



NOTICE OF MEETING

22nd District Agricultural Association Board of Directors meeting
September 12, 2023, 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.**

22nd DAA BOARD OF DIRECTORS

G. Joyce Rowland, President

Frederick Schenk, 1st Vice President

Richard Valdez, 2nd Vice President

Mark Arabo, Director

Lisa Barkett, Director

Michael Gelfand, Director

Kathlyn Mead, Director

Don Mosier, Director

Sam Nejabat, Director

Chief Executive Officer

Carlene Moore

22nd 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.

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. Public comments on agenda items will be accepted during the meeting as items are addressed.



**22nd District Agricultural Association Board of Directors Meeting
AGENDA
September 12, 2023, at 1:30 p.m.**

1. **CALL TO ORDER** – FIRST VICE 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 August 8, 2023** 5-8
 - **Contract Approval** 9-14
 - **Standard Agreements**
DAA-18-213-19 AM4, Sponsorship Coordinator Agreement; 23-041 AM1, Grandstand Stage Audio; 22-027 AM2, Offsite Parking Transportation Services

4. **EXECUTIVE REPORT** – CEO Carlene Moore (Informational)
 - **Operational Announcements (Verbal)**
 - Surf & Turf RV Park Operations
 - The Sound Update (PowerPoint)
 - City of Del Mar Affordable Housing Request
 - Policy Review and Development Work
 - Don Diego Scholarship Foundation
 - **Construction Projects & Facilities Updates (Verbal)**
 - Facilities Condition Assessment
 - **Industry News & Updates (Verbal)**
 - **Review of Contracts Executed per CEO Delegation of Authority** 15-30
 - **Standard Agreements**
23-071, Sharepoint/Teams Consultant; 23-069, San Diego International Beer Festival Coordinator; 23-070, San Diego International Beer Festival Assistant Coordinator; 23-067 AM1, 2024 San Diego County Fair Theme Graphic Design; 23-052 AM1 Waste hauling and recycling services

- **Event Agreements**
24-4020 – Viewpoint, Employee Parking; 24-4021 - Lights and Sound, ANIME Impulse; 24-4022 - Del Mar Trade Shows, Design & Manufacturing Show

5. **GENERAL BUSINESS**

- A. **Finance Committee Report** – Michael Gelfand, Chair 31-36
 - Monthly Financial Reports (Informational)
- B. **Fair Operations Committee Report** – Frederick Schenk, Chair (PowerPoint)
 - 2023 San Diego County Fair wrap-up report (Informational)
 - 2024 San Diego County Fair logo debut (Informational)
- C. **RTA/SRTLTC Committee Report** – Carlene Moore, RTA Secretary 37
 - Report on Del Mar Race Track Authority and State Race Track Leasing Commission meetings of August 14, 2023 (Informational)
- D. 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) 38-58

6. **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.

7. **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. B&L Productions, Inc., et al., v Gavin Newsom, et al., United States District Court, Southern District of California, Case No. 3:21-cv-01718-AJB-KSC.
- E. 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.

8. **RECONVENE TO OPEN SESSION**

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

9. **MATTERS OF INFORMATION**

- Upcoming Board Meeting Dates 59
- Correspondence 60-81

10. **ADJOURNMENT**



22nd DISTRICT AGRICULTURAL ASSOCIATION
Board of Directors Meeting
Del Mar Fairgrounds
2260 Jimmy Durante Boulevard
Del Mar, CA 92014
August 8, 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 website.

<https://delmarfairgrounds.com/about-us/public-information/>

OFFICERS PRESENT

Joyce Rowland, President
Frederick Schenk, 1st Vice President
Richard Valdez, 2nd Vice President

DIRECTORS PRESENT

Lisa Barkett
Michael Gelfand
Kathlyn Mead
Don Mosier
Sam Nejabat

OTHERS PRESENT

Carlene Moore, Chief Executive Officer
Josh Caplan, Deputy Attorney General
Melinda Carmichael, Chief Administrative Officer – 22nd DAA
Katie Mueller, Chief Operations Officer – 22nd DAA
Tristan Hallman, Chief Communications Officer – 22nd DAA
Donna O’Leary, Executive Assistant – 22nd DAA

CALL TO ORDER

President Rowland called the meeting to order at 1:31 p.m. with a quorum present.

ROLL CALL

All Directors were present.

CONSENT CALENDAR

President Rowland removed Standard Agreements 23-002 AM1 and 22-014 AM1 from the Consent Calendar and moved the contracts to General Business for further discussion.

PUBLIC COMMENT ON CONSENT CALENDAR (See pages 6-7 of transcript)

Martha Sullivan

Director Mead moved to approve the Consent Calendar as amended. Director Gelfand seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Barkett, Gelfand, Mead, Mosier and Nejabat were all in favor and the motion carried 8-0.

EXECUTIVE REPORT

Informational

Operational Announcements

- CEO Moore announced that there is a possibility that the September Board meeting date may need to be changed due to lack of quorum.
- Attendance was up at the 2023 San Diego County Fair and public transportation helped contribute to fewer cars on the road. A full report on the Fair will be presented to the Board at the September meeting.
- Due diligence continues on considerations for future operations of Surf & Turf RV Park which will be discussed with the Strategic Planning Committee and brought forward at the September Board meeting.
- Activity resumed at Horsepark following a grand reopening on July 15. HITS Del Mar Leasing is the managing operator of Horsepark.
- The Del Mar National Horse Show will return in 2024, as a collaborative effort with HITS and will be relocated to Horsepark. More information will be provided at future Board meetings.
- CEO Moore reported four horse fatalities in the first few weeks of the Del Mar Thoroughbred Club summer race meet. DMTC will update the Board on the summer race meet at the October meeting.
- The Race Track Authority and State Race Track Leasing Commission meetings are scheduled for August 14.
- The Water Quality Improvement Project tour originally scheduled for August 14 has been postponed. The rescheduled date has not yet been determined.
- Staff is recommending that the District exercise the option to extend the agreement with Belly Up to continue operating and booking shows at The Sound. Performance metrics will be provided at the September Board meeting and a full report at the time the contract option is presented to the Board for approval.
- The City of Del Mar provided a draft Exclusive Negotiating Agreement regarding their affordable housing request which is undergoing review now.
- Two strategy sessions are planned with the full Board on October 13 and November 14, with individual interviews conducted by the consultant in advance.
- The feasibility study work is well underway.

Construction Projects & Facilities Updates

- CEO Moore reported that construction projects and facilities updates are mostly in the planning stages, due to the Fair and horse racing taking place.
- The District is working on developing a list of capital improvements for next year.
- The facilities condition assessment report is expected to be completed by the end of the year.

Industry News & Updates

CEO Moore reported on her participation with other fairgrounds representatives and the California Department of Food and Agriculture to develop policy recommendations for Assembly Bill 1499, or New Fair Funds, which sets aside three-quarters of one percent of gross sales made on all California fairgrounds to be distributed across California fairgrounds.

Review of Contracts Executed per Delegation of Authority

Contracts are listed on pages 26-58 of the Board packet.

PUBLIC COMMENT ON MANAGEMENT REPORT (See pages 29-39 of transcript)

Martha Sullivan
Rochelle Putnam
Carla Hayes
JR Ayala
Jack Duckworth
Laura DeMarco

GENERAL BUSINESS

Comprehensive Policies Development and Review

CEO Moore reviewed four policies for approval on pages 143-164 of the Board packet: Reporting Wrongdoing, General Responsibilities, Organizational Planning, and Risk Management. Deputy Attorney General Caplan made one change to Policy 2.05 to read “to a Board Vice Chair” since there are two Vice Presidents.

PUBLIC COMMENT ON COMPREHENSIVE POLICIES DEVELOPMENT (See pages 52-54 of transcript)

Martha Sullivan

Director Gelfand moved to approve the policies with the amended changes read into the record by CEO Moore and DAG Caplan. Director Mead seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Barkett, Gelfand, Mead, Mosier and Nejabat were all in favor and the motion carried 8-0.

Finance Committee Report – Michael Gelfand, Chair

CEO Moore reviewed the financial report summary on pages 165-167 and the financials on pages 168-181 of the Board packet.

Items Removed from Consent Calendar

CEO Moore reviewed two contracts removed from the Consent Calendar to General Business, Standard Agreements 23-002 AM1 and 22-014 AM1.

Director Mead moved to approve Standard Agreement 23-002 AM1. Director Gelfand seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Barkett, Gelfand, Mead, Mosier and Nejabat were all in favor and the motion carried 8-0.

Director Mead moved to approve Standard Agreement 22-014 AM1. Director Mosier seconded the motion. President Rowland, Vice President Schenk, Vice President Valdez, and Directors Barkett, Gelfand, Mead, Mosier and Nejabat were all in favor and the motion carried 8-0.

PUBLIC COMMENT ON NON-AGENDA ITEMS (See pages 86-90 of transcript)

Bonnie Croker
Patty Shenker
Jane Cartmill
Martha Sullivan

RECESS TO CLOSED EXECUTIVE SESSION

The Board recessed to Executive Session at 3:29 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 5:46 p.m. President Rowland had nothing to report from the closed session.

ADJOURNMENT

There being no further business to discuss, President Rowland adjourned the meeting at 5:46 p.m.

Carlene Moore
Chief Executive Officer

SUBJECT TO BOARD APPROVAL

ITEM 3, CONSENT CALENDAR

September 2023

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

Agreements Exercising Option Years					
Contract #	Contractor	Purpose	Acquisition Method	Term	Amount
18-213-19 AM4	Miller Consulting	Sponsorship Coordinator Agreement	RFP	9/1/2018 – 8/31/2024	<u>\$350,000 (AM1)</u> <u>Total Contract</u> <u>Value \$2,111,600</u>
23-041 AM1	Audio Design	Grandstand Stage Audio	RFP	5/1/2023 – 4/30/2024	<u>\$4,950 (AM1)</u> <u>Total Contract</u> <u>Value \$357,762</u>
22-027 AM2	SD Luxury Limos	Offsite Parking Transportation Services	IFB	5/1/2022 – 7/31/2024	<u>\$1,535,506 (AM2)</u> <u>Total Contract</u> <u>Value \$2,579,023</u>

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED **6** PAGESAGREEMENT NUMBER
DAA-18-213-19AMENDMENT NUMBER
4Purchasing Authority Number
GL #: 600-100-00

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

Miller Consulting, Inc.

2. The term of this Agreement is:

START DATE

September 1, 2018

THROUGH END DATE

August 31, 2024

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

\$2,111,600.00

Two Million One Hundred Eleven Thousand Six Hundred 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:

1. The purpose of this Amendment is to renew this Agreement, exercising Option Year Three, the sixth of potential six-year Agreement. The term end date is hereby extended from August 31, 2023 to August 31, 2024.

2. The maximum amount of this Agreement is hereby increased by \$350,000.00, bringing the total to \$2,111,600.00.

3. The Scope of Work has been revised for clarification and is hereby replaced in its entirety. Revisions are formatted as bold and underlined font for additions and strikethrough font for deletions.

Amendment Effective Date: August 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.)

Miller Consulting, Inc.

CONTRACTOR BUSINESS ADDRESS

1155 Caino Del Mar #124

CITY

Del Mar

STATE

CA

ZIP

92014

PRINTED NAME OF PERSON SIGNING

Van Miller

TITLE

President

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ PAGES

AGREEMENT NUMBER DAA-18-213-19	AMENDMENT NUMBER 4	Purchasing Authority Number GL #: 600-100-00
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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 S4051 .a. 1

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ PAGES

AGREEMENT NUMBER

23-041

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

Audio Design Rentals, Inc.

2. The term of this Agreement is:

START DATE

May 1, 2023

THROUGH END DATE

April 30, 2024

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

\$357,762.00

Three Hundred Fifty Seven Thousand Seven Hundred Sixty Two 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 add funding to cover additional unanticipated services, increasing the dollar amount by \$4,950.00. The maximum amount of this Agreement is hereby increased from \$352,812.00 to \$357,762.00.

Amendment Effective Date: July 15, 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.)

Audio Design Rentals, Inc.

CONTRACTOR BUSINESS ADDRESS

1555 Fayette St.

CITY

El Cajon

STATE

CA

ZIP

92020

PRINTED NAME OF PERSON SIGNING

Lawrence Ashburn

TITLE

Chief Financial 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

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ PAGES

AGREEMENT NUMBER

22-027

AMENDMENT NUMBER

2

Purchasing Authority Number

GL Acct: 600100-20

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

SD Luxury Limos

2. The term of this Agreement is:

START DATE

May 1, 2022

THROUGH END DATE

July 31, 2024

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

\$3,388,222.99

Three Million Three Hundred Eighty Eight Thousand Two Hundred Twenty Two Dollars and Ninety Nine 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 to cover excess usage over the original estimates, fuel costs, and to exercise the first one-year option; extending the contract term by one year and increasing the dollar amount by \$1,535,505.79 (Option Year Total + increase to Initial Term).

\$57,008.27 is hereby added to the initial term amount of \$1,852,717.20, bringing the new amount for the initial term to \$1,909,725.67.

\$669,297.52 is hereby added to the Option Year One amount of \$809,200.00, bringing the new total amount for Option Year One to \$1,478,497.52.

The Maximum amount of the Agreement is hereby increased from \$1,852,717.20 to \$3,388,222.99. 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.)

SD Luxury Limos

CONTRACTOR BUSINESS ADDRESS

1136 Greenfield Drive

CITY

El Cajon

STATE

CA

ZIP

92021

PRINTED NAME OF PERSON SIGNING

Dani Rafo

TITLE

President

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ PAGES

AGREEMENT NUMBER 22-027	AMENDMENT NUMBER 2	Purchasing Authority Number GL Acct: 600100-20
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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

ITEM 4, MANAGEMENT REPORT

September 2023

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	Term	Amount
23-071	Klarinet Solutions	Sharepoint/Teams Consultant	Categorical Exemption	8/1/2023 – 8/9/2024	\$30,000
23-069	Tom Nickel	San Diego International Beer Festival Coordinator	Categorical Exemption	8/2/2023 – 7/8/2024	\$9,000
23-070	Tyson Blake	San Diego International Beer Festival Assistant Coordinator	Categorical Exemption	8/2/2023 – 7/8/2024	\$6,500
23-067 AM1	James Coleman	2024 San Diego County Fair Theme Graphic Design	Categorical Exemption	7/24/2023 – 9/30/2023	\$3,080 (AM1) Total Contract Value \$6,080
23-052 AM1	Edco Disposal Corporation	Waste hauling and recycling services	Sole Source	6/7/2023 – 7/17/2023	\$30,000

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

Sponsorship Agreements				
Contract #	Contractor	Summary	Term	Amount
N/A				

2023-2024 Event Agreements				
Contract #	Contractor	Event Name	Term	Rental Fee
24-4020	Viewpoint	Employee Parking	1/1/24 – 5/15/24	\$2,250
24-4021	Lights and Sound	ANIME Impulse	4/17/24-4/22/24	\$31,680
24-4022	Del Mar Trade Shows	Design & Manufacturing Show	4/22/24 – 4/25/24	\$24,640

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

Contract #	Purpose	Term	Amount
N/A			

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-071	PURCHASING AUTHORITY NUMBER (If Applicable) GL Account #: 600100-00
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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
 Klarinet Solutions LLC

2. The term of this Agreement is:

START DATE
 August 10, 2023

THROUGH END DATE
 August 9, 2024

3. The maximum amount of this Agreement is:
 \$30,000.00
 Thirty Thousand 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	Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C*	General Terms and Conditions (April 2017)	4
Exhibit D	Special Terms & Conditions	5
Exhibit D, Attachment I	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>

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.)
 Klarinet Solutions LLC

CONTRACTOR BUSINESS ADDRESS 2535 Camino Del Rio South, Suite 310	CITY San Diego	STATE CA	ZIP
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PRINTED NAME OF PERSON SIGNING Linda M. Amaro	TITLE Chief Executive Officer
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CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED
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STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-071	PURCHASING AUTHORITY NUMBER (If Applicable) GL Account #: 600100-00
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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. Klarinet Solutions, LLC, hereinafter referred to as the Contractor, agrees to provide to the 22nd District Agricultural Association / Del Mar Fairgrounds, hereinafter referred to as District, with services as described herein:

Contractor shall provide implementation, design, and strategic services related to District's Microsoft Teams, SharePoint, and 365 digital infrastructure and work environment.

- B. The services shall be performed remotely and at the Del Mar Fairgrounds, 2260 Jimmy Durante Boulevard, Del Mar, CA 92014.
- C. The services shall be provided for one year, from August 10, 2023, through August 9, 2024, with two (2) one-year options.
- D. The Project Representatives during the term of this Agreement will be as follows:

22 nd District Agricultural Association	Contractor: Klarinet Solutions, LLC
Name: Evan Graham, Staff Information Systems Analyst	Name: Brian Long, Director of Business Development
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 2535 Camino Del Rio S, San Diego, CA 92108
Phone: 858-740-9261	Phone: (619) 375-3263
e-mail: egraham@sdfair.com	e-mail: Blong@KlarinetSolutions.com

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:

A. Background and Goals

District has embarked on a path to modernizing its methods of collaboration, communications and project management utilizing the Microsoft 365 ecosystem, specifically Microsoft Teams and SharePoint. In May 2023, District began conducting a search to engage the services of a knowledgeable and experienced partner to meet its business needs through the Microsoft 365 ecosystem. Contractor will be responsible for the design, implementation, and training of SharePoint, Teams, and other Microsoft 365 solutions for District, as stated in this Scope of Work below.

