NOTICE OF MEETING

22nd District Agricultural Association Board of Directors

November 10, 2026 at 9:30 a.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

Sam Nejabat, Chair
Lisa Barkett, Vice Chair
Mark Arabo, Director
Phil Blair, Director
Donna DeBerry, Director
Kathlyn Mead, Director
Ted Miyahara, Director
Elsa Morales-Roth, Director
Frederick Schenk, Director

Secretary-Manager
Becky Bartling
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 22nd DAA and the Del Mar Fairgrounds.

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 Del Mar Fairgrounds.

MASTER PLAN

Create an environmentally and fiscally responsible land use plan for the Del Mar Fairgrounds, 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 ensure 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
November 10, 2026 at 9:30 a.m.

1. **CALL TO ORDER** – CHAIR SAM NEJABAT
   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 Chair.

2. **ROLL CALL**

3. **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.

4. **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 – October 13, 2026** 6-11
   - **Contract Awards & Approvals** 12-36

Standard Agreements

Contract	Contractor	Purpose	Term	Not to Exceed
23-014 AM3	Saffire, LLC	Ticketing services for San Diego County Fair	3/1/2023 - 2/28/2028	AM3: $765,187.00 Total contract value: $3,173,650.00
26-050	Otis Elevator Company	Maintenance services for elevators & escalators	11/11/2026 - 11/10/2028	$779,156.00

5. **CEO REPORT** – CEO Becky Bartling [Information Item]
   - **Update on the District's letter to the City of Del Mar** 37-38
   - **Operational Announcements**
     - Schedule of events through December 31, 2026 39-40
   - **Construction Projects & Facilities Updates** 41-42

6. **GENERAL BUSINESS**

A. **Nominating Committee Report** – Lisa Barkett, Chair
   1. Floor nominations and election of Board officers effective January 1, 2027 [Action Item] — Verbal

B. **Executive Committee Report** – Sam Nejabat, Chair
   1. Consideration and vote to delegate authority to the Board Chair to approve contracts that exceed the CEO's Delegation of Authority, beginning November 11, 2026 through the January 12, 2027 District Board meeting [Action Item] — 43
   2. Consideration and vote to approve the 2027 Board of Directors meeting schedule [Action Item] — 44

C. **Master Site Planning Committee Report** – Sam Nejabat, Chair
   1. Recap of committee meeting held on November 5 [Information Item] — Verbal

D. **Finance Committee Report** – Phil Blair, Chair
   1. Summary of financial reports and recap of committee meeting held on November 2 [Information Item] — 45-60

E. **Audit & Governance Committee Report** – Donna DeBerry, Chair
   1. Update on clarification of the Ticket Policy and potential changes [Information Item] — 61-66
   2. Update on Attorney General's determination on whether or not paying Board members' legal expenses in specified situations is a gift of public funds [Information Item] — Verbal

F. **Regulatory & Governmental Affairs Committee Report** – Ted Miyahara, Chair
   1. Recap of committee meeting held on October 28 and update on meetings with local agencies and officials [Information Item] — Verbal

G. **Emergency Preparedness Committee Report** – Lisa Barkett, Chair
   1. Recap of committee meeting held on October 21 and update on staff training efforts [Information Item] — 67-68

H. **DMTC Liaison Committee Report** – Mark Arabo, Chair
   1. Review of DMTC's Q3 budget report and recap of committee meeting held on October 21 [Information Item] — 69-88

I. **Food & Beverage Committee Report** – Lisa Barkett, Chair
   1. Summary of Premier P&L report and preview of consultant visit [Information Item] — 89-90

J. **People & Culture Committee Report** – Kathlyn Mead, Chair
   1. Recap of committee meeting held on November 5 [Information Item] — Verbal

K. **Fair Operations Committee Report** – Kathlyn Mead, Chair
   1. Recap of committee meeting held on October 27 and 2027 San Diego County Fair logo and website reveal [Information Item] — 91-93

7. **MATTERS OF INFORMATION & DIRECTORS' REQUESTS**

- **Published News** — 94-140
- **Correspondence** — 141-159
- **Review of Contracts Executed per CEO / COO Delegation of Authority**
  - None

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

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

A. To confer with and receive advice from legal counsel regarding potential litigation involving the 22nd DAA. Based on existing facts and circumstances, there is significant exposure to litigation against the 22nd DAA. (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. To confer with counsel, discuss, and consider the following pending litigation to which the 22nd DAA is a party. Melinda Carmichael v. 22nd District Agricultural Association, et. al., San Diego County Superior Court, Case No. 25-CU-047040C.
D. To confer with counsel, discuss, and consider the following pending litigation to which the 22nd DAA is a party, Brad Oates v. 22nd District Agricultural Association, San Diego County Superior Court, Case No. 26-CU-021197C.
E. 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).)

9. **RECONVENE TO OPEN SESSION**

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

10. **ADJOURNMENT**

22nd DISTRICT AGRICULTURAL ASSOCIATION
Board of Directors Meeting

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

October 13, 2026

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
Sam Nejabat, Chair
Lisa Barkett, Vice Chair

DIRECTORS PRESENT
Mark Arabo
Phil Blair
Donna DeBerry
Kathlyn Mead
Ted Miyahara (via Zoom)
Elsa Morales-Roth
Frederick Schenk (via Zoom)

OTHERS PRESENT
Joshua Caplan, Deputy Attorney General (Counsel)
Becky Bartling, District Chief Executive Officer (CEO)
Katie Mueller, District Chief Operations Officer (COO)
Dustin Fuller, Supervising Environmental Planner
Michael Sadegh, District Finance Director

CALL TO ORDER
Chair Nejabat called the meeting to order at 9:40 a.m.

ROLL CALL
Chair Nejabat, Vice Chair Barkett, and Directors Arabo, Blair, DeBerry, Mead, and Schenk were present. Director Morales-Roth arrived at 9:42 a.m. Director Miyahara joined the meeting remotely during Item 6-G in General Business.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (see pages 5-17 of transcript)
John Spelich, Tracy Martinez, Chaun Reynolds, Jane Cartmill, Phoenix L, Martha Sullivan, Allison Prater

SUBJECT TO BOARD APPROVAL

CONSENT CALENDAR

The Consent Calendar items can be found on pages 6-29 of the meeting packet.

PUBLIC COMMENT ON CONSENT CALENDAR (see page 17 of transcript)
None

Vice Chair Barkett moved to approve the Consent Calendar. Director Blair seconded the motion. Chair Nejabat, Vice Chair Barkett, and Directors Arabo, Blair, DeBerry, Mead, Morales-Roth, and Schenk all voted in favor. The Consent Calendar was approved 8-0.

CEO REPORT

- CEO Bartling highlighted events taking place at the Fairgrounds through the end of November.
- Supervising Environmental Planner Dustin Fuller shared the Diamond Award, which was presented to the District by SANDAG in recognition of its efforts to improve air quality and reduce traffic congestion .
- The District will repair the Mission Tower HVAC system in-house to save money, and is working to finish replacing the DMTC office HVAC system by mid-November.
- One of the two pumps installed during the District's water quality improvement project failed shortly after going into operation. The functional pump is being repaired to ensure it is working at maximum capacity ahead of El Niño.
- Southern California Edison plans to dredge sand from the San Dieguito River and Lagoon to reduce the risk of flooding from high tides and heavy rains.

PUBLIC COMMENT ON CEO REPORT (see pages 27-28 of transcript)
Martha Sullivan

GENERAL BUSINESS

Item 6-A-1: Master Site Planning Committee Report

Zachary Levine, Lauren Leichtman, Bobby Assil, and Eric Andalman of Del Mar Dreams LLC presented a proposal to build a soccer stadium, hotel, and convention center at the Fairgrounds.

PUBLIC COMMENT ON ITEM 6-A-1 (see pages 83-93 of transcript)
Allison Prater, Chaun Reynolds, Martha Sullivan, Phoenix L, Rachel Keenan

Item 6-B-1: Discussion on how the 22nd DAA should handle the dissemination and communication of the October 1, 2026 letter from the Public Integrity Unit of the San Diego County District Attorney's Office regarding the referral concerning elected and appointed officials

SUBJECT TO BOARD APPROVAL

CEO Bartling read into the record the letter from the Office of the San Diego District Attorney to the City of Del Mar, which found that there was insufficient evidence to indicate that a criminal offense had occurred involving Director Arabo or Attorney General Rob Bonta. Additionally, the letter stated that the Public Integrity Unit would not be pursuing a criminal investigation or filing criminal charges. The letter noted that the District Attorney's Office was unable to confirm the identity or legitimacy of the original complainant, and stated that the City of Del Mar communicated the complaint in a highly irregular manner by using public channels rather than going directly to the Public Integrity Unit.

PUBLIC COMMENT ON ITEM 6-B-1 (see pages 126-128 of transcript)
Shane Harris

Item 6-C-1: Audit & Governance Committee Report – Discussion and vote regarding the adoption of a policy authorizing payment of legal fees incurred by members of the 22nd DAA Board of Directors in connection with actions taken against them arising from decisions made in their official capacity

Committee Chair DeBerry moved to adopt a director legal expense review policy that establishes the legally permitted reimbursement or repayment of necessary legal expenses arising directly from a director's good-faith performance of official District duties, with requests considered on an individual basis and requiring Board approval. Director Schenk seconded the motion.

PUBLIC COMMENT ON ITEM 6-C-1 (see page 131 of transcript)
None

Following discussion among the Board, Director DeBerry amended the motion, moving that the Board adopt a director legal expense review policy that establishes legally-permitted reimbursement or payment of necessary reasonable fees and expenses arising directly from a director's good-faith actions, subject to review from the Attorney General's office that any reimbursement is not considered a gift of public funds. Director Schenk seconded the amended motion. Chair Nejabat, Vice Chair Barkett, and Directors Blair, DeBerry, Mead, Morales-Roth, and Schenk all voted in favor. Director Arabo abstained. The motion was approved 7-0-1.

Item 6-C-2: Audit & Governance Committee Report – Ticket Policy

Committee Chair DeBerry explained that the committee is reviewing the District's current ticket policy and will present proposed revisions at a future Board meeting. The goal is to encourage greater participation in and promotion of events at the Fairgrounds.

SUBJECT TO BOARD APPROVAL

Item 6-C-2: Audit & Governance Committee Report – FPPC Training
The District will invite a representative from the Fair Political practices Commission (FPPC) to provide refresher training to the Board regarding Form 700 filing requirements.

PUBLIC COMMENT ON ITEMS 6-C-2 and 6-C-3 (see page 144 of transcript)
None

The Board recessed for a 10-minute break at 12:17 p.m., and the meeting resumed at 12:30 p.m. Director Schenk did not return following the break.

Item 6-D-1: Finance Committee Report
Committee Chair Blair referred to the reports on pages 40-48 of the meeting packet and reviewed the District's financial reports.

PUBLIC COMMENT ON ITEM 6-D-1 (see page 155 of transcript)
None

Item 6-E-1: Regulatory & Governmental Affairs Committee
Committee Vice Chair Morales-Roth reported that the committee met with Senator Catherine Blakespear, and has meetings planned with San Diego Mayor Todd Gloria and the Coastal Commission, among other elected officials and agencies.

PUBLIC COMMENT ON ITEM 6-E-1 (see page 160 of transcript)
None

Item 6-F-1: Fair Operations Committee Report
COO Mueller recapped the inaugural meeting of the Concessions Advisory Committee, comprised of 18 San Diego County Fair vendors. The group discussed past promotions, ideas for new promotions, and guest survey results.

PUBLIC COMMENT ON ITEM 6-F-1 (see page 186 of transcript)
None

Item 6-G-1 and 6-G-2: DMTC Liaison Committee Report – Discussion and vote to approve amendment to Verizon lease agreement L-2998

PUBLIC COMMENT ON ITEM 6-G-1 and 6-G-2 (see pages 186-192 of transcript)
Chaun Reynolds, Martha Sullivan, Phoenix L

SUBJECT TO BOARD APPROVAL

Committee Chair Arabo referred to the reports on pages 49-85 of the meeting packet. CEO Bartling explained that the District was able to modify the Verizon lease agreement to allow either party to terminate the agreement with 24 months' notice. CEO Bartling thanked Committee Chair Arabo for his support in continuing negotiations with Verizon to achieve a two-way termination clause.

Committee Chair Arabo moved to approve the amendment for Verizon lease agreement L-2998. Director DeBerry seconded the motion. Chair Nejabat, Vice Chair Barkett, and Directors Arabo, Blair, DeBerry, Mead, and Morales-Roth all voted in favor. The motion was approved 7-0.

Item 6-G-3: DMTC Liaison Committee Report – Preview of 2026 Fall Race Meet
Del Mar Thoroughbred Club President and COO Josh Rubinstein presented a preview of the 2026 fall race meet, which begins on November 6 and includes College Day on November 7 as well as racing on Thanksgiving Day.

PUBLIC COMMENT ON ITEM 6-G-3 (see pages 210-212 of transcript)
Martha Sullivan

Item 6-H-1: Food & Beverage Committee Report
Committee Chair Barkett reported that food and beverage revenues are better than budgeted, thanks in part to payroll savings. CEO Bartling reported that the District has obtained a food and beverage consultant to review current operations and advise on next steps.

PUBLIC COMMENT ON ITEM 6-H-1 (see page 217 of transcript)
None

Item 6-I-1: Emergency Preparedness Committee Report
Committee Chair Barkett and District staff met with representatives from CAL FIRE and the San Diego County Sheriff's Office to discuss their wildfire readiness plans. District staff will participate in a 2-hour training session about the procedures during an emergency evacuation activation at the Fairgrounds.

PUBLIC COMMENT ON ITEM 6-I-1 (see page 225 of transcript)
None

MATTERS OF INFORMATION & DIRECTORS' REQUESTS
There were no requests from the Board for future agenda items. Correspondence can be found on pages 86-96 of the meeting packet. The updated list of Board committee assignments can be found on pages 97-101 of the meeting packet. Contracts executed per the CEO or COO's delegated authority can be found on page 102 of the meeting packet.

SUBJECT TO BOARD APPROVAL

RECESS TO CLOSED EXECUTIVE SESSION

The Board recessed to Closed Executive Session at 1:52 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 2:13 p.m. Chair Nejabat 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 has nothing to report. The Board also evaluated the performance of the CEO consistent with government code, and has nothing to report.

ADJOURNMENT

There being no further business to discuss, Chair Nejabat adjourned the meeting at 2:13 p.m.

_____

Becky Bartling
Chief Executive Officer

SUBJECT TO BOARD APPROVAL

Item 4: Consent Calendar - Contract Awards & Approvals

November 10, 2026

Expense Agreements

Standard Agreements Exercising Option Years				
Contract: 23-014 AM3	**Contractor:** Saffire, LLC	**Acquisition Method:** RFP	**Term:** 3/1/2023 - 2/28/2028	**Amount:** AM3: $765,187.00 **Total contract value:** $3,173,650.00
	Purpose: Ticketing services for San Diego County Fair			

Standard Agreements from Competitive Solicitation				
Contract: 26-050	**Contractor:** Otis Elevator Company	**Acquisition Method:** RFP	**Term:** 11/11/2026 - 11/10/2028	**Amount:** $779,156.00
	Purpose: Maintenance services for elevators & escalators			

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

SCO ID: N/A

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ PAGES

AGREEMENT NUMBER	AMENDMENT NUMBER	Purchasing Authority Number
23-014	3	GL#: 690120-65

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
Saffire, LLC

2. The term of this Agreement is:

START DATE
March 1, 2023

THROUGH END DATE
February 28, 2028

3. The maximum amount of this Agreement after this Amendment is:
$3,173,650.00 (Three Million One Hundred Seventy-Three Thousand Six-Hundred Fifty Dollars and Zero Cents)

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

The purpose of this Amendment is to exercise the third one-year option, extending the contract term by one year and increasing the dollar amount by $765,187.00. The maximum amount of this Agreement is hereby increased from $3,173,650.00 to $3,938,837.00. The 'Through End Date' is hereby amended from February 28, 2027 to February 28, 2028.

Amendment Effective Date: February 28, 2027.

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.)
Saffire, LLC

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
248 Addie Roy Road, Suite B 106	Austin	TX	78746

PRINTED NAME OF PERSON SIGNING	TITLE
Aaron Pederson	President

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
2260 Jimmy Durante Boulevard	Del Mar	CA	92014

PRINTED NAME OF PERSON SIGNING	TITLE
Rebecca Bartling	Chief Executive Officer

CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)
	FAC §4051 .a. 1

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	GL ACCOUNT NUMBER (If Applicable)
26-050	GL#: 600100-10

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

Otis Elevator Company

1. The term of this Agreement is:

START DATE

November 1, 2026

THROUGH END DATE

October 31, 2028

2. The maximum amount of this Agreement is:

$778,156.00

Seven Hundred Seventy-Eight Thousand One Hundred Fifty-Six Dollars and Zero Cents

3. 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	22
Exhibit A, Attachment I	Technical Proposal	17
Exhibit B	Budget Detail and Payment Provisions (Public Works)	8
Exhibit B, Attachment I	Price Tables	3
Exhibit C	General Terms and Conditions	5
Exhibit D	Special Terms & Conditions	5
Exhibit D, Attachment I	Insurance Requirements	4
Exhibit E	Preventing Storm Water Pollution	4
Exhibit F	22nd DAA Resource Conservation Policy	1
Exhibit G	Public Works Terms and Conditions (04/2026)	3
Exhibit H	Certification of Contractor and Subcontractor DIR Registration	1

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.)

Otis Elevator Company

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
4949 Viewridge Avenue	San Diego	CA	92123

PRINTED NAME OF PERSON SIGNING	TITLE
James Lodge	Director and General Manager

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

EXHIBIT A
SCOPE OF WORK
PUBLIC WORKS

1. SERVICES OVERVIEW

A. This Agreement is the result of a competitive solicitation that is incorporated by reference and made part of this Agreement.

B. The contract term shall be twenty-four (24) months with the possibility of three (3) one-year options to renew, at the sole and absolute discretion of the District. The contract is subject to annual evaluation and certification that the contractor has met all Agreement requirements. The District may decide, in its sole discretion, whether to exercise any option under the contract.

C. Otis Elevator Company, hereinafter referred to as the Contractor, agrees to provide to the 22nd District Agricultural Association / Del Mar Fairgrounds, hereinafter referred to as District, with services as described herein:

The Contractor shall provide qualified labor, materials, supplies, and equipment for routine elevator and escalator maintenance services, emergency services, and out-of-scope services.

D. The services shall be performed at Del Mar Fairgrounds, located at 2260 Jimmy Durante Blvd., Del Mar Ca. 92014

E. Work shall generally be performed during regular business hours, Monday through Friday, between 7:00 a.m. and 5:00 p.m., excluding District-observed holidays.

F. Contractor agrees that all work must be performed to meet safety regulations as established by Occupational Safety and Health Administration (OSHA).

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

22nd District Agricultural Association	Otis Elevator Company
Name: Brad Mason	Name: Ryan Carpenter
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 4949 Viewridge Avenue San Diego, CA 92123
Phone: (858) 792-4285	Phone: (720) 495-5130
E-mail: bmason@sdfair.com	E-mail: Ryan.Carpenter@otis.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

1. Contractor agrees to provide elevator and escalator maintenance and repair services for the District in accordance with this Scope of Work. Contractor shall perform all services, furnish labor and materials, and provide all tools required to perform services on the equipment listed in **Item #3 Service Requirements** below, in accordance with

the specifications, terms and conditions set forth in this Agreement, so that each item of equipment is maintained to meet all relevant performance specification as set forth herein:

a. Any extraordinary repairs and responses to emergencies must be pre-approved by the District Facilities Management. No payment for repairs shall be authorized without such **prior** approval.

b. Contractor shall provide District with advice, consultation, and staff training to enhance elevator and escalator safety practices and to reduce elevator and escalator operating and maintenance costs.

c. District reserves the right to utilize other elevator and escalator service companies to effect repairs, should cost estimates presented by Contractor be deemed excessive by the District.

d. Contractor shall abide by all State and local regulations regarding recycling and disposal of generated waste.

e. The Fairgrounds are located within environmentally sensitive wetlands. Contractor must act in accordance with the requirements in Exhibit E, Preventing Storm Water Pollution. Failure to comply with the water pollution prevention measures may result in fines/penalties and any cost from clean-up resulting from violation will be passed on to Contractor.

2. Contractor Responsibilities

a. Provide qualified technicians and service mechanics under the Contractor's direct employment and supervision.
b. Maintain all licenses and certifications required by law and provide copies within forty-eight (48) hours upon written request.
c. Perform all work in compliance with applicable federal, State, and local laws, codes, OSHA requirements, ANSI A17.1, ANSI A17.2, California Elevator Safety Orders, ADA requirements, manufacturer recommendations, and applicable environmental requirements.
d. Provide all labor, materials, replacement parts, tools, testing, inspection, maintenance, repair, reporting, technical support, and training required by this Scope of Work.
e. Maintain required local replacement-parts inventory and service capacity.
f. Maintain a 24-hour, 7-day answering service and meet the response times specified in this Scope of Work.
g. Provide two (2) onsite technicians for an eight (8) hour period, usually starting at: 11:00 am and ending at 7:00 pm (local times subject to change) on Opening Day of Del Mar Thoroughbred Races.
h. Provide one (1) onsite technician for an eight (8) hour period usually starting at: 11:00 am and ending at 7:00 pm (local times subject to change) on both Pacific Classic Horse Races and July 4th Holiday.
i. Maintain professional standards, clean work areas, appropriate technician appearance, sign-in/sign-out procedures, and courteous conduct while on District property.
j. Report accidents, incidents, damage, major component failures, deficiencies, and required corrective actions within the timeframes specified in this Scope of Work.
k. Coordinate all maintenance and repairs around District events and cease operations when necessary to accommodate scheduled events.

l. Maintain preventive maintenance schedules and records and provide required reports, test results, work tickets, repair plans, and root cause analyses.
m. Contractor shall perform services under this Agreement only upon receipt of a service request from an authorized representative of the District. The District shall have no obligation to pay for any services, labor, materials, parts, travel, or other costs incurred by Contractor in response to a service request that was not authorized by the District. Contractor shall be solely responsible for verifying the identity and authority of the individual requesting services prior to dispatching personnel or commencing work.
n. If the Contractor fails to complete the required routine monthly maintenance and such failure results in an elevator emergency, breakdown, corrective repair, or other out-of-scope service, the Contractor shall be responsible for all costs associated with the resulting service. This includes, but is not limited to, **labor, materials, parts, equipment, travel time, service-call charges, and other related expenses**.
o. Contractor shall comply with all applicable California Department of Industrial Relations (DIR) laws, regulations, public works requirements, prevailing wage requirements, and applicable prevailing wage determinations for all services performed under this Agreement. Contractor shall be solely responsible for properly classifying its employees, paying all required prevailing wages, overtime, weekend, holiday, and other applicable rates, and complying with all related DIR public works reporting, recordkeeping, and labor requirements.

