



NOTICE OF MEETING

22nd District Agricultural Association Board of Directors meeting
February 11, 2025, at 1:30 p.m.

Boardroom

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

Frederick Schenk, President

Michael Gelfand, 1st Vice President

G. Joyce Rowland, 2nd Vice President

Mark Arabo, Director

Lisa Barkett, Director

Phil Blair, Director

Kathlyn Mead, Director

Don Mosier, Director

Sam Nejabat, Director

Secretary-Manager

Carlene Moore

Chief Executive Officer

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

February 11, 2025, at 1:30 p.m.

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

All matters noticed on this agenda, in any category, **may be considered for action as listed.**

Any items not so noticed may not be considered. Items listed on this agenda may be considered in any order, at the discretion of the Board President.

2. **ROLL CALL**

3. **CONSENT CALENDAR** [Action Item]

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 – January 14, 2025** 6-9
- **Contract Awards & Approvals Exceeding CEO Delegated Authority** 121-161
 - **Standard Agreements from Competitive Solicitation** 122-136
 - 23-021 AM2 On Call Environmental Services; 25-002 Crowd Management and Security Services
 - **Sole Source Standard Agreements** 137-139
 - DAA-20-053-8X AM2 Record Storage and Document Destruction
 - **2025 San Diego County Fair Ride Operator Agreements** 155
 - 25-M-01 Alamo Amusements; 25-M-02 Bishop Amusements; 25-M-03 Caprice Enterprises; 25-M-04 Dakota Rides; 25-M-05 Helm & Sons; 25-M-06 Hot Shot Thrill Rides; 25-M-07 Iconic Midway Rides; 25-M-08 Kastl Amusements; 25-M-09 M & C Attractions; 25-M-10 Outside Amusements; 25-M-11 Prime Pacific; 25-M-12 RCS; 25-M-13 RCS; 25-M-14 Southern Cross; 25-M-15 Still Tryan; 25-M-16 Talley Amusements; 25-M-17 Wanderlust Amusements; 25-M-18 Wood Entertainment
 - **2025 San Diego County Fair Game Operator Agreements** 156
 - 25-M-19 Ashlea Enterprises; 25-M-20 Big T Toys & Sports; 25-M-21 Boguey Concessions; 25-M-22 Boguey's Boardwalk; 25-M-23 JACA Ent; 25-M-24 Kimo's Concessions; 25-M-25 PAN; 25-M-26 Paul's Concessions; 25-M-27 Rogmic Ent; 25-M-28 Talley Amusements
 - **Sponsorship Agreements** 140-154
 - SPO-25-010 Constellation Brands Beer Division

4. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**

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

5. **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. (Govt. Code, § 11126, subd. (e).)
- B. To confer with and receive advice from legal counsel, regarding potential litigation involving the 22nd DAA. Based on existing facts and circumstances, the Board will decide whether to initiate litigation. (Govt. Code, § 11126, subd. (e).)
- C. Personnel: The Board will meet in closed session to consider those items authorized under Section 11126 of the Government Code, including but not limited to the evaluation of performance of the CEO. [Gov. Code, § 11126, subd. (a)]

6. **RECONVENE TO OPEN SESSION**

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

7. **GENERAL BUSINESS**

- A. **Presentation by San Diego Association of Governments (SANDAG) of the LOSSAN Rail Realignment Values Analysis Study** [Information Item] PowerPoint
- B. **Update on SANDAG's Bridge Replacement and Special Events Platform Project** 10-17
[Information Item]
- C. **Discuss and vote on whether the District CEO should continue or discontinue affordable housing discussions with the City of Del Mar under the Exclusive Negotiating Rights Agreement entered into between the District and the City of Del Mar** [Action Item] 18-26
- D. **Finance Committee Report** – Michael Gelfand, Chair 27-33
 - Update and Board discussion on Nilforushan Equisport Events LLC Installment Payment Agreement and potential future events by Nilforushan Equisport Events LLC at the Del Mar Fairgrounds [Information Item] 34-39
 - 1. Discuss and vote on whether to restructure or refinance the Del Mar Race Track Authority Revenue Bonds, Series 2015 [Action Item] 40-41
 - 2. Consideration and vote to approve policies as recommended: 4.04 Financial Stewardship, 4.05 Financial Reserves, 6.02 Event Ticket Purchase, and 6.03 Cashless Fair Operations [Action Item] 42-61
- E. **Master Site Plan Public Engagement Committee Report** – Phil Blair, Chair Verbal
[Information Item]
- F. **Fair Operations Committee Report** – Frederick Schenk, Chair [Information Item] 62-63
- G. **DMTC Liaison Committee Report** – Mark Arabo, Chair 64-66
 - 1. Consideration and vote to approve the 2025 Operating Budget of the Del Mar Thoroughbred Club [Action Item] 67-93
 - 2. Consideration and vote on whether to hold a grandstand concert on the final Sunday (July 6) of the 2025 San Diego County Fair [Action Item] 65-66
- H. **Audit & Governance Committee Report** – Sam Nejabat, Chair 94-105
 - 1. Consideration and vote to amend the Bylaws as previously presented [Action Item]

8. **EXECUTIVE REPORT** [Information Item] – CEO Carlene Moore

- **Operational Announcements** PowerPoint
 - WFA Awards Presentation 106-110
 - Annual spend on standard agreement 23-021 On-Call Environmental Services

- **Construction & Facilities Updates** Verbal
 - Facilities Condition Assessment Report Progress
 - Coast to Crest Trail Update
- **Industry News & Updates** Verbal
 - Bird Flu Impact on Poultry and Dairy Cattle Shows 111-115

9. **MATTERS OF INFORMATION**

- **Correspondence** 116-120
- **Contracts Executed per CEO Delegation of Authority** 162-196
 - Standard Agreements 163-181

25-006 San Diego County Fair Social Media Content Development; 25-013 Del Mar National Horse Show 2025
 - Individual Project Agreements (IPA) with California Construction Authority (CCA) 167-169

022-25-889942-01 The Sound Boiler Replacement
 - 2025 San Diego County Fair Entertainment Agreements 170-174

~~25-1200 San Diego Fine Woodworkers Association; 25-1201 R.W.B. Party Props, Inc.; 25-1202 Michael Marks; 25-1203 Rodger Dohm~~
 - 2025 San Diego County Fair Judging Agreements 175-176

25-01J Wayne Belding; 25-02J Jay Bileti; 25-03J Emily Bloom; 25-04J Breanne Cohen; 25-05J Traci Dutton; 25-06J Stacie Hunt; 25-07J Michael Franz; 25-08J Tim McDonald; 25-09J Gary Parker; 25-10J Devin Parr; 25-11J Jeff Slankard; 25-12J Kevin Walsh; 25-13J Lisa Redwine; 25-14J Chance Coulter; 25-15J Kevin Deal; 25-16J Stephen Caudana; 25-17J Del Cover; 25-18J Russ Filbeck; 25-19J Mark Stook; 25-20J Steffanie Dotson; 25-21J Kevin Sheehan; 25-22J Patrick Quinn; 25-23J Jim Simpson; 25-24J Robert Jacobson; 25-25J Dennis Fowler; 25-26J Don Owen; 25-27J David John; 25-28J Mick Yarbrough; 25-29J Virgil Kruger; 25-30J Anita Amsberry; 25-31J Allen Lewis
 - Event Agreements 177-196

25-876 Jiu Jitsu World League; 25-877 Jiu Jitsu World League; 25-878 Bart Hall & Associates; 25-879 Westward Expos; 25-880 Scott William Bass, Inc.; 25-881 Gem Faire; 25-882 Giant Shows, Inc.; 25-883 SnowJam LLC; 25-884 La Mesa RV Center; 25-887 Rancho Santa Fe Democratic Club; 25-888 Open World, Inc.; 25-889 Viewpoint Brewing; 25-890 Pinery Christmas Trees, Inc.; 25-891 ASULT Productions; 25-894 Just Between Friends; 25-896 La Mesa RV Center; 25-897 Redo Vintage and Makers Market; 25-898 Century Club of San Diego; 25-899 Pinery Christmas Trees; 25-900 Purdy Tree Farms, LLC

10. **ADJOURNMENT**



22nd DISTRICT AGRICULTURAL ASSOCIATION

Board of Directors Meeting

Del Mar Fairgrounds
2260 Jimmy Durante Boulevard
Del Mar, CA 92014
January 14, 2025

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://www.delmarfairgrounds.com/p/public-information1>

OFFICERS PRESENT

Frederick Schenk, President
Michael Gelfand, 1st Vice President (*via Zoom*)
G. Joyce Rowland, 2nd Vice President

DIRECTORS PRESENT

Mark Arabo
Lisa Barkett
Phil Blair
Kathlyn Mead
Don Mosier
Sam Nejabat

OTHERS PRESENT

Joshua Caplan, Deputy Attorney General
Stephen Sunseri, Deputy Attorney General
Carlene Moore, Chief Executive Officer
Katie Mueller, Chief Operations Officer
Tristan Hallman, Chief Communications Officer
Donna O'Leary, Office Manager

CALL TO ORDER

President Schenk called the meeting to order at 1:35 p.m. with a quorum present.

ROLL CALL

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

CONSENT CALENDAR

PUBLIC COMMENT ON CONSENT CALENDAR (see page 6 of transcript)

None

Director Blair moved to approve the Consent Calendar. Director Mosier seconded the motion. President Schenk, Vice Presidents Gelfand and Rowland, Directors Arabo, Barkett, Blair, Mead, Mosier, and Nejabat were all in favor. The motion carried 9-0.

PUBLIC COMMENT ON NON-AGENDA ITEMS (see pages 8-10 of transcript)

Allison Prater, Martha Sullivan

GENERAL BUSINESS

President Schenk announced a change in the order of the agenda items under General Business, beginning with Item 5A, followed by 5D, 5C, and 5B.

Item 5-A: Audit & Governance Committee Report

President Schenk and Director Nejabat introduced Adam Odom of LSL CPAs to present the 2023 Audit Report.

Item 5-A-1: Presentation and vote to accept the 2023 Audit Report

PUBLIC COMMENT ON ITEM 5-A-1 (see page 15 of transcript)

None

Director Rowland moved to approve the 2023 Audit Report. Director Barkett seconded the motion. President Schenk, Vice Presidents Gelfand and Rowland, Directors Arabo, Barkett, Blair, Mead, Mosier, and Nejabat were all in favor. The motion carried 9-0.

Item 5-D: Discussion of existing District Bylaws and Board Member responsibilities under District Bylaws

Deputy Attorney General Caplan reviewed the District's current bylaws and proposed amendments.

PUBLIC COMMENT ON ITEM 5-D (see pages 43-44 of transcript)

None

Item 5-C: Consideration and vote to approve the meeting minutes of October 2, 2024

President Schenk referred to the report beginning on page 94 of the meeting packet.

PUBLIC COMMENT ON ITEM 5-C (see page 44 of transcript)

None

Director Mosier moved to approve the meeting minutes of October 2, 2024. Director Blair seconded the motion. President Schenk, Vice Presidents Gelfand and Rowland, Directors Arabo, Barkett, Blair, Mead, Mosier, and Nejabat were all in favor. The motion carried 9-0.

Item 5-B: Finance Committee Report

President Schenk referred to the report beginning on page 61 of the meeting packet and requested feedback on draft policies 4.04 Financial Stewardship and 4.05 Financial Reserves.

PUBLIC COMMENT ON ITEM 5-B (see page 52 of transcript)

None

Item 5-B-1: Consideration and vote on Nilforushan Equisport Events LLC request to suspend Installment Payment Agreement indefinitely

President Schenk referred to the report beginning on page 78 of the meeting packet.

PUBLIC COMMENT ON ITEM 5-B-1 (see pages 62-80 and 95-98 of transcript)

Carla Hayes, Chris Wilson, Ashlyn Dorsey, Matt Besson, Brenley Blalock, Paul Haunert, Michael Hawthorne, Ali Nilforushan

Vice President Gelfand moved to deny Nilforushan Equisport Events LLC's request to suspend payments and to authorize CEO Moore to pursue all legal rights and remedies to collect all unpaid payments due and owing from Nilforushan Equisport Events LLC under the Installment Payment Agreement and to keep the Finance Committee apprised of efforts being made to do so. There was no second to the motion so it failed to advance. President Schenk directed CEO Moore and the Finance Committee to report back at the next Board meeting.

EXECUTIVE REPORT

- New Horse Protection Act regulations, outlined on pages 132-133 of the meeting packet, will affect horse shows at the fairgrounds and Horsepark.
- The California State Veterinarian has implemented an immediate ban on all poultry and dairy cattle exhibitions at fairs and shows until further notice to minimize the risk of exposing people and animals to H5N1 avian influenza, also known as bird flu. The 2025 San Diego County Fair will not feature any poultry or dairy cattle as long as the ban remains in place. Updates will be provided to the Board as they become available.
- CEO Moore advised the Board to contact the California Deputy Appointments Secretary, who oversees District Agricultural Association Board appointments, to convey their interest in continuing to serve.
- The District sent a letter to SANDAG members urging them to continue planning and construction of the San Dieguito rail bridge replacement and special events platform at the fairgrounds, after the City of Del Mar asked SANDAG to delay the fully funded project.
- The LOSSAN rail realignment value analysis study is being finalized and will be available publicly in early 2025.
- President Schenk and CEO Moore met with Senator Catherine Blakespear, who expressed her support for the bridge replacement and special events platform project moving forward.
- COO Mueller shared the 24 awards the District received from the International Association of Fairs and Expositions, including eleven first-place awards and one special recognition.
- CCO Hallman gave a presentation on the Fair For All program, which donates San Diego County Fair tickets to non-profit groups and service organizations throughout the community.
- CEO Moore reviewed a breakdown of bank fees, service fees, and credit card fees paid by the District before requesting feedback on policies 6.02 and 6.03.

PUBLIC COMMENT ON EXECUTIVE REPORT (see page 153 of transcript)

None

MATTERS OF INFORMATION

Correspondence can be found on pages 137-154 of the meeting packet. Contract information can be found on pages 155-207 of the meeting packet.

RECESS TO CLOSED EXECUTIVE SESSION

The Board recessed to Closed Executive Session at 4:45 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 5:11 p.m. President Schenk stated that the District Board of Directors considered the advice of Counsel on the items listed on the Closed Session portion of the agenda and there is nothing to report.

ADJOURNMENT

There being no further business to discuss, President Schenk adjourned the meeting at 5:12 p.m.

Carlene Moore
Chief Executive Officer



Item 7-B, Update on SANDAG's Bridge Replacement and Special Events Platform Project

Background:

Since mid-2009, the 22nd District Agricultural Association (22nd DAA) has been working on a Los Angeles-San Diego (LOSSAN) Rail Corridor bridge replacement, double-track and special events platform project with the San Diego Association of Governments (SANDAG), the North County Transit District (NCTD), the State of California Department of General Services (DGS), the California Construction Authority (CCA), the Del Mar Thoroughbred Club (DMTC) and SANDAG's consultants.

SANDAG staff attended the August 13, 2024, 22nd DAA Board of Directors meeting to provide an update on the project. At that meeting, SANDAG staff relayed that:

- The project that had once been separated into two phases was being combined into one;
- The right-of-way certification process through DGS was proceeding; and
- Review of plans was being conducted by CCA and the Division of the State Architect.

All these items have remained in progress and are anticipated to be complete in early 2025. Additionally, the project will be taken to the California Transportation Commission (CTC) in early June for construction funding allocation.

SANDAG's intent is to solicit bids on the project in June, award the contract in December, and begin construction in early 2026. The project is anticipated to take four-and-a-half years to complete ending in mid-2030. The total funding awarded for this project — obtained from multiple sources over many years — is \$348 million.

Process/Approach:

The 22nd DAA Board of Directors and staff have clearly and consistently expressed support for this much-needed project that will benefit the organization, neighboring communities, and the entire region.

Since 2009, the 22nd DAA's Board has received approximately seven presentations from SANDAG staff on the status of the project. The 22nd DAA Board has provided five letters of support for the project to various State and Federal entities.

In February of 2024, the 22nd DAA's Board passed a resolution proclaiming that the organization's top "transportation priority is the swift construction of a seasonal rail platform that will reduce vehicular traffic during major events at the Del Mar Fairgrounds, thereby improving local air quality and reducing greenhouse gas emissions."

In January, a letter in support of the project from 22nd DAA Chief Executive Officer, Carlene Moore was sent to the CEO of SANDAG, Mario Orso. The letter was sent after the Del Mar City Council announced their intention to request a delay in the project until the final alignment is selected for the separate project, the LOSSAN Rail Corridor realignment. The request would risk key deadlines and jeopardize funding for the project.

22nd DAA staff also advocated for the project during the public comment period at the January SANDAG Board meeting.

The continued support of this long anticipated and much-needed improvement to the rail line will help ensure the timely completion of this fully funded project.

Next steps:

The 22nd DAA will continue to advocate for the project and work with stakeholders to ensure construction moves forward in a timely manner with minimal disruption to Fairgrounds operations.



January 14, 2025

Mario Orso
Chief Executive Officer
San Diego Association of Governments (SANDAG)
mario.orso@sandag.org

Re: Support for double-tracking and bridge replacement project

Dear Mr. Orso:

First, we want you to know that we greatly appreciate the fact-based and collaborative approach you have taken regarding the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Realignment project. We are very grateful that you recognized instantly that the 22nd District Agricultural Association (22nd DAA) — the owner and operator of the longstanding community asset and regional economic generator known as the Del Mar Fairgrounds — needed and deserved a seat at the table for the Value Analysis discussions about the future of transportation along the LOSSAN Corridor in San Diego County.

We would like you to know, however, that we are alarmed by the direction given at a recent Del Mar City Council for the City to request that SANDAG delay the long-planned and fully funded San Dieguito bridge replacement, double-tracking, and special events rail platform due to their well-publicized concerns over the larger LOSSAN realignment project.

As a key stakeholder along the LOSSAN Corridor and as a partner of SANDAG, we do not support this request for delay of the bridge replacement, double-tracking, and special events rail platform. **We strongly urge SANDAG to continue proceeding with the planning and construction work needed to modernize a vital segment of the LOSSAN Corridor.**

The Del Mar City Council previously publicly called on SANDAG to “respect and protect the operational, economic, environmental and planning needs of the 22nd DAA” in connection with the LOSSAN Corridor. We believe the request for a delay would violate the tenets of this principle.

The 22nd DAA’s Board of Directors stands firmly behind the bridge replacement, double-tracking, and special events platform project. Through its unanimously passed resolution in February 2024, our Board proclaimed that the 22nd DAA’s “top public transportation priority is the swift construction of a seasonal rail platform that will reduce vehicular traffic during major events at the Del Mar Fairgrounds, thereby improving local air quality and reducing greenhouse gas emissions.” (The full resolution text is attached for your reference).

We understand and can appreciate the position that the Del Mar City Council is in, and we respect that the City Council may perceive further delay of this vital project as something that is in the best interests of their 4,000 residents. We also certainly have empathy for anyone who may be adversely affected by the necessary changes coming to the LOSSAN Corridor — a concern that was central to the Value Analysis discussions.

But we also believe that delay would be harmful to the 3.3 million people who live elsewhere in San Diego County; the nearly 2 million people who enjoy events and activities annually at the Fairgrounds; the Fairgrounds’ nearby neighborhoods in San Diego, Del Mar, and Solana Beach who are impacted by major

event traffic at the Fairgrounds; the nearly 32 million annual guests to San Diego County whose visits to the region generate jobs and economic activity; and any commuters and LOSSAN rail users, including the United States military, who rely on the second-busiest rail corridor in the nation to make their lives and livelihoods.

Our honorable lawmakers, SANDAG, the North County Transit District, the 22nd DAA, and many other community advocates have worked hard over the course of multiple decades to plan this project and to obtain the \$350 million in funding necessary to complete it. They all understood the importance of improving the safety and reliability of a busy rail corridor that operates on a single track atop a century-old trestle bridge that is not equipped for sea-level rise. Another delay would be insulting to their work and will jeopardize the funding for this project – and potentially future projects.

We have continued to meet with SANDAG officials, the Department of General Services, and other stakeholders to ensure the double-tracking and seasonal platform can move forward in a timely manner. Because of the annual San Diego County Fair and other events and activities at the Fairgrounds, construction activities must be timed appropriately. Even a short delay at this point would be extraordinarily consequential for these much-needed improvements, and we cannot afford to allow sand to be thrown into the gears of this critical project.

Much like SANDAG under your leadership, the 22nd DAA strives to bring our communities together in a thoughtful, innovative, efficient, safe, and inclusive manner. A delay would serve only narrow interests — and would do so to the detriment of the entire region. We trust that you will put our region's needs first and reject the request for delay.

Sincerely,



Carlene Moore
Chief Executive Officer
22nd District Agricultural Association
Del Mar Fairgrounds
San Diego County Fair

Enclosure: Text of February 20, 2024 22nd DAA Board of Directors Resolution

Cc: Hon. Darrell Issa, United States Congress
Hon. Sara Jacobs, United States Congress
Hon. Mike Levin, United States Congress
Hon. Scott Peters, United States Congress
Hon. Juan Vargas, United States Congress
Hon. Toni Atkins, California Senate
Hon. Catherine Blakespear, California Senate
Hon. Tasha Boerner, California Assembly
Hon. Terra Lawson-Remer, County of San Diego
Hon. Sean Elo-Rivera, City of San Diego
Hon. Leesa Heebner, City of Solana Beach
Hon. Melanie Burkholder, City of Carlsbad
Hon. Priya Bhat-Patel, City of Carlsbad
Hon. Keith Blackburn, City of Carlsbad
Hon. Carolina Chavez, City of Chula Vista
Hon. Cesar Fernandez, City of Chula Vista
Hon. Michael Inzunza, City of Chula Vista
Hon. John Duncan, City of Coronado

Hon. Carrie Downey, City of Coronado
Hon. Mark Fleming, City of Coronado
Hon. Amy Steward, City of Coronado
Hon. Terry Gaasterland, City of Del Mar
Hon. Tracy Martinez, City of Del Mar
Hon. Bill Wells, City of El Cajon
Hon. Steve Goble, City of El Cajon
Hon. Bruce Ehlers, City of Encinitas
Hon. Luke Shaffer, City of Encinitas
Hon. Joy Lyndes, City of Encinitas
Hon. Dane White, City of Escondido
Hon. Judy Fitzgerald, City of Escondido
Hon. Joe Garcia, City of Escondido
Hon. Jack Fisher, City of Imperial Beach
Hon. Mitch McKay, City of Imperial Beach
Hon. Matthew Leyba-Gonzalez, City of Imperial Beach
Hon. Patricia Dillard, City of La Mesa
Hon. Alysson Snow, City of Lemon Grove

Hon. Jennifer Mendoza, City of Lemon Grove
Hon. Jessyka Heredia, City of Lemon Grove
Hon. Luz Molina, City of National City
Hon. Ron Morrison, City of National City
Hon. Ditas Yamane, City of National City
Hon. Esther Sanchez, City of Oceanside
Hon. Eric Joyce, City of Oceanside
Hon. Jimmy Figueroa, City of Oceanside
Hon. Steve Vaus, City of Poway
Hon. Todd Gloria, City of San Diego
Hon. Kent Lee, City of San Diego
Hon. Marni Von Wilpert, City of San Diego
Hon. Joe LaCava, City of San Diego
Hon. Vivian Moreno, City of San Diego
Hon. Rebecca Jones, City of San Marcos

Hon. Ed Musgrove, City of San Marcos
Hon. Sharon Jenkins, City of San Marcos
Hon. John Minto, City of Santee
Hon. Laura Koval, City of Santee
Hon. Ronn Hall, City of Santee
Hon. David A. Zito, City of Solana Beach
Hon. Jewel Edson, City of Solana Beach
Hon. Katie Melendez, City of Vista
Hon. Dan O'Donnell, City of Vista
Hon. John Franklin, City of Vista
Hon. Joel Anderson, County of San Diego
Hon. Terra Lawson-Remer, County of San Diego
Hon. Monica Montgomery Steppe, County of San Diego

OFFICIAL RESOLUTION

Board of Directors

22nd District Agricultural Association

WHEREAS, the 22nd District Agricultural Association is a state institution that owns and operates the Del Mar Fairgrounds, which serves all of San Diego County and is located within the city limits of both the City of Del Mar and the City of San Diego. In addition, the Del Mar Fairgrounds is located adjacent to the City of Solana Beach. The District is sensitive to its neighbors' needs and concerns; and

WHEREAS, the Del Mar Fairgrounds is the home of the San Diego County Fair, the region's largest annual event, as well as dozens of other long-cherished traditions, events, and activities; and

WHEREAS, the 22nd District Agricultural Association, which produces the San Diego County Fair, serves our county's diverse communities and the State of California by providing fun, educational, and recreational events and services. This includes providing and hosting community programming such as the Junior Livestock Auction, the Plant-Grow-Eat initiative, the Care 'N Share program, the Fair For All program, the Street Banner Program, and numerous other initiatives; and

WHEREAS, the Del Mar Fairgrounds has also served as a vital community asset in times of need. This included hosting people and animals during wildfire evacuations and serving as a vaccination super-station during the COVID-19 pandemic; and

WHEREAS, the Del Mar Fairgrounds sits in an environmentally sensitive area, and the 22nd District Agricultural Association has invested millions of dollars to keep our coastlines clean and to maintain and restore the San Dieguito Lagoon and nests of the endangered least terns; and

WHEREAS, the 22nd District Agricultural Association does not receive allocations of taxpayer dollars from the state or from local governments and instead operates effectively as a business, meaning it must generate its revenue for operations and capital improvements through hosting and producing events, activities, and operator agreements; and

WHEREAS, the events and activities at the Del Mar Fairgrounds do contribute directly to local governments through sales tax revenue, as well as other sources such as off-track betting revenue. In addition, San Diego State University studies found that in 2019 – prior to a marked increase in inflation -- the San Diego County Fair generated \$236 million in spending for the local economy and the Del Mar Fairgrounds generated \$680 million in economic impact for the region. The 22nd District Agricultural Association's operations also support small businesses, entrepreneurs, and thousands of workers, including more than 1,200 temporary employees from the San Diego County community who are hired for the Fair; and

WHEREAS, public transportation has long been a key factor for the success of the San Diego County Fair, live racing meets, and other events. For years, the 22nd District Agricultural Association and the Del Mar Thoroughbred Club have provided free shuttle service to and from Solana Beach Station and promoted public transportation use for major events; and

WHEREAS, the San Diego Association of Governments (SANDAG) has long planned – and has already obtained partial funding for – a seasonal rail platform to be built adjacent to the Del Mar Fairgrounds as part of its double-tracking plan. A seasonal rail platform would further promote public transportation for major events, which would create significant economic and environmental benefits for the region; and

WHEREAS, as part of the same project, SANDAG is simultaneously developing necessary plans for the realignment of the Los Angeles-San Diego (LOSSAN) rail corridor, the second-busiest corridor in the United States. SANDAG previously studied an alignment that would run partially through the 22nd District Agricultural Association’s property, but found extensive problems with such an idea and had not previously considered it a preferred alternative; and

WHEREAS, the Del Mar City Council on November 13, 2023, voted to call for further study of an alignment that would run through the Del Mar Fairgrounds. But on December 18, 2023, the Del Mar City Council also voted on a guiding principle, which states, “With regard to study of a potential Fairgrounds rail alignment, SANDAG must respect and protect the operational, economic, environmental and planning needs of the 22nd DAA and of the proposed Del Mar housing program on the fairgrounds, and as a key stakeholder be proactively engaged by SANDAG throughout process.” This principle was added in consultation with the 22nd District Agricultural Association; and

WHEREAS, the 22nd District Agricultural Association is a major stakeholder in plans regarding the LOSSAN Rail Realignment Project and will benefit from the long-planned seasonal rail platform; and

WHEREAS, the 22nd District Agricultural Association is currently engaged in strategic planning efforts to shape the future of the Del Mar Fairgrounds. The possibility of a train realignment threatens this strategic planning work and could jeopardize this vital community asset that has served San Diego County since 1936.

NOW, THEREFORE, BE IT RESOLVED, by the 22nd District Agricultural Association Board of Directors:

SECTION 1. That the 22nd District Agricultural Association is firmly opposed to any LOSSAN corridor realignment that impacts operational, economic, environmental, and planning needs at the Del Mar Fairgrounds.

SECTION 2. That the 22nd District Agricultural Association’s top public transportation priority is the swift construction of a seasonal rail platform that will reduce vehicular traffic during major events at the Del Mar Fairgrounds, thereby improving local air quality and reducing greenhouse gas emissions.

SECTION 3. That the 22nd District Agricultural Association’s property may be unable to serve as an affordable housing site for the City of Del Mar should a plan move forward to run train tracks through or across District property.

SECTION 4. That this resolution takes effect immediately upon passage and reflects the official position of the 22nd District Agricultural Association.

SECTION 5. That the Chief Executive Officer of the 22nd District Agricultural Association will provide a copy of this finalized resolution, along with a record of the final vote, to SANDAG and is hereby authorized to represent the Board of Directors' position in any public or private forum.

APPROVED by the 22nd District Agricultural Association Board of Directors on February 20th, 2024.



Item 7-C, Discuss and vote on whether the District CEO should continue or discontinue affordable housing discussions with the City of Del Mar under the Exclusive Rights Negotiating Agreement entered into between the District and the City of Del Mar

Background

Initial Discussions and Concerns

The City of Del Mar has been speaking with officials at the 22nd District Agricultural Association (22nd DAA) informally, on and off, for years about the possibility of hosting affordable housing on 22nd DAA property. The 22nd DAA in 2023 began talks to enter into an agreement to start formal negotiations, which were based on the City's need to meet state-imposed requirements to provide affordable housing.

However, during these conversations, some Del Mar residents, with support from a Del Mar City Council member, began advocating for rerouting the Los Angeles-San Diego (LOSSAN) Rail Corridor through the Fairgrounds — an extraordinarily disruptive and consequential option that would render the self-funded 22nd DAA unable to operate any significant activities, such as the San Diego County Fair and horse racing, for a lengthy period of time.

In November 2023, the Del Mar City Council adopted a set of guiding principles on the LOSSAN Rail Corridor Realignment project that called for SANDAG to study other alternatives, including the destructive potential Fairgrounds alignment, which SANDAG had previously studied and ruled out years prior.

After receiving notification from 22nd DAA CEO Carlene Moore that a Fairgrounds alignment would threaten the ability to plan for accommodating the City of Del Mar's request to site affordable housing on 22nd DAA property, Del Mar officials met with the 22nd DAA about adding another guiding principle. In December 2023, the Del Mar City Council voted to amend its guiding principles to state, "With regard to study of a potential

Fairgrounds rail alignment, SANDAG must respect and protect the operational, economic, environmental and planning needs of the 22nd DAA and of the proposed Del Mar housing program on the Fairgrounds, and as a key stakeholder, the 22nd DAA must be proactively engaged by SANDAG throughout the process.”

Proceeding with Negotiations

With these assurances from the City, in February 2024, the 22nd DAA approved an Exclusive Negotiating Rights Agreement (ENRA) with the City of Del Mar. This agreement guaranteed that the 22nd DAA would negotiate only with the City — and no other jurisdictions or private parties — regarding the siting of affordable housing and that the two parties would work collaboratively to identify and study potential sites and options. The ENRA did not commit the 22nd DAA to providing housing but spelled out the process for determining whether, when, and how to proceed. The 22nd DAA Board would have the ultimate say in whether to site affordable housing on its property.

At the same meeting, the 22nd DAA passed a resolution opposing any LOSSAN alignment that would negatively impact the Fairgrounds. The resolution also proclaimed that the 22nd DAA’s “top public transportation priority is the swift construction of a seasonal rail platform that will reduce vehicular traffic during major events at the Del Mar Fairgrounds, thereby improving local air quality and reducing greenhouse gas emissions.”

Alternative A and an Affordable Housing Pause

Months later, the San Diego Association of Governments (SANDAG) released a Notice of Preparation (NOP) for the Draft Environmental Impact Report (EIR) for the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Realignment Project. This report included three potential alignments for study, including “Alternative A,” which would reroute the train corridor through a significant portion of 22nd DAA property.

In response, the 22nd DAA’s Board of Directors met on July 15, 2024, to discuss the NOP, SANDAG’s Alignment Screening Report, and impacts to the 22nd DAA’s financial planning and operations. At this meeting, the Board passed a resolution that, among other things, officially opposed Alternative A, urged SANDAG to construct the long-planned and fully funded special events rail platform at the Fairgrounds as soon as possible; and paused affordable housing discussions with the City of Del Mar.

The City's representatives, including Mayor David Druker, responded at the time that they continued to stand behind its December 2023 guiding principle as it relates to protecting the needs of the 22nd DAA.

The City then approached the 22nd DAA and the City of San Diego to join the City and the City of Solana Beach to jointly pass a resolution expressing concern over all SANDAG's proposed alignments — including Alternative A — as detailed in its NOP. This resolution, which was partially shaped with input from 22nd DAA staff, was in line with 22nd DAA's previous positions opposing Alternative A. Del Mar's and Solana Beach's city councils and the 22nd DAA Board approved the resolution, a copy of which accompanies this report.

The resolution satisfied the agreement of opposition to Alternative A, allowing affordable housing discussions to resume between the City and 22nd DAA.

Latest LOSSAN Developments

City of Del Mar and 22nd DAA staff continued talking about affordable housing and made progress in the fall and winter of 2024. Simultaneously, City and 22nd DAA representatives also took part in SANDAG's Values Analysis study for the LOSSAN Rail Realignment, in which the corridor's stakeholders from across the region delved into technical issues, proposed alternatives, toured sites, and discussed impacts with the hope of modifying, eliminating, and/or adding alternative alignments.

Afterward, the City of Del Mar asked SANDAG to delay the fully funded and planned bridge replacement, seasonal rail platform, and double-tracking project until a final LOSSAN alternative was selected. However, the only proposed alternative that would impact this project's viability is Alternative A — which the City had ostensibly opposed, based on its guiding principles and the joint resolution.

Analysis

In a KPBS new story about the differing views of the 22nd DAA and the City of Del Mar, the reporter, who interviewed new Mayor Terry Gaasterland, said that "Gaasterland said the better choice is Alternative A." (Gaasterland replaced Druker, who opted to leave the City Council). The news story accompanies this report.

The City's request to delay the bridge replacement and seasonal rail platform project, as well as the statement by the new mayor, runs counter to the spirit of the City's guiding principle. The request also appears to represent continued advocacy for further study and consideration of alignments that would harm the Fairgrounds, a fact known to the City because of its participation in the Values Analysis process.

The 22nd DAA Board has already made clear that Alternative A is unacceptable and would harm the economic, operational, environmental, and planning needs of the organization and the Fairgrounds, which produce an annual economic impact of more than \$680 million for the region.

Considering the rhetoric and actions that would appear to support Alternative A, the 22nd DAA could risk spending time and resources on an affordable housing program that would not be viable if the organization is unable to fully operate for years due to cut-and-cover train tunnel construction.

Recommendation

The 22nd DAA Board of Directors should provide guidance on a monthly basis to the CEO as to whether the organization should continue to spend time and resources negotiating with the City on its request for affordable housing. This will allow for pausing and restarting conversations based on the City's posture and developments concerning the LOSSAN Rail Realignment Project.

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR (DEL MAR), CITY COUNCIL OF THE CITY OF SOLANA BEACH (SOLANA BEACH), AND 22ND DISTRICT AGRICULTURAL ASSOCIATION (22ND DAA), (TOGETHER THE “PARTIES”), REGARDING THE SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG) LOSSAN RAIL REALIGNMENT PROJECT

WHEREAS, the Los Angeles—San Diego—San Luis Obispo (LOSSAN) rail corridor is an important part of the region’s economy, has a role in our nation’s defense by providing direct rail access to key ports and military bases, and is a significant component of achieving SANDAG’s adopted climate goals; and

WHEREAS, the LOSSAN corridor also supports ridership for North County Transit District (NCTD), Amtrak Pacific Surfliner, and the transit of goods for the BNSF railway; and

WHEREAS, a portion of this rail line runs along the environmentally sensitive and fragile Del Mar bluffs, the erosion of which continues to affect passenger and freight rail operations and has been identified for realignment by SANDAG; and

WHEREAS, as part of the rail realignment effort, it is critically important that SANDAG undertake robust outreach and engagement throughout the process, which should include sharing information and engaging equally with each of the primary governing body project stakeholders (Primary Stakeholders) to determine a long-term solution to continue passenger and freight rail operations to the north and south; and

WHEREAS, the built environment in which this project will be undertaken poses many challenges including potentially adverse impacts to public and private property (including acquisition of rights-of-way and eminent domain), businesses, homeowners/residents, tourism, public safety, sensitive environmental areas, and the regional economy during and following construction, which must be considered and minimized to the greatest extent feasible when identifying potential rail realignment options; and

WHEREAS, SANDAG is the Lead Agency under the California Environmental Quality Act (CEQA), and the Primary Stakeholders may have discretionary actions at some point in the future making them a Responsible Agency under CEQA; and

WHEREAS, significant negative concerns about each of the proposed project alignments (A, B, and C) have been raised by project stakeholders and the public as part of the project Notice of Preparation (NOP) public comment process, which closed on July 19, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Parties that:

1. The above recitals are true and correct.
2. In light of the significant concerns that have been raised about proposed Alignments A, B, and C, including a lack of sufficient engagement with the Primary Stakeholders, the Parties request that SANDAG undertake more detailed engagement with the Primary Stakeholders to develop mutually agreed upon

project goals and objectives, identify a clear project description, and determine new or modified rail realignment options.

3. Throughout the planning, analysis, and design of this project, SANDAG should take into consideration how to minimize or, if possible, avoid negative or adverse impacts as outlined by the Parties above.
4. Decision making should be based on publicly available documentation derived from research, engineering, and technical evaluations, including but not limited to selection of the proposed project and alternatives, attainment of the majority of defined key project objectives, and determinations of significance under CEQA for issue areas, environmentally preferred alternative, and statement of overriding considerations.
5. The Parties direct that a copy of this Resolution be provided to SANDAG once fully executed.

PASSED, APPROVED AND ADOPTED by the Parties as indicated by the following authorized signors as of the dates identified below:

CITY OF DEL MAR

 E-SIGNED by Dave Druker
on 2024-09-24 17:56:58 PDT

Dave Druker, Mayor

DATE: September 24, 2024

CITY OF SOLANA BEACH

 E-SIGNED by Lesa Heebner
on 2024-09-24 20:32:40 PDT

Lesa Heebner, Mayor

DATE: September 24, 2024

22ND DAA

 E-SIGNED by Frederick Schenk
on 2024-09-25 20:38:35 PDT

Frederick Schenk, Board President

DATE: September 25, 2024

Del Mar, Fairgrounds at odds over San Dieguito Rail Bridge replacement

For more than a century, trains have crossed the San Dieguito River via a wooden trestle bridge alongside the Del Mar Fairgrounds.

But the San Diego Association of Governments (SANDAG) said the old rail bridge, built in 1916, needs frequent and expensive repairs and is at the end of its service life.

SANDAG plans to build a new bridge in 2026. It would be higher to offset the effects of sea level rise and double-tracked to allow for more rail traffic.

The plans now have the city and the fairgrounds at odds.

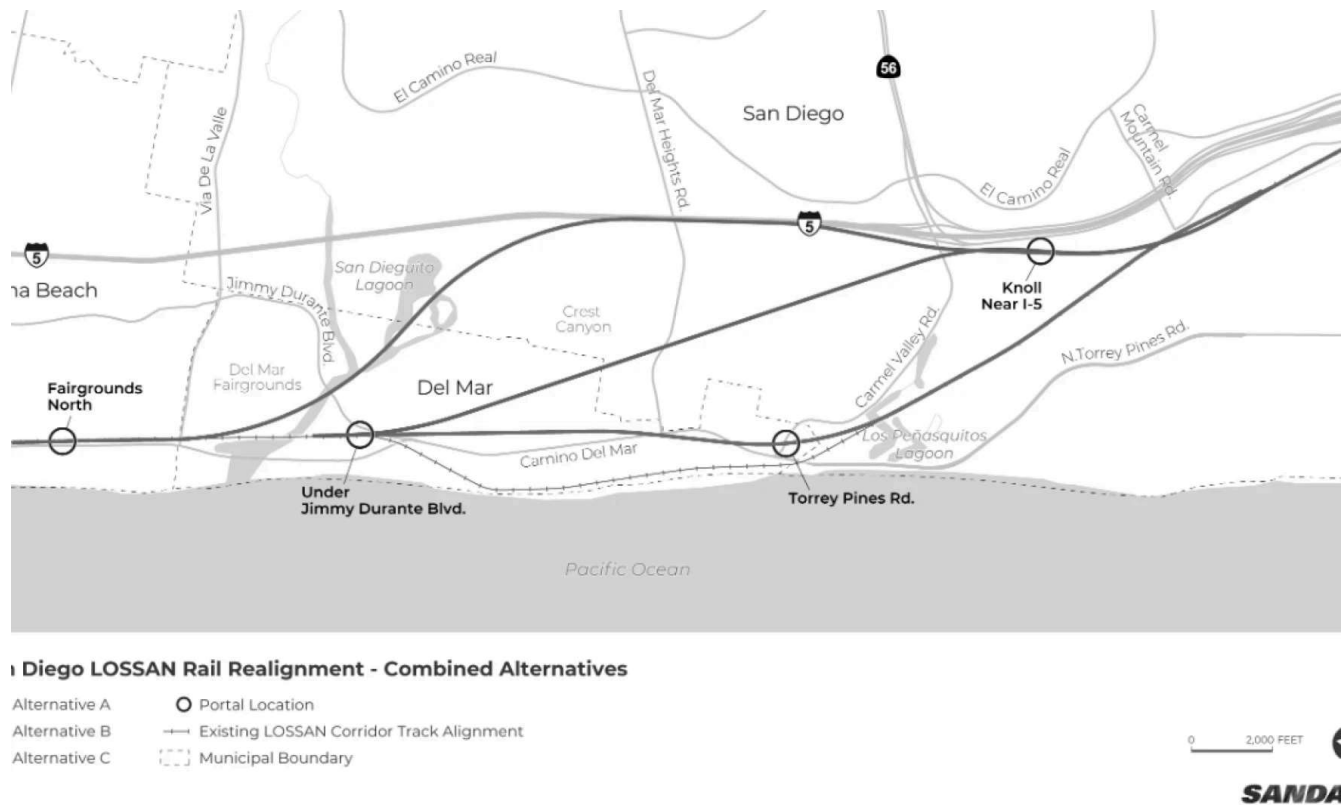
The Del Mar City Council and the Del Mar Fairgrounds recently sent SANDAG dueling letters about the bridge project.

The Del Mar City Council is asking SANDAG to delay building the bridge because of another project to move the railroad tracks off Del Mar's eroding bluffs. Managers of the Del Mar Fairgrounds say a delay would risk funding that is already in place for the bridge.

Del Mar Mayor Terry Gaasterland said it's better to wait for the rail realignment plan to be finalized before spending money on building a new bridge.

"Our city council recognized that replacing this bridge before we know where the railroad tracks are going to be relocated in the railroad realignment is premature," she said.

"(It was) two years ago that we received \$300 million from the state to do the environmental studies of realignment, and this bridge has been under way, but the assumption is that the railroad tracks would not move," Gaasterland said.



SANDAG

San Diego LOSSAN Rail Realignment project alternatives map. Lines depicting the railway alignments and portal locations to be analyzed in the Draft Environmental Impact Report.