B. Tasks and Deliverables

Task 1: Teams deployment and training

1.1 Project management

EXHIBIT A SCOPE OF WORK

- Contractor shall provide all technical and administrative services as needed for Agreement completion, including monitoring, supervising, and reviewing all work performed.
- In addition, the Contractor shall coordinate budgeting and scheduling to ensure that the Agreement is completed within budget, on schedule, and in accordance with approved procedures, applicable laws, and regulations throughout Agreement term.

1.2 Deployment, installation, and knowledge transfer

- Contractor shall gather information regarding District's internal processes and needs in Microsoft 365 ecosystem. To that end, Contractor shall:
 - Conduct an initial pre-kickoff meeting with District staff to describe Contractor's process, timeline, project scope, and expected outcomes.
 - Conduct up to five 1-hour strategy and discovery workshop sessions with groups designated by District in consultation with Contractor.
- Contractor shall provide a formal memorandum detailing findings of the discovery workshops along with recommendations for implementing additional applications and functionality in the Microsoft 365/SharePoint/Teams environment to address District's workflows and unique business needs.
- Contractor shall, with District's assistance and guidance, install and configure Microsoft Teams, including the creation of up to 15 unique Teams sites, within District's 365 ecosystem.
- Contractor shall provide a security and compliance overview and knowledge transfer during two one-hour workshops with District.

1.3 Training

- Contractor will conduct team knowledge transfer sessions, including:
 - A one-hour Teams admin workshop
 - A one-hour Teams owner training
 - A one-hour Teams member training
- Contractor shall provide the following training sessions for District staff:
 - Training for Teams administrators, including on Teams management, governance, settings, security.
 - Training for Creating Teams, customizing Teams, settings & more.
 - Training for team member end users, including Teams basics, messaging, meetings, channels, document sharing, and more.
- Contractor shall develop handouts, instructions, and procedures documents needed to train District on the use of Teams. (District will retain the rights to use any documents produced during consulting period for ongoing use of staff).

EXHIBIT A SCOPE OF WORK

Task 2: Ongoing Expansion, Refinement, and Technical Assistance

2.1 Microsoft 365 expansion and refinement

- Upon completion of Task 1, and upon request of District, Contractor shall estimate the costs and hours required for additional and ongoing work related to further work to add applications and functionality into District's Microsoft 365 environment. Hours shall be billed in 15-minute increments and will be provided at the following rates:
 - Training services: \$350 per hour
 - Information architecture services: \$295 per hour
 - Consulting services: \$225 per hour

2.2 Technical support services

- Following completion of Task 1, and through duration of the Agreement, Contractor will be available to assist District with technical issues related to District's Microsoft 365 ecosystem, billable at \$175 per hour, in 15-minute increments.

C. Task and Deliverables Schedule

Task #	Deliverable	Deliverable Due Date
1.2	Memorandum – Recommendations for implementing additional applications and functionality in the Microsoft 365/ SharePoint/Teams environment to address District's workflows and unique business needs.	October 4, 2023
1.3	Training materials and written procedures	Within two days of completion of training sessions.
2.1	Project cost estimate(s) for implementing additional applications and functionality in District' 365 ecosystem.	Within one week of request of District.

If due date falls on a Saturday, Sunday or State holiday, deliverables shall be due the following business day.

3. PROGRESS REPORTS:

- A. Not later than September 15, 2023, Contractor shall provide a progress report to the District describing activities undertaken, accomplishment of milestones, and any problems encountered in the performance of the work under this Agreement, and delivery of intermediate products, if any.
- B. The Contractor shall submit to the District for approval the reports containing the results of the work performed in accordance with the schedule of this Exhibit.
- C. Not later than March 1, 2024, Contractor shall submit to the District a copy of a draft report describing the work performed pursuant to this Exhibit for review and comment.

EXHIBIT A SCOPE OF WORK

- D. Within three (3) weeks of receipt of the draft report, the District will submit final comments to the Contractor.
- E. Not later than June 3, 2024, Contractor shall submit to the District for approval one (1) reproducible master copy of the final report, in a PDF document, containing the results of all work performed and addressing the comments submitted to the Contractor by the District.
- F. The report shall not be considered final until accepted and approved by the District.

4. OTHER RESPONSIBILITIES

A. Contractor's Responsibilities

- Contractor warrants that its services will be performed in a professional and workmanlike manner in accordance with recognized industry standards. Contractor warrants that work for District shall comply with all representations set forth in this Agreement, and any underlying work prepared by Contractor are either Contractor's sole and original work or the rights to which have been secured by Contractor for the benefit of the Client and do not infringe on any third-party's intellectual property.
- Contractor shall retain ownership of any expression or result of Contractor, or the work, findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, tools, applications, interfaces, enhancements, software, and other technical information (collectively, "Work Product") created by Contractor while performing services under this Agreement.
- Contractor shall license to the District the Work Product without further license fees, pursuant to Contractor's software license(s) to which the consultation Services pertain, provided, however, to the extent such Work Product provided to District by Contractor contains Contractor's confidential information, District shall retain title to such confidential information.

B. District's Responsibilities

- District will state any restrictions or requirements regarding Contractor's use of personal equipment in advance of the commencement of the project.
- District will not make any changes to scope of work without a change order and amendment to this Agreement.
- District will make a technical point of contact available to Contractor through the duration of the Agreement.
- District will provide relevant information to Contractor about District operations, organization structures, processes, policies, and procedures.
- District will conduct a full working backup of their network prior to the commencement of services.
- District shall allow Contractor unattended access to their environment for the duration of the engagement.

EXHIBIT A
SCOPE OF WORK

- District shall not require Contractor to perform engineering and/or consulting tasks that lie outside the skill sets and experience of personnel.
- District shall provide Contractor with reasonable and necessary access to Client's facilities during Client's normal business hours and otherwise as reasonably requested by Contractor to facilitate Contractor's performance of this Scope of Work.
- District will be responsible for paying invoices for Task 1 work on the following payment schedule and at the following rates:
 - Upon completion of strategy and discovery workshop sessions: \$7,250
 - Upon Teams deployment: \$5,800
 - Upon project completion: \$1,450

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-069	PURCHASING AUTHORITY NUMBER (If Applicable) GL Account #: 60010060
-----------------------------------	--

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

Tom Nickel

2. The term of this Agreement is:

START DATE

August 2, 2023

THROUGH END DATE

July 8, 2024

3. The maximum amount of this Agreement is:

\$9,000.00

Nine Thousand 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	Scope of Work	1
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C*	General Terms and Conditions	GTC 04/2017
Exhibit D	Special Terms and Conditions	5
Exhibit E	Preventing Storm Water Pollution	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>

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.)

Tom Nickel

CONTRACTOR BUSINESS ADDRESS

9660 Ramsgate Way

CITY

Santee

STATE

CA

ZIP

92071

PRINTED NAME OF PERSON SIGNING

Tom Nickel

TITLE

Director, SDIBC

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-069	PURCHASING AUTHORITY NUMBER (If Applicable) GL Account #: 60010060
-----------------------------------	--

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. At the direction and to the satisfaction of District Management, Tom Nickel, hereinafter referred to as Contractor, agrees to provide the San Diego County Fair a competitive event as Director of the 2024 San Diego International Beer Competition (SDIBC). The Contractor's expertise in beer competitions and reputation in the beer industry will be utilized to assure a successful competition. The San Diego International Beer Competition (SDIBC) will be held October 5th – 8th, 2023 at the Del Mar Fairgrounds. Contractor will also coordinate the San Diego International Beer Festival June/July 2024. Exact date and location shall be determined by District Management.
2. In collaboration with Assistant Director, Contractor, as Director of the 2023 SDIBC, will assume responsibility for providing and maintaining the following:
 - Entry rules, classifications, awards, and all forms
 - Competition event schedule and competition procedures
 - Preparation of industry correspondence
 - Soliciting and procuring entries
 - Cellar Crew coordination
 - Securing Beer Judges
 - Coordinating volunteers for judging
3. The Contractor is required to be on site for the following events:
 - San Diego International Beer Competition (SDIBC) October 5th – 8th, 2023
 - San Diego International Beer Festival June/July 2024
4. District shall provide all necessary credentials.
5. Upon successful completion of each event, District agrees to pay Contractor a total amount not to exceed \$9,000.00. \$6,750 payable on October 8th, 2023 and \$2,250.00 payable on July 7, 2024.
6. The above payment is all inclusive and includes all labor, materials, overhead, fees and taxes. Contractor agrees to provide a written estimate of any additional costs not anticipated for approval by District Management, prior to the initiation of any additional services.
7. The Project Representatives during the term of this Agreement will be:

State Agency: 22 nd DAA / Del Mar Fairgrounds	Tom Nickel
Section/Unit: Ad & Education	
Attention: Rachelle Weir, Agriculture and Education Director	Attention: Tom Nickel
Address: 2260 Jimmy Durante Blvd. Del Mar, CA 92014-2216	Address: 9660 Ramsgate Way Santee, CA 92071
Phone: (858) 792-4211	Phone: 858-717-1717
Email: rweir@sdfair.com	Email: tom@nickelbeerco.com

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.

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-070	PURCHASING AUTHORITY NUMBER (If Applicable) GL Account #: 60010060
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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
Tyson Blake

2. The term of this Agreement is:

START DATE
August 2, 2023

THROUGH END DATE
July 8, 2024

3. The maximum amount of this Agreement is:
\$6,500.00
Six 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	Scope of Work	1
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C*	General Terms and Conditions	GTC 04/2017
Exhibit D	Special Terms and Conditions	5
Exhibit E	Preventing Storm Water Pollution	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>

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.)
Tyson Blake

CONTRACTOR BUSINESS ADDRESS 9660 Ramsgate Way	CITY Santee	STATE CA	ZIP 92071
--	----------------	-------------	--------------

PRINTED NAME OF PERSON SIGNING Tyson Blake	TITLE Assistant Coordinator, SDIBC
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CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED
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STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-070	PURCHASING AUTHORITY NUMBER (If Applicable) GL Account #: 60010060
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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. At the direction and to the satisfaction of District Management, Tyson Blake, hereinafter referred to as Contractor, agrees to provide the San Diego County Fair a competitive event as Assistant Director of the 2024 San Diego International Beer Competition (SDIBC). The Contractor's expertise in beer competitions and reputation in the beer industry will be utilized to assure a successful competition. The San Diego International Beer Competition (SDIBC) will be held October 5th – 8th, 2023 at the District Fairgrounds. Contractor will also coordinate the San Diego International Beer Festival June/July 2024. Exact date and location shall be determined by District Management.
2. In collaboration with SDIBC Director, Contractor, as Assistant Director of the 2023 SDIBC, will assume responsibility for providing and maintaining the following:
 - a. Entry rules, classifications, awards, and all forms
 - b. Competition event schedule and competition procedures
 - c. Preparation of industry correspondence
 - d. Soliciting and procuring entries
 - e. Cellar Crew coordination
 - f. Securing Beer Judges
 - g. Coordinating volunteers for judging
3. The contractor is required to be on site for the following events:
 - San Diego International Beer Competition (SDIBC) October 5th – 8th, 2023
 - San Diego International Beer Festival June/July 2024
4. District shall provide all necessary credentials.
5. Upon successful completion of each event, District agrees to pay Contractor a total amount not to exceed \$6,500.00. \$4,875.00 payable on October 8th, 2023, and \$1,625.00 payable on July 7, 2024.
6. The above payment is all inclusive and includes all labor, materials, overhead, fees and taxes. Contractor agrees to provide a written estimate of any additional costs not anticipated for approval by District Management, prior to the initiation of any additional services.
7. The project representatives during the term of this agreement will be:

State Agency: 22 nd DAA / Del Mar Fairgrounds	Contractor: Tyson Blake
Section/Unit: Ad & Education	Section/Unit:
Attention: Rachelle Weir, Agriculture and Education Director	Attention: Tyson Blake
Address: 2260 Jimmy Durante Blvd. Del Mar, CA 92014-2216	Address: 9660 Ramsgate Way Santee, CA 92071
Phone: (858) 792-4211	Phone: 858-717-1717
Email: rweir@sdfair.com	Email: tysonblake79@yahoo.com

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.

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

<input checked="" type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED	PAGES	AGREEMENT NUMBER 23-067	AMENDMENT NUMBER 1	Purchasing Authority Number GL #: 600100-30
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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

James Coleman

2. The term of this Agreement is:

START DATE

July 24, 2023

THROUGH END DATE

September 30, 2023

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

\$6,080.00

Six Thousand Eighty 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 increase funding by \$3,080.00 in order to cover item 6 of the Scope of Work (Exhibit A). The maximum amount of this Agreement is hereby amended from \$2,280.00 to \$6,080.00.

Amendment Effective Date: September 15, 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.)

James Coleman

CONTRACTOR BUSINESS ADDRESS

663 Diamond Way #132

CITY

Vista

STATE

CA

ZIP

92083

PRINTED NAME OF PERSON SIGNING

James Coleman

TITLE

Graphic Designer

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

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

<input type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ PAGES	AGREEMENT NUMBER 23-052	AMENDMENT NUMBER 1	Purchasing Authority Number GL#:600100-10
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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

Edco Disposal Corporation

2. The term of this Agreement is:

START DATE

June 7, 2023

THROUGH END DATE

July 17, 2023

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

\$30,000.00

Thirty 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 add funding to cover additional unanticipated services, increasing the dollar amount by \$20,000.00. The maximum amount of this Agreement is hereby increased from \$10,000 to \$30,000.

Amendment Effective date July 17, 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.)

Edco Disposal Corporation

CONTRACTOR BUSINESS ADDRESS

6670 Federal Blvd.

CITY

Lemon Grove

STATE

CA

ZIP

91945

PRINTED NAME OF PERSON SIGNING

John D. Vorgeas

TITLE

Director of Market Development

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



Item 5-A, Finance Committee Report

Executive Summary

The attached preliminary financial reports are through June 30, 2023, and are subject to change as the 22nd 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 District's unrestricted cash position continues to remain strong through the month of June. Notable is the increase to the operating **Cash** position over 2022. **Restricted Cash in Trust** (loan funds) was exhausted in 2022 due to completion of the projects.
 - **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) per the Pledge Agreement. Net Horse Racing Revenues and/or Net Concession Revenues are transferred to the trustee by January 15th 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. Since the Fair was well underway in June, all Deferred Revenue attributable to the Fair has now been recognized as operating income.

- **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 June has been on pace with budget forecasts. A better analysis of actual Fair results will be provided with July's report since the Fair operates partly in the month of July.

- Revenues:
 - **Total Operating Revenue** exceeded expectations by 12% for the month of June and cumulatively for the first half of the year.
 - **Gate Admissions** were stronger than expected by 3% for the month of June.
 - **Concessions revenues** were better than expected by 18% for the month of June due to higher than anticipated performance by Premier (20%), other food and beverage vendors (22%) and Midway carnival sales (17%).
 - **Parking Revenues** were slightly better than expectations by about 2% for the month of June. For the year, this category trends below anticipated results by 15% due to the lighter than expected attendance of non-fair events in the first five months of the year.
 - **Interest Earnings** outperformed the budget by \$526,000 for the year because of cumulative Fed Fund Rate increases pursuant to actions taken by the Federal Reserve/Federal Open Market Committee.
- Expenses:
 - **Total Operating Expenses** were below expectations by 8% for the month of June and 10% for the year, resulting in savings of \$1,959,000 and \$3,985,000 respectively.
 - **Payroll & Related Expenses** are indicative of District's 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. As of June 2023, the District's payroll and related expenses are \$2,153,000 under budget.
 - **Professional Services** consists of a multitude of services, the largest being food and beverage. Reported savings may be a shift in the timing of contract expenditures, and possibly will expense in future periods.

- **Food and Beverage Expenses** were higher than budgeted due to the start of operations at The Sound. February was the first month of operations for this venue and The Sound is moving toward stabilization. As of June 2023, this element is trending 38% higher than expectations, and is offset by 217% higher in Food & Beverage Contract revenues at The Sound.
- **Program Expenses** consists of a multitude of activities in support of the Fair, such as Entertainment and Midway. Some reported overages may be a shift in the timing of contract expenditures, i.e. Entertainment, while the increase in payouts to Midway operators is a result of the increase in Midway sales.

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 as the District awaits the conclusion of its audit report for 2021 which is expected to be presented at the October board meeting. Once filed, the Statement of Operations will be provided to the Board at the following meeting.

2024 Operating and Capital Improvement Budgets

Budget season at the District is underway and the Committee will review proposed budgets in November before presentation to the full board at the December meeting.

