,137	1,266,923	186,214	45,278,354	40,590,186	4,688,168	41,087,636
Food & Beverage Contract	1,449,478	1,266,923	182,556	20,439,024	18,053,744	2,385,280	18,544,654
Other Food & Beverage	0	0	0	5,117,679	4,422,070	695,609	4,422,070
Midway	0	0	0	19,531,689	18,054,362	1,477,327	18,054,362
Merchandise	3,659	0	3,659	98,830	60,010	38,820	66,550
<b>Facility Rentals Revenue</b>	353,197	239,520	113,678	8,987,666	6,992,975	1,994,691	7,308,591
Commercial	0	0	0	4,230,838	3,131,700	1,099,138	3,131,700
<b>Leases Revenue</b>	43,516	29,415	14,101	961,072	940,502	20,570	1,694,917
Racetrack	0	0	0	500,000	(500,000)	1,000,000	(1,225,000)
<b>Program Revenues</b>	111,987	49,400	62,587	7,278,906	8,557,244	(1,278,338)	8,644,444
JLA	0	0	0	33,020	472,500	(439,480)	472,500
Parking	85,195	33,000	52,195	6,411,947	7,348,744	(936,797)	7,417,744
Participation Fees	0	0	0	345,981	335,000	10,981	335,000
Satellite Wagering	26,792	16,400	10,392	487,923	401,000	86,923	419,200
<b>OPERATING REVENUE TOTALS</b>	<b>1,961,837</b>	<b>1,585,257</b>	<b>376,580</b>	<b>74,543,905</b>	<b>69,418,293</b>	<b>5,125,613</b>	<b>71,072,973</b>
<b>Contributions</b>	4,600	4,600	0	522,672	1,604,400	(1,081,728)	1,609,000
Government Funding	0	0	0	58,820	0	58,820	0
Sponsorships	4,600	4,600	0	458,241	1,495,400	(1,037,159)	1,500,000
<b>Other Non-Operating Revenue</b>	37,027	23,952	13,075	1,090,546	461,456	629,090	546,608
Interest Earnings	0	0	0	830,236	202,500	627,736	270,000
Pledged Revenue	0	0	0	0	0	0	0
<b>Reimbursed Costs</b>	44,600	28,239	16,362	1,798,497	1,326,867	471,630	1,567,116
Prior Year Revenue	0	0	0	5,714	0	5,714	0
<b>NON-OPERATING REVENUE TOTALS</b>	<b>86,228</b>	<b>56,791</b>	<b>29,437</b>	<b>3,417,428</b>	<b>3,392,723</b>	<b>24,705</b>	<b>3,722,724</b>
<b>TOTAL REVENUE</b>	<b>2,048,065</b>	<b>1,642,048</b>	<b>406,017</b>	<b>77,961,333</b>	<b>72,811,016</b>	<b>5,150,317</b>	<b>74,795,698</b>
<b>EXPENSES</b>							
<b>Payroll &amp; Related Expense</b>	998,599	1,140,442	141,843	15,663,333	18,635,212	2,971,879	19,798,369
Professional Development	10,729	13,119	2,390	91,737	224,903	133,166	228,558
<b>Professional Services Expense</b>	1,653,016	1,469,460	(183,556)	23,956,383	23,714,741	(241,643)	24,574,967
Food & Beverage Expense	1,296,110	1,044,528	(251,582)	15,229,308	13,789,483	(1,439,825)	14,313,411
<b>Insurance Expense</b>	110,051	9,499	(100,552)	825,044	196,634	(628,411)	206,297
<b>Facility &amp; Related Expense</b>	286,350	449,628	163,279	7,393,818	6,539,497	(854,321)	7,079,715
Equipment & Small Wares	0	0	0	136,419	0	(136,419)	0
Telephone & Internet	7,716	8,614	898	88,588	93,794	5,206	101,998
Repairs & Maintenance	56,481	140,884	84,404	1,185,116	1,406,613	221,497	1,575,497
Utilities	214,221	292,000	77,779	4,138,290	3,415,000	(723,290)	3,770,000
- Electricity	199,313	-	-	2,505,355	-	-	-
- Water	1,226	-	-	843,424	-	-	-
<b>Supplies Expense</b>	29,365	53,725	24,360	1,189,482	1,838,510	649,027	1,894,235
<b>Marketing &amp; Related Expense</b>	1,387	667	(720)	1,049,993	1,204,396	154,403	1,205,063
<b>Program Expenses</b>	31,030	19,094	(11,936)	15,454,961	14,681,590	(773,371)	14,704,178
Prizes & Premiums	0	0	0	1,937	0	(1,937)	0
Artists & Entertainment	0	0	0	4,073,398	4,428,050	354,652	4,428,050
Midway Operator Expense	0	0	0	11,038,699	9,897,000	(1,141,699)	9,897,000
<b>Other Operating Expense</b>	81,962	173,582	91,620	2,359,697	3,074,738	715,040	3,154,341
Bank & Service Fees	6,354	1,568	(4,786)	1,507,072	2,147,776	640,703	2,155,344
Interest Expense	70,832	171,265	100,433	801,225	900,723	99,498	971,997
<b>OPERATING EXPENSE TOTALS</b>	<b>3,191,761</b>	<b>3,316,097</b>	<b>124,337</b>	<b>67,892,713</b>	<b>69,885,317</b>	<b>1,992,604</b>	<b>72,617,165</b>
<b>Other Non-Operating Expense</b>							
Prior Year Expense	0	0	0	309,508	0	(309,508)	0
<b>NON-OPERATING EXPENSE TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>309,508</b>	<b>0</b>	<b>(309,508)</b>	<b>0</b>
<b>TOTAL EXPENSE</b>	<b>3,191,761</b>	<b>3,316,097</b>	<b>124,337</b>	<b>68,202,221</b>	<b>69,885,317</b>	<b>1,683,096</b>	<b>72,617,165</b>
<b>NET INCOME (LOSS)</b>	<b>(1,143,696)</b>	<b>(1,674,049)</b>	<b>530,354</b>	<b>9,759,112</b>	<b>2,925,699</b>	<b>6,833,413</b>	<b>2,178,533</b>

Note: Positive variances in this report denote better than expected results for that element.

## Food & Beverage Report Nov-23

November 2023 Food Service Revenues were \$1,449,478. Budgeted Revenues for November 2023 were \$1,298,026

Net distribution to the District for November 2023 was \$139,182 or 9.6%. Budgeted distribution for November 2023 was 222,415 or 17.1%.

Year-to-date 2023 distribution to the District is \$4,300,126 or 21.9%. The budgeted distribution for YTD 2023 was \$4,351,422 or 23.9%.

<b>Nov-23</b>	<b>2023 ACTUAL</b>	<b>%</b>	<b>2023 BUDGET</b>	<b>%</b>	<b>2022 ACTUAL</b>	<b>%</b>
TOTAL REVENUE	1,449,478	100.0%	1,298,026	100.0%	1,192,696	100.0%
TOTAL COGS	408,459	28.2%	287,339	22.1%	260,391	21.8%
GROSS MARGIN	1,041,019	71.8%	1,010,687	77.9%	932,305	78.2%
TOTAL PAYROLL	688,615	47.5%	582,230	44.9%	780,741	65.5%
OPERATING EXPENSES	193,339	13.3%	174,268	13.4%	234,251	19.6%
NET PROFIT	159,065	11.0%	254,189	19.6%	(82,687)	-6.9%
CLIENT DISTRIBUTION	139,182	9.6%	222,415	17.1%	(72,351)	-6.1%

<b>YTD</b>	<b>2023 ACTUAL</b>	<b>%</b>	<b>2023 BUDGET</b>	<b>%</b>	<b>2022 ACTUAL</b>	<b>%</b>
TOTAL REVENUE	19,597,747	100.0%	18,217,037	100.0%	17,067,267	100.0%
TOTAL COGS	4,231,968	21.6%	3,788,797	20.8%	3,721,068	21.8%
GROSS MARGIN	15,365,779	78.4%	14,428,240	79.2%	13,346,199	78.2%
TOTAL PAYROLL	8,241,770	42.1%	7,324,236	40.2%	7,081,204	41.5%
OPERATING EXPENSES	2,209,579	11.3%	2,130,950	11.7%	2,008,582	11.8%
NET PROFIT	4,914,430	25.1%	4,973,054	27.3%	4,256,413	24.9%
Y-T-D CLIENT DISTRIBUTION	4,300,126	21.9%	4,351,422	23.9%	3,724,361	21.8%



Fair Name: San Diego County Fair / 22nd DAA  
 City: Del Mar

State of California  
 Department of Food & Agriculture  
 Fairs & Expositions Branch  
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**2022 Statement of Operations**

STATEMENT OF OPERATIONS - OPERATING FUND	Reference	Account Number(s)	Jan 1 to Dec 31, 2022
<b>TOTAL NET RESOURCES, January 1</b>			
Net Resources-Unrestricted	Prior Year	29100	\$12,261,880
<b>Unrestricted Net Position-Pension</b>	<b>Prior Year</b>	<b>29400</b>	<b>(\$41,267,348)</b>
Net Resources-Restricted	Prior Year	29300	344,475
Net Resources-Capital Assets, Less Related Debt	Prior Year	29000	19,167,704
Prior Year Audit Adjustment(s)	Prior Year	various	5,341,075
<b>TOTAL NET RESOURCES, JANUARY 1</b>			<b>(4,152,214)</b>
<b>RESOURCES ACQUIRED:</b>			
Operating Revenues	from page 2	various	67,279,214
State (Local/Base) Allocation(s) (F&E)	to page 2	31200	0
Training Allocation & Other Fiscal & Admin Assistance (F&E)	to page 2	31300	10,500,000
Capital Project Reimbursement Funds	to page 2	31900	880,714
One-time Revenue Sources (fire camp, sale of property, capital project audit adj)			
Contributions from Other Gov't (non-F&E) Sources	to page 2	33000	0
<i>Provide description for Other Gov't (non F&amp;E) Contributions:</i>			
Other (e.g. Flex Capital)	to page 2	34000	12,813
<b>TOTAL RESOURCES ACQUIRED</b>			<b>78,672,740</b>
<b>RESOURCES APPLIED:</b>			
Operating Expenditure	from page 2	various	63,222,552
Depreciation Expense	from page 2	90000	2,118,931
<b>Pension Expense</b>	<b>from page 2</b>	<b>96000</b>	<b>0</b>
<b>OPEB Expense</b>	<b>from page 2</b>	<b>96001</b>	<b>0</b>
<b>TOTAL RESOURCES APPLIED</b>			<b>65,341,483</b>
<b>INCREASE/(DECREASE) IN NET RESOURCES DURING THE YEAR</b>			<b>13,331,257</b>
<b>TOTAL NET RESOURCES, December 31</b>			
Net Resources-Unrestricted	from Sch 1	29100	2,590,712
<b>Unrestricted Net Position-Pension/OPEB</b>	<b>from Sch 1</b>	<b>29400</b>	<b>(36,385,664)</b>
Net Resources-Restricted	from Sch 1	29300	607,289
Net Resources-Capital Assets, Less Related Debt	from Sch 1	29000	42,366,706
<b>TOTAL NET RESOURCES, DECEMBER 31</b>			<b>\$9,179,043</b>

Unrestricted Reserve Percentage

4.10%

  
 Carlene Moore (Dec 8, 2023 15:45 PST)  
 CEO Signature

12/08/2023

Date

N/A



2022 Fair Theme

**2022 Statement of Operations**

<b>SUMMARY OF OPERATIONS</b>	Reference	Account Number	Jan 1 to Dec 31, 2022
<b>OPERATING REVENUES:</b>			
Admissions to Grounds		41000	\$11,016,660
Industrial and Commercial Space		41500	3,223,413
Carnivals		42100	16,771,561
Concessions		42200	21,675,979
Exhibits		43000	348,921
Horse Show		44000	0
Horse Racing (Fairtime Pari-Mutuel)		45000	0
Horse Racing (Satellite Wagering)		45005	412,941
Fair Attractions		46000	
Motorized Racing		46109	
Interim Attractions		46009	
Miscellaneous Fair		47000	6,840,165
Miscellaneous Non-Fair Programs		47005	26,695
Interim Revenue		48000	2,228,377
Prior Year Revenue Adjustment		49000	13,879
Other Operating Revenue		49500	4,720,623
<b>TOTAL OPERATING REVENUES</b>	to page 1		67,279,214
<b>OPERATING EXPENDITURES:</b>			
Administration		50000	10,553,355
Maintenance & General Operations		52000	9,089,084
Publicity		54000	2,388,986
Attendance Operations		56000	8,163,392
Miscellaneous Fair		57000	10,134,943
Miscellaneous Non-Fair Programs		57005	14,237,264
Premiums (For Exhibit programs only)		58000	0
Exhibits		63000	2,672,643
Horse Show		64000	0
Horse Races (Fairtime Pari-Mutuel)		65000	0
Horse Races (Satellite Wagering)		65005	16,886
Fair Entertainment Expense		66000	5,532,917
Motorized Racing		66109	
Interim Entertainment Expense		66009	0
Equipment (Funded by Fair)		72300	25,406
Prior Year Expense Adjustment		80000	407,307
Cash (over/under)		85000	369
Other Operating Expense		94000	0
<b>TOTAL OPERATING EXPENDITURES</b>	to page 1		63,222,552
<b>NET OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION, PENSION, OPEB</b>			\$4,056,662
Depreciation Expense	to page 1 & sch 7	90000	2,118,931
Pension Expense	to page 1	96000	0
OPEB Expense	to page 1	96001	0
<b>NET OPERATING PROFIT/(LOSS) AFTER DEPRECIATION, PENSION, OPEB</b>			\$1,937,731
State (Local/Base) Allocation	from page 1	31200	0
Training Allocation & Other Fiscal & Admin Assistance (F&E)	from page 1	31300	10,500,000
Capital Project Reimbursements	from page 1	31900	880,714
Other Funds (e.g. County, Supplemental, Fiscal Ass't)	from page 1	Various	12,813
<b>NET PROFIT/(LOSS) BEFORE DEPRECIATION, PENSION, OPEB</b>			\$15,450,188
<b>PROFIT MARGIN RATIO BEFORE DEPRECIATION, PENSION, OPEB</b>			23%
<b>NET PROFIT/(LOSS) AFTER DEPRECIATION, PENSION, OPEB</b>			\$13,331,257
<b>PROFIT MARGIN RATIO AFTER DEPRECIATION, PENSION, OPEB</b>			20%

Fair Name: San Diego County Fair / 22nd DAA  
 City: Del Mar

State of California  
 Department of Food & Agriculture  
 Fairs & Expositions Branch  
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 Schedule 1

2022 Statement of Operations

STATEMENT OF FINANCIAL CONDITION	Account Number(s)		12/31/2022
<b>ASSETS</b>			
Cash-Unrestricted	11100-11800 *	\$32,044,382	
Cash-Restricted	11000	3,428,820	
Total Cash			35,473,202
Accounts Receivable, Net of Allowance for Doubtful Accounts	13100-13300		1,762,526
Deferred Charges	14300		340,730
Other Assets	14100, 14700-16200		43,942
Property, Plant & Equipment:			
Construction in Progress	19000	22,351,129	
Land	19100	12,976,103	
Buildings & Improvements	19200	61,931,406	
Less Accumulated Depreciation-Buildings & Improvements **	19201	(59,054,534)	
Equipment	19300	11,362,213	
Less Accumulated Depreciation-Equipment **	19301	(697,992)	
Leasehold Improvements	19400		
Less Accumulated Depreciation-Leasehold Improvements **	19401		
Total Property, Plant & Equipment			108,620,850
Total Accumulated Depreciation			(59,752,525)
Net Property, Plant & Equipment			48,868,325
Intangibles:			
Computer Software, Land Use Rights, Patents, Copyrights, Trademarks, etc.	19500		
Less Accumulated Amortization **	19501		
Non-Amortizable Intangible Assets	19600		
Net Intangibles			0
<b>Total Assets</b>			\$86,488,725
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources - Pension	16000	4,955,307	
Deferred Outflows of Resources - OPEB	16001	343,264	
Total Deferred Outflows of Resources			5,298,571
<b>Total Assets &amp; Deferred Outflow of Resources</b>			\$91,787,296
<b>LIABILITIES</b>			
Insurance Fees Payable	21100		\$395
Accounts Payable	21200 & 21250		6,711,713
Payroll Liabilities	22100-22600		539,498
Deferred Revenue	22800		2,506,229
Other Liabilities	23000		1,016,367
Guaranteed Deposits	24100		
Compensated Absences Liability	24500		1,231,048
Long Term Debt (current and long-term portions)	25000		28,882,162
Net Pension Liability	26000		35,713,925
Net OPEB Liability	26001		4,216,111
<b>Total Liabilities</b>			\$80,817,447
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources - Pension	25600	1,008,323	
Deferred Inflows of Resources - OPEB	25601	745,876	
Total Deferred Inflows of Resources			1,754,199
<b>Total Liabilities &amp; Deferred Inflow of Resources</b>			\$82,571,646
<b>NET RESOURCES</b>			
Junior Livestock Auction Reserve	25100		36,607
Total Net Resources (without JLA Reserve):			
Net Resources-Unrestricted	29100	2,590,712	
Unrestricted Net Position-Pension/OPEB	29400	(36,385,664)	
Net Resources-Restricted	29300	607,289	
Net Resources-Capital Assets, Less Related Debt	29000	42,366,706	
Total Net Resources (without JLA Reserve):			\$9,179,043
<b>Total Net Resources</b>			\$9,215,650
<b>Total Liabilities &amp; Net Resources &amp; Deferred Inflow of Resources</b>			\$91,787,296
Debt ratio (total liabilities/total assets)			93%
Ratio of Leave Liability Covered by Cash***			26.03
Debt-to-equity ratio (total liabilities/total net resources)			877%

\* If restricted funds are included in cash accounts #11100 through #11800, these funds must be disclosed in a footnote to this report.

\*\* Accumulated depreciation and accumulated amortization should be entered in this form as negative amounts.

\*\*\* If number is under 1.0, the Fair has insufficient funds to fully payout leave.

Fair Name: San Diego County Fair / 22nd DAA

City: Del Mar

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**2022 Statement of Operations**

**2022 FAIR STATISTICS**

GROUPS ADMISSIONS	Price per Ticket	Number of Tickets	Amount
<b>PAID ADMISSIONS:</b>			
Gate Admissions	\$15.98	681,240	\$10,886,215
			0
			0
			0
			0
Discounted Admissions			0
Season Passes		2,006	0
Senior Citizens		27,543	0
Exhibitor Passes		20,303	0
Livestock Passes		25,121	0
<b>TOTAL PAID ADMISSIONS</b>		<b>756,213</b>	<b>\$10,886,215</b>
<b>FREE ADMISSIONS:</b>			
Courtesy Pass Admissions		40,326	
Credential Admissions		46,671	
Children under 12 Admitted Free		17,721	
Military Personnel in Uniform Admitted Free		90,131	
Children under 6 Admitted Free		22,446	
<b>TOTAL FREE ADMISSIONS</b>		<b>217,295</b>	
<b>TOTAL ADMISSIONS TO FAIRGROUNDS (Account 41000)</b>		<b>973,508</b>	<b>\$10,886,215</b>
Cash over/under (Account 85000)			\$0

**Courtesy Pass Admissions as Percent of Prior Year Gross Paid Admissions**

**(Not to exceed 4% per Food and Ag Code Section 3026)**

Courtesy pass admissions - current year	40,326
Total number of paid admissions - prior year (2019 see note 1)	908,830
Percent	4.4%

PARKING REVENUE	NUMBER	PRICE	TOTAL REVENUE	% PAID TO
Fairtime (Account 47100)	179,890	\$15.00	\$2,698,350	
	18,011	\$30.00	540,330	
	286	\$5.00	1,430	
			0	
			0	
			0	
			0	
<b>TOTAL Account 47100</b>	<b>198,187</b>		<b>\$3,240,110</b>	

Note 1 - 22nd DAA did not have a fair in 2021 and 2020.

Fair Name: San Diego County Fair / 22nd DAA  
 City: Del Mar

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**2022 Statement of Operations**

**Permanent Positions on Payroll for 2022**

**Total # of Permanent Positions (see below)** 78

Expenditure Classification		Total Number of Months	Pay Rate		Total Per Account		Compensated Leave Liability
Civil Service Class Title			Amount	Per	Acct No.	Account Totals	
1	Accounting Administrator I (Supervisor)	6	8,700.90	mon	510501	52,205	2,962
	Accounting Administrator I (Supervisor)	6	8,918.26	mon	510501	53,510	
1	Accounting Administrator II	6	9,539.26	mon	510501	57,236	5,837
	Accounting Administrator II	6	10,267.20	mon	510501	61,603	
1	Accounting Analyst	4	4,167.00	mon	510501	16,668	
1	Accounting Analyst	6	3,800.00	mon	510501	22,800	7,054
	Accounting Analyst	6	4,090.00	mon	510501	24,540	
1	Administrative Assistant I	3	5,604.00	mon	510501	16,812	19,479
	Administrative Assistant I	6	5,744.00	mon	510501	34,464	
1	Administrative Assistant I	4	5,369.00	mon	510501	21,476	
	Administrative Assistant I	5	5,166.00	mon	510501	25,830	
1	Associate Accounting Analyst	6	6,366.00	mon	510501	38,196	2,892
	Associate Accounting Analyst	6	6,851.00	mon	510501	41,106	
1	Associate Governmental Program Analyst	2.5	6,739.00	mon	510501	16,848	
	Associate Governmental Program Analyst	1	5,884.00	mon	510501	5,884	11,848
	Associate Governmental Program Analyst	6	6,067.00	mon	510501	36,402	
1	Associate Governmental Program Analyst	6	6,739.00	mon	510501	40,434	19,323
	Associate Governmental Program Analyst	5	981.12	mon	510501	4,906	
1	Associate Governmental Program Analyst	6	6,739.00	mon	510501	40,434	10
1	Audio-Visual Specialist (Technical)	6	6,231.00	mon	510501	37,386	23,043
	Audio-Visual Specialist (Technical)	6	6,387.00	mon	510501	38,322	
1	Audio-Visual Specialist (Technical)	6	6,739.00	mon	510501	40,434	9,191
	Audio-Visual Specialist (Technical)	6	6,907.00	mon	510501	41,442	
1	CEA	6	11,152.80	mon	510501	66,917	17,051
	CEA	6	7,515.20	mon	510501	45,091	
1	CEA	6	13,419.60	mon	510501	80,518	56,982
	CEA	6	13,755.60	mon	510501	82,534	
1	Custodian I	1	3,839.68	mon	510501	3,840	
	Custodian I	6	3,663.00	mon	510501	21,978	
1	Custodian I	6	2,998.00	mon	510501	17,988	1,617
	Custodian I	6	3,227.00	mon	510501	19,362	
1	Custodian I	6	2,998.00	mon	510501	17,988	
	Custodian I	6	3,227.00	mon	510501	19,362	

Fair Name: San Diego County Fair / 22nd DAA  
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**2022 Statement of Operations**

**Permanent Positions on Payroll for 2022**

**Total # of Permanent Positions (see below)** 78

Expenditure Classification		Total Number of Months	Pay Rate		Total Per Account		Compensated Leave Liability
Civil Service Class Title			Amount	Per	Acct No.	Account Totals	
1	Electrician II	6	6,308.74	mon	510501	37,852	465
	Electrician II	6	6,469.00	mon	510501	38,814	
1	Equestrian Center Manager	6	8,710.10	mon	510501	52,261	17,500
	Equestrian Center Manager	6	8,927.46	mon	510501	53,565	
1	Event Coordinator-DAA	1	5,382.00	mon	510501	5,382	
	Event Coordinator-DAA	6	5,512.00	mon	510501	33,072	
1	Events Services Supervisor	1.5	7,527.90	mon	510501	11,292	651
	Events Services Supervisor	6	7,696.96	mon	510501	46,182	
1	Events Services Supervisor	6	7,565.86	mon	510501	45,395	20,297
	Events Services Supervisor	6	7,736.06	mon	510501	46,416	
1	Events Services Supervisor	4	6,089.26	mon	510501	24,357	1,721
	Events Services Supervisor	6	6,226.10	mon	510501	37,357	
1	Events Services Supervisor	6	7,139.20	mon	510501	42,835	42,585
	Events Services Supervisor	6	7,664.76	mon	510501	45,989	
1	Executive Assistant	6	5,420.00	mon	510501	32,520	18,722
	Executive Assistant	6	5,555.60	mon	510501	33,334	
1	Exhibit Supervisor	6	7,564.70	mon	510501	45,388	2,619
	Exhibit Supervisor	6	7,753.30	mon	510501	46,520	
1	Exhibit Supervisor	4	7,049.50	mon	510501	28,198	
1	Exhibit Worker-CMSI	1.5	4,567.00	mon	510501	6,851	527
	Exhibit Worker-CMSI	6	4,670.00	mon	510501	28,020	
1	Graphic Designer III	6	7,025.00	mon	510501	42,150	22,316
	Graphic Designer III	6	7,201.00	mon	510501	43,206	
1	Heavy Equipment Mechanic	6	5,902.00	mon	510501	35,412	26,312
	Heavy Equipment Mechanic	6	6,035.00	mon	510501	36,210	
1	Information Technology Specialist I	6	9,408.00	mon	510501	56,448	24,492
	Information Technology Specialist I	6	9,643.00	mon	510501	57,858	
1	Information Technology Specialist I	6	9,408.00	mon	510501	56,448	26,596
	Information Technology Specialist I	6	9,643.00	mon	510501	57,858	
1	Lead Security Guard	6	3,672.04	mon	510501	22,032	6,920
	Lead Security Guard	6	3,758.68	mon	510501	22,552	
1	Lead Security Guard	6	3,661.68	mon	510501	21,970	18,336
	Lead Security Guard	6	3,750.68	mon	510501	22,504	