3. Service Requirements

a. Contractor shall provide all testing, inspection, diagnostic, and maintenance services for elevators and/or escalators in accordance with good maintenance standards and manufacturers' recommendations and the Schedule of Maintenance specified below. Such services shall include inspection and diagnosis of reported equipment issues to determine the cause and recommended corrective action. All elevators and/or escalators shall be maintained in proper, safe and acceptable operating condition. Contractor shall use only qualified technicians and service mechanics under its direct employment and supervision.
b. No elevator or escalator shall remain in an inoperable condition for longer than forty-eight (48) hours. Should repairs require additional time, Contractor shall promptly notify the District Project Manager or designee and justify the delay of repair. Planned repairs shall be submitted in writing to and approved by the Project Manager seven (7) days prior to placing an elevator or escalator out of service. Emergency services are excluded from this requirement.
c. Contractor shall provide all testing, inspection and reporting services in compliance with all regulations including ANSI 17.1 Safety Code for Elevators and Escalators, ANSI 17.2 Inspector's Manual for Elevators and Escalators, California Administrative Code Title 8, Industrial Relations Chapter 4, Division of Industrial Safety Subchapter 6, Elevator Safety Orders and the manufacturer's recommendations. Contractor shall provide written test results to the District within fifteen (15) calendar days after completion of tests.
d. Work will generally be performed during normal business hours , Monday through Friday, between 7:00 AM and 5:00 PM, and will not be subject to overtime and/or travel-time charges, except for Emergency and Out-of-Scope repair services.

The safety and comfort of all District guests and staff, as well as the security of

District facilities, are of paramount importance. Additionally, maintaining the District's event schedules—including fairs, horse racing, conventions, performances, exhibitions, and other scheduled events—is a critical priority.

Maintenance and repair activities shall be scheduled to minimize interference with District events, guests, and normal building operations. Where applicable, all work shall be performed at times acceptable to the District and coordinated based on the use and occupancy of the facility. The Contractor shall schedule work to provide the minimum possible disruption to scheduled fairs, horse racing, conventions, performances, exhibitions, and other District events.

CONTRACTOR MUST BE PREPARED TO CEASE OPERATIONS TO ACCOMMODATE ANY PREVIOUSLY SCHEDULED EVENTS.

e. Contractor shall be responsible for all expenditures for all repairs, replacement parts and services, regardless of the reason for the repair, replacement, or cause of the defect. However, Contractor shall not be liable for any breakage, loss or damage to the equipment or machinery, appliances, or property connected therewith, when such loss or damage is caused intentionally or as the result of a malicious act and/or misuse by a person or persons other than Contractor, its subcontractors, agents, or employees. When contractor sees damage related to misuse of equipment, the contract must notify the District immediately and provide evidence of the malicious act or misuse.

f. Contractor shall complete and sign a work order for each routine maintenance visit, documenting all inspections, maintenance activities, deficiencies identified, and corrective actions taken. The completed work order shall be reviewed and signed by the District's Facilities on-site manager or designated representative and submitted with the corresponding invoice as a condition of payment.

4. Emergency Repair Services

a. Contractor shall respond to requests for emergency repair services within thirty (30) minutes. Emergency repair services are defined as entrapment, those services required to correct an inoperable or unsafe condition, which if left in such condition, may cause serious injury or damage or which causes the District to be in non-compliance with the American with Disabilities Act or any other Federal, State, or Local requirements.

b. Contractor shall provide a copy of its work ticket to the District designate representative at the time of each visit. The work ticket must include, at a minimum, the name of Contractor's representative, time of arrival and departure, hours worked, cause and nature of services or repairs, parts and material used, unit number serviced or repaired, and preventive maintenance recommendations and/or corrective action proposed or taken.

c. All work tickets and related corrective actions shall be subject to review and approval by the District's authorized management representative. A copy of the approved work ticket shall be attached to the corresponding invoice for payment.

d. During an emergency entrapment response, the contractor shall establish communication via cell phone with District or Del Mar Thoroughbred Club Security to notify them that a technician is responding and provide the technician's estimated time of arrival (ETA). This information shall be communicated to the responding Fire Department as necessary. Any change in ETA shall be reported

immediately to District or Del Mar Thoroughbred Club Security throughout the emergency response.

Response Requirements

Response time shall mean the arrival of a qualified technician on District property.

Maximum response times:

Event	Maximum Response Time
Passenger Entrapment	Within 30 Minutes
Complete Elevator Outage	Within 1 Hour
Escalator Outage During Events	Within 1 Hour
Elevator Outage During Events	Within 30 Minutes
Safety Hazard	Within 1 Hour
Routine Service	Within 4 Hours

Failure to consistently achieve these response times may constitute unsatisfactory contract performance.

Temporary Repairs

Temporary repairs shall only be used when permanent repairs cannot reasonably be completed during the initial response.

Temporary repairs shall not remain in service longer than thirty (30) calendar days without written District approval.

Major Component Failures

Failures involving: Controllers, Drive Machines, Hydraulic Pumps, Hydraulic Cylinders, PLCs, Main Drive Motors, shall be reported to the District within four (4) hours.

Contractor shall submit a written repair plan including: Cause, Required parts, Estimated downtime, Temporary operating procedures, Estimated completion.

Root Cause Analysis

A Root Cause Analysis shall be prepared whenever: Three similar failures occur within ninety (90) days, Passenger entrapment occurs, Major component replacement is required or Requested by the District.

5. Out-of-Scope Repair (Non-Emergency) Services

   a. Contractor shall supply all labor and materials necessary to provide out-of-scope repair services on an "as needed" Time and Materials basis. Out of Scope repairs include conditions resulting from vandalism or intentional misuse by anyone, act

of God, and/or water in elevator pits not caused by Contractor.

b. For out-of-scope conditions requiring immediate attention to prevent disruption of District events, inconvenience to guests, or further damage to the equipment or property, Contractor shall respond within one (1) hour of notification. Contractor may assess the condition and take reasonable action necessary to make the elevator safe and prevent further damage.

c. For repairs determined to be outside the scope of this Agreement, Contractor shall submit a written estimate to the District's authorized management representative that identifies the cause of failure, recommended corrective work, estimated labor and material costs, anticipated completion time, warranty, and recommended alternatives, and shall obtain prior written approval before performing any corrective work beyond actions necessary to address an immediate safety concern. If the Contractor has previously inspected and diagnosed the same issue, the Contractor shall not charge the District a separate diagnostic, inspection, or service-call fee for the same issue when returning to perform or obtain approval for the repair. No additional work or charges beyond the approved scope may be incurred without prior District approval. Failure to provide the required estimate and obtain prior approval may result in non-payment of such work.

d. Contractor shall provide a detailed work ticket documenting (including pictures) the assessment and work performed, including the Contractor representative's name, arrival and departure times, hours worked, unit number, cause of failure, work performed, parts and materials used, and corrective action taken. For any out-of-scope repair, the Contractor shall provide photographs and/or an on-site demonstration to the District's on-site supervisor or authorized representative sufficient to justify the repair. The District's on-site supervisor or other authorized representative shall sign the completed work ticket. The signed work ticket, along with any supporting documentation for out-of-scope work, shall be attached to the corresponding invoice as a condition of payment.

e. For out-of-scope or emergency services, the billing rate shall be based on the date and time of the District's service call and the required response time. Premium rates resulting from Contractor-caused delays shall not be charged to the District.

f. The Contractor shall pay its employees all wages required by applicable DIR prevailing-wage determinations and law. Any additional labor costs caused by the Contractor's failure to timely respond shall be borne by the Contractor.

6. Work Hours and Overtime

Work shall generally be performed during regular business hours, Monday through Friday, between 7:00 a.m. and 5:00 p.m.

a. Regular Work Hours. The Contractor shall schedule and perform elevator maintenance services in accordance with all applicable federal, state, and local labor laws and regulations. Unless otherwise approved in writing by the District, workers performing services under this Agreement are expected to work no more than eight (8) hours per day and forty (40) hours per workweek at the District.

b. Overtime. Any hours worked by a Contractor's worker at the District in excess

of eight (8) hours in a workday or forty (40) hours in a workweek shall be treated and compensated as overtime in accordance with all applicable California wage-and-hour laws and the requirements of the California Department of Industrial Relations (DIR), including applicable prevailing-wage and overtime requirements.

c. Overtime Worked Outside the District. For purposes of determining the hours that may be billed to the District under this Agreement, only hours actually worked at the District's facilities or job sites shall be counted toward overtime for billing purposes. If a Contractor's worker performs work for the Contractor or any other customer, project, facility, or location outside the District and such work causes the worker to exceed eight (8) hours in a workday or forty (40) hours in a workweek, such additional hours shall not be billed to the District at an overtime rate or otherwise charged to the District as overtime.

d. The Contractor acknowledges that the foregoing limitation applies solely to the District's payment obligation and does not relieve the Contractor of any obligation to pay its workers overtime compensation required by applicable law. The Contractor shall be solely responsible for paying its workers all regular wages, overtime wages, prevailing wages, and other legally required compensation, including overtime resulting from hours worked outside the District, in accordance with applicable law and DIR requirements.

e. The Contractor shall maintain accurate records of all hours worked by its employees and shall be responsible for ensuring compliance with all applicable wage, overtime, prevailing-wage, payroll, and recordkeeping requirements. Under no circumstances shall the District be responsible for paying overtime attributable to work performed by the Contractor's workers outside the District.

3. EQUIPMENT

The District owns the following listed equipment ("Equipment") for which Contractor shall provide a continuing system of full preventative and routine maintenance and service. Performance specifications for each item of Equipment are referenced below:

Elevator and Escalator Equipment

Type	Quantity	Manufacturer	Weight Cap.	Landings / Openings	Location
Geared Traction / Pass	1	U.S.E.C	4,500 lbs.	7/7	Grandstand
Geared Traction / Pass	1	U.S.E.C	4,500 lbs.	7/7	Grandstand
Geared Traction / Pass	1	U.S.E.C	4,000 lbs.	6/6	Grandstand
Geared Traction / Pass	1	U.S.E.C	4,000 lbs.	6/6	Grandstand

Geared Traction / Pass	1	U.S.E.C	4,500 lbs.	7/7	Grandstand
Geared Traction / Pass	1	U.S.E.C	4,000 lbs.	6/6	Grandstand
Geared Traction / Pass	1	U.S.E.C	4,000 lbs.	6/6	Grandstand
Hydro / Pass	1	U.S.E.C	2,000 lbs.	2/2	Grandstand
Dumbwaiter	1	Matot	500 lbs.	2/2	Grandstand
Hydro / Pass	1	Dover DMC	3,500 lbs.	3/3	Venue / OTB
Hydro / Pass	1	Dover DMC	3,500 lbs.	3/3	Venue / OTB
Hydro / Pass	1	Dover DMC	3,500 lbs.	3/3	Venue / OTB
Wheelchair Lift	1	Genesis Opel SR3VL02P	350 lbs.	2/2	Venue / OTB
Hydro / Pass	1	U.S.E.C	2,000 lbs.	2/2	ADMIN
Hydro / Pass	1	U.S.E.C	2,000 lbs.	2/2	DMTC
Escalator	12	Montgomery			Grandstand / Venue/OTB

Venue/OTB = Entertainment Venue and Off-Track Betting

DMTC = Del Mar Thoroughbred Club

ADMIN = Administration Building

1. PRODUCTS AND PARTS

a. Contractor shall maintain locally in stock, or have readily available, an adequate supply of replacement parts for the elevators and escalators as is necessary for meeting the scheduling and response time requirements of the Special Conditions. Contractor shall verify availability of replacement parts most subject to replacement for equipment of this type and age through its inventory records. Parts shall be new and free of defect.

b. Parts shall be original equipment manufacturer (OEM) whenever possible. If OEM parts are no longer reasonably available, contractor may utilize non-OEM or 3rd party supplier of parts that are equal to or better than those produced by the OEM.

c. Parts stocked on site shall include but not limited to the following:

i. Escalator Parts: Tachometer, Main Control Board, Speed Monitor Board, Two (2) Spare Steps. Step treads, comb plate lighting, comb teeth, step rollers, comb plates, motor brake components, and drive chains.

ii. Elevator Parts:

1. One door operator motor of each type used.

2. Hanger sheaves for car and hoistway doors.

3. Two complete door interlocks.
4. Door Rollers.
5. Parts for door protective devices.
6. Power supplies.
7. Drive contactors.
8. Cartop and Machine/Motor encoders.
9. Coils, relays, motor brushes and all other parts as needed to assure prompt replacement in the event of the shutdown of any Equipment.
10. Controller parts, contacts, coils, resistors, Mother boards, I/O boards, selector boards.
11. Brake parts.
12. One set of brake linings for each type of brake.
13. One set of motor brushes and holders for each type of motor and generator.
14. One set of generator bearings for each type of generator.
15. One spare printed circuit board of each type installed.
16. Cylinder head packing and pump motor belts.
17. Any service and diagnostic tools, meters or devices required to provide proper, complete maintenance as per this Specification and/or procurement of such tools if not already within local inventory.

d. Contractor shall use only the highest quality parts that are correctly designed and suitable in all respects for the particular elevator being serviced. Only genuine manufacturer replacement parts or an absolute equivalent part shall be used. Contractor shall have on hand in San Diego, within thirty (30) days after issuance of a Contract "Notice of Proceed", adequate stock of replacement parts.

e. Obsolescence: Obsolescence is defined as a system or component that is no longer repairable, re-buildable, supported, manufactured, available in-stock or supplied by the OEM, non-OEM systems parts supplier or other third-party parts supplier or fabricator in the same form, fit and function. The original manufacturer selling or closing the manufacturing plant is not sufficient reason to classify the component as obsolete. Components that are repairable, re-buildable, available by the OEM, non-OEM systems parts supplier or other third-party parts supplier or fabricator are covered by this agreement and are not considered obsolete. Contractor is to make every reasonable effort to maintain the existing components. If this is not feasible, Contractor is responsible to adapt new components to the existing equipment, unless installation triggers an Alteration as defined by applicable Code.

f. The District shall have the right to review all inventory records as deemed necessary.

2. Inspection and Reporting

a. Contractor shall furnish a copy of the time ticket after each inspection, test or maintenance action. The time ticket shall specify time spent and include detailed descriptions of services performed and parts and supplies used, if any and unit number inspected and or repaired. A report shall be sent to the Project Manager, or designee, describing repairs or repair parts not provided that are necessary to maintain the equipment in safe operating condition. All reports shall be furnished immediately following inspection and shall be fully legible to the District.

   Contractor shall perform all inspections, testing, and reporting by: ANSI A17.1, ANSI A17.2, California code of regulations, Title 8, California Elevator Safety Records, Manufacturer recommendations, and all federal, state, and local regulations.

b. Contractor shall report all accidents, mishaps and incidences to the District Security Department immediately after occurrence.

c. Contractor shall maintain a complete and accurate record of all exposure data and accidents resulting in death, trauma, or occupational disease. All accidents must be reported to the District's Project Manager within 24 hours of the occurrence.

d. Contractor shall submit a full report of the facts and extent of damages caused by Contractor's employees, agents or subcontractors to the District's Project Manager within 24-hours of the occurrence.

e. Contractor shall create an annual compliance review the beginning of each Calander year identifying code deficiencies, ADA issues, Safety concerns.

f. Contractor shall complete annual load testing where required by code or manufactures' recommendations. Testing shall include equipment, date, test results, deficiencies, and corrective actions.

4. TECHNICAL SUPPORT

Contractor shall provide technical support to the District's Facilities Department Staff as required during the term of this Contract. Technical support shall include telephone support and technical advice.

Contractor shall provide training to District staff including: elevator operation, escalator operation, emergency procedures, passenger entrapment response, and equipment familiarization.

5. PROFESSIONAL STANDARDS

The Del Mar Fairgrounds and Del Mar Race Track is a public-use facility, accessible to the public for the San Diego County Fair, Horse Race meets, shows, performances, trade shows, meetings and other uses. Because of the level of exposure to the public, it is important for all contractors who perform services at the facility to maintain the District's high level of professional standards in both attire and behavior. Therefore, Contractor's technicians must always follow the following guidelines while at the Fairgrounds:

a. Upon arrival at the Fairgrounds, including weekends and holidays, Contractor's technicians must sign-in and sign-out with authorized personnel at the Facilities Department.
b. The Facilities department is located at the Southeast Side of the Fairgrounds.
c. Contractor's technicians shall present a neat, clean appearance and where appropriate, wear either Contractor's company uniform or prominently display Contractor's company name or logo on a badge or patch to be worn at all times while at the Fairgrounds.

d. Contractor's technicians shall be polite and courteous and must display a high level of professionalism at all times..
e. Contractor shall maintain during the term of this Contract, an answering service available at all times, 24 hours per day, 7 days per week to receive telephonic notifications of equipment malfunctions. For all emergency calls, Contractor shall be on site within thirty (30) minutes from notification.
f. Contractor shall maintain clean and orderly areas at all times. Upon completion of work contractor shall remove debris, remove replacement parts, clean machine rooms, wipe off excess lubricants, properly dispose of materials, and restore work areas to their original condition.

6. ELEVATOR MAINTENANCE SERVICES SCHEDULE

Within fifteen (15) calendar days after execution of this Contract, Contractor shall provide a Preventive Maintenance Plan for approval by the District's Project Manager. The Preventive Maintenance Plan shall specify a schedule for providing all necessary inspections, lubrication and services and shall include a list of parts and materials to maintain the elevators in a continuously safe, reliable and satisfactory operating condition. A minimum of one (1) team day per month will be scheduled for escalator maintenance consisting of two (2) or more technicians to assist one another. The Maintenance plans shall meet or exceed all manufacturers' recommendations and all local, state, and federal regulatory standards.

7. ELEVATOR PREVENTIVE MAINTENANCE

a. As specified in the Schedule of Maintenance, Contractor shall regularly and systematically examine, clean, lubricate and adjust all elevator equipment, and repair or replace all elevator parts as required to provide continuously smooth, quiet, safe and proper operation of each elevator.
b. All preventative maintenance, repairs and adjustments shall meet the minimum original installation performance specifications.
c. Contractor shall maintain a current preventative maintenance schedule in District's Facilities Offices during the term of the Contract. The District reserves the right to require reasonable changes in the schedule to meet its scheduling and maintenance needs.
d. Contractor shall perform all tests required by any applicable code and deliver written test results to the District's Project Manager within fifteen (15) calendar days after completion of the tests. All reports, maintenance tickets, test results and the like shall be submitted in a manner which is legible to the District. Should any submittal be considered illegible, Contractor shall immediately resubmit a legible copy.
e. Contractor shall not be required to repair damage caused by misuse of the equipment or vandalism under this maintenance contract. Contractor is responsible for reporting any such damage to the District's Project Manager or his designee immediately upon discovery. The Project Manager may request Contractor to perform required out of scope repairs under a Time and Materials Purchase Order.