UNAUDITED FINANCIAL STATEMENTS

22nd DAA

Consolidated Balance Sheet (DAA, RTA, RTLC)

As of June 30, 2023

	2023	2022	2021
Assets			
Cash	\$ 42,619,159	\$ 36,900,750	\$ 8,791,088
¹ Restricted Cash - F&B Equipment Fund	68,625	338,980	133,084
² Restricted Cash - RTA	12,569,008	11,946,180	8,955,843
Restricted Cash in Trust - WQI	(1)	(1)	332,064
Restricted Cash in Trust - The Center	-	-	2,227,256
Total Cash and Cash Equivalents	55,256,791	49,185,909	20,439,335
Accounts Receivable	5,737,553	6,533,805	557,849
Prepaid Expenses	679,748	785,587	439,794
³ Deferred Outflows Pension	6,547,075	6,547,075	6,547,075
Total Current Assets	12,964,376	13,866,467	7,544,719
Land	35,011,899	35,011,899	35,011,899
Building and Improvements	189,040,757	189,021,781	189,021,781
Equipment	38,425,959	38,079,620	37,934,770
Capital Projects in Process	40,511,016	38,847,439	34,751,168
Accumulated Depreciation	(173,822,663)	(173,822,663)	(170,401,222)
Total Capital Assets	129,166,968	127,138,076	126,318,397
Total Assets	\$ 197,388,135	\$ 190,190,452	\$ 154,302,451
Liabilities			
Accounts Payable	9,919,163	12,222,179	3,377,552
Payroll Liabilities	2,174,121	1,821,943	369,607
Accrued Liabilities	1,679,286	1,801,177	2,283,291
⁴ Other Current Liabilities	3,183,057	2,136,119	88,531
⁵ Deferred Revenue	947,451	317,226	426,659
Current Long Term Debt	2,413,460	3,031,007	4,197,391
⁶ Accrued Employees Leave Liabilities	1,165,636	1,260,675	1,454,583
⁷ Long Term Debt	60,428,807	63,962,267	66,105,257
Reserve - F&B Equipment Fund	689,593	403,246	141,358
Reserve - JLA	16,305	16,305	20,838
³ Pension Liability	45,372,357	45,159,264	44,963,157
³ Deferred Inflows - Pension	2,744,433	2,744,433	2,744,433
Total Liabilities	130,733,669	134,875,841	126,172,657
Net Resources			
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	(5,921,909)	(5,921,909)	(13,151,333)
Investment in Capital Assets	(3,891,786)	(3,891,786)	(3,891,786)
	34,705,006	34,705,006	27,475,582
Net Proceeds from Operations	31,949,461	20,609,606	654,212
Total Net Resources	66,654,467	55,314,612	28,129,794
Total Liabilities and Net Resources	\$ 197,388,135	\$ 190,190,453	\$ 154,302,451

¹

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

²

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

³

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

⁴

Current portion of long-term debt due within the next 12 months

⁵

Advance payments for events/activities in the future

⁶

Due to employees at time of separation for paid leave balances

⁷

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 June 30, 2023

	June 2023			Year-to-Date			Full 2023
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
REVENUES							
Admissions Revenue	10,123,509	9,820,185	303,324	10,239,009	9,820,185	418,824	12,337,386
<i>Gates</i>	10,123,509	9,820,185	303,324	10,239,009	9,820,185	418,824	12,337,386
Concessions Revenue	20,715,489	17,531,468	3,184,021	23,150,993	18,605,639	4,545,354	41,087,636
<i>Food & Beverage Contrac</i>	3,824,837	3,188,529	636,309	6,328,207	4,227,990	2,100,217	18,544,654
<i>Other Food & Beverage</i>	1,554,059	1,268,827	285,232	1,554,059	1,268,827	285,232	4,422,070
<i>Midway</i>	15,311,179	13,068,612	2,242,567	15,195,679	13,068,612	2,127,067	18,054,362
<i>Merchandise</i>	30,074	5,500	24,574	78,066	40,210	37,856	66,550
Facility Rentals Revenue	4,563,472	3,509,680	1,053,793	6,998,609	5,740,278	1,258,331	7,308,591
<i>Commercial</i>	3,871,094	3,131,700	739,394	3,871,094	3,131,700	739,394	3,131,700
Leases Revenue	42,693	28,976	13,717	248,931	173,694	75,237	1,694,917
<i>Racetrack</i>	0	0	0	0	0	0	(1,225,000)
Program Revenues	3,411,421	3,740,125	(328,704)	5,549,387	6,719,091	(1,169,704)	8,644,444
<i>JLA</i>	33,020	472,500	(439,480)	33,020	472,500	(439,480)	472,500
<i>Parking</i>	3,294,884	3,235,625	59,259	4,834,627	5,670,691	(836,063)	7,417,744
<i>Participation Fees</i>	43,032	0	43,032	347,853	285,000	62,853	335,000
<i>Satellite Wagering</i>	40,450	32,000	8,450	333,851	290,900	42,951	419,200
OPERATING REVENUE TOTALS	38,856,584	34,630,433	4,226,151	46,186,927	41,058,886	5,128,042	71,072,973
Contributions	1,242,451	1,960,400	(717,949)	1,334,226	2,067,400	(733,174)	1,609,000
<i>Sponsorships</i>	1,241,466	1,949,400	(707,934)	1,328,716	1,972,400	(643,684)	1,500,000
Other Non-Operating Revenue	299,968	128,889	171,079	819,810	2,070,238	(1,250,428)	2,331,858
<i>Interest Earnings</i>	271,687	67,500	204,187	661,798	135,000	526,798	270,000
<i>Pledged Revenue</i>	0	0	0	50,000	1,785,250	(1,735,250)	1,785,250
Reimbursed Costs	54,418	19,454	34,965	468,520	333,173	135,347	1,567,116
Prior Year Revenue	4,447	0	4,447	5,714	0	5,714	0
NON-OPERATING REVENUE TOTALS	1,601,284	2,108,743	(507,459)	2,628,270	4,470,811	(1,842,541)	5,507,974
							0
TOTAL REVENUE	40,457,868	36,739,176	3,718,692	48,815,197	45,529,697	3,285,500	76,580,948
EXPENSES							
Payroll & Related Expense	3,869,452	4,734,043	864,590	9,582,765	11,736,055	2,153,290	19,798,369
<i>Professional Developmen</i>	2,513	70,633	68,120	60,180	185,257	125,077	228,558
Professional Services Expense	4,944,499	5,639,759	695,261	9,579,179	10,158,005	578,826	24,584,967
<i>Food & Beverage Expense</i>	2,774,230	2,134,658	(639,572)	5,455,537	3,951,063	(1,504,474)	14,313,411
Insurance Expense	114,584	61,421	(53,162)	270,000	134,215	(135,785)	206,297
Facility & Related Expense	1,632,188	1,951,703	319,516	3,678,432	4,069,805	391,373	7,079,715
<i>Equipment & Small Ware</i>	8,023	0	(8,023)	12,955	0	(12,955)	0
<i>Telephone & Internet</i>	8,233	8,529	296	47,319	50,774	3,455	101,998
<i>Repairs & Maintenance</i>	134,582	120,884	(13,697)	800,420	725,191	(75,229)	1,575,497
<i>Utilities</i>	636,500	575,000	(61,500)	1,889,333	1,894,000	4,667	3,770,000
<i>- Electricity</i>	308,090	-	-	1,045,513	-	-	-
<i>- Water</i>	196,531	-	-	418,749	-	-	-
Supplies Expense	213,687	307,895	94,208	956,266	1,490,385	534,118	1,894,235
Marketing & Related Expense	301,170	405,667	104,497	423,607	981,400	557,793	1,205,063
Program Expenses	9,469,277	8,625,018	(844,259)	9,641,161	8,879,723	(761,438)	14,704,178
<i>Artists & Entertainment</i>	4,037,786	3,257,500	(780,286)	4,039,286	3,275,000	(764,286)	4,428,050
<i>Midway Operator Expens</i>	5,391,757	5,347,849	(43,908)	5,391,757	5,347,849	(43,908)	9,897,000
Other Operating Expense	1,125,329	1,903,761	778,432	2,443,254	3,110,128	666,875	4,939,591
<i>Bank & Service Fees</i>	897,798	1,675,875	778,078	1,077,271	1,755,813	678,542	2,155,344
<i>Interest Expense</i>	222,138	222,137	(1)	1,332,826	1,332,821	(5)	2,757,247
OPERATING EXPENSE TOTALS	21,670,186	23,629,267	1,959,082	36,574,665	40,559,716	3,985,052	74,412,415
Other Non-Operating Expense							
<i>Prior Year Expense</i>	10,092	0	(10,092)	200,638	0	(200,638)	0
NON-OPERATING EXPENSE TOTALS	10,092	0	(10,092)	200,638	0	(200,638)	0
TOTAL EXPENSE	21,680,278	23,629,267	1,948,990	36,775,302	40,559,716	3,784,414	74,412,415
NET INCOME (LOSS)	18,777,591	13,109,909	5,667,682	12,039,895	4,969,981	7,069,914	2,168,533

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

Food & Beverage Report Jul-23

July 2023 Food Service Revenues were \$4,456,582. Budgeted Revenues for July 2023 were \$4,560,144.

Net distribution to the District for July 2023 was \$1,167,398 or 26.2%. Budgeted distribution for July 2023 was \$1,539,468 or 33.8%.

Year-to-date 2023 distribution to the District is \$2,051,776 or 20.6%. The budgeted distribution for YTD 2023 was \$1,937,899 or 21.8%.

Jul-23	2023 ACTUAL	%	2023 BUDGET	%	2022 ACTUAL	%
TOTAL REVENUE	4,456,582	100.0%	4,560,144	100.0%	4,364,410	100.0%
TOTAL COGS	1,256,517	28.2%	956,985	21.0%	1,047,559	24.0%
GROSS MARGIN	3,200,065	71.8%	3,603,159	79.0%	3,316,851	76.0%
TOTAL PAYROLL	1,379,140	30.9%	1,395,954	30.6%	1,280,331	29.3%
OPERATING EXPENSES	486,756	10.9%	447,813	9.8%	402,858	9.2%
NET PROFIT	1,334,169	29.9%	1,759,392	38.6%	1,633,662	37.4%
CLIENT DISTRIBUTION	1,167,398	26.2%	1,539,468	33.8%	1,429,454	32.8%

YTD	2023 ACTUAL	%	2023 BUDGET	%	2022 ACTUAL	%
TOTAL REVENUE	9,943,512	100.0%	8,897,429	100.0%	8,282,523	100.0%
TOTAL COGS	2,318,738	23.3%	1,727,004	19.4%	1,830,318	22.1%
GROSS MARGIN	7,624,774	76.7%	7,170,425	80.6%	6,452,205	77.9%
TOTAL PAYROLL	3,971,347	39.9%	3,799,033	42.7%	3,175,166	38.3%
OPERATING EXPENSES	1,308,540	13.2%	1,156,650	13.0%	1,002,444	12.1%
NET PROFIT	2,344,887	23.6%	2,214,742	24.9%	2,274,595	27.5%
Y-T-D CLIENT DISTRIBUTION	2,051,776	20.6%	1,937,899	21.8%	1,990,271	24.0%



Item 5-C, General Business – RTA/SRTLCL Committee Report

Background:

The RTA/SRTLCL Committee of the 22nd District Agricultural Association (District) consists of those representatives of the District, appointed by the Governor, to serve on the Race Track Authority (RTA) and State Race Track Leasing Commission (SRTLCL). Both entities are comprised of the same representatives – District, Department of Finance, Department of General Services, and Department of Food and Agriculture – and held their respective meetings on August 14, 2023. The chairperson of the SRTLCL is the Director of Finance as defined in Food and Agriculture Code Section 4351. Per the Bylaws of the RTA, each year the RTA elects its officers.

Richard Valdez, representing the District, was re-elected as President of the RTA and Gayle Miller, representing the Department of Finance, was re-elected as Vice President.

The SRTLCL received a report on the 22nd DAA from District CEO, Carlene Moore, operating results of the 2022 summer and fall race meets from the Del Mar Thoroughbred Club, and voted to approve the Breeders' Cup agreement to return in 2024.

The RTA received the 22nd DAA and RTA financial reports from RTA Secretary, Carlene Moore, and RTA Treasurer, Michael Sadegh, and took up the new business to task Secretary Moore and counsel with the review of the Bylaws to ensure conformity with the JPA document, and Secretary Moore and Treasurer Sadegh to coordinate with all necessary parties for a review and determination to ensure that the physical assets that were built or improved upon using bond revenue are properly recorded. Historically, they have been recorded as assets of the RTA.

Recommendation

None

Environmental/Coastal Commission Review

None at this time.

Fiscal Impact

None at this time.



Item 5-D, General Business – Festival Licensing and Acquisition Corporation Agreement for Multi- Day Festival Branded as KAABOO Del Mar

Background:

From 2015 through 2019, the 22nd District Agricultural Association was the host site for a three day music and entertainment festival, KAABOO. Due to the pandemic, the festival has not been held since 2019. Since it was last held, ownership of the brand changed hands and most recently, Festival Licensing And Acquisition Corporation LLC (FLAAC) has the licensing rights to the KAABOO brand and is interested in returning the event to the region at the birthplace of the event, the Del Mar Fairgrounds.

The attached agreement is presented after months of negotiations between FLAAC and the District and contemplates a revenue in excess of \$250,000 and multiple renewal option years, both of which exceed the delegated contract authority of Chief Executive Officer, Carlene Moore.

The agreement incorporates a number of standard and traditional provisions as well as an economic framework that provides additional revenue opportunity for the District. The agreement contemplates annual rent increases, sound mitigation measures, capacity limits, traffic and parking plan approvals, hospitality and catering by the District's food and beverage operator, Premier Food Services, and other food and beverage concession operations for the event.

Recommendation

Staff requests that the Board delegate authority to the Chief Executive Officer, Carlene Moore, to enter into Agreement 24-4001 with Festival Licensing And Acquisition Corporation LLC as presented, and to authorize CEO Moore to execute an addendum each year that an option year is exercised to memorialize the specific dates of the festival, including set up and tear down.

Environmental/Coastal Commission Review

None at this time.

Fiscal Impact

Guaranteed revenue to the District of \$250,000 in 2024, plus 40% of parking revenue and \$5 per sold ticket for concessions, split of rideshare fees, and reimbursement for expenses incurred by the District in hosting the event such as trash removal, electrical tie-ins, equipment rentals, etc.

EVENT AGREEMENTAGREEMENT # **24-4001**

DATE: September 8, 2023

This Agreement is entered into between the **22nd District Agricultural Association**, (“Association”), and **Festival Licensing And Acquisition Corp., LLC**, (“Licensee”).

1. Licensee desires to obtain from the Association certain rights and privileges, including the use of a portion of the Association’s premises for a multi-day live music and entertainment festival during the month of September 2024. Upon execution of this agreement, Association and Licensee will mutually agree on the specific dates in September 2024 and any dates agreed upon by Association and Licensee shall not conflict with existing events on the Association’s premises. Under this Agreement, the duration of Licensee’s use of the Association’s premises, including Licensee use for load-in/load-out purposes, shall not exceed twenty (20) calendar days.
2. Subject to the terms of this Agreement, Association grants to the Licensee the right to use the following portion of the Association’s premises, for the term described in Exhibit A (Event Rider), which Exhibit A is incorporated as part of the Agreement by this reference: Multi-day live music and entertainment festival.
3. Exemption of Association from Liability. Association shall not be liable for injury or damage to the person or goods, wares, merchandise, or other property of Licensee or of Licensee’s vendor(s), whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, building roof leaks, fire sprinklers, wires, plumbing, HVAC system, or lighting fixtures, or from any other cause, whether said injury or damage results from conditions arising upon the Association’s premises, from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is accessible or not. Association shall under no circumstances be liable for injury to the business of Licensee or Licensee’s vendor(s) or for any loss of income or profit from that business.
4. Fee for Use of Association; Security Deposit Licensee agrees to pay to Association a minimum fee for use of the Association’s premises, as follows:

Location Rental: \$250,000 minimum guarantee or three percent (3%) of net ticket sales revenue (gross ticket revenue minus any applicable taxes, fees, surcharges, service fees charged to Licensee and refunds/chargebacks), whichever is greater.
5. Labor and Equipment Rental Licensee agrees to pay fees, in addition to the Location Rental required by Association for: **Labor & Equipment Rental at Association Reimbursable Rates.**
6. Damage to Association Property / Use of Equipment on Association Property. Licensee will conduct its business in a quiet and orderly manner; will deposit all rubbish, slop, garbage, tin cans, paper, etc. in receptacles provided by the Association within said rental space for such purpose and will keep the area within and surrounding said rental space free from all rubbish and debris. Licensee further agrees to pay Association any and all costs, damages, and expenses incurred by the Association for damage of any kind cause to Association property, equipment, or grounds, arising out of or in any way related to Licensee’s use of the Association’s premises, reasonable wear and tear excepted. Association shall have the right to audit any and all sales as well as access to the Association. Licensee also promises, represents, and warrants that each and every one of its employees, agents, servants, and/or independent contractors operating any motor vehicle, forklift, electric or motorized cart, equipment, machinery, and/or other device (referred to in this Paragraph as "Equipment") on the property ("Association") of the Association will have in his or her possession all required certificates, licenses, and documents

corroborating that individual's training on the Equipment. In addition to the foregoing, Licensee promises, represents, and warrants that each and every independent contractor operating any of the Equipment on the property of the Association shall maintain insurance that satisfies the requirements set forth in Exhibit B to this Agreement (incorporated as part of this Agreement by this reference), naming Licensee as an additional insured. Licensee and the Association agree that damages for any breach or violation of this Paragraph will be difficult to calculate and ascertain. In the event of any violation of this Paragraph, in addition to any other damages the Association may sustain, Licensee will pay to the Association the sum of \$1,000.00 for each and every employee, agent, servant, and/or independent contractor operating Equipment on the Association in violation of this Paragraph (the "Fine"). Notwithstanding the foregoing, Licensee shall have a twenty-four (24) hour period during the time period of load-in/load-out and or the Festival dates to cure each such violation prior to incurring the Fine in the event that there is any breach of this Paragraph. Any material, ongoing violation of the foregoing shall constitute a non-curable breach of this Agreement, granting the Association the right to terminate this Agreement and retain any deposit made by Licensee. The damages and remedies available to the Association under this Paragraph supplement, and do not supplant, any other damages and/or remedies available to the Association relating to insurance, indemnity, and/or breach of contract, including, but not limited to, Association's right to Indemnity under Paragraph 8 of this Agreement.