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**Permanent Positions on Payroll for 2022**

**Total # of Permanent Positions (see below)** 78

Expenditure Classification		Total Number of Months	Pay Rate		Total Per Account		Compensated Leave Liability
Civil Service Class Title			Amount	Per	Acct No.	Account Totals	
1	Maintenance & Ops Sup II	1.5	6,613.66	mon	510501	9,920	10,271
	Maintenance & Ops Sup II	6	6,762.00	mon	510501	40,572	
1	Maintenance & Ops Sup II	1	7,565.86	mon	510501	7,566	983
	Maintenance & Ops Sup II	6	7,736.06	mon	510501	46,416	
1	Maintenance & Ops Sup II	2	5,032.66	mon	510501	10,065	37,282
	Maintenance & Ops Sup II	6	6,226.10	mon	510501	37,357	
1	Maintenance Mechanic	1	5,822.34	mon	510501	5,822	3,515
	Maintenance Mechanic	6	5,501.00	mon	510501	33,006	
1	Maintenance Mechanic	6	5,760.00	mon	510501	34,560	27,465
	Maintenance Mechanic	6	5,890.00	mon	510501	35,340	
1	Maintenance Worker, District Fairs	6	4,742.34	mon	510501	28,454	10,906
	Maintenance Worker, District Fairs	6	4,672.00	mon	510501	28,032	
1	Maintenance Worker, District Fairs	6	4,742.34	mon	510501	28,454	764
	Maintenance Worker, District Fairs	6	4,845.34	mon	510501	29,072	
1	Maintenance Worker, District Fairs	6	4,669.00	mon	510501	28,014	16,297
	Maintenance Worker, District Fairs	6	4,772.00	mon	510501	28,632	
1	Maintenance Worker, District Fairs	6	4,569.00	mon	510501	27,414	25,061
	Maintenance Worker, District Fairs	6	4,672.00	mon	510501	28,032	
1	Maintenance Worker, District Fairs	3.5	4,569.00	mon	510501	15,992	
1	Maintenance Worker, District Fairs	6	4,669.00	mon	510501	28,014	572
	Maintenance Worker, District Fairs	6	4,772.00	mon	510501	28,632	
1	Marketing Specialist	2	7,602.00	mon	510501	15,204	614
	Marketing Specialist	6	7,602.00	mon	510501	45,612	
1	Plumber I	6	5,755.00	mon	510501	34,530	2,117
	Plumber I	4.5	5,884.00	mon	510501	26,478	
1	Secretary-Manager VII, DAA	6	16,960.00	mon	510501	101,760	45,596
	Secretary-Manager VII, DAA	6	17,383.76	mon	510501	104,303	
1	Security Guard	6	2,840.30	mon	510501	17,042	1,700
	Security Guard	6	2,507.80	mon	510501	15,047	
1	Security Guard	6	3,416.06	mon	510501	20,496	3,562
	Security Guard	6	3,584.68	mon	510501	21,508	
1	Security Guard	6	3,602.00	mon	510501	21,612	7,030
	Security Guard	6	3,687.00	mon	510501	22,122	

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**2022 Statement of Operations**

**Permanent Positions on Payroll for 2022**

**Total # of Permanent Positions (see below)** 78

Expenditure Classification		Total Number of Months	Pay Rate		Total Per Account		Compensated Leave Liability
Civil Service Class Title			Amount	Per	Acct No.	Account Totals	
1	Security Guard	6	3,402.00	mon	510501	20,412	8,606
	Security Guard	6	3,487.00	mon	510501	20,922	
1	Security Guard	6	3,505.18	mon	510501	21,031	10,623
	Security Guard	6	3,582.42	mon	510501	21,495	
1	Security Guard	6	3,496.94	mon	510501	20,982	13,305
	Security Guard	6	3,592.06	mon	510501	21,552	
1	Security Guard	6	3,502.18	mon	510501	21,013	7,856
	Security Guard	6	3,578.94	mon	510501	21,474	
1	Security Guard	6	3,528.06	mon	510501	21,168	21,727
	Security Guard	6	3,605.18	mon	510501	21,631	
1	Security Guard	6	2,820.80	mon	510501	16,925	1,091
	Security Guard	6	3,015.80	mon	510501	18,095	
1	Service Assistant (Maintenance)	3.5	3,968.00	mon	510501	13,888	728
	Service Assistant (Maintenance)	6	3,583.00	mon	510501	21,498	
1	Service Assistant (Maintenance)	1	3,968.00	mon	510501	3,968	
	Service Assistant (Maintenance)	6	3,583.00	mon	510501	21,498	
1	Service Assistant (Maintenance)	3.5	3,968.00	mon	510501	13,888	915
	Service Assistant (Maintenance)	6	3,583.00	mon	510501	21,498	
1	Service Assistant (Maintenance)	2.5	4,235.84	mon	510501	10,590	498
	Service Assistant (Maintenance)	6	3,306.00	mon	510501	19,836	
1	Sr Personnel Specialist	6	6,033.00	mon	510501	36,198	9,211
	Sr Personnel Specialist	6	6,184.00	mon	510501	37,104	
1	Staff Services Manager I	6	9,147.10	mon	510501	54,883	56,782
	Staff Services Manager I	6	9,375.96	mon	510501	56,256	
1	Staff Services Manager I	3	8,257.00	mon	510501	24,771	1,429
	Staff Services Manager I	6	8,464.00	mon	510501	50,784	
1	Staff Services Manager I	6	9,147.10	mon	510501	54,883	16,781
	Staff Services Manager I	6	9,375.96	mon	510501	56,256	
1	Staff Services Manager I	6	9,147.10	mon	510501	54,883	46,967
	Staff Services Manager I	6	9,375.96	mon	510501	56,256	
1	Staff Services Manager II (Managerial)	6	10,605.60	mon	510501	63,634	85,477
	Staff Services Manager II (Managerial)	6	10,870.80	mon	510501	65,225	
1	Staff Services Manager II (Managerial)	6	10,605.60	mon	510501	63,634	38,639



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**2022 Statement of Operations**

**Permanent Positions on Payroll for 2022**

**Total # of Permanent Positions (see below)**

78

Expenditure Classification		Total Number of Months	Pay Rate		Total Per Account		Compensated Leave Liability
Civil Service Class Title			Amount	Per	Acct No.	Account Totals	
	Staff Services Manager II (Managerial)	4	10,870.80	mon	510501	43,483	
1	Staff Services Manager II (Managerial)	6	10,522.80	mon	510501	63,137	31,511
	Staff Services Manager II (Managerial)	6	10,870.80	mon	510501	65,225	
1	Staff Services Manager II (Managerial)	6	10,605.60	mon	510501	63,634	40,796
	Staff Services Manager II (Managerial)	6	10,870.80	mon	510501	65,225	
1	Staff Services Manager II (Managerial)	6	10,805.60	mon	510501	64,834	43,202
	Staff Services Manager II (Managerial)	6	11,070.80	mon	510501	66,425	
1	Staff Services Manager II (Managerial)	4	10,605.60	mon	510501	42,422	
1	Staff Services Manager II (Managerial)	6	10,222.40	mon	510501	61,334	40,472
	Staff Services Manager II (Managerial)	6	10,986.80	mon	510501	65,921	
1	Staff Services Manager II (Managerial)	3.5	10,605.60	mon	510501	37,120	2,753
	Staff Services Manager II (Managerial)	6	10,870.80	mon	510501	65,225	
1	Supervising Environmental Planner	6	12,224.40	mon	510501	73,346	7,335
	Supervising Environmental Planner	6	12,530.40	mon	510501	75,182	
1	Telecom Systems Manager I (Supervisor)	6	9,666.90	mon	510501	58,001	76,085
	Telecom Systems Manager I (Supervisor)	6	9,908.40	mon	510501	59,450	
1	Tractor Operator-Laborer	5	6,089.26	mon	510501	30,446	37,282
1	Tractor Operator-Laborer	6	5,032.66	mon	510501	30,196	29,895
	Tractor Operator-Laborer	6	5,146.06	mon	510501	30,876	
							1,231,048

Permanent positions must include all permanent full & part-time employees (only employees receiving medical benefits).  
 Please include permanent intermittents.  
 Do NOT include seasonals or 119 day employees.  
 Please provide the breakdown of permanent full and part-time employees and permanent intermittents.  
 This data is required for the full year, not year-end figures. However, please avoid double-counting the same position.  
 E.g. A position that is filled throughout the year by 2 individuals should be counted as one permanent position.

Fair Name: San Diego County Fair / 22nd DAA  
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**2022 Statement of Operations**

<b>PROPERTY, PLANT &amp; EQUIPMENT ACQUISITIONS &amp; DISPOSITIONS</b>	Reference	Jan 1 to Dec 31, 2022	Jan 1 to Dec 31, 2022
<b>PROPERTY, PLANT &amp; EQUIPMENT, January 1:</b>	Prior Year		<b>\$107,767,329</b>
<b>ACQUISITIONS OF FIXED ASSETS:</b>			
Land			0
Buildings & Improvements:			
Major Maintenance Projects (MMP)		0	
ADA Projects		0	
Building Improvements		8,123,370	
Land Improvements		0	
Leasehold Improvements		0	
New Construction		0	
Construction in Progress		935,206	
Net Buildings & Improvements			9,058,576
Equipment			317,332
Other Fixed Assets			0
Other (provide description):			0
<b>TOTAL ACQUISITIONS OF FIXED ASSETS</b>			<b>9,375,908</b>
<b>DISPOSITIONS OF FIXED ASSETS (Salvaged, Sold, etc.):</b>			
Land			0
Buildings & Improvements			0
Equipment			0
Other Fixed Assets			8,522,387
Other (provide description):			0
<b>TOTAL DISPOSITIONS OF FIXED ASSETS</b>			<b>8,522,387</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT, December 31</b>			<b>108,620,850</b>
<b>DEPRECIATION:</b>			
Accumulated Depreciation, January 1	Prior Year		57,633,594
Less: A/D on Dispositions of Fixed Assets above			
Less/Add: Prior Year Audit Adjustment			
Add: Annual Depreciation Expense	from page 2		2,118,931
<b>ACCUMULATED DEPRECIATION, December 31</b>			<b>59,752,525</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT, NET OF DEPRECIATION, December 31</b>			<b>48,868,325</b>
<b>DEBT (ASSOCIATED WITH FIXED ASSETS)</b>			<b>6,501,619</b>
<b>NET RESOURCES-CAPITAL ASSETS (less related debt), DECEMBER 31:</b>	To Sch 1		<b>\$42,366,706</b>

Fair Name: San Diego County Fair / 22nd DAA

City: Del Mar

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Schedule 9A

### 2022 Statement of Operations

#### Employer's Share of Contributions towards Pension Plan

*This schedule is only required by DAAs.*

#### Monthly Employer's Contribution (July 1, 2021 - December 31, 2022)

Month	Contributions
Jul-21	125,890.11
Aug-21	115,923.09
Sep-21	116,687.01
Oct-21	120,074.91
Nov-21	116,485.95
Dec-21	117,307.87
Jan-22	120,322.87
Feb-22	124,974.70
Mar-22	129,730.65
Apr-22	138,507.14
May-22	150,049.03
Jun-22	199,295.28
Jul-22	177,983.48
Aug-22	158,040.74
Sep-22	159,317.93
Oct-22	170,257.50
Nov-22	148,819.80
Dec-22	146,314.74
<b>TOTAL</b>	<b>2,535,982.80</b>

Fair Name: San Diego County Fair / 22nd DAA  
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### 2022 Statement of Operations

#### Employer's Share of Contributions towards Other Postemployment Benefits (OPEB) Plan

*This schedule is only required by DAAs.*

#### Monthly Employer's Contribution (July 1, 2021 - December 31, 2022)

Month	Contributions
Jul-21	14,964.72
Aug-21	14,563.52
Sep-21	14,155.32
Oct-21	14,178.55
Nov-21	14,235.77
Dec-21	13,897.26
Jan-22	14,019.78
Feb-22	14,255.75
Mar-22	14,330.62
Apr-22	14,854.11
May-22	15,599.10
Jun-22	16,214.44
Jul-22	18,396.55
Aug-22	18,376.19
Sep-22	17,952.48
Oct-22	17,998.18
Nov-22	17,409.09
Dec-22	17,170.00
<b>TOTAL</b>	<b>282,571.43</b>

Fair Name: San Diego County Fair / 22nd DAA  
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**2022 Statement of Operations**

**STATEMENT OF OPERATIONS - JUNIOR LIVESTOCK AUCTION**

DETAIL	Account Number	Jan 1 to Dec 31, 2022
<b>RESOURCES, January 1:</b>	25100	16,305
<b>AUCTION REVENUES:</b>		
Percentage from Auction Sales	47610	38,586
Sponsorships	47620	5,735
Advertising Sales	47630	0
Reimbursements	47640	6,250
Prior Year Revenue Adjustment	47650	0
Other (List)	47660	0
TOTAL REVENUES	47600	50,571
<b>AUCTION EXPENDITURES:</b>		
Jr. Livestock BBQ, lunch, dinner, etc.	57620	0
Labor Costs	57630	0
Supplies & Expense	57640	3,842
Publicity and Marketing	57650	0
Leases and /or Rentals	57660	0
Fuel & Utilities	57670	0
Prior Year Expenditure Adjustment	57680	0
Other (List)	57690	26,426
TOTAL EXPENDITURES	57600	30,269
<b>NET JLA INCOME</b>		20,303
<b>RESOURCES, December 31:</b>	25100	36,607
<b>INFORMATION ONLY:</b>		
Payment from Buyers / Payment to Sellers (Excluding the percentage retained to offset the expenses)	25200	
Percentage Retained by Fair/Committee		5%

Fair Name: San Diego County Fair / 22nd DAA  
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 STOP-01 (Rev. 01/23)  
 FLSA

**2022 Statement of Operations**

**FEDERAL LABOR STANDARD ACT (FLSA) RECREATIONAL EXEMPTION**

Do NOT include State Funding.

This schedule is only required by DAAs.

Method of determining applicability of recreational exemption:

**2022 Monthly Cash Receipts**

Month	Cash Receipts
January	800,329
February	1,101,717
March	1,024,417
April	3,377,773
May	4,007,430
June	22,923,031
July	18,539,436
August	9,495,552
September	3,586,944
October	835,502
November	3,342,474
December	1,303,869
<b>TOTAL</b>	<b>70,338,473</b>

Lowest six months	Highest six months
800,329	22,923,031
835,502	18,539,436
1,024,417	9,495,552
1,101,717	4,007,430
1,303,869	3,586,944
3,342,474	3,377,773
<b>TOTALS</b>	<b>61,930,166</b>

Lowest six months/highest six months: 13.6%

If the lowest six months divided by the highest six months is greater than 33.3%, your exemption is lost for 2022.

Overtime should be paid to temporary employees accordingly.



## **Item 6-A-1, Finance Committee Report - 22-018 Amendment 1 for the Managing Promoter of The Sound**

### **Background**

In 2019, District broke ground on the renovation of the former satellite wagering building, known as Surfside, transforming two-thirds of the building into an indoor, theater-style entertainment venue. The completion date was a moving target right up until the official opening in February 2023. The project was financed through a construction loan of \$15M from the Infrastructure Bank of California (IBank) and \$2M interest-free loan from Premier Food Services, Inc. Payments on the loans began in 2020. Annual debt service on the IBank loan is approximately \$870,000 and the Premier loan is \$100,000 minimum payment or 30% of the net receipts of the food and beverage operation at the venue.

In anticipation of completion of the renovation and following a competitive bidding process, in April 2022, the board awarded a contract for Managing Promoter of The Sound to Belly Up, Inc. to optimize use of The Sound to provide for the arts, entertainment, cultural, and intellectual enrichment of the community while also creating a positive economic impact to District by attracting national and international artists of the highest quality, providing a diverse schedule, and fostering the growth of live music entertainment consistent with District goals and objectives. The contract was for one year with three, three-year options, for a potential of ten total years, with District retaining control during each annual San Diego County Fair. The contract commenced on February 1, 2023, and is attached for reference.

In October 2022, the board named the entertainment venue within Surfside, The Sound.

The Sound hosted its first event, Mainly Mozart, in October 2022, where it was realized that, though the renovation was near completion, the floor needed to be raised for a better guest experience. That modification was completed in December 2022 and The Sound hosted its second event, a friends and family media kick-off in January 2023. The Sound officially opened to the public with two sold-out, back-to-back shows by Ziggy Marley on February 3 and 4, 2023.

For each live entertainment event, District received \$7,500 minimum guarantee or 10% of gross ticket sales, whichever is greater, and retained all food and beverage revenues, \$15 per parking ticket sold, and a \$2.50 Per Ticket Facility Fee (for reinvestment into the facility and/or equipment).

### **Process/Approach**

The operation of Surfside is overseen by District's Production & Entertainment

Department including coordinating maintenance and repair work and custodial services, enhancing the guest experience, and coordinating with Belly Up and Premier Food Services teams to deliver on District's vision to be the community's iconic place for social interaction and cultural expression.

Prior to commencing operations at The Sound, District has been responsible for the annual debt service payments without a new revenue stream, but that has all changed since opening in February 2023. District goals for the first year were 50 shows and to drive enough revenue to, at a minimum, cover the annual debt service of approximately \$870,000.

Since its opening, and under the promotion of Belly Up, District will have hosted 54 events at The Sound in the first year of operation, February through January, with over 75,000 tickets sold (not including private event patrons), and driving over \$500,000 in facility rent, \$400,000 in parking, \$1.8M in gross food and beverage receipts, plus nearly \$180,000 in per ticket facility fees for a combined economic impact of \$2.88M to District. With one month to go for a full year of operation, net to District before payment of the annual debt service is estimated at \$1.5M, nearly double the debt service.

Already in the first year, the Facility Fee, at \$2.50 per ticket, has been reinvested in the floor infill, HVAC upgrades, interior lighting repair, and the addition of speakers in the foyer to enhance the guest experience. The Sound will require further reinvestment of the Facility Fees in 2024 to address lingering needs such as permanent exterior signage and lighting, foyer bar and backstage furnishings, and Wi-Fi access for customers.

The Sound continues to receive positive reviews and media coverage, most recently being nominated as one of the Best New Venues in the country by Pollstar Magazine.

The goal for the second year of operation is to grow to 80 events, not including the San Diego County Fair, which equates to a 25% increase over the first year, and a positive net to District including all operational expenses and annual debt service.

### **Recommendation**

The Committee recommends approving the first of three, three-year options with Belly Up as Managing Promoter of The Sound.

### **Environmental/Coastal Commission Review**

Unknown at this time

### **Fiscal Impact**

Annual 5% increase of the minimum facility rent guarantee and estimated increases to variable revenues from gross ticket sales, parking, and food and beverage as the number of shows increases and the popularity of the venue.



# UNAUDITED FINANCIAL STATEMENTS

## 22nd DAA Income Statement - The Sound For the Period Ending November 30, 2023

	November 2023			Year-to-Date			Full 2023
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>REVENUES</b>							
<b>Admissions Revenue</b>	0	0	0	0	0	0	0
<i>Gates</i>	0	0	0	0	0	0	0
<b>Concessions Revenue</b>	281,249	141,696	139,553	1,644,783	743,904	900,879	850,176
<i>Food &amp; Beverage Contra</i>	281,249	141,696	139,553	1,644,783	743,904	900,879	850,176
<i>Other Food &amp; Beverage</i>	0	0	0	0	0	0	0
<i>Midway</i>	0	0	0	0	0	0	0
<i>Merchandise</i>	0	0	0	0	0	0	0
<b>Facility Rentals Revenue</b>	114,797	37,500	77,297	629,320	337,500	291,820	375,000
<i>Commercial</i>	0	0	0	0	0	0	0
<b>Leases Revenue</b>	0	0	0	0	0	0	0
<i>Racetrack</i>	0	0	0	0	0	0	0
<b>Program Revenues</b>	63,720	33,000	30,720	330,774	297,000	33,774	330,000
<i>JLA</i>	0	0	0	0	0	0	0
<i>Parking</i>	63,720	33,000	30,720	330,774	297,000	33,774	330,000
<i>Participation Fees</i>	0	0	0	0	0	0	0
<i>Satellite Wagering</i>	0	0	0	0	0	0	0
<b>OPERATING REVENUE TOTALS</b>	459,767	212,196	247,571	2,604,878	1,378,404	1,226,474	1,555,176
<b>Contributions</b>	0	0	0	0	0	0	0
<i>Government Funding</i>	0	0	0	0	0	0	0
<i>Sponsorships</i>	0	0	0	0	0	0	0
<b>Other Non-Operating Revenue</b>	190	0	190	2,400	0	2,400	0
<i>Interest Earnings</i>	0	0	0	0	0	0	0
<i>Pledged Revenue</i>	0	0	0	0	0	0	0
<b>Reimbursed Costs</b>	2,109	0	2,109	12,637	0	12,637	0
<i>Prior Year Revenue</i>	0	0	0	0	0	0	0
<b>NON-OPERATING REVENUE TOTALS</b>	2,299	0	2,299	15,037	0	15,037	0
<b>TOTAL REVENUE</b>	462,066	212,196	249,870	2,619,915	1,378,404	1,241,511	1,555,176
<b>EXPENSES</b>							
<b>Payroll &amp; Related Expense</b>	55,695	35,318	(20,376)	1,218,514	1,131,509	(87,005)	1,168,910
<i>Professional Developer</i>	0	0	0	0	0	0	0
<b>Professional Services Expense</b>	155,554	99,583	(55,971)	1,402,739	755,689	(647,050)	855,719
<i>Food &amp; Beverage Expens</i>	104,693	98,213	(6,479)	1,031,861	515,619	(516,241)	589,279
<b>Insurance Expense</b>	0	0	0	0	0	0	0
<b>Facility &amp; Related Expense</b>	1,395	0	(1,395)	150,388	0	(150,388)	0
<i>Equipment &amp; Small Ware</i>	0	0	0	130,948	0	(130,948)	0
<i>Telephone &amp; Internet</i>	0	0	0	0	0	0	0
<i>Repairs &amp; Maintenance</i>	1,395	0	(1,395)	17,530	0	(17,530)	0
<i>Utilities</i>	0	0	0	0	0	0	0
<i>- Electricity</i>	0	-	-	0	-	-	-
<i>- Water</i>	0	-	-	0	-	-	-
<b>Supplies Expense</b>	2,397	0	(2,397)	53,569	2,500	(51,069)	2,500
<b>Marketing &amp; Related Expense</b>	0	0	0	12,471	0	(12,471)	0
<b>Program Expenses</b>	0	0	0	1,679	0	(1,679)	0
<i>Prizes &amp; Premiums</i>	0	0	0	0	0	0	0
<i>Artists &amp; Entertainment</i>	0	0	0	0	0	0	0
<i>Midway Operator Expens</i>	0	0	0	0	0	0	0
<b>Other Operating Expense</b>	14	100,693	100,679	1,495	106,930	105,436	107,623
<i>Bank &amp; Service Fees</i>	0	693	693	1,616	6,930	5,315	7,623
<i>Interest Expense</i>	0	100,000	100,000	0	100,000	100,000	100,000
<b>OPERATING EXPENSE TOTALS</b>	215,055	235,595	20,539	2,840,855	1,996,629	(844,226)	2,134,752
<b>Other Non-Operating Expense</b>	0	0	0	0	0	0	0
<i>Prior Year Expense</i>	0	0	0	0	0	0	0
<b>NON-OPERATING EXPENSE TOTALS</b>	0	0	0	0	0	0	0
<b>TOTAL EXPENSE</b>	215,055	235,595	20,539	2,840,855	1,996,629	(844,226)	2,134,752
<b>NET INCOME (LOSS)</b>	247,010	(23,399)	270,409	(220,940)	(618,225)	397,285	(579,576)

Note: Positive variances in this report denote better than expected results for that element.

## Carlene Moore

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**From:** Henry Rivera  
**Sent:** Monday, November 13, 2023 10:04 AM  
**To:** Katie Mueller; Carlene Moore  
**Subject:** The Sound was nominated for best new venue in Pollstar.

Greetings I wanted to share this with you..

### NEW CONCERT VENUE OF THE YEAR

#### (UNDER 5,000 CAPACITY)

The Atlantis, Washington, DC

The Bellwether, Los Angeles, CA

The Salt Shed, Chicago, IL

Steelhouse Omaha, Omaha, NE

The Sound, Del Mar, CA

The Venue at Thunder Valley, Lincoln, CA

<https://news.pollstar.com/2023/11/10/nominations-announced-for-35th-annual-pollstar-awards-voting-open-now/>

Henry Rivera, CFM  
Production & Entertainment Services Director  
ETCP Certified Rigger 2694  
[hrivera@sdfair.com](mailto:hrivera@sdfair.com) | p: 858.792-4281 c: 858.740.9423



STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

22-018

PURCHASING AUTHORITY NUMBER (If Applicable)

N/A

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTOR NAME

Belly Up Entertainment LLC

2. The term of this Agreement is:

START DATE

February 1, 2023

THROUGH END DATE

January 31, 2024 (with three three-year options to renew)

3. The maximum amount of this Agreement is:

\$462,500.00

Four Hundred Sixty Two Thousand Five Hundred Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Statement/Scope of Work	7
Exhibit A, Attachment I	Floor Plan and Seating Chart	7
Exhibit A, Attachment II	Noise Ordinance	1
Exhibit A, Attachment III	Technical Specifications	3
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit B- Attachment 1	Financial Proposal Form	6
Exhibit C *	General Terms and Conditions	GTC 04/2017
Exhibit D	Special Terms and Conditions	5
Exhibit D, Attachment 1	Insurance Requirements	4
Exhibit E	Preventing Storm Water Pollution	1
Exhibit F	22nd DAA Resource Conservation Policy	1

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

SCO ID: N/A

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 22-018	PURCHASING AUTHORITY NUMBER (If Applicable) N/A
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IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Belly Up Entertainment, LLC

CONTRACTOR BUSINESS ADDRESS

143 S. Cedros Avenue, Suite T

CITY

Solana Beach

STATE

CA

ZIP

92075

PRINTED NAME OF PERSON SIGNING

Steve Goldberg

TITLE

Managing Partner

CONTRACTOR AUTHORIZED SIGNATURE

*Steve Goldberg*

Steve Goldberg (Oct 17, 2022 09:01 PDT)

DATE SIGNED

Oct 17, 2022

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTING AGENCY ADDRESS

2260 Jimmy Durante Boulevard

CITY

Del Mar

STATE

CA

ZIP

92014

PRINTED NAME OF PERSON SIGNING

Carlene Moore

TITLE

Chief Executive Officer

CONTRACTING AGENCY AUTHORIZED SIGNATURE

*Carlene Moore*

Carlene Moore (Oct 18, 2022 19:47 PDT)

DATE SIGNED

Oct 18, 2022

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

FAC §4051 .a. 1

**EXHIBIT A  
STATEMENT/SCOPE OF WORK**

**A. BACKGROUND**

District's goals for Venue are to provide for the arts, entertainment, cultural and intellectual enrichment of the community while also creating a positive economic impact through optimizing use of Venue in a complementary manner with other activities held on the Del Mar Fairgrounds, ultimately building Venue to an iconic destination for live entertainment in San Diego County. Contractor recognizes these goals in programming for Venue.