1. Schedule of Maintenance

Hydraulic Elevators

At a minimum, the elevator maintenance schedule shall include, but not be limited to, the maintenance schedule listed below:

a. Each Visit:

i. Ride each Elevator and observe performance, leveling, floor stops, door opening and closing operation and noise.
ii. Test safety edges, photo eyes, detectors, door open buttons, and alarm bell.
iii. Check for proper car and hall button operation and all indicator illuminations and lantern operations.
iv. Check for leaks in power unit, hydraulic control valve, silencer, sound couplings and oil line.

b. Monthly Maintenance:

i. Pump Unit: Check tank oil with car at bottom landing. Check for sufficient oil with car at top landing. Check for leaks and empty drip pan. Check motor belt tension and adjust or replace belts when necessary.
ii. Cylinder: Check piston head for excessive leakage. Replace "O" rings or gaskets as required. Replace packing if necessary.
iii. Controllers and Starters: Observe operation of controllers and starters. Inspect wiring and alignment. Check contacts for excessive burr. Replace worn contacts and shunts. Check all relays for freedom of movement. Inspect for dust and loose connections. Adjust air gaps and mechanical interlocks when necessary.
iv. Safety Edge and Car Door Clutch: Check for loose pins, bent fastenings, frayed or loose trail cable, damaged rubber and free operation. Check contacts, clean and adjust where necessary. Check retreating mechanism, pivot bearing and rollers for wear. Clean and lubricate all pivots and pins.
v. Car Top Sensor and Door Photo light Rays and Curtains: Clean projector lamp, photo tubes, windows, lenses and reflector targets. Check alignment and focus of light rays.
vi. Car Door and Gate Operation: Check operation of motors and brakes. Clean, lubricate and adjust linkages, gears, chains, retiring cams and fastenings, tracks and sheaves, contacts, set screws and check wiring.
vii. Door Closure: Clean, adjust and lubricate pivot points, sill trips and check devices.
viii. Motor: Check brushes (if unit is configured with brushes), connections and bearings. Check motor for overheating and excessive noise.
ix. Car Operating and Signal Devices: Check operation of car operating panels, position indicators, lobby panels, lanterns and hall stations. Check emergency stop and alarm bell. Replace light bulbs, broken push buttons and faulty switches and restore all devices to safe, reliable operating conditions.
x. Interlocks and Gate Switches: Inspect contacts for pits and oxidation. Check linkages for loose nuts and pins. Check for worn rollers. Lubricate and wipe dry all pivot surfaces. Shaft Doors and Car Doors: Inspect saddles for obstructions and remove if present. Inspect door guides for wear. Replace door guides if worn. Inspect hanger rollers for oil leaks, lubrication and wear. Keep felt oilers saturated. Clean tracks.
xi. Leveling: Clean, adjust and lubricate leveling switches and leveling operation, hoistway vanes, magnets, inductor and floating tapes. Adjust leveling valve as required to maintain normal operations.
xii. Railing: Fill rail lubricator cup.

xiii. Miscellaneous: Observe and verify operation of signal and dispatching system. Test manual and emergency control. Clean and lubricate automatic slow-down and stopping switch. Clean car tops, pit, machine room floor and equipment as conditions warrant. Materials not required for the operation of the elevators shall not be stored at these locations.

c. Quarterly Maintenance

Quarterly maintenance shall include the requirements of the monthly maintenance in addition to the following:

i. Guide Shoes: Inspect for wear, broken rollers and adjust for proper clearance. Replace worn glides and rollers. Lubricate guide shoe stems.
ii. Rail Lubricator: Check and fill guide rail lubricators.
iii. Car Doors: Check glides, guides, upthrust, shaft bearings, alignment and operation of cams. Check, clean and lubricate setscrews and contacts. Disassemble and clean door (gate) contacts. Check that clearances between cam door interlock rollers are correct.
iv. Car Door Operator: Replace worn brushes. Inspect and clean commutator. Adjust belts and chains. Clean and adjust gate switch and limit switch contacts. Inspect and adjust drive blocks and drive vanes.
v. Hoistway Doors: Inspect, clean, lubricate and adjust car and hoistway door rollers, hangers, thrust rollers, idler sheaves and relating cables, tracks and up-thrust.
vi. Miscellaneous: Clean and lubricate car fan and blower. Clean, lubricate and adjust overload mechanism. Clean all motors and pump. Adjust hydraulic valve as required.

d. Semi-annual Maintenance

Semi-Annual maintenance shall include the requirements of the monthly maintenance and the quarterly maintenance in addition to the following:

i. Controller: Check all resistance tubes, grids and connections. Lubricate contact armature shafts. Check alignment of switches, relay timers and hinge pins. Check all condensers, fuses and fuse holders and all controller connections. Check solid state trickle charger. Remove and clean fuses and fuse holders. Check controller voltages.
ii. Car Limit Switches: Inspect contacts for pits and oxidation. Clean contact surfaces. Lubricate all pivot and roller pins with drop of oil.
iii. Car Operating Station: Check, clean and adjust contacts and switches.
iv. Mechanical Leveling Switches: Inspect for loose fastenings, rubber tires and levers. Clean and adjust contacts.
v. Door Interlocks: Clean and inspect door locks, hooks, rollers, levers and door closures. Complete mechanical and electrical adjustments at all openings.
vi. Miscellaneous: Check operation of load weighing devices.

e. Annual Maintenance

Annual maintenance shall include the requirements of the monthly maintenance, the quarterly maintenance and the semi-annual maintenance in addition to the following:

i. Rails: Inspect for loose bolts, nicks and burrs. Inspect joints for smoothness. Fill rail lubricator cup.

ii. Car Frames: Inspect stiles, planks and crosshead members for cracks, bends, rust and loose bolts.
iii. Controllers: Check overload relays, settings and operations of overload (manual or automatic).
iv. Hoistway: Check elevator shaft for settling and cracks in the building structure.
v. Traveling Cables: Inspect all traveling cables for wear, breaks and scuff spots. Be sure that loop of cables does not strike pit floor or other obstruction. Check fastenings of traveling cables to see they are hanging properly.
vi. Miscellaneous: The system dispatching, scheduling and emergency service features shall be tested and adjusted in accordance with manufacturer's specifications. Clean exterior of the machinery.

Traction Elevators

a. Each visit:

i. Ride each Elevator and observe performance, leveling, floor stops, door opening and closing operation and noise.
ii. Test safety edges, photo eyes, detectors, door open buttons, and alarm bell.
iii. Check for proper car and hall button operation and all indicator illuminations and lantern operations.

b. Monthly:

i. Clean and inspect machine, controller, selector, motor, motor generator/SCR and governor.
ii. Clean and inspect car top, operating switches, door operator and controls, car door hangers, gibs, detectors and/or photo eyes and safety edges. Lubricate and adjust door operator and door accessory equipment.
iii. Clean and inspect hoistway door hangers, interlocks, linkage, pick up assembly, door gibs, sight guards and hoistway switches.
iv. Clean and inspect governor tension sheave, car and counterweight buffers, compensating sheave assembly.
v. Check hoist motor and motor generator commutators and brushes. Replace or reset as required.
vi. Check for leaks and oil level in machine.

c. Quarterly:

i. Inspect rope shackles, car and counterweight guides, TM and Slow Down switches, adjust and lubricate as required, check emergency light.
ii. Check and adjust brake. Inspect and lubricate pivot pins.
iii. Clean and adjust controller and selector components including contacts, relays and timers. Check transformers and rectifiers. Vacuum or brush all controller and selector parts.
iv. Check battery life of emergency battery back-up units.
v. Check out complete safety circuit.
vi. Check selector cables and/or tapes. Lubricate selector drive worm. Inspect selector drive.
vii. Clean, inspect and lubricate governor linkage.
viii. Inspect, rotate and equalize hoist and compensating cables. Inspect cable shackles and fastenings.

ix. Check adjustment of roller/slide car and counterweight guides. Check bearings, liners and fastenings.
x. Inspect TM, slowdown, leveling and/or limit switches.
xi. Clean and inspect all car and hoistway door contacts and interlocks.
xii. Check door-closing force. Check car and hoistway hangar rollers and adjust up thrusts.
xiii. Inspect door operator bearings and cams.
xiv. Clean and inspect governor tail sheave, compensating sheaves, compensation ropes and hitches and/or compensating chains, guides and hitches.
xv. Clean and inspect car and counterweight buffers. Check buffer oil level and operation.

d. Semi Annual:

i. Check control and main line fuses, voltage readings, motor and motor generator wire connections, overloads, armature clearance and brake cores.
ii. Check motor overload devices, resistor and resistance connections.
iii. Check car safety mechanism and governor rope hitch.

e.

Annual:

iv. Drop brake shoes, clean, lubricate and adjust. Flush and replace worm gear oil.
v. Check all controller and selector terminals. Check and clean all fuse holders.
vi. Check car frame, overhead, car and counterweight sheaves, sills and pit.
vii. Check operation of sump pump equipment and lubricate.
viii. Annual lubrication of motor, motor generator and machine bearings, deflector, compound and compensating sheaves and governor tension sheave bearings. Check all fastenings.
ix. Annual car safety test. Clean, inspect and lubricate governor and safety mechanisms. Check buffer oil level.
x. Adjust motor control and perform logic systems operation check.
xi. Clean hoistway and hoistway equipment including guide rails, counterweights, hoistway door hangars, interlocks, closers, headers and related devices. Check all fastenings on guide rails, brackets and entrances. Check traveling cables.

f. Five-Year:

i. Perform full load governor, safety and buffer test.

Elevator Components

Repair or replacement of elevator components and subcomponents shall include, but is not limited to, the components and subcomponents listed below:

a. Pump Unit: Including pump, valves, silencers, pulleys, belts, tanks, pipes, springs and gaskets.
b. Hoist motors, including motor windings, solid state power conversion drives, motor generators, gears/gear boxes, rotating elements, including commutators, brushes, brush holders and bearings and all other related components and parts.
c. Motor windings shall be treated as needed with proper insulating compound which has been approved by the motor manufacturer.

d. Governors, governor sheave and shaft assemblies, bearings, contacts, governor jaws, car and counterweight safety mechanism, car and counterweight sheave assemblies, deflectors, 2:1 or secondary sheaves including bearings, car and counterweight buffers, car and counterweight guide rails (excluding replacement), top and bottom limit switches, governor tension sheave assembly, compensating sheave assembly, counterweight guide shoes, rollers and liners, inductors, cams and tapes and all other related components and parts.
e. Jack Units: Including plunger, guide bearings, packing and packing gland, gaskets, couplings, cylinder and cylinder head and pipes.
f. Valves: Including, but not limited to: relief valves, pilot, lowering valves, leveling valves, check valves, or any of the parts thereof, underground wiring, cylinder and cylinder head that are not accessible for normal maintenance or testing will be excluded.
g. Group, motion and operation controllers, microprocessors, encoders, transducers, selectors and dispatching equipment, including all relays, solid-state components, resistors, capacitors, transformers, contacts, leads, timing devices, computer devices, steel tape (or cable) and mechanical and electrical driving equipment and all other related components and parts.
h. Solid state power conversion drives, rotating elements, including and all other related components and parts.
i. Starters: Including electrical and mechanical assemblies and components, contacts, relays, resistors, leads, wires, transformers, solid state boards and components.
j. Car Door Operator: Including power door operator, clutches, cams, rollers, linkages, switches, pulleys, bearings, supports, brackets, control assemblies, resistors, terminal box, d-c motors, gear conductors, sprockets, chains, rods, bushings and contacts.
k. Door Protective Devices: Including retractable safety edge assemblies, proximity edge assemblies, photo light ray assemblies, key switches, cables, rods, linkages, transistors, switch assemblies and springs.
l. Car: Including car door hangers and rollers, car door contacts, load weighing equipment, car guide shoes, sills, subflooring, fan, emergency light assemblies, alarm bell system, car door assemblies, car steadier, car top inspection station control assemblies, and car position sensor assembly.
m. Hoistway: Including buffer assemblies guide rails and brackets, fish plate, limit switches, traveling cables, hoistway and machine room wiring, hoistway door interlocks, hoistway door hangers, glides, rollers, auxiliary closer, position transducers, vanes, magnetic witches, cams, stopping switches, floating tape and tape reader and pit emergency switch. Premature replacement of elevator ropes and escalator chain caused by conditions such as misalignment, incorrect or inadequate maintenance by the Elevator Contractor shall be included in monthly service cost, replacement caused solely by normal wear and tear may be excluded.
n. Hoist and governor ropes, including tension equalization.
o. Hoist belts and belt monitoring devices. Belt monitoring shall be required regardless of jurisdiction requirement.
p. Fixtures: Including hall button station, main and auxiliary car operating panel, car and hall position indicator panels, hall lanterns, car direction indicator, all signal fixtures and components, contacts, buttons, key switches and locks, lamps sockets and housing.
q. Accessory Equipment: is any equipment or parts that are currently in place and are used for the operation of the elevator before commencement of this Contract.

r. Lubricants: Furnish lubricants selected to give the best performance, compounded to specifications and recommendations of the manufacturer.
s. Hydraulic Fluids: Furnish and maintain hydraulic fluid at proper operating level.
t. Battery or auxiliary lowering devices and batteries.
u. Seismic sensors, triggers, derailment devices and collision switches.
v. All operating features and functions, including firefighters service, emergency power operation, Independent Service, and other special operations including the operating switches for those features and functions.

8. ESCALATOR MAINTENANCE SCHEDULE

Work will generally be scheduled for a maximum of 8 hours per day for services sometime between 7:00 AM to 5:00 PM Monday to Friday. Occasionally Fairgrounds event schedules may require work to be performed on Saturday, Sunday, holidays and/or working after 6:00 PM or before 6:00 AM. Every attempt will be made to schedule work during normal business hours and to avoid requirements for emergency calls. A minimum of one (1) team day per month will be scheduled for escalator maintenance consisting of two (2) or more technicians to assist one another. The Maintenance plans shall meet or exceed all manufacturers' recommendations and all local, state, and federal regulatory standards.

1. Preventive Maintenance

a. Contractor shall regularly and systematically examine, clean lubricate and adjust all escalator equipment and repair or replace all parts as required to provide smooth, quiet, safe and proper operation.
b. All preventive maintenance and adjustments shall meet the minimum original installation performance specifications.
c. Contractor shall submit a copy of its recommended preventive maintenance schedule and copies of all forms used by the Contractor in performing and tracking preventive maintenance work.
d. Contractor shall maintain a current preventive maintenance schedule in the District's Operations Office during the term of this Contract.
e. Contractor shall perform all tests required by any applicable code and deliver written test results to the District's Project Manager within fifteen (15) calendar days after the completion of tests.
f. Callback Rate: The Contractor shall maintain a callback rate of less than five percent (5%) of total service calls. A callback is defined as a return service visit to correct incomplete or ineffective work performed during a previous visit.
g. Contractor shall accomplish all routine inspection, service, cleaning and adjustment requirements for each escalator.
h. Contractor shall repair or replace escalator parts and equipment as required to meet the requirements of this Contract and to ensure that performance specifications are met.
i. Contractor shall accomplish necessary repairs and adjustments, including replacing parts, as required to correct all escalator malfunctions that occur during the term of this Contract. The District Project Managers or designee shall notify Contractor of all escalator malfunctions.

2. Schedule of Maintenance

At a minimum, the escalator maintenance schedule shall include, but not be limited to, the maintenance schedule listed below:

a. Monthly Maintenance

i. Oil drip pans: Check for leaks and empty drip pan. Ensure that drip pans catch all drips.
ii. Motor belts: Check motor belt tension and adjust or replace belts when necessary.
iii. Controllers and Starters: Observe operation of controllers and starters. Inspect wiring and alignment. Check contacts for excessive burr. Replace worn contacts and shunts. Check all relays for freedom of movement. Inspect for dust and loose connections.
iv. Motor: Check brushes, connections and bearings. Feel motor for overheating. Check for excessive noise.
v. Signal Devices: Check emergency stop and alarm bell.

b. Annual Maintenance

Annual maintenance shall include the requirements of the monthly maintenance in addition to the following:

i. Gear: Clean and fill ring gear oil bucket with Montgomery gear oil "D", or equivalent. Check for gear shavings. If shavings are found, repair or replace gears as required.
ii. Safety Switches: Clean and check operation and tension of lower reversing station. Check chain tension springs, adjust tension and setting of all safety switches if required.
iii. Chain: Clean and lubricate handrail drive chains with machine oil "C", or equivalent. Check and adjust chain tension if required.
iv. Handrail: Check handrail drive for slippage. Clean and wax handrail guide surface, as required.
v. Step Chain: Clean and adjust step chain novatex boards.
vi. Band Tracks: Clean dirt deposits from step band tracks. Tighten any loose fittings.
vii. Controller: Check operation of controller. Clean and adjust as required.
viii. Bearings: Lubricate main drive shaft bearings, bull gear bearings, upper handrail sheave bearings, lower handrail sheave bearings, lower step chain idler sprockets, and intermediate shaft bearing son units where present with bearing grease "B" or equivalent.
ix. Motor: Clean and lubricate motor with bearing grease "B" or equivalent.
x. Miscellaneous: Check stopping distance of empty unit. Clean and adjust brake. Lubricate all step flanges. Clean oil drip pans, the full length of the escalator.

c. Escalator Components

Repair or replacement of escalator components and subcomponents shall include, but not limited to, the components and subcomponents listed below:

i. Worm gear
ii. Motor: motor windings, rotating elements and bearings
iii. Breaks: escalator brake, brake pulley, coil linings and component parts

iv. Bearings: trust, main upper drive, tension sprocket and lower newel
v. Comb Plates: comb segment sections
vi. Landing Plates
vii. Step and Chain Wheels
viii. Primary and Secondary chains
ix. Handrails
x. Sprockets
xi. Lubricants: lubricants and grease fittings (Zerks)
xii. Steps: frames, treads and step axle bushings
xiii. Controller: and associate parts
xiv. Electrical devices: Contacts, resistors, transformers, leads, mechanical and electrical drives, safety and operating switches, protective devices and alarm systems.

9. HOUSEKEEPING

a. Contractor shall maintain the machine rooms, hoistways, pits, and car tops in clean and dry condition.
b. For elevators equipped with a sump pump in the pit, Contractor shall check that unit is operational on an annual basis. If found non-operational, Contractor shall inform Owner and provide standby assistance for Others to repair the unit, to be offered as a separate proposal from the Base Contract. Contractor shall provide 25% off standard contract labor rates.
c. Contractor shall paint the Equipment as needed to maintain a professional appearance, prevent rusting, and preserve the Equipment. Machine room and pit floors shall be painted and kept clean.
d. Within the first three (3) months this Agreement is in effect, the Contractor shall thoroughly clean all hoistways, pits, car tops, controller interiors including filters and machine rooms. Paint machine room and pit floors. In addition, during the same period of time, all car and hoistway door tracks, hangers, interlocks and closers shall be cleaned, lubricated and adjusted.

Continuing cleaning must be ongoing and at the following minimum intervals or sooner where conditions warrant.

1. Elevators:

i. Quarterly: Car Tops, Pits and Machine Rooms.
ii. Semi-Annually: Door Equipment, Car & Hoistway Sills.
iii. Annually: Hoistway Clean down (offered as a separate proposal from Base Contract. Contractor to provide 25% off standard contract labor rates).

2. Escalators:

i. Quarterly: Pits and machine rooms.
ii. Annually: Escalator Clean down and Step Cleaning, including complete servicing of internal escalator components and safety devices.
iii. The exterior of the machinery and any other parts of the Equipment subject to rust shall always be properly painted and presentable. The motor windings

and controller coils are to be periodically treated with proper insulating compound. Contractor shall keep the machinery rooms clean.

iv. The contractor shall promptly remove all debris such as wiping rags, empty oil cans, trash from pits, etc., resulting from this work.

10. MAINTENANCE AUDIT

Periodically, the District may request a 3rd party independent Consultant to review maintenance performance at the property. Contractor must acknowledge and actively be in process of curing any maintenance deficiencies within 30 days of receipt of Consultant report, and all items to complete within 60 days. Failure to take corrective action as outlined may be considered breach of contract and cause for cancellation.

11. PERSONNEL-SKILL CLASSIFICATIONS

a. Contractor shall assign a specific technician to the Fairgrounds to ensure continuity and full understanding of the Fairground's Equipment, as well as level of services expected. For Out-of-Scope and Emergency work, Contractor shall use qualified Technicians (sometimes called Service Mechanics). For Out-of-Scope and Emergency repair jobs, Contractor will prepare work tickets showing labor hours summarized for each of the two categories. The labor classifications are defined as follows:

b. Technician (Service Mechanics). This level of Contractor personnel will be primarily responsible for conducting monthly, quarterly, semi-annual and annual inspections, documenting condition of equipment, and writing field reports of findings. Additionally, when Contractor provides Technician's Assistant personnel to assist in making inspections or effecting repairs, the Technician (Service Mechanics) will supervise all Technician's Assistant personnel provided by Contractor.

c. Technician's Assistant. This level of Contractor personnel will be used for making simple repairs (simple being defined as routine, minor corrective repairs that can reasonably be performed by this classification) and if working without a technician.

At least one Technician (Service Mechanics) is required to perform complex operations requiring more than one technician.

d. Minimum Experience:

Lead Service Mechanic

Minimum qualifications:

· Five (5) years of commercial elevator maintenance experience.

· Demonstrated experience with equipment of similar complexity.

· Current California-required certifications and licensing.

· Manufacturer training applicable to the District's equipment.

Service Mechanics

Minimum qualifications:

· Three (3) years of commercial elevator maintenance experience.

· Training on applicable equipment.

· Ability to independently perform preventive maintenance and repairs.

Apprentices

· Apprentices may assist with maintenance activities only under the direct supervision of a qualified mechanic.

· Apprentices shall not independently perform inspections, testing, or repairs requiring certification.

12. PERFORMANCE GUARANTEES

a. Contractor shall maintain an adequate stock of replacement parts to ensure prompt repair of any malfunction of the Equipment and return to service. If any Elevator or Escalator is out of service for longer than two (2) consecutive workdays for a non-scheduled repair or a need to order parts that should already be stocked onsite or locally per **Section 3, Products and Parts**, the monthly maintenance cost of that unit will be credited to the next billing. A scheduled repair consists of repairs required as part of routine preventative maintenance such as replacing hoist ropes, cylinder head packing and so forth, but not a repair that is caused by the lack of preventative maintenance or inadequate stock of parts. All repairs shall be pre-scheduled in writing.

b. If three (3) or more callbacks on the same unit for the same problem are experienced during thirty (30) consecutive days, the monthly maintenance cost of that unit will be credited to the next billing.

c. If unit is out of service for more than three (3) consecutive days, the monthly maintenance cost of that unit will be credited to the next billing unless the service failure is the result of major component failure (i.e., hydraulic cylinder, machine armature).

d. Should Contractor fail to respond within stipulated times, the District shall have the right to require Contractor to pay One Hundred Fifty Dollars ($150.00) for each 30-minute increment after an initial 30-minute grace period, that the technician is late, for each occurrence, or District, at its discretion, may deduct the amount from any sum owed or to be owed to Contractor.

13. PERFORMANCE BOND

Contractor shall furnish a Performance Bond in an amount equal to one hundred percent (100%) of the total contract price for elevator and escalator maintenance under this Agreement. The Performance Bond shall guarantee Contractor’s full and faithful performance of all obligations, including timely delivery, maintenance, replacement of equipment as needed, and compliance with all contract terms and specifications.

The Performance Bond shall be issued by a surety company admitted and authorized to conduct business in the State of California and acceptable to the District. The bond shall remain in full force and effect for the duration of the Agreement and any applicable rental, service, or warranty periods.

No work shall commence until the required Performance Bond has been received and approved by the District. The District reserves the right to withhold payments or terminate the Agreement in the event Contractor fails to maintain an active and valid Performance Bond.