7. Removal of Licensee's Property Licensee agrees to remove all of its property from the Association, including, but not limited to, boxes, crates, packing material, trash and debris at Licensee's sole expense, and to leave the Association in a condition satisfactory to the Association. All such property removal must be completed prior to the termination of Licensee's right to use of the Association's premises under Paragraph 2 of this Agreement, or as may be otherwise agreed to by Association and Licensee. If Licensee fails to timely remove its property from the Association, Licensee agrees Association may remove and store Licensee's property, at Licensee's sole risk and expense, and Licensee shall reimburse Association for all costs, including labor and storage costs, incurred by the Association under this Paragraph 7. Licensee assumes all risk of damage to, or loss of, its property remaining on Association premises after the termination of its right to use of the Association's premises.
8. Indemnity Licensee shall indemnify the Association, and save the Association harmless, of and from any and all claims, loss, cost, damage, injury and/or expense of every kind, nature and description, directly or indirectly arising from the performance of this Agreement regardless of responsibility of negligence; by reason of injury or death to person[s] or damage to property however caused or alleged to have been caused, and even though claimed to be due to the negligence, active or passive, of Association. However, in no event shall Licensee be obligated to defend or indemnify the Association with respect to the sole negligence or willful misconduct of the Association, its employees or agents (excluding the Licensee herein). Licensee shall, at Licensee's own cost and expense, defend any and all suits, actions, or other legal proceedings that maybe brought by third persons against the Association on any such claim, and shall reimburse the Association for any and all legal expenses incurred in connection with such defense, or in enforcing the indemnity granted in this paragraph.
9. Sporting Events; Release and Waiver For all sporting events, including but not limited to athletic team events, equestrian or equestrian related events, motor vehicle races, demolition derbies, stunt bike, skateboard or roller blade events, Licensee agrees to obtain from each participant a properly executed Release and Waiver of Liability Agreement (CFSA Form "Release Lib"). The Release and Waiver shall release the Association and its agents, servants, employees, directors and officers from any and all liability arising out of each individual's participation in the event sponsored by Licensee. Each such Release and Waiver shall be fully executed by each participant, and/or such participant's legal guardian, prior to participation in the event. Licensee agrees to contact California Fairs Service Authority at (916) 9212213 for further information on the availability of CFSA Form "Release Lib".

10. Association Oversight Association reserves the right to audit any and all sales as well as access to the Association. The Association shall also have the right of access to, and inspection of, any premises used by the Licensee under this Agreement at any time, with or without prior notice.
11. Independent Capacity Licensee 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 the Association.
12. Taxes Licensee acknowledges and understands that the terms and conditions of this Agreement may create a possessory interest subject to property taxation, and that Licensee may be subject to the payment of property taxes levied upon such interest.
13. Licensee 's Property Association may require security, at Licensee's expense, which will provide for reasonable protection of the property of Licensee. However, in all circumstances, Licensee shall be solely responsible for damage to, or loss of, Licensee 's property.
14. Prohibition Against Assignment Licensee agrees it may not sell, encumber, assign or transfer this Agreement, or any rights, obligations, privileges or duties contained in this Agreement, without the express written consent of the Association. The Association's consent shall be given, if at all, in its sole and exclusive discretion.
15. Integration Clause This is an integrated Agreement. The terms of this Agreement are contractual, and not merely a recital. This Agreement supersedes all prior representations and agreements, if any, between the Parties or their legal counsel regarding its subject matter.
16. Written Amendment Required This Agreement constitutes the entire understanding between the parties to this Agreement and relating to its subject matter, and may not be modified, amended or terminated except by written agreement signed by all of the parties to this Agreement. A name change by itself by Licensee is not subject to the provisions of this paragraph. Notwithstanding the foregoing, should a name change by Licensee alter, modify, or amend in any way any of the obligations of Licensee under this Agreement, such a name change will require a written agreement signed by all the parties to this Agreement.
17. Waiver The failure to the Association to insist in any one or more instances upon the observance and/or performance of any of the covenants of this Agreement, or any of the rules and regulations governing the Associations' premises, shall not constitute a waiver of any subsequent breach of this Agreement, or any of the rules and regulations.
18. Default; Remedies In the event Licensee fails to materially comply with the terms of this Agreement, and the terms of all Attachments, all payments made by Licensee in accordance with Paragraph 4 above shall be deemed earned and nonrefundable by Association, and Association shall have the right to occupy the space in any manner deemed in the best interests of the Association, in addition to any and all other remedies available to the Association for breach of this Agreement. Notwithstanding the forgoing, Licensee shall be entitled to written notice of any default and shall have: (i) three (3) business days from receipt of such notice to cure any payment default pursuant to Exhibit A, Section 4 and (ii) fourteen (14) business days from receipt of such notice to cure such other defaults pursuant to Exhibit A, Section 9, unless otherwise provided for within this Agreement.
19. Representations and Warranties Licensee, under penalty of perjury, makes the following representations and warranties:
 - A. No more than one final unappealable finding of contempt of court by a Federal Court has been issued against Licensee within the two-year period immediately preceding the date of this

Agreement, because of the Licensee 's failure to comply with an order of a Federal Court ordering Licensee to comply with an order of the National Labor Relations Board. (California Public Contracts Code section 10296)

- B. During the performance of this Agreement, the Licensee, and its subcontractors, if any, shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (including cancer), age (over 40), marital status, and/or family care leave. Licensee and its subcontractors, if any, shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Licensee and its subcontractors will comply with the provisions of the Fair Employment and Housing Act (Gov. Code section 12900, et seq.) and all applicable regulations contained in the California Code of Regulations.
- C. All regulations of the Fair Employment and Housing Commission, implementing Government Code section 12990, subd. (a) through (f), inclusive, are incorporated in this Agreement by this reference and made a part hereof.
- D. Licensee is, unless specifically exempted by law, in full compliance with Government Code section 12990, subd. (a) through (f), inclusive, and all regulations contained in the California Code of Regulations relating to section 12990, in matters relating to reporting requirements and the development, implementation and maintenance of a nondiscrimination program.
- E. Licensee and its subcontractors, if any, shall give written notice of their obligations under Paragraph 20 of this Agreement to labor organizations with which they have a collective bargaining or other Agreement.
- F. Licensee shall include all provisions of Paragraph 20 of this Agreement in all subcontracts, if any, pertaining to the subject matter of this Agreement.
- G. Licensee acknowledges this Agreement is governed, in part, by the provisions of Public Contracts Code sections 10410, 10411 and 10420, which provide certain limitations on contracts between state agencies and current or former state employees. Licensee agrees to contact the Association for clarification on the status of any person rendering services in connection with this Agreement. Licensee agrees any violation of Public Contracts Code sections 10410, 10411 and 10420 will invalidate this Agreement. (Public Contracts Code section 10420).
- H. Licensee is not (1) in violation of any order or resolution, not subject to review, issued by the State Air Resources Board or a local air pollution control district; (2) subject to any final cease and desist order not subject to further review, which has been issued under Water Code section 13301; or (3) in violation of any provisions of federal law relating to air or water pollution.

20. Controlling Law; Venue 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 and entered into in San Diego County, which shall be the exclusive venue for any action relating to this Agreement.

21. Timeliness; Binding Effect Time is of the essence of each and all of the provisions of this Agreement, and the provisions of this Agreement shall extend to and be binding upon and insure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, subject to any prohibitions on assignment or transfer, contained in this Agreement.

22. Resolution of Licensee Disputes (PCC 10240.5, 10381)

If there is a dispute, claim, or controversy arising out of or relating to this Agreement or the enforcement thereof, the Parties shall endeavor to resolve such dispute on a mutually agreeable basis within fourteen (14) calendar days, including, if necessary, communications between the managers or executive officers of Licensee and the senior management of the Association. If after having endeavored to resolve such dispute on such basis, either Licensee or the Association determine in its discretion that further efforts

are or are likely to be fruitless, either Licensee or the Association may request that the other party participate in voluntary and non-binding mediation in an attempt to resolve informally the dispute, claim or controversy. If either Licensee or Association do not agree to submit the dispute, claim or controversy to mediation, that party is not compelled to do so under this Agreement. If Licensee and Association agree to submit the dispute, claim or controversy to voluntary and non-binding mediation, the matter(s) shall be submitted to JAMS, or its successor, for mediation in San Diego County before a single mediator. Either Party may commence mediation by providing to JAMS and the other Party a written request for mediation, setting forth the subject of the dispute and the relief requested. The Parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals with at least 10 years of experience in the US live entertainment business and in scheduling the mediation proceedings. The Parties agree that they will participate in the mediation in good faith and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any legal proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

23. Obscenities, sales or displays of drug paraphernalia, merchandise containing offensive, lewd, indecent, or obscene language or depictions of lewd or obscene images: Images, sales or displays of merchandise, and marketing-related materials used on the Association’s premises shall not include references to drug paraphernalia and shall not contain materials considered obscene, lewd, or indecent under local, state and Federal standards. The Association reserves the right to approve, in its sole and exclusive discretion, all merchandise, displays, materials and images at or in Licensee’s location rented under this Agreement to confirm that they comply with local, state, and Federal standards pertaining to obscenity, lewdness, or indecently. The parties agree that if Licensee violates this paragraph, it will be impracticable or extremely difficult to determine the damages suffered by the Association. It is therefore agreed that in the event of such a breach by Licensee, Licensee will pay to the Association the sum of \$1,000.00 for each violation of this provision. Notwithstanding the foregoing, after having received written notice of a material breach pursuant to this paragraph, Licensee shall have a twenty-four (24) hour period to cure each such violation prior to incurring the Fine. In the event of any material, ongoing breach of this paragraph by Licensee, the Association may, in its sole and exclusive discretion, declare Licensee in breach of this Agreement.

24. Attachments The following documents are attached to this Agreement and made part of this Agreement by this reference as though set forth in full:

Exhibit "A"	Event Rider
Exhibit "B"	Insurance Statement (Form FE-13)

As authorized by California law, this Agreement has been executed electronically by the parties to this Agreement.

22nd District Agricultural Association
2260 Jimmy Durante Boulevard
Del Mar, CA 92014

Festival Licensing And Acquisition Corp., LLC
11700 W. Charleston Blvd., Suite 170-115
Las Vegas, NV 89135

BY _____
Carlene Moore

BY _____
Mark Terry

TITLE: CHIEF EXECUTIVE OFFICER

TITLE: MEMBER

Exhibit A Event Rider

1. Licensee agrees to use the Association described below for the following purpose and for no other purpose: multi-day live music and entertainment festival branded as **KAABOO Del Mar**.

Date	Function	Location
September 2024	Move-in	Pat O'Brien, Bing Crosby, Exhibit Hall, North BC & EX parking lots, West Lot, Paddock, Plaza de Mexico, Mission Tower
September 2024	Event	Pat O'Brien, Bing Crosby, Exhibit Hall, North BC & EX parking lots, West Lot, Paddock, Plaza de Mexico, Mission Tower
September 2024	Teardown	Pat O'Brien, Bing Crosby, Exhibit Hall, North BC & EX parking lots, West Lot, Paddock, Plaza de Mexico, Mission Tower

Licensee may not use any part of Association's property not defined above in this Section 1 without the prior written approval of Association.

2. Term: While the intended dates for the Festival are expected to be in September 2024 the actual date of the Festival may vary and is expressly contingent upon the end date of DMTC's 2024 Summer Race Season and the start date of DMTC's Fall Race Season, but in no event shall the start date for the Festival in 2024 conflict with either of DMTC's Racing Seasons without Licensee's consent.

In the event Licensee is in material compliance with this Agreement, including, but not limited to compliance with all material monetary obligations to Association and compliance with all Festival operating requirements, Association grants Licensee up to four (4) consecutive one-year renewal options to host the Festival at the Venue consistent with the terms and provisions of this Agreement (each one-year renewal option is referred to in this Agreement as the "Renewal Option"). For the avoidance of doubt, Licensee must exercise each Renewal Option by providing Association with written notice within 60 days after the close of the last day of the Festival in the prior calendar year.

3. Association's Entitlements:

- Ticket Revenue Participation (Rent): \$250,000 minimum guarantee or three percent (3%) of net ticket sales revenue (gross ticket revenue minus any applicable taxes, fees, surcharges, service fees charged to Licensee and refunds/chargebacks), whichever is greater.
 - If a renewal option is extended beyond 2024, the minimum guarantee will increase five percent (5%) for each renewal year as follows:
 - 2025 - \$262,500
 - 2026 - \$275,625
 - 2027 - \$289,406
 - 2028 - \$303,877
- Parking Revenue Participation: Forty percent (40%) of parking revenue, subject to a minimum floor of fifteen dollars (\$15) to the Association per vehicle or current published rate (whichever is greater) which shall include the 22nd DAA's management of the parking and traffic control expenses. Association will collect and manage all parking entrances during the Festival and Association will manage the traffic during the Festival.
- Festival Admission Revenue: Licensee pays Association \$5 for each Festival ticket sold or issued for the Festival, which shall exclude Association ticketed attendees or attendees provided with festival access credentials by Licensee. This Festival admission revenue payment is related to the right of Licensee to use a food and beverage provider other than Premier Food Services

("Premier") for the provision of certain food and beverage options during the Festival and for the right of Licensee to sell alcohol, as described in Paragraph 13 below.

- If a renewal option is extended beyond 2024, the minimum guarantee will increase as follows:
 - 2025 - \$5.25 for each Festival ticket sold or issued for the Festival
 - 2026 - \$5.50 for each Festival ticket sold or issued for the Festival
 - 2027 - \$5.75 for each Festival ticket sold or issued for the Festival
 - 2028 - \$6.00 for each Festival ticket sold or issued for the Festival
- Rideshare: Association and Licensee will evenly split any rideshare fees collected by Licensee during the Festival. If Association and a ride share company finalize an agreement during the term of this Agreement and that agreement passes a specific fee to Association for ride share pick-ups and/or drop offs at the Venue (the "Rideshare Fees"), Association will evenly split the rideshare fees collected and expenses associated with operating the ride share during the Festival with Licensee during settlement and reconciliation. Expenses include, tram operations to rideshare pick up and drop off location and interior traffic control.
- Additional expenses/terms:
 - Kitchen use: Licensee will pay Association a \$20,000 fee for the supervision of the kitchens and kitchen equipment owned by Association. There will be no payment to Association in the event Licensee elects not to use Association's kitchens or kitchen equipment.
 - Golf Center: Licensee will pay Association a \$5,000 per day buyout fee to close the Association's Golf Center.
 - Electrical: Licensee will pay Association \$40,000 for an electrical tie-in to the venue's power. Licensee will use Association's electrical contractor to supervise all electrical connections tied into Association's property at no additional cost to Licensee. The electrical charge will be reviewed annually and adjusted as mutually agreed.
 - Trash removal: Licensee will reimburse the Association for expenses associated with dumpster removal and post event cleanup.
 - Licensee will contract and manage all expenses associated with running the event including, Box Office, Guest Services, Production, Medical, Security, Porter Services, Coastal Commission Requirements, Fire Marshal, Sheriff, port-o-potties, fuel, fencing, barricades, obtaining traffic permits, etc.
 - Association will be responsible for expenses associated with basic janitorial expenses including trash removal and restroom service.

4. Agreement Payment Schedule: Licensee shall make payments to Association under this Agreement in accordance with the following payment schedule:

Licensee shall make three (3) Minimum Guarantee payments to Association in accordance with the following payment schedule (these three payments are referred to in this Agreement as the "Minimum Guarantee Payments"):

(i) Licensee shall remit payment to Association in the amount of fifty thousand dollars (\$50,000.00) on or before January 15th of each calendar year during the Agreement Term. If future options are exercised, the initial deposit will increase accordingly to the amount referenced in paragraph 3 of Exhibit A;

(ii) Licensee shall remit payment to Association in the amount of one hundred thousand dollars (\$100,000.00) at least ninety-six (96) days before the Load-In date (Load-In date is defined in Section 6 below);

(iii) Licensee shall remit payment to Association in the amount of one hundred thousand dollars (\$100,000.00) at least sixty (60) days before the Load-In date (Load-In date is defined in Section 6 below).

If Licensee fails to make a Minimum Guarantee payment required in this Section 4, Association will provide Licensee with written notice of the failure to make the required payment. If Licensee does not transmit the required payment to Association within three (3) business days after Association provides written notice of the failure, Association will assume that Licensee has elected not to utilize the reserved dates for the Festival during that calendar year. Association may in its sole and absolute discretion actively pursue other events to fill those dates with other event(s) without limitation.

Additional deposits: Any anticipated or estimated expenses owed to Association as outlined in this Agreement will be due one week prior to the load-in date for the Festival, including but not limited to, security-related expenses, public safety-related expenses, parking and traffic control related expenses.

Late Payment Fee: All payments that are more than fifteen (15) days late under this Agreement shall bear interest at the lesser of the rate of one percent (1%) of the late payment amount or the highest rate permissible under California law, calculated daily and compounded monthly.

5. Settlement: Within thirty days after the conclusion of the Festival, the Association and Licensee will complete a reconciliation and settlement of Festival expenses incurred and revenue collected. The balance of the settlement will be paid by the responsible party within 15 days after the settlement.

6. Venue Access: Load-in/Load-Out: During the Term and each calendar year, Set-up/Load-In minimum of ten (10) consecutive days prior to the initial day of the Festival, with Load-Out consisting of at least five (5) consecutive days following the last day of the Festival. For the avoidance of doubt, Licensee shall complete Load-Out within four (4) consecutive days following the last day of the Festival from O'Brien Hall, Bing Crosby Hall, and Exhibit Hall with all remaining Load-Out completed by Licensee from all other areas within five (5) consecutive days following the last day of the Festival. In order to facilitate Venue Access, the Parties will prepare and mutually agree upon a staging schedule setting forth Licensee's access to staging areas.