Contractor shall exercise its commercially reasonable efforts to optimize use of Venue to meet these goals by a) attracting local, regional, national and international artists of the highest quality, b) providing a diverse schedule, and c) fostering the growth of live music entertainment, and in all instances, such programming shall be consistent with District's purpose, mission, and vision.

**PURPOSE**

We are a timeless community treasure where all can flourish, connect, and interact through year-round exceptional experiences.

**MISSION**

We connect our community through shared interests, diverse experiences, and service to one another in an inclusive, accessible, and safe place with an emphasis on entertainment, recreation, agriculture, and education.

**VISION**

We will be the community's iconic place for social interaction and cultural expression, honoring traditions, embracing innovation, celebrating excellence, and having fun.

It is District's intent that Contractor shall be the sole and exclusive managing promoter of Venue, providing the services described in RFP 22-018. However, District maintains sole authority over all Event bookings at Venue.

Premier Food Services/ASM is the exclusive food and beverage partner for the Del Mar Fairgrounds, including Center and Venue. Outside food and beverage is prohibited. All food and beverage revenues shall be retained by District.

District has engaged Loma Media Partners to work with the Contractor and District to develop an awareness campaign, launch plan, and marketing materials for the debut of the Center.

District shall provide up to two (2) offices for Contractor's onsite needs.

**B. SERVICES OVERVIEW**

District does not, at this time, intend to administer the day-to-day operations of Venue. Day-to-day operations include, but are not limited to booking and marketing performances,

**EXHIBIT A**  
**STATEMENT/SCOPE OF WORK**

administering contracts, operating the box office and concessions (other than food and beverage), and maintaining associated accounting functions.

The Contractor's services shall include management of Venue activities including schedule, bookings, marketing, negotiations and contracting for uses of Venue including self-promoted events, execution of each activity, and providing technical staff and general labor to support all scheduled activities within Venue including, but not limited to: stagehands, security, ushers, ticket takers, custodians, etc. All work will be performed under the direction and supervision of District.

District shall continue to manage and operate all other portions of Center, outside of Venue, including satellite wagering and provide all food and beverage service for all Center activities through its partner, Premier Food Services/ASM. Outside food & beverage is prohibited. District retains the exclusive right to sell facility sponsorships. To the extent possible, District will work in good faith with Contractor in advance of finalizing facility sponsorships. Contractor and all subcontractors, show promoters, renters, etc. must work within the sponsorship parameters.

Contract term shall be for one year, with three three-year options to renew pursuant to the terms and conditions set forth in this contract. The contract is subject to annual evaluation and certification that Contractor has met all contract requirements. Notwithstanding, the District may decide, in its sole and absolute discretion, and for any reason, whether or not to exercise any contract option under the contract. District will provide written notification to Contractor of its election to exercise the contract option at least six months before the expiration of the initial term of the contract and at least eighteen months before the expiration of any subsequent option year.

During the summer and fall thoroughbred horse race seasons at the Del Mar Fairgrounds, typically mid-July through Labor Day as well as the month of November, Contractor shall work collaboratively with District and District's thoroughbred horse race meet operator to schedule entertainment accordingly. Certain restrictions may apply as it relates to noise impacts and ensuring the safety of racing operations.

The Contractor shall serve as the master calendar coordinator for purposes of all Event bookings at Venue and pay District a per-show fee for live entertainment bookings and a rental fee for all other events. District will direct all Venue rental inquiries to Contractor.

Contractor shall be responsible for all expenses related to the management of Venue during events, including but not limited to: labor, insurance, and marketing, and exclusive of utilities, janitorial supplies, and general wear and tear of the facility.

**C. GENERAL REQUIREMENTS**

Contractor shall provide qualified personnel capable of providing the services described herein.

**EXHIBIT A  
STATEMENT/SCOPE OF WORK**

Contractor shall possess, maintain, and utilize a strong knowledge of the demographics of North San Diego County and the local communities surrounding the Fairgrounds, as those communities relate to entertainment programming and performance selection. Contractor should possess extensive experience and connections within the community surrounding Venue and demonstrate collaboration with the local community and local government and encouragement of local music via activities that support the community and foster community support.

Contractor and its personnel shall have the capacity to work efficiently and in a collaborative manner with a multi-disciplined team including District staff and contractors, under the direction of District's Entertainment & Production Director, to secure, promote, and stage live events at Venue, considering impacts on parking, access, food & beverage and other services, and on other events held on the Del Mar Fairgrounds, including working with District toward integration of Venue within the San Diego County Fair and other events at the Fairgrounds.

Contractor is expected to book a minimum of sixty (60) dates in the first year of operation. Upon contract award, Contractor shall meet with District management and other personnel, including but not limited to Loma Media Partners (District's media partner) to establish a Center-specific business plan including annual performance goals and recommended rental rates for special events and community uses.

District will provide a list of personnel who are authorized to request services and/or provide instructions to Contractor. These authorized individuals shall be the only points of contact while Contractor and Contractor's personnel are on District grounds. Contractor shall not accept instructions from or convey information to anyone not included on the personnel list provided by District. District shall provide an on-site representative during each Event at Venue and during all operating hours of Center.

Contractor, at Contractor's sole expense, shall secure all licenses, permits, and structural engineering approvals as required, necessary for the specific events to be held at Venue including without limitation music licenses, software licenses, and renewals thereof. District shall cooperate in this process to the extent reasonably required.

For each live entertainment/ticketed event, Contractor shall pay District a Per Show Venue Fee in the amount of the percentage of adjusted gross ticket sales (gross ticket sales minus applicable taxes) or \$7,500.00, whichever is greater, in addition to a Per Ticket Facility Fee, as indicated in the Financial Proposal Form. The Per Ticket Facility Fee is to cover the costs related to future maintenance and preservation of Venue and shall be in an amount consistent with industry standards. Contractor must include Per Show and Facility Fee on Financial Proposal Form. Additionally, Contractor shall pay a Rental Fee, to be set by District, for all other special events and uses of Venue such as corporate meetings, private events, community uses, etc.

**EXHIBIT A  
STATEMENT/SCOPE OF WORK**

The Per Show Venue Fee shall include access to Venue space, two (2) offices, utilities, standard seating and tables, and the A/V and sound package as detailed in the Technical Specifications of this RFP at no additional cost to Contractor. The Per Show Fee shall not include parking, food and beverage, and or costs associated with additional equipment, services, or the use of District personnel.

**D. GENERAL PERSONNEL SERVICES AND REQUIREMENTS**

It is expected that Contractor and its personnel will conduct themselves in a thoroughly professional manner at all times. Contractor's personnel shall exhibit a high level of customer service at all times.

Contractor shall provide experienced, qualified, and responsible personnel to set up equipment, monitor and operate equipment, provide security for equipment and tear down equipment as scheduled. Contractor's labor plan must provide for enough labor to set/strike as required. Labor shall include all equipment, materials, delivery, installation, operation, maintenance, security, teardown, and removal services necessary to support each Event.

Contractor shall provide the necessary personnel to support all scheduled activities and services within Venue including technical staff and general labor, including but not limited to: lighting and design, audio mixing, stage rigging, stagehands, security, ushers, ticket takers, custodians, event personnel, etc.

Contractor's personnel shall adapt and be flexible to reasonable requests regarding equipment operations and use, as determined appropriate by District.

Contractor shall be solely responsible to cover any and all costs associated with any and all goods and/or services provided by District not otherwise specified in this Agreement, in performance of any Event at Venue including additional production equipment, services, or personnel requested of District.

**E. CONTRACTOR ROLES AND RESPONSIBILITIES**

**1. BOOKING AND CALENDAR MANAGEMENT FOR VENUE**

Contractor shall use reasonable efforts to schedule Events and to optimize the use and profitability of Venue, working collaboratively with District management and staff. Contractor will serve as the master calendar coordinator for purposes of all Event bookings at Venue. District will direct all Venue rental inquiries to Contractor.

Contractor shall arrange for, manage calendar of, and otherwise book all Events and activities at Venue in accordance with a booking schedule to be developed by Contractor, and subject to the advance approval of District.



**EXHIBIT A**  
**STATEMENT/SCOPE OF WORK**

*Note: District shall retain the exclusive right to Venue during the annual San Diego County Fair, typically June through the July 4<sup>th</sup> holiday weekend. During such time, Contractor will not be responsible to District for any losses or damages that result from District's control over Venue.*

Contractor shall not book any Events during the summer and fall thoroughbred horse race seasons, typically mid-July through Labor Day and the month of November, without the prior written consent of District, which can be withheld by District at its sole and absolute discretion.

District shall be entitled to six (6) occasions during the calendar year, exclusive of the San Diego County Fair, to make use of Venue for hosting an Event. During such events, Contractor will not be responsible to District for any damages that result from District's control over the event booking. District shall not pay any user or rental fees for said use; however, after receipt of a written invoice, District shall reimburse Contractor for all actual labor costs incurred by Contractor to facilitate District's use.

**2. PROMOTIONS AND EVENT MANAGEMENT FOR VENUE**

Contractor shall use reasonable efforts, consistent with marketing practices in the industry, to disseminate information and bring Venue to the attention of a broad base of potential users.

Contractor shall produce, present, or provide a wide variety of performances and special events, by either self-produced and or agreement with promoters, performing artist(s), other performing arts organizations, commercial promoters, or event coordinators, renters, etc.

Contractor shall enter into written Use Agreements with third parties for use of Venue for Events in accordance with established minimum rental rates. In subsequent contract years, rental rates will be proposed by Contractor each October for approval by District annually, which District may, at its sole and absolute discretion, withhold such approval. Contractor shall employ and pay for legal services at its own expense as needed to draft and review Use Agreements or contracts pertaining to the use of Venue.

*Note: District retains the exclusive right to sell facility sponsorships. Contractor and all subcontractors and show promoters, renters, etc. must work within the sponsorship parameters. Contractor may be required to provide input and advice to District management and Sponsorship Coordinator to ensure that all appropriate or conflicting sponsorship content is included or not included when appropriate.*

Contractor may maintain and operate merchandise concessions in Venue either through directly providing or contracting for such, including the right to sell clothing, novelties, and publications and related items within Venue as appropriate and in compliance with applicable laws. District shall retain all food and beverage rights, including alcohol.

**EXHIBIT A**  
**STATEMENT/SCOPE OF WORK**

Contractor shall cause such other acts and things to be done with respect to Venue, as determined by Contractor in its reasonable discretion to be necessary for the management of Venue.

Contractor shall take all reasonable measures to assure that any users of Venue avoid any form of waste, damage, and or destruction of Venue, or make permanent alterations to Venue, without District's prior written consent.

Contractor shall submit an annual projection of Events for consideration in District's budget each October, but will not be construed as any guaranty of performance or profitability. Contractor shall also prepare and present a revised forecast after each quarter.

Contractor shall make recommendations for additions of fixtures, furniture, furnishings, and equipment and for capital improvement projects at Venue annually with the budget, for the following year.

Contractor shall take a written inventory of all furniture, fixtures, office equipment, supplies, and tools at Venue, and provided to District on an annual basis. Contractor shall document all major damage to, or loss, in such inventory as soon as such damage or loss is discovered by Contractor, and promptly notify District throughout the term of agreement.

**4. MAINTENANCE AND OPERATION OF CENTER**

District shall be responsible for operating, maintaining, and repairing Center, including Venue, and District-owned equipment utilized in connection with its operation. Repairs and maintenance shall be made promptly as, and when, necessary.

District shall maintain and perform all landscape maintenance at its own expense as necessary to maintain Center in first-class condition.

District shall, at its own expense, provide all personnel and supplies related to the ongoing general operation and maintenance of Center including, but not limited to, custodial and housekeeping services on a regular basis, to ensure that Center is kept in a clean, neat, and pristine condition. District will provide Venue in clean and ready condition before the start of each Event booked.



## **Item 6-A-2, Finance Committee Report - Multi-Year Operation of the Driving Range and Miniature Golf**

### **Background**

Since 2002 DMGC Golf Management, Inc. (DMGC) has operated the miniature golf and driving range on the Surf & Turf Recreation campus of District. Historically, and as part of that agreement, DMGC also managed the Surf & Turf RV Park. The most recent agreement, DAA 21-008-35, expired on December 31, 2023, and staff has executed Amendment 1 under the authority delegated to CEO Moore by the Board on November 14, 2023, to maintain ongoing operations. See page 56 of the board packet for reference. Through Amendment 1 and as of January 1, 2024, management of the Surf & Turf RV Park has transitioned to District, allowing DMGC to focus on its core business of providing an exceptional driving range and mini golf experience to its patrons.

The Del Mar Golf Center has been a leader in the golf range industry for over 15 years and has been a top 50 Stand Alone Driving range for 12 consecutive years. In 2017, it was the third location in the United States to introduce Toptracer ball tracking technology. Similar ball tracking technology has now become standard in the industry.

The driving range and mini-golf facility and layout has become outdated and is in dire need of a significant upgrade. The demographics of the local area demand a quality product to maintain a competitive advantage. Recent upgrades at One Paseo, Flower Hill Mall, and The Sound are examples of new offerings and new customer expectations. Additionally, a major competitor, Topgolf, has announced plans to open two locations in the San Diego area over the next five years and one of these locations will be less than seven miles from the Del Mar Golf Center.

DMGC is proposing to enhance the facility and continue to be proactive in planning and marketing in exchange for a multi-year rental agreement to continue to operate the driving range and mini-golf center. DMGC estimates the facility enhancement project cost at \$500,000 to complete all of the deliverables discussed below.

### **Process/Approach**

Facility enhancement project deliverables include grading and prep for new hardscape, installing a drainage system, construction of host stand that can also provide additional storage, incorporating nine Toptracer bays with expanded bay seating and infrared heaters, adding a new patio area near the golf shop, and installing a new electrical sub panel with enhanced capacity from the main transformer.

**Recommendation**

The Committee recommends executing a new agreement with DMGC Golf Management, Inc. for five years with five one-year options to renew at District's discretion.

**Environmental/Coastal Commission Review**

Unknown at this time

**Fiscal Impact**

20% of all gross revenues from driving range and miniature golf activities.



## **Item 6-A-3, Finance Committee Report – Agreement with Festival Licensing and Acquisition Corporation**

### **Background**

At the September 2023 meeting, the Board authorized CEO Moore to negotiate details and finalize the event agreement with Festival Licensing and Acquisition Corporation (FLAAC) for a multi-day live music and entertainment festival branded as KAABOO Del Mar, with changes including but not limited to: adding consideration to protect the District and its customers and vendors in the event the festival is not held and updating the cannabis policy language to reflect that FLAAC will comply with the cannabis policy in place at the time of the event. As of the writing of this report, FLAAC has not yet adequately addressed the Board’s concerns to safeguard consumer and District interests in a manner to confidently exercise the authority delegated by the Board to the CEO.

### **Process/Approach**

CEO Moore met with representatives from the cities of Del Mar and Solana Beach to proactively address community concerns in consideration of a multi-day live music and entertainment festival.

Specifically, the City of Solana Beach requests that the following items be incorporated into any agreement with FLAAC:

- Noise Level Monitoring and Immediate Response Noise/Volume Reduction upon verified complaint of noise level exceedances.
- Geofencing for All Rideshare Companies to prevent pick-up and drop-off in Solana Beach neighborhoods prior to, during and after each event.
- Trash Pick-Up in Solana Beach Neighborhoods the morning after each event
- Additional Sheriff Security Patrols in Solana Beach Neighborhoods prior to, during and after each event.
- Additional Traffic Control (including Personnel) Implemented at Specified Locations (including Solana Circle and Via de la Valle and Solana Circle and Nardo Avenue) to close off through-traffic and allow resident ingress and egress only.
- Coordinated Traffic Control to Prevent Back-Ups on Eastbound Via de la Valle at the Solana Gate and at “Five-Points” including better radio communication between the Five-Points (Via de la Valle, Valley, and Jimmy Durante intersection) signal controller and traffic control personnel at the Solana Gate.

### **Recommendation**

The Committee is meeting with representatives from FLAAC on Monday, January 8, 2024, and will have a further report and recommendation for the Board on Tuesday.

## **Environmental/Coastal Commission Review**

Multi-day live music and entertainment festivals, such as KAABOO Del Mar, are within the size and type of existing temporary events for District. Events of this size and nature are the 'existing condition' for the facility and do not require CEQA review. Similarly, District's existing Coastal Permit allows for an event like this without the need to seek new or amended permits.

For argument's sake, if CEQA review was undertaken, there could be temporary environmental impacts. These generally revolve around parking, traffic, and noise. Mitigation for these temporary impacts would be in the form of noise monitoring and the ability to lower volumes should any identified threshold be exceeded. Impacts to traffic and parking are addressed via a traffic control plan and/or traffic management plan. These plans generally identify cone patterns, attendants, rideshare options, parking options, and alternative transportation options that may be available.

The potential temporary impacts from an event like KAABOO Del Mar, and other similar events on District property, already have these mitigation measures included. The text below was originally added to the proposed contract with FLAAC and would serve as mitigation to impacts. It should be noted that all previous KAABOO events had these same requirements placed on the event.

### "California Coastal Commission

The Association's property is within the Coastal Zone. As such, any development, as defined by the Coastal Act, is subject to permit submittal and approval by the California Coastal Commission.

The Association's existing Coastal Development Permit allows for events such as KAABOO and no new permitting would be required to hold the event so long as the event complies with the existing Coastal Development Permit. However, the existing Coastal Development Permit requires the Licensee to provide the Association the following information either prior to the event or immediately following, depending on the requested information.

- Noise Monitoring Report;
- Traffic/Parking Monitoring Report (KAABOO event would be included within the existing Annual Report prepared by the Association);
- Traffic Management Plan; including analysis and implementation of alternative transportation (transit, bike, walk, off-site shuttles, traffic control plan, and ride share plan);
- Annual Attendance Numbers;
- Hourly Breakdown of Approximate Admittances;
- Hours of Operation; and
- Event Site Plan"

## **Fiscal Impact**

Estimated \$370,000 net revenue to District.

RollUP	Programs =====>	Financial Year 2024						
		SDCF	Rentals & Sales	Horse Racing	The Sound	Resiliency Center	A+O	TOTAL
GL #	<b>REVENUES</b>							
330000-	Government Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
350000-	Non-government Grant	-	-	-	-	-	-	-
401110-	Admissions	13,649,053	-	-	-	-	-	13,649,053
402110-	Participation (Entry) Fees	335,000	-	-	-	-	-	335,000
403110-	Midway	20,060,138	-	-	-	-	-	20,060,138
405100-	Commercial Exhibit Space	2,501,590	-	-	-	-	-	2,501,590
410010-	SRTLCL Pledged Revenue	-	-	2,508,000	-	-	-	2,508,000
410100-	Concessions	4,944,911	-	-	-	-	-	4,944,911
411100-	Food & Beverage Contract	5,170,576	1,736,032	18,331,917	2,755,880	-	-	27,994,405
412100-	22nd DAA Sales	10,000	-	92,545	-	-	-	102,545
420100-	Facility Rental Fees	307,220	3,570,036	68,800	624,000	-	-	4,570,056
421050-	Lease Revenue (Cell Towers)	-	-	-	-	-	577,847	577,847
431102-	Sponsorships	2,758,410	-	-	-	-	55,200	2,813,610
431101-	Contra Sponsor - Trade & CIK	-	-	(544,000)	-	-	-	(544,000)
440210-	Wagering	-	-	488,500	-	-	-	488,500
441100-	Race Track Operator Agreement	-	-	1,825,000	-	-	-	1,825,000
450100-	Parking Revenue	4,325,541	2,374,495	-	603,825	-	-	7,303,861
460100-	Reimbursed Costs	-	359,400	936,771	-	-	116,140	1,412,311
490100-	Miscellaneous Revenue	109,270	23,020	28,330	-	-	77,892	238,512
490180-	Donations	3,500	-	-	-	-	-	3,500
490205-	N/A (JLA USE ONLY)	472,500	-	-	-	-	-	472,500
491100-	Interest	-	-	-	-	-	1,020,000	1,020,000
	<b>Total Revenues</b>	\$ 54,647,709	\$ 8,062,984	\$ 23,735,863	\$ 3,983,705	\$ -	\$ 1,847,079	\$ 92,277,339
	<b>EXPENSES</b>							
510504-	Civil Service Overtime (Perm Staff Only)	\$ 260,800	\$ -	\$ 12,500	\$ -	\$ -	\$ 51,800	\$ 325,100
510511-	Recognition & Awards	837,850	-	-	-	-	25,400	863,250
515100-	Temporary Labor Services	106,400	-	-	-	-	44,000	150,400
520100-	Advertising & Marketing	1,204,500	-	-	-	5,000	70,000	1,279,500
530100-	Midway Operations	11,117,754	-	-	-	-	-	11,117,754
540100-	Entertainment	5,411,350	-	-	-	-	-	5,411,350
545100-	Repairs & Maintenance	147,500	-	-	12,000	-	583,960	743,460
550100-	Rental of Equipment	1,653,156	17,000	43,065	-	-	54,020	1,767,241
560075-	Contingency	-	-	-	-	-	5,000	5,000
560100-	Insurance	-	5,500	-	-	-	1,171,300	1,176,800
600100-	Professional Services	9,340,644	231,500	725,100	18,000	845	3,885,537	14,201,626
610100-	Promotional & Public Relations	209,650	-	-	-	-	10,000	219,650
620100-	Supplies	1,069,785	9,500	75,000	22,000	3,350	561,299	1,740,934
625100-	Dues, Subscriptions, Licenses & Permits	47,906	17,360	-	-	-	325,878	391,144
640100-	Professional Development (Training)	19,875	1,500	-	-	1,000	141,225	163,600
650100-	Travel & Transportation	78,475	9,450	-	-	-	102,984	190,909
670100-	Utilities	1,389,000	-	778,000	-	-	1,853,000	4,020,000
690100-	Miscellaneous Expense	24,500	-	-	-	1,000	6,000	31,500
690120-	Service Fees: Bank, Credit Card	1,905,682	88,112	14,000	26,752	-	44,000	2,078,546
695100-	Food & Beverage Contract	3,219,974	3,076,501	13,110,407	1,674,624	-	-	21,081,505
723000-	Capital Expenditure for Equipment	-	-	-	50,000	-	280,000	330,000
850200-	Loan Interest Expense	-	-	1,696,800	529,200	-	312,370	2,538,370
63????-	Office Expense	5,800	-	-	-	-	115,458	121,258
	<b>Total Specific Expenses</b>	\$ 38,050,601	\$ 3,456,423	\$ 16,454,872	\$ 2,332,576	\$ 11,195	\$ 9,643,231	\$ 69,948,898
	<b>Total Operating Budget by Program/Function</b>	\$ 16,597,109	\$ 4,606,561	\$ 7,280,991	\$ 1,651,129	\$ (11,195)	\$ (7,796,153)	\$ 22,328,442
	<b>Payroll</b>							
510501	*Wages - Civil Service & Seasonal	\$ 74,680	\$ 59,034	\$ -	\$ 39,737	\$ -	\$ 7,860,675	\$ 8,034,125
510502	Wages - Temporary	\$ 4,355,078	\$ 250,392	\$ 21,440	\$ 92,681	\$ -	\$ 1,265,817	\$ 5,985,408
510506	Payroll Tax - All	\$ 69,235	\$ 8,442	\$ 311	\$ 4,582	\$ -	\$ 658,999	\$ 741,570
510507	Payroll Emp Benefits - Civil Service & Seasonal	\$ 13,442	\$ 10,626	\$ -	\$ 7,153	\$ -	\$ 1,414,921	\$ 1,446,143
510508	Payroll Pension - Civil Service & Seasonal	\$ 23,898	\$ 18,891	\$ -	\$ 12,716	\$ -	\$ 2,515,416	\$ 2,570,920
560110	Workers Comp Insurance - All	\$ 221,495	\$ 15,472	\$ 1,072	\$ 6,621	\$ -	\$ 456,340	\$ 701,000
	<b>Total Payroll Expense</b>	\$ 4,757,828	\$ 362,856	\$ 22,823	\$ 163,490	\$ -	\$ 14,172,168	\$ 19,479,166
	<b>Total Operating Budget After Payroll Cost</b>	\$ 11,839,280	\$ 4,243,705	\$ 7,258,168	\$ 1,487,639	\$ (11,195)	\$ (21,968,321)	\$ 2,849,276
	<b>Debt Service-Principal Only</b>							
	Debt Service - Principal Only - WQI \$8.8M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 411,000	\$ 411,000
	Debt Service - Principal Only - The Sound \$15.0M	\$ -	\$ -	\$ -	\$ 349,000	\$ -	\$ -	\$ 349,000
	Debt Service - Principal Only - Premier \$2.0M	\$ -	\$ -	\$ -	\$ 324,377	\$ -	\$ -	\$ 324,377
	Debt Service - Principal Only - Energy Efficiency \$3.7M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,500	\$ 172,500
	Debt Service - Principal Only - RTA Bond	\$ -	\$ -	\$ 1,585,000	\$ -	\$ -	\$ -	\$ 1,585,000
	<b>Total Debt Service - Principal Only</b>	\$ -	\$ -	\$ 1,585,000	\$ 673,377	\$ -	\$ 583,500	\$ 2,841,877
	<b>Total Operating Budget After Payroll Cost &amp; Debt Service</b>	\$ 11,839,280	\$ 4,243,705	\$ 5,673,168	\$ 814,262	\$ (11,195)	\$ (22,551,821)	\$ 7,400
	<b>Capital Expenditure</b>							
	Capital Expenditure Cash Layout	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Capital Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Operating Budget After Payroll Cost, Debt Service &amp; Capital Expenditures</b>	\$ 11,839,280	\$ 4,243,705	\$ 5,673,168	\$ 814,262	\$ (11,195)	\$ (22,551,821)	\$ 7,400