October 23, 2026

The Honorable, Tracy Martinez, Mayor, and members of the City Council,

City of Del Mar,

1050 Camino Del Mar, CA 92014

Dear Mayor Martinez and Council members,

The 22nd District Agricultural Association (DAA) Board of Directors respectfully invites Mayor Martinez and members of the City Council to attend its November 10, 2026, Board meeting. The Board would welcome the opportunity to better understand the City Council's actions at its August 3, 2026, special meeting, when it referred a letter to the San Diego County District Attorney's Office and the United States Attorney's Office for the Southern District of California concerning allegations involving California Attorney General Rob Bonta and District Board member Mark Arabo.

The Board is particularly interested in understanding the timing of the referral in relation to its consideration of whether to continue or terminate the exclusive negotiating agreement with the City of Del Mar regarding affordable housing. The Board would also appreciate your perspective on concerns that the referral may have affected, or may have been perceived as affecting, Board members' independent decision-making, particularly that of Director Arabo.

At the October 13 meeting of the 22nd DAA Board, members discussed concerns about how actions of this nature may be perceived when a public board is considering controversial matters, including their potential effect on future deliberations and decisions.

The 22nd DAA Board of Directors remains concerned about the impact the referral and the allegations contained in the underlying letter have had on Director Arabo and his family. As such the Board respectfully asks the City of Del Mar to apologize to Director Arabo and the DAA Board at the November 10th meeting. Additionally, the Board requests that the City of Del Mar formally withdraw its referral in writing to both the San Diego County District Attorney's office and the United States Attorney's office for the Southern District of California and Publicly retrack the referral. The Board further requests the City issue a

corrective press release to the media outlets that covered the original allegations. These steps could help address the concerns raised and support a constructive path forward.

Finally, your October 15 letter that challenges the Public Integrity Unit's determination undermines the mutual trust necessary for a constructive relationship between the City of Del Mar and the 22nd DAA. The San Diego County District Attorney's Office concluded that there was insufficient evidence that Director Arabo or Attorney General Rob Bonta had committed a criminal offense.

Accordingly, the Board respectfully invites you and members of the City Council to attend the November 10, 2026, meeting of the 22nd DAA Board of Directors to discuss these concerns and explain the basis and timing of the referral. Your participation would provide important context and help clarify whether the referral of the letter could have been perceived as affecting the Board's independent decision-making.

Sincerely,

Rebecca Bartling
Chief Executive Officer
22nd District Agricultural Association

cc:
Sam Nejabat, Chair, 22ND District Agricultural Association
Board of Directors, 22nd District Agricultural Association

Contracted Events – October 2026

EVENT DATE(S)		EVENT NAME	RENTAL FEE	PARKING	F&B*	OTHER	TOTAL
9/14/26	10/31/26	Pinery Pumpkin Patch	$34,880			$8,170	$43,050.00
10/1/26	10/2/26	Boots & Brew	$0	$18,124	$88,997	$8,120	$115,241.00
10/1/26	10/1/26	The Phil Collins Story - The Sound	$8,437	$3,988	$7,100	$1,400	$20,925.39
10/2/26	10/4/26	Great American Train Show	$9,940	$21,020	$368	$3,079	$34,407.12
10/2/26	10/4/26	Legends Private Event - Cohera					$206,501.31
10/3/26	10/3/26	Sammy Rae & The Friends - The Sound	$8,437	$6,560		$2,318	$17,314.50
10/4/26	10/4/26	Michelle Branch - The Sound	$8,437	$14,632		$4,780	$27,849.00
10/8/26	10/12/26	Surf Board Expo	$9,940	$35,024	$6,245	$5,185	$56,394.68
10/9/26	10/11/26	Jiu Jitsu Tournament	$11,160	$65,204	$10,633	$8,404	$95,401.26
10/9/26	10/10/26	Legends Private Event - Del Norte High School					$48,490.00
10/9/26	10/11/26	SD Card Show	$8,980	$33,180	$4,813	$890	$47,862.51
10/11/26	10/11/26	Mastodon - The Sound	$8,437	$12,280	$27,864	$3,588	$52,168.00
10/14/26	10/18/26	Gem Faire	$13,470	$42,928	$0	$7,989	$64,387.45
10/14/26	10/19/26	Home Show	$10,680	$28,132	$3,637	$5,361	$47,810.25
10/14/26	10/14/26	LP - The Sound	$8,437	$6,008	$11,996	$2,498	$28,938.50
10/15/26	10/18/26	Harry Potter Drone Show	$17,460	$28,132	$18,523	$3,773	$67,887.25
10/16/26	10/16/26	Shakey Graves - The Sound	$8,437	$6,808	$21,811	$2,805	$39,861.00
10/17/26	10/17/26	Boy Harsher - The Sound	$8,437	$13,752	$35,387	$4,825	$62,400.50
10/18/26	10/18/26	Kylie Cantrall - The Sound	$8,437	$4,412	$5,565	$2,440	$20,853.50
10/22/26	10/23/26	Legends Private Event - La Jolla Institute of Immunology					$107,877.84
10/24/26	10/24/26	Switchfoot - The Sound	$8,437	$10,112	$15,492	$3,458	$37,498.50
10/27/26	10/28/26	Legends Private Event - Safety University					$101,318.00
10/27/26	10/27/26	Todd Rundgren - The Sound	$8,437	$4,968	$9,158	$1,583	$24,145.00
10/30/26	10/31/26	Legends Private Event - STJ Events					~ $62,160.28

* Gross to District

Contracted Events – October & November 2026

EVENT DATE(S)		EVENT NAME
NOVEMBER 2026		
11/4/26	11/4/26	Lyle Lovett – The Sound
11/6/26	11/29/26	Del Mar Thoroughbred Club Fall Race Meet
11/6/26	11/6/26	The Billy Joel Legacy – The Sound
11/8/26	11/8/26	The Psychedelic Furs – The Sound
11/10/26	11/13/26	San Diego 3-Day Walk
11/12/26	12/12/26	Pinery Wholesale Christmas Tree Distribution
11/13/26	12/17/26	Purdy Christmas Tree Sale
11/14/26	11/14/26	DJ Meredith Marks – The Sound
11/18/26	11/23/26	Snow Jam
11/21/26	11/21/26	Houndmouth – The Sound
11/22/26	11/22/26	Clara La San – The Sound
DECEMBER 2026		
12/1/26	1/1/27	Coastal Christmas
12/4/26	12/5/26	Jiu Jitsu World League
12/4/26	12/5/26	Legends Private Event (hold)
12/8/26	12/8/26	Young the Giant – The Sound
12/11/26	12/12/26	The String Cheese Incident – The Sound
12/19/26	12/19/26	Nimino – The Sound
12/29/26	3/30/27	Cirque du Soleil
12/31/26	12/31/26	Tribal Seeds – The Sound

Item 5: CEO Report – El Niño Preparations

[Informational Item]

In Brief:

- Staff of the 22nd District Agricultural Association (District) have been closely monitoring forecasts and predictions for the upcoming El Niño this rainy season.
- District staff have been meeting with multiple local agencies and entities to ensure that the Del Mar Fairgrounds are adequately prepared for potential flooding from either increased rainfall, extreme high tides, tidal surges and any combination of the three.

Background:

Since 2021, the District has worked cooperatively with local agencies and entities to ensure that the Del Mar Fairgrounds are prepared for the predicted El Niño rainy season. Predictions indicate that this may be the strongest El Niño yet seen. Higher than normal tides combined with increased rainfall and extreme tidal surges from storms off the coast have the potential to result in flooding at the Fairgrounds.

The following actions have been taken by District staff to help ensure that the Del Mar Fairgrounds are as prepared as possible for El Niño.

Coordination meetings:

- San Elijo Joint Powers Authority, regarding the District's storm water system
- City of Del Mar, regarding the District's sewer system and sewer pump station
- Fire Chief of Del Mar/Solana Beach and San Diego Sheriff's Department to discuss emergency evacuation plans for those entities, District preparedness, and any District needs those entities could assist with.
- Wave/storm surge meeting led by the Fire Chief of Del Mar/Solana Beach (also including San Diego County Coastal Cities, NOAA, California Department of Conservation, USC) to address potential tools available to predict wave heights with predicted tides, storm surges and storm conditions. Designed to educate on appropriate berm height at beaches to prevent flooding beyond the beach.

Facility-wide grounds prep:

- Confirm Stevens Creek is clear of sediment
- Clear debris and jet storm drain inlets/lines to ensure proper flow
- Prep known flood prone areas for sandbag deployment and prep for removal of important items

- Remove and repair faulty pumps
- Re-roofed the telecom hub
- Patching and roofing storage containers
- Made repairs and coated the Sound deck
- Added flapper (one-way) valves to discharge points
- Cleaned rain gutters and down spouts
- Cleaning and organizing recycle yard
- Cleared storage items from the Grandstand roof
- Cleaned debris from the Grandstand roof
- A pallet of sandbags
    - Three-inch, five-inch and eighteen-inch sandless sandbags
    - Sandless regular bags
- Pond Foam for sealing doors
- Caps for RV and Fair sewer inlets

Next Steps and Further Considerations:

District staff will continue to monitor weather conditions for potential flood events and prepare the facility as needed. Staff will coordinate with partners hosting events on grounds to ensure that potential flooding impacts are minimized and patron safety is accounted for.

Item 6-B-1: Delegation of Authority for Contract Approval

[Action Item]

Background

Per the Delegation of Authority for contract approval, check signing, and credit card use policy approved by the District Board of Directors in June 2026, the District CEO has delegated authority to execute expense agreements without further authorization from the Board of Directors consistent with Policy 4.03 Contract and Procurement, including Interagency Agreements, Standard Agreements up to $50,000, and Entertainment Agreements up to $500,000, as long as these Agreements do not exceed a one-year term.

The Board is not planning to meet in the month of December. Though every effort has been made to present contracts that may exceed the CEO's authority to the Board for approval as of the November Board meeting, a plan should be in place to minimize business interruptions should a service need arise with a cost greater than the CEO's delegated approval authority. For the sake of efficiency, the Board has traditionally delegated authority to the Board Chair to approve such expenditures during the interim before the next scheduled and noticed Board meeting.

Under Section 3965 of the Food & Agricultural Code, the Board has the authority to delegate "to its officers or employees any of the powers that are vested in the board" to "manage the affairs" of 22nd DAA. Section 3965.1 of the Food & Agricultural Code provides, in part, that the Board "may arrange for and conduct, or cause to be conducted, or by contract permit to be conducted, any activity by any individual, institution, corporation, or association upon its property at a time as it may be deemed advisable." When read together, these sections authorize the Board to delegate to 22nd DAA officers or employees the authority to enter into contracts on behalf of 22nd DAA.

Staff Recommendation

Delegate authority to the Board Chair to approve contracts that exceed the CEO's delegated authority beginning November 10, 2026, and extending to the next regularly scheduled and noticed Board meeting. Any contract approved under this delegation will comply with California law and be brought back to the Board for review at the next regularly scheduled and noticed District Board meeting, planned for January 12, 2027.

Item 6-B-2: 2027 Board of Directors Meeting Schedule

[Action Item]

- Meetings are typically held on the second Tuesday of the month at 9:30 a.m.
- Meeting dates and times are subject to change.
- June, July, and December meetings are held only if necessary

BOARD MEETING DATE	MEETING NOTICE & AGENDA POST DATE
January 12	December 31
February 9	January 29
March 9	February 26
April 13	April 2
May 18*	May 7
June – no meeting	
July – no meeting	
August 10	July 30
September 14	September 3
October 12	October 1
November 9	October 29
December – no meeting	

** May meeting will be held later in the month to take place closer to the Fair*

SUBJECT TO BOARD APPROVAL

Item 6-D-1: Finance Committee Report

[Information Item]

Background:

The Finance Committee ("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 August 2026. Figures are subject to final close adjustments.

- The Balance Sheet includes the consolidated activity of 22nd DAA, State Race Track Leasing Commission (SRTLC), and Del Mar Race Track Authority (RTA).
- The Income Statement reflects only 22nd DAA operations and programs.

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 in reporting (for example, March is reported to the Board in May). Comparative data for fiscal years 2025 and 2024 are included to provide historical context.

About the Financial Statements

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 are 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.

Executive Summary

The 22nd DAA's overall financial position through September 2026 is favorable relative to the approved budget. Monthly operations outperformed expectations by $1.1M, driven by expense savings in payroll, facility related expenses, and supplies. Total cash balances through September also exceed levels from the same period in 2025 and 2024 by about $10M.

Monthly Performance (September 2026)

In September, total revenues exceeded the budget by 21% ($627K), primarily driven by Food & Beverage, parking and interest revenues. Also, operating expenses were lower than budget by about 9% ($370K). This positive variance was driven by cost reductions in payroll and facilities expenses.

Category	Status	Variance	Notes
Total Revenues		+22% / +627K	Mainly higher Food & Beverage and parking revenues.
Operating Expenses Savings		-9% / -$369K	Payroll and Facility expenses were most of savings.

Year-to-Date Performance (Jan–Sep 2026)

For the year ending in September, total operating revenues fell short of the forecast by $5.8M (8%) due to macroeconomic headwinds resulting in lower attendance during the fair, but $1.9M in unbudgeted non-operating revenues helped offset the gap.

Additionally, $4.2M (6%) in operating cost savings directly helped the final net results. For FY 2026, the combination of unplanned revenues of $1.9M and cost savings of $4M helped drive favorable net results, exceeding the budgeted net results by approximately $1.5M.

Unbudgeted $1.9M revenues were from SANDAG and the City of Del Mar. In March, the District received an unbudgeted $274K HPA Grant Reimbursement from the City of Del Mar. These funds, per the current MOU, reimburse the District for feasibility studies regarding affordable housing development on its property. In June, the District received an unbudgeted $1.65M payment from SANDAG as compensation for real estate transactions including a quitclaim, temporary and permanent easements associated with the San Dieguito Double Track, Bridge Replacement and Rail Platform Project.

Category	Status	Variance	Notes
Total Revenues	🔴	-3% / -$2.5M	Lower Admissions, Midway and Concessions, offset by unbudgeted payments from City of Del Mar and SANDAG.
Operating Expenses	🟢	-6% / -$4.2M	Expense savings across multiple areas.
Admissions Revenue	🔴	-25% / -$3.7M	Macro-economic factors resulted in lower attendance.
Concessions Revenue	🔴	-4% / -$1.8M	Macro-economic factors resulted in lower attendance.
Parking Revenue	🟢	-1% / -$80K	Parking revenues did not have as much reduction in revenues as compared to other categories.
Facility Rental Revenues	🔴	-3% / -$181K	Lower results from premium space sponsors.
Sponsorship Revenue	🟢	+34% / +$726K	Better than expected revenues
Payroll & Related	🟢	-7% / -$1.1M	FTE Vacancies, and lower professional development costs.
Professional Services	🟢	-3% / -$730K	Lower F&B costs.
Program Expenses	🟢	-8% / -$1.4M	Lower Midway operator cast due to lower Midway revenues.
Other Operating Expenses	🟢	-$21% / -$535K	Lower credit card fees and guest activity ticket processing fees.

Debt Obligations

The District has the following debt payment obligations for the next 12 months:

Description	Balance	Total Annual Payments	Principal Payment	Annual Interest Payment	Retirement Date
WQI Loan	$5,749,058	$638,591	$448,871	$189,720	2037
The Sound	$12,638,516	$878,096	$387,362	$490,734	2048
EE Loan*	$3,088,783	$258,268	$181,048	$77,219	2040
SB84 Debt	$3,437,740	$851,000	$851,000	$0	2030
RTA Bonds	$29,025,000	$3,152,000	$1,745,000	$1,407,000	2038
Total	$53,939,097	$5,777,955	$3,613,281	$2,164,673	

*Energy Efficiency

Key Definitions

- Restricted Cash (RTA): Funds held in trust to cover Race Track Authority bond obligations.
- Deferred Revenue: Advance payments for future events, recognized in the event month.
- Accrued Employee Leave: Current value of accrued leave owed upon separation.

Legend

- Favorable financial impact (better than budget)
- Neutral financial impact / on target
- Unfavorable financial impact (worse than budget)

22nd DAA
Consolidated Balance Sheet (DAA, RTA, RTLC)
As of September 30, 2026

	2026	2025	2024
Assets			
1 Cash	$ 36,900,433	$ 38,381,986	$ 38,218,843
Reserves - BOD as DAA Reserved Funds	11,250,000	-	-
Reserves - Surf & Truf Utility	199,706	15,362	-
Restricted Cash - JLA	177,045	135,630	79,224
2 Restricted Cash - F&B Equipment Fund	25,009	29,598	51,157
3 Restricted Cash - RTA	9,149,783	10,284,428	11,568,084
Total Cash and Cash Equivalents	**57,701,976**	**48,847,003**	**49,917,307**
Accounts Receivable	1,315,759	1,324,157	2,982,452
Prepaid Expenses	989,823	836,361	711,057
4 Deferred Outflows Pension	7,899,241	7,899,241	7,035,722
Total Current Assets	**10,204,823**	**10,059,759**	**10,729,231**
Land and Land Improvements	46,612,707	46,612,707	46,998,212
Building and Improvements	217,742,205	217,732,667	217,950,449
Equipment	41,819,751	41,313,361	39,846,362
Capital Projects in Process	2,351,653	1,987,237	3,226,563
Accumulated Depreciation	(212,664,159)	(210,143,267)	(199,504,722)
Total Capital Assets	**95,862,158**	**97,502,705**	**108,516,864**
Total Assets	**$ 163,768,957**	**$ 156,409,468**	**$ 169,163,403**
Liabilities			
Accounts Payable	7,450,219	8,640,370	7,799,115
Payroll Liabilities	1,311,760	1,318,499	1,255,650
Accrued Liabilities	1,738,238	1,630,078	1,647,883
Other Current Liabilities	262,994	722,657	617,167
6 Deferred Revenue	1,945,573	1,173,381	1,781,520
5 Current Long Term Debt	4,523,054	1,207,165	2,021,583
7 Accrued Employees Leave Liabilities	1,576,559	1,330,684	1,145,453
8 Long Term Debt	51,337,155	53,360,582	56,210,122
Reserve - F&B Equipment Fund	467,806	322,190	260,071
Reserve - JLA	82,783	60,691	43,292
4 Pension Liability	25,529,102	25,529,092	21,517,114
4 Deferred Inflows - Pension	1,753,746	1,753,746	1,717,258
Total Liabilities	**97,978,989**	**97,049,136**	**96,016,228**
Net Resources			
Contributed Capital	78,895,171	78,877,171	78,877,171
Less Contributed Capital to RTA	(34,358,470)	(34,358,470)	(34,358,470)
Net Resources - Unrestricted	17,302,794	22,863,164	11,515,553
Investment in Capital Assets	(3,891,786)	(3,891,786)	(3,891,786)
	57,947,708	63,490,079	52,142,468
Net Proceeds from Operations	7,842,259	(4,129,747)	21,004,706
Total Net Resources	**65,789,968**	**59,360,332**	**73,147,174**
Total Liabilities and Net Resources	**$ 163,768,957**	**$ 156,409,468**	**$ 169,163,403**

1- Minimum Operating Fund Balance (Policy 4.05) requirement is $19.933M.

2- Per Food & Beverage Services agreement, 1.50% of all Gross Revenues for unexpected or emergency expenses, including repair and maintenance of equipment.

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

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

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

6- Advance payments for events/activities in the future.

7- Due to employees at time of separation for paid leave balances.

8- RTA Bonds $27.3M; Ibank WQI $5.3M; Ibank Sound $12.3M; Premier $1.0M; Energy Efficiency $2.9M; CalPers SB84 $2.6M.