7. First Right of Refusal – 2nd Weekend & Programming Exclusivity: During each calendar year of the Term of this Agreement, and if Association determines in its sole authority that Licensee is in material compliance with this Agreement, including but not limited to, Licensee's compliance with all monetary obligations to Association and Licensee's compliance with all material Festival operating and compliance requirements, Association shall grant Licensee a right of first refusal ("Right of Refusal") to host a second music festival during the weekend immediately prior to or following the Festival during the next calendar year (the "Second Music Festival"). If Association grants Licensee a Right of Refusal under this Agreement, and if Licensee exercises the right to host a Second Music Festival during the next calendar year, Association and Licensee will work together in good faith to amend this Agreement permitting Licensee to host the Second Music Festival during the next calendar year, subject to the terms of this Agreement. For the avoidance of doubt, Licensee must exercise the Right of Refusal for a Second Music Festival by providing Association with written notice by November 1st in the preceding calendar year. Notwithstanding the foregoing, excepting force majeure events (e.g., pandemics and associated statutory and/or regulatory restrictions), the Right of Refusal shall terminate in the event that (1) Licensee fails to host the Festival for two (2) consecutive years, or (2) Licensee communicates at any time (directly or indirectly) its intent to host the Festival at another location.

In the event that Licensee is in material compliance with this Agreement, including but not limited to, Licensee's compliance with all monetary obligations to Association and Licensee's compliance with all

material Festival operating and compliance requirements, Association shall not grant any party the right to host a live multi-day music festival within the Venue with daily attendance of ten thousand (10,000) or more that occurs in the period commencing four (4) weeks before and four (4) weeks after the Festival (the “Exclusive Programming Right”).

8. Operations; Time Period: Licensee will cease using amplified music by 10:00 p.m. during each day of the Festival. Activities between 10:00pm and 1:00am must be expressly approved by the Association in writing. Licensee may perform indoor amplified music, and outdoor headphone-based performances, indoor light shows, and indoor general festival activities (non-amplified) during each day of the Festival after 10:00 pm and concluding at 1:00 am of the next morning (the “Time Period”). The Parties agree that the Time Period may be followed by forty-five (45) minutes for attendee egress. Notwithstanding the foregoing, Licensee agrees to comply with all applicable local, state and federal rules, regulations and laws, including but not limited to laws related to curfews and sound level limitations (e.g., California Coastal Commission, limitations contained in the Association’s Coastal Development Permits) and laws related to food and beverage restrictions (e.g., laws governing liquor license requirements.)

9. Termination: Each Party shall have the right, but not the obligation, to terminate this Agreement in the event that the other party breaches any material term of this Agreement and the breaching party has failed to cure the breach within fourteen (14) business days after the non-breaching party has provided the breaching party with written notice of the breach. Notwithstanding the foregoing, should Licensee fail to submit any payment or deposit required under this Agreement, Association may elect to cancel this Agreement, which cancellation will be effective immediately upon the Association’s provision of written notice of cancellation to Licensee.

Each Party may terminate or suspend their respective duties and obligations under this Agreement if their respective duties and obligations are delayed, prevented, or rendered impractical by force majeure events per the Association’s Cancellation Policy, attached to this Agreement as Exhibit A and incorporated as part of this Agreement by this reference.

10. Cancellation: The Association reserves the right to retain all payments made by Licensee under this Agreement if the Festival is cancelled by Licensee. The Association may terminate or suspend its obligations under this Agreement if such obligations are delayed, prevented or rendered impractical by any event that is beyond the reasonable control of the Association, whose performance is prevented or rendered impractical by that event. Should Licensee fail to submit the required payments under this Agreement or fail to submit the insurance certificate required under Exhibit B of this Agreement, the Association reserves the right to cancel the event.

Neither the Association nor the Licensee shall be in default under this Agreement, and may therefore cancel and discharge all remaining obligations under this Agreement, if such party’s inability to perform its obligations under this Agreement was caused by a Force Majeure. As used in this Agreement, “Force Majeure” includes acts of God, governmental delays, acts of terrorism, fire, flood, riot, earthquake, civil commotion, epidemics, pandemics, contagions, insurrection, labor disputes, strikes, war shortage of or inability to obtain materials, supplies, or utilities, any law ordinance, rule or regulation, and any other events beyond the reasonable control of the party claiming the Force Majeure.

Additionally, the Association is designated, by various governmental agencies, as an emergency evacuation site in the event of (1) a natural disaster or (2) upon a declaration issued by the federal, state, county, city or local authorities requiring the Association to function as an emergency evacuation site. In the event the Association is required for any reason to function as an emergency evacuation site, Association in its sole and absolute discretion may cancel this Agreement, without further obligation, by

providing Licensee with 24 hours' notice. Upon receipt of notice of cancellation, Licensee shall immediately vacate the Association's premises.

In the event Association cancels the Festival for reasons other than Licensee's material breach of this Agreement, then all funds paid by Licensee for the applicable Festival shall be fully refundable.

If Licensee cancels the Festival within sixty (60) days after the date that Licensee transmits the Minimum Guarantee payment(s) to Association under this Agreement, Association will refund to Licensee fifty percent (50%) of any Minimum Guarantee payment then made by Licensee. Thereafter, if Association cancels the Festival due to Licensee's uncured, material breach of this Agreement, Association shall not retain all Minimum Guarantee payments made by Licensee and such payments shall not be refundable.

If Licensee does not remit to Association each and every one of the Minimum Guarantee payments (see Section 4 above), or if Licensee cancels this Agreement less than sixty (60) days before the date of Load-In for the Festival, then Licensee will forfeit all Minimum Guarantee Payments made to Association under this Agreement ("Cancellation Penalty"). If Licensee has paid to Association all Minimum Guarantee Payments before Licensee cancels the Festival, Association will refund to Licensee any money paid in excess of the Cancellation Penalty, along with an amount equal to any revenue that Association receives from leasing the Venue during the dates previously reserved by Licensee for the Festival.

11. Venue Services & Equipment: The services provided by Licensee and Association include:

Security: Licensee may elect to use the Association's security vendor to provide security and crowd control for the Festival. Licensee will contract directly with Association's security vendor to make all arrangements. Licensee may, at its sole discretion and at its sole cost, elect to use another reputable security provider to supplement or augment security for the Festival. Licensee will submit to Association preliminary operations plan no later than three (3) months prior to the opening day of the Festival each calendar year. Following submission of this plan, the Association and Licensee will mutually develop a security plan acceptable to both Parties. The security plan must comply with all applicable local, state and Federal laws and must be approved by the San Diego County Sheriff's Department.

Medical: Licensee may use Association's medical service provider for the Festival Licensee will contract directly with Association's medical vendor to make all arrangements. Licensee may, at its sole discretion and at its sole cost, elect to use another reputable medical service provider to supplant or augment medical services for the Festival. Association must approve in writing the selected third-party medical services provider, which approval shall not be unreasonably withheld.

Parking Attendants and Traffic Control: Association will provide staff for the parking facilities at the Association's expense ("Parking Attendants"). Parking Attendants will collect parking fees (except to the extent that Licensee previously collected such fees from the patron through advance sales) and manage parking logistics. Licensee, at its sole expense, will provide a customer service representative to resolve patron issues that may result from parking passes included in the Festival ticket package. This individual may not direct or interfere with the Association's parking or traffic control managers or staff.

Porter Services: Licensee will coordinate and contract Porter Service with an outside contractor at Licensee's sole expense.

Public Relations: Licensee will be required to have a published number and a dedicated staff to respond to all inquiries and concerns with noise, traffic or any other public related issues.

Janitorial Services: Normal janitorial services during the event hours is provided by the Association at no charge to the Licensee. Normal services include emptying trash cans, maintaining Association owned restrooms and maintaining common areas. Normal services do not include private areas, vendor booths, or carpeted areas.

Event Clean up: Licensee will reimburse the Association for expenses associated with the post event clean-up.

Dumpster Removal: Licensee will reimburse the Association for expenses associated with emptying dumpsters owned by the Association.

Telecommunications: Licensee will reimburse Association for expenses associated with Licensee's utilization of telecommunications including Wi-Fi, DSL, Internet, and phone lines.

Electrical Services: Licensee will use Association's electrical contractor to supervise all electrical connections tied into Association property.

Any services/labor not listed above and requested of Association by Licensee for the Festival, will be provided at Association's cost. Licensee will reimburse Association for the actual labor cost.

The equipment and event furnishings provided by Association include:

Equipment and Event Furnishings in General: Association will allow Licensee to utilize certain Association owned on-site equipment and/or event furnishings at Association's reimbursable rates. Equipment must be requested to Association three (3) months prior to the load-in to be approved at Association's sole discretion. Equipment and/or furnishings must be returned to Association in the same condition as issued less normal wear and tear. Licensee will be responsible for the replacement or repair of any lost, stolen or damaged equipment or furnishings. Some Venue equipment may have costs associated to its use such as maintenance, consumables, or labor: any of these costs will be billed to and be Licensee's responsibility. Any Venue labor required for the utilization (set-up or operation) of this equipment will be charged to Licensee at actual labor cost with no additional mark-up. Equipment not owned by Association will be billed to Licensee at actual cost.

12. Parking: Association will make all paid-patron parking spaces available for the Festival. Parking locations reserved for patron parking include the east dirt lot and driving range, the main paved parking lot and the training track. Licensee shall require an allocation of parking to address the following requirements: Attendee Pick-up/Drop-off, Rideshare, Limo/Buses, Festival Staff parking, Storage, etc. For the avoidance of doubt, paid-patron parking spaces shall not include those parking spaces allocated for production staff and operations during the Festival.

13. Food & Beverage: Licensee understands that Premier holds the overarching liquor license for Association and has exclusive rights to provide food and beverages (F&B) at the Venue. Licensee will secure and manage a temporary liquor license for the Festival, with assistance of Premier. This being stated, the Parties agree to the following material F&B framework:

Premier F&B Festival Operations. Premier shall be responsible for Festival F&B specifically for the following locations and categories (as determined by the Floorplan): Grandstands and associated interior

Catering in addition to Festival staff, artists and hospitality catering (“Premier F&B”) to the extent that these activities occur within the interior spaces of the Grandstands. Licensee will utilize third party caterers, in addition to Premier, at the sole discretion of Licensee. Catering costs and expenses, menus, and deliverables related to Premier F&B Festival Operations shall be mutually agreed upon by the Parties. Additionally, Licensee, Premier and Association will come to agreement on minimum service standards, adequate controls, menu, prices and procedures and reporting requirements for Premier during the Festival. This will be completed as early as possible or by a date reasonably selected by Licensee. Licensee shall have the sole discretion of products served, prices, and brands displayed throughout the entirety of the venue.

Licensee F&B Festival Operations. Licensee will be allowed, at its discretion, to manage and oversee the sub-contracting of Festival F&B services in Floorplan locations which are separate and distinct from Premier F&B (“Licensee F&B”). As part of its sub-contracting process, Licensee shall conduct a job fair in which Premier staff may attend along with externally sourced candidates.

In relation to Licensee F&B, Licensee will be allowed to set prices and selection of food offered during the Festival, including items from Premier's standard menu and items outside of Premier's standard menu. Specialty items selected by Licensee outside of the Premier's standard menu (not standard Premier stock or returnable) not sold during the Festival will be expensed to Licensee and considered consumed at settlement, except in the event of unbroken cases or unopened product that may be returnable by Licensee F&B offerings derived from the use of the temporary liquor license. Premier and Licensee will mutually agree on prices and selection of beverages (with consideration of Association sponsorship restrictions) related to items from Premier's standard menu, while Licensee will determine the pricing and selection of beverages outside of Premier's standard menu (specifically including the types and brands of alcoholic beverages served to the extent permissible under governing law).

Miscellaneous F&B Provisions, POS Equipment. Licensee will be allowed to utilize Association owned food and beverage equipment. Licensee will be responsible for labor cost but with no additional mark-up to install operate and service equipment. Licensee will also be responsible for the repair or replacement of any lost, stolen or damaged equipment.

Miscellaneous F&B Provisions, Liquor License. In the event that Premier no longer holds the liquor license for the Venue and Association fails to procure another similar liquor Licensee, Licensee shall have the right to terminate this Agreement, in which event all deposits paid for Festivals that have not occurred will be returned to Licensee, the geographic exclusivity will be void and of no further force or effect and Licensee shall be entitled to all other rights and remedies available at law and equity. Notwithstanding the foregoing, Association shall have a period of thirty (30) days to procure a new liquor license prior to Licensee exercising its right to terminate this Agreement; provided, however, that such thirty (30) day cure period shall not be permitted to extend past the date that is the Monday prior to the first day of the applicable Festival. In any event, Licensee shall be entitled to all rights and remedies available at law and equity in the event that there is no similar liquor license in place during all of the Festival dates during the initial term and all exercised Renewal Option(s).

14. Festival Sponsorship: Licensee will have the exclusive sales, marketing, promotional and sponsorship rights to any and all sponsorship assets associated with the Festival except with respect to the Association’s current Sponsorship Agreements. List of such agreements to be provided by the Association annually. These exclusive rights include any onsite, offsite, or online assets. Licensee and the Association acknowledge that the Association and the Del Mar Thoroughbred Club ("DMTC"), the operator of the Association's Del Mar Race Track, have each entered into written agreements with third parties for exclusive sponsorship rights at the Fairgrounds and the Del Mar Race

Track. Licensee and the Association acknowledge Licensee may wish to enter into negotiations with one or more of these sponsors regarding sponsorship rights at the Festival; provided, however, that such negotiations may not attempt to alter or amend any terms or conditions of the current sponsorship agreements, nor may Licensee hold itself out as acting for or on behalf of the Association or DMTC.

Notwithstanding anything to the contrary in this section, in the event that at any time during the Initial Term and any Option Renewal Terms that are exercised, the Association enters into (i) any agreements for exclusive sales, marketing, promotional and/or sponsorship rights applicable to the Fairgrounds ("New Sponsorship Agreements"), or (ii) any renewal of existing agreements with any of the sponsors listed in Exhibit B to the Event Agreement ("Renewal Agreements") any such New Sponsorship Agreements or Renewal Agreements shall contain a provision stating that the terms of such agreements do not apply to Licensee or the Festival and that such agreements shall in no way interfere with or limit Licensee's rights to enter into agreements with any other party with regard to exclusive sales, marketing, promotional and/or sponsorship rights.

15. **Marketing:** Licensee shall be responsible for any and all costs associated with Festival marketing including, without limitation, design, production, printing and installation labor of marketing materials whether on- or off-Venue, public relations services, any paid media or advertising; provided that there shall be no cost to Festival in connection with specific on-property marketing placement.

Venue Festival marketing locations (e.g., indoor/outdoor digital and physical signage, etc.), as well as other potential marketing channels shall be subject to good faith negotiation and mutual agreement between the Parties.

Licensee shall be responsible for any and all costs associated with the Festival marketing, including, without limitation, design, production, printing and installation labor of marketing materials whether on or off Venue, public relations services, any paid media or advertising; provided that there shall be no cost to Licensee in connection with specific on Property marketing placements.

Advertising creative shall be approved in advance by Association and/or Venue solely to ensure proper use of Venue name, and such approval shall not be unreasonably withheld.

16. **Festival Expenses:** Licensee shall be responsible for all Festival Expenses including: (i) costs, fees or expenses related to the advertisement, marketing or promotion of the Festival or any other related costs incurred in connection with the foregoing; (ii) independently sourced and managed staff including any security specifically for the Festival, box office and venue staff, ushers, ambassadors, porter service, guest services, production, medical, Coastal Commission, Fire Marshal, Sheriff and casual labor; (iii) any applicable union dues or fees associated with any employee or agent of Venue; (iv) any applicable fees payable to a music licensing company including, but not limited to, ASCAP, BMI, GMR and/or SESAC as a result of the Festival; (v) any costs related to the Association's production assets in support of the Festival (e.g. stage, sound and lights, barriers, portable toilets); and (vi) back of house.

17. **Ticketing; Complimentary Tickets:** Association agrees to allow an alternate ticketing service provider other than the provider utilized by the Venue or Association, Licensee shall provide Association with 100 complimentary one-day tickets for the Festival, twenty (20), of which will be VIP tickets. Association will not resell these complimentary tickets, and will take commercially reasonable efforts to ensure that the recipients of such tickets do not resell them. Licensee will also provide Association's working staff and each member of its Board of Directors with one working credential for each day to allow access to monitor the activities of the Festival.

18. Other Provisions:

Capacity: The max capacity of the venue is set for no more than 35,000 people per day, including all patrons, (paid and comp), vendors, contractors and staff.

Noise Ordinance: Licensee will make every effort to mitigate sound to adhere to the noise ordinance below, including but not limited to the use of sound blankets, etc. Licensee will submit a sound mitigation plan to be approved by the Association ninety (90) days prior to the Festival.

Between the hours of 7:00 a.m. to 10:00 p.m., ambient noise level may not exceed 60 dB (A) measured in the residential neighborhoods surrounding the Association. Exterior ambient noise is not permitted between 10:00 p.m. and 7:00 a.m. All sound producing devices used by Licensee must be of such a nature and operated so as not to cause annoyance or inconvenience to patrons or any other Licensee. The Association reserves the right to terminate Licensees' use of any sound producing device, which it determines, in its sole discretion, violates this provision. A \$1000 fee will be billed to the Licensee for violation of the noise ordinance. The noise limits above may be adjusted as follows to account for the effects of time and duration on the impact of noise levels:

- Noise that is produced for no more than a cumulative period of 30 minutes in any hour may exceed the noise limit by 3 decibels.
- Noise that is produced for no more than a cumulative period of 15 minutes in any hour may exceed the noise limit by 6 decibels.
- Noise that is produced for no more than a cumulative period of 10 minutes in any hour may exceed the noise limit by 8 decibels.
- Noise that is produced for no more than a cumulative period of 5 minutes in any hour may exceed the noise limit by 11 decibels.
- Noise that is produced for no more than a cumulative period of 2 minutes in any hour may exceed the noise limit by 15 decibels.