Last summer, SANDAG narrowed the realignment choices to three options: A, B and C. They all involved building a tunnel to move the tracks off the coast. Option B and C would have the tunnel through Del Mar, with the bridge being the nexus point.

“About 50 homes would be right in the area where the portal is. And then about 500 homes would either be above the tunnel or laterally next door to a house above the tunnel,” Gaasterland said. “That is a lot of residential housing that would be impacted.”

She said the better choice is Option A, which would place the tunnel underneath the fairgrounds.

But the 22nd District Agricultural Association (22nd DAA), which runs the Del Mar Fairgrounds, said that option would render it unable to produce the annual San Diego County Fair.

“It's the most expensive option,” said Tristan Hallman, spokesman for the 22nd DAA. “It destroys the fairgrounds in terms of what we're able to do here for years during construction. And frankly, we have the funding for this project.”

SANDAG still has to choose an option for realignment, but federal and state money is already there for the new bridge.

The 22nd DAA has sent a letter of its own to SANDAG, saying a delay in building the bridge could have consequences.

“The region is going to lose the funding that we have set aside for this,” Hallman said. “That has a very specific purpose. It's for this project. It's for the seasonal rail platform.”

The bridge replacement would include a seasonal platform letting riders get off at the fairgrounds during special events. Gaasterland said there are ways to extend the funding deadline and the Del Mar City Council could help with that.

A SANDAG spokesperson said in a statement the agency has received both letters and is reviewing them.

"Any action to delay the San Dieguito Double Track and Special Events Platform project would need to be considered and approved by the SANDAG Board of Directors," the statement said.

At this point, there is no word on when SANDAG might consider the city's request. The item is not on the agenda for the SANDAG board meeting this Friday.



Item 7-D, Finance Committee Report

Background:

The Finance Committee ("the Committee") is charged by the Board Chair with the following:

- Reviewing and monitoring financial data and information pertaining to 22nd DAA.
- Reviewing the CEO's proposed budget prior to presentation to the Board.
- Making recommendations to the Board regarding financial matters, including day-to-day land use decisions, to improve 22nd DAA's financial health.
- Developing and amending recommended financial policies for Board consideration.
- Reviewing and recommending insurance policies and programs for board consideration.

Process/Approach:

Accompanying this Committee Report are preliminary financial reports for 2024 through November 30. These reports are subject to change as the 22nd District Agricultural Association (22nd DAA) works to review and close out the month.

The Balance Sheet is consolidated and inclusive of 22nd DAA, State Race Track Leasing Commission (SRTLCL), and Del Mar Race Track Authority (RTA).

The Income Statement is inclusive of 22nd DAA programs and operations only.

As previously 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.).

Executive Summary

Overview:

Factoring out the PPP loan repayment, through the first eleven months of the year, 22nd DAA operations performed better than expected by approximately \$3.4 million. A total savings of \$8.0 million were achieved from reduced Payroll & Related Expense (\$2.033 million) and Professional Services (\$6.036 million) for the year. The 22nd DAA also received the New Fair Funds (AB1499) in the amount of \$1,484,500 in January 2024. The New Fair Funds were unanticipated

at the time the budget was developed and approved, and 22nd DAA is utilizing the New Fair Funds for a portion of the capital expenditure items this year.

This month's report also reflects the impact of the Breeders' Cup event, which was held on November 1 and 2.

Detail & Analysis of the Income Statement:

Strengths: Through November 2024, the 22nd DAA outperformed its budget projections in the following categories:

↑ **Facility Rentals Revenues:** Through the first eleven months of the year, this category is higher than forecast by nearly 17%, or \$1,330,000. For the month of October, this element exceeded the forecast by nearly 7% or \$59,000.

↓ Through the first eleven months of the year, **Total Operating Expenses** were lower than forecast by nearly 11% or \$9,082,000 which may be due to timing differences between amounts budgeted and actual services performed.

↓ **Payroll & Related Expenses** are indicative of the ability to fill full-time, civil service vacancies within any given month as well as actual hours incurred versus those anticipated for temporary employees working during events. For the month, 22nd DAA is trending lower than the budgeted amount by 11%, or \$139,000. Through the eleven months of the year, this element is lower than the budget by about 11%, or \$2,034,000.

↓ **Professional Services** consists of a multitude of services, the largest being food and beverage. The actual timing of expenditures in this category may differ from the budgeted amounts, resulting in variances between the months during the year. For the month of November, this category is trending lower than forecast by 7%, or \$302,000. Through the first eleven months of the year, this category is lower than the budget by nearly 18%, or \$6,014,000. The accounting team is researching the savings in this category to determine if these savings will be realized for the year or are the result of timing issues when the budget was developed.

↑↓ **Food and Beverage Expenses** as a subcategory of the Professional Services Expense is trending higher than the budget estimate by nearly

16%, or \$576,000, for the. However, through the first eleven months of the year, this cost element is lower than the budget by nearly 8% or \$1,649,000.

Challenges: Through November 2024, the 22nd DAA did not meet expectations in the following categories:



Total Operating Revenues for the month were lower than expectations by 3%, or about \$176,000. Through November, total operating revenues are lower than forecast by about 11% or \$8,761,000, in large part due to actual revenue earned versus what was anticipated during the budget process for the Fair, The Sound, and the Summer and Fall Race Meet.



Concessions Revenues: Food and Beverage sales fell short of expectations for the month of November by 5%, or nearly \$256,000.



Parking Revenues for the month of November is higher than the forecast by nearly 25% or \$19,000. For the year, this element fell short of the forecast by nearly 16%, or \$1,115,000. The cancellation of KAABOO Festival in September contributed to year-to-date shortfall by \$521,250.



Total Revenue: For the year and through the month of November is lower than originally anticipated by \$6,295,000 or nearly 7%.



Total Operating Expenses were higher than expected by 4%, or \$490,000 for the month.

Debt Service Activity

22nd DAA made a debt service payment to the Department of General Services in the amount of \$258,268 for principal and interest toward its Energy Efficiency improvement loan obligation.

About the Financial Statements

Balance Sheet:

Data for fiscal years 2022 and 2023 are included for comparison purposes to the current year, 2024.

Income Statement (All Programs & Operations):

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

for producing and preparing for the Fair are reflected in the months leading up to and after the Fair.

The first three columns of figures represent the month's activity — Actual, Budget, and Variance of Actual vs. Budget. The middle grouping of columns represents the year-to-date activity, while the last column presents the complete 2024 Operating Budget goals.

November Performance: The Net Income activity for the month of November was lower than the forecast, mostly due to the increased food and beverage expenses.

The Sound: Eight events were produced at The Sound in November, matching the monthly forecasted events. This fell short by one event when considering Finance Committee's challenge. For the first eleven months of the year, The Sound is trending behind the forecasted number of shows — 52 events actual versus the forecasted 71. However, due to the popularity and success of the shows held, the Year-to-Date Net Income is higher than the budget by about \$22,000. Awareness of the venue is steadily growing among artists, agents, and promoters. Though Belly Up will not achieve the number of shows for the year anticipated in the budget (80), the shows produced so far have been well attended, and expectations are that the venue will operate near 22nd DAA's financial goals for the year.

Definitions

Restricted Cash RTA: This reflects the cash available for the Race Track Authority bond obligations. This includes:

- 1) maintaining a reserve fund held in trust equivalent to one year's debt obligation;
- 2) the current year's debt obligation;
- 3) the minimum cash balance requirement for 22nd DAA (the equivalent of one year's debt obligation); and
- 4) when applicable, surplus funds contributed that revert to 22nd DAA.

As a reminder, Net Horse Racing Revenues and/or Net Concession Revenues are transferred to the trustee by January 15 each year. The trustee makes withdrawals in April and October for the payment of the current year debt.

Deferred Revenue: This consists of advance payments received for scheduled activities in the future, such as event rentals and the San Diego County Fair. As each event occurs, the revenue is realized in the same month as the event.

Accrued Employee Leave Liabilities: This reflects the current value of the leave balances due to employees upon separation from 22nd DAA. Balances continue to be managed to remain within the state-mandated thresholds.

UNAUDITED FINANCIAL STATEMENTS

Unaudited Financial Statements

22nd DAA Consolidated Balance Sheet (DAA, RTA, RTLC) As of November 30, 2024

	2024	2023	2022
Assets			
Cash	\$ 31,602,942	\$ 37,922,595	\$ 34,987,121
Restricted Cash - JLA	79,212	58,624	44,944
1 Restricted Cash - F&B Equipment Fund	24,390	46,884	208,412
2 Restricted Cash - RTA	10,886,465	12,841,594	14,350,889
Total Cash and Cash Equivalents	42,593,009	50,869,697	49,591,366
Accounts Receivable	2,436,373	1,033,618	1,300,681
Prepaid Expenses	486,673	495,785	654,643
3 Deferred Outflows Pension	5,298,571	5,298,571	5,298,571
Total Current Assets	8,221,618	6,827,974	7,253,895
Land and Land Improvements	45,166,113	45,166,113	35,011,899
Building and Improvements	217,564,033	217,564,033	197,145,152
Equipment	39,464,721	38,849,439	38,178,366
Capital Projects in Process	5,684,530	1,806,615	30,579,907
Accumulated Depreciation	(191,722,134)	(190,860,590)	(180,678,773)
Total Capital Assets	116,157,264	112,525,609	120,236,551
Total Assets	\$ 166,971,890	\$ 170,223,281	\$ 177,081,812
Liabilities			
Accounts Payable	8,553,506	6,306,743	8,323,371
Payroll Liabilities	1,084,615	741,603	499,199
Accrued Liabilities	1,658,615	1,908,438	1,949,760
Other Current Liabilities	(1,368,915)	311,114	1,404,748
5 Deferred Revenue	2,417,471	2,115,043	2,254,564
4 Current Long Term Debt	2,005,891	2,803,553	3,133,355
6 Accrued Employees Leave Liabilities	1,153,394	1,368,877	1,255,251
7 Long Term Debt	54,468,490	57,789,275	61,448,807
Reserve - F&B Equipment Fund	95,640	117,001	600,484
Reserve - JLA	43,292	36,607	16,305
3 Pension Liability	40,327,580	40,124,480	39,912,866
3 Deferred Inflows - Pension	1,754,199	1,754,199	1,754,199
Total Liabilities	112,193,777	115,376,932	122,552,908
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	11,515,553	11,783,919	(5,921,909)
Investment in Capital Assets	(3,891,786)	(3,891,786)	(3,891,786)
	52,142,468	52,410,834	34,705,006
Net Proceeds from Operations	2,635,645	2,435,515	19,823,898
Total Net Resources	54,778,113	54,846,349	54,528,904
Total Liabilities and Net Resources	\$ 166,971,890	\$ 170,223,281	\$ 177,081,812

- 1- Per Food & Beverage Services agreement, 1.50% of all Gross Revenues for unexpected or emergency expenses, including repair and maintenance of equipment.
- 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 reporting period.
- 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 \$29.0M; Ibank WQI \$6.2M; Ibank Sound \$13.0M; Premier \$1.5M; Energy Efficiency \$3.3M; CalPers SB84 \$1.5M.

UNAUDITED FINANCIAL STATEMENTS

22nd DAA Income Statement For the Period Ending November 30, 2024 DAA

	November 2024			Year-to-Date			Full 2024
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
REVENUES							
Admissions Revenue	0	0	0	11,710,488	13,649,053	(1,938,565)	13,649,053
Gates	0	0	0	11,710,488	13,649,053	(1,938,565)	13,649,053
Concessions Revenue	5,007,191	5,260,426	(253,235)	45,454,465	52,547,151	(7,092,686)	53,102,000
Food & Beverage Contra	5,004,362	5,260,426	(256,064)	22,780,509	27,461,156	(4,680,647)	27,994,405
Other Food & Beverage	0	0	0	4,612,594	4,944,911	(332,317)	4,944,911
Midway	0	0	0	17,919,944	20,060,139	(2,140,195)	20,060,139
Facility Rentals Revenue	904,120	845,038	59,082	9,153,257	7,822,788	1,330,469	8,896,646
Commercial	0	0	0	3,584,970	2,501,590	1,083,380	2,501,590
Racetrack	600,000	600,000	0	1,100,000	1,100,000	0	1,825,000
Leases Revenue	49,168	48,781	387	519,071	529,070	(9,999)	577,851
Program Revenues	108,605	91,025	17,580	6,962,435	8,012,286	(1,049,851)	8,149,861
JLA	0	0	0	44,391	22,500	21,891	22,500
Parking	92,922	74,325	18,597	6,071,288	7,186,486	(1,115,198)	7,303,861
Participation Fees	0	0	0	339,700	335,000	4,700	335,000
Satellite Wagering	15,683	16,700	(1,017)	507,057	468,300	38,757	488,500
OPERATING REVENUE TOTALS	6,069,084	6,245,270	(176,186)	73,799,717	82,560,348	(8,760,631)	84,375,411
Contributions	3,900	4,600	(700)	4,003,445	2,812,510	1,190,935	2,273,110
Government Funding	0	0	0	1,484,500	0	1,484,500	0
Sponsorships	3,900	4,600	(700)	2,504,940	2,809,010	(304,070)	2,269,610
Other Non-Operating Revenue	30,853	14,491	16,362	1,638,954	996,821	642,133	1,258,512
Interest Earnings	0	0	0	1,243,937	765,000	478,937	1,020,000
Reimbursed Costs	55,477	23,097	32,380	1,799,799	1,229,407	570,392	1,412,314
Prior Year Revenue	0	0	0	62,394	0	62,394	0
NON-OPERATING REVENUE TOTALS	90,230	42,188	48,042	7,504,593	5,038,738	2,465,855	4,943,936
TOTAL REVENUE	6,159,314	6,287,458	(128,144)	81,304,310	87,599,086	(6,294,776)	89,319,347
EXPENSES							
Payroll & Related Expense	1,099,145	1,237,657	138,512	16,723,905	18,757,825	2,033,920	20,021,458
Professional Developer	35,163	22,873	(12,290)	156,044	334,559	178,515	354,509
Professional Services Expense	4,360,279	4,058,571	(301,708)	27,837,010	33,851,270	6,014,260	35,271,131
Food & Beverage Expens	4,202,279	3,626,752	(575,527)	18,832,442	20,481,777	1,649,335	21,081,505
Insurance Expense	156,872	121,661	(35,211)	1,791,466	1,715,595	(75,871)	1,877,804
Facility & Related Expense	320,266	343,889	23,623	6,747,474	6,518,732	(228,742)	6,967,696
Equipment & Small Ware	8,860	0	(8,860)	147,686	330,000	182,314	330,000
Telephone & Internet	8,790	8,494	(296)	92,660	92,474	(186)	101,998
Repairs & Maintenance	9,358	38,941	29,583	1,004,904	687,951	(316,953)	748,456
Utilities	285,477	288,000	2,523	4,013,800	3,649,000	(364,800)	4,020,000
- Electricity	189,468	-	-	2,372,708	-	-	-
- Water	465	-	-	684,270	-	-	-
Supplies Expense	29,373	34,950	5,577	1,512,530	1,713,884	201,354	1,740,934
Marketing & Related Expense	1,222	10,000	8,778	1,243,314	1,499,150	255,836	1,499,150
Program Expenses	44,253	18,081	(26,172)	15,440,423	16,907,559	1,467,136	16,939,508
Prizes & Premiums	0	0	0	18,197	0	(18,197)	0
Artists & Entertainment	0	0	0	5,020,791	5,411,350	390,559	5,411,350
Midway Operator Expen:	0	0	0	10,024,157	11,117,754	1,093,597	11,117,754
Other Operating Expense	134,583	79,257	(55,326)	3,443,528	2,857,967	(585,561)	2,937,616
Bank & Service Fees	4,228	10,972	6,744	1,628,243	2,053,182	424,939	2,064,546
Interest Expense	68,216	68,285	69	1,675,161	773,285	(901,876)	841,570
OPERATING EXPENSE TOTALS	6,145,994	5,904,066	(241,928)	74,739,650	83,821,982	9,082,332	87,255,297
Other Non-Operating Expense							
Prior Year Expense	31,406	0	(31,406)	4,652,438	0	(4,652,438)	0
NON-OPERATING EXPENSE TOTALS	31,406	0	(31,406)	4,652,438	0	(4,652,438)	0
TOTAL EXPENSE	6,177,400	5,904,066	(273,334)	79,392,088	83,821,982	4,429,894	87,255,297
NET INCOME (LOSS)	(18,086)	383,392	(401,478)	1,912,221	3,777,104	(1,864,883)	2,064,050

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

Note1: Government funding of AB-1499 was unanticipated; these funds are reserved for CAPX.

Food & Beverage Report Nov-24

November 2024 Food Service Revenues were \$5,004,362. Budgeted Revenues for November 2024 were \$4,979,114.

Net distribution to the District for November 2024 was \$1,213,535 or 24.2%. Budgeted distribution for November 2024 was \$1,352,363 or 27.2%.

Year-to-date 2024 distribution to the District is \$4,066,093 or 17.8%. The budgeted distribution for YTD 2024 was \$6,491,674 or 24.1%.

Nov-24	2024 ACTUAL	%	2024 BUDGET	%	2023 ACTUAL	%
TOTAL REVENUE	5,004,362	100.0%	4,979,114	100.0%	1,449,478	100.0%
TOTAL COGS	1,301,503	26.0%	1,257,991	25.3%	408,459	28.2%
GROSS MARGIN	3,702,859	74.0%	3,721,123	74.7%	1,041,019	71.8%
TOTAL PAYROLL	1,719,758	34.4%	1,778,201	35.7%	688,615	47.5%
OPERATING EXPENSES	596,204	11.9%	397,365	8.0%	193,339	13.3%
NET PROFIT	1,386,897	27.7%	1,545,557	31.0%	159,066	11.0%
CLIENT DISTRIBUTION	1,213,535	24.2%	1,352,363	27.2%	139,182	9.6%

YTD	2024 ACTUAL	%	2024 BUDGET	%	2023 ACTUAL	%
TOTAL REVENUE	22,780,509	100.0%	26,946,955	100.0%	19,597,747	100.0%
TOTAL COGS	5,012,119	22.0%	6,018,996	22.3%	4,231,968	21.6%
GROSS MARGIN	17,768,389	78.0%	20,927,958	77.7%	15,365,779	78.4%
TOTAL PAYROLL	10,236,207	44.9%	10,612,402	39.4%	8,241,770	42.1%
OPERATING EXPENSES	2,885,219	12.7%	2,896,500	10.7%	2,209,579	11.3%
NET PROFIT	4,646,964	20.4%	7,419,056	27.5%	4,914,430	25.1%
Y-T-D CLIENT DISTRIBUTION	4,066,093	17.8%	6,491,674	24.1%	4,300,127	21.9%



Item 7-D, Finance Committee Report - Nilforushan Equisport Events, LLC Installment Payment Agreement and Potential Future Events at the Fairgrounds

Summary

At its January 2025 meeting, the 22nd District Agricultural Association (22nd DAA) Board of Directors considered a request from Nilforushan Equisport Events, LLC, ("Nilforushan") to suspend his payment agreement to cover rental expenses incurred in 2024 over the course of four years.

During the public comment period on the item, speakers with Nilforushan voiced concerns about an array of issues regarding the facility conditions, communications with the 22nd DAA, and other matters unrelated to the payment agreement while displaying photos of the Arena facility and stables.

The Board took no official action on the request for suspension, but 22nd DAA Chief Executive Officer Carlene Moore agreed to respond to the public comments at the subsequent Board meeting.

At the request of the Board, this recap and update are provided in the interest of transparency, to clear up misunderstandings, and to demonstrate the efforts undertaken by the 22nd DAA in collaboration with Nilforushan.

Payment Agreement Suspension Request

The Board agreed in September 2024 to enter into an Installment Payment Plan Agreement — an atypical arrangement for the 22nd DAA — with Nilforushan for its \$297,950 balance, financed at five percent (5%) interest over a period of five years. The Installment Payment Plan Agreement required Nilforushan to remit payments to the 22nd DAA in accordance with a repayment schedule. The initial payment was due November 15, 2024.

On November 16, 2024, Nilforushan, who had not yet made a payment, requested that the Board suspend the Installment Payment Plan Agreement indefinitely.

At the January 2025 Board meeting, amid the discussion of the request for suspension of the payment plan, Nilforushan provided a \$50,000 check to

the 22nd DAA, which represented most of the outstanding balance due to the 22nd DAA at the time.

On January 30, Nilforushan submitted the balance of the November payment.

This means Nilforushan is current on his payments with another payment due later this month.

Nilforushan has since withdrawn its request for suspending the Installment Payment Agreement.

The following table reflects the payment schedule for the amount owed from the 2024 Seaside Equestrian Tour:

Payment Due Date	Payment Amount	Payment Status
November 15, 2024	\$59,590.00 (no interest)	\$50,000 paid January 14, 2025 \$9,590 paid January 30, 2025
February 15, 2025	\$62,594.00 (\$59,590 plus \$3,004 in interest)	Due Saturday, February 15
February 15, 2026	\$68,858.50 (\$59,590 plus \$8,938.50 in interest)	Due in 1 year
February 15, 2027	\$65,549.00 (\$59,590 plus \$5,959 in interest)	Due in 2 years
February 15, 2028	\$62,569.50 (\$59,590 plus \$2,979.50 in interest)	Due in 3 years

Communication Regarding Expectations

During the public comment period, speakers suggested there had been communication breakdowns between Nilforushan and the 22nd DAA.

The 22nd DAA and Finance Committee were surprised by these suggestions because at no point leading to the request for a suspension had the conversations been contentious or personal, and the 22nd DAA and the Finance Committee had spent significant time working with Nilforushan to find solutions mutually agreeable and beneficial to both parties.

At the January meeting, Nilforushan also pointed to issues regarding the facilities' condition after rainfall events. These risks were generally known by both parties.

The first Seaside Equestrian Tour was held January 23, 2023 – March 12, 2023, at the Fairgrounds campus. Prior to booking the 2023 event, Ali Nilforushan conducted a site inspection. At that time, he was informed by both the 22nd DAA Sales & Rentals Director and the Facilities Supervisor that the 22nd DAA does not typically host events in the Arena during the winter months because of the cold and potentially rainy climate. Although the Arena has a covering, it is not an enclosed building and is still subject to elements and conditions outside. The 22nd DAA also informed Nilforushan that the warm-up arenas are not covered and the stables are muddy when it rains.

With this information in mind, Nilforushan chose to proceed with the 2023 event and signed a rental agreement with the 22nd DAA.

General Background

Because of the desire to produce and host a world-class equestrian show, Nilforushan made numerous requests in 2023 and 2024 regarding changes and special features for the events.

22nd DAA staff worked closely with Nilforushan to meet the myriad and numerous requests — some of which were unusual from an event promoter — to help ensure the success of the Seaside Equestrian Tour.

2023 Event

During the 2023 event, San Diego County experienced an unusually high and persistent amount of rainfall, including what was described as “atmospheric rivers.” Following the 2023 rain events, Nilforushan reported damages from the rain to his carpet, speaker, and decking. The 22nd DAA requested an invoice or a receipt but never received any. Despite not having received any documented information about the expenditures, the 22nd DAA credited Nilforushan with \$30,000, thereby reducing the rent due. This credit was also meant to compensate for roof repairs Nilforushan made to the Expo Center, which can be considered a benefit to the District, despite The Expo Center's limited use outside of the horse shows.

After the 2023 experience and facility challenges with rainfall, Nilforushan proceeded with a request for a 5-year agreement to host the show at the Arena from years 2024–2029.

2024 Event

In January 2024, a 100-year storm event hit the region, dumping 2.73 inches of rain in three hours — more than the average for the entire month of January in San Diego County. This created further mud issues in the areas used by Nilforushan, as well as damage to buildings throughout the Fairgrounds campus.

As a result of the extreme weather and other factors outside of the 22nd DAA's control, the 2024 event was less successful than the 2023 event.

At Nilforushan's request, and to show good faith and understanding of the extraordinary rainfall in 2024, the 22nd DAA negotiated the Installment Payment Agreement in September. This allowed Nilforushan to make his payments for the 2024 event over a five-year period.

Summary

Rain was at the heart of the issues raised at the January Board meeting. The 22nd DAA was unable to mitigate many of the rainfall issues caused by atmospheric rivers in 2023 and the historic storm event in 2024. Drainage, especially, is a challenge due to the topography and drainage infrastructure of the low-lying Fairgrounds and the Arena site.

Many drains around the grounds are only 1 foot above sea level. The drains from the Arena to the discharge point travel over 1,500 feet from 7 feet above sea level to 5 feet above sea level. The drains are not at a slope to be able to handle a large influx of rainwater such as what was experienced in 2023 and 2024. While the rainfall amounts were not foreseeable, both parties were aware of the preexisting facility conditions.

During the public comment period for the January Board item, some of the challenges from the 2023 and 2024 events were amalgamated. For example, the pictures distributed to the Board by Nilforushan at the January 2025 Board meeting were from the 2023 show. The issues from 2023 were already fully settled, which contributed to confusion with public comments made at the meeting.

Future progress in hosting the Seaside Equestrian Tour

The Seaside Equestrian Tour was a spectacular event that demonstrated a creative use for the Arena.

Throughout 2023 and 2024, Nilforushan also suggested making capital improvements to 22nd DAA property, potentially in exchange for reduced rents. 22nd DAA representatives had multiple discussions and meetings with Nilforushan, including with the California Construction Authority in August 2024, to discuss the possibilities. To date, Nilforushan has not provided a Scope of Work to encapsulate the various ideas, as requested by the 22nd DAA to be able to move forward with more detailed discussions.

Prior to the request to suspend payment, the 22nd DAA had incentivized Nilforushan to host a show in 2025 by offering a \$310,649 reduction in rent and stalls from \$560,649 to \$250,000.

The 22nd DAA remains interested in working with Nilforushan to host the Seaside Equestrian Tour in 2026 and beyond in a way that makes financial sense.

Next steps

At this time, no further action is needed by the Board. Nilforushan has informed the 22nd DAA of his intent to stay current on his payment agreement and has withdrawn his request to the Board for the suspension of payments.

Nilforushan has expressed a desire to continue to work with the 22nd DAA in future years. The 22nd DAA intends to resume these future conversations with Nilforushan, should Nilforushan wish to proceed.

Re: Seaside Equestrian Tour

From Carlene Moore <cmoore@sdfair.com>

Date Fri 1/31/2025 7:27 PM

To Ali Nilforushan <alinilforushan@yahoo.com>

Cc Paul Blaney <pblaney@sdfair.com>

Ali,

Thank you - for paying the balance of the past due amount and for your intent to continue to be timely with the remaining payments. I am confident that my board will also appreciate this gesture, and I will be sharing this latest update with them next week and as part of an informational agenda item at their meeting on February 11.

Paul and I look forward to continuing to work with you.

Cheers,

Carlene Moore

Chief Executive Officer

858.792.4202

22nd District Agricultural Association

2260 Jimmy Durante Blvd. | Del Mar, CA 92014

delmarfairgrounds.com | sdfair.com

From: Ali Nilforushan <alinilforushan@yahoo.com>

Sent: Friday, January 31, 2025 9:19 AM

To: Carlene Moore <cmoore@sdfair.com>

Cc: Paul Blaney <pblaney@sdfair.com>

Subject: Seaside Equestrian Tour

Hi Carlene

I met Paul today and gave him the balance of the money. Also, I would like to formally retract my last request of waiving my balance. I fully intend to make the payments as I hope to sit together with you and plan the future because I would like to be at Del Mar for years to come. I look forward to putting this behind us and having many great years moving forward.

Sent from my iPhone



Item 7-D-1, Finance Committee Report – RTA Bonds Refinance or Restructure

Background

As directed by the Board of Directors (Board) of the 22nd District Agricultural Association (22nd DAA) during the August 2024 meeting, 22nd DAA's CEO and Director of Finance have continued to work with RTA bond counsel, banker, and municipal advisors to research options to restructure or refinance the Del Mar Race Track Authority (RTA) Revenue Bonds, Series 2015 (Bonds), and have kept the Finance Committee apprised of their research. The Committee had been monitoring conditions related to refinancing or restructuring the Bonds since the pandemic.

Following the regularly scheduled debt service payment on October 1, 2024, the outstanding balance on the Bonds is \$30,690,000. All bonds will be currently callable on April 1, 2025, providing the RTA, on behalf of the 22nd DAA and State Race Track Leasing Commission, the opportunity to potentially restructure the revenue pledge to enhance the credit to provide overall savings and free up cash reserves for current and future projects.

At the current schedule of payments, the Bonds will be fully retired in 2038, though there is the possibility that could occur as early as 2035 if Net Horse Racing Revenues and Net Concessions Revenues trigger the requirement for turbo redemptions.

Process/Approach

In addition to the revenue pledge, there are three main covenants that should be taken into consideration when contemplating options to refinance or restructure the Bonds. Those covenants are:

- 1) RTA to maintain a debt service reserve fund equivalent to the Maximum Annual Debt Service until final maturity (\$3.2 million)
- 2) RTA to maintain a surplus account for turbo redemptions
 - a. Turbo repayment is required if Coverage Test Revenues are LESS than 200% of annual debt service

- b. Turbo repayment is required if Pledge Revenues are MORE than 200% of annual debt service
 - c. Turbo redemptions triggered for 2023-2025: \$1,120,000, \$795,000, and \$5,000, respectively
 - i. The 22nd DAA does not anticipate turbo payments in future years.
- 3) District to maintain funds on account for the bond repayment in an amount equal to at least Maximum Annual Debt Service (\$3.2 million).

Any consideration to refinance or restructure the Bonds should also consider the ability to achieve potential debt service savings.

Recommendation

The Finance Committee does not recommend pursuing a refinance or restructure of the Bonds in 2025 given the expectation for no future turbo repayments, as well as the deterioration of savings with the rise in market rates.

The 22nd DAA will retain flexibility, as the Bonds will remain currently callable, allowing for the discretion to prepay the bonds at any time with funds on hand to realize interest savings.



Item 7-D-2, Finance Committee Report – Financial Policies

Background

In 2023, 22nd DAA embarked on a comprehensive process to review, revise, and develop policies for the 22nd DAA. It is a lengthy process that is still underway and has involved:

- 1) The solicitation of input from appropriate Board committees, and
- 2) The presentation and discussion of draft policies to the Board and public during regularly scheduled public meetings.

Committees have introduced, developed, and focused on policies pertaining to issues in their respective subject areas. The Finance Committee has given particular attention to the development of financial policies that strategically develop “rainy day,” reserves, and capital improvement funds.

As a reminder, the Board’s authority to establish policies is derived from Food & Agricultural Code, Section 4051(a)(7), which authorizes District Agricultural Associations (DAAs) to “make or adopt all necessary orders, rules, or regulations for governing the activities of the association.” Section 4051(a)(7) also provides that when a DAA adopts an order, rule or regulation for governing its activities, the order, rule or regulation is exempt from California’s Administrative Procedures Act. For reference, the Act governs state agencies in adopting, amending, and repealing administrative rules and regulations.

While the Department of Food and Agriculture (CDFA) provides policy oversight to DAAs, including providing recommended rules and regulations for adoption, each DAA maintains the authority to adopt rules and regulations for governing its own operations and activities. Though DAAs are exempt from the Act, state agencies, including CDFA, are not. Were CDFA to adopt a mandatory rule or regulation that applied statewide to all DAAs, CDFA would promulgate that rule or regulation in accordance with the Administrative Procedures Act.

Process/Approach

Best management practices, historical policies and procedures, mandatory requirements, industry and other state agency examples, etc., have been considered along with the *recommended* orders, rules, and regulations of CDFA.

Consistent with the process previously established by the Board, the Finance Committee has introduced the accompanying draft policies to the Board at the November 2024 meeting for discussion and the January 2025 meeting for feedback before finally presenting to the Board for consideration and approval. The developing Table of Contents is provided as a progress report.

The four draft policies referenced below were all last included for the Board's review in the January 2025 Board Packet.

Policy 4.04: Financial Stewardship

The purpose of Policy 4.04 Financial Stewardship is to establish guidelines and expectations for the Board and CEO to execute their fiduciary responsibilities and demonstrate to the community the Board's commitment to managing the 22nd DAA in a financially prudent manner.

Policy 4.05: Financial Reserves

The purpose of Policy 4.05, Financial Reserves, is to establish a minimum cash balance for ongoing operations, set aside funds for renovations or replacement of the property and structures, and set aside a rainy day fund, even before the 22nd DAA has the cash on hand to meet the target minimum amounts.

Based on the descriptions provided in the draft policy, the target amounts for each fund are:

- Minimum Operating Fund Balance: \$12,000,000
- Capital Replenishment Fund: to be determined, and informed by the Facilities Condition Assessment Report
- Reserve Fund: \$22,500,000

Through November 30, 2024, the 22nd DAA's current cash position is \$31,602,942. Per the audited financials of the 22nd DAA, the

unrestricted net resources as of December 31, 2023 were \$29,918,059.

The Investment Policy, as referenced in Policy 4.05 Financial Reserves, is still to be developed.

Policy 6.02: Event Ticket Purchase

The purpose of Policy 6.02 Event Ticket Purchase is to establish best management practices to reduce credit card disputes initiated by ticket buyers. Commencing with the 2025 San Diego County Fair ticket launch in March, all ticket buyers will read and agree to a terms and conditions statement prior to making their purchase thereby reducing risk to the 22nd DAA.

Policy 6.03: Cashless Fair Operations

The purpose of Policy 6.03 Cashless Fair Operations is to establish the payment methods accepted for all ticket and food and beverage purchases at the San Diego County Fair, making these operations cashless. The policy also requires all commission-based independent operations, i.e. food stands, to provide “all-in” pricing for customers that include any pass-through fees, excluding sales tax.

The policy is also consistent with the 22nd DAAs messaging to Fair customers. In other words, the price a guest sees posted and advertised is the price they will pay at the gate, in the parking lot, for a concert or show, to ride a ride or play a game, and for their drinks, snacks, and meals.

Recommendation

The Finance Committee recommends approval of the following policies that have previously been provided for review and discussion.

4.04 Financial Stewardship

6.02 Event Ticket Purchase

4.05 Financial Reserves

6.03 Cashless Fair Operations

The draft policies are attached in a redline version to show changes since first introduced and a clean version for ease of reading.

22nd District Agricultural Association **Policies**

Policy 4.04: Financial Stewardship

Date Adopted/Last Revised:

Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this Policy is to establish guidelines and expectations for the Board and CEO related to financial stewardship of the 22nd DAA and the ability to maintain operations, invest in Personnel, and enhance programs while simultaneously reinvesting into the design, construction, maintenance, and replacement of current capital assets and equipment to maintain the grounds and facilities in good working condition.

Policy

This Policy is designed to establish the process for developing and reviewing the organization's annual operating and capital investment budgets and monitoring performance to the financial plan. It is the Policy of the 22nd DAA that the Board is responsible for approving and overseeing the organization's financial plan to ensure that it is:

- Aligned with and supports the organization's purpose, mission, vision, values, and strategic objectives; and
- Financially sustainable, responsible, and compliant with all applicable laws and regulations.

The CEO is responsible for planning, coordinating, analyzing, preparing, and reviewing the operating and capital investment budgets in consultation with the Finance Committee and for making the final recommendation of the proposed financial plan to the Board.

The 22nd DAA must have an operating budget for each fiscal year—which runs from January 1 through December 31. As such, the Board must adopt a new budget on an annual basis. It is a best management practice to also have a capital investment plan and budget. The budget is a flexible document that provides a comprehensive framework of resource allocations for implementation of the 22nd DAA’s strategic initiatives for the fiscal year.

Monitoring Financial Performance

The Finance Committee will review financial reports and analyses provided by the CEO each month showing the year-to-date revenue and expenditures and variation from budget estimates, indicating any significant deviations. An executive summary will accommodate the report to the Board detailing reasons for variations, what effect any variations will have on the budget forecasts, and recommendations for corrective action should that be required.

Subject to Board Approval

22nd District Agricultural Association **Policies**

Policy 4.05: Financial Reserves

Date Adopted/Last Revised:

Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this Policy is to provide guidelines for the Board and CEO to use in making financial decisions to withstand economic variations while ensuring the long-term ability of the 22nd DAA to meet its mission, maintain core operations, and the Board's vision for the future is achieved.

The 22nd DAA will maintain reserves to achieve the following objectives:

- To create the ability for matching fund programs such as private/grants for master site plan development;
- To enable the organization to sustain operations through catastrophic conditions;
- To pay for one-time, nonrecurring expenses that will build capacity or provide long-term benefits;
- To provide an internal source of funds during seasonal deficits;
- To responsibly invest in its property and infrastructure.

Policy

It is the Policy of the Board to establish minimum fund balances and reserve levels that assure the community that the 22nd DAA is maintained in sound financial condition including a Minimum Operating Fund Balance, Capital Replenishment Fund, and Reserve Fund.

Minimum Operating Fund Balance: The 22nd DAA shall maintain a Minimum Operating Fund Balance equivalent to at least double the average of total negative cash flow

months in the preceding three years, excluding any amounts held in reserves or otherwise committed funds.

Capital Replenishment Fund: The 22nd DAA acknowledges that eventually, all structures and improvements will ultimately require replacement or upgrades. The useful life of each asset shall be tracked and reasonable reserves established to fund those projects when applicable.

Reserve Fund: The Reserve Fund is the savings of the 22nd DAA set aside to meet any future costs or financial obligations, especially those arising unexpectedly. The purpose of the Reserve Fund is to provide sufficient funds to keep the organization viable for up to eighteen months, during a catastrophic failure or fiscal hardship such as another global pandemic, natural disaster, year without a fair, etc. The Reserve Fund is funds set aside by action of the Board of Directors. Its ongoing operation and oversight are the responsibility of the Finance Committee.

The Reserve Fund shall be equivalent to a minimum of 25% of ongoing annual operating revenues, excluding any amounts held in reserves or otherwise committed funds. The Reserve Fund serves a dynamic role and will be reviewed and adjusted annually in response to internal and external changes. The Reserve Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the 22nd DAA for reserves to be used and replenished within one year.

Funding Reserves and Replenishment

To establish the Reserve Fund, the Board shall designate \$## of existing accumulated liquid unrestricted net assets as the beginning balance of the Reserve Fund. The remaining amount is to be funded over the next ten (10) years through funding strategies incorporated into annual budget planning. The Reserve Fund and Capital Replenishment Fund will be funded equally from 50% (fifty percent) of the surplus unrestricted operating funds after the Minimum Operating Fund balance is reached annually. The Board may from time to time direct that a specific source of revenue be set aside for the Reserve Fund.

The balance of the Funds will be included in the regular financial reports to the Board.

Investing

The Reserve Fund will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs, and investment objectives of the 22nd DAA.

The Reserve Fund will be maintained in a segregated bank account or investment fund, in accordance with the organization's Investment Policy. Policies and procedures for handling deposits, reconciling statements, safeguarding access, etc. will be the same as for any of the organization's other bank accounts.

Shortfalls

Once the fund balances have been achieved, if the Reserve Fund is and has been less than 90% of the target minimum amount for two consecutive years, the Board of Directors will adopt an operational budget with a projected surplus sufficient to rebuild the Reserve Fund to its targeted minimum amount over a prescribed period of time.

Accounting for the Reserve and Replenishment Funds

The Reserve Fund and Capital Replenishment Fund will be listed separately in the unrestricted net assets section of the statement of financial position as “Board-Designated Reserve” and the status of borrowings from the Reserve Fund will be provided in financial reports to the Board.

Using Capital Replenishments

Through the annual budget and planning, the CEO shall present recommended capital projects for use of the Capital Replenishment Fund. The Capital Replenishment Fund may be allocated annually through the budget approval process of the Board.

Using Reserves

The CEO will identify reasons for accessing the Reserve Fund and confirm that the use is consistent with the purpose identified above and as part of this process, will do the following:

- Analyze the reason for the needed funds;
- Assess the availability of any other sources of funds before using the Reserve Fund; and
- Evaluate the period that the funds will be required and then replenished.

In consultation with the Finance Committee, the CEO may access the Reserve Fund for purposes as outlined above, as long as sufficient funds are available to repay such usage within six months' time. Any funds borrowed for longer than six months or amounts greater than 50% (fifty percent) requires Board approval.

The CEO will immediately inform the Board in writing if the Reserve Fund has been accessed, and such notification will include the analysis and determination for the use of funds and plans for refurbishment.

The Board may access the Reserve Fund for purposes as outlined above by a majority vote of the Board at a duly noticed public meeting.

Report and Monitor Use of Reserve Funds

The CEO is responsible for ensuring that the Reserve Fund is maintained and used only as described in this Policy and for maintaining records of the use of funds and plan for refurbishment. The CEO will provide regular reports to the Finance Committee and Board of progress to restore the fund to the target minimum amount.

22nd District Agricultural Association **Policies**

Policy 4.05: Financial Reserves

Date Adopted/Last Revised:

Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this Policy is to provide guidelines for the Board and CEO to use in making financial decisions to withstand economic variations while ensuring the long-term ability of the 22nd DAA to meet its mission, maintain core operations, and the Board's vision for the future is achieved.

The 22nd DAA will maintain reserves to achieve the following objectives:

- To create the ability for matching fund programs such as private/grants for master site plan development;
- To enable the organization to sustain operations through catastrophic conditions;
- To pay for one-time, nonrecurring expenses that will build capacity or provide long-term benefits;
- To provide an internal source of funds during seasonal deficits;
- To responsibly invest in its property and infrastructure.

~~The Reserve Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the 22nd DAA for reserves to be used and replenished within one year.~~

Policy

It is the Policy of the Board to establish minimum fund balances and reserve levels that assure the community that the 22nd DAA is maintained in sound financial condition including a Minimum Operating Fund Balance, Capital Replenishment Fund, and Reserve Fund.

Minimum Operating Fund Balance: The 22nd DAA shall maintain a Minimum Operating Fund Balance equivalent to at least double the average of total negative cash flow months in the preceding three years, excluding any amounts held in reserves or otherwise committed funds.

Capital Replenishment Fund: The 22nd DAA acknowledges that eventually, all structures and improvements will ultimately require replacement or upgrades. The useful life of each asset shall be tracked and reasonable reserves established to fund those projects when applicable. ~~The remaining surplus unrestricted operating funds may be used toward annual capital expenditures.~~

Reserve Fund: ~~The Reserve Fund is the savings of the 22nd DAA set aside to meet any future costs or financial obligations, especially those arising unexpectedly. The purpose of the Reserve Fund is to provide sufficient funds to keep the organization viable for up to eighteen months, during a catastrophic failure or fiscal hardship such as another global pandemic, natural disaster, year without a fair, etc.~~ The Reserve Fund is funds set aside by action of the Board of Directors. Its ongoing operation and oversight are the responsibility of the Finance Committee.

~~The target minimum amount shall be an amount sufficient to keep the organization viable for eighteen months, during a catastrophic failure or fiscal hardship such as another global pandemic, natural disaster, year without a fair, etc.~~ The Reserve Fund shall be equivalent to a minimum of 25% of ongoing annual operating revenues, excluding any amounts held in reserves or otherwise committed funds.

The Reserve Fund serves a dynamic role and will be reviewed and adjusted annually in response to internal and external changes. The Reserve Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the 22nd DAA for reserves to be used and replenished within one year.

Funding Reserves and Replenishment

To establish the Reserve Fund, the Board shall designate ~~###~~ of existing accumulated liquid unrestricted net assets as the beginning balance of the Reserve Fund. The remaining amount is to be funded over the next ~~ten (10)~~ years through funding strategies incorporated into annual budget planning. The Reserve Fund and Capital Replenishment Fund will be funded ~~equally annually~~ from 50% ~~(fifty percent)~~ of the surplus unrestricted operating funds after the Minimum Operating Fund balance is reached ~~annually~~. ~~The remaining surplus unrestricted operating funds may be used toward annual capital expenditures.~~ The Board may from time to time direct that a specific source of revenue be set aside for the Reserve Fund.