22nd DAA
Income Statement
For the Period Ending September 30, 2026
DAA

	September 2026			Year-to-Date			Full 2026
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
REVENUES							
Admissions Revenue	**0**	**0**	***0***	**11,156,373**	**14,882,630**	***(3,726,257)***	**14,882,630**
Admission Gates	*0*	*0*	*0*	*11,156,373*	*14,882,630*	*(3,726,257)*	*14,882,630*
Concessions Revenue	**1,850,205**	**1,537,495**	***312,710***	**42,363,243**	**44,200,332**	***(1,837,089)***	**47,404,003**
Food & Beverage Contrac	*1,846,658*	*1,533,995*	*312,663*	*19,738,724*	*19,675,176*	*63,548*	*22,860,746*
Other Food & Beverage	*0*	*0*	*0*	*4,970,449*	*5,456,855*	*(486,406)*	*5,456,855*
Midway	*0*	*0*	*0*	*17,496,643*	*18,980,100*	*(1,483,457)*	*18,980,100*
Facility Rentals Revenue	**837,220**	**829,917**	***7,303***	**7,028,152**	**7,209,930**	***(181,778)***	**9,259,914**
Commercial	*0*	*0*	*0*	*3,070,250*	*3,401,950*	*(331,700)*	*3,401,950*
Racetrack	500,000	500,000	*0*	500,000	500,000	*0*	1,467,750
Leases Revenue	**53,244**	**58,026**	***(4,782)***	**482,891**	**514,036**	***(31,145)***	**688,114**
Program Revenues	**225,084**	**166,668**	***58,416***	**7,906,371**	**7,999,756**	***(93,385)***	**8,857,303**
JLA	*0*	*0*	*0*	*61,380*	*63,000*	*(1,620)*	*63,000*
Parking	*201,290*	*130,668*	*70,622*	*7,156,330*	*7,236,616*	*(80,286)*	*8,013,563*
Participation Fees	*0*	*0*	*0*	*303,483*	*273,740*	*29,743*	*273,740*
Satellite Wagering	*23,794*	*36,000*	*(12,206)*	*385,179*	*426,400*	*(41,221)*	*507,000*
OPERATING REVENUE TOTALS	**2,965,752**	**2,592,106**	***373,646***	**68,937,031**	**74,806,684**	***(5,869,653)***	**81,091,963**
Contributions	**3,900**	**3,900**	***0***	**2,871,181**	**2,148,900**	***722,281***	**1,880,600**
Sponsorships	*3,900*	*3,900*	*0*	*2,852,196*	*2,126,100*	*726,096*	*1,407,800*
Other Non-Operating Revenue	**482,166**	**259,115**	***223,051***	**3,044,332**	**949,688**	***2,094,644***	**1,226,705**
Interest Earnings	*465,787*	*247,500*	*218,287*	*1,195,292*	*742,500*	*452,792*	*990,000*
Reimbursed Costs	**84,775**	**54,911**	***29,864***	**1,033,317**	**579,804**	***453,513***	**1,971,192**
Prior Year Revenue	**0**	**0**	***0***	**54,295**	**0**	***54,295***	**0**
NON-OPERATING REVENUE TOTALS	**570,840**	**317,926**	***252,914***	**7,003,125**	**3,678,392**	***3,324,733***	**5,078,497**
TOTAL REVENUE	**3,536,593**	**2,910,032**	***626,561***	**75,940,156**	**78,485,076**	***(2,544,920)***	**86,170,460**
EXPENSES							
Payroll & Related Expense	**945,115**	**1,256,246**	***311,131***	**14,440,207**	**15,528,852**	***1,088,645***	**19,340,798**
Professional Developmen	*5,649*	*24,600*	*18,951*	*85,606*	*220,999*	*135,393*	*286,599*
Professional Services Expense	**1,997,670**	**1,989,305**	***(8,365)***	**24,523,541**	**25,252,810**	***729,269***	**29,193,709**
Food & Beverage Expens	*1,726,742*	*1,498,365*	*(228,377)*	*15,307,383*	*15,863,615*	*556,232*	*18,871,587*
Insurance Expense	**207,678**	**200,354**	***(7,324)***	**1,842,010**	**1,641,014**	***(200,996)***	**2,222,077**
Facility & Related Expense	**375,427**	**402,569**	***27,142***	**5,981,600**	**6,012,741**	***31,140***	**7,087,323**
Equipment & Small Ware	*2,381*	*0*	*(2,381)*	*145,214*	*0*	*(145,214)*	*0*
Telephone & Internet	*8,002*	*8,899*	*897*	*74,300*	*79,846*	*5,546*	*106,918*
Repairs & Maintenance	*22,104*	*74,046*	*51,942*	*655,712*	*723,914*	*68,202*	*918,552*
Utilities	*327,304*	*310,500*	*(16,804)*	*3,280,981*	*3,094,500*	*(186,481)*	*3,910,000*
Supplies Expense	**47,107**	**61,750**	***14,643***	**1,290,750**	**1,668,236**	***377,486***	**1,791,386**
Marketing & Related Expense	**2,825**	**0**	***(2,825)***	**1,233,713**	**1,409,606**	***175,893***	**1,409,606**
Program Expenses	**14,715**	**51,097**	***36,382***	**15,811,279**	**17,221,967**	***1,410,688***	**17,326,038**
Artists & Entertainment	*0*	*0*	*0*	*5,719,897*	*5,813,500*	*93,603*	*5,813,500*
Midway Operator Expens	*0*	*0*	*0*	*9,619,878*	*10,734,011*	*1,114,133*	*10,734,011*
Other Operating Expense	**72,609**	**71,620**	***(989)***	**1,963,042**	**2,498,119**	***535,078***	**2,726,623**
Bank & Service Fees	*9,265*	*5,700*	*(3,565)*	*1,354,799*	*1,836,819*	*482,020*	*1,868,283*
Interest Expense	*63,109*	*65,920*	*2,811*	*580,810*	*612,400*	*31,590*	*809,440*
OPERATING EXPENSE TOTALS	**3,663,146**	**4,032,940**	***369,794***	**67,086,143**	**71,233,346**	***4,147,204***	**81,097,561**
Other Non-Operating Expense							
Prior Year Expense	*5,677*	*0*	*(5,677)*	*124,379*	*0*	*(124,379)*	*0*
NON-OPERATING EXPENSE TOTALS	**5,677**	**0**	***(5,677)***	**124,379**	**0**	***(124,379)***	**0**
TOTAL EXPENSE	**3,668,823**	**4,032,940**	***364,117***	**67,210,522**	**71,233,346**	***4,022,824***	**81,097,561**
NET INCOME (LOSS)	**(132,230)**	**(1,122,908)**	***990,678***	**8,729,634**	**7,251,730**	***1,477,904***	**5,072,900**

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

22nd DAA
Income Statement
For the Period Ending September 30, 2026
The Sound

		September 2026			Year-to-Date			Full 2026
		Actual	Budget	*Variance*	Actual	Budget	*Variance*	Budget
	REVENUES							
	Concessions Revenue	**262,290**	**222,010**	***40,280***	**1,226,954**	**1,233,389**	***(6,436)***	**1,998,093**
1	*Food & Beverage Contract*	*262,290*	*222,010*	*40,280*	*1,226,954*	*1,233,389*	*(6,436)*	*1,998,093*
	Facility Rentals Revenue	**105,569**	**75,933**	***29,636***	**502,904**	**371,228**	***131,676***	**632,775**
	Program Revenues	**85,164**	**74,700**	***10,464***	**402,273**	**374,500**	***27,773***	**631,800**
	Parking	*85,164*	*74,700*	*10,464*	*402,273*	*374,500*	*27,773*	*631,800*
	OPERATING REVENUE TOTALS	**453,023**	**372,643**	***80,380***	**2,132,130**	**1,979,117**	***153,013***	**3,262,668**
	Other Non-Operating Revenue	**1,250**	**0**	***1,250***	**7,390**	**0**	***7,390***	**0**
	Reimbursed Costs	**1,967**	**0**	***1,967***	**9,202**	**0**	***9,202***	**0**
	NON-OPERATING REVENUE TOTALS	**3,217**	**0**	***3,217***	**16,592**	**0**	***16,592***	**0**
				0				
	TOTAL REVENUE	**456,240**	**372,643**	***83,597***	**2,148,723**	**1,979,117**	***169,605***	**3,262,668**
	EXPENSES							
	Payroll & Related Expense	**54,345**	**60,496**	***6,151***	**873,419**	**889,588**	***16,169***	**1,247,642**
	Professional Services Expense	**113,169**	**127,685**	***14,517***	**552,821**	**731,513**	***178,692***	**1,168,598**
	Food & Beverage Expense	*113,169*	*127,685*	*14,517*	*518,254*	*731,513*	*213,259*	*1,168,598*
	Insurance Expense	**4,525**	**3,237**	***(1,288)***	**90,628**	**50,533**	***(40,095)***	**71,240**
	Facility & Related Expense	**6,076**	**1,200**	***(4,876)***	**23,203**	**8,400**	***(14,803)***	**12,000**
	Equipment & Small Wares	*2,381*	*0*	*(2,381)*	*5,240*	*0*	*(5,240)*	*0*
	Repairs & Maintenance	*0*	*1,200*	*1,200*	*13,661*	*8,400*	*(5,261)*	*12,000*
	Supplies Expense	**710**	**1,500**	***790***	**15,197**	**11,000**	***(4,197)***	**14,500**
	Program Expenses	**102**	**0**	***(102)***	**102**	**61,800**	***61,698***	**61,800**
	Other Operating Expense	**41,153**	**42,545**	***1,392***	**391,695**	**401,666**	***9,971***	**531,560**
	Bank & Service Fees	*369*	*445*	*76*	*14,321*	*13,166*	*(1,155)*	*16,760*
	Interest Expense	*40,864*	*42,100*	*1,236*	*377,454*	*388,500*	*11,046*	*514,800*
	OPERATING EXPENSE TOTALS	**220,079**	**236,663**	***16,584***	**1,947,065**	**2,154,500**	***207,435***	**3,107,339**
	Other Non-Operating Expense							
	NON-OPERATING EXPENSE TOTALS	**0**	**0**	***0***	**270**	**0**	***(270)***	**0**
	TOTAL EXPENSE	**220,079**	**236,663**	***16,584***	**1,947,335**	**2,154,500**	***207,165***	**3,107,339**
	NET INCOME (LOSS)	**236,161**	**135,979**	***100,182***	**201,388**	**(175,383)**	***376,770***	**155,328**

General Note: Positive variances in this report denote better than expected results for that element.
Note 1: In September, The Sound hosted nine shows, whereas the budgeted assumption was for 11. Year-to-date, The Sound has hosted 55 shows, compared to 50 forecasted in the budget.

1. Executive Summary

Campus Overview and Assessment Details

General Information	
Property Type	Horse Racetrack and Fairgrounds
Number of Buildings	Approximately 32 sites/locations (multiple buildings may be grouped into an individual site/location)
Main Address	2260 Jimmy Durante Boulevard, Del Mar, California 92014
Site Developed	1936 through early 2000s, including several generations of development and renovations (see individual building summaries for dates of construction/renovation)
Site Area	322 acres (estimated)
Parking Spaces	3,750 spaces in paved lots; 183 of which are accessible
Outside Occupants / Leased Spaces	Food service providers, vendors, exhibitors, sports facilities operators (e.g., golf, tennis, pool, etc.)
Date(s) of Visit	March 6 - April 3, 2023, May 12-15, 2025
Management Point of Contact	Mr. Sean Slay Mr. Josiah Velichko 916.570.3041 phone sslay@ccauthority.org jvelichko@ccauthority.org
On-site Point of Contact (POC)	Brad Mason
Assessment and Report Prepared By	Andrew Zahurak, Alvaro Bedoya, Bradley Fleming, Kylan Boyd, and Sheldon Shaw
Reviewed By	James Bryant, Technical Report Reviewer for Mouaz Alrayes, Program Manager _____ 800.733.0660 x 7296320

Campus Findings and Deficiencies

Historical Summary

The property was first developed in the 1930s as a horse racetrack. The property has been continuously updated since the 1930s and includes various additional facilities such as racetracks, grandstands, fairgrounds, exhibit halls, recreation centers (e.g., golf, tennis, swimming, etc.), and a live music/concert venue.

Architectural

The buildings consist of a wide variety of construction types, ranging from wood-framed to concrete- and steel-framed buildings. The property has a mix of architectural styles, with many of the main buildings exhibiting Mission-style architecture, common in Southern California. Exterior walls are finished with several materials, including stucco, metal panels, and wood siding. Roof finishes include clay/concrete tiles, asphalt shingles, metal panels, and built-up membranes. The buildings are generally constructed over concrete slab-on-grade foundations. The buildings do not have basements, due in part to the low site elevation, the proximity of the Pacific Ocean, and the site being located within flood zones (Zones A and AE). Some of the building components exhibit signs of advanced wear and weathering (e.g., surficial rust) due to the proximity of the Pacific Ocean.

Mechanical, Electrical, Plumbing and Fire (MEPF)

Similar to the building construction, the MEPF systems vary in age and condition. The MEPF systems are designed in conjunction with each building's use. The concert/music venue has a central plant-type MEPF system; the grandstands and some more frequently occupied buildings (e.g., offices, newer exhibit halls, etc.) have non-central systems (packaged units and split systems); exhibit halls, horse and livestock stalls, and support/maintenance buildings generally have very limited MEPF systems). The MEPF systems appear to be legacy systems with minimal preventative maintenance. The systems are typically upgraded when buildings are renovated and/or as components fail. Some exterior components show advanced signs of deterioration and weathering (e.g. surficial rust and corrosion), due to the proximity of the Pacific Ocean.

Site

Large portions of the site, including main drive aisles and parking lots, are finished with asphalt. The remainder of the site consists of bare soil, gravel, and/or landscaped areas. Site parking areas are mostly adequate with typical lifecycle replacements expected. Most asphalt areas are due for new seal/striping. Areas of water ponding are occurring throughout the property. Concrete and other masonry pathways are largely intact and well maintained. As indicated above, the site is located within flood zones.

Recommended Additional Studies

No studies recommended at this time.

Facility Condition Index (FCI)

One of the major goals of the FCA is to calculate each building's Facility Condition Index (FCI), which provides a theoretical objective indication of a building's overall condition. By definition, the FCI is defined as the ratio of the cost of current needs divided by current replacement value (CRV) of the facility. The chart below presents the industry standard ranges and cut-off points.

FCI Ranges and Description	
0 – 5%	In new or well-maintained condition, with little or no visual evidence of wear or deficiencies.
5 – 10%	Subjected to wear but is still in a serviceable and functioning condition.
10 – 30%	Subjected to hard or long-term wear. Nearing the end of its useful or serviceable life.
30% and above	Has reached the end of its useful or serviceable life. Renewal is now necessary.

The deficiencies and lifecycle needs identified in this assessment provide the basis for a portfolio-wide capital improvement funding strategy. In addition to the current FCI, extended FCI's have been developed to provide owners the intelligence needed to plan and budget for the "keep-up costs" for their facilities. As such the 3-year, 5-year, and 10-year FCI's are calculated by dividing the anticipated needs of those respective time periods by current replacement value. As a final point, the FCI's ultimately provide more value when used to relatively compare facilities across a portfolio instead of being over-analyzed and scrutinized as stand-alone values. The table below summarizes the individual findings for this FCA:

Facility (year built)	Cost/SF	Total SF	Replacement Value	Current	3-Year	5-Year	10-Year
Activity Center (1998)	$940	19,800	$12,513,600	0.0%	5.2%	5.3%	5.5%
Admin & DMTC Executive Offices (1993)	$1,125	24,650	$14,814,650	10.6%	23.4%	23.6%	42.4%
Admin & DMTC Executive Offices / Admin Offices	$750	12,325	$9,243,750	8.5%	18.7%	18.9%	33.9%
Admin & DMTC Executive Offices / DMTC Executive Offices	$750	12,325	$9,243,750	8.5%	18.8%	19.0%	34.0%
Annex Office (1953)	$1,125	5,460	$3,281,460	0.0%	4.5%	5.2%	15.6%
Arena & Rings (1990)	$780	111,001	$70,152,632	0.0%	3.7%	9.0%	11.5%
Barn W (1990)	$780	16,000	$10,112,000	0.4%	3.5%	10.5%	10.7%
Bing Crosby Hall (1951)	$780	31,900	$19,459,000	2.2%	6.2%	6.2%	8.8%
DMTC Operations - Caballo Hall (1993)	$1,125	8,640	$5,192,640	0.0%	5.0%	9.5%	17.7%
DMTC Shops/Offices - Backstretch (1940)	$940	25,000	$15,025,000	0.4%	5.9%	5.9%	7.2%
Exhibit Hall (1955)	$940	55,200	$33,672,000	0.1%	3.1%	4.0%	4.7%
Expo Center (2004)	$940	40,828	$24,905,080	0.0%	2.7%	3.1%	4.3%
Fairground Stalls (1940)	$780	277,920	$112,557,600	1.4%	8.0%	8.7%	15.2%
Fire Station (1964)	$1,124	6,500	$3,217,500	0.0%	6.4%	9.0%	24.5%
Golf Range/Mini Golf	$900	1,125	$1,012,500	0.0%	0.3%	0.6%	110.2%
Grandstands (1993)	$1,375	530,570	$335,320,240	0.5%	7.5%	9.1%	21.6%
Grandstands / Grandstands Common Floor 1 (1993)	$1,375	142,000	$195,250,000	0.0%	0.7%	0.9%	1.8%
Grandstands / Grandstands Common Floor 2 (1993)	$1,375	106,000	$145,750,000	0.0%	0.7%	0.8%	1.5%
Grandstands / Grandstands Common Floor 3 (1993)	$1,375	88,000	$121,000,000	0.0%	0.7%	0.8%	1.3%
Grandstands / Grandstands Common Floor 4 (1993)	$1,375	78,000	$107,250,000	0.0%	0.8%	1.0%	1.8%
Grandstands / Grandstands Common Floor 5 (1993)	$1,375	75,000	$103,125,000	0.0%	0.8%	0.9%	1.6%
Grandstands / Grandstands Common Floor 6 (1993)	$1,375	41,000	$56,375,000	0.0%	1.0%	1.0%	2.5%

Horsepark Office Space (1975)	$780	1,440	$216,000	13.3%	35.9%	40.0%	90.6%
Horsepark Other Buildings (2002)	$780	2,400	$1,080,000	0.0%	14.1%	14.3%	20.3%
Infield Pavilion (1990)	$780	5,600	$4,368,000	6.0%	13.9%	17.8%	25.6%
Infield Pavilion / Building 1	$780	7,600	$5,928,000	3.1%	5.4%	6.0%	7.7%
Infield Pavilion / Building 2	$780	3,400	$2,652,000	3.1%	4.1%	5.6%	6.2%
Infield Tunnel (1985)	$780	14,420	$6,921,600	0.3%	0.3%	1.2%	2.4%
Jockey Quarters	$1,125	312,400	$351,450,000	0.0%	5.7%	8.9%	17.5%
Jockey Quarters / Jockey Quarters A (1985)	$1,125	12,400	$13,950,000	0.0%	1.1%	2.2%	5.6%
Jockey Quarters / Jockey Quarters AA (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters B (1985)	$1,125	11,400	$12,825,000	0.0%	1.1%	2.3%	5.6%
Jockey Quarters / Jockey Quarters BB (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters C (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters CC (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters D (1985)	$1,125	9,500	$10,687,500	0.0%	1.1%	2.4%	5.8%
Jockey Quarters / Jockey Quarters DD (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters E (1985)	$1,125	9,000	$10,125,000	0.0%	1.1%	2.4%	5.7%
Jockey Quarters / Jockey Quarters E2 (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters EE (1985)	$1,125	9,600	$10,800,000	0.0%	1.1%	2.4%	5.8%
Jockey Quarters / Jockey Quarters F (1985)	$1,125	16,700	$18,787,500	0.0%	3.1%	4.3%	8.5%
Jockey Quarters / Jockey Quarters F2 (1985)	$1,125	2,400	$2,700,000	0.0%	0.9%	2.7%	4.1%
Jockey Quarters / Jockey Quarters FF (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters G (1985)	$1,125	14,300	$16,087,500	0.0%	3.7%	4.8%	9.4%
Jockey Quarters / Jockey Quarters G2 (1985)	$1,125	2,400	$2,700,000	0.0%	0.9%	2.7%	4.0%
Jockey Quarters / Jockey Quarters GG (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters H (1985)	$1,125	14,400	$16,200,000	0.0%	3.4%	4.6%	8.9%
Jockey Quarters / Jockey Quarters I (1985)	$1,125	13,100	$14,737,500	0.0%	3.4%	4.6%	9.1%
Jockey Quarters / Jockey Quarters J (1985)	$1,125	12,100	$13,612,500	0.0%	3.4%	4.7%	9.2%
Jockey Quarters / Jockey Quarters JJ (1985)	$1,125	2,400	$2,700,000	0.0%	1.0%	2.8%	5.0%
Jockey Quarters / Jockey Quarters K (1985)	$1,125	11,000	$12,375,000	0.0%	3.4%	4.7%	9.4%
Jockey Quarters / Jockey Quarters K2 (1985)	$1,125	2,400	$2,700,000	0.0%	0.9%	2.7%	4.0%
Jockey Quarters / Jockey Quarters KK (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters KK2 (1985)	$1,125	2,400	$2,700,000	0.0%	1.0%	2.8%	5.0%
Jockey Quarters / Jockey Quarters L (1985)	$1,125	9,900	$11,137,500	0.0%	3.6%	5.0%	9.8%
Jockey Quarters / Jockey Quarters L2 (1985)	$1,125	2,400	$2,700,000	0.0%	0.9%	2.7%	4.0%
Jockey Quarters / Jockey Quarters LL (1985)	$1,125	9,500	$10,687,500	0.0%	3.3%	3.8%	5.2%
Jockey Quarters / Jockey Quarters LL2 (1985)	$1,125	2,400	$2,700,000	0.0%	1.0%	2.9%	5.0%