Pyrotechnics: Licensee is prohibited to have any pyrotechnics of any kind without Association's written approval.

Federal, State and County Laws and Ordinances:

General Compliance: Licensee agrees to comply, with all applicable local, state and federal laws including guidelines established by the Department of Public Health, San Diego Health Department, California Coastal Commission and CAL OSHA. Licensee will be responsible for obtaining all required health permits, work permits, and temporary seller permits. Licensee agrees to assume full responsibility for payment of all sales taxes, use and possessory interest taxes, assessments and/or fees resulting from Licensee's use of the Association's property.

ADA Compliance: Licensee is responsible to ensure all ADA ordinances and statutes are followed within the event.

Storm Water Pollution Prevention:

- Dumping liquids, trash, oil, grease, or other pollutants into or near storm drains, gutters, or planters is strictly prohibited. Properly dispose of these items as directed.
- Keep soil and liquids away from storm drains and paved areas at all times. Sweeping or washing anything into a storm drain is prohibited. Contain these materials using silt fences and/or straw waddles.
- Keep equipment away from silt fences, fiber rolls and other sediment barriers.
- Only use designated site entrance/exits.
- All equipment must be kept off and away from seeded, planted, mulched or stabilized areas.

- Trash and animal wastes must be immediately picked up and properly disposed of in trash receptacles.
- No water other than what falls from the sky may make its way into the storm drain system. Water from washing vehicles and equipment is only allowed in designated wash rack areas.

Smoking: There is no smoking in any state-owned, state occupied, or a state-leased building or within 20 feet of the main exit or entrance to such a building, or in any vehicle owned or leased by the state.

Speed Limit and Vehicle Safety: All vehicles must adhere to the posted speed limit of 15 miles per hour. Any speeding, reckless or unsafe driving determined by the Association will be issued a citation. Vehicles with more than one citation will be banned from the Association's property for a period of one year.

Fire and Life Safety Requirements: Fire and life safety requirements shall be applicable to any exhibit space, booth, trailer or tent within the Association's property. This list is not meant to cover all possible situations and the Licensee is responsible for adhering to all applicable regulations. The State Fire Marshal (SFM) and/or the Association have the authority to close your event without notice for failure to comply with the following requirements:

- All stages must have engineering plans submitted and must be grounded.
- Plans identifying the configuration of exhibit spaces shall be submitted to the Association for review and approval 90 working days prior to the event. Plans shall indicate the location and size of all exit doors and aisles, and shall show exhibits both inside and outside of any building. Where seating is provided, the plan shall indicate the number of rows and seats between aisles. Final approval may be subject to field inspections, fees may apply.
- SFM may enter any portion of any exhibit space/booth at any time for the purpose of inspecting the Association for fire and life safety.
- No display or exhibit shall be installed or operated that will interfere or block in any way with access to any exit or with the visibility of any exit sign. No display shall block access to firefighting equipment, such as fire extinguisher stations, fire alarm pull stations, fire hose cabinets and fire hydrants or access by fire suppression vehicles or equipment.
- The location of all hydrants, fire extinguishers, water barrels, etc., shall be clearly marked in all areas.
- No open flame is allowed in any building.
- Bark dust or like material shall be kept moist at all times.
- All carpet edges shall be securely taped in place. Carpeting shall only be used on the floor.
- The exhibition of vehicles powered by internal combustion gasoline engines inside buildings shall require the following:
 - Fuel tanks shall be no more than 1/4 filled and the gas cap shall be taped in place to deter removal.
 - The battery or batteries shall be disconnected and the battery terminals taped with electrical tape.
 - Vehicles shall be inspected by SFM.
- A housekeeping program shall be maintained and adequate noncombustible trash receptacles shall be provided in all areas and all trash will be removed on a regular basis.
- The display or use of tents, canopies, or membrane structures are not allowed inside any building. Any outside tent or temporary shade structure may require a Special Event Permit from the State Fire Marshals' office.
- Demonstration or operation of any heat producing device or sources of ignition, including, but not limited to: heaters, stoves, barbecues, torches, lanterns, and internal combustion engines must be approved, thirty days in advance, by the SFM.

- All decorative material including, but not limited to, drapes, hangings, curtains, carpets and table covers with overhangs, shall be either made from non-flammable material, or rendered and maintained in a flame retardant condition by means of a solution and process approved by the SFM.
- Every building, tent or enclosure and every exhibit space therein, shall be maintained in a neat orderly manner, free from any condition, which would add to or contribute to the rapid spread of fire.
- Any combustible waste materials and rubbish within the building shall be stored in approved containers. All such waste containers shall be emptied at the close of each day into approved containers outside of the building(s).
- Waste material and rubbish containers located outside of buildings shall not block exit passageways, fire department access roads; nor shall they be located so as to create an external fire hazard to any building or structure.
- Copies of SFM approved certificate of flame resistance covering all treated materials shall be made available at exhibition site.

Booth Construction/Location:

- Booths shall be located a minimum of 20 feet from any permanent structure. If conditions warrant, distance may be reduced as approved by the SFM.
- All fabric or pliable canopy covers, side/back drops and decorative material must be:
 - Inherently fire resistive and labeled as such; or
 - Treated by a SFM licensed applicator. If the booth is owner occupied, it may be treated by the owner with a SFM approved fire retardant chemical (empty can and dated sales receipt may serve as proof).
- Exit openings shall be a minimum of 3 feet wide and 6 feet, 8 inches in height.

Layouts: Floor plans and fence plans of each event shall be submitted to the Association at least 90 days prior to the first day of the event. It is not recommended to sell any booth space prior to receiving plan approval by the Association and State Fire Marshal. Plans shall indicate:

- The dimensions of all aisles, exits, exhibits, booths and display.
- The locations of all emergency lights, exit lights, fire alarm stations, wet standpipe hose cabinets, fire extinguishers, water fountains, and electric panels. These shall not be concealed by any decorative material.

NOTE: Exits, exit lights, aisles, ramps, corridors, and passageways shall not be blocked in any manner.

Recycling Requirements: Licensee must instruct all associated personnel, exhibitors, staff, etc. to 'break down' cardboard boxes (flat) and place them beside the nearest trash receptacle. Designated areas will have recycling containers marked for aluminum, glass, and plastic beverage bottles. Please use these receptacles instead of the trashcans for these materials. No Styrofoam products are to be used for any reason. All cardboard boxes must be recycled. Licensee must comply with all state and local recycling ordinances.

Decorations: Candles and any open flame devices are prohibited. Licensee's use of paper products is allowed in the mounting of the Festival, with Licensee being responsible for (i) cleaning and or removal of paper products as part of Load-Out and (ii) any damage to, or loss of, Association's facilities resulting from Licensee's use of paper products. Balloons shall not be released into the atmosphere from the Fairgrounds. Licensee may temporarily secure decorations to Association's facilities. However, in all circumstances, Licensee shall be solely responsible for damage to, or loss of, Association's facilities resulting from Licensee's installation of decorations on those facilities.

Lost & Found Articles: The Association will not be responsible for any lost and/or found items.

Animals: Animals and pets are not permitted on Association's property, except as an approved exhibit, activity or presentation legitimately requiring the use of animals, or as a service animal. Big cats, snakes, birds, lizards, exotic animals, and other non-common household pets unless approved by the Association are prohibited. Licensee is fully responsible for any pet(s) or animal(s) inside the rented area. Petting Zoos- in order to limit the risks associated with animal-human contact, the following guidelines are to be adhered to if a petting zoo is part of your event.

Licensee will meet the guidelines established by the Center for Disease Control for animal exhibits with public contact.

- Animals in petting zoos should be free from disease and in good health. Animals should not be aggressive or vicious in any way. Veterinary inspections prior to your event are recommended.
- Animals, animal containment areas and animal bedding should be clean and free of feces.
- Foreign objects such as toys, pacifiers, strollers, etc. should not be permitted in petting zoos.
- Children 5 and under must be accompanied by an adult while in the petting zoo.
- Under no circumstances shall any food or beverages be permitted in petting zoo areas.
- Petting zoo rules should be posted in a prominent location.
- A hand washing station with warm water must be located in close proximity to the exit of the petting zoo. The hand washing station should be stocked frequently with soap and paper towels.
- An attendant located at the exit to the petting zoo should be provided to direct people to the hand washing station.

Deliveries: The Association will not be responsible for property of the Licensee, their exhibitors, representatives or the general public. No deliveries will be accepted at the fairgrounds on behalf of the Licensee or any exhibitors

Statement of Conditions: The Event Agreement provides the Licensee with the exclusive right, during the licensed period, for the use of the designated areas of the Association that are listed in the Event Agreement. This includes the general floor space or designated areas, restrooms, janitorial services during actual event times, normal lighting and heating or A/C in those facilities where they are available. Licensee shall have the non-exclusive right to use the common areas of the Del Mar Fairgrounds to provide access, ingress and egress.

The basic rental fees do not include the use of areas not generally designated for public use or access by the Association.

Condition of Grounds & Facilities: Licensee accepts the grounds and facilities, as they exist. Licensee accepts responsibility for the proper set-up of its activity(s) to ensure a safe environment. Licensee shall not allow the blocking of public utilities, exits, fire hose cabinets, fire sprinkler systems, electrical closets, aisles, corridors, passageways, stairways, elevators, escalators, roadways or driveways. Should Licensee view an area that they feel is unsafe, they are to correct it or notify the Association immediately.

Drone Policy: Licensee shall have the right to contract with licensed, FAA approved, and insured third party operators of drones, unmanned aircraft/flying systems, and remotely-controlled or radio-controlled flying machines (whether or not motorized) of all types, shapes, and sizes (collectively, "drones") during the Festival on the Association's property in accordance with applicable local, state, and Federal ordinances.

Cannabis Policy: The Association prohibits the possession, use or sale of cannabis, cannabis products, cannabis accessories, or drug paraphernalia (as those terms are defined by California Health and Safety Code section 11000 et seq.) on the premises.

Hemp Policy: The Association allows the possession, use, and sale of non-food industrial hemp products (as the terms “food” and “industrial hemp” are defined by California Health and Safety Code sections 109935 and 11018.5), including non-food industrial hemp cannabidiol (CBD) products, on the premises. Only licensees that have a contractual agreement with the 22nd DAA, and their vendors, may sell non-food industrial hemp products on the premises.

The Association prohibits the possession, use, or sale of food products containing industrial hemp on the premises. The 22nd DAA may impose a fine of up to \$1,000 per licensee, and an additional \$1,000 per vendor, to be paid to the Association immediately by licensees and vendors that possess, use, or sell food products containing industrial hemp, cannabis, cannabis products, cannabis accessories, or drug paraphernalia on the premises (as those terms are defined by California Health and Safety Code section 11000 et seq.). Licensees shall be directly liable for the immediate payment of any fine imposed on their vendors that violate this policy, in addition to payment of any fine imposed on the licensee. The Association will have the right to terminate any agreement with a licensee or vendor with three or more violations in a 12-month period.

INSURANCE REQUIREMENTS

I. Evidence of Coverage

The contractor/renter shall provide a signed original evidence of coverage form for the term of the contract or agreement (hereinafter "contract") protecting the legal liability of the State of California, California Fair Service Authority, District Agricultural Associations, County Fairs, Counties in which County Fairs are located, Lessor/Sublessor if fair site is leased/subleased, Citrus Fruit Fairs, California Exposition and State Fair, or Entities (public or non-profit) operating California designated agricultural fairs, their directors, officers, agents, servants, and employees, from occurrences related to operations under the contract. All such insurance shall be written in form and underwritten by companies approved by the 22nd District Agricultural Association ("District") and acceptable to the California Fair Services Authority ("CFSA"). This may be provided by:

A. Insurance Certificate - The contractor/renter shall provide the District with a signed original certificate of insurance (the **ACORD form is acceptable**), lawfully transacted, which sets forth the following:

1. List as the **Additional Insured Endorsement**: **"That the State of California, the 22nd District Agricultural Association, the Race Track Authority, the San Diego County Fair, the California Fair Services Authority, the California Department of Food and Agriculture, the California Department of Finance, the California Department of General Services, their directors, officers, agents, servants, and employees, are made additional insured, but only insofar as the operations under this contract are concerned."**

2. Dates: The dates of inception and expiration of the insurance. **For individual events, the specific event dates must be listed, along with all set-up and tear down dates.**

3. Coverages:

a. General Liability – Commercial General Liability coverage, on an occurrence basis, at least as broad as the current Insurance Service Office (ISO) policy form #CG 00-01. Limits shall be not less than **\$5,000,000 per occurrence** for Fairtime Carnival Rides and for all Freefall Attractions (elevated jumps involving airbags); **\$5,000,000 per occurrence** for the following types of Motorized Events: automobile races, drifting exhibitions, truck rodeos, tractor/truck pulls, destruction derbies, RV destruction derbies, mud bogs, mud racing, car crunches, monster truck shows, automobile thrill shows, figure 8 racing, stock car racing, tuff trucks, boat races, autocross, dirt racing, oval track, sprint cars/410 sprints, modified, super stock, mini-stock, dwarf cars, micro lights, endure, pro stock; **\$3,000,000 per occurrence** for the following types of Motorized Events: motorcycle racing, flat track motorcycle racing, arena-cross, freestyle motocross, motorcycle thrill shows and stunt teams, ATV, sand drags, go karts, snowmobile races, quarter midget races, golf cart races, Redneck Roundup (ATVs), lawnmower races; **\$3,000,000 per occurrence** for Rodeo Events all types **with a paid gate** and any Rough Stock events; **\$2,000,000 per occurrence** for Rodeo Events all types **without a paid gate** and with any Rough Stock events and for Swap Meets/Flea Markets held two or more times per calendar year; **\$2,000,000 per occurrence** for the following Motorized events: car jumping contests/demonstrations of hydraulic modifications to automobiles; **\$2,000,000 per occurrence** for interim Carnival Rides, Fairtime Kiddie Carnival rides of up to 6 rides, Concerts with over 5,000 attendees, Rave type events all types, Cannabis Festivals/Trade shows. Mechanical bulls, extreme attractions all types that require a DOSH permit to operate, and stimulators; **\$1,000,000 per occurrence** for Rodeo Events all types **without** and Rough Stock events; **\$1,000,000 per occurrence** for all other contracts for which liability insurance (and liquor liability, if applicable) is required.

The Certificate of Insurance shall list the applicable policy forms, including endorsements. Any exclusions or coverage limitations, including sub-limits, that apply to the contractor/renter's activities, or business to be conducted under the contract or rental agreement/lease, must be listed in the Certificate of Insurance. If there is a self-insured retention or deductible in the contractor/renter's coverage equal to or in excess of \$100,000, the self-insured retention/deductible amount shall be included as part of the Certificate of Insurance. A copy of the contract/renter's policy declaration page containing this information as an attachment/exhibit to the Certificate of Insurance will be acceptable, provided it contains all the aforementioned information.

b. Automobile Liability - Commercial Automobile Liability coverage, on a per accident basis, at least as broad as the current ISO policy form # CA 0001, Symbol #1 (Any Auto) with limits of not less than \$1,000,000 combined single limits per accident for contracts involving use of contractor vehicles (autos, trucks or other licensed vehicles) on District property.

c. Workers' Compensation - Workers' Compensation coverage shall be maintained covering contractor/renter's employees, as required by law; and **must include a "Waiver of Subrogation."**

d. Medical Malpractice - Medical Malpractice coverage with limits of not less than \$1,000,000 per occurrence shall be maintained for contracts involving medical services.

e. Liquor Liability - Liquor Liability coverage with limits of not less than \$1,000,000 per occurrence shall be maintained for contracts involving the sale of alcoholic beverages.

4. Cancellation Notice: Notice of cancellation of the listed policy or policies shall be sent to the Certificate Holder in accordance with policy provisions.
5. Certificate Holder:
 - **For Individual Events Only - District, along with District's address, is listed as the certificate holder.**
22nd DISTRICT AGRICULTURAL ASSOCIATION
ATTN: EVENTS DEPARTMENT
2260 JIMMY DURANTE BLVD.
DEL MAR, CA 92014-2216
 - For Master Insurance Certificates Only - California Fair Services Authority, Attn: Risk Management, 1776 Tribute Road, Suite 100, Sacramento, CA 95815 is listed as the certificate holder.
6. Insurance Company: The company providing insurance coverage must be acceptable to the California Department of Insurance.
7. Insured: The contractor/renter must be specifically listed as the Insured.

OR

- B. CFSA Special Events Program - The contractor/renter obtains liability protection through the California Fair Services Authority (CFSA) Special Events Program, when applicable.

OR

- C. Master Certificates - A current master certificate of insurance for the contractor/renter has been approved by and is on file with California Fair Services Authority (CFSA).

OR

- D. Self-Insurance - The contractor/renter is self-insured and acceptable evidence of self-insurance has been approved by the District and CFSA.