The balance of the Funds will be included in the regular financial reports to the Board.

Investing

The Reserve Fund will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs, and investment objectives of the 22nd DAA.

The Reserve Fund will be maintained in a segregated bank account or investment fund, in accordance with the organization's Investment Policy. Policies and procedures for handling deposits, reconciling statements, safeguarding access, etc. will be the same as for any of the organization's other bank accounts.

Shortfalls

Once the fund balances have been achieved, if the Reserve Fund is and has been less than 90% of the target minimum amount for two consecutive years, the Board of Directors will adopt an operational budget with a projected surplus sufficient to rebuild the Reserve Fund to its targeted minimum amount over a prescribed period of time.

Accounting for the Reserve and Replenishment Funds

The Reserve Fund and Capital Replenishment Fund will be listed separately in the unrestricted net assets section of the statement of financial position as "Board-Designated Reserve" and the status of borrowings from the Reserve Fund will be provided in financial reports to the Board.

Using Capital Replenishments

Through the annual budget and planning, the CEO shall present recommended capital projects for use of the Capital Replenishment Fund. The remaining surplus unrestricted operating funds may Capital Replenishment Fund may be used toward allocated annually capital expenditures through the budget approval process of the Board.

Using Reserves or Replenishments

The CEO will identify reasons for accessing the Reserve Fund and/or Capital Replenishment Fund and confirm that the use is consistent with the purpose identified above as described in this Policy and as part of this process, will do the following:

- Analyze the reason for the needed funds;
- Assess the availability of any other sources of funds before using the Reserve Fund or Capital Replenishment Fund; and
- Evaluate the period that the funds will be required and then replenished.

In consultation with the Finance Committee, the CEO may access the Reserve Fund or Capital Replenishment Fund for purposes as outlined above, as long as sufficient funds are available to repay such usage within six months' time. Any funds borrowed for longer than six months or amounts greater than 50% (fifty percent) -requires Board approval.

The CEO will immediately inform the Board in writing if the Reserve Fund or Capital Replenishment Fund has been accessed, and such notification will include the analysis and determination for the use of funds and plans for refurbishment.

The Board may access the Reserve Fund for purposes as outlined above by a majority vote of the Board at a duly noticed public meeting.

Report and Monitor Use of Reserve ~~and Replenishment~~ Funds

The CEO is responsible for ensuring that the Reserve Fund ~~and Capital Replenishment Fund~~ is maintained and used only as described in this Policy and for maintaining records of the use of funds and plan for refurbishment. The CEO will provide regular reports to the Finance Committee and Board of progress to restore the fund to the target minimum amount.

DRAFT

22nd District Agricultural Association **Policies**

Policy 6.02: Event Ticket Purchase

Date Adopted/Last Revised:

Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

Purpose

Online ticketing platforms require a policy to establish clear guidelines that protect both the venue and the customer. By clarifying the terms and conditions associated with the ticket purchase to customers — such as refund and exchange policies, entry requirements, the authentication of the ticket payments, and ticket limits — the venue sets clear rules and guidelines that help manage ticketing transactions and expectations. As a result, customers understand ticketing rules and agree to ticketing rules and terms at the time of purchase, which can reduce confusion, potential disputes, and questions for the venue's customer care representatives.

Additionally, a clear ticketing policy protects the venue. By agreeing to the policy at the time of purchase, customers enter into an agreement that can help reduce issues that may occur, such as credit card disputes, refunds for cancellations, and disputes over ticket limits and validity of tickets.

The purpose of this Policy is to minimize risk, provide clarity to ticket-buyers, and protect the 22nd DAA and its customers from fraudulent consumer activities.

Policy

The purchase of a ticket grants a revocable, non-exclusive, and non-transferable license to attend the specified event at the 22nd DAA. The CEO is authorized to develop and implement a disclosure to be acknowledged by the customer prior to each purchase that further addresses the items outlined in this Policy.

The revocable, non-exclusive, and non-transferable license does not confer any rights beyond admission and is subject to all terms and conditions outlined in the disclosure.

Tickets must be presented for admission. The unique code on each ticket allows redemption of the item described.

All ticket sales are final. Lost or stolen tickets will not be replaced or refunded. The 22nd DAA does not offer refunds or exchanges except in cases where a concert or event is canceled or postponed, at which time ticket holders will be notified promptly of their options.

The 22nd DAA accepts major credit and debit cards for payment. All transactions are processed securely.

All information on orders must be valid and subject to verification.

Transactions shall be limited to a specific number of tickets for purchase per customer/household.

Tickets purchased through the 22nd DAA websites are intended for personal use only. The 22nd DAA does not endorse or support ticket purchases from third-party sellers.

The resale of tickets for profit or in violation of this Policy is strictly prohibited.

Tickets have no cash redemption value and cannot be exchanged for cash or any other items.

In the event of a pricing error, the 22nd DAA reserves the right to cancel orders placed at incorrect prices and either issue a refund or offer tickets at the correct price.

Ticketholders agree that they will not attempt to evade, avoid, or circumvent any refund prohibitions regarding the tickets purchased.

By purchasing a ticket, permission is granted to the 22nd DAA and its affiliates to use personal information for event-related communications, including ticketing, promotions, and updates.

By attending an event at the 22nd DAA, ticketholders consent to the use of their image, likeness, and voice in photographs, video recordings, or other media taken during the event.

The 22nd DAA reserves the right to refuse entry or eject any person who does not comply with 22nd DAA policies or engages in disruptive or inappropriate behavior. No refunds or exchanges will be issued in such cases.

All attendees are subject to search upon entry. Prohibited items, including weapons, and illegal substances may be confiscated. Failure to comply with security measures may result in denial of entry or ejection from the event. No refunds or exchanges will be issued in such cases.

The 22nd DAA is not responsible for any loss, injury, or damage to persons or property while attending the event. By purchasing a ticket, ticketholders agree to hold harmless and indemnify the 22nd DAA, its affiliates, and its employees from any claims arising out of their attendance.

22nd District Agricultural Association **Policies**

Policy 6.02: Event Ticket Purchase

Date Adopted/Last Revised:

Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

Purpose

Online ticketing platforms require a policy to establish clear guidelines that protect both the venue and the customer. By clarifying the terms and conditions associated with the ticket purchase to customers — such as refund and exchange policies, entry requirements, the authentication of the ticket payments, and ticket limits — the venue sets clear rules and guidelines that help manage ticketing transactions and expectations. As a result, customers understand ticketing rules and agree to ticketing rules and terms at the time of purchase, which can reduce confusion, potential disputes, and questions for the venue's customer care representatives.

Additionally, a clear ticketing policy protects the venue. By agreeing to the policy at the time of purchase, customers enter into an agreement that can help reduce issues that may occur, such as credit card disputes, refunds for cancellations, and disputes over ticket limits and validity of tickets.

The purpose of this Policy is to minimize risk, provide clarity to ticket-buyers, and protect the 22nd DAA and its customers from fraudulent consumer activities.

Policy

The purchase of a ticket grants a revocable, non-exclusive, and non-transferable license to attend the specified event at the 22nd DAA. The CEO is authorized to develop and implement a disclosure to be acknowledged by the customer prior to each purchase that further addresses the items outlined in this Policy.

The revocable, non-exclusive, and non-transferable license does not confer any rights beyond admission and is subject to all terms and conditions outlined in the disclosure.

Tickets must be presented for admission. The unique code on each ticket allows redemption of the item described.

All ticket sales are final. Lost or stolen tickets will not be replaced or refunded. The 22nd DAA does not offer refunds or exchanges except in cases where a concert or event is canceled or postponed, at which time ticket holders will be notified promptly of their options.

The 22nd DAA accepts major credit and debit cards for payment. All transactions are processed securely.

All information on orders must be valid and subject to verification.

Transactions shall be limited to a specific number of tickets for purchase per customer/household.

Tickets purchased through the 22nd DAA websites are intended for personal use only. The 22nd DAA does not endorse or support ticket purchases from third-party sellers.

The resale of tickets for profit or in violation of this Policy is strictly prohibited.

Tickets have no cash redemption value and cannot be exchanged for cash or any other items.

In the event of a pricing error, the 22nd DAA reserves the right to cancel orders placed at incorrect prices and either issue a refund or offer tickets at the correct price.

Ticketholders agree that they will not attempt to evade, avoid, or circumvent any refund prohibitions regarding the tickets purchased.

By purchasing a ticket, permission is granted to the 22nd DAA and its affiliates to use personal information for event-related communications, including ticketing, promotions, and updates.

By attending an event at the 22nd DAA, ticketholders consent to the use of their image, likeness, and voice in photographs, video recordings, or other media taken during the event.

The 22nd DAA reserves the right to refuse entry or eject any person who does not comply with 22nd DAA policies or engages in disruptive or inappropriate behavior. No refunds or exchanges will be issued in such cases.

All attendees are subject to search upon entry. Prohibited items, including weapons, and illegal substances may be confiscated. Failure to comply with security measures may result in denial of entry or ejection from the event. No refunds or exchanges will be issued in such cases.

The 22nd DAA is not responsible for any loss, injury, or damage to persons or property while attending the event. By purchasing a ticket, ticketholders agree to hold harmless and indemnify the 22nd DAA, its affiliates, and its employees from any claims arising out of their attendance.

22nd District Agricultural Association **Policies**

Policy 6.03: Cashless Fair Operations

Date Adopted/Last Revised:

Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

Purpose

Cashless operations, or electronic payment operations, deliver transactions that are seamless, frictionless, and low-cost and address a growing expectation amongst consumers for fast digital payments.

The purpose of this policy is to establish payment methods accepted at the San Diego County Fair for the enhancement of safety, security, theft-prevention, and guest experience while still providing equitable access to services, activities, and experiences at the San Diego County Fair.

Policy

Pursuant to this Policy, all 22nd DAA operations during the San Diego County Fair, including those provided by the 22nd DAA's contracted food and beverage operators, shall accept electronic forms of payment only (cashless operation).

Additionally, any independent operation at the San Diego County Fair that pays a commission (e.g., percent of sales) to the 22nd DAA is required to accept electronic forms of payment only (cashless operation) and to display the price of each menu item as all-in pricing (excluding sales tax) consistent with the "Honest Pricing Law" (SB 478).

To maintain accessibility for all customers of the San Diego County Fair, the 22nd DAA shall provide a means for customers to exchange cash for an acceptable form of electronic payment.

22nd District Agricultural Association Policies

Policy 6.03: Cashless Fair Operations

Date Adopted/Last Revised:

Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

Purpose

Cashless operations, or electronic payment operations, deliver transactions that are seamless, frictionless, and low-cost and address a growing expectation amongst consumers for fast digital payments.

The purpose of this policy is to establish payment methods accepted at the San Diego County Fair for the enhancement of safety, security, theft-prevention, and guest experience while still providing equitable access to services, activities, and experiences at the San Diego County Fair.

Policy

Pursuant to this Policy, all 22nd DAA operations during the San Diego County Fair, including those provided by the 22nd DAA's contracted food and beverage operator^s, ~~are limited to shall~~ accept electronic forms of payment only (cashless operation).

Additionally, any independent operation at the San Diego County Fair that pays a commission (e.g., percent of sales) to the 22nd DAA is required to accept electronic forms of payment only (cashless operation) and to display the price of each menu item as all-in pricing (excluding sales tax) consistent with the "Honest Pricing Law" (SB 478).

To maintain accessibility for all customers of the San Diego County Fair, the 22nd DAA shall provide a means for customers to exchange cash for an acceptable form of electronic payment.



Item 7-F, Fair Operations Committee Report

Background:

The 22nd District Agricultural Association (22nd DAA) has been working with Romeo Entertainment Group (REG) and the Committee since the fall to prioritize and secure talent for both the Grandstand and Paddock stages during the 2025 San Diego County Fair and beyond

In November 2024, the Board of Directors approved a budget with a goal of booking Grandstand shows every night of the 20-day Fair. The direction was to offer Fair guests a wide variety of genres and earn back the talents' booking fees through ticket sales to the show. The shows also provide the Fair with opportunities to negotiate sponsorships, leverage media and marketing opportunities, and earn additional revenues from food and beverages, parking, and other offerings.

Additionally, the 22nd DAA's team is working on securing talent in The Sound 12-15 evenings of the Fair. The Sound was incorporated for the first time into the 2024 Fair with shows every Saturday night.

The goal is that The Sound — which has a capacity of 1,900 without seats on the floor and 800 for fully seated shows — does not compete with the Grandstand and instead offers alternative programming. The series in The Sound will consist of ticketed "variety" events such as comedy, laser shows, special speakers, and other types of entertainment that differ from the live music offerings on other stages at the Fair.

Process/Approach:

As of February 1, the 22nd DAA is more than halfway to fulfilling its goal of booking Grandstand shows every night of the 20-day Fair and 12-15 evenings at The Sound, with other offers outstanding. The Committee, in consultation with 22nd DAA staff and REG, provided direction on additional acts worth pursuing to fill remaining dates.

The Paddock Stage is fully booked.

The Committee was also briefed on planned layout changes to various buildings during the Fair. One major change is that in 2025, 22nd DAA staff plans to unveil a brand-new exhibit titled "Farm 2 U" celebrating agriculture, food production, and the floral industry. The exhibit will also include a new stage featuring culinary demonstrations, craft beer and wine sampling, farm talks, and more.

Next Steps:

The concert series on the Grandstand and the shows in The Sound are set to be announced at the March board meeting. Admission, parking and concerts will go on sale beginning in mid-March.



Item 7-G, DMTC Liaison Committee Report

Background

The DMTC Liaison Committee (the Committee) is charged by the Board Chair to:

- Meet with the Del Mar Thoroughbred Club (DMTC) on matters related to the horse racing industry and horse racing at the Del Mar Fairgrounds;
- Review financial and contract performance by DMTC;
- Report to the Board on the status of horse racing and making recommendations regarding matters pertaining to District's relationship with DMTC.

Process/Approach

General Oversight

The Committee met recently with DMTC to discuss the state of the horse racing industry, ideas for potential involvement of the 22nd District Agricultural Association (22nd DAA) Board of Directors (Board) in DMTC-operated activities and events during future horse racing seasons, and DMTC's 2025 Budget (attached).

This year's summer race meet will open on Friday, June 18 and operate for 31 days concluding on Sunday, September 7. The fall season will operate Fridays through Sundays beginning October 30 through December 1, following the return of the Breeders' Cup World Championships, October 31 and November 1, 2025.

Representatives from DMTC will provide a recap of the 2024 Breeders' Cup World Championships and fall season, report on the state of the industry and Northern California racing, their 2025 budget, and their credit card surcharging practices at the February 11, 2025 Board meeting.

Budget

The Committee reviewed and discussed DMTC's budget and executive summary and moved it forward for full Board consideration.

22nd DAA Directors' Participation

The Committee reminds the Board that, per the Operating Agreement between the State Race Track Leasing Commission and DMTC, the Directors Room in the grandstand is a shared-use area for the Board and DMTC's Board of Directors during the racing season. At the Committee's request, CEO Moore is collaborating with DMTC to design and install a plaque listing all 22nd DAA Board members since 1936 in the Directors Room.

The Committee is bullish on the future of racing and encourages all 22nd DAA Board members to be ambassadors of racing by promoting and attending the race meets. The Committee discussed opportunities for Board members to be more involved when attending the races, including:

- Visiting the Paddock between races
- Present a trophy during an official Winners' Circle presentation
- Engage with horse owners/trainers during pre-race activities in the Paddock.
- Engage with industry stakeholders and legislators/staff in the Directors Room.

The Committee plans to invite representatives from the California Horse Racing Board (CHRB) to speak at the 22nd DAA Board meeting in August. The CHRB typically visits DMTC's Summer Race Meet in August.

Future travel

To explore parallel concepts for a future master site plan and to learn more about other racing operations, the Committee is exploring a field trip to the Keeneland Racetrack (Kentucky) in April 2025.

Keeneland, which opened the same year as the Fairgrounds (1936), hosts thoroughbred horse race meets in April and October.

Transition Consideration

In the prospective interests of ensuring a smooth transition between the end of the 2025 San Diego County Fair and Opening Day of the 2025 Summer Race Meet, the Committee asked for the full Board to consider whether to have a Grandstand concert on the final Sunday of the 2025 San Diego County Fair.

The Fair closes on Sunday, July 6. Opening Day is scheduled for Friday, July 18.

Recommendation

The Committee recommends approval of DMTC's 2025 Budget.

The Committee also recommends that the Board consider and vote on whether to hold a Grandstand concert on the final Sunday (July 6) of the 2025 Fair.



Michael R. Ernst
Executive Vice President
Chief Financial Officer

December 16, 2024

Carlene Moore
Chief Executive Officer
22nd District Agricultural Association
2260 Jimmy Durante Boulevard
Del Mar, CA 92014

Re: Del Mar Thoroughbred Club 2025 Budget

Dear Carlene:

We enclose Del Mar Thoroughbred Club's ("DMTC") 2025 budget pursuant to Section 7.1 of the Del Mar Race Track Operating Agreement, as amended (the "Operating Agreement"). Our goal in preparing the 2025 budget is to provide a realistic and achievable operating plan designed to:

- Maximize combined DMTC rent and racing-related food and beverage ("F&B") net income ("Combined Race Meet Net Income");
- Maintain the quality and historic character of our summer meeting; and
- Continue building upon the success of the fall meeting, which in 2025 will coincide with the Breeders' Cup World Championships being held at Del Mar for the second consecutive year and the fourth time in the last nine years.

OPERATIONAL OVERVIEW

Del Mar is viewed as an iconic and world-class venue for Thoroughbred racing. Additionally, DMTC enjoys an unparalleled reputation for operations considered to be among the very best in the industry, both in terms of our ability to attract the highest quality Thoroughbred racing and our success in generating a highly diversified revenue stream. DMTC

has a long and well-earned history as an innovative industry leader at the forefront of developing programs, adopting new technologies and creating dynamic marketing campaigns designed to attract top Thoroughbred racing to Del Mar as well as new fans to the sport of racing. Our efforts, together with our reputation for excellence, have resulted in the prestigious Breeders' Cup World Championships selecting Del Mar as the host site for this year's event, which took place on November 1 and 2. As it does every year, this year's Breeders' Cup featured the world's top Thoroughbred racehorses and drew fans from all over the globe to Del Mar for the two-day event, which also included a week of related festivities. Del Mar has become a favorite venue for the Breeders' Cup, having hosted it in 2017, 2021 and 2024 and has been selected to host the event again in 2025 -- the fourth time in nine years.

In addition to continuously presenting a world-class racing product, DMTC leads the industry in developing practices and procedures protecting and enhancing the health and safety of our horses, riders and patrons. Indeed, DMTC has long been at the forefront of enacting industry-leading safety protocols and procedures, which have resulted in Del Mar consistently being ranked among the safest racing venues in the country. DMTC has implemented extensive safety measures, including adopting the industry's most stringent medication rules, increasing veterinary oversight and medication testing of horses, enhancing stable security and establishing a safety advisory committee consisting of trainers, veterinarians, jockeys, track maintenance personnel and management which meets regularly to review safety practices, operations and racing surfaces. DMTC's efforts to provide the safest possible environment for the sport's equine and human athletes never cease and safety is always our top priority. We work with industry stakeholders, including the federally-established Horseracing Integrity & Safety Authority ("HISA"), to ensure Del Mar's equine safety and welfare protocols continue to be the industry's gold standard. Additionally, we are proud of the fact that many safety protocols originated at Del Mar have been incorporated into federal regulations mandated by HISA.

A number of factors impact the sport of Thoroughbred racing. Among the key ones are the overall horse population and the inventory of racehorses available to race in Southern California. The number of horses that run in each race (known as field size) directly correlates to the amount of money wagered on a race, the so-called "wagering handle." The more horses that run in a race, the larger the wagering pool and a larger wagering pool means greater wagering commissions are paid to track operators and higher purses paid to the horsemen. The nation's foal population has been declining over the past decade and, in California, the foal population has fallen approximately 23% since 2013 according to industry reports. As a result of these declines, racetracks in California and throughout the country have struggled to maintain field sizes and have had to offer fewer races and less racing days, or cease operations altogether. DMTC, however, has led the industry in creating innovative programs to help overcome the

challenges relating to the horse population in Southern California and to bolster field sizes by recruiting horses to race here.

One such program we pioneered is the highly successful Ship & Win program, which provides an incentive for owners of out-of-state horses to relocate them to California and race at Del Mar. In 2024, DMTC and the Thoroughbred Owners of California (“TOC”) jointly funded the Ship & Win program to provide reimbursements for shipping costs and incentive purse payments for out-of-state horses to come to Del Mar. For horses that do not qualify for Ship & Win incentives, another of our horse recruitment programs designed to attract out-of-state runners is the Co-Op marketing program. The Co-Op program is funded through a deduction taken from online Advanced Deposit Wagering (“ADW”) handle and it is discussed in greater detail later in this report. We first introduced the Ship & Win program in 2011 and since then Del Mar’s horse recruitment efforts have brought 2,686 horses to race at Del Mar. And importantly for the health of the overall racing industry in California, DMTC’s recruitment programs have not just benefitted Del Mar, but with many of these horses remaining in California to race at the state’s other racetracks, the California racing industry as a whole also has benefitted from our programs.

Wagering revenue represents our primary revenue source. However, we strive to diversify our revenue stream and generate substantial non-wagering revenues. Such non-wagering revenues consist of admissions-related revenues (e.g., daily admissions, seating and parking, season suites and boxes, Turf Club memberships and suites, Group sales, programs and novelty concessions), sponsorship revenues and fee-based management services that we provide to others in our industry. Through our efforts Del Mar historically has enjoyed the highest level of non-wagering-to-total-revenues of all tracks in California and among the highest of any racetrack in the United States. Importantly, although F&B revenues are not reflected in DMTC’s financial statements, we nonetheless design our marketing efforts so that they drive significant race meet-related F&B net revenues, all of which flow directly to the District. Similarly, DMTC’s frequent selection to host the Breeders’ Cup has further supplemented each of our revenue categories, with each of the two-day events that have been held at Del Mar having generated approximately \$1.5 million of net revenues for the District.

Our industry leading sponsorships program represents another important component of Del Mar’s diversified non-wagering revenues. Hosting the Breeders’ Cup World Championships in 2024 and 2025 increases DMTC’s exposure to the global racing market and has been a catalyst in expanding our international sponsorships, such as our multi-year partnership with the luxury Swiss watchmaker Longines, and we plan to pursue additional opportunities with other brands outside of the United States. DMTC maintains and grows its corporate partnerships by

developing and implementing robust marketing and co-branded initiatives for our sponsors. Our growth in the digital space has created new and enhanced social media and online opportunities for our partners. These assets, combined with traditional on-site engagement of patrons, offer sponsorship opportunities not seen by many other racetracks. In addition, Del Mar's dedicated and robust fan base is rich with Millennial and Gen Z demographics and our corporate partners enjoy unparalleled access to these highly coveted audiences. DMTC continues to leverage our in-demand, high-end race day hospitality to increase sponsorship revenues. Lastly, we work in partnership with District staff on facility-wide corporate partnerships that maximize sponsorship revenues for the Fairgrounds.

2024 RESULTS

The 2024 summer race meet consisted of 31 days of racing spread over our typical eight-week calendar from mid-July to early-September. Our summer race meet offered \$25.84 million in total purse distributions and was highlighted by an impressive parade of stakes races. Del Mar's competitive stakes program attracted many world-class equine stars competing in 39 summer stakes races worth a combined \$7.88 million. Del Mar's showcase event each summer is the Grade I, \$1-million FanDuel Racing Pacific Classic, which was won this year by Mixto, a 4-year-old trained by Doug O'Neill and ridden by Kyle Frey. The quality of our racing product was further showcased at the recently concluded Breeders' Cup World Championships held on November 1 and 2. A total of 25 horses that raced at Del Mar this past summer competed against the world's top Thoroughbreds in the World Championship races, scoring three wins, two second-place finishes and two third-place finishes. Citizen Bull and Gaming, both trained by Bob Baffert, ran first and second in the \$2 million Juvenile. Full Serrano, owned by California based Hronis Racing and trained by John Sadler, won the \$1 million Dirt Mile, giving the Hronis-Sadler Racing team their third Breeders' Cup win to follow Accelerate in 2018 and Flightline in 2022. Straight No Chaser won the Sprint. Other notable performances included second-place finishes by three Phil D'Amato-trained horses with Vodka With a Twist in the Juvenile Fillies, Iron Man Cal in the Juvenile Turf, and Motorious in the Turf Sprint. Johannes joined them with a second-place finish in the Mile, while Dida and Ag Bullet finishing third in the Filly & Mare Turf and Sprint races, respectively.

The 2024 summer race meet opened on Saturday, July 20. Opening Day at Del Mar saw another sold-out crowd and the iconic afternoon continues to be one of the top social events of the summer calendar in Southern California. Because the San Diego County Fair closed on July 7, which is three days later than usual, Opening Day was moved from our traditional Friday opening to Saturday to give us ample time to ensure the racing surfaces and stable areas were in proper condition. Opening Day is always our most well-attended race day and generates the

greatest F&B revenues. Not having Friday as our Opening Day eliminated our best-attended weekday of live racing and it was replaced in the calendar with an additional weekday on the Thursday following Labor Day, which turned out to be our lightest-attended race day. On-track attendance for the revised 31-day race meet totaled 273,587 and was off by just 1% compared to last year's 30-day meet, which was shortened to 30 days as a result of Tropical Storm Hillary causing racing to be canceled on August 20, 2023.

The recently completed five-week fall race meet – known as the “Bing Crosby Season” – concluded its 11th year on December 1st and once again showcased the nation's premier late-season racing product. The Del Mar fall meet is North America's most heavily wagered race meet in the month of November, with many industry stakeholders viewing Del Mar as offering the nation's strongest autumn racing product. Total wagering for the recently concluded 14-day fall meet totaled \$165.42 million, a \$12.13 million increase over the \$153.29 million wagered during the 13-day 2023 fall season. Turf racing is the highlight of our fall meet, with eight major grass races offered during our Turf Festival over the final two weeks of the season. Because of weather and generally poor conditions of turf race courses in the East and Midwest during the fall, Del Mar's ability to offer grass racing enables us to annually attract the top turf runners from around the country. The Turf Festival attracted the very best out-of-state trainers, including such notable trainers as Chad Brown, Graham Motion, Brendan Walsh and Christophe Clement, each of whom brought their horses to Del Mar, with several of them earning notable prizes. A total of 21 out-of-state horses shipped to Del Mar to take part in our Turf Festival, most of them ridden by top riders from the east, including Irad Ortiz, Jr., Frankie Dettori, Flavien Prat, Javier Castellano and John Velasquez. California stables were also successful during the fall season with top local trainers Mark Glatt, Phil D'Amato and Mike McCarthy claiming victories in three of the seven Turf Festival Stakes. McCarthy won the Grade I Hollywood Derby with Formidable Man, who also won the Del Mar Derby and Oceanside Stakes during the summer meet. The 2024 fall race meet featured the return of the Breeders' Cup World Championships to Del Mar for the third time in its history. The world's best Thoroughbreds compete in the Breeders' Cup and a record 61 international horses came to Del Mar to battle for the World Championship in the various racing divisions. The two-day Breeders' Cup event generated \$204.8 million in pari-mutuel and international separate pool wagers, which represents a 1.2% increase over the then-previous wagering record of \$202.4 million at the 2021 event when it was last held at Del Mar.

The foundation of DMTC's operations is a world-class live racing program and the wagering commissions and purses our races generate. Our horse recruitment efforts, including the Ship & Win and Co-Op marketing programs, continued as a key focus of our 2024 operations. This year our Ship & Win program incentives for the summer race meet paid a \$4,000 starter bonus and a 40% purse bonus for any out-of-state runner. The purse bonus was

paid for additional starts at the summer meet and was also expanded this summer to award a purse bonus on winnings by first-through-fifth place finishers.

Our 2024 horse recruitment efforts were delayed due to prolonged negotiations with the Thoroughbred Owners of California (“TOC”) over rates that are charged on wagers of certain out of state customers. Rates on wagers placed by customers within California are set by statute but out-of-state customers have rates set by contracts. To set wagering rates for out-of-state customers who wager on our races DMTC must consult with and obtain the TOC’s consent and the purses we can offer on our races greatly depend on the wagering revenues generated by those rates. One group of our out-of-state customers is comprised of high-volume bettors who utilize complex computer algorithms to handicap and wager on races, so-called “Computer Assisted Wagering” (“CAW”) players. Prior to the 2024 summer race meet, the TOC required a substantial increase in fees paid by CAW players on specific wagers as well as raising the amount of CAW wagering revenues dedicated to fund purses through charging these players higher rates. Unfortunately, discussions with TOC over these new requirements dragged on and ultimately, to ensure CAW players participated in the summer race meet and to limit the negative impact TOC’s proposed rate increase would have on CAW wagering levels, DMTC elected to contribute 50% of the final CAW rate increase from our own share of CAW revenues. These prolonged discussions with TOC caused a three-month delay in our horse recruitment efforts and resulted in fewer out-of-state horses competing during the summer race meet. Ultimately, we were able to attract 191 horses from outside of California that made 291 starts at Del Mar this summer. In comparison, last year’s recruitment efforts attracted 288 out-of-state horses and those horses made a record 456 starts at Del Mar. The impact of this year’s decline in recruiting out-of-state horses was seen in lower numbers of starters during the middle portion of the summer meet, with those lower numbers tending to have a drag on our field sizes when compared to the early and later portions of the meet, which included a very strong Closing Day featuring an impressive field size average of 10.7 horses per race

Although the total number of horses we were able to recruit this summer declined, our field sizes nevertheless remained strong at 8.6 horses per race. Indeed, our field sizes this summer were the second highest for all major race meets in the country and only slightly below Keenland’s 8.7 horses per race. We were well above the popular Saratoga race meet in upstate New York, which had an average field size of 7.9 horses per race. From a comparative standpoint it bears noting that both Keenland and Saratoga benefit from supplemental purse revenues derived from other forms of gaming revenues in their respective states, such as Historical Horse Racing video terminals in Kentucky and casino gaming in New York. Such supplemental revenues enable those tracks to offer higher purses to attract owners and trainers to enter their races than is possible in California due to the state’s current gaming restrictions. Since

supplementing purses with these other revenue sources is not available in California, we rely heavily on our horse recruitment programs to compete with other tracks, especially those in Kentucky and New York, to entice out-of-state horses to come and race here. We have discussed with the TOC the importance of being able to commence our recruitment efforts in a timely manner and we are confident that the delays seen in 2024 – which negatively impacted field size, wagering levels and purses – will not occur in the future.

Our fall horse recruitment program, in contrast, was not impacted by the late start of our 2024 recruitment efforts and recruiting for the fall meet benefitted from Del Mar being the host of the 2024 Breeders' Cup. We were able to attract 67 out-of-state horses that made 74 starts at Del Mar during the recent fall race meet. In comparison, last year's fall recruitment efforts attracted 33 out-of-state horses and those horses made a then-record 35 starts during the 2023 fall race meet. This year's fall field size average increased to 7.72 horses per race compared to last fall's 7.43 horses per race.

Revenues for the 2024 summer and fall race meets totaled \$37.91 million and were \$1.21 million, or 2.9%, lower than total revenues during the 2023 summer and fall race meets and were \$2.68 million, or 6.6%, under budget. Wagering revenues declined \$1.38 million, or 5.6%, and were \$2.45 million, or 9.6%, under budget due to the lower CAW, Pick 6 and Opening Day wagering levels and because of higher regulatory costs funded through deductions from wagering revenues. Non-wagering revenues rose \$250,000, or 1.7%, with increased sales of our premium areas and increased Opening Day pricing driving growth in attendance-related revenues, which increased \$440,000, or 4.3%. Other operating revenues declined \$200,000, or 4.3%, primarily as a result of the District receiving a larger percentage of certain shared sponsorships. Total expenses for 2024 summer and fall race meets are projected at \$35.08 million and be \$1.4 million, or 3.9%, under budget due to the favorable outcome of a tax assessment matter which offset a significant increase in current-year utility costs. Prior-year expenses benefitted from lower legal and insurance costs related to the settlement of a multi-year legal proceeding.

The 2024 summer and fall meets, together with the Breeders' Cup event, are projected to generate a combined return from racing of \$9.45 million for the year. This amount is \$1.93 million below the budgeted return from racing and \$150,000 higher than the 2023 combined return from racing. Racing net revenues are projected to total \$3.44 million in 2024, consisting of \$1.825 million of Direct Payments (\$825,000 for the summer meet, \$400,000 for the fall meet and the \$600,000 Breeders' Cup facility Direct Payment), as well as \$1.615 million of payments to the Race Track Authority ("RTA"). The \$1.615 million RTA payments consist of: (1) \$1,595,000 paid on November 15, 2024; and (2) an expected additional payment to the RTA of

approximately \$20,000. This additional payment, which will include the results of our fall race meet and the Breeders' Cup event, will be paid in late April following the completion of our 2024 audited financial statements.

Racing related F&B net revenues (as defined in the Operating Agreement) are projected to total \$6.01 million consisting of \$4.51 million of summer race meet F&B net revenues, \$580,000 of projected fall race meet F&B net revenues and \$915,000 of Breeders' Cup F&B net revenues. Summer race meet F&B revenues were negatively impacted by moving Opening Day from the typical Friday opening to Saturday. Our Friday Opening Day is always our best-attended race day and generates the highest F&B revenues of any day of the summer meet. The 2024 F&B net revenues are \$730,000 lower than the 2024 budgeted amount and \$530,000 above 2023 F&B net revenues, primarily due to Breeders' Cup F&B net revenues.

LEGISLATIVE MATTERS

NORTHERN CALIFORNIA RACING CALENDAR AND REDIRECTION OF CERTAIN REVENUES

Unlike every other state – each of which has one unified full-time racing circuit within its borders – California Horse Racing Law (“Racing Law”) splits California into two full time racing circuits commonly referred to as the Southern Zone and the Northern Zone. The number of racing weeks allocated to racing associations and racing fairs in each zone are limited as provided by Racing Law. The California Horse Racing Board (“CHRB”), which oversees the racing industry in California, issues licenses and allocates specific race dates on an annual basis to racing associations and fairs in each of the two zones according to Racing Law.

Racing Law provides that money wagered in California – whether the wager is made on-track, at the State's ITW simulcast locations or through ADW providers – stays in the zone where the bet was made. The race meet conducting live racing in that zone at the time the wager is placed retains the wagering and purse revenues and makes the required statutory distributions on the money wagered. As an example, wagering revenues from a race run at Del Mar by a bettor who is in Northern California when they make their wager are distributed to Northern California stakeholders in the form of track commissions and purses.

The racing circuit in the Southern Zone consists of (i) Del Mar's summer and fall race meets, (ii) Los Alamitos' pair of two-week fall and winter race meets, and (iii) Santa Anita's winter/spring meet, which runs from late December through mid-June, as well as its five-week autumn race meet, which immediately precedes Del Mar's fall race meet. Prior to 2024, the racing circuit in the Northern Zone consisted of 13 weeks of Fair racing, featuring 11 weeks of

racing conducted by four different racing Fairs during the period mid-June through the end of August and a two-week racing Fair in early October. The racetrack located in Alameda County known as Golden Gate Fields (“GGF”) raced the balance of the year with a meet that typically ran from late August through mid-June, except for the two-week period to accommodate Fair racing in October.

In July 2023, The Stronach Group (“TSG”), the owner and operator of both Santa Anita in the Southern Zone and GGF in the Northern Zone, announced it was closing GGF at the conclusion of its race meet in June of 2024. As a result of TSG’s announcement, in September 2023, Legislation (known as “AB 1074”) was enacted and provides that if racing was not conducted at GGF after July 1, 2024, any weeks where no live racing otherwise takes place in the Northern Zone (called “unallocated racing weeks”) will be deemed, for the purposes of conducting simulcast and ADW wagering in the Northern Zone during such time, to be operated by racing associations in the Southern Zone. In such circumstances, the then-operating Southern Zone racing association will receive and make the statutory and contractual wagering distributions in the Northern Zone on these simulcast and ADW wagers. Additionally, AB 1074 provides that purses and track commissions generated on these wagers shall be used to pay certain simulcast operating expenses in the Northern Zone and fund statutorily required payments by the Southern Zone racing associations for regulatory and safety operations (i.e., CHRB and HISA). Any funds remaining after those payments will be divided between purses and commissions for the Southern Zone racing associations in the same relative proportion as they were generated in the Southern Zone during the previous fiscal year.

As it stated it would, TSG permanently closed GGF in June 2024. In response, a group of Northern California stakeholders formed an entity known as Golden State Racing (“GSR”) hoping to replace GGF’s historic dates by conducting race meets at the Alameda County Fairgrounds in Pleasanton. In 2024, GSR’s results at Pleasanton have dramatically underperformed projections, with wagering 64% lower than similar dates at GGF. GSR’s poor results are due to several factors, including, among other factors, GSR’s reduced purses, a smaller Northern Zone horse population and the lack of a turf course at Pleasanton.

To address GGF’s closure and GSR’s unsustainable results, DMTC and other industry stakeholders have presented a plan to consolidate year-round racing in California to the state’s Southern Zone racetracks (Del Mar, Santa Anita and Los Alamitos), while also aiding Northern Zone-based horsemen/horsewomen and supporting traditional Northern Zone Fair racing dates in mid-June through early October. Specifically, the proposed plan provides:

- The Southern Zone providing funding for year-round stabling for Thoroughbreds at Pleasanton;
- The Southern Zone providing funding to reimburse travel expenses for Northern Zone-based horses that are racing at Southern Zone tracks;
- The Southern Zone providing preference and special race conditions for Northern Zone-based horses racing at Southern Zone tracks;
- The Southern Zone providing funding to pay purse supplements for Northern Zone Fairs racing during their traditional summer calendar.

The proposed plan contemplates funding being provided as a result of, and in conjunction with, the CHRB allocating race dates to the Southern Zone when there is no live racing in the Northern Zone. The CHRB will ultimately decide on the size and scope of the funding budget when it sets the Northern Zone's racing calendar and we anticipate the CHRB doing so at one of its future monthly meetings. Because that decision – as well as any resulting redirection of ADW and ITW simulcast revenues from the Northern Zone when there is no live racing conducted in the Northern Zone – will impact DMTC's 2025 financials, we will provide updates through the District's DMTC Liaison Committee as developments occur. Our discussion of the anticipated impact of the funding generated as a result of SB 1074 and the projection of how it will offset the Southern Zone racing associations' annual regulatory costs appears in the section on Revenues at pages 17 and 18 below.

SPORTS WAGERING

Sports wagering has been legalized in 38 states across the country. As we discussed in previous filings, DMTC continues to work with other racing industry stakeholders and the state's Tribal casino interests on a legislative framework for legalizing sports wagering in California, which would require that a majority of the state's voters approve amending California's constitution. We anticipate that approval of sports wagering will be put to California voters in the 2026 or 2028 election.

2025 BUDGET OVERVIEW

DMTC's 2025 budget reflects the operating, staffing and marketing strategies that we have implemented since 2014 when we began conducting our two distinctly different annual race meets. Consistent with past practices, our 2025 budget is designed to maximize both DMTC's

rent payment to the District as well as race meet-related F&B net revenues that flow directly to the District.

Our proposed 2025 budget is affected by a number of key factors that are reflected in both the revenue and expense projections. As in the past, these factors result from legislative changes, new state-mandated regulatory actions and the upcoming racing calendar approved by the CHRB, as well as opportunities and changes in the business environment surrounding racing. Some of the key assumptions and other factors include:

- Regional and national economies are expected to remain relatively strong throughout 2025;
- Labor markets are expected to continue to normalize from the tight labor market and wage pressures of 2022 and 2023. The unemployment rate is expected to increase slightly, but remain below historical norms;
- The Federal Reserve is expected to continue through mid-2025 the interest rate cut cycle it started in September 2024 and then pause its easing cycle and further rate reductions as inflation will likely remain modestly above the Federal Reserve's 2% target rate;
- CHRB approval of the Southern racing associations, starting early in 2025, operating unallocated racing weeks when there is no live racing in the Northern Zone in conjunction with the plan for Southern racing associations to support Northern Fair race meet purses and providing financial support for the continuation of Northern stabling operations. Additionally, Southern racing associations will provide races that gives preference to Northern horses and cover vaning costs for these horses racing at Southern race meets;
- CHRB approval of an extension of the current agreement between the Southern California racetracks and the TOC to continue to provide funding for Southern California Off-Track Wagering Inc. ("SCOTWINC") operations from a deduction from the ADW handle;
- CHRB approval of the request by Southern racing association to increase the deduction from both ADW wagering and California brick-and-mortar wagering to provide supplemental funding for Northern stabling and vaning operations; and

- CHRB approval and an extension of the current agreement between DMTC and the TOC to continue a deduction from the ADW handle to provide funding for the Co-Op marketing program.

The accompanying budget is formatted to reflect the following: (i) summer race meet budgeted revenues, expenses and rent payment; (ii) fall race meet budgeted revenues, expenses and rent payment; (iii) a Breeders' Cup budget that reflects revenues and expenses directly attributable to the two-day Breeders' Cup World Championships being held at Del Mar in conjunction with the fall race meet; and (iv) a consolidated budget showing all revenues, expenses and our 2025 payments to the District and RTA.

This budget precedes the start of our summer race meet by seven months and requires us to make assumptions regarding on-track attendance and wagering levels, CHRB approval of proposed agreements and other factors that will impact our operations and financial projections. Sometimes over the years impactful events have developed following the December submission of our annual budget which required us to significantly adjust our operations.

As we move toward the start of the 2025 summer race meeting, our objective is to continue to implement a thoughtfully prepared budget and dynamic business plan that addresses evolving conditions and delivers a combined race meet net income that exceeds the projected amount in this budget. Through our 2025 quarterly budget submissions we will provide updates on adjustments to our operation, the costs and expected benefits of any programs and other events that are not contemplated in this budget. We also will meet with District staff and the Liaison Committee to provide updates on any other developments that may arise.

2025 RACING CALENDAR

At the September and November 2024 CHRB meetings Del Mar was awarded 14 weeks of racing in 2025, consisting of a nine-week summer calendar from July 9 through September 9 and a five-week fall calendar from October 29 through December 2. The Del Mar live racing calendar for 2025 consists of 47 live racing days, with 31 days of summer racing and 16 days of fall racing. The fall racing schedule includes our 14-day fall meet and the two-day Breeders' Cup World Championships, which will take place on the first Friday and Saturday – October 31 and November 1 – of the fall meet. This matches the 47 live racing days held in 2024, our 31-day summer race meet and a 16-day fall race meet which also included the two-day 2024 Breeders' Cup World Championships.

Our summer race meet once again will offer 31 days of live racing run over eight weeks. Opening Day will be on Friday, July 18 and the meet will close Sunday, September 7. With the

exception of Opening Day, the upcoming summer calendar is similar to the 2024 nine-week calendar – 31 live race days conducted over eight weeks concluding the Sunday following Labor Day. Opening Day, our most well-attended race day that generates by far the greatest F&B revenues, will return to its traditional Friday opening in 2025. Last year, Opening Day was moved from the traditional Friday opening to Saturday. This was done in order to give us ample time to ensure the racing surfaces and stable area were in proper condition due to the later-than-typical close of the San Diego County Fair. Our maintenance and track staffs, working in conjunction with fair staff, are comfortable we will be able to get the racing surfaces and stable area in proper condition to accommodate the traditional Friday opening after successfully accomplishing the process in previous years. In addition to eight weeks of live racing in the summer of 2025 there will be no live racing (so-called “dark days”) in Southern California the week of July 9 through July 17 prior to the start of our meet. Even though we are not offering live racing during these dark days, because they are assigned to us as part of the racing calendar, Del Mar earns wagering commissions and purse funds when Southern California patrons wager on races imported from racetracks outside California (“imported races”) and those races run in Northern California (“Northern races”).