Jockey Quarters / Jockey Quarters M (1985)	$1,125	10,300	$11,587,500	0.0%	3.4%	4.7%	9.1%
Jockey Quarters / Jockey Quarters M2 (1985)	$1,125	2,400	$2,700,000	0.0%	0.9%	2.7%	4.0%
Jockey Quarters / Jockey Quarters MM (1985)	$1,125	9,500	$10,687,500	0.0%	3.3%	3.8%	5.2%
Jockey Quarters / Jockey Quarters MM2 (1985)	$1,125	2,400	$2,700,000	0.0%	1.0%	2.8%	5.0%
Jockey Quarters / Jockey Quarters N (1985)	$1,125	10,000	$11,250,000	0.0%	3.2%	4.5%	8.7%
Jockey Quarters / Jockey Quarters NN (1985)	$1,125	9,500	$10,687,500	0.0%	3.3%	3.8%	5.2%
Jockey Quarters / Jockey Quarters O (1985)	$1,125	9,800	$11,025,000	0.0%	3.1%	4.4%	8.4%
Jockey Quarters / Jockey Quarters Office (1985)	$1,125	3,900	$4,387,500	0.0%	1.1%	2.8%	4.1%
Jockey Quarters / Jockey Quarters OO (1985)	$1,125	9,500	$10,687,500	0.0%	3.3%	3.8%	5.2%
Jockey Quarters / Jockey Quarters OO2 (1985)	$1,125	2,400	$2,700,000	0.0%	1.0%	2.8%	4.9%
Jockey Quarters / Jockey Quarters P (1985)	$1,125	9,100	$10,237,500	0.0%	2.9%	4.3%	8.2%
Jockey Quarters / Jockey Quarters P2 (1985)	$1,125	2,400	$2,700,000	0.0%	0.9%	2.7%	4.0%
Jockey Quarters / Jockey Quarters PP (1985)	$1,125	9,500	$10,687,500	0.0%	3.3%	3.8%	5.2%
Jockey Quarters / Jockey Quarters PP2 (1985)	$1,125	2,400	$2,700,000	0.0%	1.0%	2.8%	4.9%
Jockey Quarters / Jockey Quarters Q (1985)	$1,125	8,300	$9,337,500	0.0%	2.8%	4.2%	7.7%
Jockey Quarters / Jockey Quarters Q2 (1985)	$1,125	2,400	$2,700,000	0.0%	0.9%	2.7%	4.0%
Jockey Quarters / Jockey Quarters QQ (1985)	$1,125	9,500	$10,687,500	0.1%	3.3%	3.8%	5.3%
Jockey Quarters / Jockey Quarters QQ2 (1985)	$1,125	2,400	$2,700,000	0.0%	1.1%	2.9%	5.1%
Jockey Quarters / Jockey Quarters R (1985)	$1,125	7,700	$8,662,500	0.0%	2.3%	3.5%	6.7%
Jockey Quarters / Jockey Quarters RR (1985)	$1,125	9,500	$10,687,500	0.0%	3.3%	3.8%	5.3%
Jockey Quarters / Jockey Quarters RR2 (1985)	$1,125	2,400	$2,700,000	0.0%	1.0%	2.9%	5.0%
Jockey Quarters / Jockey Quarters S (1985)	$1,125	5,300	$5,962,500	0.0%	1.0%	2.5%	6.0%
Jockey Quarters / Jockey Quarters SS (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters SS2 (1985)	$1,125	2,400	$2,700,000	0.0%	1.0%	2.8%	5.9%
Jockey Quarters / Jockey Quarters T (1985)	$1,125	4,500	$5,062,500	0.0%	1.0%	2.5%	5.6%
Jockey Quarters / Jockey Quarters TT (1985)	$1,125	10,200	$11,475,000	0.0%	1.1%	2.4%	6.0%
Jockey Quarters / Jockey Quarters U (1985)	$1,125	3,600	$4,050,000	0.0%	0.9%	2.5%	5.1%
Jockey Quarters / Jockey Quarters UU (1985)	$1,125	8,400	$9,450,000	0.0%	2.0%	2.3%	3.2%
Jockey Quarters / Jockey Quarters VV (1985)	$1,125	3,100	$3,487,500	0.0%	0.8%	2.0%	5.9%
Laundry Facilities (1952)	$780	700	$406,000	0.2%	59.9%	59.9%	61.0%
Marketing, HR & Boardroom (1964)	$940	14,250	$8,564,250	0.0%	4.9%	6.0%	9.0%
Mission Tower (1993)	$1,125	19,775	$12,260,500	1.5%	5.1%	5.7%	14.8%
Modular Office Space/Storage (1996)	$940	4,200	$2,524,200	0.7%	5.3%	21.5%	28.2%
O'Brien Hall (1980)	$940	68,680	$43,405,760	0.0%	5.2%	5.2%	7.7%
Parking - Surf and Turf	$15	102,000	$1,530,000	0.0%	22.3%	22.3%	36.7%
Parking Lot – Fairgrounds	$15	900,000	$13,500,000	5.7%	23.5%	23.5%	109.1%
Parking/Site - Horsepark (1960)	$8	2,700,000	$21,600,000	5.0%	6.3%	7.1%	18.5%
Racing Office (1940)	$940	1,225	$736,225	0.0%	3.4%	10.5%	19.9%
Retail Golf, Tennis, Volleyball, and Swim	$1,125	56,284	$63,319,500	0.0%	1.2%	1.2%	2.1%

Stable Cafeteria (1940)	$780	8,500	$5,338,000	0.0%	2.9%	10.4%	18.5%
Stalls & Corrals	$780	87,952	$35,620,560	0.0%	1.5%	6.6%	10.0%
Surfside	$940	34,400	$32,336,000	1.4%	17.7%	22.2%	30.9%
The Sound	$1,125	51,600	$58,050,000	0.0%	0.0%	0.0%	1.1%
Unoccupied Office Space and Storage (1952)	$780	36,180	$9,732,420	0.0%	13.8%	14.0%	21.1%
Warehouses/Shops/Separate Restrooms (1936)	$780	12,972,000	$10,118,160,000	0.0%	0.0%	0.0%	0.1%
Warehouses/Shops/Separate Restrooms / Carnival Restroom Building (1985)	$780	1,800	$1,404,000	0.3%	3.5%	11.4%	17.2%
Warehouses/Shops/Separate Restrooms / Lift Station Building (1985)	$780	400	$312,000	3.4%	5.0%	7.5%	13.3%
Warehouses/Shops/Separate Restrooms / Restroom Building A (1985)	$780	1,200	$936,000	0.0%	3.4%	7.2%	17.3%
Warehouses/Shops/Separate Restrooms / Restroom Building B (1985)	$780	1,200	$936,000	0.0%	1.2%	5.0%	17.8%
Warehouses/Shops/Separate Restrooms / Restroom Building C (1985)	$780	1,200	$936,000	0.0%	1.2%	5.0%	15.1%
Warehouses/Shops/Separate Restrooms / Restroom Building D (1985)	$780	1,200	$936,000	0.0%	1.2%	5.0%	17.7%
Warehouses/Shops/Separate Restrooms / Restroom Building I (1985)	$780	1,500	$1,170,000	0.0%	1.1%	3.6%	23.8%
Warehouses/Shops/Separate Restrooms / Restroom Building N (1985)	$780	1,500	$1,170,000	0.0%	3.0%	5.4%	23.5%
Warehouses/Shops/Separate Restrooms / Restroom Building T (1985)	$780	1,500	$1,170,000	0.0%	1.4%	3.8%	22.0%
Warehouses/Shops/Separate Restrooms / RV Restroom Building (1985)	$780	900	$702,000	0.3%	7.6%	18.0%	23.3%
Warehouses/Shops/Separate Restrooms / Storm Water Building (2019)	$780	3,000	$2,340,000	0.0%	0.0%	0.0%	4.6%
Wyland Center (2007)	$1,125	40,705	$25,725,560	1.3%	5.7%	5.7%	6.5%

Immediate Needs

Facility/Building	Total Items	Total Cost
Activity Center	1	$800
Admin & DMTC Executive Offices	4	$1,572,400
Arena & Rings	2	$17,400
Barn W	4	$37,800
Bing Crosby Hall	2	$431,100
DMTC Shops/Offices - Backstretch	1	$66,000
Exhibit Hall	4	$27,900
Fairground Stalls	12	$1,537,300
Grandstands	30	$1,652,900
Horsepark Office Space	1	$28,800
Infield Pavilion	4	$263,900
Infield Tunnel	2	$21,800
Jockey Quarters	4	$11,500
Laundry Facilities	2	$900
Mission Tower	3	$184,600
Modular Office Space/Storage	2	$16,500
O'Brien Hall	1	$6,200
Parking Lot – Fairgrounds	2	$772,200
Parking/Site - Horsepark	1	$1,082,400
Surfside	3	$860,400
Warehouses/Shops/Separate Restrooms	7	$32,900
Wyland Center	3	$346,100
Total	**95**	**$8,971,800**

(see appendices for detailed report)

System Expenditure Forcast

System Expenditure Forecast						
System	**Immediate**	**Short Term (1-2 yr)**	**Near Term (3-5 yr)**	**Med Term (6-10 yr)**	**Long Term (11-20 yr)**	**TOTAL**
Structure	$31,100	$800	$13,600	$2,700	$8,117,600	$8,165,800
Facade	$96,200	$641,400	$9,286,400	$27,765,700	$43,936,900	$81,726,600
Roofing	$3,264,900	$16,808,400	$11,146,800	$1,012,600	$20,944,100	$53,176,800
Interiors	$62,900	$5,816,100	$21,011,700	$16,610,100	$40,945,500	$84,446,200
Conveying	-	-	$7,176,500	$731,700	$190,300	$8,098,500
Plumbing	$296,300	$99,900	$4,247,000	$10,272,700	$22,695,900	$37,611,800
HVAC	$2,511,400	$226,100	$4,844,100	$1,828,300	$14,906,100	$24,316,000
Fire Protection	-	$5,200	$518,600	$559,000	$1,644,800	$2,727,500
Electrical	$2,044,200	$3,237,800	$12,895,800	$31,378,500	$8,076,400	$57,632,700
Fire Alarm & Electronic Systems	$6,200	$3,721,300	$6,965,700	$8,097,200	$5,449,600	$24,239,900
Equipment & Furnishings	$63,700	$260,500	$4,066,300	$9,059,200	$5,261,200	$18,710,900
Special Construction & Demo	-	-	$82,300	$136,800	$589,600	$808,700
Site Utilities	-	-	$234,900	$1,111,800	$569,200	$1,915,900
Site Pavement	$1,843,900	-	$3,741,800	$14,237,800	$11,398,900	$31,222,300
Site Development	$761,400	$4,900	$285,500	$3,499,800	$2,872,100	$7,423,600
Follow-up Studies	$16,200	-	-	-	-	$16,200
TOTALS (3% inflation)	**$10,998,200**	**$30,822,500**	**$86,517,000**	**$126,304,000**	**$187,597,900**	**$442,239,600**

*Totals have been rounded to the nearest $100. ***The darker the shading, the higher the cost.***

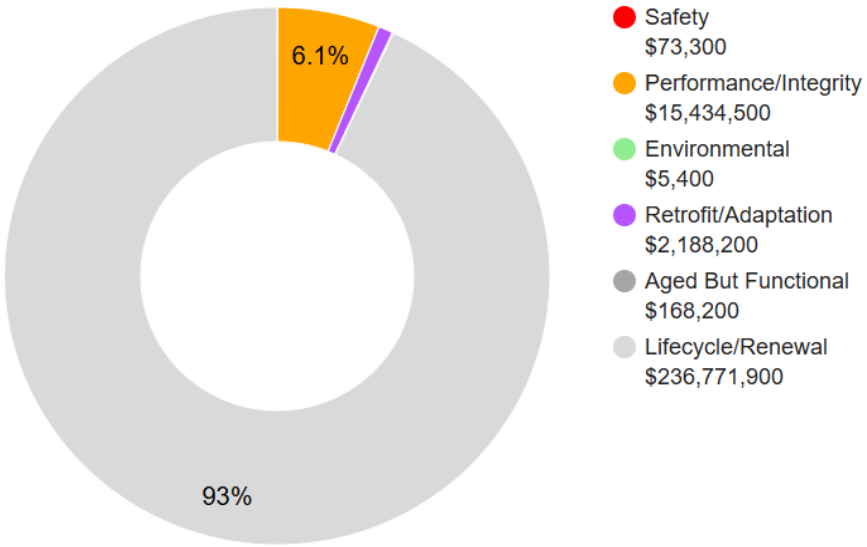
Plan Types

Each line item in the cost database is assigned a Plan Type, which is the primary reason or rationale for the recommended replacement, repair, or other corrective action. This is the "why" part of the equation. A cost or line item may commonly have more than one applicable Plan Type; however, only one Plan Type will be assigned based on the "best" fit, typically the one with the greatest significance.

Plan Type Descriptions

Safety	An observed or reported unsafe condition that if left unaddressed could result in injury; a system or component that presents potential liability risk.
Performance/Integrity	Component or system has failed, is almost failing, performs unreliably, does not perform as intended, and/or poses risk to overall system stability.
Accessibility	Does not meet ADA, UFAS, and/or other accessibility requirements.
Environmental	Improvements to air or water quality, including removal of hazardous materials from the building or site.
Retrofit/Adaptation	Components, systems, or spaces recommended for upgrades in in order to meet current standards, facility usage, or client/occupant needs.
Lifecycle/Renewal	Any component or system that is not currently deficient or problematic but for which future replacement or repair is anticipated and budgeted.

Plan Type Distribution (by Cost)



10-YEAR TOTAL: $254,641,500

22nd District Agricultural Association
Policies

Policy 6.01: Event Ticket
Date Adopted/Last Revised: June 6, 2009/May 13, 2025/October 14, 2025

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

To encourage participation and attendance of Board Members at events produced and/or hosted by the 22nd DAA, and to cultivate a spirit of cooperative decision-making, shared goals and collective ownership of decisions of the Board consistent with Policy 3.03 Board Member Code of Conduct, the 22nd DAA will distribute complimentary tickets for governmental and public purposes including economic or business development, community and government relations, supporting programs or services rendered by nonprofit organizations, and attracting or rewarding volunteer public service pursuant to this Policy.

This Policy applies to Tickets which provide admission to a facility or event for an entertainment, amusement, recreational or similar purpose, and are:

a) Gratuitously provided to the 22nd District Agricultural Association (22nd DAA) by an outside source;
b) Acquired by the 22nd DAA by purchase;
c) Acquired by the 22nd DAA as consideration pursuant to the terms of a contract for the use of a 22nd DAA Venue;
d) Produced or sponsored by the 22nd DAA ; or
e) Acquired and/or distributed by the 22nd DAA in any other manner.

This Policy does not apply to any other item of value provided to the 22nd DAA or any 22nd DAA Official, regardless of whether received gratuitously or for which consideration is provided.

This Policy, together with the Ticket procedures established pursuant to the Ticket Administrator Responsibilities below, shall supersede and replace any earlier 22nd DAA policies relating to the distribution of Tickets to 22nd DAA Officials for admission to any facilities or events for entertainment, amusement, recreational, or similar purpose.

This Policy shall be posted in a prominent place on the 22nd DAA websites: www.delmarfairgrounds.com and www.sdfair.com.

Definitions

Unless otherwise expressly provided herein, words and terms used in this Policy shall have the same meaning as that ascribed to such words and terms in the California Political Reform Act of 1974 (Government Code sections 81000, *et seq*., as the same may from time to time be amended) and the Fair Political Practices Commission ("FPPC") Regulations (Title 2, Division 6 of the California Code of Regulations, Sections 18110 *et seq*., as the same may from time to time be amended).

A. **22nd DAA**: 22nd District Agricultural Association

B. **22nd DAA Official**: every Director, officer, employee, or consultant of the 22nd DAA, as defined in Government Code Section 82048. "22nd DAA Official" shall include, without limitation, any member of the 22nd DAA Board of Directors or any other appointed 22nd DAA official or 22nd DAA employee required to file an annual Statement of Economic Interests (FPPC Form 700).

C. **22nd DAA Venue**: includes any facility owned, controlled or operated by the 22nd DAA

D. **FPPC**: California Fair Political Practices Commission

E. **Immediate Family**: spouse or registered domestic partner and dependent children, as set forth in Government Code section 82029 and Family Code section 297.5

F. **Policy:** this 22nd District Agricultural Association Ticket Policy

G. **Ticket**: includes any form of admission privilege to a facility, event, show, concert, or performance

H. **Ceremonial Role**: per FPPC Code of Regulations Section 18942.3 “an act performed at an event by the official as a representative of the official's agency at the request of the holder of the event or function where, for a period of time, the focus of the event is on the act performed by the official. Examples of a Ceremonial Role include: throwing out the first pitch at a baseball game; cutting a ribbon at an opening; making a presentation of a certificate, proclamation, award, or other item, such as the key to the city.”

I. **Face Value**: amount paid by a member of the public including any applicable fees and service charges

Policy

Conditions Under Which Tickets May Be Distributed to 22nd DAA Officials

Subject to the provisions of this Policy, the 22nd DAA will distribute complimentary Tickets to 22nd DAA Officials under any of the following conditions or governmental and/or public purposes:

a) Performance of a Ceremonial Role or function representing the 22nd DAA at the event, for which the 22nd DAA Official may receive enough Tickets for the 22nd DAA Official and each member of their Immediate Family.

b) The official and/or job duties of the 22nd DAA Official require their attendance at the event, for which the 22nd DAA Official may receive enough Tickets for the 22nd DAA Official and each member of their Immediate Family.

c) Economic or business development purposes on behalf of the 22nd DAA, including, but not necessarily limited to: promotion and marketing of the 22nd DAA’s resources and facilities available for commercial and other uses; increase of ancillary revenue for food, beverage, parking and related items at interim and 22nd DAA-promoted events; promotion and marketing of 22nd DAA initiated, supported, controlled, or sponsored programs or events, including but not limited to the annual Fair and Grandstand concert series, The Sound, Del Mar race track meets, Breeders’ Cup, and the Del Mar National Horse Show; promotion and marketing of interim and year-round events; marketing of sponsorship programs; and, promotion of 22nd DAA recognition, visibility, and/or profile on a local, state, national, or international scale.

d) Intergovernmental relations purposes, including but not limited to attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.

e) Community relations.

f) Attracting or rewarding volunteer public service.

g) Supporting and/or showing appreciation for programs or services rendered by non-profit organizations benefiting San Diego County residents.

h) Encouraging or rewarding significant academic, athletic, or public service achievements by San Diego County students, residents or businesses.

i) Attracting and retaining highly qualified employees in 22nd DAA service, for which such employee may receive no more than four (4) Tickets per event.

j) As special recognition or reward for meritorious service by a 22nd DAA employee, for which such employee may receive no more than four (4) Tickets per event.

k) For use in connection with a 22nd DAA employee competition or drawing, for which there shall be made available no more than (4) Tickets per event.

l) Recognition of contributions made to the 22nd DAA by former members of the Board of Directors, for which such former Director may receive no more than (4) Tickets per event.

The 22nd DAA Official reimburses the 22nd DAA for the Face Value of the Ticket(s).

- Reimbursement shall be made at the time the Ticket(s) is/are distributed to the 22nd DAA Official.
- The Ticket Administrator shall, in their sole discretion, determine which event Tickets, if any, shall be available.

The 22nd DAA Official treats the Ticket(s) as income consistent with applicable federal and state income tax laws.

The 22nd DAA Official and (a) the 22nd DAA Official's Immediate Family, or (b) if the 22nd DAA Official has no Immediate Family, no more than one guest, uses the Ticket(s) for their own personal use.

The 22nd DAA Official behests such Ticket(s) in accordance with this Policy.

Tickets Distributed at the Behest of a 22nd DAA Official

Only members of the 22nd DAA Board of Directors and 22nd DAA Chief Executive Officer shall have authority to behest Tickets.

Tickets shall be distributed by the 22nd DAA at the behest of a 22nd DAA Official only for one or more public purposes set forth in this Policy.

If Tickets are distributed by the 22nd DAA at the behest of a 22nd DAA Official, such 22nd DAA Official shall not (a) use one of the Tickets so distributed to attend the event, or (b) use any of the Ticket(s) so distributed for the 22nd DAA Official's Immediate Family, or, if the 22nd DAA Official has no Immediate Family, for no more than one guest of that 22nd DAA Official, to attend the event.

Prohibition on Disproportionate Use of Tickets

In accordance with California Code of Regulations, Title 2, Section 18944.1, this Policy prohibits the disproportionate use of Tickets or passes by any 22nd DAA Official.

General Provisions

No Right to Tickets: The use of complimentary Tickets is a privilege extended by the 22nd DAA and not the right of any person to which the privilege may from time to time be extended.

Limitation on Transfer of Tickets: Tickets distributed to a 22nd DAA Official pursuant to this Policy shall not be transferred to any other person, except to members of such 22nd DAA Official's Immediate Family, or, if the 22nd DAA Official has no Immediate Family, to no more than one guest, solely for their personal use.

Prohibition Against Sale of or Receipt of Reimbursement for Tickets: No person who receives a Ticket pursuant to this Policy shall sell or receive reimbursement for the value of such Ticket.

No Earmarking of Tickets to 22nd DAA: No Ticket gratuitously provided to the 22nd DAA by an outside source and distributed to, or at the behest of a 22nd DAA Official pursuant to this Policy, shall be earmarked by the original source for distribution to a particular 22nd DAA Official.

Ticket Administrator Responsibilities

The 22nd DAA Chief Executive Officer shall be the Ticket Administrator for purposes of implementing the provisions of this Policy and may delegate this responsibility within the organization as necessary.

The Ticket Administrator shall have the authority, in their sole discretion, to establish procedures for the distribution of Tickets in accordance with this Policy. All requests for

Tickets which fall within the scope of this Policy shall be made in accordance with the procedures established by the Ticket Administrator.

The Ticket Administrator shall determine the Face Value of Tickets distributed by the 22nd DAA for purposes of this Policy.

The Ticket Administrator, in their sole discretion, may revoke or suspend the Ticket privileges of any person who violates any provision of this Policy or the procedures established for the distribution of Tickets in accordance with this Policy.

The disclosure forms required by 22nd DAA Disclosure Requirements section of this Policy shall be prepared and posted by the Ticket Administrator, or by an individual acting under the Ticket Administrator's authority, supervision, and control.

22nd DAA Disclosure Requirements

Tickets distributed by the 22nd DAA to or at the behest of any 22nd DAA Official (i) which the 22nd DAA Official treats as income pursuant to this Policy, or (ii) for one or more public purposes described in this Policy, shall be posted on FPPC Form 802 by the 22nd DAA, or any successor form provided by the FPPC, in a prominent fashion on the 22nd DAA's website within thirty (30) days after distribution.

Such posting shall include the following information:

- The name of the recipient, except that if the recipient is an organization, the 22nd DAA may post the name, address, description of the organization and number of Tickets provided to the organization in lieu of posting names of each recipient;
- a description of the event;
- the date of the event;
- the Face Value of the Ticket;
- the number of Tickets provided to each person;
- if the Ticket was distributed at the behest of a 22nd DAA Official, the name of the 22nd DAA Official who made such behest; and
- a description of the public purpose(s) under which the distribution was made, or, alternatively, that 22nd DAA Official is treating the Ticket as income.

Tickets distributed by the 22nd DAA for which the 22nd DAA receives reimbursement from the 22nd DAA Official as provided in this Policy shall not be subject to the 22nd DAA Disclosure Requirements.

Tickets disclosed by the 22nd DAA on FPPC Form 802 are not subject to further disclosure by the 22nd DAA Official.

Item 6-G-1: Emergency Preparedness Committee Report

[Information Item]

The meeting of the committee was held on Wednesday, October 21, 2026. Twenty-three committee members were able to join, including representatives of 22nd DAA staff, law enforcement, fire, Office of Emergency Services, and community volunteers. A recent member to join the committee is Dr. Lance Fuchs, a family medical doctor with Kaiser Permanente.