II. General Provisions

- A. Maintenance of Coverage - The contractor/renter agrees that the commercial general liability (and automobile liability, workers' compensation, medical malpractice and/or liquor liability, if applicable) insurance coverage herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires or is cancelled at any time or times prior to or during the term of this contract, contractor/renter agrees to provide the District, prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of the District and CFSA, and contractor/renter agrees that no work or services shall be performed prior to the giving of such approval. In the event the contractor/renter fails to keep in effect at all times insurance coverage as herein provided, the District may, in addition to any other remedies it may have, take any of the following actions: (1) declare a material breach by contractor/renter and terminate this contract; (2) withhold all payments due to contractor/renter until notice is received that such insurance coverage is in effect; and (3) obtain such insurance coverage and deduct premiums for same from any sums due or which become due to contractor/renter under the terms of this contract.
- B. **Primary Coverage - The contractor/renter's insurance coverage shall be primary and any separate coverage or protection available to the District or any other additional insured shall be secondary.**
- C. Contractor's Responsibility - Nothing herein shall be construed as limiting in any way the extent to which contractor/renter may be held responsible for damages resulting from contractor/renter's operations, acts, omissions or negligence. Insurance coverage obtained in the minimum amounts specified above shall not relieve contractor/renter of liability in excess of such minimum coverage, nor shall it preclude the District from taking other actions available to it under contract documents or by law, including, but not limited to, actions pursuant to contractor/renter's indemnity obligations. **The contractor/renter indemnity obligations shall survive the expiration, termination or assignment of this contract.**
- D. Certified Copies of Policies - Upon request by the District, contractor/renter shall immediately furnish a complete copy of any policy required hereunder, with said copy certified by the underwriter to be a true and correct copy of the original policy. Fairtime Carnival Ride contractors must submit copies of actual liability insurance policies, certified by an underwriter, to CFSA.

III. Participant Waivers

For hazardous participant events, the contractor/renter agrees to obtain a properly executed release and waiver of liability agreement (Form required by contractor/renter's insurance company or CFSA Release and Waiver Form) from each participant prior to his/her participation in the events sponsored by contractor/renter. Hazardous participant events include but are not limited to any event within the following broad categories: Athletic Team Events, Equestrian-related Events, Extreme Attractions, Freefall Attractions, Mechanical Bulls, Simulators, Motorized Events; Rodeo Events; and Wheeled Events, including bicycle, skates, skateboard, or scooter. Contact CFSA at (916) 921-2213 for further information or District's Contracts Manager at (858) 792-4263.

2023 – 22nd DAA Board of Directors Meeting Dates

REVISED 9/8/23

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

<u>Board Meeting Date</u>	<u>Meeting Notice & Agenda Posted</u>
September 12	Friday, 9/1/23
October 13 Strategic Planning Session 1 9 a.m. - NOON	Wednesday, 10/3/23
October 13 22 nd DAA Board of Directors Meeting 1:30	Wednesday, 10/3/23
November 14 Strategic Planning Session 2	Friday, 11/3/23
December 12	Friday, 12/1/23

Governor Newsom Announces Appointments 8.11.23

Published: Aug 11, 2023

SACRAMENTO – Governor Gavin Newsom today announced the following appointments:

Mark Arabo, of San Diego, has been appointed to the 22nd District Agricultural Association, San Diego County Fair Board of Directors. Arabo has been President and Chief Executive Officer of Refined Management since 2015. He was President and Chief Executive Officer of the Neighborhood Market Association from 2008 to 2015 and a member of the Marketing and Sales Team for Anheuser-Busch from 2004 to 2006. Arabo served on the California Workforce Development Board from 2019 to 2023. This position does not require Senate confirmation and there is no compensation. Arabo is a Democrat.



August 17, 2023

D2023-03

TO: All Fair CEOs

SUBJECT: Employee Travel to States with Discriminatory Laws

This letter is to announce that there is a statewide ban on travel to states that are identified to have discriminatory laws and practices. There are three new states highlighted in yellow: Wyoming was added on July 14, 2023, Missouri will go into effect on August 28, 2023, and Nebraska effective October 1, 2023. Per AB 1887 (Lou) State government discrimination: travel; state-funded or state-sponsored travel to the following twenty states is prohibited. This includes recipients that receive funding for activities that require travel to and from the states identified in AB 1887, which are:

Approved Travel	Banned Travel
Alaska	Alabama
Colorado	Arizona
Connecticut	Florida
Delaware	Idaho
Georgia	Indiana
Hawaii	Iowa
Illinois	Kansas
Maine	Kentucky
Maryland	Louisiana
Massachusetts	Mississippi
Michigan	Missouri
Minnesota	Montana
Nevada	Nebraska
New Hampshire	North Carolina
New Jersey	North Dakota
New Mexico	Ohio
New York	Oklahoma
Oregon	South Carolina
Pennsylvania	South Dakota
Rhode Island	Tennessee



Vermont	Texas
Virginia	Utah
Washington	West Virginia
Wisconsin	Wyoming

Per the Office of the Attorney General (OAG), there are exceptions to AB 1887 that allow travel to banned states in certain circumstances (Gov. Code, § 11139.8, subd. (c).) These exceptions only apply if travel to a prohibited state is required for the following reasons:

1. Enforcement of California law, including auditing and revenue collection.
2. Litigation.
3. To meet contractual obligations incurred before January 1, 2017.
4. To comply with requests by the federal government to appear before committees.
5. To participate in meetings or training required by a grant or required to maintain grant funding.
6. To complete job-required training necessary to maintain licensure or similar standards required for holding a position, if comparable training cannot be obtained in California or a different state not subject to the travel prohibition.
7. For the protection of public health, welfare, or safety, as determined by the affected agency, department, board, authority, or commission, or by the affected legislative office.

Previously approved blanket discretionary travel to any of these states must be canceled and resubmitted. All blanket mission-critical travel to banned states must be resubmitted to Department Directors and Agency Secretaries (or their designees) to ensure they meet the exception criteria. New mission-critical trips not already submitted within an approved out-of-state travel blanket will require final approval from the Governor's Office through the individual trip request process.

For more information, please visit: <https://oag.ca.gov/ab1887>.

If you have any questions or need additional information, please contact Sarah Pelle at (916) 900-5368 or sarah.pelle@cdfa.ca.gov

Sincerely,



Mike Francesconi, Branch Chief
Fairs & Expositions Branch

August 21, 2023

D2023-04

TO: All District Agricultural Associations CEOs and Boards of Directors

SUBJECT: Vacation/Annual Leave Reduction Plans for the CEO and State Employees

The purpose of this letter is to alert you of the cap on the number of leave hours which should be on the books for state employees and to inform you of F&E's leave balance reporting requirements to ensure compliance with the updated CDFA Policy 9.4.3 and existing CALHR policy 2124- Employee Leave Management.

Per the California Code of Regulations and CDFA Policy, the prescribed maximum number of vacation/annual leave hours that CEOs and state employees should have on the books, per year, is 640 ([CDFA Vacation / Annual Leave Accumulation Policy 9.4.3; CA Code of Regulations, Title 2, Section 599.752](#)).

The purpose of a maximum leave balance is to ensure the fiscal solvency of the DAA because if an employee (including the CEO) retires, the vacation or annual leave will be paid out in full as a lump sum. For additional information on separation and leave balances, reference [CALHR Employee Leave Management – 2124](#).

If your individual DAA cannot financially afford the 640 hours of vacation/annual per employee, a policy outlining the maximum liability should be developed and adopted by the board.

It is important to highlight that if the CEO or employee transfers to another state agency or DAA, their leave balances are transferred to the new state employer. Due to this, a good practice when hiring staff coming from other state agencies (including DAAs) is to request to see their leave balances to evaluate the extent of the liability the DAA would be acquiring through the hire prior to appointment.

Leave Balance for CEOs

CEOs may accumulate the unused portion of the vacation/annual leave, provided that on January 1 of each calendar year, there are not more than 640 hours of vacation/annual leave.



[Is the annual report to F&E a new requirement? If it is existing reword to say so]
As CEOs approach a leave balance of 640 vacation/annual leave hours, the Board and CEO must develop a leave reduction plan to reduce the excess balances, ([California Code of Regulations, title 2, section 599.742.1](#)). In order to facilitate F&E's ability to exercise its fiscal oversight over this liability we ask that each DAA share with us a copy of the leave balances for the CEO by July 31st of each year.

Leave Balances for Employees (Rank and File)

For employees that are approaching a vacation/annual leave balance of 640 hours, or are currently above this threshold, the CEO should work with the employee to create a leave reduction plan ([California Code of Regulations, title 2, section 599.737](#)). Please submit the leave balance tracking sheet for the CEO, to the F&E Branch annually by January 31st. If a state employee is nearing the cap, please make note of this during the board meeting when reviewing the Finance Committee report or the CEO report.

Leave Accruals

Each month, the DAAs timekeeper should be tracking the various types of leave accrued and used by all employees. Attached is an Excel spreadsheet (Leave Balance Tracking Template) that you can use as a tool to track the leave balances for each employee.

Each state employee is entitled to the following:

- Vacation and Sick
- Annual Leave (in lieu of Vacation and Sick)
- Informal Time Off (ITO) - At the Governor's discretion each year
- Personal Holiday – 1 day (8-hours) each July 1
- Personal Development Days (PDD) – 2 days (16-hours) at the start of each fiscal year (July 1st) and must be utilized by the end of the fiscal year (June 30th). *Note: this leave is not compensable upon separation, and it does not roll over to the next fiscal year.*

For information on the accrual rate of vacation or annual leave for CEOs, please reference the CALHR [Vacation vs. Annual Leave Comparison Chart](#) for excluded employees. If you need assistance determining the appropriate rate of accrual, please contact your CDFA HR.

For information on the accrual rate of vacation or annual leave for employees, please refer to CalHR [Vacation v. Annual Leave Comparison Chart](#). If you need assistance determining the proper rate, please contact CDFA HR.

Below are sample balance reduction strategies.

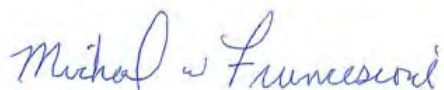
- Significant effort is required to reduce leave balances, so plan.
- Coordinate leave plans with a group of employees working on the same or related assignments to avoid unforeseen gaps in coverage.
- Large blocks of time off will have a significant impact on reducing excess leave balances.
- Small blocks of time off will help to keep balances from growing.
- Recognize the more years of state service, the more hours accrued monthly, and develop the reduction plan accordingly.

CalHR also has some helpful tools for [Leave Reduction Plans](#).

If the employee does not follow the agreed-upon leave plan, the CEO/management can force the time off. If the CEO does not follow the agreed-upon leave plan, the board will need to work with F&E for guidance.

If you have any questions, please feel free to contact F&E at 916-999-3000.

Sincerely,



Mike Francesconi
Branch Chief

Enclosed

1. Leave Balance Tracking Template
2. CALHR 2102
3. STD 634- Timesheet template
4. 9.4.3 Policy – Vacation/Annual Leave Accumulations

Policy

It is the policy of the State of California and the Department of Food and Agriculture (CDFA) to maintain employees' vacation or annual leave balances at a level no higher than the prescribed maximum number of hours. The prescribed maximum number of hours for excluded employees and employees represented by CAPS, CASE, CSLEA, SEIU and IUOE is 640.

Authority

[California Code of Regulations, Title 2](#), Sections 599.736 through 599.742.1, 599.752

[Government Code Section 19858.7](#)

Responsibility

<i>Employees</i>	<p>Request to use vacation or annual leave in advance from supervisor.</p> <p>Use vacation or annual leave to ensure balance does not exceed the prescribed maximum.</p> <p>By January of each year, submit a plan to use vacation or annual leave if leave balances exceed or will exceed the prescribed maximum.</p>
<i>Supervisors</i>	<p>Monitor employee vacation or annual leave balances.</p> <p>Provide reasonable opportunity for employees to use vacation or annual leave commensurate with their annual accrual rate.</p> <p>Ensure employees adhere to leave usage plan and maintain vacation or annual leave balances at or below prescribed maximum.</p>
<i>Division Director</i>	<p>Evaluates and approves/denies requests for additional time beyond the 90 days the employee requested when applying for retirement. Forwards approved requests to the Deputy Secretary of Administration and Finance for consideration.</p>

Vacation/Annual Leave Accumulations

<i>Chief Executive Officer (CEO)</i>	Evaluates and approves/denies requests for additional time beyond the 90 days the employee requested when applying for retirement. Ensures leave usage requests are processed.
<i>Deputy Secretary</i>	Reviews and approves/denies additional leave requests above the initial 90 days.
<i>HRB Transaction Manager</i>	Ensures leave usage requests are processed.

Accumulated Hours

Employees whose accumulated hours of vacation or annual leave exceed or will exceed the prescribed maximum must submit a leave usage plan consistent with operational needs.

If an employee fails to submit a plan, or fails to follow the plan, the supervisor may require the employee to use the hours that exceed the maximum at the convenience of the department.

Running Out Credits Upon Retirement

Upon applying for retirement, an employee entitled to a lump-sum payment for any unused or accumulated vacation or annual leave may request to take leave prior to the effective date of their retirement up to 90 days. An employee may request up to an additional 90 days of vacation/annual leave, not to exceed a total of six months. Requests for additional time beyond the 90 days require written justification and the approval of the requestor's Division Director and the Deputy Secretary of Administration and Finance or the District Agricultural Association's (DAA) CEO.

Once approvals are obtained, forward the approval to the Human Resources Branch's at cdfa.asd_hrb_main@cdfa.ca.gov.

The DAA will retain the original approved request and issue payment.

Distribution

Distribution of the above policy includes all employees.

If you have questions, or need further information, please email the Human Resources Branch at cdfa.asd_hrb_main@cdfa.ca.gov.

Policy

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From: [Martha Sullivan](#)
To: [Donna O'Leary](#)
Cc: [G. Joyce Rowland](#)
Subject: Trainer Palma suspended for methamphetamine positive at Del Mar/4 employees test positive too
Date: Monday, August 28, 2023 1:14:36 PM

Please share this with the Board Members & Senior Management:

"Veteran California trainer Hector Palma has been provisionally suspended by the Horseracing Integrity and Welfare Unit after one of his starters at Del Mar in late July tested positive for methamphetamine, according to the organization's website...

In a brief conversation Monday morning, Palma said that four employees at his stable recently tested positive for methamphetamine."

<https://www.drf.com/news/trainer-palma-provisionally-suspended-methamphetamine-positive>

Thank You,

Martha Sullivan



Trainer Palma provisionally suspended for methamphetamine positive

Steve Andersen **Aug 28, 2023**

Veteran California trainer Hector Palma has been provisionally suspended by the Horseracing Integrity and Welfare Unit after one of his starters at Del Mar in late July tested positive for methamphetamine, according to the organization's website.

The suspension was announced late last week and resulted in the scratch of Geezer from Sunday's sixth race.

The positive was found in a post-race test taken from Baladi, the fourth-place finisher in a \$32,000 claimer on July 30. Baladi, a 4-year-old gelding, has been suspended from racing by HIWU.

[:: Get Del Mar Clocker Reports straight from the morning workouts at the track. Available every race day.](#)

In a brief conversation Monday morning, Palma said that four employees at his stable recently tested positive for methamphetamine.

HIWU, which is part of the national Horseracing Integrity and Safety Authority, took control of regulations involving medication violations in many states in May.

Palma, 86, began training in 1971 and has amassed 1,243 wins. This year, Palma has won 10 races from 74 starters – five wins at the Santa Anita winter-spring meeting, four at the Los Alamitos summer meeting, and one at the current Del Mar summer meeting.

Palma was the leading training at the 1984 spring-summer meeting at Hollywood Park, the 1973 Los Angeles County Fair meeting at Fairplex Park, and six times at the Orange County Fair meeting at Los Alamitos from 1981-88.

Hernandez avoids suspension

Leading jockey Juan Hernandez avoided a potential suspension after meeting with track stewards Sunday regarding two races on Saturday in which his mounts were disqualified for causing interference.

Stewards Luis Jauregui, Kim Sawyer, and Rich Williams met with Hernandez to review his ride aboard Uncle Reg, who was disqualified from second and placed fifth for veering out in the stretch of Saturday's seventh race, for maidens at five furlongs on turf.

The stewards "blamed" Uncle Reg for shifting out, according to Sawyer. The incident affected the second-through fourth-place finishes.

Sawyer said the stewards did not fault Hernandez for the actions of Mirahmadi, the 7-10 favorite who finished third in a maiden race at a mile earlier on the program. Mirahmadi ran erratically in the final furlong and was demoted to fourth for causing interference.

Through Sunday, the 22nd day of a 30-day meeting, Hernandez led all riders with 28 wins, five more than Antonio Fresu, who won 10 races from Thursday through Sunday. Hernandez won four races during the same span.

From: [joe](#)
To: [Donna O'Leary](#)
Subject: Attention Board Members -- AI art
Date: Thursday, August 24, 2023 12:14:54 PM
Attachments: [1267854352_d17a3284-d5f2-47e4-b0b8-11f7c8df41ab_2303612.png](#)

Attention:
Board of Directors
San Diego County Fair
Del Mar Fairgrounds

I am writing to you in the hope that the San Diego County Fair (Fair) will not miss an opportunity in 2024 avoiding, as happened in previous years, a lag behind the cultural curve.

I've exhibited in past years in the photography and digital art Fair venue. Beyond my personal experience, the Fair's exhibits have always been excellent and enjoyable.

However, change at the Fair has lagged the real world. First, digital photography was shunned. Then digital and digitally manipulated photography was shunned. Then, after years, accepted. Looking back, one wonders why. Does the Fair coordinators lack foresight or simply hope to avoid the unavoidable?

Now we have AI and GAI (generative AI). Why not incorporate this expansive new technology and finally be ahead of the cultural curve?

Here are two examples:



Imaginary Ballet

Or, if one wants a more photorealistic (fictional) image:



Imaginary Flora

Both are "cobot" art. That is, a collaborative effort of a human artist (in this case, me) and an AI platform (in this case, Open AI DALL•E•2).

To be clear, I am *not* proposing these images as worthy of being accepted. That is for jurors to decide -- if given the opportunity.

The public would be intrigued, fascinated and moved to find this photo-oriented art at the Fair. The public would enjoy discussions of why and how such art is becoming part of our cultural fabric.

I've heard that there is resistance to such change at the Fair -- once again.

Hopefully I am wrong.