Our five-week 2025 fall race meet opens on Thursday, October 30. The Breeders’ Cup World Championships runs on Friday, October 31 and Saturday, November 1, and the fall race meet resumes on Sunday, November 2. The four remaining race weeks offer racing Friday through Sunday with the meet closing on Sunday November 30. The 2025 fall meet is similar to the 2024 five-week calendar – 16 live race days conducted over five weeks with the Breeders’ Cup held on the opening Friday and Saturday of the meet. Again, the highlight of the 2025 fall season will be Del Mar’s hosting of the Breeders’ Cup World Championships as the two-day event is considered horse racing’s premier international event. The 2017, 2021 and 2024 Breeders’ Cups held at Del Mar were all highly successful and among the most highly wagered events in the Breeders’ Cup’s 41-year history. As was the case when we hosted past Breeders’ Cups, our 2025 fall race meet will be positively impacted by the days prior to and following the World Championships. These so-called “shoulder days” are attended by many of the Breeders’ Cup’s out-of-town and international visitors and generated significant wagering, admissions and F&B revenues during the 2017, 2021 and 2024 fall race meets. Similar to 2024, the five-week 2025 fall race meet also will benefit from five additional “dark day” simulcast revenues when compared to the past four-week fall race calendars in the years when Del Mar does not host the Breeders’ Cup. The 14 days of live racing during the five-week fall seasons consist of nine weekend and four weekday race days. During years when the CHRB allocates a four-week fall race calendar, live racing consists of eight weekend and five weekdays of live racing over the four-week fall meet. Weekend live race days generate both increased wagering and attendance compared to weekday events.

In 2025, summer race meet attendance is projected to total 280,400, a 2.5% increase above the 2024 summer race meet. As noted previously, Opening Day, our most well-attended day will return to its traditional Friday opening this year. Additionally, this move will allow us hold our annual opening weekend Beerfest on Saturday compared to last year's opening weekend Sunday Beerfest which was the result of opening on Saturday in 2024. Attendance is higher when lifestyle promotional events are held on Saturdays compared to Sundays. 2025 fall race meet attendance, excluding attendance on the two days of the Breeders' Cup, is projected to total 46,300, a 0.5% increase over the 2024 fall race meet, primarily due to last year's fall meet having opened on Halloween day, October 31, which had a modest impact on Opening Day attendance. The 2025 fall race meet opens the day before this coming year's Halloween celebration.

Race meet F&B revenues are projected to increase 4.5% for the summer race meet, 2.0% for the fall race meet, and 3.0% for the Breeders' Cup, and are based on projected attendance levels and modest increases in F&B prices. F&B revenues are projected to benefit from our high-margin lifestyle events with the 2025 events calendar being highlighted by popular lifestyle promotions, such as craft beer events, local artisan food festivals, wine tastings and college days. Our promotional events are designed to increase attendance by non-core racing fans and generate high-margin F&B revenues that flow directly to the District.

REVENUES

Revenues for 2025 are projected to total \$62.91 million, an increase of \$2.05 million. Summer race meet revenues, are projected to increase \$1.85 million, or 5.9%, due to growth in wagering resulting from moving Opening Day back to its traditional Friday opening as well as anticipated lower regulatory costs funded through deductions from wagering revenues. Additionally, summer race meet admissions-related revenues will benefit from the return to our traditional Friday opening this year. Fall race meet revenues are projected to increase \$200,000, or 2.9%, primarily due to lower regulatory costs funded through deductions from wagering revenues. Although the financial results of the 2024 Breeders' Cup World Championships are preliminary, we project that Breeders' Cup revenues in 2025 to be consistent with 2024 levels. The District benefits from the Breeders' Cup in 2024 and 2025 from the \$600,000 fixed facility Direct Payment and Breeders' Cup F & B net revenues, all of which flow directly to the District and consequently are not reflected in our financial statements.

Wagering Revenues: DMTC receives wagering commissions and purses from wagers on our races made by patrons in California, regardless of whether they are made on-track at Del Mar, off-track at Southern California satellite ("ITW") locations, or from Southern California

residents wagering through Advanced Deposit Wagering (“ADW”) providers licensed by the CHRB. We also receive commissions and purses when patrons who are located outside of California wager on our races at brick-and-mortar locations (e.g., racetracks, casinos, ITW locations and sports bars) and through ADW providers that contract with us to take wagers on races run at Del Mar. California patrons are able to wager on three types of races: 1) those run at Del Mar (“live races”); 2) those run at racetracks in Northern California; and 3) races imported from racetracks outside California. DMTC also receives wagering commissions and purses from separate pool simulcast fees, breakage and ITW expense fund distributions.

Wagering revenues comprise DMTC’s primary source of revenue and account for a projected 57.8% of summer race meet revenues, 82.4% of fall race meet revenues, 16.7% of Breeders’ Cup revenues and 45.6% of our total projected revenues in 2025. The Breeders’ Cup World Championships have a much lower concentration of wagering revenues than our summer and fall race meets because the Breeders’ Cup’s premium pricing structure and large crowds generate significant attendance-related revenues for the event. Further, under the Breeders’ Cup business model, all ADW and out-of-state simulcast wagering revenues are used for the more than \$34 million in purses paid-out over the two-day event and, consequently, are not reflected in revenues. The fall race meet has a larger concentration of wagering-to-total-revenues because all existing sponsorship agreements, management services and other operating revenues are allocated to the summer race meet. Additionally, because the summer race meet draws more out-of-town and casual patrons than the fall race meet, the summer meet generates higher attendance-related revenues.

Our horse recruitment efforts, including the Ship & Win and Co-Op marketing programs, again will be a key focus of our 2025 operations. Field sizes for the summer race meet are expected to increase modestly because we will not suffer the same prolonged discussions with the TOC that delayed last summer’s out-of-state horse recruitment efforts. That delay, which lasted three months, impacted the number of horses we were able to successfully recruit to race here last summer. We have discussed with the TOC the importance of being able to commence our recruitment efforts in a timely manner and we are confident that the delays seen in 2024 – which negatively impacted field sizes, wagering levels and purses – will not occur in the future. The fall race meet field sizes are expected to remain at 2024 levels, which increased from 2023 levels and were positively impacted by our hosting the Breeders’ Cup World Championships, as trainers of horses that are expected to run in the Breeders’ Cup traditionally bring their horses to Del Mar to compete in other races.

Wagering and purse revenue projections reflect various changes to statutory wagering deductions and modifications to contractual ADW wagering deductions used to fund stabling and

vanning operations, the operations of the SCOTWINC satellite network and deductions used to fund the CHRB's annual operation as well as California's share of HISA's annual operations.

DMTC and the TOC plan to extend the agreement, subject to CHRB approval, that provides funding for the Co-Op marketing program through a deduction from ADW wagering. The Co-Op marketing program includes horse recruitment efforts, on-track large player reward incentives and a social media program designed to educate the public about Del Mar's industry-leading safety record, our comprehensive safety protocols and procedures, as well as California's unrivaled aftercare program for retired racehorses. The 2025 deduction from ADW wagering will be unchanged from the 2024 deduction and, as a result, the impact of funding the Co-Op marketing program will be unchanged compared to 2024.

Stabling and vanning ("S&V") operations, which refer to the off-site stabling of horses and transporting them to the operating venue for live racing, are funded through a statutory deduction on wagers made at satellite facilities and on-track handle on imported and Northern California races, as well as a contractual deduction from California ADW wagering. The TOC and the Southern California race tracks increased the statutory deduction on Southern California satellite wagering in 2025 by 71 basis points and also raised the deduction from ADW wagering that funds S&V operations by a similar 71 basis points. These increased funding levels are due to the above-described proposed plan calling for Southern Zone racing associations to provide funding for the continuation of year-round stabling at Pleasanton for Northern Zone-based Thoroughbreds in conjunction with the CHRB allocating race dates to the Southern Zone when there is no live racing in the Northern Zone. The impact on wagering revenues and purses from these statutory and ADW changes in 2025 is a projected decrease in track commissions and purses by \$950,000 each. The increased S&V cost will be more than offset by the reduction in regulatory funding costs discussed below.

Racing law provides that the cost of funding the annual operating expense of the CHRB, California's equine drug testing program and the State's share of HISA operations, ("Annual Regulatory Operating Costs") are paid by California racing associations and purses through a statutory deduction from on-track, ITW and out-of-state wagering at all California race tracks and racing fairs as well as a contractual deduction from California ADW wagering. These funding deductions from wagering are established annually and are based on the projected statewide on-track, ITW, California ADW and out-of-state wagering compared to the CHRB's and HISA's annual operating budget for the upcoming fiscal year. These deductions from wagering effectively reduce wagering revenues and purses equally during the year. Any surplus or deficit between the funds generated from the funding deductions and the Annual Regulatory

Operating Costs at the end of the year is either refunded to, or further deducted from, the following year's commissions and purses.

Statewide Annual Regulatory Operating Costs are projected to total \$19.64 million in 2025, compared to \$20.88 million in 2024. The \$1.32 million decline in Regulatory Operating Costs is due to (1) an \$820,000 decline in California's 2025 HISA assessment because California's equine drug testing program will be used by other states regulated by HISA, and (2) the elimination of the \$450,000 net prior year shortfall that impacted and increased 2024 Regulatory Costs. The amount of funding generated for Regulatory Operating Costs through deductions from wagering exceeded projections in 2024, largely due to Del Mar's fall race meet wagering exceeded projections and because Del Mar hosted the 2024 Breeders' Cup. Accordingly, there will be no prior year funding shortfall impacting 2025 Regulatory Costs. Del Mar's allocation of Regulatory Costs in 2025 is projected to be \$5.18 million. This amount is \$270,000 lower than our 2024 allocated share of Regulatory Costs and the amount will be shared equally to benefit wagering revenues and purses.

As previously noted, the proposed plan put forth by the Southern Zone racing associations and the TOC to aid Northern-Zone based horsemen/horsewomen and to support Northern Zone racing fair purses ("Northern-Zone support costs") will be presented to and acted upon by the CHRB at one of its upcoming meetings. Because of the current unsustainable results of GSR operations in the Northern Zone, we anticipate that the CHRB will approve the Southern Zone's plan to support Northern Racing. Del Mar's share of the amount of funding generated under SB 1074 during weeks when there is no live racing in the Northern Zone, which will help to fund the Southern Zone racing associations' share of annual regulatory operating costs, net of Del Mar's share of Northern Zone support costs, is projected to benefit wagering commissions and purses by \$1.48 million each in 2025.

Wagering revenues for the summer and fall race meets are projected to total a combined \$28.66 million in 2025, reflecting an increase of \$1.64 million of summer race meet wagering revenues and \$200,000 of additional fall race meet wagering revenues. The wagering revenues for both meets include the benefit of the lower regulatory funding costs discussed above. Additionally, summer race meet wagering revenues will benefit from additional wagering revenues resulting from moving Opening Day back to its traditional Friday opening this year. Breeders' Cup wagering revenues are projected to be unchanged in 2025. The Breeders' Cup arrangement provides that all wagering commissions and purses generated on Breeders' Cup live races by on-track and ITW patrons are recognized as Breeders' Cup wagering revenues while all wagering revenues and purses generated on California ADW patrons and all out-of-state and

separate pool wagering on Breeders' Cup races flow to fund the Breeders' Cup purses and these revenues are not reflected in our financial statements.

On-track wagering: On-track wagering commissions for the summer and fall race meets are projected to total \$4.10 million, an increase of \$300,000, or 7.9%, over 2024 on-track wagering commissions and consist of a \$240,000 increase over summer revenues and a \$60,000 increase in fall wagering revenues. On-track wagering commission for both meets reflect the benefit from lower total regulatory funding costs in 2025 compared to 2024. Additionally, on-track commissions reflect the benefit of revenues generated under the provisions of SB 1074 that result from Southern Zone racing associations operating unallocated racing weeks when there is no live racing in the Northern Zone and these revenues, net of increased S & V funding, will offset Del Mar's regulatory funding costs. Summer race meet on-track wagering commissions also reflect the benefit from additional on-track wagering generated resulting from Opening Day returning to its traditional Friday opening. Fall race meet commissions also reflect the loss of \$10,000 of wagering commissions on the Northern Zone because there will be no live racing in the Northern Zone outside of the summer and early fall fair race meets. The on-track revenue loss is minimal because wagering on Northern California races was just 1.5% of total on-track wagering in 2024..

Off-track wagering: ITW commissions generated from live, import and Northern California wagering are projected to total \$3.65 million, an increase of \$180,000, or 5.2%, over 2024 ITW wagering commissions and consist of a \$220,000 increase in summer ITW revenues and a \$40,000 decline in fall wagering revenues. Fall race meet ITW revenues are impacted by a \$90,000 decline in ITW wagering commissions resulting from there being no live racing in the Northern Zone during the fall and wagering on Northern California races accounted for 7% of total ITW wagering last fall. ITW wagering commission for both race meets reflect the benefit from lower total regulatory funding costs in 2025 compared to 2024. Additionally, ITW commissions reflect the benefit of revenues generated under the provisions of SB 1074 that result from Southern Zone racing associations operating unallocated racing weeks when there is no live racing in the Northern Zone and these revenues, net of increased S & V funding, offset Del Mar's regulatory funding costs. Summer race meet ITW wagering commissions reflect only a modest benefit from additional ITW wagering generated on the Friday opening although the increase in wagering will be smaller at ITW locations compared to the significantly higher wagering on-track.

DMTC is a partner in SCOTWINC, which is the entity that administers the satellite network in Southern California. SCOTWINC receives simulcast revenues based on a 2.5% fee on all wagers placed at satellite locations and a negotiated fee of 2.4% taken from California

ADW wagers. These simulcast revenues fund mutuel and administrative staff costs and other SCOTWINC simulcast-related expenses. As a partner in SCOTWINC, DMTC and the horsemen participate in 50% of the excess, or shortfall, of SCOTWINC simulcast revenues and expenses. The SCOTWINC operating surplus is projected to total \$1.07 million in 2025, essentially matching the surplus in 2024. Simulcast revenues are projected to increase slightly due to increases in wagering, which are expected to offset a similar modest increase in simulcast expenses.

ADW wagering: ADW commissions generated from live, import and Northern California wagering by California ADW patrons are projected to collectively total \$4.93 million, an increase \$530,000, over 12.1%, over prior year ADW commissions, consisting of a \$420,000 increase during the summer race meet and a \$60,000 increase in the fall race meet. Fall race meet ADW commissions are impacted from a \$40,000 decline because there will be no live racing in the Northern Zone during the fall and wagering on races in Northern California accounted for 2.1% of total ADW wagering last fall. ADW wagering commission for both race meets reflect the benefit from lower total regulatory funding costs in 2025 compared to 2024. Additionally, ADW commissions reflect the benefit of revenues generated under the provisions of SB 1074 that will result from Southern Zone racing associations operating unallocated racing weeks when there is no live racing in the Northern Zone and these revenues, net of increased S & V funding, offset Del Mar's regulatory funding costs. Summer race meet ADW wagering commissions reflect only a modest benefit from additional ADW wagering generated by moving Opening Day back to the traditional Friday in 2025.

Out-of-state wagering: Exporting the simulcast signal of Del Mar's live racing product generates significant non-California wagering revenues and purses in that Del Mar's races are distributed over numerous Internet wagering platforms and broadcast to over 1,100 locations throughout North, Central and South America, Europe and South Africa. Out-of-state wagering commissions in 2025 are projected to grow to \$10.92 million, an increase of \$750,000, or 7.4%, above 2024 out-of-state wagering commissions. Out-of-state wagering commissions for both race meets reflect the benefit from lower total regulatory funding costs in 2025 compared to 2024. Additionally, out-of-state commissions reflect the benefit of revenues generated under the provisions of SB 1074 that will result from Southern Zone racing associations operating unallocated racing weeks when there is no live racing in the Northern Zone and these revenues offset Del Mar's regulatory funding costs. This benefit to out-of-state commissions will be relatively greater than the benefit to on-track, ITW and ADW commissions because there is no S & V deduction from out-of-state wagers and, accordingly, out-of-state commissions will not be impacted from the higher S&V deduction in 2025.

Breakage revenue is generated because California law requires that posted mutuel payoffs must be rounded down from calculated payoffs, and the rounding difference (i.e., “breakage”) is divided between the horsemen, the State of California and the track operator. For example, a calculated payoff of \$2.19 is paid at a rate of \$2.10 and the additional \$.09 per winning ticket creates breakage revenue. Minus pools occur when the track must contribute funds to a mutuel pool when a prohibitive betting favorite finishes “in the money” (i.e., placing first, second or third) and the required minimum mutuel payments exceed the gross mutuel pool less the statutory takeout. Minus pools almost always occur with show (i.e., third-place) bets. Minus pool contributions are netted against breakage revenue. DMTC carefully reviews live-race programs and those races imported from Northern California to identify when a prohibitive favorite is scheduled to run in a race with a small field and a minus pool is likely to occur. For any races conducted in California that are not of national significance, DMTC may petition the CHRB for its approval to eliminate show wagering. However, DMTC and other California racetracks do not have the ability to eliminate show wagering on races imported from out-of-state race tracks. Net breakage revenue in 2025 is projected to decline \$10,000, primarily due to the loss of breakage on Northern Zone races during the 2025 fall race meet.

Non-wagering revenues: Non-wagering revenues consist of admissions and seat revenues, program sales, parking receipts, advertising and sponsorship revenues, management services and interest income. Total non-wagering revenues for the summer and fall race meets are projected to total \$15.26 million, an increase of \$280,000 over 2024 revenues as growth in admissions-related revenues, primarily related to moving Opening Day back to its traditional Friday opening offsets declines in interest income resulting from recent and expected future declines in short-term interest rates.

Admissions and parking revenues for the summer race meet are projected to increase \$530,000 as compared to 2024, primarily due to increased revenues generated on Opening Weekend of the summer meet. As noted previously, Opening Day, which is our most well-attended day, will return to its traditional Friday opening this year. Additionally, this move will allow us to hold our annual Opening Weekend Beerfest on Saturday this coming year compared to being held on Sunday this past year. Attendance is higher when lifestyle promotional events are held on Saturday compared to Sunday and having Beerfest on Saturday will benefit accordingly. Fall race meet parking and admissions revenues are projected to increase just \$5,000 over 2024 revenues due a modest growth in Group Sales revenues together with a modest gain in attendance over the 2024 fall race meet, which was impacted slightly by opening on Halloween day, October 31. Pricing for admissions, tickets and parking will remain unchanged in 2025 in an effort to drive attendance and related F&B revenues. Patrons have traditionally paid a separate processing fee for online ticket purchases and these processing fees have been

recorded in other operating income. California Law was enacted in July 2024 prohibiting patrons from being charged more than the all-in advertised individual ticket price. Accordingly, processing fees for on-line ticket purchases have been eliminated in 2025 and the estimated revenues from processing fees included in a slightly higher per ticket/admission price. While this change will not impact total revenues in 2025, it will result in a gain in admissions revenues and corresponding decline in other operating income when compared to 2024.

Sponsorship revenues in 2025 are projected to total \$3.71 million, an increase of \$50,000, or 1.4%, from 2024. DMTC will continue to package traditional sponsorship assets (e.g., venue signage and other on-site advertising) with emerging digital media opportunities, including maximizing exposure for our corporate partners with popular social media influencers who drive awareness of Del Mar as the “place to be.” Our well-attended lifestyle promotions, such as craft beer festivals and local artisan food events, continue to provide attractive sponsorship inventory for our partners. DMTC’s long-standing history of strong relationships within the corporate community combined with the strength of our brand has consistently positioned Del Mar among the top sports and entertainment venues in the western United States. In 2025, sponsorship growth is expected due to increased awareness of Del Mar through our hosting of the Breeders’ Cup World Championships in back-to-back years in 2024 and 2025. DMTC will continue to work closely with the District on cooperative corporate partnerships that maximize revenues for the facility on a year-round basis.

Novelty concession revenues are projected to increase \$10,000 due to expected attendance levels and Opening Day returning to its traditional Friday opening. Other operating income is projected to decline \$200,000 due to the elimination of processing fees for online tickets as discussed above. Interest income earned during the summer and fall race meets is projected to total \$200,000 in 2025, and decline \$105,000 from last year and reflects recent and expected declines in short-term interest rates. Significant cash balances are generated through pre-season sales revenues and the operation of our summer race meet, including the collections and settlements with over 1,100 brick-and-mortar simulcast locations and Internet wagering platforms that participate in our pari-mutuel wagering pools.

EXPENSES

Total expenses for 2025, before payments to the District and RTA (i.e., “total pre-rent expenses”) are projected at \$59.40 million, and include \$22.29 million of Breeders’ Cup total expenses. These expenses, similar to Breeders’ Cup revenues, are projected to be at 2024 levels for this budget because the benefit to the District results from the \$600,000 fixed facility Direct Payment together with Breeders’ Cup F & B net revenues, which flow to the District and are not reflected in our financial statements. Summer and fall race meet expenses are projected to total

\$37.11 million, an increase \$2.03 million, or 5.8%, due to higher staff costs and because prior year expenses benefitted from a favorable outcome of a San Diego County tax assessment matter.

Staff costs: Staff costs consist of salaries, employee benefits, workers' compensation costs and payroll taxes and comprise the largest expense category. DMTC employment peaked at nearly 1,026 staff members during the summer race meet, with 62.5% of the work force covered under eight collective bargaining agreements. Staff costs, measured as a percentage of total pre-rent expenses, are projected to total 37.8% in 2025. Summer race meet staff costs as a percentage of summer pre-rent expenses are projected to be 56.3%, the fall race meet staff costs to fall pre-rent expenses are projected to be 52.0%, and the Breeders' Cup staff costs to total event costs are projected to be 8.3%. Breeders' Cup staff costs consist primarily of direct labor costs for the two-day event, as well as incentive compensation paid by the Breeders' Cup to year-round staff. Year-round administrative staff costs excluding the Breeders' Cup costs are projected to increase \$110,000, or 3.0%, due to cost-of-living adjustments. No changes are expected in year-round staffing levels. Annual maintenance salaries are projected to increase \$30,000, or 3.0%, and reflect scheduled wage increases under collective bargaining agreements. Seasonal salaries for the summer and fall race meets are projected to increase \$270,000, or 2.6%, and reflect the cost of scheduled increases required by collective bargaining agreements. Prior year seasonal salaries included a \$50,000 payment related to the final terms of a collective bargaining agreement to resulted in a payment for wages earned in a prior race meet. Employee benefit costs are projected to increase \$160,000, or 5.0%, in 2025 due to increases in health and welfare plan premiums for both union and administrative staff. Workers' compensation insurance costs are projected to increase \$20,000, or 5.1%, based on expected renewal rates for the policies that are due for renewal in March of 2025. Payroll taxes are projected to increase \$30,000 based on projected salaries and seasonal employee wages.

Marketing expenses: Advertising, Marketing and Communications expenses in 2025 are projected to total \$5.77 million and consist of \$3.69 million of Breeders' Cup marketing expenses and \$2.07 million of summer and fall race meet marketing expenses, which are \$80,000, or 4.1%, over 2024 summer and fall levels. The anticipated modest growth in expenses is the result of increased promotional event costs and allocating additional resources to enhance our highly-successful social media influencer efforts. The 2024 events calendar will be highlighted by popular lifestyle promotions, such as craft beer events, local artisan food festivals, wine tastings and college days. Promotional events are designed to increase attendance by non-core racing fans and generate high-margin F&B revenues that flow directly to the District. Whenever possible, we will continue to co-present events with outside promoters to realize financial and operational efficiencies. As we have previously reported, our advertising efforts

will focus on social and digital media platforms, as these channels offer tremendous economic value and enhanced customer targeting when compared to traditional media (television, radio and print). This cost-efficient strategy provides for direct access to the desirable demographics of Gen Z, Gen Y and Millennials, and takes advantage of the event spending traits these groups often display. For a low-cost proven track record of communication to our core customers, we will continue to utilize Del Mar's robust 450,000-person database, the Diamond Club. This opt-in-only loyalty program allows us to provide specialty offers and exciting promotions to our most fervent audience. Examples of database offers include a "day on us," which provides free admission and seating on lesser attended days, and packaged-pricing of table/box accommodations with F&B items. Our communications efforts will also highlight the "Super Bowl of horse racing", the Breeders' Cup World Championships, taking place at Del Mar in back-to-back years in 2024 and 2025. DMTC's hosting of the Breeders' Cup World Championships enhances our brand as one of the world's top racing operations and provides the Fairgrounds with new and unique exposure to a global audience. Lastly, we will continue to promote our industry-leading equine safety and welfare initiatives, including Del Mar's standing as among the safest race tracks in North America. We will also utilize social and digital media platforms to educate the public about our equine safety record and injury prevention efforts as well as our research and horse aftercare resources.

Race meet season services expense: Season services expense is projected to increase \$10,000, or 0.2%, in 2025. DMTC is moving to a new ticketing system and partnering with Seat Geek in 2025. In addition to providing our patrons with a state-of-the-art ticketing platform, the internal processes of the new system, including merchant processing, will be significantly more robust. In 2024, DMTC's online ticketing system experienced a significant so-called credit card testing scheme, which resulted in an increase in our merchant fee expense in excess of \$140,000. The new ticketing system has controls designed to prevent credit card testing schemes, thereby eliminating the resulting cost of merchant fee expenses. As noted above, our 2024 summer horse recruitment efforts were delayed due to prolonged negotiations with the TOC and that delay impacted the number of out-of-state horses competing here and our prior year summer horse recruitment costs. We have discussed with the TOC the importance of being able to commence our recruitment efforts in a timely manner and we are confident that the delay experienced in 2024 will not occur in 2025. Accordingly, we project an increase in the number of out-of-state horses recruited to compete in our summer race meet and a corresponding increase in summer horse recruitment costs. Costs for other season service contracts, particularly those with labor costs, reflect higher costs due to higher staff cost-of living adjustments. DMTC will again provide the complimentary meals program for backstretch workers for both the summer and fall meet. This initiative first offered in 2023, provides all of our backstretch workers with complimentary dinners in a family-style setting designed to promote socialization. This unique

program is a much needed and bold step in the improvement of the lives of those in our backstretch community. Our budget assumes that the California Thoroughbred Horsemen's Foundation will again co-fund this impactful program through a grant.

Other expense categories for the summer and fall race meets: Insurance expense is projected to increase \$50,000, or 5.1%, and reflect projected 2025 premium costs that are based on indications we have received during our current insurance renewal process. Professional services costs are projected increase \$10,000. Legal expenses are projected to decline in 2025 as a result of the full year benefit of having outside counsel brought in-house late in the second quarter of 2024. These savings are expected to be offset by an increase in bank service charges. Earning credits on compensating bank balances, which help pay the cost of bank service charges and fees, are projected decline because of recent and expected declines in short-term interest rates. Repairs and maintenance costs are projected to decline \$10,000 as non-critical maintenance projects will be deferred until after the summer and fall race meets and will be completed based on exceeding projected results for 2025. Other taxes and license expense is projected to total \$180,000. Prior year other taxes and license expense benefited from the favorable resolution of a San Diego County possessory tax assessment matter. The matter was resolved in the third quarter of 2024 and resulted in the reversal of a nearly \$1 million accrual for the possibility of significantly higher possessory interest taxes.

SUMMARY

The 2025 budget reflects DMTC's continuing efforts to manage our operations in light of changes in the racing industry and our longstanding commitment to maximizing the combined DMTC rent and race meet-related F&B net income. The budgeted payments to the District and RTA for 2025 totals \$3,475,000 and consists of Direct Payments to the District of \$2,025,000 – which includes \$825,000 to be paid September 15, \$400,000 to be paid on November 15, \$525,000 to be paid on November 30, and the \$600,000 Breeders' Cup facility Direct Payment – along with payments to the RTA of \$1,450,000. These payments are \$35,000 higher than the projected 2024 payments to the District and RTA. Net revenues for race meet-related F&B operations in 2025 are based on our event focused summer promotional events calendar, projected attendance levels, and ticketed Breeders' Cup F&B revenues as well as with the \$200,000 Breeders' Cup F&B net revenue payment. Such race meet-related F&B net revenues are projected to total \$6.24 million in 2025, an increase of \$230,000 above the F&B net revenues which totaled \$6.01 million in 2024. Our combined return from racing (i.e., the total of net racing revenues and F&B net revenues as defined in the Operating Agreement) is projected to total \$9.72 million in 2025. This compares to a projected combined return of \$9.45 million in 2024.

Carlene Moore
December 16, 2024
Page 25

As noted above, the honor of being selected to host the Breeders' Cup World Championships in back-to-back years is unprecedented for Del Mar. That honor is not only a testament to Del Mar's status as an iconic and world-class venue but the strength of our operations as well. It bears mention, however, that although the two-day Breeders' Cup event provides substantial revenues directly to the District totaling \$1.525 million in the form of the facility Direct Payment as well as F&B revenues, the majority of the revenues from the event are retained by Breeders' Cup Limited to fund the \$34 million in purses used to attract the best horses, owners, trainers and jockeys in the world to compete here. Despite this, as reflected in the Fifth Amendment to the Operating Agreement (which was adopted in contemplation of Del Mar hosting its first Breeders' Cup in 2017), while hosting the Breeders' Cup furthers our goal of maximizing revenues for the District, it negatively impacts our Net-to-Gross Ratio. Under the terms of the Operating Agreement, our Net-to-Gross Ratio is required to be at least 15% each year and in the event it is less than 15% in any two consecutive years the District has the right to declare an event of default. Due to hosting the Breeders' Cup our 2024 Net-to-Gross Ratio is 12.6%. With the Breeders' Cup returning in 2025, we anticipate our 2025 Net-to-Gross Ratio will also be 12.6%. Consequently, we request the District agree that by approving our 2025 budget it is waiving the two-year Net-to-Gross Ratio requirement of 15%.

Carlene, we appreciate the input we receive from you and your liaison committee. As you know, we always strive to maximize combined race meet net revenues generated by horse racing at Del Mar and look forward to any suggestions that you may have to help us operate more efficiently.

Very Truly Yours,



Michael R. Ernst

Enclosure

cc: David Batchelder, DMTC
Joe Harper, DMTC
Josh Rubinstein, DMTC
Michael Sadegh, 22nd DAA

Del Mar Thoroughbred Club

Operating Budget

2025 Budget and Projected Results for the year ended December 31, 2024

	2025	2025	2025	2024	2024	2024	Budget vs 2024 Projection	2024 Projection	Budget vs 2024 Projection	Budget vs 2024 Projection
	Summer / Fall Projections	Breeders' Cup Meet	Combined Operations	Summer / Fall Projections	Breeders' Cup Projection	Combined Projections	Summer / Fall Amount	Summer / Fall %	Combined Amount	Combined %
Revenues:										
Pari-mutuel commissions/ADW/simulcast fees	\$ 24,841,913	3,819,275	28,661,188	23,071,623	3,819,275	26,890,898	1,770,290	7.7%	1,770,290	6.6%
Admissions / Reserved Seating	9,290,715	18,476,803	27,767,518	8,776,715	18,476,803	27,253,518	514,000	5.9%	514,000	1.9%
Program sales and parking receipts	1,300,943	339,404	1,640,348	1,287,793	339,404	1,627,198	13,150	1.0%	13,150	0.8%
Merchandise concession revenues	556,717	0	556,717	544,617	0	544,617	12,100	2.2%	12,100	2.2%
Payroll protection program loan forgiveness	0	0	0	0	0	0	0	0.0%	0	0.0%
Other operating revenues	4,115,363	292,392	4,407,755	4,376,615	292,392	4,669,008	(261,253)	-6.0%	(261,253)	-5.6%
	40,105,652	22,927,875	63,033,527	38,057,364	22,927,875	60,985,239	2,048,287	5.4%	2,048,287	3.4%
Less revenue attributable to Charity Days	(85,877)	(36,901)	(122,778)	(85,877)	(36,901)	(122,778)	0	0.0%	0	0.0%
Total Revenues	40,019,775	22,890,974	62,910,749	37,971,488	22,890,974	60,862,461	2,048,287	5.4%	2,048,287	3.4%
Expenses:										
Salaries - annual administration and maintenance	4,735,075	227,979	4,963,054	4,598,788	225,844	4,824,632	136,287	3.0%	138,422	2.9%
Salaries - seasonal employees	10,599,853	1,278,077	11,877,929	10,326,420	1,235,911	11,562,330	273,433	2.6%	315,599	2.7%
Employee benefits / Payroll taxes	4,851,424	279,504	5,130,928	4,663,430	271,065	4,934,496	187,994	4.0%	196,433	4.0%
Insurance--liability and workers compensation	1,481,271	348,676	1,829,947	1,409,213	348,676	1,757,889	72,058	5.1%	72,058	4.1%
Advertising and public relations	2,070,455	3,694,699	5,765,153	1,989,176	3,694,699	5,683,874	81,279	4.1%	81,279	1.4%
Professional services	416,574	269,132	685,706	408,067	269,132	677,199	8,507	2.1%	8,507	1.3%
Utilities	1,614,886	99,335	1,714,221	1,552,775	99,335	1,652,110	62,111	4.0%	62,111	3.8%
Repairs and maintenance	1,477,377	929,930	2,407,307	1,486,928	929,930	2,416,858	(9,551)	-0.6%	(9,551)	-0.4%
Supplies	605,110	408,179	1,013,289	594,553	408,179	1,002,732	10,556	1.8%	10,556	1.1%
Other operating expenses	42,063	3,749	45,812	40,773	13,242	54,015	1,290	3.2%	(8,203)	-15.2%
Printing	422,575	684,353	1,106,928	414,290	684,353	1,098,642	8,286	2.0%	8,286	0.8%
Depreciation and amortization	776,902	0	776,902	762,449	0	762,449	14,453	1.9%	14,453	1.9%
Cost of goods sold-gift shop	294,072	0	294,072	287,460	0	287,460	6,612	2.3%	6,612	2.3%
Equipment leased and rented	108,090	0	108,090	103,590	0	103,590	4,500	4.3%	4,500	4.3%
Racing dues/assessments/support	3,529	0	3,529	2,910	0	2,910	618	21.2%	618	21.2%
Taxes and licenses	151,834	0	151,834	(992,364)	0	(992,364)	1,144,197	-115.3%	1,144,197	-115.3%
Outside services	7,314,428	13,897,361	21,211,789	7,292,809	13,940,609	21,233,418	21,619	0.3%	(21,629)	-0.1%
Satellite program costs	52,459	0	52,459	50,931	0	50,931	1,528	3.0%	1,528	3.0%
Trophies	83,584	170,000	253,584	83,172	170,000	253,172	412	0.5%	412	0.2%
Interest	9,998	0	9,998	6,755	0	6,755	3,242	48.0%	3,242	48.0%
Charitable support	1,330	0	1,330	1,750	0	1,750	(420)	-24.0%	(420)	-24.0%
Total Expenses	37,112,886	22,290,974	59,403,860	35,083,875	22,290,974	57,374,849	2,029,011	5.8%	2,029,011	3.5%
Net Income from Operations	2,906,889	600,000	3,506,889	2,887,613	600,000	3,487,613	19,276	0.7%	19,276	0.6%
Income taxes	(31,889)	0	(31,889)	(47,613)	0	(47,613)	15,724	-33.0%	15,724	-33.0%
Direct payment to the District	(1,425,000)	(600,000)	(2,025,000)	(1,225,000)	(600,000)	(1,825,000)	(200,000)	16.3%	(200,000)	11.0%
Payment to Race Track Authority	\$ 1,450,000	0	1,450,000	1,615,000	0	1,615,000	(165,000)	-10.2%	(165,000)	-10.2%
Total Payments	\$ 2,875,000	600,000	3,475,000	2,840,000	600,000	3,440,000	35,000	1.2%	35,000	1.0%

Del Mar Thoroughbred Club

Operating Budget Detail Report

2025 Budget and Projected Results for the year ended December 31, 2024

	2025	2025	2025	2024	2024	2024	2024	2024	2024	2024	2024
	Summer / Fall	Breeders' Cup	Combined	Summer / Fall	Breeders' Cup	Combined	Summer / Fall	Summer / Fall	Combined	Combined	Combined
	Projections	Meet	Operations	Projections	Projection	Projections	Amount	%	Amount	%	Amount
Revenues:											
Pari-mutuel commissions-on track	\$ 4,096,877	3,228,833	7,325,709	3,796,882	3,228,833	7,025,714	299,995	7.9%	299,995	4.3%	
Pari-mutuel commissions-account wagering	4,934,438	0	4,934,438	4,401,221	0	4,401,221	533,217	12.1%	533,217	12.1%	
Pari-mutuel commissions-off track	3,653,749	502,928	4,156,677	3,471,504	502,928	3,974,431	182,246	5.2%	182,246	4.6%	
Pari-mutuel commissions-out of state	10,404,331	0	10,404,331	9,661,058	0	9,661,058	743,273	7.7%	743,273	7.7%	
Simulcasting fees-uncommingled	520,238	0	520,238	510,938	0	510,938	9,300	1.8%	9,300	1.8%	
Intertrack wagering surplus fund	1,070,408	0	1,070,408	1,063,408	0	1,063,408	7,000	0.7%	7,000	0.7%	
Breakage, net	161,872	87,515	249,387	166,612	87,515	254,127	(4,740)	-2.8%	(4,740)	-1.9%	
Pari-mutuel commissions/ADW/Simulcast fees	24,841,913	3,819,275	28,661,188	23,071,623	3,819,275	26,890,898	1,770,290	7.7%	1,770,290	6.6%	
Admissions and reserved seats	9,290,715	18,476,803	27,767,518	8,776,715	18,476,803	27,253,518	514,000	5.9%	514,000	1.9%	
Program sales and parking receipts	1,300,943	339,404	1,640,348	1,287,793	339,404	1,627,198	13,150	1.0%	13,150	0.8%	
Merchandise concession revenues	556,717	0	556,717	544,617	0	544,617	12,100	2.2%	12,100	2.2%	
Interest income	197,060	290,769	487,829	304,036	290,769	594,805	(106,976)	-35.2%	(106,976)	-18.0%	
Sponsorship	3,712,341	0	3,712,341	3,662,341	0	3,662,341	50,000	1.4%	50,000	1.4%	
Payroll protection program loan forgiveness	0	0	0	0	0	0	0	0.0%	0	0.0%	
Other operating revenues	205,962	1,623	207,585	410,239	1,623	411,862	(204,277)	-49.8%	(204,277)	-49.6%	
Other operation revenues	4,115,363	292,392	4,407,755	4,376,615	292,392	4,669,008	(261,253)	-6.0%	(261,253)	-5.6%	
	40,105,652	22,927,875	63,033,527	38,057,364	22,927,875	60,985,239	2,048,287	5.4%	2,048,287	3.4%	
Less revenue attributable to charity days	(85,877)	(36,901)	(122,778)	(85,877)	(36,901)	(122,778)	0	0.0%	0	0.0%	
Total Revenues	40,019,775	22,890,974	62,910,749	37,971,488	22,890,974	60,862,461	2,048,287	5.4%	2,048,287	3.4%	
Expenses:											
Salaries - annual administration	3,822,158	170,000	3,992,158	3,712,645	170,000	3,882,645	109,512	2.9%	109,512	2.8%	
Salaries - annual maintenance	912,917	57,979	970,896	886,143	55,844	941,986	26,775	3.0%	28,910	3.1%	
Salaries - annual administration	4,735,075	227,979	4,963,054	4,598,788	225,844	4,824,632	136,287	3.0%	138,422	2.9%	
Salaries - seasonal employees	10,599,853	1,278,077	11,877,929	10,326,420	1,235,911	11,562,330	273,433	2.6%	315,599	2.7%	
Employee benefits	3,335,080	153,447	3,488,528	3,177,402	148,978	3,326,380	157,679	5.0%	162,148	4.9%	
Payroll taxes	1,516,344	126,057	1,642,401	1,486,029	122,087	1,608,116	30,315	2.0%	34,285	2.1%	
Employee benefits/payroll taxes	4,851,424	279,504	5,130,928	4,663,430	271,065	4,934,496	187,994	4.0%	196,433	4.0%	
Workers compensation benefit	424,656	69,454	494,110	404,132	69,454	473,586	20,524	5.1%	20,524	4.3%	
Insurance	1,056,615	279,221	1,335,836	1,005,081	279,221	1,284,303	51,534	5.1%	51,534	4.0%	
Insurance--liability and workers compensation	1,481,271	348,676	1,829,947	1,409,213	348,676	1,757,889	72,058	5.1%	72,058	4.1%	
Advertising and public relations	2,070,455	3,694,699	5,765,153	1,989,176	3,694,699	5,683,874	81,279	4.1%	81,279	1.4%	
Professional services	416,574	269,132	685,706	408,067	269,132	677,199	8,507	2.1%	8,507	1.3%	
Utilities	1,614,886	99,335	1,714,221	1,552,775	99,335	1,652,110	62,111	4.0%	62,111	3.8%	
Repairs and maintenance	1,477,377	929,930	2,407,307	1,486,928	929,930	2,416,858	(9,551)	-0.6%	(9,551)	-0.4%	
Supplies	605,110	408,179	1,013,289	594,553	408,179	1,002,732	10,556	1.8%	10,556	1.1%	
Other operating expenses	42,063	3,749	45,812	40,773	13,242	54,015	1,290	-3.2%	(8,203)	-15.2%	
Printing	422,575	684,353	1,106,928	414,290	684,353	1,098,642	8,286	2.0%	8,286	0.8%	
Depreciation and amortization	776,902	0	776,902	762,449	0	762,449	14,453	1.9%	14,453	1.9%	
Cost of goods sold-gift shop	294,072	0	294,072	287,460	0	287,460	6,612	2.3%	6,612	2.3%	
Equipment leased and rented	108,090	0	108,090	103,590	0	103,590	4,500	4.3%	4,500	4.3%	
TRA dues and assessments, net of dividends	(53,244)	0	(53,244)	(53,244)	0	(53,244)	0	0.0%	0	0.0%	
Federation racing costs	19,403	0	19,403	19,154	0	19,154	248	1.3%	248	1.3%	
Racing industry support and safety initiatives	37,370	0	37,370	37,000	0	37,000	370	1.0%	370	1.0%	
Racing dues/assessments/support	3,529	0	3,529	2,910	0	2,910	618	21.2%	618	21.2%	
Other taxes and licenses	151,834	0	151,834	(992,364)	0	(992,364)	1,144,197	-115.3%	1,144,197	-115.3%	
Service contracts and equipment rentals	7,024,412	13,875,362	20,899,774	7,011,240	13,918,610	20,929,850	13,172	0.2%	(30,076)	-0.1%	
Data processing	290,016	21,999	312,015	281,569	21,999	303,568	8,447	3.0%	8,447	2.8%	
Outside services	7,314,428	13,897,361	21,211,789	7,292,809	13,940,609	21,233,418	21,619	0.3%	(21,629)	-0.1%	
Satellite program costs	52,459	0	52,459	50,931	0	50,931	1,528	3.0%	1,528	3.0%	
Trophies	83,584	170,000	253,584	83,172	170,000	253,172	412	0.5%	412	0.2%	
Interest	9,998	0	9,998	6,755	0	6,755	3,242	48.0%	3,242	48.0%	
Contributions	1,330	0	1,330	1,750	0	1,750	(420)	-24.0%	(420)	-24.0%	
Total Expenses	37,112,886	22,290,974	59,403,860	35,083,875	22,290,974	57,374,849	2,029,011	5.8%	2,029,011	3.5%	
Net Income from Operations	2,906,889	600,000	3,506,889	2,887,613	600,000	3,487,613	19,276	0.7%	19,276	0.6%	
Income taxes	(31,889)	0	(31,889)	(47,613)	0	(47,613)	15,724	-33.0%	15,724	-33.0%	
Direct payment to the District	(1,425,000)	(600,000)	(2,025,000)	(1,225,000)	(600,000)	(1,825,000)	(200,000)	16.3%	(200,000)	11.0%	
Payment to Race Track Authority	\$ 1,450,000	(0)	1,450,000	1,615,000	0	1,615,000	(165,000)	-10.2%	(165,000)	-10.2%	
Total Payments	\$ 2,875,000	600,000	3,475,000	2,840,000	600,000	3,440,000	35,000	1.2%	35,000	1.0%	



Item 7-H-1, Audit & Governance Committee Report – Bylaws Amendment

Background

The Audit & Governance Committee (Committee) is charged by the Board Chair with:

- Developing recommendations for mitigating risks to the 22nd District Agricultural Association (22nd DAA);
- Engaging with auditing firms as necessary to ensure 22nd DAA's finances are audited in accordance with best practices and make recommendations to the Board;
- Developing and amending recommended policies for Board consideration; and
- Guiding the Board's annual self-assessment process, including:
 - The Board's progress in relation to the strategic plan.
 - The Board's performance as a body in terms of its capacity to function effectively and collaboratively.
 - The Board's strength of relationship/collaboration with the CEO and other members of the Executive Team.
 - Board Members' individual understanding and support of the organization's mission, values, and ethics, as well as Board-specific responsibilities.