Staff updated the group on the all-staff emergency preparedness training being held on site on October 22. At this meeting – led by Public Safety Director Mark Elvin, Public Safety Supervisor Brian Waterman, and COO Katie Mueller – roles were assigned to every single full-time staff member of the District. Each role has a lead, and job duties were explained. Maps of the evacuation site were shown to familiarize the team with what a typical evacuation event has looked like in the past. The next step for staff is to complete FEMA's Incident Command System online training course by the end of the year.

An update was received on the First 50 Volunteers – all original members from 2017 have been reached out to and asked to reapply. As of the meeting date, ten had committed. Once commitments have been received, a recruitment effort to gain additional qualified volunteers will be implemented.

Updates to the website were debuted and suggestions made to provide more precise information. The marketing team will be working on the continued design as a one-stop place for the community to gain information in the event of emergency.

A discussion about available apps including Alert San Diego, Genasys Protect, Watch Duty and others took place. Many apps are available and Cal Fire/OES is currently recommending the public register through Alert San Diego to receive reverse 911 information as well as sign up with Genasys Protect to receive accurate, updated information on the addresses they register in the app.

FEMA recently announced that states should be ready to handle emergencies without federal help. A discussion took place on what this means for venues such as the District that serve during emergencies. The District was advised on documentation, as there is potential for reimbursement elsewhere.

Finally, Director Barkett led a discussion about Xavier Becerra's California Disaster Preparedness and Resiliency Plan. The goal is faster aid and financial assistance with less red tape. The committee was pleased to hear that San Diego County is already engaged in many of the goals and plans set forth including great collaboration between all county agencies as they train together regularly and debrief each other on incidents.

Moving forward, the committee plans on meeting quarterly throughout the year and has a goal of planning a community outreach event in Rancho Santa Fe in January to apprise the horse community of where they can go to find updates and information regarding the District's efforts and availability.

Item 6-H-1: DMTC Liaison Committee Report

[Information Item]

The meeting of the committee was held on October 21, 2026.

DMTC Operating Agreement

DGS is taking the lead in determining the process to potentially extend the Del Mar Thoroughbred Club's operating agreement out to 2038 to coincide with the conclusion of the bonds. DGS has indicated this work is in progress.

Paddock and Infield Video Board Upgrades

The Paddock video board project is in the process of being put out to RFP. There is a 5-month lead time on building the components once a contractor is selected. The anticipated completion date of the project is May of 2027. Information is being collected on the specifications of the components needed for the Infield video board. It is anticipated to be put out to bid in 2027 for a completion date in the spring of 2028.

Fall Race Meet Update

The fall race meet runs from November 6 through November 29, with an aggressive marketing campaign focused on social and digital platforms, complemented by several influencer partnerships. World-class racing, highlighted by the prestigious Autumn Turf Festival over Thanksgiving weekend, will be on full display throughout the four-week season. In addition, a variety of promotions designed to attract casual fans and families will be offered throughout the meet. Highlights include a Thanksgiving morning Fun Run on the track benefiting the Helen Woodward Animal Center, Football Sundays featuring food and drink specials, College Days, Uncorked Wine Tasting, a Tacos & Craft Beer Festival, and Family Fun Days. Although only one race day has been lost to rain over the past three years, DMTC has developed operational and safety protocols to address potential inclement weather and ensure the safe and efficient operation of the race meet.

October 29, 2026

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

Dear Becky:

Pursuant to the terms of the Del Mar Race Track Operating Agreement (as amended) attached is Del Mar Thoroughbred Club's ("DMTC") budget report for the nine months ended September 30, 2026.

Executive Summary

- Our 2026 Summer Meet ran from July 17 through September 7, 2026 ("Summer Meet") and consisted of 32 days of world-class racing with a robust stakes program and large field sizes.
- Once again, Del Mar was among the safest racing venues in the country for both equine and human athletes.
- On-track attendance was 279,120, a 1% decrease compared to 282,104 for the 2025 Summer Meet.
- YTD wagering totaled $552.3 million, a 3.4% increase over the 2025 Summer Meet wagering handle of $534.3 million.

Revenues (in $000s)	2026 Actual YTD	2026 Budget YTD	Budget Variance		2025 Actual YTD	2026/2025 Variance	
Wagering Revenues	$ 20,984	$ 20,876	$ 108	0.5%	$ 20,266	$ 718	3.5%
Non-Wagering Revenues	15,090	14,989	101	0.7%	14,362	728	5.1%
Total Revenues	**$ 36,074**	**$ 35,865**	**$ 209**	**0.6%**	**$ 34,628**	**$ 1,446**	**4.2%**

Revenues, which consist of wagering revenues and non-wagering revenues, totaled $36.1 million, exceeding budget by $209,000.

- **Wagering revenues** were $108,000 over budget and $718,000 above 2025 wagering revenues. The dedication of our industry-leading racing office attracted elite competitors from across the nation and overseas, helping Del Mar sustain field sizes that remained among the highest in the United States. These field sizes helped drive increases in wagering on our live product while ensuring Del Mar's racing content remained attractive to high-volume Computer-Assisted Wagering (CAW) players. The large field sizes led to an increase of 5% in wagering by out-of-state patrons. We saw a modest pull-back in on-track and in-state satellite wagering, which we attribute to the expansion of online

prediction markets and reduced broadcast coverage from FanDuel/TVG on east coast signals leading up to the start of Del Mar's simulcast feeds.

- **Non-wagering revenues** were $101,000 over budget due to strong interest in premium and high-end areas, such as sky rooms and luxury suites, which led group sales revenues to new heights. Additional bright spots were merchandise sales and sponsorship revenues, which also exceeded projections by comfortable margins.

Expenses (in $000s)	2026 Actual YTD	2026 Budget YTD	Budget Variance		2025 Actual YTD	2026/2025 Variance	
Salaries and benefits	$ 16,271	$ 16,141	$ 130	0.8%	$ 15,895	$ 376	2.4%
Insurance	818	876	(58)	(6.6%)	816	2	0.3%
Racing dues/assessments/support	43	30	13	42.8%	721	(678)	(94.0%)
Other taxes and licenses	134	122	12	9.5%	113	21	18.9%
Outside services	5,867	6,107	(240)	(3.9%)	5,957	(90)	(1.5%)
Other	6,582	6,453	129	2.0%	6,426	156	2.4%
Total Expenses	**$ 29,715**	**$ 29,729**	**$ (14)**	**(0.0%)**	**$ 29,928**	**$ (213)**	**(0.7%)**

Expenses totaled $29.7 million and were $14,000 under budget and $213,000 lower than 2025 expenses.

- **Salaries and benefits** were $130,000, or 0.8%, over budget due to increased staffing and overtime costs for track maintenance and the tight transition period from fair to racing operations.
- **Racing dues/other assessments/support** returned to normal levels in 2026 after we incurred $690,000 in one-time costs related to the 2025 transition to a Single Circuit and the continued operation of satellite wagering centers in Northern California. As we had forecasted, the continued operation of these centers positively impacted our Single Circuit revenues and will continue to do so in future periods far in excess of the one-time costs.
- **Outside Services** were $240,000 under budget as we benefitted from a successful transition to the SeatGeek ticket platform in 2025. Processing and service costs associated with ticket sales were reduced even more than expected. Additionally, purse supplement costs came in lower than projections.

See below under 2026 YTD Results for additional details regarding expenses.

Food and Beverage ("F&B") revenues are not reflected in DMTC's financial statements, but we nonetheless design our marketing efforts to drive significant F&B net revenues, all of which flow directly to the District. F&B revenues increased $200,000, or 2% to $11.7 million as compared to $11.5 million for the 2025 Summer Meet. This increase was supported by a $1.14, or 3%, increase in average spend per capita, which bucks the industry trends reflecting consumer discretionary spending being down in general. We attribute this result to the extraordinary efforts of the Group Sales and Marketing teams to attract big spenders to the

higher-end offerings and premium areas at Del Mar, which directed the spend to higher-margin sales and overcoming the effect of a modest decline in overall attendance.

Industry Overview and Recent Developments

Governance and Key Stakeholders Horse racing in California is subject to California Horse Racing Law (the "Law"), which vests the California Horse Racing Board (the "CHRB") with jurisdiction and supervision over horse racing in California. Among other things, the Law establishes the distributions from pari-mutuel wagering used to support the CHRB, purses and commissions,[1] owners' and breeders' awards, and other statutory payments as well as satellite wagering fees and interstate location and host fees. The CHRB issues licenses to operators in California, such as DMTC, to conduct horse racing meets in accordance with the Law and CHRB rules and regulations.

The 22nd District Agricultural Association (the "District") owns and operates the Del Mar Fairgrounds and Race Track as an agency of the State of California. The State Race Track Leasing Commission (the "Commission") was created by the California Legislature with the responsibility and authority to lease the Del Mar racetrack on behalf of the District. DMTC and the Commission are parties to the Del Mar Race Track Operating Agreement (as amended) which was effective as of January 1, 2011 and expires December 31, 2030 (the "Agreement"). The Agreement provides, among other things, that the excess of DMTC's annual revenues over expenses, less the amount needed by DMTC to pay or provide for projected operating capital needs for the period from January 1 to commencement of the next race meet, is paid to the District as a Rent Payment. DMTC strives to maximize the Rent Payment to the District.

The Race Track Authority ("RTA") is a joint exercise of powers agency organized by the District and the Commission in 1990 for the purpose of financing improvements to the Del Mar Race Track. In 2015, the RTA issued revenue bonds to refinance obligations related to those improvements, with the 2015 revenue bonds secured by pledged revenues consisting of: Race Track Net Revenues, derived from DMTC's operations; and Concession Net Revenues, derived from the District's operations. Accordingly, in addition to our Rent Payment, DMTC strives to maximize the total return from racing and since 2015 has generated more than $118 million for the District.

[1] The purse is the prize money paid to the winning horse(s). Most of the money to fund purses comes from wagering revenues, with the Law requiring that approximately 50% of all wagering revenues must be used to fund purses. Commissions are the portion of wagering revenues retained by race meet operators like DMTC to fund their operations.

The Thoroughbred Owners of California ("TOC") represents the collective interests of all California thoroughbred owners to maximize purse revenues and preserve the long-term viability of the sport. The TOC advocates on all issues impacting thoroughbred owners before the CHRB, the California Legislature and the United States Congress. DMTC regularly engages with the TOC on various issues. The TOC also negotiates and enforces statutorily mandated horsemen's agreements with each of the licensed thoroughbred racing associations, including DMTC, and approves wagering agreements between racing associations and other tracks, off-track betting operators and Advanced Deposit Wagering ("ADW") companies.[2]

DMTC is a partner in SCOTWINC, the entity that administers the satellite network (i.e., off-track betting locations) in Southern California. SCOTWINC receives simulcast revenues consisting of a 2.5% fee on all wagers placed at satellite locations and a negotiated fee of 2.4% taken from Southern California ADW wagers. These simulcast revenues fund staff costs and other SCOTWINC simulcast-related expenses. As partners in SCOTWINC, DMTC and the horsemen (via purses) participate in 50% of the surplus, or shortfall, of SCOTWINC's simulcast revenues and expenses. SCOTWINC is projected to have a $574,000 operating surplus for the current summer race meet, which is $24,000 under budget primarily due to slightly lower than anticipated funding through satellite wagering.

Key DMTC Programs

Del Mar's Summer Meet has long been considered one of the crown jewels of the sport of thoroughbred racing. The Del Mar Race Track is viewed as an iconic and world-class racing venue and DMTC is highly regarded in the industry because of the way we conduct our operations, both in terms of our ability to attract the highest quality thoroughbred racing and our success in generating a diversified revenue stream. Additionally, DMTC has a long and well-earned history as an industry leader in developing innovative programs, adopting new technologies and creating dynamic marketing campaigns designed to attract top thoroughbred racing fans and develop new ones. The following highlights the key programs that drive our success:

Safety DMTC has long been at the forefront in establishing industry-leading safety protocols and procedures to enhance the health and safety of our horses, riders and patrons. These protocols and procedures have resulted in Del Mar consistently being ranked among the safest racing venues in the country and include the industry's most stringent medication rules and testing of horses, increased veterinary oversight, and enhanced stable security. Our Safety Advisory Committee, consisting of trainers, veterinarians, jockeys, track maintenance personnel and management, meets regularly to review safety practices, operations and racing surfaces. We also work with industry

[2] ADW providers facilitate wagering through a software app or website that allows their customer to wager via the app or internet on races wherever the race is run and from wherever they are located. The CHRB licenses ADW companies to conduct ADW wagering in California. All ADW companies that DMTC partners with are duly licensed by the CHRB.

stakeholders, including the CHRB and federally established Horseracing Integrity & Safety Authority ("HISA"), to ensure DMTC's equine safety and welfare protocols continue to be the industry's gold standard. We are proud that many of our safety protocols have been incorporated into federal regulations mandated by HISA. Our efforts to provide the safest possible environment for equine and human athletes are continuous and a top priority.

Horse Population and Recruitment Our world-class live racing program and the wagering commissions and purses it generates are at the heart of our operations. Our results are impacted by a number of factors with key ones being overall horse population and the inventory of horses available to race. The number of horses that run in a race, known as "field size", directly correlates to the amount of money wagered on the race, the so-called "handle." The larger the field size, the higher the handle, and higher handle results in higher wagering commissions paid to track operators like DMTC and higher purses paid to the horsemen and women, which incentivizes them to enter their horses into our races. The funding directed to other stakeholders, including those noted above, also directly correlates to handle.

Our Summer Meet field size averaged 8.6 horses per race compared to 8.7 horses per race last year. Our field size was the among the highest for all major race meets in the country and even exceeded Keeneland's spring meet of 8.3 horses per race (8.8 last year) and remained well above the popular Saratoga summer race meet, which had an average field size of 7.9 horses per race (7.6 last year).[3] It bears noting that both Keeneland and Saratoga, as well as other operators in their respective states, benefit substantially from supplemental revenues derived from other forms of gaming such as Historical Horse Racing slot-style machines in Kentucky and casino gaming in New York. These supplemental revenues enable those tracks to offer higher purses to attract owners and trainers to enter their races. Since supplementing purses with other gaming revenue sources is not currently available in California, we rely heavily on our horse recruitment programs to compete with other tracks, especially those in Kentucky and New York.

DMTC's horse recruitment programs consist of our highly successful Ship & Win program and our Co-Op marketing program. DMTC's Ship & Win program is jointly funded by DMTC and the TOC. This program provides reimbursements and incentives for owners of out-of-state horses to race at Del Mar. We also attract out-of-state horses that do not qualify for Ship & Win incentives through our Co-Op marketing program. The Co-Op marketing program is also a joint program along with the TOC and is funded through a deduction taken from online ADW handle. This year, our recruitment efforts from both programs attracted 224 out-of-state horses that started 326 races this summer. This represents a slight increase in starts on top of the prior summer's fruitful horse recruitment efforts, demonstrating the continued success of these programs. These horses contributed to an increase in our average field size of 1.1 horses per race, which in turn generated increases in wagering and purse revenues. Importantly, our recruitment programs do not

[3] Keeneland and Saratoga operate premier horse racing meets in Kentucky and New York, respectively.

just benefit Del Mar; they also benefit the California racing industry as many of these horses remain in California to race at Santa Anita and Los Alamitos.

There are many racing venues operating during the summer months and competition for horses is fierce. We are proud of our racing office for producing world class racing year-after-year with large field sizes despite the challenges and competitive disadvantage surrounding the lack of supplemental revenues noted above.

Marketing DMTC marketing has built an iconic and vibrant brand focused on growing our robust fanbase and generating substantial F&B revenues for the District. Promoting the energetic on-track experience drives attendance and supports admissions-related revenues in key areas that enjoy high per capita revenues, such as our Group Sales, Celebrity Suites and Sky Rooms, the Turf Club, and trackside restaurants. The overall marketing approach focuses on the following:

- Our two-pronged marketing strategy centers on promoting the exciting on-track experience, particularly our custom F&B events, while creating the racing fans of the future, targeting Gen Z, Gen Y and Millennials, with the goal of creating a behavior of attending the races year after year. At the same time, we target key industry messaging to our core racing and handicapping fans to keep them engaged with our world-class racing product and betting opportunities.
- The younger demographic can be found online or on social media, and we meet these fans and potential fans where they are in that space. Over the years, we have grown our influencer campaign, focusing primarily on local influencers, but also hosting those with global audiences. This summer, we created 92 unique influencer experiences during the 32-day summer meet. With over 4 million content views and more than 111,000 total engagements, the third-party influencer endorsement provides incredible reach that drives audiences to seek out their own racetrack experiences. Younger demographics value authenticity over conventional marketing messaging, which carries greater weight as they sift through the many entertainment choices that San Diego has to offer. The results of this strategy can be observed on any race day, with many patrons from these demographics in our crowds daily.
- Our core fans are captured within our loyalty program called the “Diamond Club,” includes more than 360,000 members. The Diamond Club is an opt-in program that allows us to provide specialty offers and exciting promotions for our most fervent fans. Every Thursday, Diamond Club members receive free admission and seating along with special F&B discounts through our popular “Free & Easy Thursdays” promotion offered for Diamond Club members only. We simultaneously employ a direct marketing email strategy to our more than 287,000 member opt-in email database to speak directly to an audience that we know is engaged with our events at a high level.
- We attract high volume bettors by organizing two handicapping contests during the Summer Meet. During these contests, these participants engage with each other and Del Mar in fun,

exciting events. For 2026, we expanded our Pacific Classic Betting Challenge contest partners and saw over $200,000 incremental year-over-year handle as a result. We also proactively reach out to high volume out-of-state bettors to communicate industry developments in order to maintain and further develop our relationships with them. These bettors generate significant wagering revenue, and they demonstrate their appreciation for our racing product through the amount of money they wager on our races.

- We have well-established, and continue to develop, relationships with corporate partners. Our corporate sponsorship revenues continue to be among the highest in the industry because of the high-value marketing assets and hospitality packages we deliver. Additionally, we continue to collaborate with the District on corporate partnership opportunities, including packaging DMTC sponsorship assets with similar inventory during the Fair. This cooperative approach helps maximize sponsorship revenue across the Fairgrounds on a year-round basis.
- Importantly, our marketing efforts often focus on DMTC's industry-leading equine safety and welfare initiatives. Del Mar's continued recognition as among the safest racetracks in North America remains a crucial public relations message. With 466 press placements during the summer meet, we primarily use interview opportunities to educate the public about our safety and welfare efforts as well as the industry's equine medical research and aftercare resources.

As in prior years, our Party on Opening Day was sold out and offered ticketed patrons exclusive access to the trackside cabana and featured top-notch DJs, craft beer and cocktail bars, numerous local food vendors, private wagering windows and more. The Summer Meet promotions included a variety of popular recurring F&B-focused events, including fan favorites such as Tacos & Tequila, Taste of New Orleans, BBQ & Beer Fest and Uncorked Wine Tasting, while also bringing new offerings such as the Turf & Surf Festival and a second Family Fun Day to expand season outreach to families and younger audiences.

In recent years, we have focused on elevating the Sunday experience by offering two incredible events for general admission patrons and our Turf Club patrons. We know that fans are looking for experiential opportunities, and Pop-Up Sundays in the Plaza de Mexico offered tastings from a different local restaurant each week, alongside drink discounts and live music. In the Turf Club, we partnered with Amaya restaurant at the Fairmont Grand Del Mar to provide a farm-to-table Taste of the Turf Club Sunday brunch experience. The specially curated menu, coupled with unique specialty cocktails, increased brunch sales in the Turf Club on Sundays. We work closely with the District's concessionaire, Legends Food Services, on promotions that aim to generate F&B revenues, such as Happy Hour Fridays, Turf Club Fridays and Taste of Turf Club Sundays. In addition, we launched and promoted a speakeasy called The Handle Bar to help drive incremental F&B opportunities for revenue growth.

San Diego offers a wide variety of entertainment options each summer and Del Mar remains at the top of the list for local attractions throughout our summer meet. Marketing and communication efforts drive the high attendance and F&B revenue figures noted above. Del Mar's status as a must-attend summer event was captured in Forbes prior to the season opener, naming us as a widely respected industry leader.[4]

Revenue Sources

DMTC's revenues are derived from both wagering and non-wagering activities. Wagering is our primary revenue source and accounted for 58% of revenues related to our Summer Meet. Del Mar historically has enjoyed the highest level of non-wagering-to-total-revenues of all racetracks in California and is among the highest of any racetrack in the United States as a result of DMTC's operations and marketing efforts.

Wagering revenues and purses come from the rates charged for each wager and are comprised of:

- Pari-mutuel commissions based on wagers placed on our races (i.e., live races) by patrons at the Del Mar racetrack and California satellite locations, as well as by California residents placing online wagers through the eight ADW providers licensed by the CHRB to operate in California.
- Pari-mutuel commissions when patrons who reside outside of California wager on our races at brick-and-mortar locations (e.g., racetracks, casinos, satellite locations and sports bars) and through ADW providers who contract with us to take wagers on our races. DMTC's races are distributed through numerous internet wagering platforms and broadcast to over 1,100 brick-and-mortar wagering locations throughout North, Central and South America as well as Europe and South Africa and this drives significant non-California wagering revenues.
- Pari-mutuel commissions and purses based on wagers made by patrons in California on races conducted outside of California (i.e., out-of-state or "imported" races).
- Pari-mutuel commissions from separate pool simulcast fees.[5]
- Breakage revenue, which is generated as the Law requires that posted mutuel payoffs must be rounded down from calculated payoffs, and the rounding difference (i.e., "breakage"), is divided among the horsemen, the State of California and the racetrack operator.[6] Minus pools occasionally occur when the racetrack operator must contribute funds to a mutuel pool when a prohibitive betting favorite[7] causes the required minimum mutuel payments to exceed the gross mutuel pool less the statutorily required takeout. Minus pools typically occur with

[4] See: Del Mar begins summer meet and remains a leader in Thoroughbred Racing - Forbes
[5] Separate pools consist of money wagered on our live races in foreign countries that are not included in our main mutuel pools and are commingled into separate mutuel pools.
[6] For example, a calculated payoff of $2.19 is paid at a rate of $2.10 and the difference of $.09 per winning ticket creates breakage revenue.
[7] A prohibitive favorite is a horse with short odds and is very likely to win, place or show.

show (i.e., third-place) bets and are netted against breakage revenue. DMTC has procedures in place that limit the negative impact from minus pools, but they cannot be avoided entirely for various reasons.