\*Wages - Civil Service & Seasonal still to be allocated by Program

**Proposed 2024 Operating Budget  
Civil Service and Seasonal Classification Wages**

<b>Civil Service or Seasonal Classification</b>	<b>Goal #</b>	<b>Current #</b>	<b># Openings</b>	<b>Budget</b>
Accounting Administrator I (Supervisor)	1	1	0	\$ 117,992
Accounting Administrator II	1	1	0	\$ 129,686
Accounting Analyst	2	1	1	\$ 108,234
Administrative Assistant I	4	3	1	\$ 244,955
Associate Accounting Analyst	2	1	1	\$ 145,984
Associate Governmental Program Analyst	3	2	1	\$ 228,565
Audio-Visual Specialist (Technical)	2	1	1	\$ 171,524
Carpenter I	1	0	1	\$ 49,258
CEA, Level A	3	3	0	\$ 489,208
Custodian I	4	3	1	\$ 158,490
Deputy Manager I	2	1	1	\$ 140,940
Electrician II	2	1	1	\$ 141,050
Equestrian Center Manager	1	1	0	\$ 112,486
Event Coordinator-DAA	3	1	2	\$ 172,136
Events Services Supervisor	4	4	0	\$ 374,798
Exhibit Supervisor	1	1	0	\$ 97,692
Exhibit Worker-CMSI	1	1	0	\$ 58,842
Exposition Assistant III	1	0	1	\$ 31,563
Graphic Designer III	2	1	1	\$ 163,195
Heavy Equipment Mechanic	1	1	0	\$ 76,041
Information Technology Specialist I	2	2	0	\$ 243,004
Lead Security Guard	2	2	0	\$ 92,333
Maintenance & Ops Sup II	3	2	1	\$ 250,286
Maintenance Aide	5	0	5	\$ 148,286
Maintenance Mechanic	2	2	0	\$ 146,992
Maintenance Worker, District Fairs	9	7	2	\$ 498,809
Marketing Specialist	1	1	0	\$ 95,596
Park Aide	8	0	8	\$ 231,840
Personnel Technician I	1	1	0	\$ 76,104
Plumber I	2	1	1	\$ 118,482
Seasonal Clerk	1	0	1	\$ 39,589
Secretary-Manager VII, DAA	1	1	0	\$ 229,777
Security Guard	11	9	2	\$ 399,739
Senior Park Aide	3	0	3	\$ 91,287
Service Assistant (Maintenance)	1	1	0	\$ 45,146
Sr Personnel Specialist	1	1	0	\$ 77,918
Staff Services Manager I	5	4	1	\$ 561,488
Staff Services Manager II (Managerial)	8	7	1	\$ 1,079,402
Supervising Environmental Planner	1	1	0	\$ 157,883
Telecom Systems Manager I (Supervisor)	1	1	0	\$ 124,846
Tractor Operator-Laborer	1	1	0	\$ 61,753
Warehouse Worker	1	1	0	\$ 50,929
<b>Totals</b>	<b>111</b>	<b>73</b>	<b>38</b>	<b>\$ 8,034,125</b>

denotes Seasonal Classifications





## Item 6-A-5, Finance Committee Report – Out of State Travel

### **Background:**

On September 13, 2023, Governor Newsom signed SB 447 into law authorizing GO-BIZ to establish the Building and Reinforcing Inclusive, Diverse, Gender-Supportive Equity Project (BRIDGE Project) to promote social equity, civil rights, and antidiscrimination through marketing and advertising campaigns, thus repealing AB 1887 which previously prohibited state-sponsored travel to states with laws that discriminate against individuals on their sexual orientation and gender expression.

The California Department of Food and Agriculture requires board approval for work-related out of state travel.

### **Process/Approach**

Approval of the 2024 Operating Budget assumes travel to other states for certain professional development opportunities that cannot be obtained in California.

### **Recommendations**

The Committee recommends authorizing Out of State Travel for the following professional development opportunities in 2024:

- Western Fairs Association
  - Feature Fair Tour: North Idaho State Fair: Coeur d'Alene, ID – exact dates TBD between August 16-25
- International Association of Venue Managers
  - Academy of Venue Safety & Security: New Orleans, LA – March 23-27
  - Venue Management School: Tampa, FL – June 8-13
  - VenueConnect: Portland, OR – July 28-31
- International Association of Fairs & Expositions
  - Management Conference: Sarasota, FL – April 29-May 1
  - Annual Conference & Convention: Phoenix, AZ –December 1-4
- AccountingWare
  - Accounting Conference: Las Vegas, NV – exact dates TBD typically in April
- National Independent Concessionaires Association
  - Annual Conference: Las Vegas, NV – exact dates TBD typically first week of December
- Other Professional Development & Software Training Opportunities
  - Adobe Summit: Las Vegas, NV - March 25-28
  - ShoWorks: Wyoming – exact dates TBD typically in April
  - INTIX: Las Vegas, NV - January 29-February 1
  - Saffire Summit: Portland, OR – May 8-10
  - Washington State Fair: Puyallup, WA - exact dates TBD between April 11-21
  - Texas State Fair: Dallas, TX – exact dates TBD between September 27-October 20

If approved for travel, CEO Moore will make the final determination of employee(s) that will participate in each opportunity, taking into consideration the operational needs and financial resources of the District at the time.

While staff has worked diligently to identify all of the professional development opportunities for the coming year, new opportunities may be discovered. Should any new opportunities require out of state travel, they will be brought to the Board for approval.



## **Item 6-A-6, Finance Committee Report – Delegation of Authority for Contract Approval, Check Signing, and Credit Card Use**

### **Background:**

In accordance with compliance regulations and requirements of the California Department of Food & Agriculture, the 22<sup>nd</sup> District Agricultural Association (DAA) Board of Directors must determine the level of contract approval and check signing authority to delegate to the Chief Executive Officer (CEO) or her/his designee(s) and authorize credit card use.

The delegation may be given based upon dollar amount and/or type of contracts. For all contracts that do not fall under the delegation of authority, individual board approval and a formal board resolution must be done prior to entering into the contract. An Agreement is a document that has a legal effect, regardless of whether it is called a contract.

Additionally, the Board of Directors should decide the number of signatures necessary for checks up to \$15,000 and require that two persons must sign checks for amounts above \$15,000.

### **Recommendation:**

#### **Contract Approval:**

The CEO has delegated authority to execute expense agreements, without further authorization from the Board of Directors, consistent with the 22<sup>nd</sup> DAA Contracting and Formal Protest Policies and Procedures including Interagency Agreements, Standard Agreements up to \$50,000, and Entertainment Agreements up to \$500,000, as long as these Agreements do not exceed a one-year term. Additionally, the CEO has delegated authority to execute revenue agreements, without further authorization from the Board of Directors, up to \$250,000 consisting of Rental/Lease Agreements, Sponsorship Agreements, and Vendor Agreements, as long as these Agreements do not exceed a one-year term.

All such executed agreements are to be submitted to the Board of Directors for review at the subsequent meeting.

Individual Project Agreements (IPA) with California Construction Authority (CCA) require dual approval of the CEO and President of the Board. In the absence of the President, a Vice President can approve such an expense. Any IPA approved by the CEO and the President or Vice President shall be reported to the full Board at the next Board meeting.



Expense Authority:

The CEO is responsible for ensuring that the organization stays within its approved budget during the year; the Board of Directors is responsible for providing oversight to the CEO. Through the Contract Approval delegation, the CEO is authorized for expenses for contracts that were previously approved by the Board of Directors. The CEO has delegated authority for payroll and related expenses within the approved budget, purchases and expenses that are otherwise categorically exempt from or exceptions to competitive bidding, per Section III and IV of the 22<sup>nd</sup> DAA Contracting and Formal Protest Policies and Procedures, and up to \$100,000 for other expenses within the approved budget made through purchases or competitive bidding.

For expenses below the \$100,000 limit, the CEO is responsible for developing and maintaining operating procedures that define signatory authority levels by position.

For expenses related to emergencies or construction change orders that exceed the delegated \$100,000 limit, approval for such expenses requires dual approval of the CEO and President of the Board. In the absence of the President, a Vice President can approve such an expense. Any expense approved by the CEO and the President or Vice President shall be reported to the full Board at the next Board meeting. Splitting expenses or orders to avoid authority limits is not acceptable.

Check Signing Authority:

The CEO has delegated authority as the first signer and the Chief Administrative Officer (CAO) shall serve as the authorized second signature on checks over \$15,000. In the absence of the CAO, the Chief Operations Officer (COO) shall serve as the authorized second signature. The signatures of those authorized shall be officially recorded on bank signature cards.

In the absence of the CEO:

In addition, the Board authorizes the CEO to further delegate her/his signature authority authorizing individuals to conduct business on behalf of the 22<sup>nd</sup> DAA only when the CEO is absent. The delegating officer retains responsibilities for actions taken by individuals exercising delegated authority.

Credit Card Authority:

The CEO is authorized to maintain a corporate travel credit card for the purpose of conducting business on behalf of the 22<sup>nd</sup> DAA.

Additionally, the 22<sup>nd</sup> DAA participates in the State of California Department of General Services CAL-Card Purchase Card Program. It is a payment mechanism for the purchase of goods and services. The CEO is the CAL-Card Program Administrator for the 22<sup>nd</sup> DAA and has the delegated authority to develop and maintain operating procedures that authorize cardholders and define signatory authority levels by position and in compliance with the CAL-Card Program.

This Delegation of Authority is issued annually and expires on December 31, 2024.



SECTION  
BREAK

**Michael R. Ernst**  
Executive Vice President  
Chief Financial Officer



December 15, 2023

Carlene Moore  
Chief Executive Officer  
22nd District Agricultural Association  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014

***Re: Del Mar Thoroughbred Club 2024 Budget***

We enclose Del Mar Thoroughbred Club’s (“DMTC”) 2024 budget pursuant to Section 7.1 of the Del Mar Race Track Operating Agreement, as amended (the “Operating Agreement”). Our goal in preparing the 2024 budget is to provide a realistic and achievable operating plan designed to:

- Maximize combined DMTC rent and racing-related food and beverage (“F&B”) net income (“Combined Race Meet Net Income”);
- Maintain the quality and historic character of our summer meeting; and
- Continue building upon the success of the fall meeting, which in 2024 will coincide with the Breeders’ Cup World Championships being held at Del Mar for the third time in the last eight years.

**OPERATIONAL OVERVIEW**

Due to the Fairground’s picturesque backdrop and DMTC’s racing operations being considered among the best in all of horse racing, Del Mar is renowned as a world-class venue for Thoroughbred racing and excitement. DMTC’s reputation has been earned through our efforts and ability to attract the highest quality Thoroughbred racing and our success in developing and generating a highly diversified revenue stream. DMTC consistently leads the horse racing industry in developing innovative programs, adopting new technologies and creating dynamic marketing campaigns designed to not only attract top Thoroughbred racing to Del Mar but to cultivate new fans of horse racing. Equally important, DMTC consistently stands at the forefront of the industry in developing practices and procedures to protect and enhance equine, rider and patron safety.

DMTC has long been at the forefront of enacting industry-leading safety protocols and procedures and those efforts have resulted in Del Mar consistently being ranked among the safest racing venues in the country. DMTC has implemented extensive safety measures, including adopting the industry's most stringent medication rules, increasing veterinary oversight and medication testing of horses, enhancing stable area security and establishing a safety advisory committee consisting of trainers, veterinarians, jockeys, track maintenance personnel and management which meets regularly to review safety practices, operations and racing surfaces. DMTC's efforts to provide the safest possible environment for the sport's equine and human athletes never cease and safety remains our top priority. We continue to work with industry stakeholders, including the Horseracing Integrity & Safety Authority ("HISA"), to ensure Del Mar's equine safety and welfare protocols are the industry's gold standard.

Overall horse population and the inventory of racehorses available to run in Southern California are key factors impacting our industry. The number of horses that run in each race (known as field size) directly correlates to the amount wagered on a race, or the wagering handle. The more horses that run in a race, the larger the wagering pool and a larger wagering pool means greater wagering commissions are paid to track operators along with higher purses paid to the horsemen and women. While other racetracks across California and the country have struggled to maintain field sizes, DMTC is considered an industry leader in developing innovative programs to address the challenges of horse population in Southern California and bolster field sizes.

DMTC created the innovative and highly successful Ship & Win program, which provides an incentive for owners to relocate their out-of-state horses to race at Del Mar. The Ship & Win program is jointly funded by DMTC and the Thoroughbred Owners of California ("TOC") and in 2023 the program provided record incentive payments. Because not all out-of-state horses can qualify for the Ship & Win program, DMTC participates in the horse recruitment program known as the Co-Op marketing program. The Co-Op program is funded through a deduction from ADW wagering. Since 2011, when DMTC introduced the Ship & Win program, Del Mar's horse recruitment efforts have brought 2,495 horses to race at Del Mar and many of them have benefitted California horse racing by staying to race at other California racetracks following the conclusion of the Del Mar race meets.

Wagering revenue represents our primary revenue source. However, we strive to diversify our revenue stream through a multi-pronged strategy to generate significant non-wagering revenues. Our non-wagering revenues consist of admissions-related revenues (e.g., daily admissions, seating and parking, programs, novelty concessions, season luxury suites and trackside boxes, Turf Club memberships and luxury suites, and a robust Group sales program), sponsorships revenues as well as various fee-based management services we provide to other constituents in the

racing industry. Del Mar historically has enjoyed the highest ratio of non-wagering revenues-to-total-revenues of all tracks in California and among the highest of any racetrack in the United States. Although F&B revenues are not reflected in DMTC's financial statements, our marketing efforts also are designed to produce significant race meet-related F&B net revenues, all of which flow directly to the District.

Our industry leading sponsorship revenue program represents another important component of our diversified non-wagering revenues. DMTC has been successful in maintaining and growing corporate partnerships by creating and implementing robust marketing and co-branded initiatives for our sponsors. Even with the recently changed landscape which resulted in DMTC forgoing its popular large-scale general admission concerts, Del Mar continues to provide substantial value to our corporate partners, including on-line and social media opportunities. These digital opportunities, combined with traditional on-site engagement of patrons, offer sponsorship opportunities not seen by many other racetracks. In addition, Del Mar's dedicated and robust fan base is rich with Millennial and Gen Z demographics and our corporate partners enjoy unparalleled access to this highly coveted audience. DMTC leverages its in-demand, high-end race day hospitality to increase sponsorship revenues. Lastly, DMTC works in tandem with District staff on facility-wide corporate partnerships that maximize year-long sponsorships for the Fairgrounds and will continue to collaborate on these opportunities to ensure that venue sales goals are achieved.

## **2023 RESULTS**

The summer meet offered an impressive calendar of stakes races, with Del Mar's competitive stakes program attracting many world-class stars of the sport of Thoroughbred racing that competed in 39 summer stakes races having a combined value of \$8.275 million. The summer meet's \$1-million FanDuel Racing Pacific Classic was won by Arabian Knight, an impressive 3-year-old-colt who edged a field of top older horses. The quality of our racing product was further exhibited at the recently-concluded Breeders' Cup World Championships, which were held at Santa Anita Racetrack on November 3 and 4. A record total of 32 horses that raced at Del Mar this past summer went to Santa Anita to compete against the world's top Thoroughbreds in the 2023 Breeders' Cup World Championship races, with eight of them winning purse money, including runner-up honors for National Treasure in the Breeders' Cup Dirt Mile and Muth in the Breeders' Cup Juvenile.

The eight-week 2023 summer race meet opened on Friday, July 21st and enjoyed high quality, competitive racing, the largest field sizes of all major United States racetracks in 2023, and most importantly, continued to be one of the safest race meets in the nation and Del Mar's



history. The meet, scheduled over 31 days, enjoyed pleasant weather, with the exception of Sunday, August 20 when Tropical Storm Hilary forced the cancelation of live racing for the first time in the summer meet's 84-year history. Our marketing efforts included an expanded events calendar highlighted by our popular lifestyle promotions. The race meet's weekend-focused promotions aimed at driving attendance and generating high-margin F&B revenues. The meet's promotional schedule kicked off with The Party on Opening Day, which offered ticketed patrons exclusive access to the trackside Cabana. The event featured Red Bull's popular DJs, craft beer and cocktail bars, numerous local food vendors, private wagering windows and more. Summer promotions included a variety of F&B focused events, such as the Del Mar Beer Fest, Uncorked Wine Fest along with regional food events such as the Taste of New Orleans, Tacos & Tequila, and our Turf & Surf BBQ Festival. Our promotional events concluded with College Day on Closing Weekend. Additionally, marketing efforts utilized our valuable customer loyalty program (Diamond Club) database to offer our core customers enticing value-added promotions to drive visits on the lesser-attended race days, Thursdays and Sundays. These efforts contributed to a gain in average daily on-track attendance of 2.5% for the 30-day summer race meet, which included one less highly attended weekend race day due the cancelation of racing on Sunday August 20th. The increased summer attendance also contributed to gains in average daily on-track wagering and growth in total attendance-related revenues.

The recently completed four-week fall race meet – the Bing Crosby Season – concluded its 10th session on December 3rd and once again showcased the nation's premier late-season racing product. Because of the quality of our racing the fall meet's wagering levels again ranked as the nation's best during the fall calendar. Turf racing is the highlight of our fall meet, with eight major grass races offered during the final two weeks of the season. Due to inclement weather and generally poor conditions of turf race courses in the East and Midwest during this time of year, Del Mar's grass racing attracts top-tier runners from around the country. Once again, the very best out-of-state trainers, including Chad Brown, Graham Motion, Mark Casse and Bill Mott, brought their horses to Del Mar and several of them earned notable prizes. A total of 18 out-of-state horses shipped to Del Mar to take part in the track's Turf Festival, most of them ridden by top riders from the east, including Irad Ortiz, Jr., Joel Rosario, Tyler Gaffalione and Luis Saez. California stables were also successful during the fall season with top local trainers, Phil D'Amato winning three stakes races and Richard Mandella capturing two stakes races.

The foundation of our operations is built on a strong live racing program and wagering commissions and purses generated on our races. Our horse recruitment efforts, including the Ship & Win and Co-Op marketing programs, continued as a key focus of our 2023 operations. We offered record Ship & Win program incentives for the summer race meet. This year, the program provided a \$5,000 starter bonus and a 50% purse bonus for any out-of-state main track runner as

well as a \$4,000 starter fee and a 40% purse bonus for out-of-state runners in the more popular turf races. The purse bonus was awarded for additional starts at the summer meet and was also expanded to provide a purse bonus on winnings for first-through-fifth place finishers. Our racing department started early in 2023 to actively promote Del Mar's record purse levels and the enhanced Ship & Win program incentives.

These recruitment efforts and programs proved very successful, attracting 321 out-of-state horses that made a 521 starts during the 2023 summer and fall race meets. The horses recruited to race last summer helped produce an extremely strong average field size of 8.9 horses per race, just shy of the all-time high of 9.1 horses per race in 2022, and well ahead of the 8.45 horses in 2021 and 8.36 horses in 2020. Our summer race meet's field sizes were again the highest in the nation for all major race meets, including the popular Saratoga race meet in upstate New York, which had an average field size of 7.73 horses per race. It also bears mention that during the 2021 summer meet we saw a number of horses ship in from the east coast as trainers chose to race their horses here to get them familiar with Del Mar in advance of that year's Breeders' Cup World Championships. Because we are hosting the 2024 Breeders' Cup during the first week of next year's fall race meet, we anticipate attracting additional high-end horses and out-of-state stables to race at our summer meet.

Wagering on horse racing declined nationally in ten of the first eleven months of 2023 and Del Mar experienced a similar decline in total wagering during our recent summer race meet. Our wagering reached record levels in 2022 after benefitting from a significant growth in online wagering that started in 2020 as many people, including Del Mar's customers, were driven into an online and digital environment by the pandemic and began wagering on horse racing. Our ADW internet wagering providers were able to retain many of these new online horse racing customers in 2021 and 2022 and our wagering levels set records in 2022 with the return of on-track patrons and the reopening of brick-and-mortar locations. The expansion of sports wagering markets accelerated in 2023 and, together with the impact of higher interest rates and a slowing economy, contributed to the decline in wagering levels nationally as well as at Del Mar. While our average daily wagering declined 6.4% in 2023 from record levels in 2022, total wagering was still 19% above pre-pandemic levels of 2019. Similarly, ADW wagering experienced modest declines in 2023, but remained 39% higher than in 2019.

The 2023 summer and fall meets are projected to generate combined DMTC rent and race-meet related F&B net revenues (as defined in the Del Mar Race Track Operating Agreement) of \$9.28 million for the year. This amount is \$2.80 million under the budgeted return from racing. Racing net revenues are projected to total \$3.73 million in 2023, and are projected to be \$2.73 million under budgeted net racing revenues, primarily due to lower wagering revenues and the loss

of \$630,000 of net revenues resulting from the cancellation of a day of live racing due to Tropical Storm Hilary. Racing net revenues consist of \$1.225 million of Direct Payments, as well as the \$2.43 million payments to the Race Track Authority (“RTA”). The \$2.43 million RTA payments consists of \$2.35 million paid on November 15, 2023 and an expected additional payment of approximately \$80,000. This additional payment, which will include the results of our fall race meet, will be finalized and paid in late April 2024 following the completion of our 2023 audited financial statements. Race meet F&B revenues in 2023 totaled \$13.03 million, which consisted of \$11.55 million during the summer race meet and \$1.48 million during the fall race meet. Summer race meet F&B revenues rose \$540,000, or 5.0%, over the prior year despite the loss of nearly \$300,000 of F&B revenues due to one less day of live racing. Average daily F&B revenues increased 8.4% during the summer race meet due to higher average daily on-track attendance and strong F&B sales in our high-margin premium seated and Group sales areas. Fall race meet F&B revenues matched the prior year’s revenues. F&B net revenues, all of which flowed directly to the District, totaled \$5.74 million, an increase of \$220,000 over 2022 F&B net revenues, but were \$70,000 lower than budgeted due to the loss of \$130,000 of F&B net revenues from the loss of one day of racing.

## **LEGISLATIVE MATTERS**

### **SPORTS WAGERING**

As we noted in last year’s budget report, Del Mar and the other racing industry stakeholders in the state worked closely with leaders of California tribal casinos to develop a legislative framework for legalizing sports wagering. The result was a ballot measure – Proposition 26 – in California’s November 2022 election in which voters were asked to decide if the state’s 53 Tribal casinos and four horse racetracks would be permitted to offer brick-and-mortar sports wagering on a year-round basis at their facilities. Del Mar was the only race track on a fairground in California that was included in the ballot measure. In addition to Proposition 26 California voters were also asked to decide whether sports wagering through the Internet should be legalized. This ballot measure – Proposition 27 – was sponsored by out-of-state on-line operators such as FanDuel and DraftKings. It did not include Del Mar or any of the state’s other horse racing interests. A record of nearly \$500 million was spent on campaigns both for and against Propositions 26 and 27, more than doubling the previous record spent in 2020 by Uber, Lyft and other app-based ride-hailing and delivery services to prevent drivers from becoming eligible for benefits and job protections.

California ballot initiatives routinely fail when faced with an aggressive negative campaign and that was certainly the case with Propositions 26 and 27, as voters rejected both initiatives in the November 2022 election. Collectively, over \$280 million was spent against both ballot measures and the avalanche of negative messaging caused many voters to be confused, ultimately dooming both Propositions. Despite the result, post-election research reveals that a majority of Californians favor some form of sports wagering.

Thirty-eight states in the country have legalized sports wagering. Horse racing interests in multiple states, including Kentucky and New Jersey, have implemented sports wagering to support their racing operations and attract new fans to their venues. Due to California's legislative timelines and stipulations, including the number of support signatures required to be on the ballot, it is unlikely that sports wagering will be on the ballot in the state's 2024 election. However, when sports wagering is once again presented to California voters, Del Mar is well-positioned to be part of this expanded gaming opportunity. This is, in part, because DMTC is one of the state's oldest and most respected operators of horse racing and its multitude of wagering operations. DMTC will continue to work with all parties to effectively position Del Mar and horse racing interests in future legislation aimed at legalizing sports wagering in California.

#### NEW HORSE RACING LEGISLATION

California Horse Racing Law ("Racing Law") provides for two racing circuits in the State commonly referred to as the Southern Zone and the Northern Zone. The number of racing weeks allocated to racing associations and racing fairs in each zone are limited as determined by Racing Law. The CHRB issues licenses and allocates specific race dates on an annual basis to racing associations and fairs in each zone according to Racing Law.