This report addresses the development of recommended policies.

As identified in the draft Policy 1.01, Policy Framework and Definitions, "Bylaws outline the organizational framework of the District [22nd DAA] and set forth rules for how the District [22nd DAA] Board governs the organization" while Policies "set forth requirements ... regarding how the Board, the CEO, and other District [22nd DAA] employees carry out their individual and shared responsibilities as they work together to serve the community."

22nd DAA Bylaws were first adopted November 7, 1995, and amended December 12, 2017, and February 9, 2021.

Process/Approach

In 2023, 22nd DAA embarked on a comprehensive process to review, revise, and develop policies. It is a lengthy process that is still underway and has involved:

- 1) The solicitation of input from appropriate Board committees, and
- 2) The presentation and discussion of draft policies to the Board and public during regularly scheduled public meetings.

Through this policy development process, it was identified that a thorough review of the Bylaws was in order. The most recent amendment in 2021 was a minor adjustment to Article III Section 1, Officers. As a matter of best governance practices, the Board should conduct a full review of the Bylaws every five years to ensure compliance with laws and regulations.

The proposed amendments to the Bylaws have mirrored the same process as applied to the review and development of policies, including:

- 1) Presenting draft revisions to the Board at a duly noticed public meeting for discussion (October 2024);
- 2) Routing the revisions through the appropriate Board committee or delegating back to the Chief Executive Officer for further consideration of the input received (October and November 2024);
- 3) Bringing back the revisions to the Board for additional feedback at a subsequent public meeting (January 2025); and
- 4) Presenting proposed amendments to the Bylaws to the Board for consideration and approval.

As discussed during the review of the Bylaws and proposed amendments during the January 2025 Board meeting, several administrative and housekeeping issues were identified that the Committee is now recommending be addressed to ensure compliance with various laws and regulations.

In addition to the current proposed changes shown on the accompanying pages, the Committee will continue with its more thorough analysis of the Bylaws throughout the year as a matter of best governance practices.

Recommendation:

The Audit & Governance Committee recommends approval of the amendments to the Bylaws as presented.

**BYLAWS FOR THE
22ND DISTRICT AGRICULTURAL ASSOCIATION
DEL MAR, CALIFORNIA**

Article I

SECTION 1 - NAME: The Name of this Association is the name established by law, to-wit: 22nd District Agricultural Association, an institution of the State of California.

SECTION 2 - OFFICE: The office for the transaction of the business of the Association is hereby fixed and located at the Fairgrounds, in the City of Del Mar, County of San Diego, State of California. The Board of Directors may change the location of said office within the District.

**Article II
Directors**

SECTION 1 - POWERS: Subject to the limitations of these bylaws and of the statutes of the State of California, all powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors.

SECTION 2 - REGULAR MEETINGS: Regular meetings of the Board will normally be held monthly at the office of the Association. By each November Board meeting, dates for the following year will be determined and approved. Regular meetings will not normally be held during the months of June or July. Notice shall be given in writing at least ten (10) days in advance of each meeting.

SECTION 3 - EMERGENCY MEETINGS: Emergency meetings of the Board may be called by the President, or, if the President is absent or unable or refuses to act, by five Directors. Notice of the time and place of an emergency meeting shall be given to all board members, and to media that have requested notice of meetings, at least one hour prior. Emergency meetings may only be called in response to:

- (a) Work stoppages or other activity that severely impairs the public health, safety, or both.
- (b) Crippling disaster that severely impairs the public health, safety, or both.
- (c) Administrative disciplinary matters concerning consideration of proposed decisions, stipulations, and pending litigation that require immediate attention.

SECTION 4 - ADJOURNED MEETINGS: Any meeting may be adjourned until a stated day and hour and a 10-day written notice given to the public. In the absence of a quorum, a majority of the Directors present at the meeting may so adjourn any meeting.

SECTION 5 - QUORUM: Five Directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the legal votes cast by Directors at a duly noticed meeting, at which a quorum is present, shall be regarded as the act of the Board, except as hereinafter provided regarding amending the bylaws.

Article III Officers

SECTION 1 - OFFICERS: The officers of the Association shall be President, Vice President(s), Secretary, Treasurer and Chief Executive Officer. The Directors shall select a Secretary, a Manager, and a Treasurer from among persons who are not members of the Board. One person may be the Secretary, the Manager, and the Treasurer. The Manager holds office at the pleasure of the Board. If the Manager is not acting as the Secretary and/or Treasurer of the Association, the Board shall fix the salary and duties of Secretary and/or Treasurer.

SECTION 2 - ELECTION: The term of office for President and Vice President shall be for one year and until a successor is elected, unless the officer resigns or shall be removed or otherwise disqualified to serve. For each term of office, the President shall make a recommendation to the Directors on whether the Association should select one (1) or two (2) Vice Presidents to serve as officers of the Association for the upcoming term of office. If the Manager, who sits at the pleasure of the Board, serves as the Secretary and/or Treasurer, the term of those offices shall be at the pleasure of the Board. If the Manager does not serve as the Secretary and/or Treasurer, those offices shall be for a period of one year and until a successor is elected, unless the officer resigns or shall be removed or otherwise disqualified to serve.

SECTION 3 - REMOVAL AND RESIGNATION: Any officer may be removed with or without cause. Five Directors shall be necessary to constitute a quorum for the removal of an officer including the Manager. Dismissal of the Manager must be in accordance with the provisions of the Government Code Section 11126(a), which states: "... As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a ... meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void. The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body. Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session ..."

Any officer may resign at any time by giving written notice to the Board or to the President of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein. The acceptance of such resignation shall not be necessary to make it effective.

SECTION 4 - VACANCIES: A vacancy in any office, other than of a board member, because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board for the unexpired portion of the term.

SECTION 5 - PRESIDENT: The President shall preside at all meetings of the Board. Should the President not be present at any meeting of the Board, the First Vice President shall preside. If during the term of office, there are two (2) Vice Presidents serving the Association and the President is not present at a meeting of the Board, the President shall designate the Vice President that will preside at that meeting. In the absence of the President and Vice President(s), the longest serving Director shall preside. In the absence of the President, Vice President(s), and/or senior Director, a president pro tem may be chosen to preside at such meeting.

SECTION 6 - SECRETARY: The Secretary shall keep or cause to be kept at the office of the Association a book of minutes of all meetings of the Directors. The minutes shall include the time and place of each meeting held, and note how each meeting was noticed as well as list the names of those Directors present at the meeting and give the proceedings thereof.

The Secretary shall give, or cause to be given, the required notice for all meetings of the Board.

If the Secretary is designated by the President to attend a closed session, the Secretary shall maintain a confidential minute book of the closed session recording topics discussed and decisions made at the meeting. This minute book is not a public record.

SECTION 7 - TREASURER: The Treasurer shall be responsible to keep and maintain, or cause to be kept and maintained, adequate and correct accounts of properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, revenues and expenses, gains, losses, and capital expenditures. The Treasurer shall be responsible for overseeing and ensuring that proper accounting methods and procedures are followed including the appropriate separation of duties.

The Treasurer shall be responsible for the deposit of all moneys and other valuables in the name of and to the credit of the Association with such depositaries as may be designated by the Board and are approved by the Department of Finance. The Treasurer shall disburse the funds of the Association as may be ordered by the Board and shall render to the President and Directors, whenever they request it, an account of all transactions as Treasurer and an account of the financial condition of the Association.

Article IV Transaction of Business

SECTION 1 - CHECKS, DRAFTS, ETC.: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons, and in such a manner as determined periodically by resolution of the Board. The Board shall periodically establish by resolution a minimum dollar amount which will require only one signature and all checks above that amount will require two signatures. The resolution shall state the names and positions of each person authorized to sign and the list of accounts affected.

SECTION 2 - REPORT TO DEPARTMENT OF FOOD AND AGRICULTURE: The Board shall make such reports to the Department of Food and Agriculture as such Department may direct, including submittal of the statement of operations. The Manager shall be responsible for and take all necessary steps to ensure the accuracy of any reports submitted to the Department.

SECTION 3 - CONTRACTS, ETC.: The Board may authorize any officer or officers to enter into any contract or execute any instrument in the name of and upon behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no director, officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount.

SECTION 4 - EMPLOYEES: The district is the employer. The Chief Executive Officer is responsible for the employment and management of all the employees of the district.

SECTION 6 - COMMITTEES: The Board may appoint an executive committee and such other committees as the Board deems necessary. The Board may delegate to the President the responsibility of appointing committees. Meetings of committees shall be open to the public when any meeting comprises more than two members of the board and proper notice shall be given before the meeting to the public.

SECTION 7 - INSPECTION OF BYLAWS: The Association shall keep in its office the original or a copy of the Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to the inspection of the public during office hours and maintained on the Association's website.

Article V
Amendments

SECTION 1 - POWER OF DIRECTORS: These Bylaws may be altered, amended, or repealed, and new and additional bylaws adopted at any time by an affirmative vote of five Directors or more at a duly noticed public meeting.

These Bylaws were adopted by the Board of Directors at their regular Board meeting on November 7, 1995, and amended on December 12, 2017, February 9, 2021, and February 11, 2025.

President, Board of Directors
22nd District Agricultural Association

Date

Secretary-Manager
22nd District Agricultural Association

Date

**BYLAWS FOR THE
22ND DISTRICT AGRICULTURAL ASSOCIATION
DEL MAR, CALIFORNIA**

Article I

SECTION 1 - NAME: The Name of this Association is the name established by law, to-wit: 22nd District Agricultural Association, an ~~agency~~-institution of the State of California.

SECTION 2 - OFFICE: The office for the transaction of the business of the Association is hereby fixed and located at the Fairgrounds, in the City of Del Mar, County of San Diego, State of California. The Board of Directors may change the location of said office within the District.

**Article II
Directors**

SECTION 1 - POWERS: Subject to the limitations of these bylaws and of the statutes of the State of California, all powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors.

SECTION 2 - REGULAR MEETINGS: Regular meetings of the Board will normally be held monthly at the office of the Association ~~at 1:30 p.m. on the second Tuesday, if not a legal holiday. The May meeting will be held the last Tuesday of the month. If a scheduled meeting falls on a legal holiday, then the meeting shall be held on the next succeeding business day.~~ At-By each November Board meeting, dates for the following year will be determined and approved. Regular meetings will not normally be held during the months of June or July. Notice shall be given in writing at least ten (10) days in advance of ~~the~~-each meeting.

SECTION 3 - EMERGENCY MEETINGS: Emergency meetings of the Board may be called by the President, or, if ~~he/she~~the President is absent or unable or refuses to act, by five Directors. Notice of the time and place of an emergency meeting shall be given to all board members, and to media that have requested notice of meetings, at least one hour prior. Emergency meetings may only be called in response to:

- (a) Work stoppages or other activity that severely impairs the public health, safety, or both.
- (b) Crippling disaster that severely impairs the public health, safety, or both.

- (c) Administrative disciplinary matters concerning consideration of proposed decisions, stipulations, and pending litigation that require immediate attention.

SECTION 4 - ADJOURNED MEETINGS: Any meeting may be adjourned until a stated day and hour and a 10-day written notice given to the public. In the absence of a quorum, a majority of the Directors present at the meeting may so adjourn any meeting.

SECTION 5 - QUORUM: Five Directors shall be necessary to constitute a quorum for the transaction of business. ~~In the event there are seven or fewer Directors appointed to the Board, then a simple majority will constitute a quorum.~~ Every act or decision done or made by a majority of the legal votes cast by Directors at a duly noticed meeting, at which a quorum is present, shall be regarded as the act of the Board, except as hereinafter provided regarding amending the bylaws.

Article III Officers

SECTION 1 - OFFICERS: The officers of the Association shall be President, Vice President(s), Secretary, Treasurer and ~~Manager~~Chief Executive Officer. The Directors shall select a Secretary, a Manager, and a Treasurer from among persons who are not members of the Board. One person may be the Secretary, the Manager, and the Treasurer. The Manager holds office at the pleasure of the Board. If the Manager is not acting as the Secretary and/or Treasurer of the Association, the Board shall fix the salary and duties of Secretary and/or Treasurer.

SECTION 2 - ELECTION: The term of office for President and Vice President shall be for one year and until a successor is elected, unless the officer resigns or shall be removed or otherwise disqualified to serve. For each term of office, the President shall make a recommendation to the Directors on whether the Association should select one (1) or two (2) Vice Presidents to serve as officers of the Association for the upcoming term of office. If the Manager, who sits at the pleasure of the Board, serves as the Secretary and/or Treasurer, the term of those offices shall be at the pleasure of the Board. If the Manager does not serve as the Secretary and/or Treasurer, those offices shall be for a period of one year and until a successor is elected, unless the officer resigns or shall be removed or otherwise disqualified to serve.

SECTION 3 - REMOVAL AND RESIGNATION: Any officer may be removed with or without cause. Five Directors shall be necessary to constitute a quorum for the removal of an officer including the Manager. Dismissal of the Manager must be in accordance with the provisions of the Government Code Section 11126(a), which states: "... As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of

his or her right to have a public hearing, rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a ... meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void. The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body. Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session ...”

Any officer may resign at any time by giving written notice to the Board or to the President of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein. The acceptance of such resignation shall not be necessary to make it effective.

~~Any Director who misses three consecutive regular meetings of the Board without the permission of the Board is deemed to have resigned as a Director.~~

SECTION 4 - VACANCIES: A vacancy in any office, other than of a board member, because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board for the unexpired portion of the term.

SECTION 5 - PRESIDENT: The President shall preside at all meetings of the Board. ~~and shall be an ex-officio member of all committees.~~ Should the President not be present at any meeting of the Board, the First Vice President shall preside. If during the term of office, there are two (2) Vice Presidents serving the Association and the President is not present at a meeting of the Board, the President shall designate the Vice President that will preside at that meeting. In the absence of the President and Vice President(s), the senior-longest serving Director shall preside. In the absence of the President, Vice President(s), and/or senior Director, a president pro tem may be chosen to preside at such meeting.

SECTION 6 - SECRETARY: The Secretary shall keep or cause to be kept at the office of the Association a book of minutes of all meetings of the Directors. The minutes shall include the time and place of each meeting held, and note how each meeting was noticed as well as list the names of those Directors present at the meeting and give the proceedings thereof.

The Secretary shall give, or cause to be given, the required notice for all meetings of the Board ~~and shall mail copies of all minutes to all Directors within twenty-one (21) days after each meeting.~~

If the Secretary is designated by the President to attend a closed session, the Secretary shall maintain a confidential minute book of the closed session recording topics discussed and decisions made at the meeting. This minute book is not a public record.

SECTION 7 - TREASURER: The Treasurer shall be responsible to keep and maintain, or cause to be kept and maintained, adequate and correct accounts of properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, revenues and expenses, gains, losses, and capital expenditures.

The Treasurer shall be responsible for overseeing and ensuring that proper accounting methods and procedures are followed including the appropriate separation of duties.

The Treasurer shall be responsible for the deposit of all moneys and other valuables in the name of and to the credit of the Association with such depositaries as may be designated by the Board and are approved by the Department of ~~Food and Agriculture~~ Finance. The Treasurer shall disburse the funds of the Association as may be ordered by the Board and shall render to the President and Directors, whenever they request it, an account of all transactions as Treasurer and an account of the financial condition of the Association.

Article IV Transaction of Business

SECTION 1 - CHECKS, DRAFTS, ETC.: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons, and in such a manner as determined periodically by resolution of the Board. The Board shall periodically establish by resolution a minimum dollar amount which will require only one signature and all checks above that amount will require two signatures. The resolution shall state the names and positions of each person authorized to sign and the list of accounts affected.

SECTION 2 - REPORT TO DEPARTMENT OF FOOD AND AGRICULTURE: The Board shall make such reports to the Department of Food and Agriculture as such Department may direct, including submittal of the statement of operations. The Manager shall be responsible for and take all necessary steps to ensure the accuracy of any reports submitted to the Department.

SECTION 3 - CONTRACTS, ETC.: The Board may authorize any officer or officers to enter into any contract or execute any instrument in the name of and upon behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no director, officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount.

SECTION 4 - EMPLOYEES: The district is the employer. The ~~Manager-Chief Executive Officer~~ is responsible for the employment and management of all the employees of the district.

~~**SECTION 5 - EXPENDITURES:** Directors shall be personally responsible for all expenditures of committees of which they are chairpersons that exceed the budgets for such committees as approved by the Board.~~

SECTION 6 - COMMITTEES: The Board may appoint an executive committee and such other committees as the Board deems necessary. The Board may delegate to the President the responsibility of appointing committees. Meetings of committees shall be

open to the public when any meeting comprises more than two members of the board and proper notice shall be given before the meeting to the public.

SECTION 7 - INSPECTION OF BYLAWS: The Association shall keep in its office the original or a copy of the Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to the inspection of the public during office hours and maintained on the Association's website.

Article V Amendments

SECTION 1 - POWER OF DIRECTORS: These Bylaws may be altered, amended, or repealed, and new and additional bylaws adopted at any time by an affirmative vote of five Directors or more at a duly noticed public meeting.

These Bylaws were adopted by the Board of Directors at their regular Board meeting on November 7, 1995,
~~December 12, 2017~~ and amended on December 12, 2017, February 9, 2021, and February 11, 2025.

President, Board of Directors
22nd District Agricultural Association

Date

Secretary-Manager
22nd District Agricultural Association

Date



FOR IMMEDIATE RELEASE

MEDIA CONTACT:

Tristan Hallman

Chief Communications Officer

Del Mar Fairgrounds, 22nd DAA

(858) 399-0221

thallman@sdfair.com

**Fairgrounds team, 2024 San Diego County Fair Win 40 WFA
Awards for 2024 Season**

*Honors include 20 first-place awards in five categories, including a Featured Category
award*



DEL MAR, Calif. (Jan. 31, 2025) — The 22nd District Agricultural Association — which produces the annual San Diego County Fair and owns and operates the Del Mar Fairgrounds — recently received 40 awards for excellence from the Western Fairs Association (WFA).

The honors for the 2024 Fair and the District include 20 first-place awards, including a Featured Category award.

The award announcements were made in conjunction with WFA's annual Convention in Reno, Nevada, earlier this month.

WFA has developed its awards programs to recognize fairs for extraordinary achievements in their marketing, publicity, competitive exhibits, photography, and agricultural education efforts, among others. Entries are judged by panels of experts in their respective fields. The judges base their decisions on creativity, use of theme, production excellence, best use of resources, highest level of innovation and other criteria. The District competes in divisions with other mega fairs across the nation.

"We are proud to have produced a high-quality Fair in 2024, and these awards from our industry colleagues are a reflection of our team's hard work and dedication," said Carlene Moore, the District's CEO. "We look forward to building on our successes this year as we invite our community to experience the joys, thrills, and Pet-tacular fun of the 2025 San Diego County Fair."

Nearly 900,000 people attended the 20-day 2024 San Diego County Fair. The Fair's theme was "Let's Go Retro," a nostalgic and fun journey through the cultural zeitgeist of the '50s through the '90s.

In November, the International Association of Fairs and Expositions (IAFE) also presented the San Diego County Fair with an unprecedented 24 awards. With the WFA awards haul, this brings the total number of honors for the 2024 season to 64 — a significant increase over the 48 awards in 2023 and the most the District has received in recent memory.

The 2025 San Diego County Fair will open June 11 and run through July 6. This year's theme is "Summer Pet-tacular" — a celebration of pets and pet ownership. Fair admission and concert ticket sales are scheduled to go on sale in March.

Here is the full list of WFA award-winning entries for 2024:

First Place

Featured Programs

- Best Use of Artificial Intelligence: **Illustrations for “The Daily Buzz” employee newsletter**

Competitive Exhibits

- New Competition: **Eclipse Photography**
- Best Way to Celebrate Exhibitors: **Exhibitor Appreciation Night**

Innovations and Management Excellence

- New Fairtime Event, Exhibit or Program: **Let’s Go Retro Theme Exhibit**
- New Cultural Program: **Powwow at the Fair**
- Community Partnership: [Street Banner Program](#)
- Overall Fair Sponsorship Program: **Let’s Go Retro Sponsorship Campaign**
- Partnership between the Fair and Service Member: **The Flying Royals and North County Transit District Outreach & Bilingual Videos ([English](#)) ([Spanish](#))**

Media and Marketing

- Television Ad Series: [Let’s Go Retro campaign](#)
- Single Radio Ad: [Chevy 75th Annual Junior Livestock Auction](#)
- Radio Ad Series: [Let’s Go Retro campaign](#)
- Single Radio Ad - Foreign Language: [Northgate Hispanic Concerts \(Spanish\)](#)
- Single Social Media Ad - Foreign Language: **Los Tucanes de Tijuana Promotion (Spanish)**
- Self-Produced Social Media Video: [Visit the Fair on a \\$50 Budget](#)
- E-mail campaign: **Let’s Go Retro campaign**
- Fairtime Advertising Poster: **Toyota Summer Concert Series**
- Public Relations Campaign: **Community Outreach & Binational Media Relations Efforts**

Photography Competition

- Carnival: [Girl on Dad’s Shoulders](#)
- Exhibits: **Fine Art Exhibit**

- Commercial Vendor Booth: **Fairgoer trying on a Hat**

Second Place

Featured Programs

- Creative Promotions to Combat Inflation in the Fair Industry: [Fair Discount Offers](#)

Competitive Exhibits

- Agricultural Programming: [The Farm & Plant*Grow*Eat](#)
- Best Solution for a Display Challenge: **Chalk Art Displays**

Innovations and Management Excellence

- Volunteers: **Photography Judges**
- Community Outreach - Embracing Diversity: **Growing the Fair's Diversity Program**

Media and Marketing

- Social Media Ad Series: **Toyota Summer Concert Series**
- Fair Logo: [Let's Go Retro logo](#)
- Special Event Logo: [Fair-tastic Food Competition](#)
- Fairtime Commemorative Poster: **Let's Go Retro poster**
- Outdoor Advertising: **Bulletins/Billboards**
- Theme Program: **Let's Go Retro theme**
- Overall Fair Marketing Campaign: **Let's Go Retro campaign**

Photography Competition

- Food & Beverage: [Boy with Funnel Cake](#)
- Animals: **Petting Zoo**
- Entertainment & Ground Acts: **Lumia at The Sound**

Third Place

Media and Marketing

- Single Television Ad: [Pepsi Pay-One-Price Days](#)

- Television Ad - Foreign Language: [\\$3 Off Albertsons Offer \(Spanish\)](#)
- Single Social Media Ad: **Meta ads promoting Carnival Rides**

Photography Competition

- People at the Fair: **Couple with Giant Stuffed Panda**
- Food Concession Stand: **Artist painting the Avenue**

About the 22nd District Agricultural Association

The 22nd District Agricultural Association owns and operates the Del Mar Fairgrounds and is governed by a nine-member board appointed by the governor. Fairgrounds operations are primarily funded by revenues generated by hosting events, the largest being the annual San Diego County Fair. For more information, visit delmarfairgrounds.com.

###



Statewide Ban on Poultry and Dairy Cattle Exhibitions Frequently Asked Questions (FAQ)

(Poultry, Dairy, Other Livestock, and General)

AVIAN/POULTRY QUESTIONS AND ANSWERS

Q. Which types of birds does the ban affect at exhibitions, shows, or fairs?

The ban is intended to address the highest risk bird species related to avian influenza. This ban will affect chickens, turkeys, ducks, and upland game birds (i.e. pheasants, chukars). All other exhibitions, shows or sales with birds, including those with pigeons, psittacine, doves, Soft Bills, and Hookbills, will not be impacted by the ban at this time but are susceptible to the virus. At any exhibition or show we highly encourage careful observation and isolation of any apparently sick birds, good sanitation, and the implementation of measures that reduce the potential spread of any disease from bird to bird at these events.

Q. Does the ban apply to eggs or other egg exhibits, judging or sales?

No. Eggs are not currently included in the ban and do not apply to egg exhibitions, judging, or sales. Egg display disposal should follow good sanitation practices. For example, use disposable gloves to place eggs into a leakproof plastic bag, seal, and place into a secondary leakproof plastic bag, seal, and spray the outside of bag with a disinfectant such as Lysol, then dispose into a receptacle.

Q. Does the ban apply to incubator and/or hatching egg displays?

No. The heat used for these displays should inactivate the virus. The public should not have direct contact/access to hatching eggs or chicks. Hatched chicks should be observed for any health issues for 30 days. If any health concerns arise, contact the CDFA Sick Bird Hotline at 866-922-2473.

Q. Does the ban apply to poultry meat birds exhibited with a terminal sale?

Yes. Currently, the ban includes described poultry at fairs, shows, and exhibitions that have terminal sales. Contact cdfa.HPAinfo@cdfa.ca.gov for a current risk assessment in your area and to consider exemptions after March 1, 2025.

DAIRY COW QUESTIONS AND ANSWERS

Q. Which dairy cattle are affected by the ban?

The ban is intended to address the highest risk classes of cattle known to be associated with spreading H5N1 in California. While other classes of dairy cattle have been implicated in spread, the highest risk animals are bred cattle close to parturition (Springers), and lactating cows or recently dried off cows. While the role that replacement heifers play in spreading H5N1 needs further research, there is no reliable test to ensure they are not infected, and they





are higher risk because they normally move to a dairy or are co-housed with dairy destination animals. Therefore, the ban includes replacement heifers, especially bred heifers (Springers), and lactating or recently dried off adult cows. Dairy cattle breeds include Ayrshire, Brown Swiss, Holstein, Jersey, Guernsey, Milking Shorthorn, Red & Whites, and any cross bred dairy cattle. Hosting a dairy calving exhibit to the public at these facilities is prohibited.

Q. Does this ban apply to dairy bulls, feeder calves, and steers?

No, dairy bulls, feeder calves, and steers can be exhibited, as these classes of dairy cattle have not been strongly implicated in spreading H5N1 to dairies and generally are segregated or moved to harvest channels. Because these cattle may share equipment or facilities with dairy cows, careful observation and isolation of any apparently sick cattle, good sanitation, and the implementation of measures that reduce the potential spread of disease from animal to animal at these events remains important.

Q. Why are dairy cattle excluded from exhibitions when beef cattle are not?

The H5N1 virus thrives in cow milk and in the udders. This increases the risks of dairy cows over beef cows. Further, CDFA has no data suggesting that beef breeds have been infected or spread this virus, although more research related to breed susceptibility is needed. Finally, beef breeds generally move to harvest channels and not back to a dairy where they may spread disease. Because beef cattle may share equipment or facilities with dairy cows, careful observation and isolation of any apparently sick cattle, good sanitation, and the implementation of measures that reduce the potential spread of any disease from animal to animal at these events remains important.

Q. Will fairs with milking parlors be required to have protocols for the milk?

Milking parlors should not be used until this ban is lifted. All dairy cows residing at fairgrounds must be separated from the public.

Q. Can dairy heifers that have tested negative for H5N1, attend fairs, shows, exhibitions, or sales?

Not at this time. Currently, the most reliable test for H5N1 is using a milk sample. If a reliable test for non-lactating dairy cattle is developed or proposed, exemptions will be considered. This action is required to minimize the risk of exposure to outside sources of infection including animals and people. CDFA will re-evaluate these risks monthly. For shows occurring after March 1, 2025, contact cdfa.HPAInfo@cdfa.ca.gov for testing proposal evaluations.

Q. Can shows or sales of dairy heifers continue, if buyers agree to quarantine the animals prior to introducing the acquired animal into their herd?

No. Showing replacement heifers, springers, and adult lactating and dry dairy cows, is not permitted at this time, but risks will be evaluated monthly. This action is required to minimize the danger of exposing people and non-infected cows and birds to the disease. Exemption





proposals including all risk mitigation measures will be considered for fairs occurring after March 1, 2025. Please submit proposals for exceptions to cdfa.HPAInfo@cdfa.ca.gov.

OTHER LIVESTOCK QUESTIONS AND ANSWERS

Q. What considerations should be taken for other bird species or livestock that are not included in the ban?

We strongly encourage all exhibitions, shows, and fairs with any susceptible species to take extra precautions. If possible, avoid housing different species within the same space. Do not allow any apparently sick animals to be exhibited. Do not allow the public to touch or handle exhibited animals; if this is unavoidable, provide hand washing stations and/or hand sanitizer.

Q. Does this ban apply to dairy goats?

No. Dairy goats are not currently included in the ban.

Q. Are dairy goats susceptible to H5N1 Bird Flu?

There is no current evidence of dairy goat susceptibility, but this is part of ongoing research. If dairy goats are found susceptible, they will become an additional source of transmission to other animals and humans. We strongly encourage strict biosecurity measures in [multispecies farms](#) to prevent spill-over infections (an infection jumping from one species to another species).

GENERAL BAN RELATED QUESTIONS

Q. Why is California the only state that is putting out a ban? Why now?

The 2025 fair season started during a time when there is an unprecedented number of infected farms in California. Infected dairy cattle may be asymptomatic (not look sick) for two to three weeks yet still be able to spread the virus. As a result of high levels of infection and undetected transmission, the virus is spreading rapidly between dairies in California and infecting poultry flocks. In addition to the threat posed by infected dairies, poultry flocks are being infected by migratory birds. New cases of H5N1 are still being detected in California dairy and poultry flocks.

- As of January 24, 2025, there are 937 confirmed cases in dairy cattle across 16 states. CA makes up 720 of those cases. In the last 30 days, there were 40 new cases in dairy cattle nationwide; CA made up 35 of those. For the latest national updates on H5N1 in dairies, visit this [link](#).

Q. Can fairs submit proposals for exceptions? If yes, who can they submit them to?

Yes. Proposals will be considered for fairs occurring after March 1, 2025. Please submit proposals for exceptions to cdfa.HPAInfo@cdfa.ca.gov.





Q. How long is the ban expected to continue?

This ban will remain in effect as long as the virus concentrations remain high in California dairies due to the risk of infecting other cattle, poultry farms, and people in close contact with infected animals. While we are starting to see many more dairies test negative for Bird Flu after recovering from infection, it is hard to predict when there will be a significant recovery Statewide. CDFA will re-evaluate the risks monthly.

Q. Does the ban apply to educational farms or petting zoos with poultry and dairy cattle?

Yes. All poultry and dairy cattle should be removed from educational farm and petting zoos for public interactions and exhibitions. Traveling (mobile) farms and petting zoos cannot include specified banned animals. Permanent educational farms and petting zoos cannot publicly exhibit the specified banned animals.

Q. Are virtual poultry and dairy cattle showmanship (no animals physically gathered on site) permitted?

Yes. All virtually hosted shows and sales for poultry and dairy cattle are excluded from the ban. This form of exhibition provides the most effective protection against disease spread from events where animals from different farms and regions physically gather in one place.

Q. Are there any special precautions for fairs in areas that are currently free from disease?

Northern California (Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stutter, Trinity, Tehama, Yolo, Yuba) is currently free from H5N1 Bird Flu in dairy cattle and an introduction would be devastating to local dairy farmers and poultry ranchers. It is critical that all animal owners and exhibitors limit movement of potentially infected dairy cattle and poultry, and potentially contaminated equipment like trailers into this region. Fairs can play a part in protecting farmers through education and policies that reinforce a “no movement of Bird Flu virus here” perspective. Educational materials can be found on our [website](#).

Q. Will animals from H5N1 infected areas be allowed to exhibit at shows and fairs?

Only animals specified by the ban are prohibited from exhibitions at shows and fairs, even if they are from an H5N1 infected area. Note that a farm under State Quarantine due to active infection would not be allowed to exhibit animals, but there may be herds or flocks with yet to be detected or redetected infections. These undetected farms would not be under State Quarantine movement restrictions, which is one reason for banning the highest risk animals from co-mingling with other highly susceptible animals at fairs and exhibitions. In addition to following the statewide ban on poultry and dairy cattle exhibition, it is recommended that ALL fairs, shows, and exhibitions practice enhanced biosecurity to reduce the risk of animal disease transmission including but not limited to H5N1 Bird Flu.





Q. Does the ban apply to animals originating from California and attending an exhibition, show, fair, or sale outside of the state?

The ban includes all poultry and dairy cattle attending a California exhibition, show, or fair. Animals attending out of state shows/exhibitions/fairs/sales would be subject to the rules of the [Federal Order https://www.aphis.usda.gov/sites/default/files/dairy-federal-order.pdf](https://www.aphis.usda.gov/sites/default/files/dairy-federal-order.pdf) and any additional restrictions placed by the hosting state.

Q. What are CDFA's recommendations to protect my flocks/dairies from infection?

We urge all poultry flock and dairy herd owners to increase their biosecurity practices. Poultry owners can find recommendations at [CDFA](#) and [USDA](#) websites. Dairy herd owners can find biosecurity recommendations at [Protecting Your Herd Biosecurity Recommendations](#).

Q. Why is this ban important when considering the risk to humans?

While the current risk of H5N1 to the general public remains low, it is not zero. Risks of exposure and infection are significantly higher when humans interact with an infected animal. Poultry and dairy cattle are highly susceptible to this virus. The ban is in place to reduce the risk to all susceptible species, including humans, by temporarily banning the most highly susceptible species at shows, fairs, and exhibitions.

Q. How will CDFA provide adequate controls/requirements for exhibitors to shows and fairs once the ban is lifted to prevent the further spread of bird flu to non-infected premises/counties?

CDFA has been evaluating the risks of H5N1 Bird Flu to California agriculture since it was first detected in the United States in January 2022. The State Veterinarian works with epidemiologists to determine the risk factors and implements testing strategies, quarantines, and bans as needed to reduce the risk of disease spread. CDFA's education and outreach efforts began before this current outbreak and will continue indefinitely. These efforts include sharing animal health and disease mitigation practices including biosecurity recommendations through the CDFA website, social media, attending events fairs, shows, exhibitions, and presenting at agricultural clubs (FFA, 4H, school clubs).

Q. Will CDFA provide posters and educational materials for events to use such as public displays?

Yes. Educational materials can be found on our [website](#). These materials can be printed, displayed, and distributed. Reach out to our Public Information Officer at cdfa.HPAInfo@cdfa.ca.gov for recommended materials.



Railroad realignment, Del Mar - ALTERNATIVE D

From: Rod Stewart <[REDACTED]>

Sent: Tuesday, January 21, 2025 4:49 PM

To: Senator.Blakespear@senate.ca.gov <Senator.Blakespear@senate.ca.gov>; lheebner@cosb.org <lheebner@cosb.org>; Jewel Edson <jedson@cosb.org>; philip.diehl@sduniontribune.com <philip.diehl@sduniontribune.com>; Donna O'Leary <doleary@sdfair.com>

TO: Senator Catherine Blankespear Et al.
Chair, State Senate Transportation Committee
Senator.Blakespear@Senate.ca.gov
Sacramento, CA

Lesa Heebner, Chair SANDAG - lheebner@cosb.org
Jewel Edson, Chair North County Transit District - jedson@cosb.org
Phil Diehl, San Diego Union Tribune - philip.diehl@sduniontribune.com
Carlene Moore, CEO 22nd District Agricultural Association - c/o doleary@sdfair.com
Mike Levin, Representative 49th Congressional District

Subject: Railroad realignment in Del Mar, California
Date: 22 January 2025

Senator, Et al;

The need to move the LOSSAN railroad track away from the Del Mar bluff is well known to all addressees. Progress is again being delayed as City governments haggle and well connected citizens lobby for any solution that will not affect them, and in some cases, be to their financial benefit. All the while, this vital rail connection continues to be endangered.

Why is not the quicker and cheaper option being investigated, discussed publicly, or covered in the media - leaving digging tunnels under Del Mar as the only options offered? This alternative would save millions, perhaps BILLIONS of dollars - and could be completed before the track falls into the sea.

SIMPLY STATED: Move the track off the bluff edge by putting 2 new tracks east of the existing single track, then abandoning the existing track. This is being called "ALTERNATIVE D."

PROS of Alternative D over all others:

USES EXISTING INFRASTRUCTURE

1. The existing track could continue to be used by all train services during construction, and could help speed construction logistics installing the new tracks.
2. Fairground activities could continue; the already funded bridge replacement, and already constructed Solana Beach double track spaces could be used. Bluff stabilization is already funded and much has been recently installed.
3. Train effects on property values and all citizens would remain in the same areas, and not be moved to the detriment of others.

COST and TIME SAVINGS of Alternative D over all others:

1. All construction would be above ground, using basic excavation techniques and building materials - speeding construction, using less resources and ease future maintenance or repairs.
2. Staging areas needed for construction, machines, materials, etc. would be much smaller than for tunneling.
3. Needed drainage/erosion controls and improved beach access could be designed and built concurrently.
4. Path of these tracks would be the shortest, on existing grade, and add no new slopes or curves.
5. A Fairgrounds Special Events Platform/station could be built at ground level.
6. Track-side existing ocean views could be maintained or improved, including a footpath on the old track bed, providing ocean front access to the public.
7. Taking a strip of private land (approx. 50' in width) from approximately 10-20 lots, or even the entire lots, through eminent domain, would be a fraction the cost of a tunnel of any length.
8. Construction could be measured in months, not years or decades.
9. Using this quicker and cheaper alternative could help secure needed funding from tight State and Federal budgets.

RA Stewart
Solana Beach
[REDACTED]

Pls Distribute to Board Members & Officers/Why California horse racing is struggling to secure its future - Los Angeles Times

From Martha Sullivan <[REDACTED]>

Date Sun 2/2/2025 11:05 AM

To Donna O'Leary <doleary@sdfair.com>; Molly Arnold <marnold@sdfair.com>

Cc Carlene Moore <cmoore@sdfair.com>

Greetings! Please distribute this deep dive into California horse racing by the Los Angeles Times to the Board Members and Senior Management/Officers of the 22nd DAA, State Race Track Authority and State Race Track Leasing Commission. Thank You,

Martha Sullivan
Imperial Beach

<Snip>

"In order to find out what racing executives think about the future of racing in California and the U.S., The Times spent several days at the 50th Global Symposium on Racing in Tucson in December.

"About two dozen industry people painted a picture laced with shreds of optimism, but only if California can get Historical Horse Racing (HHR), an electronic gaming product, to supplement purses. Without it, few see hope of survival. The tracks say they are working toward a solution but offer little public evidence of success as it likely would take an agreement with Native American tribes, which control non-pari-mutuel gambling in California. ...

"'Let's say Del Mar adds three more weeks [if Santa Anita were to stop racing],' Dado said. 'Would Del Mar want to do it? Probably not because it's going to make those days that they already have less special. But if the industry is saying they need to do it, then Del Mar's going to have to step up.'

"Joe Morris, the former head of West Coast racing for TSG and currently the senior vice-president of racing for Caesars Entertainment, points to a particular problem.

"'The formula to building handle and having a successful meet is you need the stock,' Morris said. 'I don't think they can fix the problem. Thirty years ago, there were 20 to 25 major farms in California. Now there are just a handful. So, where are you going to get the product? The cost of living is such that it is hard to go out there if you are a trainer and put your help up and things like that.'

"When Santa Anita's owners closed Golden Gate, one of their plans was to start rebuilding all the barns at Santa Anita. Nineteen months after the announcement, there has been no appreciable construction on the barns.

"'I don't see them ever getting the product,' Morris said. 'Can Del Mar get enough to ship in? I don't know. If you don't have product, you don't have racing. So now you're racing short fields and less races and the gamblers know that's not what they need. They want more races and full fields.'

"In 1990, there were 44,143 horses foaled in North America, which includes Canada and Puerto Rico. In 2023, it was down to an estimated 18,500. The foal crop has declined the last eight years. ...

"For the most part, politicians in California have done little to support the racing industry, instead focusing more on horse safety than horse racing.

"Gov. Gavin Newsom and the late Sen. Dianne Feinstein both were outspoken during the 2019 crisis of horse deaths at Santa Anita.

"'How are we going to get Sacramento to like horse racing?' trainer Bob Baffert asked rhetorically while speaking on a panel in Tucson with fellow Hall of Famer Todd Pletcher.

"'It's such a big state and that question is something I wish I had the answer to. Unless we can find some other way to increase the purses, like Churchill Downs, Oaklawn, New York, [we've got difficulties]. What California has to offer is the weather, it's a great place to get horses ready and it comes down to how can we get California to like horse racing?'

"So, here everyone in California horse racing sits. A series of identifiable problems with some potential solutions but seemingly not enough action to solve those problems. Racing executives in the state say they are working on it but decline to speak publicly about it, leaving the horsemen shaking their heads in frustration.

"'We need as an industry for California to succeed,' said Pletcher, the trainer who spoke on a panel alongside Baffert. 'It's great what's going on in Kentucky with the purses but it's having a negative effect on the other states because the purse structure is so high in some places yet in California they don't have those advantages with a declining horse population.'

"Louis Cella and his family are behind one of racing's most successful stories. The owners of Arkansas' Oaklawn Park were the first to put historical horse racing machines at their track. The facility does a great local business and holds prominent races. But even Cella sees the opportunity for success in California as limited.

"'You look at California and unless they come with a solution to increase purses, I don't think they survive in five years,'" Cella said. 'I don't see how that happens or at least on the level they are currently running at. I think they have a tremendous headwind in front of them.'

"Racing leaders in California, under the guise of the Horse Power Coalition, funded a survey about the impact of horses on the state economy. The survey was sent out shortly after it was announced that Golden Gate was closing.

"It was timed to be a complement to the national American Horse Council Economic Impact Study. A news conference was scheduled in the paddock of Santa Anita to boast about the alleged \$11.6-billion economic impact, as determined by the self-funded study.