I have written on AI and understand the galloping nature of this technology. The Fair should be willing and able to ride this horse.

Thank you for listening,

Joe [REDACTED]

The Future of AI? — Minding The Campus

<https://www.mindingthecampus.org/2023/07/19/the-future-of-ai/>

Mello-Roos district rates unchanged

By Samantha Nelson

ESCONDIDO — Property owners' tax rates in Escondido's special tax district will remain unchanged for another year, pending additional fiscal analysis.

The Escondido City Council recently voted to keep the Community Facilities District's existing tax rates the same for the fiscal year 2023-24.

A Community Facilities District, or Mello-Roos, is a special tax rate levied annually on a property tax bill to help pay for local services and infrastructure.

The council first approved the special tax in 2020 "to make new development revenue neutral" and ensure current residents are protected from subsidizing new housing projects.

According to the city, each new residential unit permitted after May 13, 2020, will be annexed into the special tax district through a voluntary annexation.

Instead of joining the special tax district, developers of new residential projects may also provide an alternate funding mechanism to help offset the development's impact on municipal services.

The Mello-Roos tax rate is set at maximum rates between \$536 and \$738 per dwelling unit and could increase based on inflation.

According to Andrew Firestine, the city's director of development services, the city could raise the rates based on changes in the consumer price index. However, staff recommended keeping the rates the same.

"In doing so, we're not increasing the tax burden on property owners and preserving the city's ability to make additional adjustments to the special tax rate for FY 2023-24 based on review of a new fiscal impact analysis," Firestine said.

Escondido is being sued by the Building Industry Association of San Diego over the city's Mello-Roos, prompting the city to review how the special tax formula has been applied.

In November 2022, the City Council directed staff to review options for adjusting the special tax rate to focus on public safety services and potentially reduce the tax rate.

Andrea Contreras, a land use attorney representing several developers in Escondido, told the City Council that Mello-Roos tax districts don't pencil out for developers.

"It has become a bit of a barrier to develop in Escondido," Contreras said. "No one is not mindful of the budget shortfall, but we really feel like this needs to be looked at in a holistic manner."



JR AYALA, who has lived at the Del Mar Surf and Turf RV Park for 12 seasons, urges the 22nd District Agricultural Association to make a decision regarding long-term leases at its Aug. 8 board meeting. Photo by Laura Place

RV park tenants anxiously await state board's decision

22nd DAA still undecided on park operations

By Laura Place

DEL MAR — Multi-year tenants of the Surf and Turf RV Park in Del Mar are still awaiting confirmation of whether they can return for long-term stays this fall, pending a decision on how the park should be managed.

For around two decades, between 20 and 30 long-term occupants have rented spaces at the park from mid-September to mid-May, then exited for four months each summer to make room for San Diego County Fair and horse race attendees.

After the RV park's 20-year operator announced they would be stepping away this coming December, the 22nd District Agricultural Association — the state board managing the Fairgrounds and the owner of the park property — told residents they would decide whether to find another operator or manage the park themselves.

Until that decision is made, all stays at the park will be limited to 21 days per calendar year, causing panic for residents who have relied on the park as their rental home for eight months.

While Fairgrounds leaders said in May that they would provide updates on the decision-making process, residents said it's been radio silence. Two occupants showed up at the 22nd DAA's Aug. 8 meeting hopeful for an update and were told officials would be back with a plan at the board's September meeting.

"We very much understand and do know that decision-making on this impacts people's lives,"



JACK DUCKWORTH, 73, who has lived at the Del Mar Surf and Turf RV Park for 11 seasons, speaks at the 22nd DAA's Aug. 8 board meeting. Photo by Laura Place

said 22nd DAA CEO Carlene Moore. "We do need to make sure as we move forward that we know all of the facts and information that we need to have in either putting it out to bid or managing it ourselves."

Residents say the park is one of the only affordable options, with a monthly rent of around \$900 compared to prices closer to \$2,000 in other areas. If they can't stay at Surf and Turf long-term, they need to know whether to make reservations at different RV parks, which fill up quickly.

"We are pretty much almost a month away [from Sept. 15]," said JR Ayala, who has lived at the park for 12 seasons. "We're sitting here, and there's not a day when we can just relax."

Del Mar Golf Club, which has managed both the RV park and the neighboring Del Mar Golf Center for the past 20 years, told the Fairgrounds earlier this year they would cease operating the RV park at year's end and focus solely on the golf center.

Typically, occupants provide a \$200 deposit in

May to hold a spot at the RV park when they return in September. However, since DMGC is ceasing management midway through the lease period, they were prohibited by the Fairgrounds from entering into any long-term leases with occupants.

Since then, 22nd DAA officials said they have been exploring options to find a new park operator or run it themselves. Whether to permit long-term leases as in the past is another question.

"We have a number of internal I's to dot and T's to cross before we can come back and make a decision," said Board President Joyce Rowland.

Jack Duckworth, a Surf and Turf tenant in his 70s staying at the park for 11 years, is staying at an RV Park in Hemet. If necessary, he can stay there for a while, but Duckworth is eager to return to Del Mar.

Duckworth said he appreciates 22nd DAA officials recognizing the impacts of this decision on residents but said what occupants need are answers.

"Awareness is one thing, but action is another," Duckworth said.

State fines San Diego CCA more than \$1M

By Steve Puterski

REGION — San Diego Community Power has been fined over \$1 million by the California Public Utilities Commission for its failure to procure adequate backup energy sources, per state records.

San Diego Community Power is a community choice aggregation program and energy provider for its members, including Encinitas, San Diego, Chula Vista, La Mesa, Imperial Beach and National City and San Diego County.

Laura Fernandez, SDCP director of regulatory and legislative affairs, said rates would not increase due to the fines, which will be paid from the agency's power budget. Fernandez was also critical of the regulatory agency, telling media outlets its demands were "impossible" to meet.

The California Public Utilities Commission requires any load service entity (utility) to meet specific resource adequacy thresholds to ensure the state has enough energy capacity and reserves.

The state agency slapped San Diego Community Power with three fines — \$62,979, \$388,288, and \$581,818 — for resource adequacy deficiency from late 2020 through fall 2021. According to media reports, San Diego Community Power officials attempted to purchase sufficient supplies, but there was not enough energy on the market.

According to the state utility commission, San Diego Community Power did not bid on a solicitation from Southern California Edison in 2020 since it was still awaiting a response from an earlier bid to SDG&E.

"San Diego Community Power provides no evidence that its offer in SDG&E's solicitation was binding or could not have been withdrawn if selected by SDG&E," reads the agency's ruling. "Rather, if SDCP was notified of a 'shortlist' selection by SDG&E, SDCP could have withdrawn a selected offer in SCE's solicitation. By voluntarily choosing not to participate in SCE's solicitation for available RA (resource adequacy) resources, SDCP fails to demonstrate that it was 'impossible' to procure September 2021 system resources."

The state Public Utilities Commission also hammered the San Diego-area CCA for under-bidding an SDG&E solicitation in 2021, claiming the bids were far too low and resulted in rejected offers.

San Diego Community Power appealed each violation, but the utility agency overruled those appeals.

Over the same period, California regulators issued at least 10 fines to CCAs for failing to secure adequate backup energy sources, according to CPUC records. The penalties totaled more than \$10 million.

The Clean Energy Alliance — which services Carlsbad, Solana Beach and Del Mar and is poised to launch in San Marcos, Escondido, Vista and Oceanside in the coming years — was not fined.

Other CCAs receiving fines include the now-defunct Western Community Energy and the Orange County Power Authority, which was fined \$2.3 million.

Last year, Orange County withdrew its application to CPUC after a series of financial transparency issues, a combative former CEO and a grand jury investigation. Huntington Beach pulled out earlier this year.

Gas prices keep climbing

The average price of a gallon of self-serve regular gasoline in San Diego County rose on Aug. 15 for the 22nd consecutive day, increasing 2.6 cents to \$5.231, its highest amount since Nov. 22.

The average price has increased 28.2 cents over the past 22 days, including four-tenths of a cent Monday, after dropping 1.3 cents over the preceding week, according to figures from the AAA and the Oil Price Information Service.

The county average price is 9.3 cents more than one week ago and 26.9 cents higher than one month ago but 12 cents less than one year ago.

The national average price has dropped \$1.154 since rising to a record \$5.016 on June 14, 2022.

"The national average price of gasoline continues to hold near the highest level we've seen since last October. It could climb slightly higher as we get closer to Labor Day, as oil prices remain under pressure from recent OPEC+ production cuts," said Patrick De Haan, head of petroleum analysis at GasBuddy, referring to the Russia-led group of oil producers.

— City News Service

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Del Mar Fairgrounds Operator Back on Track

AGRICULTURE: Fair Visitors, Rental Income, New Venue Revive DAA Revenue

By KAREN PEARLMAN

The 22nd District Agricultural Association, the entity that manages and operates the Del Mar Fairgrounds on Via de la Valle on behalf of the state of California, is rising above some of the toughest challenges it has faced in modern times.

The 22nd DAA, guided by a nine-member board appointed by the governor, suffered through steep drops in revenue in 2020 and 2021 because of COVID-19-related issues, which led to layoffs of 85% of its workforce.

Now the group, which also oversees the annual horse racing season at the fairgrounds and the popular San Diego County Fair, which drew nearly 1 million attendees this year, is getting back on track.

Rising Revenue Stream

It has seen a year-over-year growth in revenue over the last two years of nearly 95% in 2021 and 61% in 2022, and now has 72 employees, up from a low of 60. Once nearly 160-worker strong, DAA CEO Carlene Moore said the group is eyeing 100 employees in the future.

“Coming through the pandemic, I don’t know if anything else right now really is as challenging,” said Moore, appointed Interim CEO in August 2020 and named CEO in March 2021.

The pandemic caused closure of the fair in 2020, although the 22nd DAA offered a scaled-down version in 2021 under the moniker



A look over the entire Del Mar Fairgrounds from June 2023 during the San Diego County Fair’s 20-day run. Photo courtesy 22nd District Agricultural Association



Carlene Moore
CEO
22nd District
Agricultural
Association

“Homegrown Fun!” That event brought in about \$3.9 million. Full-scale fairs typically net about \$12 million in revenue. The San Diego County Fair accounts for about 65% of the 22nd DAA’s revenue.

In addition to the fair, hundreds of other annual events that had been held at the fairgrounds were cancelled in 2020 and 2021 – from trade expos to art shows to festivals. Because of that, Moore said the 22nd

DAA missed out on rental fees, parking, food and beverages and other ancillary services.

In 2022, the 22nd DAA reported that the fairgrounds secured \$79 million in revenues – up from \$49 million in 2021 and only \$25 million in 2020 – and is closing in on pre-pandemic numbers. In 2019, the DAA reported \$81 million in revenue.

New Venue, New Rental Income

The financial picture is shaping up with the 22nd DAA stepping out a little from its comfort zone.

In 2022, the group finished its two-year \$17 million project, a 1,900-seat live music venue called **The Sound**. Operated by Solana Beach entity **Belly Up Entertainment**, The Sound is located at what was once the fairgrounds’ off-track betting site. It opened its concert season earlier this year to rave reviews with **Ziggy Marley**.

Also in 2022, the 22nd DAA hired New York-based **Horse Shows In The Sun (HITS)**, to take over its offsite 65-acre **Del Mar Horsepark**, which closed at the end of 2020, in part because of lost income from cancelled events, but also because of water quality issues on site that needed to be rectified.

The Horsepark, two miles east of the fairgrounds, hosts horse shows and stages events like equestrian competitions and polo games, with stables for more than 70 horses.

➔ *Fairgrounds page 29*

22nd District Agricultural Association

FOUNDED: 1936
CEO: Carlene Moore
HEADQUARTERS: Del Mar
BUSINESS: Agriculture/Fun
BUDGET: \$60 million
EMPLOYEES: 72
WEBSITE: delmarfairgrounds.com
CONTACT: 858-755-1161 or info@delmarfair.com
SOCIAL IMPACT: The 22nd DAA connects the community, brings people and have invested millions of dollars to keep its sites are environmentally aware with safe water usage and proper infrastructure.
NOTABLE: The 2023 San Diego County Fair drew just over 997,000 attendees over 22 days in 2023, up from 973,508 over a 21-day period in 2022. But both attendance numbers are down from 1.5 million fair attendees in 2019, although that was for a 27-day run.

Fairgrounds

➔ from page 8

HITS Del Mar Leasing, LLC now pays rent to the 22nd DAA of \$10,000 per month through December, which rises to \$20,000 per month beginning in January, plus an amount equal to 18% of the gross revenue at Horsepark. HITS also paid for the environmental upgrades at Horsepark that will take care of stormwater runoff.

The fairgrounds recently finished its own \$15 million project that converted the racetrack infield water features to a holding pond and a constructed wetlands treatment

area with technology that removes residual pollutants from stormwater before entering waterways.

Potential Redevelopment

Eyeing the future, Moore said a feasibility study by consultants is underway that is looking at, among other things, potentially redeveloping parts of the Del Mar Fairgrounds property.

“The biggest thing that we have going on right now is we are building up through a strategic planning process what we believe will ultimately grow into and result in a new master site plan for the facility,” Moore said. “We have a facilities

condition assessment underway that tells us what our current facilities look like so that we can be planning appropriately for the need to invest capital into this.”

Moore, who has had a 30-year career in the ag industry, said she will never lose sight of the fact that she and the board are watching out for the public’s best interest for the fairgrounds, cognizant of what traditional events like the Fair are for people.

“At the end of the day not every decision will be a financial decision,” she said. “It’s about how the community engages and interacts with this incredible asset that we’re stewards of on their behalf.” ■*

BUSINESS

Tourism Study 'Dispels Unfair Myths' About Industry, Finds Many Well-Paying Jobs in Field

T by Editor
1 week ago



Cruise ships on the bayfront. Photo credit: Courtesy, Port of San Diego

A new study has found that workers in San Diego tourism may make as much as \$32 an hour, contrary to the belief that such posts typically command far lower hourly wages.

Direct tourism jobs in the city of San Diego boast an average hourly wage of \$28, according to the research, but by expanding the field to consider indirect tourism jobs, workers in the industry can achieve the average

\$32 rate.

The study, “**Elevating Opportunities: San Diego’s Tourism Jobs Create Economic and Social Mobility,**” released just ahead of the busy Labor Day holiday weekend, posits that just over half of the local 214,000 total tourism jobs fall within the leisure and hospitality segment.

The remaining positions span an array of sectors including finance, information technology legal services, and more, expanding the opportunity for higher earnings.

The research was sought by the **San Diego Tourism Authority** in partnership with the **San Diego Regional Policy & Innovation Center**.

“This report dispels unfair myths about the industry, showing the large number of high-quality tourism jobs,” said Daniel Enemark, PhD, chief economist at the policy center in a news release. “It also reveals worker’s priorities and insights for further improving those jobs and attracting future workers.”

The study includes stories from more than 500 employees with hotels, regional attractions and other ventures, including the San Diego Zoo Wildlife Alliance, San Diego County Fair, the Brigantine Company, Access Trax, Hilton San Diego Gaslamp Quarter Hotel and Sesame Place San Diego.

Aside from the wage issue, other key findings in the report regarding local tourism jobs include:

- Low barriers to entry and advancement opportunities. More than 70% of tourism occupations do not require a college degree, and approximately three-quarters demand minimal or no on-the-job training.
- Flexibility. Tourism jobs offer the rare combination of part-time flexibility and stable wages, researchers contend.
- Satisfaction with pay. Almost 90% of employees surveyed expressed satisfaction with their earnings.
- Continuity. The majority of tourism workers surveyed who had previous tourism jobs remained within the industry in their current roles, though overall the field has relatively high turnover.

Tourism Economics estimates there are more than 13,000 job openings in San Diego tourism. The local tourism sector generated a record-breaking \$22 billion in economic impact last year.

“Tourism plays a vital role in elevating communities, supporting small and large local businesses, creating rewarding career opportunities and inspiring San Diegans to consider the diverse and abundant options available within the sector,” said Julie Coker, president and CEO of the San Diego Tourism Authority.



ELEVATING OPPORTUNITIES: San Diego Tourism Jobs Create Economic and Social Mobility



TOURISM AUTHORITY



NEW TOURISM SURVEY REVEALS HOW TOURISM JOBS CAN LEAD TO SOCIAL AND ECONOMIC MOBILITY IN SAN DIEGO

Commissioned by the San Diego Tourism Authority, the San Diego Regional Policy & Innovation Center (SDRPIC) surveyed more than 500 tourism employees, including those working in nontraditional tourism jobs, about job quality and advancement.

Flexibility for family and education, and significant career growth opportunity are just some of the sentiments underscoring the importance of and

shattering long-held notions about San Diego’s tourism economy jobs. The study provides a new perspective of the local workforce, and reveals that publicly available data omits tips and other compensation, like benefits, significantly underestimating wages in the industry.

KEY TAKEAWAYS FROM STUDY



Tourism jobs are more varied than previously recognized, spanning multiple sectors.



Direct tourism jobs in San Diego pay an average of **\$28 per hour**; indirect tourism jobs pay an average of **\$32 per hour**.



Tourism jobs are flexible and stable, with low barriers to entry and upward mobility.



KATIE MUELLER
Chief Operations Officer
Del Mar Fairgrounds

COO at the Del Mar Fairgrounds, Katie's fair career began with part-time work.

"One of the things I love the most is how the work is dynamic and ever-changing – no two days are ever the same. I also love being a part of something that contributes to a lifetime of treasured memories for the people who come to our events and activities at the fairgrounds. Not only does the Del Mar Fairgrounds offer education, community participation, entertainment, recreation, fun, and agriculture, but it creates jobs and boosts our local economy. I can't imagine another job that has a greater positive impact on our community."