The Southern Zone's 2023 racing circuit consisted of (i) Del Mar's summer and fall race meets, (ii) Los Alamitos' two, two-week fall and winter race meets, and (iii) Santa Anita's winter/spring meet which runs from late December through mid-June and its five-week autumn race meet that immediately precedes Del Mar's fall race meet. The Northern Zone's 2023 racing circuit consisted of 13 weeks of fair racing consisting of 11 weeks of racing conducted by four different racing fairs during the period mid-June through the end of August and a two-week racing fair in early October. Golden Gate Fields ("GGF") raced the balance of the year with a meet that runs from late August through mid-June except for the two-week period in October to accommodate fair racing.

Racing Law provides that money wagered in California, whether the wager is made on-track, at the State's ITW locations or through ADW providers, stays in the zone where the bet originated. The race meet conducting live racing in that zone retains the wagering and purse revenues and makes the required statutory distributions on the money wagered. As an example, wagering revenues from a race run at Del Mar by a Northern California bettor are distributed to Northern California stakeholders (e.g., track commissions and purses).

In July 2023, The Stronach Group ("TSG"), which owns and operates both Sanita Anita and GGF, announced that it will close GGF in 2024. The CHRB has allocated GGF racing dates through June 11, 2024 and allocated the Northern California Fairs with 15 weeks of racing during the summer and early fall dates for 2024. However, moving forward the closure of GGF will result in a significant gap in the Northern Zone's racing calendar if no track in the Northern Zone conducts a live race meet during the dates that would otherwise have been allocated to GGF. While there may be some expansion in fair racing in the Northern Zone, it is likely to be limited based on the availability of racing fair facilities and lack of turf racing options.

Legislation (AB 1074) was enacted in September 2023 providing that if racing is not conducted at GGF after July 1, 2024, any unallocated racing weeks (i.e., weeks where no live racing takes place) in the Northern Zone will be operated by racing associations in the Southern Zone for the purposes of conducting simulcast and ADW wagering in the Northern Zone during such time. In such circumstances, the Southern racing association will receive and make the statutory and contractual wagering distributions in the Northern Zone on these wagers. Additionally, AB 1074 provides that purses and track commissions generated on these wagers shall be used to pay certain simulcast operating expenses in the Northern Zone and fund statutorily required payments by the Southern racing associations for regulatory and safety operations (i.e., CHRB and the federal Horse Racing Integrity and Safety Authority ("HISA")). Any funds remaining after those payments will be divided between purses and commissions for the Southern associations in the same relative proportion as was generated in the Southern Zone during the previous fiscal year.

The State's current fiscal year annual funding costs of the CHRB, equine drug testing and HISA operations totaled \$19.5 million. Del Mar's share was approximately \$5 million, which was split evenly through deductions from purses and track commissions. As noted above, the racing fairs have indicated an interest in expanding fair racing in the Northern Zone after GGF closes in June of 2024. The extent of this proposed addition to the current fair racing calendar likely will be limited due to the availability of fair racing facilities and very few turf racing options in the Northern Zone. Accordingly, in 2024, there likely will be limited funds available under the

provisions of AB 1074 for funding Southern Zone CHRB board support and to benefit purses and commissions of Southern Zone racing associations, including Del Mar's.

## **2024 BUDGET OVERVIEW**

DMTC's 2024 budget reflects the operating, staffing and marketing strategies that we have implemented since 2014 when we began conducting our two distinctly different race meets. Consistent with past practices, our 2024 budget is designed to maximize both the rent payment made to the District by DMTC, as well as race meet-related F&B net revenues that flow directly to the District.

Our proposed 2024 budget is affected by a number of key factors that are reflected in both the revenue and expense projections. As in the past, these factors result from legislative changes, new state-mandated regulatory actions and the upcoming racing calendar approved by the CHRB as well as opportunities and changes in the business environment surrounding racing. Some of the key assumptions and other factors include:

- Modest regional and national economic growth in 2024 as the lagging effect of higher interest rates continues to dampen consumer spending;
- An easing of the tight labor market and wage pressures due to a slight rise in unemployment in 2024, yet, hiring is expected to be stronger and unemployment is to remain lower when compared to historical norms;
- A continued decline in the rate of inflation during 2024 will likely result in the Federal Reserve forgoing further rate increases. However, the Federal Reserve is not expected to reduce interest rates before the third quarter of 2024 as inflation will remain above the Federal Reserve's 2% target rate;
- Golden Gate Fields will race through mid-June and the CHRB will modestly increase the number of race weeks allocated to fairs in the Northern Zone in the fall of 2024. Accordingly, a limited benefit in the funding of Southern Zone CHRB board support from unallocated race weeks in the Northern Zone will be realized in late 2024;
- CHRB approval of an extension of the current agreement between the Southern California racetracks and the TOC to continue to provide funding for Southern California Off-Track Wagering Inc. ("SCOTWINC") operations from a deduction from the ADW handle;

- CHRB approval of the request to modify the deduction from both ADW wagering and California brick-and-mortar wagering to provide funding for 2023 stabling and vanning operations; and
- CHRB approval and an extension of the current agreement between DMTC and the TOC to continue a deduction from the ADW handle to provide funding for the Co-Op marketing program.

The accompanying budget is formatted to reflect the following: (i) summer race meet budgeted revenues, expenses and rent payment; (ii) fall race meet budgeted revenues, expenses and rent payment; (iii) a Breeders' Cup budget that reflects revenues and expenses directly attributable to the two-day Breeders' Cup World Championships being held at Del Mar in conjunction with the fall race meet; and (iv) a consolidated budget showing all revenues, expenses and our 2024 payments to the District and RTA.

This budget precedes the start of our summer race meet by seven months and requires us to make assumptions regarding on-track attendance and wagering levels and other factors that will impact our operations and financial projections. Over the years, impactful events have developed following the December submission of our annual budget which required us to significantly adjust our operations.

As we move toward the start of the 2024 summer race meeting, our objective is to continue to implement a thoughtfully prepared budget and dynamic business plan that addresses evolving conditions and delivers a combined race meet net income that exceeds the projected amount in this budget. Through our 2024 quarterly budget submissions we will provide updates on adjustments to our operation, the costs and expected benefits of any programs and other events that are not contemplated in this budget. We also will meet with District staff and the liaison Committee to provide updates on any other developments that arise.

### **2024 RACING CALENDAR**

At the August 2023 CHRB meeting Del Mar was awarded 14 weeks of racing in 2024, consisting of a nine-week summer calendar from July 10 through September 10 and a five-week fall calendar from October 30 through December 3. The Del Mar live racing calendar for 2024 consists of 46 live racing days, with 31 days of summer racing and 15 days of fall racing. The fall racing schedule includes our 13-day fall meet and the two-day Breeders' Cup World Championships, which will take place on the first Friday and Saturday – November 1 and 2 – of

the fall meet. This compares to 43 live racing days in 2023, which consisted of a rain-shortened 30-day summer race meet and a 13-day fall race meet.

Our summer race meet will offer 31 days of live racing run over eight weeks. Opening Day will be on Saturday, July 20 and the meet will close Sunday, September 8. The upcoming summer calendar is similar to the 2023 nine-week calendar – 31 live race days conducted over eight weeks and will conclude the Sunday following Labor Day. The upcoming summer meet will have a slightly-later-than-usual, Saturday (July 20) Opening Day compared to our traditional Friday kick-off. The later opening is driven by the fact that in 2024 the San Diego County Fair will operate past its traditional July 4 close and will conclude on Sunday July 7. This later closing will result in Del Mar opening on a Saturday for the first time in our history to provide for the additional time required to implement our industry-leading safety protocols for preparation, maintenance and renovation of our racing surfaces. In addition to eight weeks of live racing in the summer of 2024 there will be no live racing (“dark days”) in Southern California the week prior to the start of live racing. During these dark days, Del Mar earns wagering commissions and purse funds when Southern California patrons wager on races imported from racetracks outside California (“imported races”) and those races run in Northern California (“Northern races”).

Our five-week 2024 fall race meet opens on Thursday, October 31. The Breeders’ Cup World Championships runs on Friday, November 1 and Saturday, November 2, and the fall race meet resumes on Sunday, November 3. The weekend-focused fall race meet also offers racing on Thanksgiving, Thursday November 28 and Friday November 29 closes on Sunday December 1. The highlight of the 2024 fall season will be Del Mar’s hosting of the Breeders’ Cup World Championships as the two-day event is considered horse racing’s premier international event. The 2017 and 2021 Breeders’ Cups held at Del Mar were both highly successful and were among the most profitable events in the Breeders’ Cup’s forty-year history. As was the case when we hosted past Breeder’s Cups, our regular 2024 fall race meet will be positively impacted by the days prior to and following the World Championships. These “shoulder days” are attended by many of Breeders’ Cup’s out-of-town patrons and generated significant wagering, admissions and F&B revenues during the 2017 and 2021 fall race meets. The five-week 2024 fall race meet will also benefit from five additional “dark day” simulcast revenues when compared to the four-week 2023 fall race calendar. The 13 days of live racing during the five-week 2024 fall season will consist of nine weekend and four weekday race days compared to eight weekend and five weekdays of live racing over the four-week 2023 fall meet. Weekend live race days generate both increased wagering and attendance compared to weekday events.



Summer race meet attendance is projected to total 281,200 in 2024, 1.9% higher than the 30-day 2023 summer race meet as the additional live race day this year offsets the impact of moving Opening Day from Friday to Saturday. Fall attendance, excluding attendance on the two Breeders' Cup days, is projected to total 49,500, a 3.9% increase over the 2023 fall race meet due to increased attendance on the race days prior to and following the Breeders' Cup. The 2024 marketing plan again will feature an events calendar highlighted by our lifestyle promotions such as craft beer events, local artisan food festivals, wine tastings and college days. These events are aimed at casual race fans and generate high-margin F&B revenues. In order to engage our core customers, we plan to continue utilizing our valuable Diamond Club database. This loyalty program allows us to offer our most dedicated customers enticing value-added promotions to drive attendance on Thursdays and Sundays.

Race meet F&B per capita revenues are projected to increase 3%, which is below historic F&B revenue trends. F&B revenues are projected to benefit from our high-margin lifestyle events during the summer race meet and the benefit from out-of-town guests attending the Breeders' Cup during the fall meet. Race meet F&B per capita revenues are projected to be negatively impacted due to the slowing economy.

## **REVENUES**

Revenues for 2024 are projected to total \$66.27 million, an increase of \$27.29 million primarily due to anticipated revenues from the Breeders' Cup of \$25.62 million. Summer race meet revenues, are projected to increase \$850,000, or 2.6%, due to growth in wagering and admissions-related revenues. Fall race meet revenues are projected to increase \$820,000, or 12.6%, resulting from increased on-track revenues generated during the shoulder days surrounding the Breeders' Cup and the previously mentioned additional seven days of "dark day" simulcast wagering revenues generated over the five-week 2024 fall race meet when compared to the four-week 2023 fall race meet.

Wagering Revenues: DMTC receives wagering commissions and purses from wagers made by patrons in California regardless of whether they are made on-track at Del Mar, off-track at Southern California satellite ("ITW") locations, or from Southern California residents wagering through Advanced Deposit Wagering ("ADW") providers licensed by the CHRB. Del Mar also receives commissions and purses when patrons who are located outside of California wager on Del Mar races at brick-and-mortar locations (e.g., racetracks, casinos, ITW locations and sports bars) and through ADW providers that contract with Del Mar to take wagers on our races. California patrons are able to wager on three types of races: 1) those run at Del Mar ("live races"); 2) those run in Northern California; and 3) races imported from racetracks outside California.

DMTC also receives wagering commissions and purses from separate pool simulcast fees, breakage and ITW expense fund distributions.

Wagering revenues are DMTC's primary source of revenue and account for a projected 58.62% of summer race meet revenues, 81.7% of fall race meet revenues, 17.6% of Breeders' Cup revenues and 45.3% of total projected 2024 revenues. The Breeders' Cup World Championships have a much lower concentration of wagering revenues than our summer and fall race meets because the premium pricing structure and large crowds of the Breeders' Cup generate significant attendance-related revenues for the event. Further, under the Breeders' Cup business model, all ADW and out-of-state simulcast wagering revenues are directed toward the more than \$31 million in purses that are paid over the two-day event and consequently are not reflected in revenues. The fall race meet has a larger concentration of wagering-to-total-revenues because all existing sponsorship agreements, management services and other operating revenues are allocated to the summer race meet. Additionally, because the summer race meet draws more out-of-town and casual patrons than the fall race meet, the summer meet generates higher attendance-related revenues.

Our horse recruitment efforts, including the Ship & Win and Co-Op marketing programs, again will be a key focus of our 2024 operations. Field sizes for the summer race meet are expected to remain near the industry leading levels of 2023 as we will continue our aggressive horse recruitment efforts and promote Del Mar's summer race meet purse levels, the highest of all California race meets. The fall race meet field sizes are expected to be positively impacted by our hosting the Breeders' Cup World Championships, as trainers of horses that are expected to run in the Breeders' Cup traditionally bring their horses to Del Mar to compete in other races.

Horse recruitment funding for both the 2024 summer and fall meets again will benefit from an ADW purse supplement – designed to enhance California's racing product – provided by two of the largest ADW companies, TVG and Xpressbet. The purse supplement is the result of negotiations between DMTC, the ADW operators and the TOC, and the funding will be used to attract out-of-state stables to race at Del Mar this coming summer and fall.

Wagering and purse revenue projections reflect various changes to statutory wagering deductions and modifications to contractual ADW wagering deductions that are used to fund stabling and vanning operations, the operations of the SCOTWINC satellite network and deductions used to fund the CHRB's annual operation as well as California's share of HISA's annual operations.

Stabling and vanning (“S&V”) operations, which refers to the off-site stabling of horses and transporting them to the operating venue for live racing, are funded through a statutory deduction on wagers at satellite facilities and on-track handle on imported and Northern California races as well as a contractual deduction from California ADW wagering. The TOC and the Southern California racetracks increased the statutory deduction on Southern California satellite wagering in 2024 by 13 basis points and also raised the deduction from ADW wagering that fund S&V operations by a similar 13 basis points. These higher funding levels are due to the increased cost of operating off-site stabling and training facilities and higher vanning expenses as vanning contractors pass through their increased labor and insurance costs. The impact on wagering revenues and purses from these statutory and ADW changes in 2024 is a projected decrease in track commissions and purses by \$170,000 each.

Racing law provides that the cost of funding the annual operating expense of the CHRB, California’s equine drug testing program and the State’s share of HISA operations, (“Annual Regulatory Operating Costs”) are paid by California racing associations and purses by a statutory deduction from on-track, ITW and out-of-state wagering at all California racetracks and racing fairs as well as a contractual deduction from California ADW wagering. These funding deductions from wagering are established annually and are based on the projected statewide on-track, ITW, California ADW and out-of-state wagering compared to the CHRB’s and HISA’s annual operating budget for the upcoming fiscal year. These deductions from wagering effectively reduce wagering revenues and purses equally during the year. Any surplus or deficit between the funds generated from the funding deductions and the Annual Regulatory Operating Costs at the end of the year is either refunded to, or further deducted from, the following year’s commissions and purses.

Statewide wagering in 2024 is projected to increase modestly as Del Mar will host the 2024 Breeders’ Cup. This modest growth in wagering is expected to offset the anticipated combined increase in the CHRB’s and HISA’s annual 2024 budgets. Accordingly, the annual funding deductions are expected to remain unchanged for 2024.

As previously noted, legislation recently was passed providing that the simulcast wagering revenues in the Northern Zone during weeks when there is no live racing in the Northern Zone will help to fund the Southern Zone racing associations’ share of annual regulatory operating costs. Based on the CHRB’s current and projected allocation of 2024 racing weeks in the Northern Zone, funding under AB 1074 that will help offset the Southern Zone racing associations’ annual regulatory operating costs will be generated during the last two months of 2024. Del Mar’s share of this funding is projected to benefit wagering commission by \$740,000 in 2024.

Del Mar and the TOC plan to extend the agreement, subject to CHRB approval, that provides funding for the Co-Op marketing program through a deduction from ADW wagering. The Co-Op marketing program includes horse recruitment efforts, on-track large player reward incentives and a social media program to educate the public about Del Mar's industry-leading safety record, our comprehensive safety protocols and procedures, and California's unrivaled aftercare program for retired racehorses. Proposed changes in the Co-Op marketing program budget are expected to reduce purses and commissions by \$30,000 each in 2024.

Live wagering during the 2024 summer race meet is expected to be negatively impacted due to a significant decline in betting on the Pick-6 wager, resulting from a change in format to the bet for the 2024 summer race meet.

This coming summer the Pick-6 wager will return to a traditional format that is generally more preferred by experienced bettors and has recently become the standard Pick-6 wager both in California and nationally in 2024. The traditional Pick-6 pays 70% of the wagering pool to tickets that correctly select the winning horse of the last six races of the day and the remaining 30% of the wagering pool is paid to tickets that correctly pick the winner of five of the last six races. If no single ticket correctly picks all six winners, the 70% portion of the wagering pool is carried-over and paid out on the following race day. These carryovers generate large Pick-6 wagering pools and the larger the carryover amount, the larger the Pick 6 wagering pool.

The Pick-6 wager in 2023 was formatted as a "bonus jackpot" wager, meaning the bet paid tickets that picked the winning horse of the last six races of the day and also paid a bonus jackpot if only one Pick-6 ticket correctly selected the six winners for that race day. If there were more than one Pick-6 winning tickets, the bonus jackpot was carried-over ("Bonus Carryover Jackpot") to the following race day. The Pick-6 wager provided for the mandatory payout of the Bonus Carryover Jackpot on four race days last summer including the TVG Pacific Classic Day and Closing Day. The Bonus Carryover Jackpots paid on each of the four mandatory payout days last summer were all substantial as there were no single ticket winners during the entire summer race meet. Accordingly, there were large Pick-6 wagering pools on the four mandatory payout days last summer. Because the larger the mandatory Bonus Jackpot Carryover, the more money would be wagered on that day's Pick-6. Based on the historical number of traditional Pick-6 carryover pools and the related Pick-6 pool when there is a traditional carryover, total wagering on the Pick-6 is expected to decline as much as \$9 million during the summer race meet due to changing the wager to the industry's traditional form. The traditional Pick-6 wager was implemented for the 2023 fall race meet and there was a similar decline in the fall race meet's Pick 6 pools compared to the previous fall race meet which offered the bonus jackpot Pick 6 wager.

Wagering revenues are projected to total \$30.02 million in 2024, an increase of \$5.65 million, which consists of \$4.5 million of Breeders' Cup wagering revenues, an increase of \$490,000 of summer race meet wagering revenues and \$660,000 of additional fall race meet wagering revenues. These wagering revenues for both race meets include the benefit of the additional Northern Zone simulcast revenues resulting from AB 1074 and the impact of the higher S&V funding deduction. Summer race meet wagering revenues reflect the impact of lower Pick 6 wagering as discussed above. Fall race meet wagering revenues will also benefit from wagering revenues generated during the additional seven days of "dark day" simulcast wagering revenues. The Breeders' Cup arrangement provides that all wagering commissions and purses generated on Breeders' Cup live races by on-track ITW patrons are recognized as Breeders' Cup wagering revenues and all wagering revenues and purses generated on California ADW patrons and all out-of-state wagering on Breeders' Cup races flows to fund the Breeders' Cup purses.

On-track wagering: On-track wagering commissions are projected to increase \$3.88 million in 2024 and consist of on-track commissions during the two-day Breeders' Cup event of \$3.74 million, an increase in summer on-track commissions of \$50,000, or 1.5%, and \$80,000 of higher fall on-track commissions. Summer race meet on-track wagering revenues reflect projected attendance levels and the impact of the new Pick 6 wager. On-track per capita wagering is expected to decline slightly due to the slowing economy. Fall race meet wagering revenue are again expected to be positively impacted by the Breeders' Cup, which will attract a large concentration of experienced and serious horse racing fans and stakeholders. As was experienced with both the 2017 and 2021 Breeders' Cup, many of these fans likely will attend the Thursday and Sunday race days that shoulder the prestigious two-day event. On-track wagering revenues for both the summer and fall race meets reflect a projected combined \$90,000 benefit from Northern Zone simulcast revenues under AB 1074. The impact from the higher S&V deduction on import and Northern California wagering is projected to be less than \$10,000, as there is no such deduction for on-track live wagers. Wagering on live racing is projected to account for 90% of all on-track wagers, while import wagering accounts for 9% and wagering on Northern California races accounts for less than 1% of on-track wagering.

Off-track wagering: ITW commissions are generated from live, import and Northern California wagering and are projected to collectively increase \$870,000 in 2024. This amount consists of ITW commissions of \$640,000 during the two-day Breeders' Cup event, an increase in summer ITW commissions of \$130,000 and \$90,000 of incremental fall ITW commissions. ITW wagering commissions reflect the December 2023 reopening of the OC Tavern ITW satellite located in San Clemente. The satellite location, which will reopen under new and experienced management, accounted for 2.5% of all ITW wagering in California prior to closing in late 2022.

Summer ITW wagering revenues reflect the impact of the new Pick-6 wager. Fall race meet ITW wagering commissions reflect the higher import wagering revenues generated during seven additional dates of “dark day” simulcast wagering over the five-week fall race meet when compared to the four-week 2023 fall season. ITW wagering revenues for both the summer and fall race meets reflect a projected combined \$150,000 benefit from Northern Zone simulcast revenues under AB 1074. The higher S&V deduction on import and Northern California wagering is projected to lower ITW commissions by \$50,000.

DMTC is a partner in SCOTWINC, which is the entity that administers the satellite network in Southern California. SCOTWINC receives simulcast revenues based on a 2.5% fee on all wagers placed at satellite locations and a negotiated fee of 2.4% that is taken from California ADW wagers. These simulcast revenues fund mutuel and administrative staff costs and other SCOTWINC simulcast-related expenses. As a partner in SCOTWINC, DMTC and the horsemen participate in 50% of the excess, or shortfall, of SCOTWINC simulcast revenues and expenses. The SCOTWINC operating surplus is projected to total \$1.25 million in 2024, an increase of \$300,000 from the projected \$940,000 surplus in 2023. The SCOTWINC 2024 operating surplus is primarily related to the additional simulcast revenues generated during the 2024 Breeders’ Cup and the seven additional dates of “dark day” simulcast wagering from the five-week fall race meet when compared to the four-week 2023 fall season.

ADW wagering: ADW commissions generated from live, import and Northern California wagering are collectively projected to increase \$310,000 in 2024, consisting of a \$150,000 increase during the summer race meet and a \$160,000 increase in the fall race meet. As noted earlier, all ADW wagering revenues on the Breeders’ Cup are directed to fund the Breeders’ Cup purses and are therefore not reflected in revenues on our financial statements. ADW wagering is expected to decline slightly due to increased competition for online bettors from the recent expansion in sports betting markets. Summer race meet ADW wagering commissions reflect the impact of the new Pick-6 wager format. Fall race meet ADW wagering commission reflect the higher import wagering revenues generated during seven additional dates of “dark day” simulcast wagering over the five-week fall race meet when compared to the four-week 2023 fall season. ITW wagering revenues for both the summer and fall race meets reflect a projected combined \$340,000 benefit from Northern Zone simulcast revenues under AB 1074. The higher S&V deduction on import and Northern California wagering is projected to lower ITW commissions by \$120,000.

Out-of-state wagering: Exporting the simulcast signal of Del Mar’s live racing product generates significant non-California wagering revenues and purses in that Del Mar’s races are distributed over numerous Internet wagering platforms and broadcast to over 1,100 locations

throughout North, Central and South America, Europe and South Africa. Out-of-state wagering commissions in 2024 are projected to grow to \$11.41 million, an increase of \$170,000, or 1.5%, above 2023 out-of-state commissions. Summer out-of-state commissions are projected to be flat due to the expected decline in Pick-6 wagering related to the wagering format change in 2024. Out-of-state players are typically more sophisticated bettors and they contribute the largest share of our Pick-6 wagering pools. Fall race meet out-of-state commissions are projected to increase \$160,000 due to the additional weekend race day as well as additional wagering by out-of-state players on the shoulder days surrounding the Breeders' Cup. As noted earlier, all out-of-state wagering revenues on the Breeders' Cup are directed to fund the Breeders' Cup purses and are therefore not reflected in revenues on our financial statements. Out-of-state wagering revenues for both race meets reflect a projected combined \$170,000 benefit from Northern Zone simulcast revenues provided under AB 1074.

Breakage revenue is generated because California law requires that posted mutuel payoffs must be rounded down from calculated payoffs, and the rounding difference (i.e., "breakage") is divided between the horsemen, the State of California and the track operator. For example, a calculated payoff of \$2.19 is paid at a rate of \$2.10 and the additional \$.09 per winning ticket creates breakage revenue. Minus pools occur when the track must contribute funds to a mutuel pool when a prohibitive betting favorite finishes "in the money" (i.e., placing first, second or third) and the required minimum mutuel payments exceed the gross mutuel pool less the statutory takeout. Minus pools almost always occur with show, or third-place, bets. Minus pool contributions are netted against breakage revenue. DMTC carefully reviews live-race programs and those races imported from Northern California to identify when a prohibitive favorite is scheduled to run in a race with a small field and a minus pool is likely to occur. For any races conducted in California that are not of national significance, DMTC may petition the CHRB for its approval to eliminate show wagering. However, DMTC and other California racetracks do not have the ability to eliminate show wagering on races imported from out-of-state racetracks. Net breakage revenue in 2024 is projected to increase \$120,000 primarily due to additional wagering on Breeders' Cup races and together with additional breakage related to the additional week of fall racing.

Non-wagering revenues: Non-wagering revenues consist of admissions and seat revenues, program sales, parking receipts, advertising and sponsorship revenues, management services and interest income. Total non-wagering revenues are projected to total \$36.35 million, an increase of \$21.64 million over 2023 revenues. The increase consists of \$21.21 million of Breeders' Cup admissions-related revenues, \$520,000 of additional summer and fall admissions revenues and lower sponsorship revenues as discussed below.