"The news conference was hastily canceled when no media showed up to cover the announcement."
<https://www.latimes.com/sports/story/2025-02-02/santa-anita-horse-racing-survival>

Pls Distribute to Board/Officers/Sr Mgt of 22nd DAA, SRTA & SRTLTC/Florida Decoupling Bill Passes Committee With Wide Margin - Paulick Report | Latest news and commentary from the horse racing and equine world

From Martha Sullivan <[REDACTED]>

Date Wed 2/5/2025 1:20 PM

To Donna O'Leary <doleary@sdfair.com>; Molly Arnold <marnold@sdfair.com>

Cc Carlene Moore <cmoore@sdfair.com>

Greetings! Please distribute this to the Board, Officers and Senior Management of the 22nd DAA, the State RaceTrack Authority and the State Race Track Leasing Commission. Thank You,

Martha Sullivan
Imperial Beach

"Rep. Brad Yeager (R-District 56)pointed out that Florida's foal crop, like the foal crop nationally, has been on the decline for 20 years – a trend that did not stop when the state allocated money to purses and Florida breeders.

"'I am personally a lover of horses,' said Rep. Anderson, author of the bill. 'I love the races, I love the track, I love the animal. I'm a horse owner myself. I've been involved in various racing partnerships over a decade and a half. I love the industry.

"'The reality is that it's an industry that's declining. It's not just declining in the state of Florida. It's declining nationwide.'"

<https://paulickreport.com/news/the-biz/florida-decoupling-bill-passes-committee-with-wide-margin>

ITEM 3 – CONSENT CALENDAR

February 2025

Expense Contracts

Standard Agreements from Competitive Solicitation						
Contract #	Contractor	Purpose	Acquisition Method	Effort Type	Term	Not to Exceed
23-021 AM2	Harris & Associates Inc.	On-call environmental services	RFQ	Year Round	3/22/2023 - 3/21/2028	\$4,000,000.00 (Total contract value unchanged)
25-002	Allied Universal Event Services	Crowd management and security services	RFP	Year Round	3/1/2025 - 2/29/2028	\$6,182,505.00

Sole Source Standard Agreements						
Contract #	Contractor	Purpose	Sole Source Justification	Effort Type	Term	Not to Exceed
DAA-20-053-8X AM2	Corodata Records Management, Inc.	Record storage and document destruction	Sole Source	Year Round	2/29/2020 - 12/31/2025	\$10,000.00 (Total contract value = \$56,000.00)

Revenue Contracts

Sponsorship Agreements					
Contract #	Contractor	Purpose	Effort Type	Term	Amount
SPO-25-010	Crown Imports LLC dba Constellation Brands Beer Division	Import/Hispanic beer sponsor	Year Round	1/1/2025 – 12/31/2027	\$1,316,229.00

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 16 PAGES

AGREEMENT NUMBER

23-021

AMENDMENT NUMBER

2

Purchasing Authority Number

GL# 600100-00

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

Harris & Associates, Inc.

2. The term of this Agreement is:

START DATE

March 22, 2023

THROUGH END DATE

March 21, 2028

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

\$4,000,000.00

Four Million 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 provide clarification of reimbursement expenses, and update the rates for 2025.

The Scope of Work (Exhibit A), Budget Detail and Payment Provisions (Exhibit B), and Rate Sheet (Exhibit B, Attachment I) have been revised and are hereby replaced in their entirety. Revisions are formatted as bold and underlined font for additions and strikethrough font for deletions.

The maximum amount of this Agreement is unchanged.

Amendment Effective Date: February 12, 2025

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.)

Harris & Associates, Inc.

CONTRACTOR BUSINESS ADDRESS

2375 Northside Dr. Suite 125

CITY

San Diego

STATE

CA

ZIP

92108

PRINTED NAME OF PERSON SIGNING

Michelle White

TITLE

Chief Executive Officer

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**EXHIBIT A
SCOPE OF WORK**

1. SERVICES OVERVIEW

- A. This Agreement is the result of a competitive solicitation that is incorporated by reference and made part of this Agreement.
- B. Harris & Associates, Inc., herein after referred to as Contractor, agrees to provide to the 22nd District Agricultural Association / Del Mar Fairgrounds, hereinafter referred to as District, with environmental services as described herein:

The Contractor shall provide assistance with environmental projects including but not limited to: preparation of environmental studies and documents to comply with the California Environmental Quality Act (CEQA) and the California Coastal Act.

- C. The Project Representatives during the term of this Agreement will be:

22 nd District Agricultural Association	Harris & Associates, Inc.
Name: Dustin Fuller, Supervising Environmental Planner	Name: Diane Sandman, AICP
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 600 B Street, Suite 2000 San Diego, CA 92101
Phone: 858-792-4212	Phone: 619-481-5001
e-mail: dfuller@sdfair.com	e-mail: diane.sandman@weareharris.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

The Contractor shall provide environmental services, as outlined below, to the District on an as-needed basis for various projects and/or operations at the Del Mar Fairgrounds and Horsepark. The District's Supervising Environmental Planner shall assign specific work to the Contractor to assist the District through the issuance of Task Orders describing in detail the services to be performed. The Contractor shall only perform work that is assigned in an authorized Task Order. **Projects may require production, data-gathering tools, mileage or other reimbursable expenses. When a project requires travel or other reimbursable expenses, the Task Order Amount shall include such items. Reimbursement shall occur in accordance with the requirements outlined in Exhibit B, Budget Detail and Payment Provisions and rates outlined in Exhibit B, Attachment I, Rate Sheet.** The Contract does not guarantee that a Task Order shall be issued.

A. CEQA Documentation

Preparation of CEQA documents including Categorical Exemptions/Exclusions; Initial Study; Negative and Mitigated Negative Declarations, Addendums, Environmental Impact Reports, Supplemental Environmental Impact Reports and combinations of above.

B. Coastal Act Permitting Assistance

Preparation of Coastal Development Permit applications for District projects. Includes any required Coastal Commissions studies (in addition to any CEQA documents already

**EXHIBIT A
SCOPE OF WORK**

prepared), compliance assistance with Special Conditions/monitoring, attendance and presentation at Coastal Permit hearings.

C. Biological

General Biological – including habitat assessments
Focused Surveys
Maintenance and Monitoring of Least Tern Nesting habitat (including predator control)
MSCP/MHCP Surveys and Compliance
Wetlands and Jurisdictional Waters Delineations
Biological Assessments/State and Federal Endangered Species Act Compliance
Mitigation Plans
Preparation of Habitat Mitigation and Monitoring Plans
Mitigation site development meeting regulatory permitting agency requirements.
Agency Coordination
Construction Monitoring and Reporting
Emergency Project Documentation and Reporting
Maintenance and Monitoring in compliance with Coastal Commissions standards, including non-native vegetation removal, annual report preparation, additional plantings, soil modification, irrigation repair and maintenance, etc.
Lake Maintenance and Monitoring including non-native vegetation removal, algae removal, water quality sampling, monthly/annual reporting.

D. Cultural (CEQA and/or NEPA/NHPA)

Archeological (including construction monitoring)
Paleontological (including construction monitoring)
Historical Resources

E. Waters/Streambed Permitting

Includes permit application processing for 401/404 permits as well as 1600 permits.

F. Air Quality Analysis (including GHG Emissions and Climate Change Analysis)

Includes the preparation of air quality technical reports. Preparation and calculation of facilities carbon footprint and GHG emissions. Climate change documents that address GHG emissions and ways to reduce.

G. Noise Studies

Includes noise monitoring of specific District events at up to three locations per event, provision of monitoring equipment, data interpretation and reporting for review comment by District staff.

H. Community Impact Assessments/Socio-Economic

Evaluation and determination of potential impacts to the local community from 22nd DAA development/operations as well as any potential socio-economic impacts.

I. Housing/Affordable Housing

Includes review, analysis and interpretation of site-specific housing reports/analyses including financial/economic analyses for housing.

J. Sea Level Rise

**EXHIBIT A
SCOPE OF WORK**

Includes preparation of sea level rise planning documents, sea level rise scenario analysis, and review/comment of City of Del Mar sea level rise planning documents. Preparation of a Coastal Resiliency Plan for District properties.

K. Traffic and Parking Impact Assessments

Includes preparation of various parking/traffic reports/memos for District projects as well as compliance with required parking/traffic monitoring reports for existing Coastal development permits, mitigation requirements, and other legally required studies. Currently there is one annual report required that analyzes parking availability for the annual Fair, Race Meets (summer and Fall); analysis of six local street segments, average traffic volumes on one Fair day, one Race meet day and one day in between the two events with analysis/interpretation and report drafting. This also includes the ability to provide staff to conduct parking counts at various street segments, within District parking lots and up to three off-site lots used only during the annual San Diego County Fair.

L. Visual Impact Analysis

Includes the ability to provide light and glare analysis and spill light analysis.

M. Hazardous Materials/Initial Site Assessments

Capabilities to perform site assessments for hazardous materials, report writing to document and action items/mitigation to resolve any issues that may arise.

N. IGP/Phase 2 MS4/General Storm Water

Guidance on, Preparation or Review of annual documents necessary for Industrial General Permit and Phase 2 Small MS4 permit and/or other Permits as required. Assistance with inspections, annual compliance review and written assessments of District facilities and operations.

Preparation of or review of project specific SWPPPs, Staff/visitor/concessionaire Education and Training Materials, and other documentation as may be required.

O. Landscaping/Revegetation/Habitat Restoration Plans

Preparation of various planning documents and mapping for landscape projects, restoration projects and revegetation plans. Licensed landscape architect.

P. Energy Studies

Includes preparation of and/or assistance with preparation of an RFP to be used to solicit alternative energy and electric vehicle charging stations at District properties.

Q. Project Management

Includes, but not limited to, acting as environmental task manager.

R. Public Outreach-

Includes, but not limited to, developing project informational exhibits for public's awareness of District projects, organizing scoping meetings, attending 22nd DAA Board meetings, Coastal Commission hearings and other resource agency meetings/hearings.

S. GIS Mapping/Graphics preparation/Survey

In-house graphic artists for preparation of visual aids for projects. Project mapping. Preparation of as-built documents. Survey crews to document property lines, draft plats and easement documents.

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

25-002

GL ACCOUNT NUMBER (If Applicable)

GL Account #: 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

Staff Pro Inc. dba Allied Universal Event Services

2. The term of this Agreement is:

START DATE

March 1, 2025

THROUGH END DATE

February 29, 2028

3. The maximum amount of this Agreement is:

\$6,182,505.00

Six Million One Hundred and Eighty Two Thousand Five Hundred Five 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	10
Exhibit A, Attachment 1	Standard Operating Procedures	3
Exhibit A, Attachment 2	District Grooming Standards	2
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit B, Attachment 1	Pricing Tables	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.)

Staff Pro Inc. dba Allied Universal Event Services

CONTRACTOR BUSINESS ADDRESS

5455 Garden Grove Blvd., Suite 600

CITY

Westminster

STATE

CA

ZIP

92835

PRINTED NAME OF PERSON SIGNING

Ty Richmond

TITLE

President

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

EXHIBIT A SCOPE OF WORK

1. SERVICES OVERVIEW

- A. This Agreement is the result of a competitive solicitation incorporated by reference and made part of this Agreement.
- B. The contact term shall be for three (3) years with the possibility of two (2) one-year options to renew, at the sole and absolute discretion of the 22nd DAA. The contract is subject to annual evaluation and certification that the contractor has met all contract requirements. The 22nd DAA may decide, in its sole and absolute discretion, whether to exercise any contract option under the contract.
- C. Allied Universal Event Services, hereinafter referred to as the Contractor, agrees to provide the 22nd District Agricultural Association / Del Mar Fairgrounds, hereinafter referred to as the District, with services described herein:
 - a. Contractor shall provide public access control, security and crowd control, alcohol, tobacco (including electronic devices) and illegal drug control, and asset protection in a professional manner. Services include providing roving patrols, operating metal detectors, and performing baggage checks. Contractor personnel shall check patrons and baggage for concealed weapons and explosives, alcohol, and illegal drugs, check and issue security passes, provide directions, and make security arrangements for authorized visitors and patrons. Additionally, the Contractor shall provide armed protection for specific events as determined by the District, monitor and respond to alarm systems, adequately communicate via radio, observe and report suspicious activity, apprehend and detain offenders when appropriate until law enforcement arrives. Contractor personnel shall record times of inspections and presence of persons, identify irregularities, (fire hazards, leaking pipes, lights left on, malfunctions of equipment or machinery, and unlocked security doors) and patrol areas and check doors, gates, and windows.
 - b. Contractor shall comply and assist with a safe evacuation plan coordinated by District Management, law enforcement, fire agencies, and medical agencies, and must perform all duties as outlined below.
 - c. In addition to enhancing the security of the public and District property, the District's goal is to achieve competitive rates and better public service through the Contractor's ability to implement and enhance professional crowd management skills and techniques. Contractor shall ensure adequate training programs for its staff and employees, maintain proper licensure and sufficient insurance coverage, utilize reliable equipment, and sufficient resources to pay federal payroll taxes.
- D. The services shall be performed at the District property located 2260 Jimmy Durante Blvd., Del Mar, CA 92014 and 14550 El Camino Real, Del Mar, CA 92014.

**EXHIBIT A
SCOPE OF WORK**

E. The Project Representatives during the term of this Agreement will be:

22 nd District Agricultural Association	Allied Universal Event Services
Name: Mark Elvin, Public Safety Director	Name: Ryan Houdeshell, Client Account Manager
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 5455 Garden Grove Blvd. Suite 600 Westminster, CA 92835
Phone: 858.792.4282	Phone: 530.277.1705
e-mail: melvin@sdfair.com	e-mail: ryan.houdeshell@aus.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 BY CONTRACTOR

A. Interim Events

On an as needed basis, Contractor shall provide security and crowd control personnel for any or all responsibilities outlined in this Exhibit. In addition, Contractor may be required to staff interim events, 24-hours per day, 7 days a week, as needed. Interim events include District-hosted events and Third-Party Promoter events. In the event the District hosts an interim event, the District's Event Services Supervisor will contact the Contractor's Account Manager to arrange security requirements and billing. Contractor security personnel, upon request by the District at any time, shall present their Guard Card issued by the Department of Consumer Affairs, Bureau of Security Investigative Services (BSIS). Contractor security personnel shall complete and maintain current certification in First Aid and CPR. Security personnel shall present a copy of their certification or completion document for First Aid and CPR upon request by the District at any time. Contractor shall ensure that all personnel work no more than 8 hours per day, inclusive of a mandatory 30-minute check-in time at the beginning of each shift, as designated by the District. Contractor agrees no overtime shall be scheduled unless authorized by the District. Refer to Exhibit A, Attachment 1, Standard Operating Procedures. The estimated total hours needed for Security Personnel during Interim Events are 1,500.

B. Fairtime

During Fairtime, Contractor shall ensure that all personnel work no more than 8 hours per day, inclusive of a mandatory 30-minute check-in time at the beginning of each shift, as designated by the District. Contractor agrees no overtime shall be scheduled. Contractor security personnel, upon request by the District at any time, shall present their Guard Card issued by the Department of Consumer Affairs, Bureau of Security Investigative Services. Contractor security personnel shall complete and maintain current certification in First Aid and CPR. Security personnel to present a copy of their certification or completion document for First Aid and CPR upon request by the District

EXHIBIT A SCOPE OF WORK

at any time. The District anticipates Contractor's Fairtime responsibilities will be broad in scope, requiring 24-hour security over an estimated 52 days. The Contractor shall organize staffing into three (3) rotating shifts per day, with an estimated staffing requirement of approximately two hundred fifty (250) personnel each day. Contractor staff assignments must consist of gate guards who are knowledgeable in the operation and processing of patrons through weapon detectors, 24-hour Exhibit security, roving patrols, bike patrols, credential access control, parking lot security, no-alcohol control points, concert security, concert ushering, parking enforcement, and other security/crowd management functions. Specific staffing requirements will be provided in advance by the District's Public Safety Director. Contractor must be able to respond to District's staffing requirements upon 24-hour notification.

Examples of fairtime staffing requirements are as follows:

- a. Grandstand Shows - 20 to 100 guards per show, depending upon the type of entertainment and anticipated attendance. The estimated total hours for Grandstand Shows are 13,870.
- b. Arena Events - 8 to 10 guards during large events such as festivals, action sports, and Concerts. The estimated total hours for Arena Events are 2,080.
- c. No-Alcohol Control Points - 10 to 25 guards per day. The estimated hours for No-Alcohol Control Points are 4,045.
- d. Parking Lots and Admission Gates (public access gates) - As needed; these areas may require up to 75 guards each day. The estimated total hours for Parking Lots and Admission Gates are 8,669.
- e. Operation of Weapon Detectors & Wands - 50 to 100 guards per day to operate walk-through weapon detectors and use of metal wands on members of the public. The estimated total hours for Operation of Weapon Detectors & Wands are 17,336.

C. Del Mar Thoroughbred Club (DMTC) Race Events

The Del Mar Thoroughbred Club (DMTC) holds two primary horse racing seasons annually: the Summer Meet and the Fall Meet. The Summer Meet typically runs from late July to early September, while the Fall Meet is typically held from late November to early December. In addition to these regular meets, DMTC hosts specialty racing events such as the Pacific Classic and the Breeders' Cup in select years. Contractor services may be required on an as-needed basis and shall include, but are not limited to, the following:

- a. Crowd management and security for race meets and other racing events, including staffing the weapon detection systems at the various entry gates.
- b. Alcohol control: Enforcing DMTC, District, and ABC rules and regulations.

**EXHIBIT A
SCOPE OF WORK**

- c. Providing security for Hospitality events.
- d. Ensuring access control for major race events (e.g. Opening Day at the Races), including checking wristbands and credentials for access into restricted areas.
- e. Providing additional security as needed under the direction of DMTC Security, such as coverage for the stable area, quarantine area, and other designated areas as needed.

The estimated yearly hours needed for security personnel during DMTC Race events is 17,000.

D. Office

Contractor shall be responsible for maintaining and cleaning a temporary modular office trailer provided by the District located on District property. Contractor agrees to supply all necessary office and technical equipment required for operations during interim events, the annual San Diego County Fair, and DMTC Race events.

E. Access to Grounds

Contractor shall be provided with limited parking and admission credentials for management staff only. It shall be Contractor's responsibility to develop an identification badge for guards that must be pre-approved by District Management. These identification badges shall be presented at entry points designated by District Management.

F. Uniforms and Grooming

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

G. Equipment

- a. As determined by the District, radios, headsets, flexible boom microphones, earplugs, flashlights, hand stamps, hand counters, metal detector wands, staff transportation binoculars and/or bicycles shall be provided by Contractor at no

EXHIBIT A SCOPE OF WORK

additional cost to the District. Contractor shall ensure sufficient supply, including any additional equipment as requested by the District.

- b. Contractor must provide communication equipment to support radio systems for interim events and Fairtime operations, unless otherwise authorized by the District Security Manager. This equipment includes, but is not limited to, a permanent repeater on-site and antennae, and frequency purchased via a qualified Federal Communications Commission (FCC) representative.
- c. Contractor shall furnish, maintain and replace, at Contractor's expense, up to 90 handheld radios, and a permanent repeater for use during all events (Interim and Fairtime). Contractor shall have a minimum of 10% replacement radios on-site to assure that an adequate number of units is maintained at all times.

H. Account Manager

Contractor shall provide an Account Manager to the District, who will serve as the primary point of contact. The Account Manager will be responsible for all aspects of this Agreement, including but not limited to: coordinating and scheduling contractor personnel, checking personnel in and out, time and attendance keeping, attending all event meetings, proper invoicing, communication with the District, conveying information to their staff, and posting procedures and instructions for their staff on specific events. It will be the Account Manager's sole responsibility to ensure that the District's requirements are met; all personnel are in place for their assignments; their staff is equipped to perform their duties and that staff is informed and on time. Contractor shall ensure that the Account Manager or designated Supervisor is present on-site during all event operation hours to coordinate with the District, except when fewer than five Contractor security personnel are scheduled without a supervisor, and Public Safety Management has been notified.

I. Meetings

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

J. Standard Operating Procedures

The District shall provide Standard Operating Procedures (SOP) to establish assignment notification, check-in, posting, and staffing. It shall be the responsibility of the District and Contractor to ensure compliance. All forms and formats used shall be in a manner mutually acceptable to the District and Contractor. Refer to Exhibit A, Attachment 1, Standard Operating Procedures.

EXHIBIT A SCOPE OF WORK

K. Use of Subcontractors

Contractor shall not subcontract, assign, or delegate any portion of the work or obligations under this Agreement. Any attempt to do so shall be deemed a material breach of contract agreement. Contractor will not schedule any personnel under 30-days employment and/or personnel who have not completed the contractor's new employee training program.

L. Timesheets

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

M. Permits, Licenses, Bonding & Taxes

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

N. Benefits and Compensation

- a. Contractor personnel shall remain the Contractor's employees and shall not receive District benefits. The Contractor accepts full and exclusive liability for the payment of any and all contributions of taxes for Social Security, Workers' Compensation insurance, Medicare, unemployment insurance, retirement benefits, pensions, now or hereinafter imposed under any State or Federal law or by the Contractor salaries, or other remuneration paid to persons hired, including deposits of income tax withholding amount due, and it agrees to indemnify and hold harmless the District from any claims for contributions, taxes, or liability thereof.
- b. Additionally, Contractor must conform to the provisions of the Immigration Reform and Control Act of 1986 (Public Law 99-603) by verifying the employment eligibility of each person referred to the District.
- c. **Any merit raises, bonuses, or other employee salary, or benefit increases, deemed necessary by the Contractor during the term of this agreement, are at the sole expense of the Contractor.**

**EXHIBIT A
SCOPE OF WORK**

- d. Contractor shall be responsible for communicating its benefits, timecard and attendance, and safety policies, to the District and to Contractor's employees.
- e. Vacation pay or vacation time accrual shall not be charged as an expense and shall not be reimbursed by District.

O. Employee Pre-Screening

- a. Contractor shall carefully pre-screen all applicants prior to referral to the District to ensure that they possess all of the required skills and abilities to perform the assigned tasks and are legal to work in the State of California. **Should the District determine that a Contractor employee is working illegally or does not have the required skills and abilities, the District may request the dismissal of that person.**
- b. **All Contractor security personnel shall possess and carry a current and valid California guard registration card issued by BSIS.**

P. Personnel & Minimum Staffing Levels

- a. Contractor shall employ staff that are professional, courteous, helpful and considerate. Contractor's employees shall not use improper language or act in a loud, boisterous manner, or act in any inappropriate or improper manner as determined by District.
- b. Contractor shall reassign any employee after notification by District that such employee has engaged in unacceptable behavior. Contractor agrees that all personnel shall be employees of the Contractor, who has the sole and exclusive right to hire and discharge any employees and shall be solely responsible for all actions and functions to be carried out by its employees.
- c. Contractor shall provide proposed staffing and supervisor ratio levels subject to the review and approval by District and District shall retain the right to set staffing levels for all events. Any deviation from the approved plan must be pre-approved by District.

Q. Staffing Guaranty

Contractor shall guaranty the availability of sufficient qualified staffing to meet District's requirements as described in this Agreement. In the event, Contractor cannot meet these requirements such as, a no show, staffing shortages, or other performance issues related to unqualified staffing, District may deduct \$100.00 per occurrence. If this occurs, District reserves the right to outsource their requirements to an alternative contractor to ensure a safe and secure event. Contractor will be responsible for any and all additional costs District may incur as a result of their failure to meet District's staffing requirements.

EXHIBIT A
SCOPE OF WORK

R. District Rights

District reserves the following rights with regard to this Agreement:

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

S. Required Acknowledgement of all Contractor Employees

Contractor shall require all personnel to acknowledge the following in writing prior to their being assigned to District:

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

T. Fire Regulations

All fire regulations as prescribed by the District Fire Marshall must be strictly observed.

U. Gratuities

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

EXHIBIT A SCOPE OF WORK

V. Overtime Payments

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

W. Job Classifications and Duties:

1. Security Guard

The Contractor shall ensure that all security guards complete Security and Emergency Procedures Training, including but not limited to crowd control, managing irate or hostile individuals, and public relations. Guards shall be professional and courteous at all times while on duty. Guards must have the ability to communicate and understand basic oral and written instructions in English; bilingual is preferred but not mandatory. Guards also must have the ability to lift items weighing up to 49 pounds and operate handheld radios and other detection equipment when necessary. Guards must follow and enforce all District rules, policies, and procedures and State and Federal laws at all times. Guards shall interact with law enforcement, fire, and medical personnel, and interact with members of the public in an official capacity, have strong communication, de-escalation and negotiation skills, as well as possess keen observation skills, and have the ability to identify, monitor, and address any emerging threats related to particular events, such as where alcohol is served. Key factors include the estimated attendance, type of event, and availability of alcohol served at the venue/event.

Duties shall include but are not limited to the following:

- a. Crowd management and security for concerts and special events ranging from small to very large attendance. This includes providing security for equipment, concert staff, VIP areas and green rooms.
- b. Access control – the ability to interpret orders to identify credentials for access to restricted areas.
- c. Checking and issuing security passes.
- d. Giving directions.
- e. Coordinating and managing crowd in a safe manner during an evacuation.
- f. Making security arrangements for authorized visitors and patrons.
- g. Providing armed protection for specific events.

EXHIBIT A
SCOPE OF WORK

- h. Monitoring and responding to alarm systems.
- i. Communicating via radio.
- j. Observing and reporting suspicious activity.
- k. Apprehending offenders when appropriate and detaining until law enforcement personnel arrive.
- l. Recording times of inspections and presence of persons.
- m. Estimating attendance of event and monitoring the availability of alcohol served at the venue/event.
- n. Watching for irregularities (fire hazards, leaking pipes, lights left on, malfunctions of equipment or machinery, and unlocked security doors).
- o. Patrolling areas and checking doors, gates, and windows.

2. Security Supervisor

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

- a. Ability to read and understand Event Orders.
- b. Knowledge of the grounds (including Horsepark) and location of major buildings or landmarks.
- c. Familiarity with this Agreement, District Security, equipment, and check-in and out procedures.
- d. Knowledge of the District Security Patrol office location and Event information location(s).
- e. Familiarity with the District Department structure and staffing.
- f. Supervising groups of Security Guards.

STD 213A (Rev. 4/2020)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 2 PAGES

AGREEMENT NUMBER
DAA-20-053-8X

AMENDMENT NUMBER
2

Purchasing Authority Number
GL #: 600100-00

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
Corodata Records Management, Inc.

2. The term of this Agreement is:

START DATE
February 29, 2020

THROUGH END DATE
December 31, 2025

3. The maximum amount of this Agreement after this Amendment is:
\$56,000.00
Fifty Six 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 extend the contract term by 10 months and increase the dollar amount by \$10,000.00 in order to allow for the completion of services. The Through End Date is hereby amended from February 28, 2025 to December 31, 2025. The maximum amount of this Agreement is hereby increased from \$46,000 to \$56,000.

The Scope of Work (Exhibit A) is hereby revised and replaced in its entirety. Revisions formatted as bold and underlined font for additions and strikethrough font for deletions.

Amendment Effective Date: January 7, 2025

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.)
Corodata Records Management, Inc.

CONTRACTOR BUSINESS ADDRESS 12375 Kerran Street	CITY Poway	STATE CA	ZIP 92064
PRINTED NAME OF PERSON SIGNING Trey Williams	TITLE Account Representative		
CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED		

Exhibit A
SCOPE OF WORK

1. Contractor agrees to provide record storage and document destruction services for the State / 22nd District Agricultural Association ("District") / San Diego Fairgrounds, as follows:
 - a. Contractor shall provide barcodes, pick-up, retrieval, shelving and storage of records in accordance with rates detailed in Attachment #1, Contractor Storage Rates & Services, *dated* December 20, 2019, for a total estimated amount not to exceed ~~\$27,000.00~~ **\$56,000.00**, during the term. This funding all includes; Contractor costs for; qualified labor, materials/supplies, equipment, storage, environmental compliance, insurance, disposal, surcharges, taxes (sales, employment, environmental, fuel, etc.), transportation (pick-up and delivery) as well as administrative overhead.
 - b. Where the terms of this Agreement or District/State documents are more specific, or are inconsistent or in conflict with the provisions, terms and conditions set forth in the Contractor's proposal or Contractor's documents, both parties agree that the terms set forth in District/State documents shall supersede and take precedence over Contractor's proposal or Contractor's documents.
 - c. Contractor agrees to pick up and store in Contractor's secured facility chosen accounting, personnel and administrative records as well as to deliver requested items upon request from District.
 - d. Contractor's facility provides on-site security during business hours, and an electronic security system twenty-four (24) hours a day.
 - e. Contractor shall be responsible for property, including electronic data that is damaged, lost or destroyed due to negligence or intentional acts of Contractor or their employees or Subcontractors.
 - f. The District does not guarantee the exact amount of services to be used as the District cannot guarantee the occurrence of service needs generated by facility use. Furthermore, District is under no obligation to exercise future option years/terms.
 - g. District shall not pay for excessive price increases/mark-ups for parts/service not listed in Attachment #1, Contractor Storage Rates and Services, *dated* December 20, 2019. Contractor agrees that any additional services not listed shall be billed at rates equal to or similar to the rates listed in Attachment #1, Contractor Storage Rates and Services, *dated* December 20, 2019.
 - h. Contractor agrees to provide a written confirmation of costs for approval by District's Account Payable Manager, **prior** to the initiation of any **additional** requested services.
 - i. Contractor agrees to dispose of all generated waste in accordance with Federal, State and local laws and regulations. Contractor agrees to provide District with environmental disposal reports as needed.
 - j. Contractor shall have current licenses and certifications required by law to provide all services and shall perform this work in accordance with all applicable laws and codes. Contractor will provide District copies of licenses and certifications within 48 hours, upon District's written request, including electronic email requests by District.
 - k. Approval of the Contractor's insurance by the District/State shall not diminish or alter the extent to which the Contractor or any subcontractor(s) may be held responsible for payment of any and all damages resulting from its' operations.
 - l. The District may, at any time or from time to time order additions, deletions or revisions in the Scope of Work without invalidating the Agreement documents and without notice to the sureties. The sureties shall accept all such changes (additions, deletions or

revisions) as within the Scope of Work of the Agreement documents and shall not be exonerated.

- m. The Contractor shall be fully responsible for all acts and omissions of Subcontractors, and of persons and organizations directly or indirectly employed by them, and of persons and organizations for whose acts any of them may be liable to the same extent that the Contractor is responsible for the acts and omissions of persons directly employed by the Contractor. Nothing in the Agreement shall create any contractual relationship between the District and any Subcontractor, or other person or organization having a direct contract with the Contractor, nor shall it create any obligation on the part of the District to pay or require the payment of any funds due any Subcontractor or other persons or organizations, except as may otherwise be required by law.
- n. Contractor understands and agrees that this is a nonexclusive Agreement. District and/or 22nd District Agricultural Association may hire other contractors for work of a similar or identical nature.

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

22 nd District Agricultural Association	Corodata Records Management, Inc.
Section/Unit: Accounting Department <u>Administration Department</u>	
Attention: Tammi Royales, Account Payable Manager <u>Donna O'Leary, Office Manager</u>	Attention: Trey Williams, Sales Representative
Address: 2260 Jimmy Durante Blvd. Del Mar, CA 92014-2216	Address: 12375 Kerran Street Poway, CA 92064
Phone: (858) 792-4257 <u>(858) 755-1161 ext. 2200</u>	Phone: (858) 748-1100 ext. 1209
Email: <u>doleary@sdfair.com</u>	Email: <u>twilliams@corodata.com</u>

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
SPONSORSHIP AGREEMENT
(Rev 11/19)

AGREEMENT NUMBER
SPO-25-010

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

STATE AGENCY'S NAME

22nd District Agricultural Association

SPONSOR'S NAME

Crown Imports LLC d/b/a Constellation Brands Beer Division

2. The term of this Agreement is: **January 1, 2025 – December 31, 2027**

3. The amount of this Sponsorship Agreement is: **\$1,316,229.00**

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

Exhibit A – Sponsorship Terms

Exhibit B – Insurance Requirements

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

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

SPONSOR

SPONSOR'S NAME

Crown Imports LLC d/b/a Constellation Brands Beer Division

BY (Authorized Signature)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

Rene Ramos, Vice President, Field, Lifestyle & Experiential Marketing

ADDRESS

**131 South Dearborn St.,
Chicago, IL 60603**

STATE OF CALIFORNIA

AGENCY NAME

22nd District Agricultural Association

BY (Authorized Signature)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

Carlene Moore, CEO/General Manager

ADDRESS

**2260 Jimmy Durante Blvd
Del Mar, CA 92014-2216**

GL 431-102-00

Crown Imports LLC d/b/a Constellation Brands Beer Division

Exhibit A - Sponsorship Terms

2025, 2026 & 2027 San Diego County Fairs, Del Mar Thoroughbred Race Meets and the Sound

1. This sponsorship agreement (“Agreement”) includes the terms and conditions to which **Crown Imports LLC d/b/a Constellation Brands Beer Division** (“Sponsor”) has agreed to in providing products and/or services during the 2025, 2026 & 2027 San Diego County Fairs (“Fair”), produced by the 22nd District Agricultural Association, a California state institution (“State”, “District” or “22nd DAA”), and Thoroughbred Race Meets (“Meets”), produced by the Del Mar Thoroughbred Club (“DMTC”). The total cost of this sponsorship Agreement is \$1,316,229.00.
2. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than March 1, 2025.
3. Sponsorship Fee. As a consideration for the 22nd DAA’s grant of the Sponsorship to Sponsor, Sponsor shall pay to the 22nd DAA a sponsorship fee of \$1,303,360.00 (“Sponsorship Fee”) payable in accordance with the following schedule:
 - a. A \$425,840.00 payment. \$212,920 due April 1, 2025 and \$212,920 due September 1, 2025.
 - b. A \$438,615.00 payment. \$219,307 due April 1, 2026 and \$219,308 due September 1, 2026.
 - c. A \$451,774.00 payment. \$225,887 due April 1, 2027 and \$225,887 due September 1, 2027.
4. Sponsor shall not enter into any third-party promotions without prior written authorization from the 22nd DAA.
5. Without the prior written consent of the 22nd DAA, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
6. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the “22nd DAA”) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney’s fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the 22nd DAA. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the 22nd DAA with respect to the sole negligence or willful misconduct of the 22nd DAA, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
7. Termination. Either party may terminate this Agreement if the other party breaches any term or provision and either the breach cannot be cured, or if the breach can be cured, it is not cured within thirty (30) days of the breaching party’s receipt of written notice of the breach from the non-breaching party, or such shorter period of time if less than thirty (30) days remains prior to the Fair or the Meets. Notwithstanding the preceding sentence of this Section 45, should Sponsor reasonably determine that the 22nd DAA’s public statements bring Sponsor or Sponsor’s products into public disrepute, Sponsor may terminate this Agreement by providing the 22nd DAA with five (5) days’ written notice of termination. If Sponsor terminates this Agreement pursuant to this Section, the 22nd DAA shall refund to Sponsor the amount of any advance payment which is proportionately attributable to any performance, conduct or act to occur after the effective date of termination, and Sponsor shall not be obligated to make any further payments pursuant to this Agreement due after the effective date of termination. Such remedy shall not be the exclusive

remedy for any breach of this Section but shall be in addition to all other remedies available at law or equity to Sponsor.

8. License Grants.

- a. Sponsor hereby grants to the 22nd DAA and DMTC a fully paid, royalty-free, limited, revocable, non-exclusive, non-transferable, non-sublicensable right and sublicense to use, in the United States during the Term, certain of Sponsor's trademarks, service marks, design marks, taglines, logos, artwork and other original and copyrightable materials for its Corona®, Modelo®, Pacifico® and Victoria™ brands as specified herein or as provided by Sponsor to the 22nd DAA or DMTC specifically for use in the materials set forth herein (collectively, "Sponsor's Intellectual Property") solely for the activities described and contemplated in this Agreement; provided that all use of Sponsor's Intellectual Property by the 22nd DAA or DMTC shall be subject to Sponsor's prior written approval in each instance and must conform with Sponsor's guidelines and instructions for use as communicated by Sponsor to the 22nd DAA and DMTC from time to time. Each of the 22nd DAA and DMTC acknowledge and understand that Sponsor's Intellectual Property is the property of Sponsor or its licensor, including any and all associated goodwill, and Sponsor or its licensor as the case may be, retains all right, title and interest in and to Sponsor's Intellectual Property not granted under this Agreement. All use of Sponsor's Intellectual Property shall inure to the benefit of Sponsor and/or its licensor and the license granted to the 22nd DAA and DMTC under this Section 6 shall immediately and automatically expire upon the termination or expiration of this Agreement. Any rights in Sponsor's Intellectual Property not expressly granted herein are reserved by Sponsor and/or its licensor. Neither the 22nd DAA nor DMTC shall use the Sponsor's Intellectual Property except in the form approved by Sponsor. Neither the 22nd DAA nor DMTC shall: (a) authorize use of the Sponsor's Intellectual Property by any other entity or person; (b) use the Sponsor's Intellectual Property in a manner that is deceiving to the public or which would impair, dilute or diminish the value of Sponsor's Intellectual Property or harm the reputation of Sponsor; (c) edit, crop, alter, create derivative works of or otherwise modify the Sponsor's Intellectual Property; or (d) claim ownership of, use or authorize the use of, or seek to register any trademarks, service marks, design marks, taglines, logos, artwork or other designations identical or confusingly similar to the Sponsor's Intellectual Property or any work of authorship substantially or strikingly similar to the Sponsor's Intellectual Property. The 22nd DAA and DMTC shall notify Sponsor of any unauthorized use of Sponsor's Intellectual Property promptly as it comes to the 22nd DAA's or DMTC's attention and Sponsor shall have the sole right and discretion to enforce any rights against any such unauthorized use.
- b. The 22nd DAA hereby grants to Sponsor a fully paid, royalty-free, limited, non-exclusive license to use certain of the 22nd DAA's trademarks, service marks, design marks, taglines, logos, artwork, and other original and copyrightable materials as specified herein or as otherwise provided by the 22nd DAA to Sponsor (collectively, "22nd DAA's Intellectual Property") solely for the activities described and contemplated in this Agreement. Sponsor acknowledges and understands that the 22nd DAA's Intellectual Property is the property of the 22nd DAA and the 22nd DAA retains all rights in and to the 22nd DAA's Intellectual Property not granted under this Agreement. All use of the 22nd DAA's Intellectual Property shall inure to the benefit of the 22nd DAA and the license granted to Sponsor under this Section 7 shall immediately and automatically expire upon termination or expiration of this Agreement.
- c. DMTC hereby grants to Sponsor a fully paid, royalty-free, limited, non-exclusive license to use certain of DMTC's trademarks, service marks, design marks, taglines, logos, artwork, and other original and copyrightable materials as specified herein or as otherwise provided by DMTC to Sponsor (collectively, "DMTC's Intellectual Property") solely for the activities described and contemplated in this Agreement. Sponsor acknowledges and understands that DMTC's Intellectual Property is the property

of DMTC and DMTC retains all rights in and to DMTC's Intellectual Property not granted under this Agreement. All use of DMTC's Intellectual Property shall inure to the benefit of DMTC and the license granted to Sponsor under this Section 8(c) shall immediately and automatically expire upon termination or expiration of this Agreement.

d.

9. Representations and Warranties.

a. Sponsor represents and warrants that:

- i. All its activities in connection with the Sponsorship will be conducted in a safe and responsible manner in accordance with applicable local, state and federal laws, rules and regulations, and all third-party agreements to which Sponsor is a party or by which it is bound;
- ii. It is the authorized licensee of Sponsor's Intellectual Property in the United States and has the right to grant State the sublicense described in Section 8;
- iii. Sponsor's Intellectual Property and use of Sponsor's Intellectual Property in accordance with the terms of this Agreement does not and will not violate or in any way infringe upon any intellectual property rights (including, but not limited to, rights under the laws of copyright or trademark) or any other interest or right (contractual, proprietary, or other) of any third party; and
- iv. All necessary corporate or other action has duly authorized Sponsor's execution, delivery, and performance of this Agreement.

b. 22nd DAA represents and warrants that:

- i. All its activities in connection with the Sponsorship, including without limitation the production, operation, organization, and execution of the Fair and the Meets, will be conducted in a safe and responsible manner in accordance with applicable local, state and federal laws, rules and regulations, and all third-party agreements to which the 22nd DAA is a party or by which it is bound;
- ii. It has the sole and exclusive authority to grant the Sponsorship and promotional rights to Sponsor which are the subject of this Agreement, including the license granted in Section 5, and no rights are needed from any third party for Sponsor to exercise the rights as granted herein;
- iii. It is the sole owner or authorized licensor of the 22nd DAA's Intellectual Property and use of the 22nd DAA's Intellectual Property in accordance with the terms of this Agreement does not and will not violate or in any way infringe upon any intellectual property rights (including, but not limited to, rights under the laws of copyright or trademark) or any other interest or right (contractual, proprietary, or other) of any third party;
- iv. All necessary corporate or other action has duly authorized State's execution, delivery, and performance of this Agreement;
- v. It shall perform its activities under this Agreement using sound, professional practices and in a competent, timely and professional manner by knowledgeable and trained personnel;
- vi. It shall, at its own cost, apply for and secure all permits, insurance, licenses or other consents which may be required for the execution of the Fair and the Meets and the Sponsorship benefits contemplated by this Agreement;
- vii. Neither the 22nd DAA, nor any person, firm or company affiliated with or otherwise related to the 22nd DAA is an alcohol beverage retail licensee, and none of them has any ownership interest, directly or indirectly, in any alcohol beverage retail license; and

- viii. No monies paid to the 22nd DAA or any affiliate of the 22nd DAA by Sponsor will be paid directly or indirectly to any alcohol beverage retail licensee.
- c. DMTC represents and warrants that:
 - i. All its activities in connection with the Sponsorship, including without limitation the production, operation, organization, and execution of the Meets, will be conducted in a safe and responsible manner in accordance with applicable local, state and federal laws, rules and regulations, and all third-party agreements to which DMTC is a party or by which it is bound;
 - ii. It has the sole and exclusive authority to grant the promotional rights to Sponsor which are the subject of this Agreement, including the license granted in Section 8, and no rights are needed from any third party for Sponsor to exercise the rights as granted herein;
 - iii. It is the sole owner or authorized licensor of DMTC's Intellectual Property and use of DMTC's Intellectual Property in accordance with the terms of this Agreement does not and will not violate or in any way infringe upon any intellectual property rights (including, but not limited to, rights under the laws of copyright or trademark) or any other interest or right (contractual, proprietary, or other) of any third party;
 - iv. All necessary corporate or other action has duly authorized DMTC's execution, delivery, and performance of this Agreement;
 - v. It shall perform its activities under this Agreement using sound, professional practices and in a competent, timely and professional manner by knowledgeable and trained personnel;
 - vi. It shall, at its own cost, apply for and secure all permits, insurance, licenses or other consents which may be required for the execution of the Meets and the Sponsorship benefits contemplated by this Agreement;
 - vii. Neither DMTC, nor any person, firm or company affiliated with or otherwise related to DMTC is an alcohol beverage retail licensee, and none of them has any ownership interest, directly or indirectly, in any alcohol beverage retail license; and
 - viii. No monies paid to DMTC, if any, by Sponsor will be paid directly or indirectly to any alcohol beverage retail licensee.

10. Alcohol Beverage Marketing/Advertising.

- a. All activities conducted in connection with this Sponsorship must be directed at a predominantly legal drinking age audience and fully compliant with all applicable laws, ordinances, rules, regulations, administrative agency directives, interpretations and advisements, and industry codes and guidelines pertaining to the marketing and advertising of alcohol beverages. Accordingly, the 22nd DAA agrees that: (i) at least 71.6% of the audience of the Fair and the Meets is reasonably expected to be of legal drinking age; (ii) all promotional activities for the Sponsorship will be held in limited access areas or in retail licensed premises at which at least 71.6% of the audience is reasonably expected to be of legal drinking age; (iii) there will be no placement of signage at the Fair and the Meets unless it is reasonably expected that at least 71.6% of the audience is of legal drinking age; and (iv) there will be no placement of any marketing or advertising material, or stories, interviews or exclusives related to the Sponsorship (if applicable) in any media, including digital and social media, unless it is reasonably expected that at least 71.6% of the audience is of legal drinking age. The demographic information set forth in this Section 7 must be determined using reliable, up-to-date audience composition data. State will coordinate with Sponsor or its designee to determine actual compliance with the requirements set forth in above and, upon Sponsor's reasonable request, the 22nd DAA shall provide Sponsor with copies of

all reports relating to the Fair and the Meets, if any, including but not limited to post-event marketing and demographic reports and media audits.

- b. Sponsor and the 22nd DAA specifically acknowledge that an independent designated concessionaire for the Fair and the Meets has complete control over all decisions relating to the selection of alcohol beverages offered for resale at the Fair and the Meets. There is no agreement or understanding between the parties that, as consideration for the Sponsorship, the 22nd DAA or the designated concessionaire will be required to purchase any of Sponsor's products or refrain from purchasing competing products. No funds paid under or pursuant to this Agreement are contingent upon any direct or indirect purchase of Sponsor's alcohol beverage products.
 - c. In the event any governmental unit or authority with jurisdiction over the alcohol beverage industry passes any law, rule, regulation, renders an advisory opinion or judicial decision or any other legal impediment arises which reasonably may be interpreted as barring an alcohol beverage manufacturer from engaging in any of the activities described herein, including without limitation any impediment which renders the 22nd DAA's representations and warranties under Section 6 untrue, the parties shall either: (i) promptly engage in good faith discussions to amend the Agreement so that the Agreement complies with such governmental and industry regulation; or (ii) either party may terminate the Agreement immediately. In the event of such termination, the 22nd DAA shall refund to Sponsor the amount of any advance payment which is proportionately attributable to any performance, conduct or act to occur after the effective date of termination, and Sponsor shall not be obligated to make any further payments pursuant to this Agreement due after the effective date of termination.
11. No Cooperative Advertising. There shall be no cooperative advertising between Sponsor and any alcohol beverage retail licensee participating in the Fair and the Meets. Should the 22nd DAA engage in cooperative advertising with other partners or alcohol beverage retail licensees in connection with the Fair and the Meets, it shall do so at its sole and independent discretion and expense, without involving Sponsor's products or Sponsor's Intellectual Property or any reference thereto. No monies paid by Sponsor to the 22nd DAA shall be paid, directly or indirectly, to any alcohol beverage retail licensee nor shall any such funds be used to pay for or reimburse all, or any part of, any advertising, marketing, or promotional costs of or for an alcohol beverage retail licensee.
12. Notices. Any notice, request, demand, waiver, or consent which is required or permitted to be given to either party shall be in writing, and (a) delivered in person, or (b) addressed to the respective party's address and sent by nationally recognized overnight courier or certified mail return receipt requested. The notice shall be deemed effective on the date of delivery. The notice addresses are set forth below:

To the 22nd DAA:

Van Miller
Sponsorships
Del Mar Fairgrounds
2260 Jimmy Durante Blvd. Del Mar, CA 92014-0700

To Sponsor:

Crown Imports LLC
Attn: VP, Field, Lifestyle & Experiential Marketing
131 S. Dearborn Street, Ste. 1200
Chicago, Illinois 60603

Additional copy to:

Crown Imports LLC
Attn: General Counsel
131 S. Dearborn Street, Ste. 1200
Chicago, Illinois 60603

To DMTC:

Walker McBride
Vice President, Business Development & Production
Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd. Del Mar, CA 92014-0700

Additional copy to:

Chris Jaczko, Esq.
General Counsel
Del Mar Thoroughbred Club
2260 Jimmy Durante Blvd. Del Mar, CA 92014-0700

Any change in a party's address shall become effective when communicated in writing or email to the other.

13. Indemnification.

- a. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, Del Mar Thoroughbred Club (DMTC) and their respective agents, directors, and employees (collectively the “State”) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney’s fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
- b. To the fullest extent permitted by law, the 22nd DAA shall indemnify, defend and hold harmless Sponsor, its affiliates, parent and related companies, subsidiaries, licensees, successors and permitted assigns, and their respective agents, employees, shareholders, representatives, members, managers, officers and directors, from and against any and all Claims arising from, by any reason of, or in connection with: (i) any allegation that the 22nd DAA’s Intellectual Property infringes the intellectual property rights (including, but not limited to, rights under the laws of copyright or trademark) or any other interest or right (contractual, proprietary or other) of any third party, or misappropriates a third party’s trade secret; (ii) the 22nd DAA’s breach of any covenant, representation or warranty made under this Agreement; (iii) the 22nd DAA’s negligence or willful misconduct; or (iv) the Fair and the Meets

14. Miscellaneous.

- a. No Joint Venture. This Agreement does not constitute a partnership, joint venture or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
- b. Assignment and Transferability. Without the prior written consent of the 22nd DAA, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
- c. Entire Agreement. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties and supercedes all prior or contemporaneous written or oral agreements pertaining to the subject matter hereof. No amendments, alterations or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.
- d. Governing Law/Venue. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
- e. Exclusivity. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the State may enter into agreements with other Sponsors and/or Sponsors offering the same or similar services or products during the term of this Agreement.
- f. Sponsor Property. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor’s property, including without limitation all vehicles, equipment, materials, products and supplies, except to the extent caused by the sole negligence or willful misconduct of the 22nd DAA. Inadequate protection or security cannot be considered negligence of the State.

- g. Sponsor Employees. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently displayed at all times. Sponsor understands and agrees that 22nd DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the 22nd DAA, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to the 22nd DAA's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by the 22nd DAA management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the 22nd DAA to the Sponsor or its employees.
- h. Review. The parties and their respective counsel have reviewed this Agreement in its entirety and acknowledge that each has had a full opportunity to negotiate the Agreement's terms. Therefore, the parties expressly waive any and all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the Agreement's drafter and agree and affirm that the Agreement and all provisions thereof shall in all cases be construed as a whole, according to the fair meaning of the language used.
- i. Non-Smoking. The San Diego County Fair and the Meets are a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents and vendors comply with this policy.

15. Responsibilities of Sponsor:

- a. Provide all POS materials and merchandise to be used in conjunction with the branded areas and beer gardens.
- b. Provide to the 22nd DAA's Sponsorship office prior to May 1st in each year of this Agreement, examples of all literature, samples, and merchandise to be distributed during the Fair, race meets, concert venue and interim events. Only 22nd DAA and/or DMTC approved items may be sold or distributed by Sponsor.
- c. Provide Sponsor's brand logo, ad creative, and public address copy to the 22nd DAA's and/or DMTC's Sponsorship office upon request.
- d. Develop and implement a social media campaign(s) around the Sponsor's involvement with the Fair, races and concert venue.
- e. Develop and implement a retail promotion with the Fair and race meet and concert venue's assistance at retail.
- f. Provide all sponsor temporary banners and table tents, branded buckets and/or any other approved merchandise to be used in conjunction with this Agreement, with the exception of permanent and directional signage.

16. **Responsibilities of the 22nd DAA:**

- a. Sponsor will have the right to use the Fair and/or the Fairgrounds name and promotional logos in advertising, cross promotion, marketing and public relations efforts during the Term of the Agreement, subject to prior written approval of such uses by the 22nd DAA.
- b. The Sponsor will be designated as a Premium Marketing Sponsor which includes Import beer, Hispanic beer and Non-Alcoholic Beer category marketing (excluding Breeders' Cup) exclusivity for the duration of this Agreement and on a year-round basis.

c. Branded Locations:

Sponsor and the District will mutually agree to Sponsor multiple branded locations at San Diego County Fair.

- 1) Plaza de Mexico
- 2) Corona Beach Bar
- 3) Grandstand Stage naming (the stage, not the concert series). Included in media promoting the Fair's summer concert series (TV, Radio & Print).
- 4) A Pacifico branded area is located in the infield.
- 5) A Modelo branded area located on the Concourse
- 6) The Avenue Bar (brand TBD).
- 7) It is agreed and understood that any changes to Sponsor's branded locations, and any costs associated with these changes will be mutually agreed to by Sponsor and the 22nd DAA.

d. Media and Promotions

Co-authored Summer Social Media Campaign whereby Sponsor and the 22nd DAA will collaborate on a summer social media campaign targeting a shared Southern California audience.

- 1. Sponsor and the 22nd DAA will collaborate on a summer targeted social media campaign highlighting the Sponsor's brand and/or product regarding the summer concerts at the Fair.
- 2. Platform is Instagram and Facebook with a mutually agreed upon demo.
- 3. Theme of fairgoers enjoying the sponsor's products (or other mutually decided brand) at the San Diego County Fair with a rewards component.

e. Management Meeting – A meeting for Sponsor's management team, up to twenty-five for a morning meeting followed by a day at the Fair, parking and admission will be included. All food and beverage will be billed directly to the Sponsor.

f. Retail promotion offering benefits at San Diego County Fair. The 22nd DAA will provide retail incentives including but not limited to, mutually agreed to discounted tickets.

- g. Signage:
 - 1. Place two (2) 3' x 8' banners or signs on the front of the Grandstand Stage for all shows throughout the Fair.
 - 2. POS in all beer gardens (amount and location to be mutually decided). Additionally, this POS will extend to beer gardens to be used throughout the year at interim events.
 - 3. Logo included in entrance signage at each of the Fair public entrances.
 - 4. Provide room for an inflatable located adjacent to the Grandstand stage each Hispanic concert during the Fair.
- h. Place table tents, branded buckets and other approved merchandise on premium tables at the Grandstand concert venue.
- i. Digital signage:
 - 1. Logo on the 5 Points and main parking lot LED boards for the duration of the Fair.
 - 2. Ability to run a video spot on the Fair's jumbo tron screens. These spots will not have sound.
 - 3. Ability to run a video spot on the stage jumbo tron screens before every concert.
 - 4. Include Sponsor's digital advertisement in rotation across the Fair's digital matrix boards each day of the Fair. The advertisement format may be a static slide image, or video up to 30 seconds.
 - 5. Include Sponsor's logo in the Fair daily schedule.
 - 6. Include the Sponsor logo or promotion in an email newsletter sent to the Fair's marketing distribution list when Fair concerts are promoted.
 - 7. Include Sponsor's logo and link on the Fair's website for the duration of this agreement.
- j. Hospitality:
 - 1. Provide eight (8) Sponsor badges for staff allowing unlimited admission the Fair.
 - 2. Provide five-hundred (500) single admission Fair tickets valid any day of the Fair.
 - 3. Provide 8 seats to each grandstand show. 3rd level or higher.
 - 4. Provide two terrace tables (4 seats at each) for each Hispanic Show. Each table will include, 4 Fair admission tickets, 4 tickets to the show, 1 preferred parking pass. Requests must be received no later than 24 hours before each show. Requests received less than 24 hours before the show will be accommodated with best available seats at the time of the request.
 - 5. Provide a ticket bank of 30 tickets for each year's Grandstand shows. Requests subject to availability. Any unused credit from the ticket bank does not carry over to the following year.
 - 6. Provide an opportunity to have a reception for up to 100 guests in Celebrity Suites for a Grandstand show. The 22nd DAA will provide tickets and parking, numbers to be mutually

determined. Any food and beverage ordered by the Sponsor will be billed directly to the sponsor.

7. Provide one hundred (100) single day track parking passes valid any day of the Fair.
8. Make every effort to provide a backstage meet & greet opportunity for the Sponsor with the Hispanic Grandstand artists. This meeting will be at the discretion of each artist.
9. Provide an activation bank valued at \$5,000. This can be used for facility rentals, premium tickets, hospitality, etc. Requests will be fulfilled based on availability and mutually agreed upon asset availability. This amount will be a yearly amount. Any unused amount will not be rolled over to the next year.

k. Domingueando en la Feria/Hispanic Concert Benefits:

1. Provide co-sponsorship of Domingueando en la Feria and the Hispanic Concert Series during the San Diego County Fair. The Sponsor brand of choice will be identified as the co-sponsor in all appropriate Fair advertising, press releases and promotions.
2. Include the Sponsor brand on the entrance signage at the main gates each Sunday of the Fair.
3. Place four (2) 4' X 8' Sponsor banners or other State accepted merchandise (neon signs, etc.) on the Grandstand Stage for each Hispanic concert during the Fair.
4. Place the Sponsor brand of choice logo on the Fair Day Sheets each Domingueando en la Feria and Hispanic concert during the Fair.
5. Provide a Sponsor brand of choice logo listing on the main electronic matrix boards (located at the intersection of Via de la Valle and Jimmy Durante Blvd. with one (1) listing every 5 minutes, each Sunday of the Fair.

l. Concert Center:

1. Allow branding (with 22nd DAA approval) of the East, 1st floor bar for the duration of this Agreement.
2. In the event a video board is secured on the Sound, include the Sponsor brand of choice and/or video content on a rotational basis on the exterior video board for the duration of this Agreement.
3. Work together to develop retail promotions to highlight the Sponsor's involvement in the center and around potential specific shows.
4. Provide a ticket bank fifty (50) tickets in each year of this Agreement. Sponsor can request tickets from this bank for any show that is available to the public with advanced notice. Once the ticket bank is exhausted, the 22nd DAA will endeavor to assist Sponsor in securing the best seats available at the time of the request. Sponsor will pay for these tickets directly. Any unused credit from the ticket bank does not carry over to the following year.

m. Admission tickets to other shows at the fairgrounds upon request and subject to availability.

17. Responsibilities of the Del Mar Thoroughbred Club (DMTC):

- a. Sponsor will have the right to use the Del Mar Thoroughbred Club and Del Mar Races name and promotional logos in advertising, cross promotion, marketing and public relations efforts during the term of the agreement, subject to prior written approval of such uses by the DMTC. Marks and logos resource - <https://www.dmtc.com/media/resources>
- b. The Sponsor will be designated as the official and exclusive Import Beer and Non-Alcoholic Beer Marketing Partner (excluding Breeders' Cup) for the duration of this Agreement and on a year-round basis.
- c. Branded Locations: Sponsor and DMTC agree to multiple sponsor branded locations at the Del Mar Race meets (Summer and Fall)(excluding Breeders' Cup):
 - 1. Corona Beach House
 - 2. Opening Day "The Party" Cabana Area and the Special Events Main Area
 - 3. Pacifico branded area located in the 3rd Floor Stretch Run concourse.
 - 4. It is agreed and understood that any changes to Sponsor's branded locations, and any costs associated with these changes will be mutually agreed to by Sponsor and DMTC.
- d. Promotion: The Sponsor will be designated as the Presenting Sponsor of "The Party" on Opening Day
 - 1. Area to accommodate 3,000 + patrons which includes canape or tent, plants, outdoor carpet, wagering windows, food & beverage locations, tables, televisions and music.
 - 2. Designation – Constellation logo of choice will be included in the official designation of this area.
 - 3. Two hundred (200) complimentary tickets to this event.
 - 4. Signage/Banners – Opportunity to activate within this location.
 - 5. On-site promotion – Exclusive opportunity to provide on-site promotion, will include but is not limited to sponsor 'representatives' and other promotional activities.
 - 6. Radio Promotion – DMTC will make best efforts to incorporate a radio partner for this event with the understanding the designated radio partner will host live programming from the event location.
 - 7. DMTC Marketing – DMTC marketing of The Party on Opening Day will include but is not limited to promotion in ticket mailers, website and radio advertising.
- e. Media and Promotions: An annual co-authored media campaign with mutually agreed upon theme.
 - 1. Sponsor and DMTC will collaborate on a targeted social media campaign highlighting the Sponsor's brand and/or product regarding the Summer race meet.
 - 2. Sponsor and DMTC will collaborate on a supporting e-mail to the entire database.
 - 3. Retail promotion offering benefits at Del Mar Races. DMTC will provide retail incentives including but not limited to, mutually agreed to discounted tickets.
- f. Signage/Advertising:
 - 1. Finish Line sign. Permanent 4' x 8'. One of four, reserved for top tier partners. Any brand or creative updates resulting in new production is the responsibility of the Sponsor.

- g. Program Advertising. One – third (1/3) page black and white ad in the daily program. Distributed to all on – site patrons, and select off – site wagering facilities in CA via print, and digital via website and mobile application. Over 1,100,000 annual impressions. Specs: 3 1/2" wide x 2 5/8" tall, no bleed.
- h. Commercial spot. Daily thirty (30) second spot upon Del Mar's simulcast. Simulcast distributed internationally to off – site wagering facilities. Over 55 million impressions nationwide
- h. Digital Branding:
 - 1. 1st Panel. Sponsor branding via LED board (10 x 40 feet) rotated daily in front of DMTC Turf Club and Main Grandstand. Runtime: Daily, one minute rotation throughout the day (46 Race days) estimated minutes: 552 minutes on display annually.
 - 2. Parking Lot Rotational. Sponsor branding via LED board (25 x 25 feet) rotated daily in front of the main parking entrance on Jimmy Durante Blvd. Runtime: Daily, rotational from 5 am – 11 pm. 90 second rotational cycle. Estimated minutes is 288 minutes per day for Sponsor branding.
 - 3. 5 Points. Sponsor branding via LED board (5 x 20 feet) rotated daily in front of Via de la Valle and Jimmy Durante Blvd. Runtime: Daily, rotational from 5 am – 11 pm. 90 second rotational cycle. Estimated minutes is 288 per day for Sponsor branding.
- i. Website. Logo and live link inclusion upon Del Mar's homepage, rotational banner. Logo and live link inclusion within Del Mar's sponsorship page.
- j. Hospitality (excluding during Breeders' Cup):

Annual Bank:

- 1. Twelve (12) Turf Club Credentials. Includes valet parking.
- 2. Management Meeting – On an annual basis, a meeting for Sponsor's management team, up to twelve (12) for a morning meeting followed by a day at the Races, F&B will be included along with parking and admission.
- 3. VIP Tours. Upon request, with availability. Max 6 per tour, 10 tours per year.

Summer Bank:

- 1. Opening Day – 100 general admission passes.
- 2. Opening Day – Three (3) trackside tables (4-tops, 12 total guests)
- 3. Promotional Passes – 1,000 promotional entrance passes, not good Opening Day.
- 4. Trackside Tables – Bank of twelve (12) 4-top tables for usage during the Summer on Fridays and Saturdays. (Does not include those years in which Opening Days (Summer) are on Fridays or Saturdays).
- 5. Day at the Races – Forty (40) admissions to the Corona Beach House on a mutually agreed upon Summer date.
- 6. Pacific Classic Race Day – Ten (10) admissions and a 10-top table into the Il Palio, Turf Club restaurant. Includes premium F&B.
- 7. Industry Day – 500 admissions (not for sale publicly) for distro to key accounts/retailers.

Fall Bank:

1. Opening Day Fall – 100 general admission passes.
2. Opening day - Three (3) trackside tables (4-tops, 12 total guests).
3. Promotional passes - 1,000 promotional entrance passes, not good Opening Day.
4. Trackside Tables - Bank of twelve (12) 4-top tables for usage during the Fall on Fridays and Saturdays. (Does not include those years in which Opening Days (Fall) are on Fridays or Saturdays).

18. Option to Extend:

- a. At the conclusion of the term of this Agreement, all parties will have a 30-day window to renegotiate this Agreement. Additionally, in this period either party may opt out of any future agreements by providing written notice to the other party. If no renegotiation is entered into or an opt out is provided, this Agreement will continue for an additional two years on the following terms:
 - i. Term: This Agreement will continue through December 31, 2029.
 - ii. Fee:
 1. The Sponsorship Fee for the 2028 year will be \$465,327.00. \$232,663.00 due April 1, 2028, and \$232,663.00 due September 1, 2028.
 2. The Sponsorship Fee for the 2029 year will be \$479,287. \$239,643.00 due April 1, 2029, and \$239,644.00 due September 1, 2029.

2025 San Diego County Fair Ride Contracts

Rides

48/52 (DAA/Operator) percent split of redeemed gross

Contract #	Company	Rides
25-M-01	Alamo Amusements	Dive Bomber, Kiddie Swings, Kite Flyer, Monkey Maze, Winky the Whale
25-M-02	Bishop Amusements	Balloon Ride, Hip Hop, Ice Jet, Little Dipper, Mini Bumper Cars, OMG, Tango
25-M-03	Caprice Enterprises	Moonraker, Speedway
25-M-04	Dakota Rides	Searay
25-M-05	Helm & Sons	Avenger, Balloon Wheel, Block City, Grand Carousel, Hyperdrive, Insomniac, Saddle Up, Spider
25-M-06	Hot Shot Thrill Rides*	Hot Shot Thrill Ride
25-M-07	Iconic Midway Rides	Infinity, Kraken, Thunderbird
25-M-08	Kastl Amusements	Baby Venice, Bumper Boats, Cliff Hanger, Convoy, Helicopter, Super Shot, Tea Cup, Tornado
25-M-09	M & C Attractions	Farm Tractors
25-M-10	Outside Amusements	Creep Show
25-M-11	Prime Pacific	Dragon Wagon, Lady Bugs, Lolli Swing, Puppy Express
25-M-12	RCS**	Skyride, Big Wheel (KZ)
25-M-13	RCS	Carousel, Enchanted Castle, Dodgem, Endeavor, Fun Factory, Monster Trucks, Overdrive, Raptor Coaster, Rave Wave, Survival Island, Titan, Wild River, Zipper
25-M-14	Southern Cross	G-Force, Joker 360
25-M-15	Still Tryan	Ghost Pirate
25-M-16	Talley Amusements	Alien Abduction, Defender, Fast Trax Slide, Haunted House, Jukebox Fun House, Lamberink Big Wheel, Quadzilla, Sky Liner, Super Slide, Thunder Fest
25-M-17	Wanderlust Amusements	Hog Rally, Raiders
25-M-18	Wood Entertainment	Crazy Mouse

*The DAA receives 30% of gross before taxes in the form of rent

**25/75 (DAA/Operator) percent split of redeemed gross

2025 San Diego County Fair Game Contracts

Games

30/70 (DAA/Operator) percent of split of redeemed gross

Contract #	Company	Games
25-M-19	Ashlea Enterprises	Skee-ball
25-M-20	Big T Toys & Sports	Break a Plate, Hoops, Soccer Kick, Two Story Water Race
25-M-21	Boguet Concessions	Kid Bust, Line Up Balloon, Mini Basket, Party Pong, Pepsi Pitch, Tubs of Fun
25-M-22	Boguet's Boardwalk	Astro Blaster, Lean N Toss, Rainbow Roll, Roll a Ball Derby, Tiki Water Race
25-M-23	JACA Ent	Balloon 1, Balloon 2, Beer Bust, One Ball, Runnin' Waters
25-M-24	Kimo's Concessions	Block Buster, Clam Mini Ball, Lean N Toss, Long Range, Speed Pitch
25-M-25	PAN	Basketball, Block Buster, Football Toss, Frog Bog, Mini Basketball, Ring a Duck
25-M-26	Paul's Concessions	Bank Shot, Balloon Pop, Mystery Bag, Tub Toss
25-M-27	Rogmic Ent.	High Striker
25-M-28	Talley Amusements	Bottle Up 1, Bottle Up 2, Buoy, Color Bowl, Duck Pond, Goblet, Mario Water, One Ball, Ring Toss, Top Glo Water, Water Race 1, Water Race 2

FORM F-31
Revised 8/19

**FAIRTIME AND INTERIM EVENT
RENTAL AGREEMENT**

THIS RENTAL AGREEMENT ("Agreement") is by and between the 22nd District Agricultural Association, ("Association"), commonly known as the San Diego County Fair, ("Fairgrounds"), and «Company_Name», ("Renter"). Association and Renter may collectively referred to as the "Parties

1. Association hereby grants to the Renter the right to occupy the space(s) known as «Location», located on the Fairgrounds at 2260 Jimmy Durante Blvd, Del Mar, CA 92014, ("Premises") for the purposes hereinafter set forth and subject to the terms and conditions of this Agreement.
2. The terms of this Agreement begin on «Beginning_Term» and end on «End_Term». Renter shall guarantee the payment of any damage to Association property, removal of all property and the leaving of the Premises in the same condition in which Renter took possession.
3. The purposes of the occupancy shall be limited to «Ride_1_Tickets», «Ride_2_Tickets», «Ride_3_Tickets», «Ride_4_Tickets», «Ride_5_Tickets», «Ride_6_Tickets», «Ride_7_Tickets», «Ride_8_Tickets», «Ride_9_Tickets», «Ride_10_Tickets», «Ride_11_Tickets», «Ride_12_Tickets», «Ride_13_Tickets»

and shall be for no other purpose whatsoever.

4. Renter shall pay Association for the rights and privileges hereby granted, the amounts and in the manner set forth: «Money»
5. Renter shall pay for the following services and fees that are not included in the payment structure in Provision 4 above: Scanner Damage (if any), Arms, Camping and/or Housing, Golf Cart Permit, and Badge
6. Renter acknowledges that Association's Fairgrounds may be required at any time, with limited advance notice for the purpose of responding to an emergency declared by local, state, and/or federal governments. Association shall not be liable for any interference of Renter's use or possession of the Premises or loss to or expenses incurred by the Renter or its subcontractors or patrons that may result from such emergency use of the Premises.
7. Association shall have the right to audit and monitor any and all sales as well as access to the Premises.
8. Renter shall defend, indemnify and save harmless Association and the State of California, their officers, agents, servants and employees from any and all claims, causes of action and suits accruing or resulting from any damage, injury or loss to any person or persons, including all persons to whom the Renter may be liable under any worker's compensation law and Renter him/herself and from any loss, damage, cause of action, claims or suits for damages, including but not limited to loss of property, goods, wares or merchandise, caused by, arising out of or in any way connected with the exercise by Renter of the privileges herein granted.

9. Renter further agrees to not sell, exchange or barter, or permit its employees to sell, exchange or barter, any licenses or permits issues to Renter or its employees
10. No Renter will be allowed to open until all preliminary requirements herein set forth have been complied with.
11. Renter will conduct business in a quiet and orderly manner; will deposit all rubbish, slop, garbage in cans, paper, etc., in receptacles provided by the Association within Premises for such purposes and will keep the area within and surrounding Premises free from all rubbish and debris.
12. All temporary tents or enclosures erected by Renter shall have the prior written approval of Association and local fire suppression authorities. Renter shall not affix any fixtures to the Premises without the written preapproval of the Association and if the removal of the fixture may be affected without injury to the Premises.
13. Upon request, Renter will furnish Association with a list of all sale prices and other charges of any kind whatsoever to be charged by the Renter. If Renter is an eating concession and not restricted to specific items, Renter shall submit menus and prices to Association for approval at least twelve (12) hours in advance of each day's operation. Upon request, Renter must furnish to Association receipts for license fees, tax deposits, insurance, etc., prior to operation.
14. Renter will conduct the privileges granted in this Agreement according to all the rules and requirements of applicable state and local health authorities, and without infringement upon the right and privileges of others; will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is sold by Association, nor engage in any other business whatsoever upon or within Premises or grounds except that which is herein expressly stipulated and contracted for; will confine sales transacted to the Premises and privileges provided in this Agreement, and that any and all exclusives granted Renter shall not include the carnival and the carnival area.
15. Renter will post in a conspicuous manner at the front entrance to the concessions, a sign showing the prices to be charged for each article offered for sale to the public. The size of said sign, manner and place of posting shall be pre-approved by Association.
16. Association will furnish necessary janitor service for all aisles, streets, roads and areas used by the public but Renter must, at his/her own expense, keep the Premises and adjacent areas properly arranged and clean. All concessions must be clean, all coverings removed, and the concessions ready for business each day at least one hour before the Association is open to the public. Receptacles will be provided at several locations to receive Renter's trash, and such trash must be not be swept into the aisles or streets or any public areas.
17. All sound-producing devices used by Renter within the Premises must be of such a nature and must be so operated as not to cause annoyance or inconvenience to patrons or to other concessionaires or exhibitors. The decision of Association as to the desirability of any such sound-producing device shall be final and conclusive. Sound-amplification equipment may be installed only by first obtaining written permission from Association.

18. Renter agrees that there will be no games, gambling or any other activities in which money is used as a prize or premium, and that Renter shall not buy and/or permit "buy backs" for cash, any prizes or premiums given away to patrons. Only straight merchandising methods shall be used and all methods of operations, demonstration and sale, shall be subject to the approval of the Association and the local law enforcement officials.
19. Renter is entirely responsible for the Premises and agrees to reimburse Association for any damage to the real property, equipment, or grounds used in connection with the Premises, reasonable wear and tear excepted. Renter agrees to inspect the conditions of the Premises and of the property it will use on the Premises, including but not limited to equipment, furniture or other personal property owned by Association, and to be entirely responsible for the use of the Premises and such property.
20. Association may provide watchman service, which will provide for reasonable protection of the property of Renters, but Association shall not be responsible for loss or damage to the property of Renter.
21. Each and every article and all boxes, crates, packing material, and debris of whatever nature must be removed from the Premises by Renter, at Renter's own expense, upon expiration or earlier termination of this Agreement.
22. No Renter will be permitted to sell or dispose of anywhere on the Fairgrounds alcoholic beverages as defined in the Alcoholic Beverage Control Act unless Association authorizes Renter in writing and unless Renter holds a lawful license authorizing such sales on the Premises.
23. All safety orders of the State of Industrial Safety, Department of Industrial relations must be strictly observed.
24. Failure of Association to insist in any one or more instances upon the observance and/or performance of any of the terms and conditions of this Agreement shall not constitute a waiver of any subsequent breach of any such term and condition.
25. This Agreement shall be subject to termination by either party at any time prior to or during the term hereof by giving the other party notice in writing at least 30 days prior to the date when such termination shall become effective. Such termination shall relieve the Association of any further performances of the terms of this agreement.
26. The Association shall have the privilege of inspecting the Premises covered by this agreement at any time or all times. Association shall have the right to retain a key to the Premises and may enter with at least 24-hour written notice to Renter.
27. Renter recognizes and understands that this rental may create a possessory interest subject to property taxation and that Renter may be subject to the payment of property taxes levied on such interest.

28. The Parties hereto agree that Renter, and any agents and employees of Renter, in their performance of this Agreement, shall act in an independent capacity and not as officer or employees or agents of Association.
29. Time is of the essence of each and all 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 respective parties hereto.
30. It is mutually agreed that this Agreement or the privileges granted herein, or any part thereof, cannot be assigned or otherwise transferred without the written consent of Association. Subleasing of the Premises is prohibited.
31. It is mutually understood and agreed that no alteration or variation of the terms of this contract shall be valid, unless made in writing and signed by the parties, hereto, and that no oral understandings or agreements not incorporated herein and no alterations or variations of the terms hereof, unless made in writing and signed by the parties, shall be binding upon any of the Parties.
32. In the event Renter fails to comply in any respect with the terms of this Agreement and its Exhibits referred to herein, all payments under this Agreement shall be deemed earned and non-refundable by Association, and Association shall have the right to occupy the Premises in any manner deemed for the best interest of Association.
33. Renter shall abide by the additional terms and conditions indicated in the following Exhibits, attached to this Agreement and incorporated by the following references:
- a. Exhibit A: 2025 Mayday License Handbook
 - b. Exhibit B: California Fire Services Industry Insurance Requirements
 - c. Exhibit C: Standard Terms and Conditions
 - d. Exhibit D: Cal/OSHA Amusement Ride and Tramway Unit Temporary Amusement Ride Permit
 - e. Exhibit E: Drug Free Workplace Certification
 - f. Exhibit F: Workers Compensation
 - g. Exhibit G: Storm Water Policy
 - h. Exhibit H: 1775 Certification Statement
 - i. Exhibit I: Drug Screening Certification
 - j. Exhibit J: Manager's Law Certification
 - k. Exhibit K: Background Check Certification

34. This Agreement is not binding upon Association until it has been signed by its authorized representative.

IN WITNESS WHEREOF, the Parties hereto have affixed their signatures on the date shown below. The signatories represent and warrant that they were duly authorized by their respective governing bodies to execute this Agreement and the Parties hereby agree to all the terms and conditions set forth in this Agreement.

Sample Ride & Game Operator Agreement

AGREEMENT NO. «Agreement_No»

DATE: February 1, 2025

«Contact»

«Company_Name»

«Address»

«City», «State» «Zip»

Signature

Title

Date

22nd District Agriculture Association
2260 Jimmy Durante Blvd
Del Mar, CA 92014

Signature

Carlene Moore, CEO

Title

Date

ITEM 9 – MATTERS OF INFORMATION

February 2025

Expense Contracts Executed per Delegated Authority

Standard Agreements up to \$50,000						
Contract #	Contractor	Purpose	Acquisition Method	Effort Type	Term	Not to Exceed
25-006	Fair-ly Decent Promotions	Social media content development	Categorical Exemption – Marketing Services	Fair	2/1/2025 - 7/15/2025	\$14,000.00

Individual Project Agreements (IPA) with California Construction Authority (CCA)			
Project #	Purpose	Term	Not to Exceed
022-25-889942-01	The Sound boiler replacement	1/15/2025 – 6/11/2025	\$137,942.50

2025 San Diego County Fair Agreements					
Contract #	Contractor	Purpose	Effort Type	Term	Not to Exceed
25-1203	Rodger Dohm	Advisor for Robotics Team Spyder	Fair	2/12/2025 - 6/22/2025	\$0.00

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

25-006

PURCHASING AUTHORITY NUMBER (If Applicable)

GL Account #: 600100-30

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

Fair-ly Decent Promotions

2. The term of this Agreement is:

START DATE

February 1, 2025

THROUGH END DATE

July 15, 2025

3. The maximum amount of this Agreement is:

\$14,000.00

Fourteen 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	3
Exhibit B	Budget Detail and Payment Provisions	3
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.)

Fair-ly Decent Promotions

CONTRACTOR BUSINESS ADDRESS

4785 Niagara Ave

CITY

San Diego

STATE

CA

ZIP

92107

PRINTED NAME OF PERSON SIGNING

Payton Ryan

TITLE

Founder/Owner

CONTRACTOR AUTHORIZED SIGNATURE

Payton Ryan

DATE SIGNED

Jan 7, 2025

EXHIBIT A SCOPE OF WORK

1. SERVICES OVERVIEW

- A. Fair-ly Decent Promotions, hereinafter referred to as Contractor, agrees to provide to the 22nd District Agricultural Association / Del Mar Fairgrounds, hereinafter referred to as District, with services as described herein:

In coordination with District, Contractor will develop social media content — including, but not limited to, original photos, videos, graphics, links, and text — for accounts maintained by District for the purpose of promoting 2025 San Diego County Fair activities, events, and information.

- B. The services shall be performed at the Del Mar Fairgrounds, 2260 Jimmy Durante Boulevard, Del Mar, CA, 92014.
- C. The services shall be provided beginning February 1, 2025, and as needed through the 2025 San Diego County Fair, which runs from June 11 – July 6, 2025. A final report on activities undertaken is due to District on or before August 15, 2025.
- D. The Project Representatives during the term of this Agreement will be:

22 nd District Agricultural Association	Fair-ly Decent Promotions
Names: Jennifer Hellman	Name: Payton Ryan, Owner/Founder
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 4785 Niagara Ave San Diego, CA 92107
Phone: 858-792-4227	Phone: 541-815-1462
e-mail: jhellman@sdfair.com	e-mail: payton@fairlydecentpromotions.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. Tasks and Deliverables

Task 1 – Project Management and Administration

Contractor shall be responsible for the performance of tasks, and for the preparation of deliverables as specified in this Exhibit.

- 1.1 Contractor shall provide all technical and administrative services as needed for Agreement completion, including monitoring, supervising, reviewing all work performed, and attending events. In addition, 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.

EXHIBIT A SCOPE OF WORK

- 1.2 Contractor shall ensure that the Agreement requirements are met through completion of weekly progress reports submitted to District, and through regular communication with District. The progress reports shall describe activities undertaken and accomplishments of each task, milestones achieved, and any problems encountered in the performance of the work under this Agreement.
- 1.3 Contractor shall conduct a final detailed post-event analysis of the social media services and campaign, delivered by August 15, 2025.
- 1.4 Contractor shall be responsible for providing social media services, including, but not limited to, the following:
 - Build a comprehensive content calendar & strategy that projects all planned activations on social media for the duration of the contract (posting to begin February 1, 2025).
 - Collaborate with District on campaign creation, posting, content and coverage.
 - Create content for platforms and ensure content calendar is executed.
 - Collaborate with District and other designated contractors (ad agency, sponsorship) for cross promotion, boosted posts, and paid ads.
 - Utilize social analytics (demographic & geographic targeting) tools to inform future postings.
 - Use content to highlight events/sponsors/staff/community/theme in coordination with District.
 - Provide a team member from Fair-ly Decent Promotions to be onsite/in-office (schedule to be determined by District) beginning a week prior to the event (at District discretion), and throughout the course of the 2025 San Diego County Fair to provide easy collaboration, live coverage, posting, and content for future use.
 - Attend a series of up to five pre-Fair press events to post live content and capture content for future promotion of the 2025 San Diego County Fair.
 - Attend one day at the Los Angeles County Fair with representatives from District for the purpose of capturing content for use in promoting the 2025 San Diego County Fair.
 - Monitor social media to assess current and ongoing trends to inform social media posts and monitor online conversations about the 2025 San Diego County Fair.
 - Respond to messages and inquiries received on social platforms on behalf of District.
 - Keep District informed about the online conversations regarding the 2025 San Diego County Fair.
 - Provide supplemental event photography as necessary between social media duties. Contractor shall upload gallery to Dropbox by August 6, 2025.

EXHIBIT A SCOPE OF WORK

3. PROGRESS REPORTS

- A. Contractor shall submit to District for approval the reports containing the results of the work performed in accordance with the schedule of this Exhibit.
- B. Not later than July 21, 2025, Contractor shall submit to District a copy of a draft report describing the work performed pursuant to this Exhibit for review and comment.
- C. Within two (2) weeks of receipt of the draft report, District will submit final comments to Contractor.
- D. Not later than August 15, 2025, Contractor shall provide a final written report to 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.
- E. The report shall not be considered final until accepted and approved by District.

4. DISTRICT RESPONSIBILITIES

- A. To ensure execution of the work heretofore included in this Exhibit, District shall be responsible for the following:
 - Providing access to all creative collateral for the event, artists, and vendors in a timely manner for the purpose of social media promotion.
 - Providing access to necessary contacts for approval on social posts/promotions.
 - Collaborating in validating clear key performance indicators and goals for campaigns.
 - Being available for a minimum of three check-in meetings during the term of the Agreement.
 - Participating in an onboarding and planning call prior to contract start date.
 - Allowing Contractor to make minor adjustments to content calendar based on data.
 - Providing "All-Access" credentials for Contractor while on-site.
 - Providing a private, lockable workspace with high-speed internet access for on-site work.



California Construction Authority
1776 Tribute Road Suite 220
Sacramento, California 95815
Phone: (916) 263-6100

Funding Contract 022-25-889942-01

Project: 022-25-889942 - Del Mar Sound Boiler Replacement
2260 Jimmy Durante Blvd
Del Mar, California 92014
Phone: 858-792-4285

Funding - The Sound Boiler Replacement

FUNDING SOURCE:	22nd District Agricultural Association 2260 Jimmy Durante Blvd. Del Mar, California 92014	CONTRACTOR:	California Construction Authority 1776 Tribute Road, Suite 220 Sacramento, California 95815
ARCHITECT/ENGINEER:		DATE CREATED:	01/15/2025
CONTRACT STATUS:	Approved	CREATED BY:	Krystal Toledo (California Construction Authority)
EXECUTED:	No	DEFAULT RETAINAGE:	0.0%
		CONTRACT DATE:	01/15/2025
ESTIMATED COMPLETION DATE:	06/11/2025	ACTUAL COMPLETION DATE:	

DESCRIPTION:

This Agreement made between the 22nd DAA Del Mar Fairgrounds ("Fair") and California Construction Authority ("CCA") details the estimated funding requirements and schedule for CCA to provide Construction Management and/or Plan Review and Inspection services to Fair for the abovementioned project.

ATTACHMENTS:

TERMS: This Funding Agreement, referred to as "Agreement" and previously known as Individual Project Agreement ("IPA"), is entered into on the Contract Date above by and between the California Construction Authority ("CCA"), a Joint Powers Authority, and the 22nd DAA Del Mar Fairgrounds ("Fair"). CCA and Fair are referred to as the "parties" and individually referred to as a "party."

Whereas CCA and Fair desire to enter into this Funding Agreement to specify how CCA will perform certain project services for Fair.

Now, therefore, the parties agree as follows:

1. Master Project Agreement Incorporated. All terms and conditions of the Master Project Agreement / MOU between the parties are incorporated herein by this reference.
2. Scope of Services. CCA shall perform the services and work set forth in the Scope of Services ("Services"), attached hereto as "Scope of Work" and incorporated herein, for the identified project ("Project").
3. Not to Exceed Amount. The total estimated project cost is **One Hundred Thirty Seven Thousand Nine Hundred Forty-Two and 50/100 (\$137,942.50)**, or as later modified in writing between the parties.
4. Project Budget; CCA Fees. The Schedule of Values, including CCA fees, is included and incorporated herein. Fair agrees to pay CCA for the Services in accordance with the Schedule of Values.
5. Payment Schedule. Payment will be made in the full amount stated above and shall be paid concurrently with the execution of this Agreement.
6. Project Budget Funds. The Fair shall place the Project Budget funds into the Project Fund Account held by CCA. CCA shall administer the Project Fund Account in accordance with the terms of this Agreement and CCA policy.
CCA shall provide the Fair with accounting reports of Project funds, at completion of project following reconciliation, or upon request of the Fair, if required.
7. Termination. Either party may terminate this Agreement by giving the other party 30 days prior written notice of termination and completing any non-revocable obligations. Upon termination of this Agreement, Fair shall compensate CCA, in accordance with the Project



Funding Contract 022-25-889942-01

Budget, for all Services performed prior to termination including compensation for all non-revocable obligations. Notice of such termination shall be given in accordance with Section 11 (Notice) of the Master Services Agreement.

8. **Third Parties.** The performance of CCA's Scope of Services inures to the benefit of the Fair. To provide these services, CCA may engage third parties. Additionally, known, and unknown third parties may be affected by the performance of this Agreement. Therefore, the Fair agrees to reimburse CCA for all costs and expenses incurred in connection with the Project or arising out of the performance of this Agreement, including, but not limited to, all costs and expenses arising out of claims asserted by third parties against CCA. The Fair shall not reimburse CCA for costs and expenses incurred as a result of CCA's sole, active negligence or willful misconduct.
9. **Disputes.** Should a dispute arise and either party is required to institute any action or proceeding to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provision hereof, the prevailing party shall be entitled to receive all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by such prevailing party in connection with such action or proceeding. CCA will take no further action until the Fair accepts the terms and conditions of this Agreement. CCA represents and warrants that it has the statutory and/or legal authority to enter into contracts with general contractors for the express and specific purpose of performing the work identified in the Agreement. CCA further represents and warrants that it has the statutory and/or legal authority to enter into this Agreement with the Fair.

The Parties hereto agree to the terms of this Agreement.