Admissions and parking revenues for the summer race meet are projected to increase \$440,000 as compared to 2023. These gains reflect projected summer race meet attendance and select pricing increases on Opening Day and for certain high demand areas that annually sell out well in advance. Additionally, Turf Club annual membership dues and premium location clubhouse boxes fees will be raised moderately in 2024, the first increase since before the pandemic. Pricing for admissions, seating and general box seats will remain unchanged from 2023 levels, as these modest price-points drive attendance and race meet F&B revenues.

Fall race meet parking and admissions revenues are projected to increase \$80,000 over 2023 revenues. The gains reflect the fall allocation of the increased Turf Club membership dues as well as additional attendance-related revenues earned during the two “shoulder” days prior to and after the Breeders’ Cup as certain Breeders’ Cup’s out-of-town patrons also attend these fall race meet days.

Breeders’ Cup admissions-related and parking revenues are projected to total \$20.95 million. Such healthy two-day event admissions revenues reflect the premium pricing the Breeders’ Cup is able to generate due to Del Mar’s grandstand facility having numerous restaurants, suites, sky rooms and other high-end areas along with a temporary luxury chalet constructed for the event.

Sponsorship revenues in 2024 are projected to total \$3.70 million, a decrease of \$80,000, or 2.1%, from 2023. This decrease is due to the District receiving a larger percentage of shared sponsorships (i.e. partnerships that include both DMTC and District sponsorship inventory) as a result of the District providing incremental sponsorship assets, including The Sound entertainment venue. In 2024, DMTC will continue to package traditional sponsorship assets (i.e., venue signage and other on-site advertising) with inclusion in lifestyle promotions such as craft beer events and local artisan food festivals to develop compelling partnership offerings. DMTC’s long-standing history of strong relationships within the corporate partnership community combined with the strength of our brand has consistently positioned Del Mar among the top sports and entertainment venues in the western United States. In 2024, sponsorship growth is expected in domestic and craft beer categories as well as in the Native American casino gaming space. New sponsorship opportunities are projected in the credit union and snack food categories. In addition, DMTC will focus on new assets in digital and social media, including unifying our partners with popular social media influencers who drive awareness of Del Mar as the “place to be”. DMTC will continue to work closely with the District on cooperative corporate partnerships that maximize revenues for the facility on a year-round basis.

Novelty concession revenues are projected to increase \$80,000 primarily due to concession revenues during the two Breeders’ Cup race days. Interest income is projected to total \$510,000 in



2024, a \$70,000 increase over 2023 revenues primarily due to \$85,000 of interest income earned on Breeders' Cup advance sales funds. Interest income earned during the summer and fall race meets is projected decline \$15,000 and reflects higher interest rates the first half of 2024 compared to the rates the first half of last year as well as expected declines in interest rates starting in the third quarter of 2024. Significant cash balances are generated through pre-season sales revenues and the operation of our summer race meet, including the collections and settlements with over 1,100 brick-and-mortar simulcast locations and Internet wagering platforms that participate in our pari-mutuel wagering pools.

### **EXPENSES**

Total expenses for 2023, before payments to the District and RTA (i.e., "total pre-rent expenses"), are projected at \$61.1 million, an increase of \$25.96 million, with the increase due primarily to Breeders' Cup expenses of \$24.58 million. Summer and fall race meet expense are projected to increase \$1.38 million, or 3.9%, due to higher staff costs and increased seasonal services and depreciation expense as discussed below.

Staff costs: Staff costs consist of salaries, employee benefits, workers' compensation costs and payroll taxes and comprise the largest expense category. DMTC employment peaked at nearly 1,100 staff members during the summer race meet, with 66% of the work force covered under eight collective bargaining agreements. Staff costs, measured as a percentage of total pre-rent expenses, are projected to decline from 55.1% in 2023 to 35.6% in 2024 due to the impact of the Breeders' Cup, as discussed below. Summer race meet staff costs compared to total summer race meet pre-rent expenses are projected to be 55.9% in 2024 versus 56.1% in 2023, the fall race meet staff costs to fall pre-rent expenses are projected to be 51.8% in 2024 versus 50.5% in 2023 and the Breeders' Cup staff costs to total event costs are projected to be 6.5%. Breeders' Cup staff costs consist primarily of direct labor costs for the two-day event, as well as incentive compensation paid by the Breeders' Cup to year-round staff in the event the Breeders' Cup is financially successful. Year-round administrative staff costs excluding the Breeders' Cup costs are projected to increase \$110,000, or 3.1%, due to cost-of-living adjustments. No changes are expected in year-round staffing levels. Any year-round incentive compensation payments not funded by the Breeders' Cup will be deferred until the fourth quarter and will be dependent on exceeding our budget projections. Annual maintenance salaries are projected to increase \$40,000, or 4.5%, and reflect the one additional summer race days and scheduled wage increases under collective bargaining agreements. Seasonal salaries for the summer and fall race meets are projected to increase \$440,000, or 4.5%, and reflect the additional summer race meet live race day and the cost of scheduled increases required by collective bargaining agreements. Employee benefit costs are projected to increase \$130,000, or 4.2%, in 2024 due to the higher seasonal

staffing levels along with increases in health and welfare plan premiums for both union and administrative staff. Workers' compensation insurance costs are projected to increase \$20,000, or 5.2%, consistent with projected staffing levels. Payroll taxes are projected to increase 3.5% based on projected salaries and seasonal employee wages.

Marketing expenses: Advertising, Marketing and Communications expenses in 2024 are projected to total \$6.95 million and consists of \$4.93 million of Breeders' Cup marketing expenses and \$2.02 million of summer and fall race meet market expenses, which are \$30,000, or 1.4%, over 2023 summer and fall levels. The anticipated increase in expenses is the result of enhancing the marketing calendar to offer a lifestyle promotional event each weekend of the eight-week summer meet and the additional week of racing during the fall season. The 2024 events calendar will be highlighted by our popular lifestyle promotions such as craft beer events, local artisan food festivals, wine tastings and college days. Promotional events are designed to increase attendance by non-core racing fans and generate high-margin F&B revenues that flow directly to the District. These activities will continue to realize marketing savings and efficiencies through co-presented events with outside promoters. Beginning in 2022 Del Mar mostly pivoted away from traditional advertising, such as television, radio, and print and instead opted for a more economical and targeted approach through social and digital media platforms. In 2024, Del Mar will continue this successful and cost-efficient strategy which provides for direct access to the desirable demographics of Gen Z, Gen Y and Millennials, and takes advantage of the event spending traits they often display. For a low-cost proven track record of communication to our core customers, we will continue to utilize Del Mar's robust 450,000-person database, the Diamond Club. This opt-in-only loyalty program allows us to provide specialty offers and exciting promotions to our most fervent audience. Examples of database offers include a "day on us," which provides free admission and seating on lesser attended days, and packaged-pricing of table/box accommodations with F&B items. Lastly, our communications efforts will continue to focus on DMTC's industry-leading equine safety and welfare initiatives, including Del Mar's standing as the safest major race track in North America for the fifth consecutive year. In 2023, these communication efforts generated significant "earned media" coverage highlighting Del Mar's equine safety protocols and results. We will continue to utilize social and digital media platforms to educate the public about our safety record and injury prevention efforts as well as our research and aftercare resources.

Race meet season services expense: Season services expense for the summer race meet is projected to increase \$150,000, or 2.7%, in 2024. The increased costs reflect expected increases, yet at a lesser rate than in 2023, of the cost of labor-intensive seasonal contracts such as cleaning services, Sheriff's Department and Fire Department staff reimbursements. Equipment rental and contract security costs are projected to decline \$60,000 due to lower metal detector rental costs in

2024. DMTC will again provide the complimentary meals program for backstretch workers for both the summer and fall meet. This initiative first offered in 2023, provides all of our backstretch workers with complimentary dinners in a family-style setting designed to promote socialization. This unique program is a much needed and bold step in the improvement of the lives of those in our backstretch community. Our budget assumes that the California Thoroughbred Horsemen's Foundation again will co-fund this impactful program through a grant. Seasonal costs also reflect that horse recruitment costs were partially offset by funding provided by the ADW purse supplement fund. Race meet season services expense for the fall race meet is projected to decline \$20,000 as certain fall season service costs will be allocated to the Breeders' Cup event. Breeders' Cup season services expense is projected to total \$15.08 million and includes all event costs as well as the projected \$7.3 million event net distribution to Breeders' Cup Ltd.

Other expense categories for the summer and fall race meets: Insurance expense is projected to increase \$350,000 because 2023 insurance costs included a recovery from the settlement of a multi-year litigation matter at less than the reserved amount. Depreciation expense is projected to increase \$100,000 primarily due to a full year of depreciation expense on the replacement of the east infield video/tote boards and new heavy equipment used for track maintenance that were both acquired in the third quarter of 2023. Facility capital improvements and large equipment acquisitions were funded in prior years by the RTA from DMTC's annual rent payments to the RTA and from race meet F&B net revenues that exceeded the annual RTA bond debt service. This capital acquisition program by the RTA was discontinued in 2020. Repairs and maintenance expense is projected to decline \$70,000 because certain non-critical repairs and maintenance will be deferred in 2024 due to the labor demands and workload related to hosting the Breeders' Cup this year. Additionally, prior year repairs and maintenance expense include costs related to the impact of Tropical Storm Hilary including the purchase of additional sand required for the dirt race track and the stable area. Utilities expense was expected to decline \$60,000 as a portion of fall utility costs will be allocated to the Breeders' Cup. Additionally, prior year depreciation expense included a multi-year billing of allocated District telecommunications staff costs.

## SUMMARY

The 2024 budget reflects DMTC's continuing efforts to manage our operations in light of changes in the racing industry and our longstanding commitment to maximizing the combined DMTC rent and race meet-related F&B net income. The budgeted payments to the District and RTA for 2024 totals \$4,463,000, and consists of Direct Payments to the District of \$1,825,000 – which includes \$825,000 for the summer race meet, \$400,000 for the fall race meet and the

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\$600,000 Breeders' Cup facility Direct Payment – along with payments to the RTA of \$2,817,000. These payments are \$910,000 higher than the projected 2023 payments to the District and RTA. Net revenues for race meet-related F&B operations in 2024 are based on our event focused summer promotional events calendar, projected attendance levels, a below average increase in race meet F&B per capita spending due to the slowing economy and ticketed Breeders' Cup F&B revenues along with the \$200,000 Breeders' Cup F&B net revenue payment. Such race meet-related F&B net revenues are projected to total \$6.74 million in 2024, an increase of \$1.19 million above the F&B net revenues which totaled \$5.55 million in 2023. Our combined return from racing (i.e., the total of net racing revenues and F&B net revenues as defined in the Operating Agreement) is projected to total \$11.38 million in 2024. This compares to a projected combined return of \$9.28 million in 2023.

Carlene, we appreciate the input we receive from you and your liaison committee. As you know, we always strive to maximize combined race meet net revenues generated by horse racing at Del Mar and look forward to any suggestions that you may have to help us operate more efficiently.

Very Truly Yours,



Michael R. Ernst

Enclosure

cc: David Batchelder, DMTC  
Joe Harper, DMTC  
Josh Rubinstein, DMTC  
Michael Sadegh, 22<sup>nd</sup> DAA

**Del Mar Thoroughbred Club**  
**Operating Budget**  
**2024 Budget and Projected Results for the year ended December 31, 2023**

	2024	2024	2024	2024	2023	2023	2023	Summer	Summer	Fall	Fall	Total	Total
	Summer	Fall	Breeders' Cup	Combined	Summer	Fall	Combined	Variance	Variance	Variance	Variance	Variance	Variance
	Meet	Meet	Meet	Operations	Projection	Projection	Projections	y-t-d	%	y-t-d	%	Amount	%
<b>Revenues:</b>													
Pari-mutuel commissions/ADW/simulcast fees	\$ 19,551,956	5,969,411	4,500,000	30,021,367	19,059,504	5,308,893	24,368,397	492,451	2.6%	660,518	12.4%	5,652,970	23.2%
Admissions / Reserved Seating	8,102,574	921,477	20,530,000	29,554,051	7,662,694	838,649	8,501,343	439,880	5.7%	82,828	9.9%	21,052,708	247.6%
Program sales and parking receipts	1,066,741	189,744	340,000	1,596,485	1,061,952	187,520	1,249,472	4,789	0.5%	2,224	1.2%	347,013	27.8%
Merchandise concession revenues	313,172	164,707	0	477,878	307,332	89,346	396,678	5,839	1.9%	75,361	84.3%	81,200	20.5%
Other operating revenues	4,394,340	72,417	250,000	4,716,757	4,488,029	73,364	4,561,393	(93,689)	-2.1%	(947)	-1.3%	155,364	3.4%
	33,428,782	7,317,756	25,620,000	66,366,538	32,579,512	6,497,772	39,077,283	849,270	2.6%	819,984	12.6%	27,289,255	69.8%
Less revenue attributable to Charity Days	(81,677)	(12,556)	0	(94,233)	(81,677)	(12,556)	(94,233)	0	0.0%	0	0.0%	0	0.0%
<b>Total Revenues</b>	<b>33,347,105</b>	<b>7,305,200</b>	<b>25,620,000</b>	<b>66,272,306</b>	<b>32,497,835</b>	<b>6,485,216</b>	<b>38,983,051</b>	<b>849,270</b>	<b>2.6%</b>	<b>819,984</b>	<b>12.6%</b>	<b>27,289,255</b>	<b>70.0%</b>
<b>Expenses:</b>													
Salaries - annual administration and maintenance	4,516,378	27,677	236,984	4,781,039	4,368,267	26,649	4,394,916	148,111	3.4%	1,028	3.9%	386,124	8.8%
Salaries - seasonal employees	7,789,987	2,564,022	1,041,548	11,395,557	7,429,043	2,481,671	9,910,714	360,944	4.9%	82,351	3.3%	1,484,843	15.0%
Employee benefits / Payroll taxes	4,175,722	591,784	242,528	5,010,033	4,015,039	569,973	4,585,011	160,683	4.0%	21,811	3.8%	425,021	9.3%
Insurance—liability and workers compensation	1,287,616	226,223	439,139	1,952,977	918,714	218,284	1,136,998	368,902	40.2%	7,938	3.6%	815,979	71.8%
Advertising and public relations	1,563,537	459,889	4,922,429	6,945,855	1,541,112	454,782	1,995,894	22,425	1.5%	5,107	1.1%	4,949,961	248.0%
Professional services	519,052	21,736	339,253	880,042	509,792	21,876	531,668	9,260	1.8%	(140)	-0.6%	348,374	65.5%
Utilities	1,104,385	255,781	88,125	1,448,291	1,082,730	340,815	1,423,545	21,655	2.0%	(85,033)	-25.0%	24,746	1.7%
Repairs and maintenance	1,175,419	279,996	909,405	2,364,820	1,241,919	287,896	1,529,815	(66,500)	-5.4%	(7,900)	-2.7%	835,005	54.6%
Supplies	491,832	121,949	403,656	1,017,437	486,669	124,446	611,116	5,163	1.1%	(2,497)	-2.0%	406,322	66.5%
Other operating expenses	31,355	(22,458)	5,141	14,037	21,028	(27,302)	(6,274)	10,327	49.1%	4,844	-17.7%	20,311	-323.7%
Printing	351,358	61,638	668,537	1,081,532	340,939	61,638	402,577	10,419	3.1%	0	0.0%	678,956	168.7%
Depreciation and amortization	758,016	39,780	0	797,796	659,938	39,000	698,938	98,078	14.9%	780	2.0%	98,858	14.1%
Cost of goods sold-gift shop	177,468	95,840	0	273,308	173,478	61,427	234,905	3,990	2.3%	34,413	56.0%	38,403	16.3%
Equipment leased and rented	109,072	636	0	109,707	120,797	625	121,422	(11,725)	-9.7%	11	1.7%	(11,715)	-9.6%
Racing dues/assessments/support	(19,372)	18,303	0	(1,069)	(19,957)	18,168	(1,789)	585	-2.9%	135	0.7%	720	-40.2%
Taxes and licenses	241,255	12,909	1,794	255,958	211,451	11,736	223,187	29,804	14.1%	1,174	10.0%	32,771	14.7%
Outside services	5,853,199	1,515,881	15,090,791	22,459,870	5,694,588	1,531,044	7,225,632	158,611	2.8%	(15,163)	-1.0%	15,234,239	210.8%
Satellite program costs	29,681	14,618	7,704	52,003	28,817	14,192	43,009	865	3.0%	426	3.0%	8,994	20.9%
Trophies	63,002	13,988	184,782	261,772	60,969	13,714	74,684	2,032	3.3%	274	2.0%	187,088	250.5%
Interest	0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%
Charitable support	1,750	0	0	1,750	1,750	0	1,750	0	0.0%	0	0.0%	0	0.0%
<b>Total Expenses</b>	<b>30,220,711</b>	<b>6,300,190</b>	<b>24,581,815</b>	<b>61,102,716</b>	<b>28,887,084</b>	<b>6,250,632</b>	<b>35,137,716</b>	<b>1,333,626</b>	<b>4.6%</b>	<b>49,558</b>	<b>0.8%</b>	<b>25,965,000</b>	<b>73.9%</b>
<b>Net Income from Operations</b>	<b>3,126,394</b>	<b>1,005,010</b>	<b>1,038,185</b>	<b>5,169,589</b>	<b>3,610,750</b>	<b>234,584</b>	<b>3,845,334</b>	<b>(484,356)</b>	<b>-13.4%</b>	<b>770,426</b>	<b>328.4%</b>	<b>1,324,255</b>	<b>34.4%</b>
<b>Income taxes</b>	<b>129,606</b>	<b>(218,010)</b>	<b>(438,185)</b>	<b>(526,589)</b>	<b>(357,750)</b>	<b>245,416</b>	<b>(112,334)</b>	<b>487,356</b>	<b>-136.2%</b>	<b>(463,426)</b>	<b>-188.8%</b>	<b>(414,255)</b>	<b>368.8%</b>
<b>Direct payment to the District</b>	<b>(825,000)</b>	<b>(400,000)</b>	<b>(600,000)</b>	<b>(1,825,000)</b>	<b>(825,000)</b>	<b>(400,000)</b>	<b>(1,225,000)</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>(600,000)</b>	<b>49.0%</b>
<b>Payment to Race Track Authority</b>	<b>\$ 2,431,000</b>	<b>387,000</b>	<b>0</b>	<b>2,818,000</b>	<b>2,428,000</b>	<b>80,000</b>	<b>2,508,000</b>	<b>3,000</b>	<b>0.0%</b>	<b>307,000</b>	<b>383.8%</b>	<b>310,000</b>	<b>12.4%</b>
<b>Total Payments</b>	<b>\$ 3,256,000</b>	<b>787,000</b>	<b>600,000</b>	<b>4,643,000</b>	<b>3,253,000</b>	<b>480,000</b>	<b>3,733,000</b>	<b>3,000</b>	<b>0.1%</b>	<b>307,000</b>	<b>64.0%</b>	<b>910,000</b>	<b>24.4%</b>

# Del Mar Thoroughbred Club

## Operating Budget Detail Report

### 2024 Budget and Projected Results for the year ended December 31, 2023

	2024	2024	2024	2024	2023	2023	2023	Summer	Summer	Fall	Fall	Total	Total
	Summer Meet	Fall Meet	Breeders' Cup Meet	Combined Operations	Summer Projection	Fall Projection	Combined Projections	Variance Amount	Variance %	Variance Amount	Variance %	Variance Amount	Variance %
<b>Revenues:</b>													
Pari-mutuel commissions-on track	\$ 3,629,401	652,937	3,740,726	8,023,064	3,574,845	570,802	4,145,647	54,556	1.5%	82,135	14.4%	3,877,417	93.5%
Pari-mutuel commissions-account wagering	3,484,452	1,284,256	0	4,768,709	3,329,899	1,124,836	4,454,734	154,554	4.6%	159,421	14.2%	313,974	7.0%
Pari-mutuel commissions-off track	2,767,840	1,128,337	645,784	4,541,961	2,634,949	1,037,734	3,672,683	132,891	5.0%	90,603	8.7%	869,278	23.7%
Pari-mutuel commissions-out of state	8,229,716	2,399,424	0	10,629,139	8,227,704	2,236,464	10,464,168	2,012	0.0%	162,959	7.3%	164,971	1.6%
Simulcasting fees-uncommingled	397,379	114,755	0	512,134	395,602	112,829	508,431	1,776	0.4%	1,926	1.7%	3,703	0.7%
Intertrack wagering surplus fund	913,888	333,271	0	1,247,159	771,359	172,318	943,677	142,529	18.5%	160,953	93.4%	303,482	32.2%
Breakage, net	129,280	56,432	113,490	299,201	125,146	53,911	179,057	4,133	3.3%	2,521	4.7%	120,144	67.1%
<b>Pari-mutuel commissions/ADW/Simulcast fees</b>	<b>19,551,956</b>	<b>5,969,411</b>	<b>4,500,000</b>	<b>30,021,367</b>	<b>19,059,504</b>	<b>5,308,893</b>	<b>24,368,397</b>	<b>492,451</b>	<b>2.6%</b>	<b>660,518</b>	<b>12.4%</b>	<b>5,652,970</b>	<b>23.2%</b>
<b>Admissions and reserved seats</b>	<b>8,102,574</b>	<b>921,477</b>	<b>20,530,000</b>	<b>29,554,051</b>	<b>7,662,694</b>	<b>838,649</b>	<b>8,501,343</b>	<b>439,880</b>	<b>5.7%</b>	<b>82,828</b>	<b>9.9%</b>	<b>21,052,708</b>	<b>247.6%</b>
<b>Program sales and parking receipts</b>	<b>1,066,741</b>	<b>189,744</b>	<b>340,000</b>	<b>1,596,485</b>	<b>1,061,952</b>	<b>187,520</b>	<b>1,249,472</b>	<b>4,789</b>	<b>0.5%</b>	<b>2,224</b>	<b>1.2%</b>	<b>347,013</b>	<b>27.8%</b>
<b>Merchandise concession revenues</b>	<b>313,172</b>	<b>164,707</b>	<b>0</b>	<b>477,878</b>	<b>307,332</b>	<b>89,346</b>	<b>396,678</b>	<b>5,839</b>	<b>1.9%</b>	<b>75,361</b>	<b>84.3%</b>	<b>81,200</b>	<b>20.5%</b>
Interest income	410,292	17,984	85,000	513,276	422,981	18,930	441,911	(12,689)	-3.0%	(947)	-5.0%	71,364	16.1%
Sponsorship	3,704,461	0	86,000	3,790,461	3,785,461	0	3,785,461	(81,000)	-2.1%	0	0.0%	5,000	0.1%
Other operating revenues	279,588	54,433	79,000	413,021	279,588	54,433	334,021	0	0.0%	0	0.0%	79,000	23.7%
<b>Other operating revenues</b>	<b>4,394,340</b>	<b>72,417</b>	<b>250,000</b>	<b>4,716,757</b>	<b>4,488,029</b>	<b>73,364</b>	<b>4,561,393</b>	<b>(93,689)</b>	<b>-2.1%</b>	<b>(947)</b>	<b>-1.3%</b>	<b>155,364</b>	<b>3.4%</b>
<b>Less revenue attributable to charity days</b>	<b>33,428,782</b>	<b>7,317,756</b>	<b>25,620,000</b>	<b>66,366,538</b>	<b>32,579,512</b>	<b>6,497,772</b>	<b>39,077,283</b>	<b>849,270</b>	<b>2.6%</b>	<b>819,984</b>	<b>12.6%</b>	<b>27,289,255</b>	<b>69.8%</b>
	(81,677)	(12,556)	0	(94,233)	(81,677)	(12,556)	(94,233)	0	0.0%	0	0.0%	0	0.0%
<b>Total Revenues</b>	<b>33,347,105</b>	<b>7,305,200</b>	<b>25,620,000</b>	<b>66,272,306</b>	<b>32,497,835</b>	<b>6,485,216</b>	<b>38,983,051</b>	<b>849,270</b>	<b>2.6%</b>	<b>819,984</b>	<b>12.6%</b>	<b>27,289,255</b>	<b>70.0%</b>
<b>Expenses:</b>													
Salaries - annual administration	3,672,904	392	200,933	3,874,229	3,561,201	381	3,561,582	111,703	3.1%	11	3.0%	312,648	8.8%
Salaries - annual maintenance	843,474	27,285	36,051	906,810	807,066	26,268	833,334	36,408	4.5%	1,017	3.9%	73,476	8.8%
<b>Salaries - annual administration</b>	<b>4,516,378</b>	<b>27,677</b>	<b>236,984</b>	<b>4,781,039</b>	<b>4,368,267</b>	<b>26,649</b>	<b>4,394,916</b>	<b>148,111</b>	<b>3.4%</b>	<b>1,028</b>	<b>3.9%</b>	<b>386,124</b>	<b>8.8%</b>
<b>Salaries - seasonal employees</b>	<b>7,789,987</b>	<b>2,564,022</b>	<b>1,041,548</b>	<b>11,395,557</b>	<b>7,429,043</b>	<b>2,481,671</b>	<b>9,910,714</b>	<b>360,944</b>	<b>4.9%</b>	<b>82,351</b>	<b>3.3%</b>	<b>1,484,843</b>	<b>15.0%</b>
Employee benefits	2,915,799	371,049	132,571	3,419,419	2,798,194	356,825	3,155,019	117,605	4.2%	14,224	4.0%	264,401	8.4%
Payroll taxes	1,259,922	220,735	109,956	1,590,613	1,216,844	213,148	1,429,993	43,078	3.5%	7,587	3.6%	160,621	11.2%
<b>Employee benefits/payroll taxes</b>	<b>4,175,722</b>	<b>591,784</b>	<b>242,528</b>	<b>5,010,033</b>	<b>4,015,039</b>	<b>569,973</b>	<b>4,585,011</b>	<b>160,683</b>	<b>4.0%</b>	<b>21,811</b>	<b>3.8%</b>	<b>425,021</b>	<b>9.3%</b>
Workers compensation benefit	403,210	81,666	63,784	548,660	382,227	79,287	461,514	20,983	5.5%	2,379	3.0%	87,146	18.9%
Insurance	884,406	144,557	375,355	1,404,318	536,487	138,997	675,484	347,919	64.9%	5,560	4.0%	728,834	107.9%
<b>Insurance--liability and workers compensation</b>	<b>1,287,616</b>	<b>226,223</b>	<b>439,139</b>	<b>1,952,977</b>	<b>918,714</b>	<b>218,284</b>	<b>1,136,998</b>	<b>368,902</b>	<b>40.2%</b>	<b>7,938</b>	<b>3.6%</b>	<b>815,979</b>	<b>71.8%</b>
<b>Advertising and public relations</b>	<b>1,563,537</b>	<b>459,889</b>	<b>4,922,429</b>	<b>6,945,855</b>	<b>1,541,112</b>	<b>454,782</b>	<b>1,995,894</b>	<b>22,425</b>	<b>1.5%</b>	<b>5,107</b>	<b>1.1%</b>	<b>4,949,961</b>	<b>248.0%</b>
Professional services	519,052	21,736	339,253	880,042	509,792	21,876	531,668	9,260	1.8%	(140)	-0.6%	348,374	65.5%
Utilities	1,104,385	255,781	88,125	1,448,291	1,082,730	340,815	1,423,545	21,655	2.0%	(85,033)	-25.0%	24,746	1.7%
Repairs and maintenance	1,175,419	279,996	909,405	2,364,820	1,241,919	287,896	1,529,815	(66,500)	-5.4%	(7,900)	-2.7%	835,005	54.6%
Supplies	491,832	121,949	403,656	1,017,437	486,669	124,446	611,116	5,163	1.1%	(2,497)	-2.0%	406,322	66.5%
Other operating expenses	31,355	(22,458)	5,141	14,037	21,028	(27,302)	(6,274)	10,327	49.1%	4,844	-17.7%	20,311	-323.7%
Printing	351,358	61,638	668,537	1,081,532	340,939	61,638	402,577	10,419	3.1%	0	0.0%	678,956	168.7%
Depreciation and amortization	758,016	39,780	0	797,796	659,938	39,000	698,938	98,078	14.9%	780	2.0%	98,858	14.1%
Cost of goods sold-gift shop	177,468	95,840	0	273,308	173,478	61,427	234,905	3,990	2.3%	34,413	56.0%	38,403	16.3%
Equipment leased and rented	109,072	636	0	109,707	120,797	625	121,422	(11,725)	-9.7%	11	1.7%	(11,715)	-9.6%
TRA dues and assessments, net of dividends	(68,198)	4,680	0	(63,517)	(68,198)	4,680	(63,517)	0	0.0%	0	0.0%	0	0.0%
Federation racing costs	20,798	4,280	0	25,078	20,490	4,238	24,728	307	1.5%	42	1.0%	350	1.4%
Racing industry support and safety initiatives	28,028	9,343	0	37,370	27,750	9,250	37,000	278	1.0%	93	1.0%	370	1.0%
<b>Racing dues/assessments/support</b>	<b>(19,372)</b>	<b>18,303</b>	<b>0</b>	<b>(1,069)</b>	<b>(19,957)</b>	<b>18,168</b>	<b>(1,789)</b>	<b>585</b>	<b>-2.9%</b>	<b>135</b>	<b>0.7%</b>	<b>720</b>	<b>-40.2%</b>
<b>Other taxes and licenses</b>	<b>241,255</b>	<b>12,909</b>	<b>1,794</b>	<b>255,958</b>	<b>211,451</b>	<b>11,736</b>	<b>223,187</b>	<b>29,804</b>	<b>14.1%</b>	<b>1,174</b>	<b>10.0%</b>	<b>32,771</b>	<b>14.7%</b>
Service contracts and equipment rentals	5,601,274	1,488,312	15,083,159	22,172,745	5,454,660	1,504,787	6,959,447	146,614	2.7%	(16,475)	-1.1%	15,213,298	218.6%
Data processing	251,925	27,569	7,632	287,126	239,928	26,256	266,184	11,996	5.0%	1,313	5.0%	20,941	7.9%
<b>Outside services</b>	<b>5,853,199</b>	<b>1,515,881</b>	<b>15,090,791</b>	<b>22,459,870</b>	<b>5,694,588</b>	<b>1,531,044</b>	<b>7,225,632</b>	<b>158,611</b>	<b>2.8%</b>	<b>(15,163)</b>	<b>-1.0%</b>	<b>15,234,239</b>	<b>210.8%</b>
Satellite program costs	29,681	14,618	7,704	52,003	28,817	14,192	43,009	865	3.0%	426	3.0%	8,994	20.9%
Trophies	63,002	13,988	184,782	261,772	60,969	13,714	74,684	2,032	3.3%	274	2.0%	187,088	250.5%
Interest	0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%
Contributions	1,750	0	0	1,750	1,750	0	1,750	0	0.0%	0	0.0%	0	0.0%
<b>Total Expenses</b>	<b>30,220,711</b>	<b>6,300,190</b>	<b>24,581,815</b>	<b>61,102,716</b>	<b>28,887,084</b>	<b>6,250,632</b>	<b>35,137,716</b>	<b>1,333,626</b>	<b>4.6%</b>	<b>49,558</b>	<b>0.8%</b>	<b>25,965,000</b>	<b>73.9%</b>
<b>Net Income from Operations</b>	<b>3,126,394</b>	<b>1,005,010</b>	<b>1,038,185</b>	<b>5,169,589</b>	<b>3,610,750</b>	<b>234,584</b>	<b>3,845,334</b>	<b>(484,356)</b>	<b>-13.4%</b>	<b>770,426</b>	<b>328.4%</b>	<b>1,324,255</b>	<b>34.4%</b>
Income taxes	129,606	(218,010)	(438,185)	(526,589)	(357,750)	245,416	(112,334)	487,356	-136.2%	(463,426)	-188.8%	(414,255)	368.8%
Direct payment to the District	(825,000)	(400,000)	(600,000)	(1,825,000)	(825,000)	(400,000)	(1,225,000)	0	0.0%	0	0.0%	(600,000)	49.0%
Payment to Race Track Authority	\$ 2,431,000	387,000	0	2,818,000	2,428,000	80,000	2,508,000	3,000	0.0%	307,000	384%	310,000	12.4%
<b>Total Payments</b>	<b>\$ 3,256,000</b>	<b>787,000</b>	<b>600,000</b>	<b>4,643,000</b>	<b>3,253,000</b>	<b>480,000</b>	<b>3,733,000</b>	<b>3,000</b>	<b>0.1%</b>	<b>307,000</b>	<b>64.0%</b>	<b>910,000</b>	<b>24.4%</b>



## **Item 6-C-2, DMTC Liaison Committee Report - Consideration and Vote to Recommend Exercising the Operating Agreement Option to the State Race Track Leasing Commission**

### **Background:**

On January 1, 2011, and following completion of a competitive bidding process, the State Race Track Leasing Commission (Commission), acting on behalf of the District, and the Del Mar Thoroughbred Club (DMTC), entered into the Del Mar Race Track Operating Agreement (Operating Agreement). As a reminder, the Commission was created by the State Legislature in 1968 with the responsibility and authority to lease the Del Mar Race Track (Race Track) and to oversee the expenditure of the rents received from leasing the track for the purpose of implementing a long-range, comprehensive improvement of the 22<sup>nd</sup> District Agricultural Association's (District) property.

The initial Operating Agreement was a five year term, with three, five-year options. Under the Operating Agreement, the Commission granted to DMTC the exclusive right to operate a portion of the Del Mar Fairgrounds for the purpose of providing thoroughbred horse racing at the Del Mar Fairgrounds.

In 2014, due to the California Horse Racing Board granting DMTC the right to conduct an additional live horse race meet in November of 2014 and 2015, the Commission executed a Second Amendment to the Operating Agreement which increased the annual Direct Payment to the District for consideration of the added Fall Race Meet. Additionally, Section 5.8 was added pertaining to Breeders' Cup Ltd.

In 2015, the Commission executed a Third Amendment to provide clarification of Direct Payment dates and budget submission to District. The Fourth Amendment was also executed in 2015 to facilitate issuance of the Del Mar Race Track Authority Revenue Bonds, Series 2015 (RTA Bonds), which are financed through 2038.

Also in 2015, the Commission exercised the first of the three, five-year options, extending the Operating Agreement through December 31, 2020.

With the addition of Breeders' Cup in 2017, the Commission executed a Fifth Amendment to further clarify definitions in the Operating Agreement.

In 2019, the Commission exercised the second of the three, five-year options, extending the Operating Agreement through December 31, 2025.

Through DMTC's operations at the Del Mar Fairgrounds, the District was selected as the host site for the Breeders' Cup World Championships in 2017, 2021 and 2024 per the terms approved by the Board in April 2023 and Commission in August 2023.

In November 2023, Breeders' Cup announced plans to return to Del Mar in back-to-back years, 2024 and 2025 and District voted to recommend approval of the agreement between DMTC and Breeders' Cup to Commission.

**Process/Approach:**

Commission will need to consider the final remaining five-year option of the Operating Agreement and potential impact to the RTA Bonds at their upcoming meeting in 2024 because, in the event Commission were to not exercise the option, proper notice would need to be given to DMTC, a competitive bidding package developed, ample time provided to complete the competitive bidding process.

While the Commission entered into the Operating Agreement on behalf of District, Commission retains the authority to renegotiate, amend or terminate the Agreement.

**Recommendation**

To recommend to Commission to exercise the final five-year option of the current Operating Agreement with DMTC, thereby extending the Operating Agreement through December 31, 2030, and ensuring ongoing contribution to repayment of the RTA Bonds.

**Environmental/Coastal Commission Review**

None.

**Fiscal Impact**

An annual \$1,225,000 guaranteed revenue to District in 2026 through 2030 from thoroughbred horse racing along with variable revenues derived from horse racing such as food and beverage.



SECTION  
BREAK



December 28, 2023

F2023-08

TO: All Fairs  
SUBJECT: 2024 State Rules for California Fairs

The California Department of Food and Agriculture's Fairs and Expositions (F&E) Branch is pleased to announce the release of the 2024 State Rules for California Fairs. The 2024 State Rules contain three addendums listed below:

- Addendum 1 – Summary of Changes for 2024
- Addendum 2 – Exhibit Program Guidelines for Fair Management & Exhibit Staff
- Addendum 3 – Youth Agreement Letter signed by 4-H, FFA, Grange, and F&E

The 2024 State Rules for California Fairs and addendums can also be found under the Correspondence tab on the F&E website. For any State Rules questions/clarifications, variance requests, or protest information please contact Mike Francesconi by [email](#), or by phone at (916) 900-5365.

Respectfully,

Mike Francesconi  
Branch Chief



December 28, 2023

D2023-07

TO: All District Agricultural Association Board Chairs  
SUBJECT: Annual CEO Performance Review

CDFA's Human Resources Branch (HR) has requested that the Fairs & Expositions Branch (F&E) provide an update to the DAA Board Chairs about scheduling and conducting an annual CEO performance review using the *Performance Appraisal Summary* form (SO-148).

CDFA HR requires that the Board President submit the CEO Annual Performance Review copies to CDFA HR **by April 1 of each year**. If the board has not yet completed a 2023 CEO Annual Performance Review, please add it to your next board meeting agenda. See the attached *CEO Evaluation Guidelines* for how to agendize the CEO Annual Performance Review.

The SO-148 Form is to be discussed by the Board to determine a rating for each category and signed by the CEO and Board Chair. If the CEO doesn't agree with the evaluation, they do not need to sign. In this instance, the CEO must submit in writing why they do not agree with the evaluation and provide it to the Board Chair to accompany the corresponding evaluation.

As part of the annual review, the Board of Directors also needs to assess the training requirements for the CEO. The *CDFA Training Policy 9.7.3* has more information about this critical part of an annual review. The SO-149 Form is a checklist that can help track the annual training required for the CEO. F&E's training coordinator, Ken Anater, can provide a record of the CEO's training history from the Online University. Please get in touch with Ken for any questions or assistance with the training records at [Kenneth.Anater@cdfa.ca.gov](mailto:Kenneth.Anater@cdfa.ca.gov), or (916) 767-8143.

In addition, it is advised to quarterly review the vacation or annual leave balances for the CEO as outlined in the attached *Vacation/Annual Leave Accumulations 9.4.3* policy. When a CEO approaches or exceeds a leave balance of **640 hours**, the CEO needs to submit a leave plan for the Board's review. The Board may adjust, if needed, but should work together with the CEO to develop a mutually agreed upon plan. Any future changes will need to go through the Board for review/approval. If the CEO does not follow the agreed leave plan, the Board will need to work with the CDFA Performance Management Analyst for guidance on progressive discipline.

For information on the accrual rate for CEOs, please reference CalHR's [Vacation v. Annual Leave Comparison Chart](#) for excluded employees.

CEOs can receive the following [credits](#) and participate in the following programs:

- [Vacation](#) and [Sick](#)
- [Annual Leave](#) (in lieu of Vacation and Sick)
- [Informal Time Off \(ITO\)](#) - At the Governor's discretion each year
- [Personal Holiday](#)- each July 1
- [Personal Development Days](#) (PDD) – 2 each fiscal year



- [Group Long-Term Disability Insurance](#)
- [Voluntary Personal Leave Program](#)
- [Leave Buy Back](#)

Unlike rank-and-file employees, CEOs are not eligible for Compensated Time Off (CTO), *aka* leave credits in lieu of overtime, or [cash in lieu of benefits](#). They are [FLSA-exempt](#) and must adhere to the following guidelines:

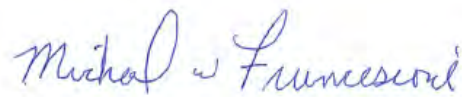
- Shall fill out an STD634 Absence and Additional Time Worked Report monthly and signed by CEO and Board President.
- Shall not be charged any paid leave for absences in less than whole-day increments.
- Shall not be docked for absences of less than whole-day increments.
- Shall not be required to document hours worked for payroll purposes.
- Shall receive eight (8) hours of holiday credit, or leave, if authorized by the Board of Directors to work on an approved holiday or when a holiday falls on a Saturday.

Monthly, CEOs need to submit a timesheet to the Board Chair for review and approval. One copy of the timesheet needs to be kept in the CEO's files, while the Board Chair retains a copy. A *leave balance tracking sheet*, sent out in a Circular Letter 2023-04 should accompany the STD 634, monthly timesheet to enable the Board to keep watch over the leave balances. The documentation of hours is to ensure that leave balances are tracked, that the rate of accrual is accurate, and for calculating final payouts. Upon separation, CEOs shall receive their final paycheck for the time worked and a cash lump sum for the balance of accrued Vacation, Annual Leave, Personal Holidays, and Holiday Credit hours. ITO and PDD days will not be cashed out.

Please contact your F&E resource coordinator directly if you have questions about this process.

If you have any questions or need additional information, please do not hesitate to contact Mike Francesconi, at (916) 900-5365.

Sincerely,



Mike Francesconi  
Branch Chief





December 5, 2023

F2023-06A

TO: All Fairs

SUBJECT: Proposition 12 Update for the 2024 Fair Season

As we all begin to prepare for the 2024 Fair Season, please keep in mind that [Proposition 12 \(2018\)](#) went into effect on January 1, 2022. Proposition 12 is the Farm Animal Confinement Initiative that requires that covered animals be housed in confinement systems that comply with specific minimum standards for freedom of movement, cage-free design, and minimum floor space, and identifies covered animals to include veal calves, breeding pigs, and egg-laying hens, as specified. As you might already be aware, the regulations and additional requirements went into effect on September 1, 2022, for certification, registration, accreditation, and inspection to implement the [Health and Safety Code \(HSC\) sections 25990-25994](#).

While self-certification of the pork producer where the breeding pig is kept was acceptable for the 2023 fair season, only third-party certifications will be permitted beginning with the 2024 fair season for fair pigs to be processed for resale. The CDFA Fairs and Expositions (F&E) Branch strongly recommends that all fairs request that their market hog exhibitors submit a third-party certification to ensure the pork meat from the show pig has access to a “resale” market. All pork producers, regardless of age and farm size, in California and those outside of California selling market show pigs to California exhibitors, must be in compliance with Proposition 12. “Pork producer” means a person engaged in the business of keeping, maintaining, confining and/or housing a female pig of the porcine species that is six (6) months of age or older, or is pregnant, for the purpose of commercial breeding to produce pork meat from the breeding pig or her immediate offspring for human consumption.

**Important:** Please note that covered animals (breeding pigs) that are part of a youth project (Health and Safety Code (HSC) 25992(d)) are exempt from Animal Confinement minimum standards and therefore an exception of Proposition 12 requirements. Any whole pork meat from the immediate offspring of that breeding pig project is considered compliant with the law and can be sold in California. While California Code of Regulations do not specify a requirement for what the youth of a breeding pig project would provide to the buyers of the immediate offspring from their project animal to



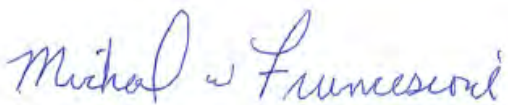
communicate that the immediate offspring are from a breeding pig that is exempt from Prop 12 and the certificate of compliance requirement, CDFA recommends that a simple letter accompanies the bill of sale for each buyer of the immediate offspring explaining that the breeding pig and her immediate offspring are compliant with Prop 12 under HSC section 25992(d). This will ensure the buyers of the immediate offspring have access to resale markets if that is an option at their fair.

To implement the law after the passing of Proposition 12 and to assist with the new regulations, the CDFA [Animal Care Program](#) (ACP) was formed within the Animal Health and Food Safety Services (AHFSS) Division. The ACP has also created many helpful outreach and educational materials for the various stakeholders which can be found on their website. Please take the time to watch and share the Proposition 12 Fairs and Exhibitions Guidance for 4-H and FFA [video](#) prepared by ACP. The video is extremely informational!

A list of third-party accredited [certifying agents](#) for Proposition 12 compliance can also be found on the ACP website. Currently, the CDFA AHFSS Division is the only governmental entity certifying agent and certifies at no cost to the producer. If a producer would like CDFA to certify their farm, they can contact the ACP at [AnimalCare@cdfa.ca.gov](mailto:AnimalCare@cdfa.ca.gov) to inquire about applying for certification. Please share this information with your fair's swine exhibitors as soon as possible to allow them enough time to find a Proposition 12 – compliant project pig for the 2024 fair season.

The F&E Branch appreciates your cooperation as we all transition to a Proposition 12 – compliant future. If you have any questions or concerns regarding Proposition 12 and how it may impact your fair, please contact [Mike Francesconi](#) at (916) 900-5365.

Respectfully,



Mike Francesconi  
Branch Chief

cc: Elizabeth Cox  
CDFA Animal Care Program Manager

## Carlene Moore

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**From:** Martha [REDACTED]  
**Sent:** Friday, December 22, 2023 5:25 AM  
**To:** G. Joyce Rowland; Michael Gelfand; Katie Mueller; Dennis Robbins  
**Cc:** Donna O'Leary; Carlene Moore; Coleen Cusack  
**Subject:** Media Coverage of Homeless Persons' Memorial Day

**Categories:** Board

Thank You once more to the 22nd DAA Board and Staff for working with me and the San Diego Housing Emergency Alliance to hold a Homeless Persons' Memorial Day observance at the Fairgrounds yesterday. It was a profound experience. Here's the media coverage I've found so far.

Photo on front page of today's San Diego Union-Tribune:

<https://enewspaper.sandiegouniontribune.com/desktop/sdut/default.aspx?pnum=1&edid=7b32908c-7e1e-43d1-88ca-1476b4ef65d9>

(BTW, Lorna de la Cruz in the photo is one of the founding members of Voices of Our City Choir, whom I've worked with since 2016.)

Fox5 News was onsite throughout the event, here's the online links I've found so far:

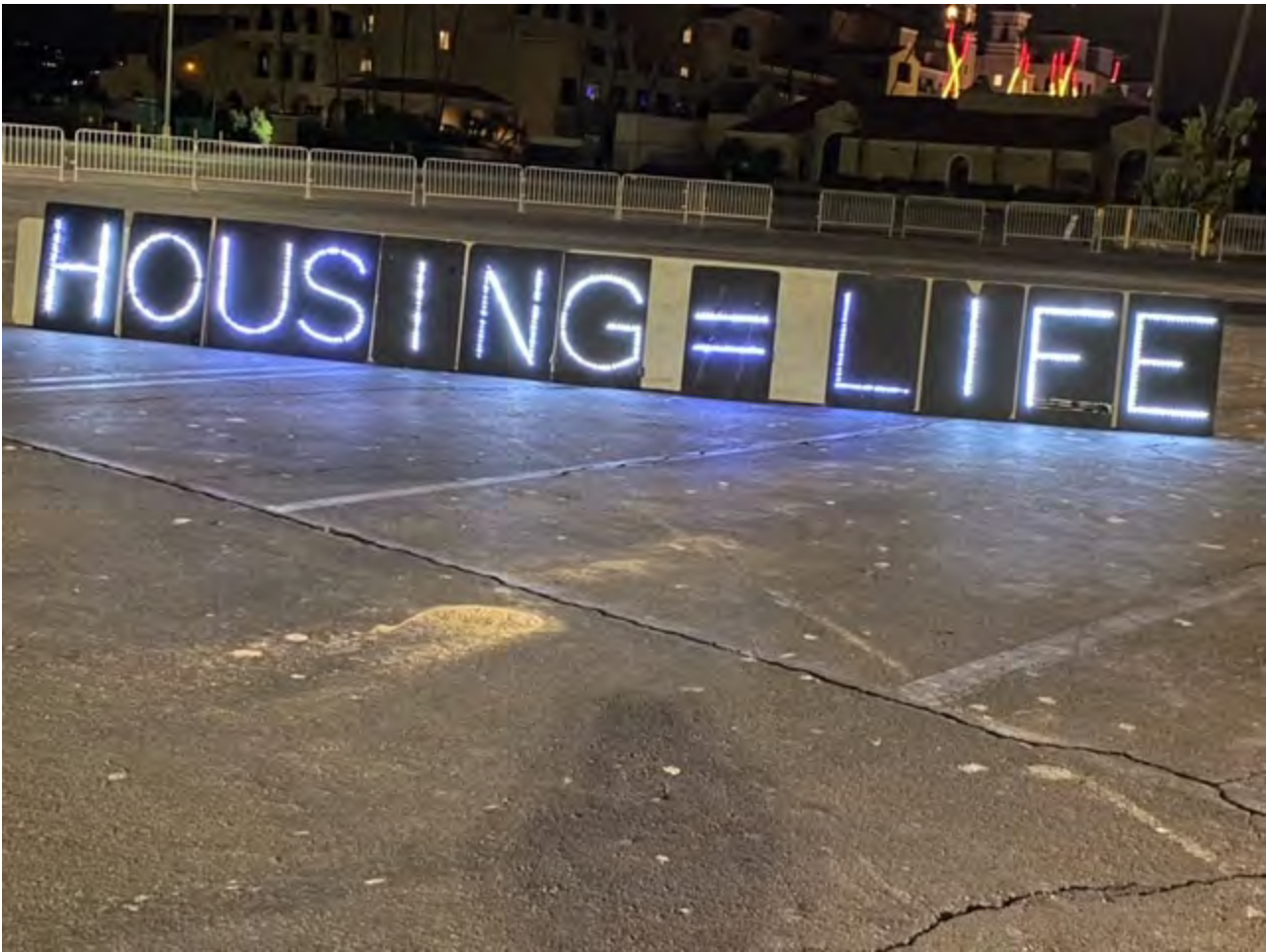
Video link, features Director Rowland's very impactful remarks: <https://youtu.be/og61Gv8DqcU?si=JZEvD24PJ2abE-Oo>

Text link, quotes Director Rowland: <https://fox5sandiego.com/news/local-news/advocates-elected-officials-commemorate-homeless-persons-memorial-day/#:~:text=The%20San%20Diego%20Housing%20Emergency%20Alliance%20has%20organized%20seven%20Tent,2020%20per%20the%20Medical%20Examiner.>

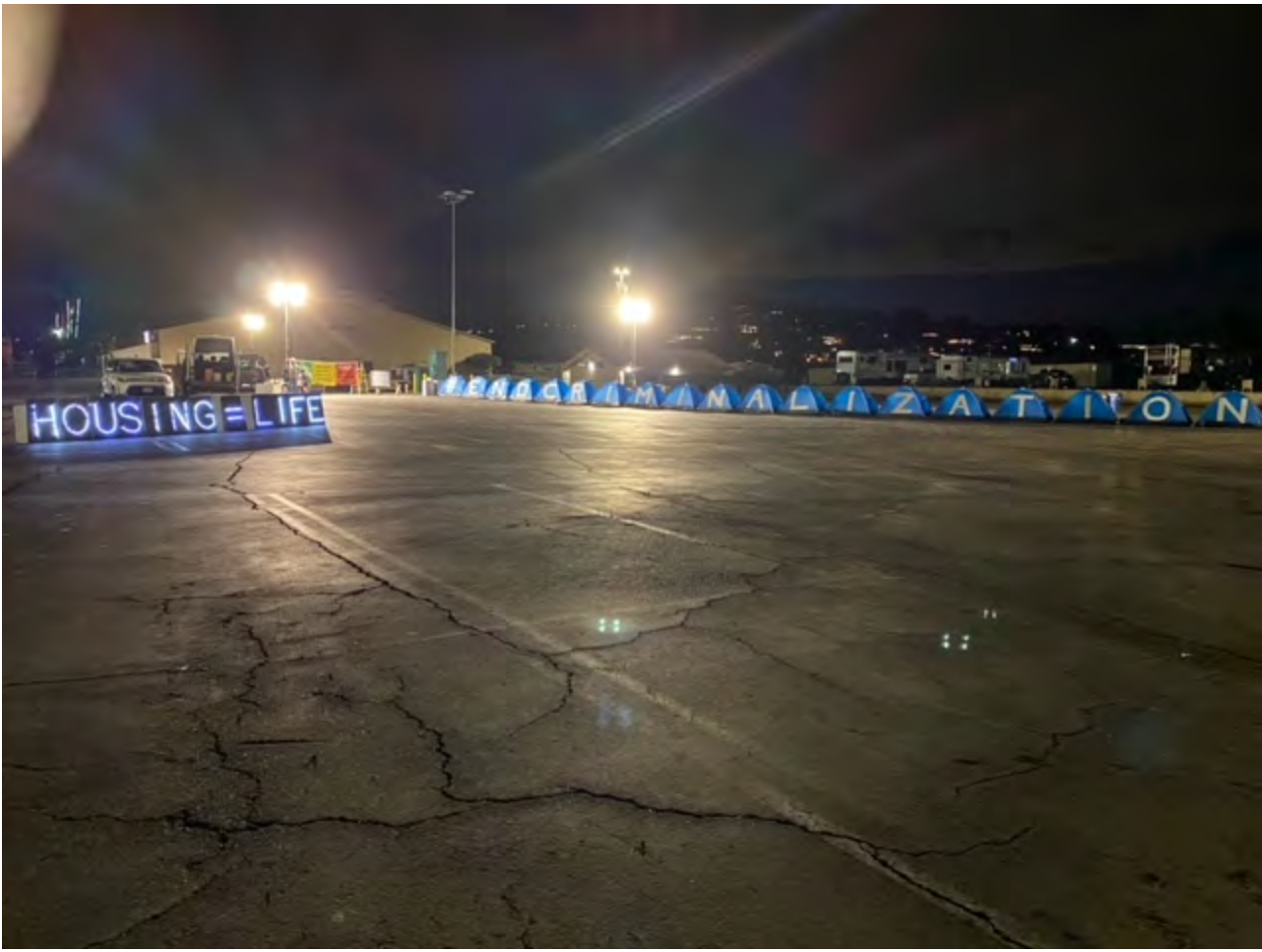
(Alas, Director Rowland's last name is omitted, although they included her Board title.)