SCOPE OF WORK: Upon receipt of signed Funding Agreement, CCA will perform the following services and work:

1.
 1. CCA will obtain any required Fire Marshal permit.
 2. CCA will engage a qualified contractor to conduct the construction work in accordance with approved plans and scope.
 3. CCA will inspect the work.
 4. CCA will provide project management and administration services associated with the construction process.

CCA will not provide indemnification or evidence of errors or omissions insurance to the Fair.

#	Budget Code	Description	Amount
1	01-100.4. CON Construction Contract	Construction Contract	\$109,000.00
2	01-110-10.1. DD Design Development Contingency (1%)	Design Contingency	\$0.00
3	01-110-10.2. CD CD Contingency (1%)	Design Contingency	\$0.00
4	01-110-10.3. BD Bidding Process Contingency (0.5%)	Design Contingency	\$545.00
5	01-110-20.4. CON Construction Project Contingency	Construction Contingency	\$10,900.00
6	01-140-10.1. DD Project Management (2%)	Construction Project Management Fees (%)	\$0.00
7	01-140-10.2. CD Project Management (2%)	Construction Project Management Fees (%)	\$500.00
8	01-140-10.3. BD Project Management (1%)	Construction Project Management Fees (%)	\$1,090.00
9	01-140-10.4. CON Project Management (7%)	Construction Project Management Fees (%)	\$7,000.00
10	01-150.4. CON Equipment/Materials/Supplies	Special Purchasing	\$0.00
11	01-200-10.1. DD Professional Services - Architecture (4%)	Architect	\$0.00
12	01-200-10.2. CD Professional Services (4%)	Architect	\$0.00
13	01-200-10.3. BD Professional Services (0.5%)	Architect	\$0.00
14	01-200-10.4. CON Professional Services (2%)	Architect	\$0.00
15	01-200-20.1. DD Professional Services - Engineering (4%)	Engineer	\$0.00



Funding Contract 022-25-889942-01

#	Budget Code	Description	Amount
16	01-230-10.2. CD Agency Review Fees (0.5%)	Plan Review	\$545.00
17	01-230-30.4. CON Inspections (2%)	Inspections - Construction	\$6,000.00
18	01-230-40.4. CON Special Inspections (greater of 2% or \$2,400)	Inspections - Special	\$0.00
19	01-240-10.1. DD Travel (.5%)	Travel	\$0.00
20	01-240-10.2. CD Travel (.5%)	Travel	\$0.00
21	01-240-10.3. BD Travel (.5%)	Travel	\$545.00
22	01-240-10.4. CON Travel (1%)	Travel	\$1,000.00
23	01-240-50.1. DD Printing/Misc. Office Supplies (0.25%)	Misc	\$0.00
24	01-240-50.2. CD Printing/Misc. Office Supplies (0.25%)	Misc	\$272.50
25	01-240-50.3. BD Printing/Misc. Office Supplies (0.25%)	Misc	\$272.50
26	01-240-50.4. CON Printing/Misc. Office Supplies (0.25%)	Misc	\$272.50
Grand Total:			\$137,942.50

Initial DS

22nd District Agricultural Association
 2260 Jimmy Durante Blvd.
 Del Mar, California 92014

California Construction Authority
 1776 Tribute Road, Suite 220
 Sacramento, California 95815

DocuSigned by:

 89DEC11CC20A4FB...

1/21/2025

SIGNATURE

DATE

Signed by:

 7B767D53C12A4EC...

1/21/2025

SIGNATURE

DATE

DocuSigned by:

 F77C2776134947C...

1/23/2025

SIGNATURE

DATE

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

25-1203

GL ACCOUNT NUMBER (If Applicable)

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

CONTRACTING AGENCY NAME

22nd District Agricultural Association / Del Mar Fairgrounds

CONTRACTOR NAME

Rodger Dohm

2. The term of this Agreement is:

START DATE

02/12/2025

THROUGH END DATE

06/22/2025

3. The maximum amount of this Agreement is:

\$0.00**Zero Dollars**

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 and Attachments 1 through 3	1 – 30
Exhibit B	Special Terms and Conditions	31 – 40

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.)

Rodger Dohm

CONTRACTOR BUSINESS ADDRESS

15500 Espola Road

CITY

Poway

STATE

CA

ZIP

92064

PRINTED NAME OF PERSON SIGNING

Rodger Dohm

TITLE

Advisor

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

22nd District Agricultural Association / Del Mar Fairgrounds

CONTRACTING AGENCY ADDRESS

2260 Jimmy Durante Boulevard

CITY

Del Mar

STATE

CA

ZIP

92014

PRINTED NAME OF PERSON SIGNING

Carlene Moore

TITLE

Chief Executive Officer

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

FAC §4051.a. 1

**EXHIBIT A
SCOPE OF WORK**

A. SERVICES OVERVIEW

1. Rodger Dohm, hereinafter referred to as “Contractor”, shall provide to the 22nd District Agricultural Association, hereinafter referred to as “District”, advising services for Robotics Team Spyder, at the District’s self-produced event, entitled “*FIRST*® FairBotics Competition”, during the 2025 San Diego County Fair.
2. Contractor shall advise on various elements of the *FIRST*® FairBotics Competition, including but not limited to current game information, scheduling and hosting meetings, event marketing and rental equipment management.
3. Services shall be performed both remotely and onsite at the District, located at 2260 Jimmy Durante Boulevard, Del Mar, California 92014.
4. The project representatives during the term of this Agreement will be:

22nd District Agricultural Association		Contractor	
Name:	Judith Toepel, Manager, Agriculture, Arts and Education	Name:	Rodger Dohm, Advisor
Address:	2260 Jimmy Durante Boulevard Del Mar, California 92014	Address:	15500 Espola Road Poway, California 92064
Phone:	(858) 792-4211	Phone:	(858) 748-0245 Ext. 5307
Email:	jtoepel@sdfair.com	Email:	rdohm@powayusd.com

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

B. WORK TO BE PERFORMED BY CONTRACTOR

1. Project Management and Administration
 - a. Provide current game information for *FIRST*® Robotics Competition (FRC), *FIRST*® Tech Challenge (FTC) and *FIRST*® LEGO® League (FLL) competitions.
 - b. Create a committee, to be in place no later than February 14, 2025, with the following positions:
 - i. Representation from each program: FRC, FTC and FLL
 - ii. Mentors from various teams
 - iii. Volunteer Coordinator
 - iv. Judge Advisor
 - v. Logistics Coordinator
 - c. Schedule and host monthly virtual meetings starting in February 2025.
 - d. Market the *FIRST*® FairBotics Competition to robotics teams utilizing the following methods:
 - i. *FIRST*® calendar and website
 - ii. Robotics events
 - iii. Word of mouth
 - e. Ensure management of rented field equipment per *FIRST*’s instructions, as follows:

**EXHIBIT A
SCOPE OF WORK**

- i. Assemble and disassemble
- ii. Package and ship
- iii. Adequately monitor and supervise use
- iv. Comply with *FIRST*'s Robotics Competition and *FIRST*® Tech Challenge Safety Manual (Attachment 1) and any additional safety instructions provided by *FIRST*®

C. RESPONSIBILITIES OF THE DISTRICT

1. Provide the venue at the Arena, June 18 through June 20, 2025, including the following:
 - a. Tables, 30-inches by 96-inches, including set-up and teardown
 - i. One (1) table for each team pit
 - ii. Up to ten (10) tables at judging and Field Technical Advisor (FTA) control areas
 - iii. Three (3) tables at check-in area
 - b. Audio/video equipment to support the competition including set-up and teardown
 - i. Four (4) display monitors
 - ii. Three (3) microphones/speakers
 - iii. High-Definition Multimedia Interface (HDMI) cables
 - c. The following shall be provided per the Arena Plan (Attachment 2)
 - i. Pipe and drape
 - ii. Stanchions
 - iii. Three (3) sets of five (5)-tier bleachers
 - iv. Thirty (30) chairs
 - v. Electrical distribution and extension cords for pits, as needed
 - d. Security
 - e. Janitorial at public restrooms
 - f. Trash receptacles
2. Received entries and collect entry fees through the *ShoWorks* software
3. Allocate District's Agricultural, Arts and Education Department labor as follows:
 - a. Develop entry materials and deadlines
 - b. Attend site walks and committee meetings
 - c. Develop the schedule and access map (Attachment 3)
 - d. Manage *ShoWorks* entries
 - e. Create and maintain volunteer forms, Memoranda of Understanding, permission slips and Certificates of Insurance (COI), as applicable

EXHIBIT A
SCOPE OF WORK

- f. Manage payments
- g. Coordinate Team/participant meeting
- h. Coordinate event days, June 18 – 20, 2025
- 4. Provide marketing and graphic design expertise and labor
 - a. Develop logos for digital and print material
 - i. FairBotics
 - ii. FLL – Surfside Encounter
 - iii. FTC – Coastal Challenge
 - iv. FRC – Pacific Showdown
 - b. Provide digital entry material via District website
 - c. Design T-shirt template
 - d. Provide District website landing page
- 5. Rent “field” and provide proof of insurance per FRC Off-Season Agreement
 - a. Pay cost of \$3,500.00, in full, per rental agreement
 - b. Provide COI, covering the period of June 17 through June 21, 2025 and naming *FIRST*® California Robotics as additional insured, prior to equipment delivery.
 - i. Property Damage Liability insuring the loaned equipment against loss or damage in an amount not less than \$175,000.
 - ii. General Liability with limits not less than \$1,000,000 per occurrence, insuring against bodily injury and property damage arising out of District’s use of loaned equipment.
- 6. Provide one (1) single occupant hotel room for three (3) nights for FTA.
- 7. Provide one (1) lunch on each event day for each registered volunteer.
- 8. Provide banners and trophies
 - a. Quantity: Three (3) banners for FRC winners
 - b. Quantity: Two (2) banners for FTC winners
 - c. Quantity: Eight (8) trophies for FLL winners and FRC and FTC runners up
- 9. Provide credentials
 - a. One (1) onsite parking pass per team for each delivery/pick-up day
 - b. One (1) Exhibitor Access Pass per participating team member per delivery/competition day

EXHIBIT A
SCOPE OF WORK

- i. FRC – Up to thirty (30) tickets per team per day
 - ii. FTC – Up to fifteen (15) tickets per team per day
 - iii. FLL – Up to ten (10) tickets per team per day
 - c. One (1) parking pass and one (1) Exhibitor Access Pass per delivery/competition day for each of the following:
 - i. Contractor
 - ii. FTA
 - iii. FTAA
 - iv. FLL Director
 - v. FTC Director
 - vi. FRC Director
 - d. Parking shall be provided for volunteers at the District's Horse Park.
10. Provide supplies as follows:
- a. Gaffers tape for marking robot queueing and areas, as show on Arena Plan
 - b. First aid kits – two (2) per competition area

2025 San Diego County Fair Judging Agreements

Judging Agreements – Categorical Exemption					
Contract #	Judge	Purpose	Effort Type	Term	Not to Exceed
25-01J	Wayne Belding	Wine competition judge	Fair	2/22/25 - 2/23/25	\$600.00
25-02J	Jay Bileti	Wine competition judge	Fair	2/22/25 - 2/23/25	\$400.00
25-03J	Emily Bloom	Wine competition judge	Fair	2/22/25 - 2/23/25	\$250.00
25-04J	Breanne Cohen	Wine competition judge	Fair	2/22/25 - 2/23/25	\$350.00
24-05J	Traci Dutton	Wine competition judge	Fair	2/22/25 - 2/23/25	\$600.00
25-06J	Stacie Hunt	Wine competition judge	Fair	2/22/25 - 2/23/25	\$250.00
25-07J	Michael Franz	Wine competition judge	Fair	2/22/25 - 2/23/25	\$800.00
25-08J	Tim McDonald	Wine competition judge	Fair	2/22/25 - 2/23/25	\$600.00
25-09J	Gary Parker	Wine competition judge	Fair	2/22/25 - 2/23/25	\$250.00
25-10J	Devin Parr	Wine competition judge	Fair	2/22/25 - 2/23/25	\$250.00
25-11J	Jeff Slankard	Wine competition judge	Fair	2/22/25 - 2/23/25	\$250.00
25-12J	Kevin Walsh	Wine competition judge	Fair	2/22/25 - 2/23/25	\$250.00
25-13J	Lisa Redwine	Wine competition judge	Fair	2/22/25 - 2/23/25	\$250.00
25-14J	Chance Coulter	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
24-15J	Kevin Deal	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-16J	Stephen Caudana	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-17J	Del Cover	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-18J	Russ Filbeck	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-19J	Mark Stook	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-20J	Steffanie Dotson	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-21J	Kevin Sheehan	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-22J	Patrick Quinn	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-23J	Jim Simpson	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-24J	Robert Jacobson	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-25J	Dennis Fowler	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-26J	Don Owen	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-27J	David John	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-28J	Mick Yarbrough	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-29J	Virgil Kruger	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-30J	Anita Amsberry	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00
25-31J	Allan Lewis	Design in Wood competition	Fair	5/22/25 - 5/22/25	\$200.00

Sample Judging Agreement

ORIGINAL - To Judge
DUPLICATE - To District Accounting
TRIPLICATE - To District

Agreement No. **25-XXJ**

22nd District Agricultural Association Judging Agreement

This Judging Agreement ("Agreement") **#25-XXJ** is made and entered into this xx day of XXXX 2025 ("Effective Date"), by and between the 22nd District Agricultural Association, a California state institution ("District") and XXXXXXXX ("Judge"). District and Judge are sometimes collectively referred to in this Agreement as "the Parties."

For and in consideration of the covenants and conditions in this Agreement, the Parties agree as follows:

1.0 Judge Obligations. The Judge shall serve as a judge at the District's 2025 County Fair and will provide the following judging services: XXXXXXXX Judging ("Judging Services"). The Judge shall provide Judging Services on XXXXX ("Judging Date").

2.0 District Obligations. In consideration for Judge's performance under this Agreement, District shall pay Judge XX.XX, which amount includes payment for all expenses ("Payment"). District shall make Payment to Judge upon completion of Judge's obligations under this Agreement. This Agreement must be executed by Judge and received by District by XXXXXXXX in order to guarantee payment by District on the Judging Date; otherwise, District will provide payment to Judge within ten (10) calendar days of the Judging Date.

3.0 Force Majeure and Cancellation of Agreement. District shall not be liable for Judge's performance under this Agreement if the nonperformance is caused by an event of Force Majeure. Events of Force Majeure shall include but not be limited to Act of God, war, epidemic, accident, fire, public emergency, strike, lock-out, or other labor dispute, riot, civil disturbance, act of public enemy, law enactment, rule, restraint, order, or act of any governmental instrumentality or military authority, closure of municipal facilities, failure, delay or reduction of services, explosion, destruction of District property, or other conditions or factors affecting the District's fairgrounds property or other cause not reasonably within the District's control and which render the District's obligations under this Agreement impossible, infeasible, or unsafe in any way or any event then, the District may cancel this agreement in its entirety effective immediately upon notice and neither party shall have any further liabilities and/or obligations in connection therewith.

3.2. Cancellation. The District shall have the exclusive right to cancel this Agreement if there is no participation in the event for which Judge is to provide Judging Services. If the Agreement is canceled under this Section 3.2, the Parties shall be excused from performance under this Agreement.

4.0 General Provisions

4.1. The Parties agree that Judge, and any independent employees of Judge, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees of the District.

4.2. This Agreement may be terminated, and its provisions under this Agreement may be altered, changed or amended by mutual written consent of the Parties.

4.3. If Judge is deemed a resident independent contractor, Judge acknowledges and agrees that Judge may be subject to a 7% withholding by the California Franchise Tax Board.

4.4. This Agreement constitutes the entire agreement between the Parties with respect to the matters in this Agreement and supersedes any prior writings and oral negotiations. The Agreement may be modified only in writing by the Parties.

In witness whereof, the Parties have caused this Agreement to be executed, in triplicate, by and through their respective authorized agents, as of the Effective Date.

22nd District Agricultural Association

By: _____
Gene Moore, Chief Executive Officer

Judge's Signature

JUDGE'S NAME
JUDGE'S ADDRESS

Email address

Telephone number

Account Number: 600-100-60

Revenue Contracts Executed per Delegated Authority

Standard Agreements up to \$50,000						
Contract #	Contractor	Purpose	Acquisition Method	Effort Type	Term	Amount
25-013	HITS Del Mar Leasing	Del Mar National Horse Show 2025	Categorical Exemption – Revenue Generating	Year Round	1/1/2025 - 6/1/2025	\$40,000.00

Event Agreements				
Contract #	Licensee	Event Name	Term	Rental Fee
25-876	Jiu Jitsu World League	Jiu Jitsu Tournament	10/3/25 - 10/5/25	\$10,620.00
25-877	Jiu Jitsu World League	Jiu Jitsu Tournament	12/5/25 - 12/7/25	\$10,620.00
25-878	Bart Hall & Associates	Hall Family Super Show	2/10/25 - 2/17/25	\$56,360.00
25-879	Westward Expos	Home Show	10/15/25 - 10/20/25	\$10,160.00
25-880	Scott William Bass, Inc	Surf Board Expo	10/9/25 - 10/12/25	\$9,470.00
25-881	Gem Faire	Gem Faire	10/15/25 - 10/19/25	\$12,825.00
25-882	Giant Shows, Inc	Great American Train Show	10/3/25 - 10/5/25	\$9,470.00
25-883	SnowJam LLC	Snow Jam	11/5/25 - 11/9/25	\$14,205.00
25-884	La Mesa RV Center	La Mesa RV Sale	5/5/25 - 5/14/25	\$20,320.00
25-887	Rancho Santa Fe Democratic Club	Monthly board meetings	1/2/25 - 11/13/25	\$1,008.00
25-888	Open World, Inc	Brick Fest Live	9/11/25 - 9/14/25	\$9,470.00
25-889	Viewpoint Brewing	Employee parking	9/8/25 - 12/31/25	\$2,025.00
25-890	Pinery Christmas Trees, Inc	Pumpkin Patch	9/11/25 - 10/28/25	\$31,185.00
25-891	ASULT Productions	Off Road Nights	3/26/25 - 3/29/25	\$10,160.00
25-894	Just Between Friends	JBF Maternity and Consignment Sale	9/23/25 - 9/29/25	\$14,205.00
25-896	La Mesa RV Center	La Mesa RV Sale	9/22/25 - 10/1/25	\$20,320.00
25-897	Redo Vintage and Makers Market	Redo Vintage and Makers Market	10/9/25 - 10/11/25	\$10,160.00
25-898	Century Club of San Diego	Genesis Golf Tournament parking	2/12/25 - 2/14/25	\$6,000.00
25-899	Pinery Christmas Trees, Inc	Christmas Tree Wholesale	11/13/25 - 12/14/25	\$16,800.00
25-900	Purdy Tree Farms, LLC	Christmas Tree Retail Sale	11/17/25 - 12/18/25	\$20,330.00

Management Agreement for the 2025 Del Mar National Horse Show

This Management Agreement ("Agreement") is entered into between the 22nd District Agricultural Association, a California state institution ("District") and HITS Del Mar Leasing LLC ("HITS"). The District is the USEF Competition Licensee of the Del Mar National Dressage and Del Mar National Hunter-Jumper Horse Shows (USEF Competition Nos. 3332 and 343056). In accordance with the terms and conditions set forth in this Agreement, HITS will manage for the District the District's 2025 Dressage and Hunter-Jumper Del Mar National Horse Shows (collectively, "2025 Del Mar National Horse Shows") to be held at the District's Del Mar Horsepark facility (Horsepark). The Del Mar National Dressage Competition will be held April 17 through April 20, 2025. The Del Mar National Hunter-Jumper Competition will be held April 29 through May 4, 2025. HITS is the current operator of Horsepark under an existing operating agreement with the District.

1. Term: The term of this Agreement shall be from January 1, 2025 to June 1, 2025.
2. Definitions:
 - a. Prize Money: The money won by exhibitors for placing in various classes
 - b. Net Profit: The profit after all revenues have been collected and expenses deducted
3. Exemption of District from Liability. District shall not be liable for injury or damage to the person or goods, wares, merchandise, or other property of HITS or of HITS' 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 District'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. District shall under no circumstances be liable for injury to the business of HITS or HITS' vendor(s) or for any loss of income or profit from that business.
4. Fee for Management of District's 2025 National Horse Shows: The District and HITS shall share the Net Profit as agreed upon by HITS and District for 2025. "Share of Net Profit" shall mean that HITS shall collect all revenues and expenses and give the District Twenty Thousand Dollars (\$20,000) for the Del Mar National Dressage Show and Twenty Thousand Dollars (\$20,000) for the Del Mar National Hunter Jumper Show, for a total of Forty Thousand Dollars (\$40,000) as the District's Share of Net Profit.
5. Obligations of HITS and District:
 - a. Obligations of HITS:
 - i. HITS agrees to manage and operate the 2025 Del Mar National Horse Shows;
 - ii. HITS will be responsible for ensuring that the Horsepark facility is ready for the 2025 Del Mar National Horse Shows;
 - iii. HITS shall manage the 2025 Del Mar National Horse Shows, including but not limited to, payment of all 2025 Del Mar National Horse Show expenses and collection of all revenue generated through the management of the 2025 Del Mar

National Horse Shows. HITS shall deposit all revenue and deduct all expenses for the 2025 Del Mar National Horse Show into/from a HITS Bank Account. HITS will have the capability to separately identify all revenue and expenses associated with the Del Mar National Horse Show.

- iv. HITS shall consult with the District in all decision-making related to the 2025 Del Mar National Horse Show, including but not limited to, all non-financial and non-horse show operational matters and overall show planning decisions.
- v. HITS shall maintain adequate insurance coverage that covers any incidents or claims that may arise during the Horse Shows. See Exhibit B for Insurance Requirements.
- vi. HITS shall be responsible for having the Del Mar National Horse Show trophies (both Hunter-Jumper and Dressage) engraved for the 2025 show year including covering the cost. Once engraved, HITS shall return the trophies to the District. District shall store the trophies and be responsible for them except during the days of the horse show when they are at the Horsepark for presentation to the winners.

b. Obligations of the District:

- i. District grants HITS the exclusive right to manage the 2025 Del Mar National Horse Shows.
- ii. As USEF Licensee, District is the financially responsible party to USEF for the Del Mar National Horse Shows.
- iii. District agrees that revenue generated through the operation of the 2025 Del Mar National Horse Show will not be considered in determining HITS Gross Revenue for purposes of HITS' obligations under the Horsepark Operating Agreement.
- iv. HITS shall have the exclusive option to manage the Del Mar National Horse Show under the same conditions and terms as 2025 for all years in which HITS is the Operator of the Del Mar Horsepark, subject to the express written approval of USEF.
- v. District agrees to give a non-exclusive license to HITS to use all intellectual property associated with the Del Mar National Horse Show for purposes of marketing and promoting the 2025 Del Mar National Horse Show (and later years if applicable) and to offer HITS use of other items owned by District and related to the Del Mar National Horse Show.
- vi. District shall store the trophies and be responsible for them prior to and after the horse show.

6. Labor and Equipment Rental: HITS agrees to pay fees, if any, required by District for: **Labor & Equipment Rental at District Reimbursable Rates** outlined in Exhibit A to this Agreement that HITS desires to use or rent.

7. Indemnity: HITS shall indemnify the District, and save the District 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 District. However, in no event shall HITS be obligated to defend or indemnify the District with respect to the sole negligence or willful misconduct of the District, its employees or agents (excluding HITS herein). HITS shall, at HITS's own cost and expense, defend any and all suits, actions, or other legal proceedings that may be brought by third persons against the District on any such claim, and shall

reimburse the District for any and all legal expenses incurred in connection with such defense, or in enforcing the indemnity granted in this paragraph.

8. 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, HITS 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 District 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 HITS. 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. HITS agrees to contact California Fairs Service Authority at (916) 9212213 for further information on the availability of CFSA Form "Release Lib".
9. District Oversight: District reserves the right to audit and monitor any and all sales. The District shall also have the right of access to, and inspection of, any District equipment used by the HITS under this Agreement at any time, with or without prior notice.
10. Independent Capacity: HITS 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 District.
11. Taxes: HITS acknowledges and understands that the terms and conditions of this Agreement may create a possessory interest subject to property taxation, and that HITS may be subject to the payment of property taxes levied upon such interest.
12. HITS' Property: District may require security, at HITS' expense, which will provide for reasonable protection of the property of HITS. However, in all circumstances, HITS shall be solely responsible for damage to, or loss of, HITS' property.
13. Prohibition Against Assignment: HITS 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 District. The District's consent shall be given, if at all, in its sole and exclusive discretion.
14. 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.
15. 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, and any required written approval of the Department of Food & Agriculture, and the Department of General Services (Government Code section 11010.5). A name change by itself by HITS is not subject to the provisions of this paragraph. Notwithstanding the foregoing, should a name change by HITS alter, modify, or amend in any way any of the obligations of HITS under this Agreement, such a name change will require a written agreement signed by all the parties to this Agreement.

16. Waiver: The failure of the District 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 Districts' premises, shall not constitute a waiver of any subsequent breach of this Agreement, or any of the rules and regulations.
17. Default; Remedies: In the event HITS fails to comply in any respect with the terms of this Agreement, and the terms of all Attachments, all payments made by HITS in accordance with Paragraph 4 above shall be deemed earned and nonrefundable by District, and District shall have the right to occupy the space in any manner deemed in the best interests of the District, in addition to any and all other remedies available to the District for breach of this Agreement.
18. Obscenities Sales or displays of drug paraphernalia, merchandise containing offensive, lewd, indecent, or obscene language or depictions of lewd or obscene: Images, sales or displays of merchandise, and marketing-related materials used on the District's premises shall not include references to drug paraphernalia and shall contain materials considered obscene, lewd, or indecent under local, state and Federal standards. The District reserves the right to approve, in its sole and exclusive discretion, all merchandise, displays, materials and images at the location(s) managed under this Agreement. The parties agree that if HITS violates this paragraph, it will be impracticable or extremely difficult to determine the damages suffered by the District. It is therefore agreed that in the event of such a breach by HITS, HITS will pay to the District the sum of \$1,000.00 for each violation of this provision. In addition, in the event of a breach of this paragraph by HITS, the District may, in its sole and exclusive discretion, declare Licensee in breach of this Agreement.
19. 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"
Exhibit "B"

Labor & Equipment Rental at District Reimbursable Rates
CFSA Insurance Requirements

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

HITS Del Mar Leasing LLC
151 Stockade Drive
Kingston, NY 12401

BY: _____
Carlene Moore

BY: _____
Peter Englehart

TITLE: Chief Executive Officer

TITLE: Chief Executive Officer

Date:

Date:



Event Rental Agreement

AGREEMENT NO.: 25 - TBD

DATE: TBD

Revised 10/23

This Event Agreement ("Agreement") is entered into between the **22nd District Agricultural Association**, ("Association"), and **TBD**, ("Licensee").

1. Licensee desires to obtain from the Association certain rights and privileges, including the use of a portion of the Association's premises, located at 2260 Jimmy Donnte Blvd., Del Mar, California (the "Premises") beginning on **TBD** and ending on **TBD**.

2. Subject to the terms of this Agreement, Association grants to Licensee the right to use the following portion of the Premises, for this purpose and for no other purpose: **Consumer Show**

Date(s) & Location	Rental Amount
TBD	TBD
Total:	TBD

3. Anticipated expenses: Licensee will provide all equipment and services required to run and manage the event. Licensee will be billed for any services required by Association. Any anticipated or estimated expenses exceeding the Ancillary/Damage deposit will be due prior to the event. The Association will not provide any services or equipment unless payment has been received in full.

Line	Description	Quantity	Price	Amount
1	TBD	TBD	TBD	TBD
2	TBD	TBD	TBD	TBD
3	TBD	TBD	TBD	TBD
			Total:	TBD

4. Fee for Use of Association; Security Deposit. Licensee agrees to pay to Association a minimum fee for use of Premises, as follows:

Location Rental fee: **\$TBD**
 Surety / Ancillary / Damage Deposit: **\$TBD**
TOTAL: **\$TBD**

Due Date	Amount Due
TBD	TBD

Should Licensee fail to submit the required payments, as stated in this Paragraph 4, Association reserves the sole and absolute right to cancel the event, and terminate this Agreement, without

□

further notice. The payment schedule listed above in this Paragraph 3 includes a Surety/Ancillary Deposit, of which Association shall refund to Licensee thirty (30) days after Licensee has vacated the Premises, less any sum retained by Association for additional expenses, including but not limited to, equipment use, cleanup, damage to or loss of Association property, labor, or charges incurred.

5. 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), contractor(s), agent(s) or employee(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 systems, lighting fixtures, or from any other cause, whether said injury or damage results from conditions arising upon the 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 not be liable for injury to the business of Licensee or Licensee's vendor, contractor(s), agent(s), or employee(s), or for any loss of income or profit from that business.
6. Damage to Association Property / Use of Equipment on Association Property. Licensee will conduct Licensee's business in a quiet and orderly manner; will deposit all rubbish, slop, garbage, tin cans, paper, etc. in receptacles provided by 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 and all costs, damages, and expenses incurred by the Association for damage of any kind caused to the Premises, Association's property, equipment, or grounds, arising out of or in any way related to Licensee's use of the Premises, reasonable wear and tear excepted. Association shall have the right to audit and monitor any and all sales as well as access to the Premises at all times. 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 Premises will be fully, properly, and completely trained in the use and operation of the Equipment, and each individual operating any equipment on the Premises will have in their possession all required certificates, licenses, and documents corroborating the individual's training on the Equipment. Licensee and Association agree that damages resulting from 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 Association may sustain, Licensee shall pay to Association the sum of One thousand dollars (\$1,000.00) for each and every employee, agent, servant, and/or independent contractor operating Equipment on the Premises in violation of this Paragraph. In addition, Association, in its sole and absolute discretion, may deem any violation of this Paragraph a non-curable breach of this Agreement, requiring immediate termination of this Agreement and a forfeit by Licensee of any deposit. The damages and remedies available to Association under this Paragraph supplement, and do not supplant, any other damages and/or remedies available to Association relating to insurance, indemnity, and/or breach of contract, including, but not limited to, Association's right to Indemnity under Paragraph 9 of this Agreement.
7. Removal of Licensee's Property. Licensee agrees to remove, at Licensee's sole expense, all of Licensee's property from the Premises, including, but not limited to, boxes, crates, packing material, trash and debris, and to leave the Premises in a condition satisfactory to Association. All such property removal must be completed before the Rental Period End Date, or as may be

□

otherwise agreed to by Association and Licensee. If Licensee fails to timely remove its property from the Association on or before the Rental Period End Date, Licensee agrees Association may remove and store Licensee's property, at Licensee's sole risk and expense, and Licensee shall reimburse Association for all removal and storage costs, including but not limited to labor and storage costs, incurred by Association under this Paragraph. Licensee assumes all risk of damage to, or loss of, its property remaining the Premises after the Rental Period End Date.

8. Indemnity. To the fullest extent permitted by law, Licensee shall defend, indemnify and hold harmless the State of California, Association, the California Fair Services Authority, and their respective agents, directors, and employees (collectively, the "State") from and against any and all claims, damages, losses, injuries, and expenses of every kind, nature and description (including but not limited to attorney's fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to, the performance of this Agreement regardless of responsibility for negligence; by reason of death, injury, property damage, or any claims arising from the alleged violation of any state or federal accessibility law, statute or regulation, however caused or alleged to have been caused, and even though claimed to be due to the negligence, active or passive, of the State. However, in no event shall Licensee be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the Association, its employees or agents (excluding Licensee herein, or any of its employees or agents)
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 (CF Form "Release Lib") (referred to in this Agreement as the "Release and Waiver"). The Release and Waiver shall release the Association and its agents, servants, employees, directors and officers from any and all liability arising out of, or related to, an individual's participation in the event sponsored by Licensee. Each event participant, or participant parent/guardian, must sign a Release and Waiver before participation in the event. Licensee agrees to contact the California Fairs Service Authority for further information on the availability of the Release and Waiver form.
10. Association Oversight. Association reserves the right to audit and monitor any and all sales of Licensee's event and the right to access the Premises during the term of this Agreement. At any time, and with or without prior notice to Licensee, Association shall have the right of access to, and inspection of, any portion of the Premises used by Licensee under this Agreement.
11. Independent Capacity. Licensee agrees that Licensee, and Licensee's agents, servants, and employees performing performance of this Agreement, acts in an independent capacity and not as agent, officers, servants, or employees of 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 sole 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 Association. 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 Licensee and Association or their respective 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. Any name change by Licensee is subject to the provisions of this paragraph and written legal document. No change of any name change is required before processing of any amendment regarding any name change by Licensee.
17. Waiver. The failure by Association to insist in any one or more instances on the observance and/or performance of any of the covenants of this Agreement or any of the rules and regulations governing the Premises, shall not constitute a waiver by Association of any subsequent breach of this Agreement, or any of the rules and regulations.
18. Default; Remedies. In the event Licensee fails to comply in any respect with the terms of this Agreement, and the terms of all Attachments to this Agreement, all payments made by Licensee under this Agreement 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 Association, in addition to any and all other remedies available to Association for breach of this Agreement.
19. Representations and Warranties. Licensee, under penalty of perjury, makes the following representation 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 order requiring Licensee to comply with an order of the National Labor Relations Board. (California Public Contracts Code section 10296).
 - B. During performance of this Agreement, the Licensee, and its subcontractors, if any, shall not lawfully 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 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 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 of 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 of 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 1330 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 made and entered into in San Diego County, which shall be the exclusive venue for any action relating to this Agreement.

21. Time Limits; 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 to this Agreement, subject to any prohibitions on assignment or transfer, contained in this Agreement.

22. Resolution of Licensee Disputes. If, during the performance of this Agreement, a dispute arises between Licensee and Association, the Licensee shall submit a written statement regarding the dispute to Association. A decision by Association shall be made to the Licensee in writing, and shall be final and conclusive. Licensee shall continue to perform contract requirements without interruption during the dispute period.

□

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 for 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 correct 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 a part of this Agreement by this reference as though set forth in full:

Exhibit "A" Event Rider

Exhibit "B" Insurance Statement Form FE-1

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

22ND District Agricultural Association
Carlene Moore, Chief Executive Officer
2260 Jimmy Durante Blvd.
Del Mar, CA 9201
(858)755-1161

Company TBD
Name TBD
Address TBD
Address TBD
Phone TBD

Signature

Date

Signature

Date

Exhibit A Event Rider
Contract # 25 - TBD

Anticipated Event Schedule: The anticipated schedule is subject to change with the Association's written approval.

Date	Function	Location
TBD	TBD	TBD

Other Provisions:

Cancellation Policy: The Association reserves the right to retain all contractual payments if event is cancelled. The Association may terminate or suspend its obligations under this agreement if such obligations are delayed, prevented or rendered impractical by any of the following events to the extent such event is beyond the reasonable control of the Association whose performance is prevented or rendered impractical. Should Licensee fail to submit the required payments and insurance certificate per Exhibit B, the Association reserves the right to cancel the event.

Neither the Association nor the Licensee shall be in default under this Event Agreement and may therefore cancel and discharge all remaining obligations under this agreement, if such party's inability to perform its obligations under this Event Agreement was caused by a Force Majeure. As used in this Event Agreement, "Force Majeure" includes acts of God, governmental delays, acts of terrorism, fire, flood, riot, earthquake, civil commotion, epidemics, pandemics, contagions, surrection, 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 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, the Association in its sole and absolute discretion may cancel this Event Agreement, without further obligation, by providing the other party with 24 hours' notice. Upon receipt of notice of cancellation, Licensee shall immediately vacate the premises.

Statement of Conditions: The Interim 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 Interim 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 use of kitchen or concession areas, storage rooms, set-up or teardown of displays, materials, or exhibits, utilities, equipment or the public address systems.

□

Reservations & Bookings: Any activity sponsored by the Association has precedence over any other interim activity or requested usage of the Del Mar Fairground's facilities. If the Association schedules an activity, which conflicts with a previously arranged event, the Association will send a notice of cancellation at least three months prior to the event, to the address stipulated on the Interim Event Agreement. The Association will make every effort to provide an alternate date for said event.

No event will be scheduled which is in conflict with the events of the annual San Diego County Fair and the Thoroughbred Race Meet.

Hours: The charge for use of the Facility shall apply to the periods of occupancy of facilities between the hours of 7:00 am to 10:00 pm. No event shall be permitted to continue after 10:00 pm unless agreed to in writing by Association Management in advance of the event. Applicable overtime costs will be charged unless all attendees have vacated and the building secured by time specified in the Interim Event Agreement.

Late Charges: A late fee of \$25+ 1% of the contractual payment amount will be assessed for any payment that is more than fifteen (15) days overdue. Additional late fees of 1% will be assessed every fifteen (15) days thereafter until the payment due is paid in full. Should Licensee fail to submit the required payments, as stated herein, the Association reserves the right to cancel the event without further notice.

Food & Beverage: The Association maintains an exclusive food & beverage contract. The Licensee or exhibitors are not permitted to sell or produce any food, beverage or alcohol. Licensee must allow for adequate space inside each rented venue, as determined by the Association, for serving concessions and consumption, within the contracted space for the Association's concessionaire. The Licensee may be levied a fine if they, or their exhibitors, sell Food or Beverage. Sampling of foods two ounces or less may be permitted on a limited basis and only with written approval from Association Food & Beverage contractor. For all Food & Beverage needs, please call (619) 763-6345.

All food, alcohol and non-alcoholic beverages must be sold and/or distributed by Association concessionaire. Alcohol beverages are to be kept within the leased area at all times. Consuming these beverages outside the rented area is not permitted. The Association reserves the right to approve all areas proposed for the dispensing and consumption of alcoholic beverages.

Electrical & Plumbing: All electrical and plumbing services must be performed by the Association's contractor unless authorized by the Association. Contact the Association Event Manager for details on rates and requirements for these services.

Production (Rigging/Public Address): Licensee must use Association services for use of any in-house public address systems or fixed audio/visual equipment. When an outside company is used for an event to provide portable A/V services, Event Manager must be consulted and electrical charges may apply.

□

The Association reserves the right to monitor and/or limit the sound level of any event. The use of a sound system in an outside area on the Del Mar Fairgrounds shall not be permitted to continue after 10

p.m. without written approval from Association Management. Violation of the sound level or termination time may lead to revocation of such privileges.

Telecommunication: Licensee must use the Association Telecommunications Services for all telecommunication needs. Including Wi-Fi, DSL, Internet, and phone lines.

Parking: The Association reserves the right to charge a fee for parking during events. The availability of specific parking areas shall be subject to change as a result of construction, maintenance, events or other operational factors as determined by the Association. At no time shall any exits or fire lanes be blocked. Vehicles may be subject to tow at owner's expense.

RV Camping: A daily fee applies for all RVs with or without hook-ups. Spaces with hookups for water, electricity and sewage are available at no extra charge. Spaces are allocated on a first-come, first-served basis. Payment must be by Visa, MasterCard or American Express. No checks will be accepted. RV spots are run by our onsite Wagon Master and are not part of your reserved actual space. The RV information line is 858755-1161 ext. 289.

Automated Teller Machines: The Association reserves the exclusive right to provide all automated teller services on Association property. Automated teller locations are predetermined by the Association; however, specific event locations are feasible for a nominal transportation and set-up fee.

Alcohol Sponsorship Agreement: The Association reserves the sole and exclusive right to all marketing, promotional, and branding of an alcohol related products. Promotional material of any kind may not be distributed or displayed on Association's property.

Janitorial and Maintenance: The amount of support personnel needed for the event will be determined by the Association. One janitorial service during actual event open hours is provided at no charge to the licensee. Additional charges apply for post event clean-up and dumpster removal.

Sign Ordinance Compliance: All signs, posters, flyers, etc. which are posted or distributed in San Diego County for the purpose of advertising or promoting a consumer show at the Del Mar Fairgrounds shall be in full compliance with applicable municipal codes and ordinances. A \$250 fee per sign will be levied to the Licensee of any documented incident of the placement of signs, posters, flyers, etc. which are in violation of local sign ordinances. Ignorance of local sign regulations is no defense. Liability on a sign company, for placement of promotional materials, shall not relieve the Licensee of responsibility in this matter.

Complimentary Tickets or Passes: The Association is to receive a minimum of twenty (20) complimentary admissions per performance and/or event day to all events open to the public conducted on Association's property. Admissions credentials/tickets should be given to the Association Event ten (10) days prior to the event.

□

Noise Ordinance: 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 a 1 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 Law and Ordinances:

General Compliance: Licensee agrees to comply with all applicable local, state and federal laws including guidelines established by the California 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.

Firearms and Ammunition: Licensee shall not authorize or allow the sale of any firearm or ammunition at any time during the rental period.

Public Accounting and Pending State Funds: The Licensee shall be subject to the examination and audit of the Auditor General of the State of California for a period of three years after final payment under the contract (Government Code Section 10532). (SAM section 1212.8).

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 Fairgrounds for a period of one year.

□

Accidents or Injuries: All accidents and injuries must be reported immediately to the Association.

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

Video Recording and Photography: Videotaping an event is permitted provided that any broadcast or recording of the event for the reproduction will be for the Licensee's proprietary use and not for broadcast to the general public.

If Licensee is recording, videotaping or broadcasting any event (or portion thereof) for commercial purposes (i.e. Concerts, awards ceremony, etc.) for a profit, a \$2,500 fee will be charged for the granting of this right.

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

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 wattles.

Keep equipment away from silt fences, filter rolls and other sediment barriers.

- Only use designated site transects.
- All equipment must be kept off and away from seeded, planted, mulched or stabilized areas.
- Trash and litter 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 wash in 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 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. Vehicle 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:

- Licensee is responsible for all Fire Marshal related expenses.
- 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 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 station, fire hose cabinets and fire hydrants or access by fire suppression vehicles or equipment.
- The location of all hydrants, fire extinguisher, water barrel, etc., shall be clearly marked in all areas.
- No open flames are 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.
- Exhibition of vehicles powered by internal combustion gasoline engines inside buildings shall require the following:
 - Fuel tank 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. All trash will be removed on a regular basis.
 - The display 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 owner occupies, 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 tent shall be submitted to the Association at least 90 days prior to the first day of the event. It is not recommended to secure 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.
- Locations of all emergency exits, 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.

Fire Extinguishers: One extinguisher shall be provided in major buildings; however, at other locations or where special hazards are created, additional extinguishers shall be provided by the Licensee as required by the State Fire Marshal.

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. Cardboard boxes must be recycled. Licensee must comply with all state and local recycling ordinances.

Decorations: Candles and any open flame devices are prohibited. Nothing may be attached to the Del Mar Fairgrounds facilities, ceiling curtains and equipment is prohibited. There shall be no outdoor use of confetti, glitter, or any helium balloon distribution. Balloons shall not be released into the atmosphere from the Fairgrounds. Any damage incurred to Association property by such items will be the responsibility of the Licensee and will be charged accordingly.

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 rental 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 inspection 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, rollers, 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 running 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 of the petting zoo should be provided to direct people to the hand washing station.

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 be blocking public utilities, exits, fire hose cabinets, fire sprinkler systems, electrical outlets, 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: The operation or use of any 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") at any time on the Association's property is prohibited under all circumstances except pursuant to the terms and conditions of written permission from the Association. This policy applies to all individuals, persons, companies, and business entities and includes, but is not necessarily limited to, promoters, tenants, renters, patrons, visitors, and guests. Permission to stay or remain on Association property may, in the discretion of the Association, be revoked for any person[s] in violation of this policy.

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 nonfood 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 \$ 00 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.