ABC10 News had a videojournalist onsite for the press conference but I haven't found any online links as yet.

Here are photos of our Light Brigade when darkness fell:







Martha [REDACTED]  
San Diego Housing Emergency Alliance

## LOCAL NEWS

# SDG&E removes 35 poles from lagoons, Torrey Pines State Reserve



SDG&E removed poles from the lagoon via helicopter. (Darin Fong)

BY KAREN BILLING

DEC. 13, 2023 8:10 AM PT

Over the last couple of months, helicopters took flight and removed the last of the 35 large transmission poles from the San Dieguito Lagoon, Los Penasquitos Lagoon and the bluffs of the Torrey Pines State Natural Reserve, marking a dramatic end of SDG&E's Del Mar Reconfiguration Project.

According to Jennifer Ramp, SDG&E senior project outreach manager, due to the sensitive habitat in these protected areas, SDG&E crews were flown in by helicopter and placed on top of each pole, where they cut sections of the poles, while they were attached to them. The pole sections were attached to a long line and flown out.



Poles in the Torrey Pines State Natural Reserve before their removal. (Darin Fong)



The scene after poles were removed from the Torrey Pines State Natural Reserve. (Darin Fong)

This was the last major action of the reconfiguration project, which began construction in 2022 after more than a decade of planning and coordination with various agencies. Before the final phase, two distribution circuits were placed underground in both Del Mar and Sorrento Valley and a transmission line was reconfigured and placed underground along Via de la Valle, according to SDG&E.

“This work made it possible to remove the six-mile transmission line and poles from Del Mar to Sorrento Valley from service and open up our lagoon areas,” said Jennifer Ramp, SDG&E senior project outreach manager. “SDG&E would like to thank the residents in these communities for their patience and support while we completed this important reliability work with enormous environmental benefits.”

SDG&E also acknowledged the cities of San Diego, Del Mar and Solana Beach, U.S. Fish & Wildlife Service, CA State Parks and the 22<sup>nd</sup> Agricultural District for their collaboration and support.



Karen Billing

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**NORTH COUNTY**

# North County Report: There's a Potential Snag in Del Mar's Affordable Housing Plans

The multibillion-dollar plan to move the train tracks along the Del Mar bluffs underground is moving forward, but one option for the tunnel's location might derail Del Mar's affordable housing plans.

by [Tigist Layne](#)  
November 29, 2023



The San Diego Coaster in Del Mar on Sept.19, 2022. / Photo by Ariana Drehsler

A proposed affordable housing project on the Del Mar Fairgrounds could be facing one major obstacle: an underground train tunnel.

The tunnel is part of a larger \$160-billion regional plan created by the San Diego Association of Governments, or SANDAG. The idea is to [move the train tracks](#) that run along the fragile Del Mar bluffs into an underground tunnel by 2035.

The tunnel itself will cost an estimated \$4 billion or more and would run a couple hundred feet underground and at least a mile inland from the tracks' current, precarious location.

The LOSSAN corridor, which is the 351-mile railroad route from San Diego to Los Angeles and San Luis Obispo, is the second busiest rail corridor in the United States. It serves more than 8 million passengers a year, [according to SANDAG](#).

Almost two miles of that corridor runs seaside along the Del Mar bluffs, which have been slowly eroding for years, causing multiple bluff collapses.

**That's where the Fairgrounds comes in:** One of the several options SANDAG officials and Del Mar city leaders have discussed is a tunnel route that would run underneath the Del Mar Fairgrounds property.

At a Nov. 13 Del Mar City Council meeting, councilmembers approved a list of principles for the relocation project that listed the Fairgrounds as an option SANDAG should study. This would put the tunnel away from residential areas, a major concern among Del Mar residents.



Exercise riders and jockeys ride horses in the morning at the Del Mar Fairgrounds on July 29, 2022.

But the Fairgrounds, run by the 22nd District Agricultural Association, strongly [opposes this idea](#).

Fairgrounds CEO Carlene Moore in a [Nov. 9 letter](#) to Del Mar wrote that SANDAG has already studied and identified issues with the concept. That study has allowed the Fairgrounds to pursue other opportunities, she wrote.

“SANDAG’s existing assessment has allowed us to discuss siting affordable housing under the reasonable assumption that we would not host a portal opening or a train running somewhere through our property — and that we would not have years of potentially disruptive construction here while the tracks and/or portal were built,” Moore said in the letter. “As stewards of this historic property, we believe continuing to plan for the siting of an affordable housing development could be imprudent if SANDAG initiates further study of a Del Mar Fairgrounds alignment.”

**The last piece of the puzzle:** The city of Del Mar has been banking on a proposed affordable housing project on the Del Mar Fairgrounds property to fulfill its state-mandated affordable housing requirements.



Del Mar has to accommodate for 113 affordable housing units to meet its Housing Element goals. A Housing Element is a state-required plan outlining how a city can accommodate enough new housing to meet its population's needs.

The city has been working with the 22nd District Agricultural Association for more than a year to build an affordable housing project on the Fairgrounds that would yield 54 lower income units, but [no agreement has been reached](#) so far.

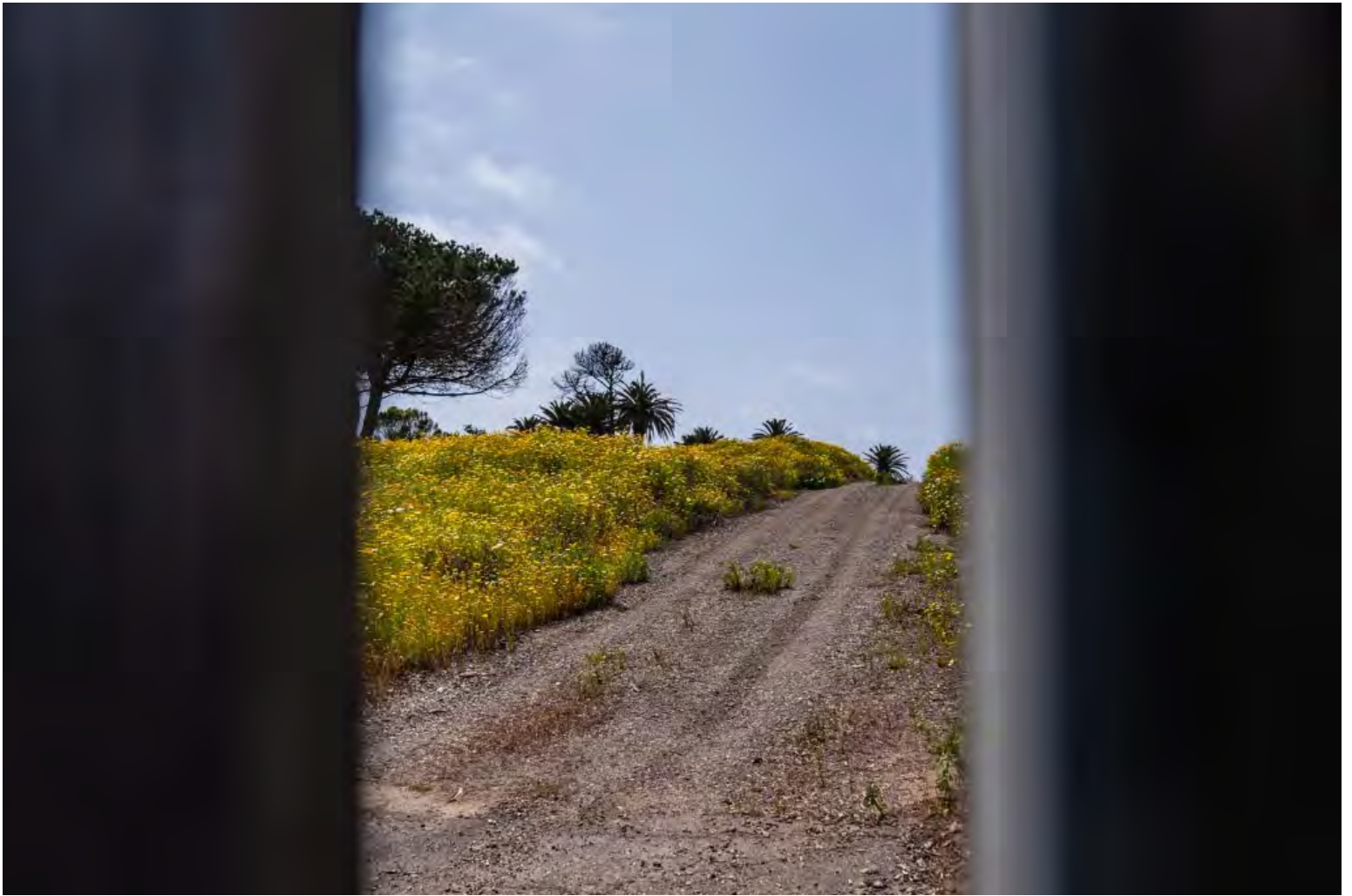
The Del Mar City Council received Moore's letter before the Nov. 13 meeting and agreed to meet with Moore and other Fairgrounds leaders to discuss how to encourage SANDAG to consider the negative impacts a tunnel would have on the Del Mar Fairgrounds and the proposed affordable housing project.

"The housing program that we are working with the Fairgrounds is priority number one for this city, it's super important," Councilmember Dwight Worden said. "I still support studying an alignment through the Fairgrounds, but personally, I think it's not feasible and it's not going to work. I think there's enough traction in the community and interest in this option that it's incumbent upon SANDAG to study it and report it out like they have the other ones."

Mayor Tracy Martinez added that an affordable housing project on the Fairgrounds would benefit Del Mar without impacting the character of the city as opposed to, for example, a large affordable housing project built downtown.

Though Del Mar's leaders can work with and offer input to SANDAG, the transportation agency has not yet ruled out the Fairgrounds as an option.

**We can't forget about Seaside Ridge:** Del Mar has until April 2024 to reach a final agreement with the Del Mar Fairgrounds to build 54 affordable units, according to [Del Mar's Housing Element](#). City Manager Ashley Jones said via email that an agreement is on track to be finalized by February.



Peeking through the fence of where a potential affordable housing project will be built on Del Mar bluffs on April 25, 2023. / Photo by Ariana Drehsler

If, for some reason, they don't reach an agreement, Del Mar will have to rezone one of its backup sites, or parcels of land. One of those backup sites is the North Bluff property, and one of the projects proposed for that property is called Seaside Ridge.

Seaside Ridge is a controversial housing development that I've been [following since May](#). City officials are against it, but the developer is trying to use state housing laws to override the city's wishes.

The development proposes 42 low-income units, 43 moderate-income units and 174 market-rate units.

Del Mar isn't on board with it. City officials argue they already have enough sites identified in their Housing Element to meet their housing goals, and they would have to rezone the site to even consider moving forward with it.

But the developers argue that the city has no choice in the matter because at the time they submitted their application to the city, Del Mar's Housing Element hadn't been approved by the state. In fact, it had been rejected by the state three times.

And according to the Builder's Remedy, if a city doesn't have a compliant Housing Element, the city can't use its zoning code or general plan to deny an affordable housing project.

The developers are also applying the Housing Crisis Act, which says cities can only rely on rules that were in place at the time the developer's preliminary application was submitted when they're reviewing a development project.

The developers and the city are still going back and forth about the project. Del Mar officials have now asked the developers to resubmit their application four times and have repeatedly said they don't agree with the developers' "legal theories."

## In Other News

- ICYMI: It's Beef Week, and we're following some of the biggest battles in the region. In North County, the beef between [Palomar Health's top executives and a couple of its board members](#) is heating up, resulting in intense boardroom exchanges, no-confidence votes and even a lawsuit. (Voice of San Diego)
- Homeless services nonprofit [Interfaith Community Services received a \\$5 million grant](#) through Amazon founder Jeff Bezos' charitable fund that will be put toward its new family homeless shelter in Escondido. (Union-Tribune) **Related:** The money comes amid some financial setbacks for the nonprofit, which was running low on pandemic relief funds and recently [lost funding from the city of Escondido](#) toward its other homeless shelter, Haven House. (Voice of San Diego)
- Oceanside residents are [demanding stricter rules when it comes to short-term rentals](#), which includes Airbnb's. The Planning Commission is recommending that the City Council research and approve an extensive rewrite to the short-term rental ordinance. (Union-Tribune)

**charles**

November 30, 2023 at 2:52 am

# Deal struck for soccer fields at Santa Clara County Fairgrounds



by [Joseph Geha](#) December 6, 2023



San Jose Mayor Matt Mahan and District 2 Santa Clara County Supervisor Cindy Chavez speak during a news conference at the Santa Clara County Fairgrounds on Dec. 6, 2023, unveiling a deal between the Earthquakes, the county and the city. Photo by Joseph Geha.

The San Jose Earthquakes and South Bay officials are taking a big step in long-held plans to develop a public and private soccer field complex at the Santa Clara County Fairgrounds.

Santa Clara County, San Jose and the Earthquakes organization announced their three-way deal Wednesday, with a shared goal of opening an eight-field facility on about 26 acres in the coming years.

“It’s like Christmas came early, this is so great,” District 2 County Supervisor Cindy Chavez said during a news conference at the fairgrounds. “Putting this project here is so important because it demonstrates to the public that this area really does belong to everybody and to the neighborhood surrounding this community, how important it is to have recreation that is safe and healthy for our kids.”

Chavez, who represents the area where the fairgrounds are located at 344 Tully Road, has spearheaded a yearslong effort to revitalize the aging 150-acre fairgrounds site into a [sports, entertainment and recreation hub](#).

Early plans call for the Earthquakes to have four fields on the site to serve as the club’s new practice facility, including a 35,000 square-foot professional training center. The facility will be used by the pros as well as youth in the Earthquakes Academy programs.



This digital rendering shows what an eight-field soccer complex could look like when complete at the Santa Clara County Fairgrounds. Image courtesy of San Jose Earthquakes.

On roughly the other half of the acreage, officials said they hope to create four lighted “world-class” artificial turf soccer fields that will be open to the public. All of the fields and facilities are planned to be located at the southwestern corner of the fairgrounds, near the intersection of Umbarger and Monterey roads.

Earthquakes representatives said they are planning to commit \$50 million to the project, including financing and management of the public fields. Jared Shawlee, president of the Earthquakes, said the organization expects up to 300,000 people could use the fields each year.

“This made so much sense for us to pursue. This was such a central site to all of San Jose,” Shawlee said. “We believe (the fields) can be a catalyst for this entire site to redevelop and become the community site that it was 10 or 20 years ago.”

San Jose Mayor Matt Mahan said the city is about 50 soccer fields short based on the level of need right now.

“This is a community resource that’s badly needed in San Jose. When I was a middle school teacher in the East Side, I coached soccer and I saw how transformative it was for my students to be part of a team,” Mahan said.

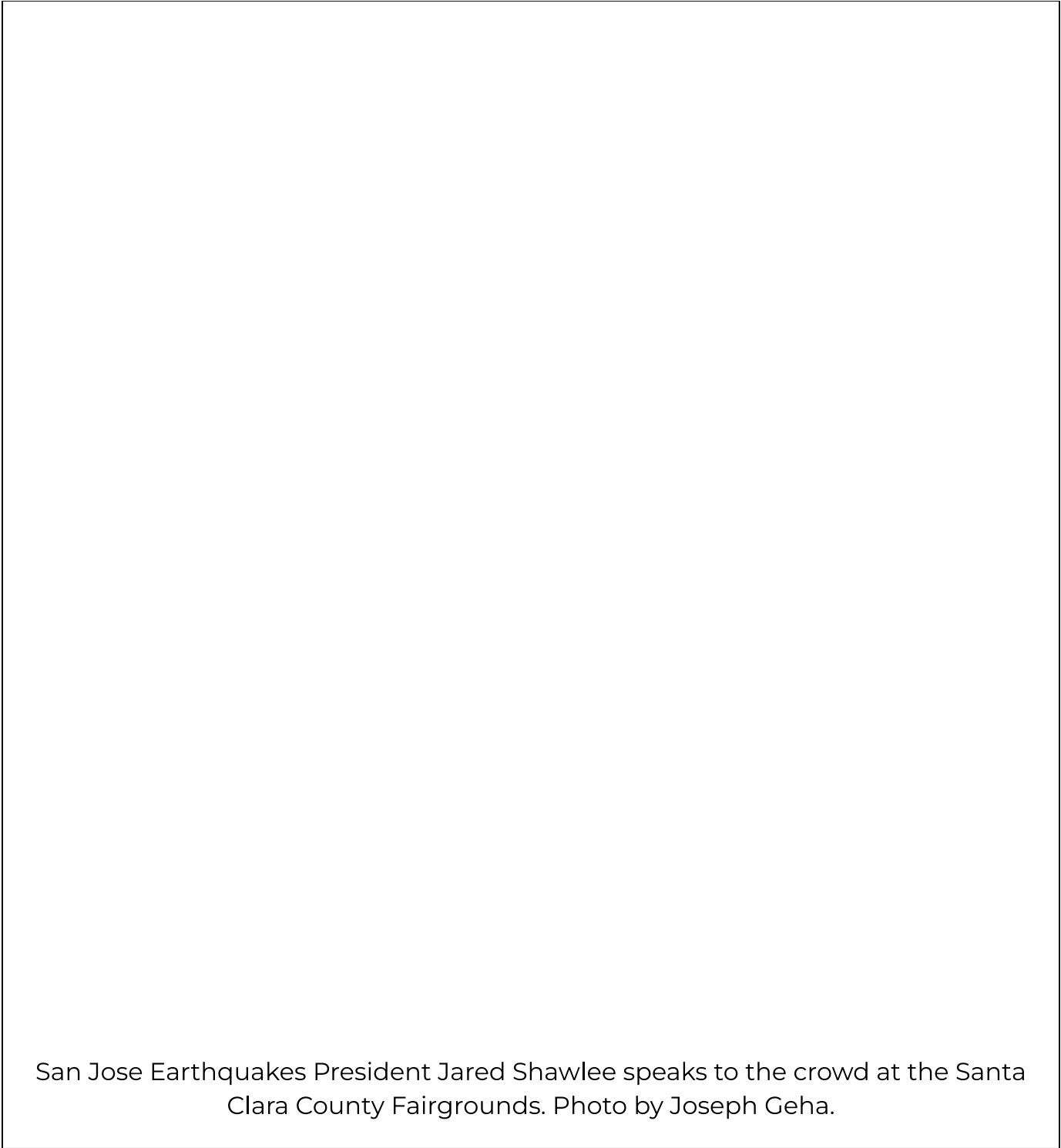
He said kids 15 years ago struggled to find places to play and practice. The problem has persisted, so adding four high-quality fields at the fairgrounds will be a boon for residents.

“These fairground fields will coexist side by side with the pros, allowing our kids to see the dedication, sportsmanship and drive modeled by our Quakes players,” Mahan said.

The Earthquakes led the MLS last year in having 13 players on its roster who came up through the team’s youth academy, and officials said having more fields for kids to use will support the pipeline of local player development.

Edwyn Mendoza, 17, is a San Jose resident who went through the team’s academy and signed a professional contract with the Earthquakes in May. He said finding a decent place to practice was a struggle when he was still playing in his neighborhood and dreaming of going pro.

“This facility will be a game-changer,” Mendoza said. “I know if I were a kid shoe-stringing side by side on the same fields as my heroes, that it would inspire me more to chase my dreams.”



San Jose Earthquakes President Jared Shawlee speaks to the crowd at the Santa Clara County Fairgrounds. Photo by Joseph Geha.

### **More work ahead**

The agreement announced Wednesday is nearly three years in the making. After the Earthquakes expressed interest to Santa Clara County in developing fields there in early 2021, the county began work to negotiate with the team, entering into exclusive negotiating agreements in April 2022 and extending them last April.

While a preliminary term-sheet agreement between the county and the team is now in place—and city leaders have said they are fully committed to the project—there are

plenty of details to be worked out, including finalizing a land lease, timelines, and getting needed permit processes underway.

But everyone who is involved in the deal expressed confidence the fields will come to fruition quickly. Shawlee said the hope is to open the finished facilities before the 2026 World Cup, with an aim of letting the U.S. Men's National Team practice at the facility.

Meanwhile, more negotiations are still in the works for other major plans for the fairgrounds site.

Progress is being made toward establishing a 15,000-capacity professional [cricket stadium](#) and a parking garage on a 14-acre parking lot that fronts Tully Road in San Jose.

San Jose State University, meanwhile, is hoping to create a commemorative track and field facility on nine acres in the middle of the fairgrounds, [honoring the legacy of Speed City](#) and the Olympic Project for Human Rights. The project would also include an indoor sports complex.

*Contact Joseph Geha at [joseph@sanjosespotlight.com](mailto:joseph@sanjosespotlight.com) or [@josephgeha16](https://twitter.com/josephgeha16) on Twitter.*



# The Palm Beach Post

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LOCAL

## South Florida Fair plans Expo Center expansion; county to contribute \$1 million

*Palm Beach County will pay \$1 million toward an expanded South Florida Fair Expo Center so it can use it as a special-needs shelter during hurricanes.*



**Mike Diamond**

Palm Beach Post

Published 5:07 a.m. ET Nov. 29, 2023 | Updated 12:29 p.m. ET Nov. 29, 2023

Palm Beach County commissioners have agreed to contribute \$1 million toward an expansion of the South Florida Fair.

In exchange, the county will be able to use the expanded Expo Center for a shelter to house those with special needs during emergencies such as hurricanes.

The county's contribution, limited to the \$1 million, will be used to design plans to build a third Expo building at the fairgrounds along Southern Boulevard just east of Florida's Turnpike in suburban West Palm Beach. The South Florida Fair & Palm Beach County Expositions will pay for construction costs.

Former County Administrator Robert Weisman, the chair of the Fair's board of trustees, said the Fair will return to the commission in the summer with detailed cost estimates and design plans. He said it is not yet clear what the construction costs will be or how many additional square feet will be added.

“That is something that we need our architect to prepare,” Weisman said.

**Boat parades to Sandi tree:** More than 30 ways to celebrate the holidays in Palm Beach County

## **South Florida Fair would raze five smaller buildings to make way for Expo Center expansion**

Currently, the East and West Expo Halls of the Expo Center offer 84,750 square feet of usable floor space. Weisman said the plans are expected to call for a third Expo building.

Five of 10 smaller adjacent buildings would be razed to make room for the third Expo facility. The total square footage available for vendor use on the fairgrounds is nearly 200,000 square feet.

The annual fair, one of the larger ones in Florida, attracts more than 500,000 people. Another 500,000 attend other events on the 136-acre fairgrounds throughout the year. According to a study released in 2018 by Markin Consulting, the South Florida Fairgrounds generated a total economic impact of \$102.7 million in 2016.

## **South Florida Fair project will provide emergency shelter for those with special needs**

Weisman said there is a need for the additional Expo building to accommodate vendors who want to lease space at the Fair.

He noted that the project will benefit by having a larger special emergency needs center.

The 2024 version of the fair, now in its 111th year, will take place Jan. 12-28, with the aquatic theme of "Dive Into The Fun." For ticket information, go online to [www.southfloridafair.com](http://www.southfloridafair.com).

*Mike Diamond is a journalist at The Palm Beach Post, part of the USA TODAY Florida Network. He covers Palm Beach County government and transportation. You can reach him at [atmdiamond@pbpost.com](mailto:atmdiamond@pbpost.com). Help support local journalism. Subscribe today*