The Law provides that the costs of funding the annual operating expense of the CHRB, California's equine drug testing program and California's share of HISA operations (collectively, "Annual Regulatory Costs") are paid from commissions and purses. CHRB costs are funded through a deduction from wagering revenues and purses generated in Northern California, or what is now referred to as Single Circuit revenues and purses. These funding deductions for Annual Regulatory Costs are established annually by the CHRB and are based on projected wagering revenues compared to the CHRB's and HISA's annual operating budget for the upcoming fiscal year. These deductions effectively reduce wagering revenues and purses equally during the year. Any surplus, or deficit, between the funds generated from the deductions and the Annual Regulatory Costs at the end of the year is either refunded to, or further deducted from, the following year's Single Circuit commissions and purses. Additionally, the horse racing industry supports horsemen with the costs associated with stabling and vanning ("S&V") of horses that race in California. These costs are also paid by commissions and purses and are funded through a deduction from Southern California ADW wagering, with any surplus or shortfall refunded or made up in the following year.

California's share of HISA operations was eliminated in 2026 because of credits earned from race tracks in other states using the state-of-art testing lab at UC Davis, which is funded by the CHRB, to comply with HISA testing requirements. Also, the CHRB's fiscal year 2026/2027 operating costs declined modestly, as the CHRB adjusts its operations to cover fewer race tracks as California continues to transition from a dual circuit to the new Single Circuit. Further reducing the burden on AB1074 funding, the State of California provided funding credits for 2026-27 FY to be applied against the CHRB's annual operating expenses.

We reassess our wagering menu before our race meets to ensure we provide a variety of exciting betting options for our patrons and to maximize wagering revenues. This year we added a $3 All-Turf Pick 3. Del Mar's deep turf fields made this wager especially attractive, as it is offered on the final three grass races on each day's card. The wager carries a player-friendly takeout of 15%. This new bet was well received and positively impacted wagering revenues.

Non-wagering revenues are primarily comprised of:

- Admissions-related revenues (e.g., daily admissions, seating and parking, season suites and boxes, Turf Club memberships and suites, group sales, and programs)
- Sponsorship revenues
- Merchandise (gift shop) Sales
- Interest income

- Other revenues, such as consulting-based management services that we provide to industry stakeholders.

2026 Summer Meet Highlights

- This year's Summer Meet consisted of 32 days of racing over our typical eight-week calendar from mid-July to Labor Day, September 7, offering one additional day of racing over our 2025 calendar. Opening Day was on Friday, July 17 and saw a sellout crowd and continues to be one of the top social events of the summer in Southern California. Opening Day is always our most well-attended day and generates the highest F&B revenues.
- The Summer Meet was once again among the safest meets in the nation and featured high quality and competitive racing with the largest field sizes in the country.
- On-track attendance was 279,120, a decrease of 1% compared to 282,104 for the 2025 Summer Meet. As noted earlier, attendance in premium areas was up, while walk-up general admissions were down slightly, likely due to a prolonged heat wave in Southern California this summer.
- Total purses paid were $27.4 million, slightly ahead of the record $25.3 million 2025 purses, and were highlighted by an impressive lineup of 37 stakes races that attracted many world-class equine stars.
- Our showcase event, Pacific Classic Day, featured our richest and most prestigious race in the $1 million Grade I Pacific Classic as well as three other graded stakes races. The 2026 Pacific Classic Day card was arguably the strongest in Del Mar's history, highlighted by the marquee race featuring an exceptional field that included a filly and strong contender shipping in from Japan. The Classic was won by Knightsbridge, a 5-year-old horse by Nyquist, trained by Bill Mott and ridden by Junior Alvarado. Knightsbridge also won Horse of the Meet honors. The day also saw impressive victories by several other horses that will compete in the 2026 Breeders' Cup World Championships ("Breeders' Cup"). Handle on the afternoon was $29.14 million, the second highest (non-Breeders' Cup day) in its history. Attendance was 15,187, a 13% increase over last year's Pacific Classic Day.
- Oak Tree Day at the Races featured the Grade I Clement L. Hirsch Stakes and was sponsored by the Oak Tree Racing Association to honor the late founder of both DMTC and Oak Tree. Oak Tree was founded with the premise of horsemen helping horsemen and, among other charitable contributions to the racing industry through its history, continued its partnership with DMTC in funding a program to provide meals for our backstretch community. As part of its sponsorship, Oak Tree contributed money that was added to purses as well as prizes for grooms who had the best-turned-out horse in each race throughout the day. This year, marketing brought the experience to the patron, giving away twelve $1,000 betting vouchers to 12 random attendees, each voucher representing a Win bet on one of the 12 horses in the field. The participants were escorted to the Winners Circle for Race 7 to cheer on the field,

and one lucky winner cashed in their $1,000 Win bet. Footage from the experience was packaged for media outlets across San Diego.

- Hall of Fame jockey Joel Rosario returned to California to ride this summer and promptly won the jockeys' title, his fourth overall at Del Mar and first since 2011. Rosario had 42 wins, five better than the runner-up, defending champion Juan Hernandez' 37. Doug O'Neill captured the training title with 27 wins. Reddam Racing was the leading owner with nine wins and $810,040 in purse earnings.

2026 YTD Financial Results

Wagering Revenues (in $000s)	2026 Actual YTD	2026 Budget YTD	Budget Variance		2025 Actual YTD	2026/2025 Variance	
Pari-mutuel commissions-on track	$ 3,362	$ 3,655	$ (292)	(8.0%)	$ 3,609	$ (246)	(6.8%)
Pari-mutuel commissions-account wagering	4,250	4,729	(479)	(10.1%)	4,382	(133)	(3.0%)
Pari-mutuel commissions-off track	3,382	3,233	149	4.6%	3,129	253	8.1%
Pari-mutuel commissions-out of state	8,874	8,187	686	8.4%	8,094	780	9.6%
Simulcasting fees-uncommingled	442	359	82	22.9%	322	119	37.0%
Intertrack wagering surplus fund	574	598	(24)	(4.0%)	713	(139)	(19.5%)
Breakage, net	101	116	(15)	(12.6%)	17	84	480.7%
Total Wagering Revenues	**$ 20,984**	**$ 20,876**	**$ 108**	**0.5%**	**$ 20,266**	**$ 718**	**3.5%**

- **On-track wagering commissions** are generated from patrons wagering at the Del Mar race track, and on-track wagering totaled $40.7 million this summer, a decrease of 7.4% from last summer's on-track wagering of $44.0 million. On-track wagering on live races accounted for 90% of total 2026 on-track wagering, and it was down $2.1 million, or 5.5%, due to a slight decline in on-track attendance and the impact of prediction markets offering a new alternative platform for wagering. On-track wagering on imported races was down $1.2 million, or 22%, which was fully attributable to the large and unrepeated bump in on-track wagering in 2025 from the one patron who placed very large show bets on certain import races with small race fields and a prohibitive betting favorite. On-track wagering commissions total $3.4 million in 2026, coming in $292,000 under budget.
- **Account wagering commissions** are generated from wagering by California ADW players. Account wagering in Southern California on the live Del Mar product was up 5.0% over 2025 due to our large field sizes and the additional race day that we added to the 2026 summer meet. Commissions from Southern California account wagering were slightly over budget and about $90,000 more than the 2025 total. Overall, account wagering handle was up 7.3% on the live product and 4.3% on our imports versus 2025. Despite the higher account wagering handle, ADW Commissions came in $479,000 lower than forecast and $133,000 lower than last year due to an increase in the Stabling and Vanning deduction resulting from increases in the costs of offsite stabling facilities and transportation, along with an ADW provider that generated significant account wagering on imported races in 2026 that generated commissions and purses at a much lower rate than ADW wagering on live races.

- **Off-track wagering commissions** are generated from patrons wagering at California satellite locations. Satellite wagering in California that benefited Del Mar in 2026 totaled $64.0 million with $17.3 million of wagering occurring at satellite locations in Northern California and $46.8 million of wagering at satellite locations in Southern California. While satellite wagering in Northern California remained relatively flat (-0.5%), satellite wagering at Southern California locations declined 8.4% in 2026, for a variety of reasons, including competition from prediction markets and reduced broadcast coverage from FanDuel/TVG on east coast signals leading up to the start of Del Mar's simulcast feeds. Also, the closure of a large satellite location in Orange County late last year had a larger than expected negative impact on our handle. It is interesting to note, though, that Del Mar's premier field sizes kept the attention of the more sophisticated players, as evidenced by the fact that the declines were significantly greater on our imports than on our live signal. Also, it has become clear that certain satellite players (possibly those displaced by the Orange County satellite closure) have migrated to placing their bets on more convenient ADW platforms, which contributed to Southern California ADW being up 5% year-over-year (as mentioned above). In fact, total Southern California off-track wagering (ADW and satellite wagering combined) was actually up 0.7% in 2026 versus 2025, which is a reflection of the power of Del Mar's large field sizes to attract the more sophisticated players.
- **Out-of-State Commissions** are generated from exporting the simulcast signal of Del Mar's live racing to allow out-of-state customers to wager on our races that 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 totaled $250.0 million in 2026, increasing $11.9 million, or 5%, over out-of-state wagering in 2025. The biggest driver of the out-of-state handle and commission increases, however, was the impressive field sizes consistently delivered by the race office that made our signal more interesting than all of the competing signals to players everywhere. Out-of-state wagering commissions totaled $8.9 million in 2026, an increase of $780,000 over 2025 out-of-state wagering revenues, and $686,000 above budgeted levels. Our largest group of out-of-state customers based on betting volume are high-volume CAW players. The rates charged on CAW players were increased in 2026 by 9% based on terms negotiated with the TOC. California Law provides that the TOC must approve wagering agreements between racing associations and other tracks, off-track betting operators and ADW companies. This price increase resulted in a 6.7% decline in CAW wagering; however the rate increase led to overall year-over-year growth in CAW commissions and purses.
- **Simulcasting fees** from wagering by customers outside of the United States (i.e., a "separate pool wagering") increased $119,000 and were $82,000 higher than budgeted due to new separate pool wagering sites as well as our large field sizes compared to competing signals being irresistible to our international audiences.

- **The intertrack wagering surplus fund** represents the fund that DMTC and the horsemen and women (via purses) participate in 50% of the surplus, or shortfall, of SCOTWINC's simulcast revenues and expenses. SCOTWINC is projected to have a $574,000 operating surplus for the current summer race meet, which is $24,000 under budget primarily due to slightly lower than anticipated funding through satellite wagering.
- **Net breakage revenue** increased $84,000 over 2025, but it was under budget by $15,000. In 2025, we experienced an increase in minus pools generated primarily by one on-track patron who placed very large show bets on imported races. In response, we enhanced our procedures to identify potential minus pools in advance by evaluating field sizes and prohibitive favorites as (a combination of) these factors create minus pool risk. In 2026, when we were able to identify a minus pool risk ahead of time, we petitioned the CHRB to not offer these bets -- an option we used sparingly. Minus pools cannot be entirely avoided for various reasons such as when late scratches occur that impact field sizes and odds. Our forecast assumed that we would be able to go further toward eliminating the minus pool problem.

Non-Wagering Revenues (in $000s)	2026 Actual YTD	2026 Budget YTD	Budget Variance		2025 Actual YTD	2026/2025 Variance	
Admissions and reserved seats	$ 8,796	$ 8,902	$ (106)	(1.2%)	$ 8,545	$ 251	2.9%
Program sales and parking receipts	1,388	1,355	33	2.4%	1,146	243	21.2%
Merchandise concession revenues	608	513	95	18.5%	478	130	27.2%
Sponsorship revenues	4,025	3,956	68	1.7%	3,846	179	4.7%
Other operating revenues	273	262	11	4.2%	347	(75)	(21.5%)
Total Non-Wagering Revenues	**$ 15,090**	**$ 14,989**	**$ 101**	**0.7%**	**$ 14,362**	**$ 728**	**5.1%**

- **Admissions and reserved seats** revenues were $251,000, or 2.9%, higher than in 2025 but $106,000, or 1.2%, under budget. Revenues benefitted from enhanced performance from our premium areas[8] and increased pricing on Opening Day, but the budget projected a higher increase as it did not forecast the lower revenues from non-premium and general seating due to a prolonged heat wave and the more cautious and value-focused approach to spending being reported throughout the economy among moderate to lower earning consumers.
- **Program and parking** receipts increased $243,000, or 21.2%, and were $33,000, or 2.4%, over budget driven by targeted price increases in market segments we identified as relatively insensitive to price changes.
- **Merchandise Concession** revenues increased $130,000, or 27.2%, and were $95,000, or 18.5%, higher than the budget as the gift shop was open during the Fair for the first time and due to our continued successful partnership with a third-party merchandising vendor that resulted in a significant (percent) increase in these revenues as compared to 2025 and the budget. This is the second consecutive year that large gains have been achieved in this area.

[8] These include areas such as Turf Club, luxury suites, Group Sales sky rooms and our trackside restaurant tables. We modestly increased annual Turf Club membership dues, the first increase since the COVID pandemic.

- **Sponsorship** revenues increased $179,000, or 4.7%, and were $68,000, or 1.7%, higher than budget, primarily due to new partnerships in the AI and private aviation categories.
- **Other operating** revenues decreased primarily due to lower interest income resulting from the decline in short-term interest rates in September 2025 that were in effect through mid-September 2026. We had budgeted for the possibility of more rate cuts in early 2026, so other operating revenues outperformed budget by $11,000, or 4.1%.

Expenses (in $000s)	2026 Actual YTD	2026 Budget YTD	Budget Variance		2025 Actual YTD	2026/2025 Variance	
Salaries and benefits	$ 16,271	$ 16,141	$ 130	0.8%	$ 15,895	$ 376	2.4%
Advertising and public relations	1,648	1,574	74	4.7%	1,559	89	5.7%
Professional and banking services	506	461	45	9.8%	428	78	18.3%
Utilities	1,121	1,139	(18)	(1.6%)	1,305	(184)	(14.1%)
Repairs and maintenance	1,184	1,243	(59)	(4.7%)	1,229	(44)	(3.6%)
Insurance	818	876	(58)	(6.6%)	816	2	0.3%
Racing dues/assessments/support	43	30	13	42.8%	721	(678)	(94.0%)
Other taxes and licenses	134	122	12	9.5%	113	21	18.9%
Outside services	5,867	6,107	(240)	(3.9%)	5,957	(90)	(1.5%)
Other	2,123	2,036	86	4.2%	1,906	217	11.4%
Total Expenses	**$ 29,715**	**$ 29,729**	**$ (14)**	**(0.0%)**	**$ 29,928**	**$ (213)**	**(0.7%)**

- **Staff Costs** include salaries and wages, benefits, workers' compensation insurance, and payroll taxes and represented 55.0% of expenses for the first nine months of 2026. Employment peaked at more than 1,050 staff members during the Summer Meet, with 68% of the workforce covered by eight collective bargaining agreements. Staff costs reflect scheduled pay increases under these agreements and cost-of-living increases for non-union staff. Through September 30, 2026, staff costs totaled $16.3 million, exceeding budget by $130,000, or 0.8%. Year-round administration and maintenance salaries were $40,000 over budget, driven by a modest increase in overtime during the short transition from fair to racing operations this year. Seasonal salaries were $35,000 over budget, while benefit costs were $18,000 under budget, reflecting renewed collective bargaining agreements with pay rates and benefit premiums slightly above or below budgeted levels. Workers' compensation insurance expense was $30,000 over budget because renewal premiums exceeded budgeted rates.
- **Marketing Expenses** exceeded budget by $74,000 driven by expanded investment in Del Mar's highly successful social media influencer campaign. Additionally, modest rate increases were implemented with two agency partners in 2026, as neither had received an increase in several years. Marketing efforts continued to prioritize social and digital media platforms, which provide strong economic value and more precise audience targeting compared with traditional channels such as television, radio, and print.
- **Professional and Banking Services Expenses** were over budget $45,000, or 9.8%, primarily due to increased bank fees and audit costs as both areas were increased after the 2026 budget was submitted and approved.

- **Repairs and Maintenance** were $59,000, or 4.7%, under budget as certain non-essential projects were deferred until results for the Summer Meet were known.
- **Insurance** was $58,000, or 6.6%, under budget as policies were renewed at better than expected rates and these renewals were completed after submission of the budget. Additionally, effective risk management policies and procedures implemented during the year yielded cost savings that exceeded forecasted amounts.
- **Racing Dues/ Other Assessments/ Support** totaled $43,000 and close to budget levels, but $678,000 below last year because in 2025 we incurred $690,000 in largely one-time costs related to the continued operation of satellite wagering centers in Northern California. While the costs exceeded budget in 2025, the continued operation of these brick and mortar locations positively impacted our Single Circuit revenues and continues to do so far in excess of these costs.
- **Outside Services** were $240,000, or 3.9%, under budget. In 2026 we had a savings of $205,000 from the 2025 Maiden Dirt bonus promotion that, in consultation with the TOC, was eliminated this year. Tote costs were modestly under budget due to the decreases in satellite and on-track handle discussed above.

Other expense categories were close to prior year and budgeted amounts.

Looking Forward

- Our fall meet, called the "Bing Crosby Season", will run from November 6 through November 29, 2026 ("Fall Meet") and will include 13 days of racing. The four-week meet, which is weekend focused will feature live racing Friday through Sunday and also offer racing on Thanksgiving Day, Thursday, November 26.
- Our Basic Payment to the District will be based on our 10-month results ending October 31, 2026, and will be determined and paid by November 15, 2026.[9] Our 2027 budget will be submitted in December and we will present our full-year results in our fourth quarter financial report at the end of January 2027, all in accordance with the requirements of the Agreement.
- We remain committed to:
    - our industry-leading safety efforts
    - our leading role in working with various industry stakeholders to maximize the potential and success of thoroughbred horse racing in California
    - generating the highest possible Rent Payment and F&B revenues for the District as well as pledged Race Track Net Revenues to support the District's bond obligations.

[9] The first $500,000 installment of the $1,467,750 Direct Payment due for 2026 was paid on September 15, 2026. We expect to pay the second installment of $400,000 and third (and final) installment of $567,750 on November 15, 2026 and November 30, 2026, respectively, all as provided for in the Sixth Amendment to the Agreement.

- continuing to positively impact people and businesses that work in the industry as well as others that indirectly benefit from our operations, such as the local hospitality industry
- providing great value to our patrons - spending a fun day at the races can be done on a budget (especially as compared to other sporting events) or patrons can choose to have a more luxurious outing. Either way, we strive to have as many people as possible enjoy the beautiful venue and world-class thoroughbred horse racing.

We look forward to meeting with you to further review our financial results. Please do not hesitate to contact me if you have any questions in the meantime.

Very Truly Yours,

DEL MAR THOROUGHBRED CLUB



Heather Mathews
Executive Vice President
Chief Financial Officer

Enclosures

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

DEL MAR THOROUGHBRED CLUB
CALENDAR YEAR 2026 OPERATING BUDGET REPORT
September 30, 2026

	2026 Actual YTD Combined	2026 Budget YTD Combined	2026 Budget Variance Combined		2025 Actual YTD Combined	2026/2025 Variance Combined	
Revenues:							
Pari-mutuel commissions/ADW/Simulcast fees	$ 20,984,145	20,876,191	107,953	0.52%	20,266,403	717,742	3.54%
Admissions and reserved seats	8,796,153	8,902,449	(106,296)	-1.19%	8,545,446	250,707	2.93%
Program sales and parking receipts	1,388,460	1,355,293	33,167	2.45%	1,145,539	242,921	21.21%
Merchandise concession revenues	608,446	513,431	95,015	18.51%	478,251	130,195	27.22%
Other operating revenues	4,370,479	4,298,512	71,967	1.67%	4,270,375	100,105	2.34%
	36,147,683	35,945,877	201,806	0.56%	34,706,013	1,441,670	4.15%
Less revenue attributable to charity days	(73,326)	(80,664)	7,339	-9.10%	(77,562)	4,236	-5.46%
Total Revenues	**36,074,357**	**35,865,212**	**209,145**	**0.58%**	**34,628,451**	**1,445,906**	4.18%
Expenses:							
Salaries - annual administration	3,839,683	3,798,308	41,375	1.09%	3,532,585	307,098	8.69%
Salaries - seasonal employees	8,021,815	7,986,497	35,318	0.44%	8,129,871	(108,056)	-1.33%
Employee benefits/payroll taxes	4,035,291	4,013,676	21,615	0.54%	3,912,137	123,154	3.15%
Insurance--liability and workers compensation	1,192,834	1,218,545	(25,711)	-2.11%	1,136,796	56,038	4.93%
Advertising and public relations	1,647,756	1,573,586	74,170	4.71%	1,558,545	89,211	5.72%
Professional and banking services	505,900	460,712	45,188	9.81%	427,656	78,244	18.30%
Utilities	1,121,248	1,139,103	(17,856)	-1.57%	1,304,949	(183,701)	-14.08%
Repairs and maintenance	1,184,230	1,242,876	(58,646)	-4.72%	1,228,512	(44,282)	-3.60%
Supplies	509,112	537,142	(28,030)	-5.22%	480,546	28,566	5.94%
Other operating expenses	58,824	61,325	(2,501)	-4.08%	48,974	9,850	20.11%
Printing	402,024	385,426	16,598	4.31%	369,963	32,061	8.67%
Depreciation and amortization	634,925	605,306	29,619	4.89%	575,860	59,066	10.26%
Cost of goods sold - gift shop	330,704	264,250	66,454	25.15%	248,939	81,765	32.85%
Equipment leased and rented	81,747	81,446	301	0.37%	87,519	(5,772)	-6.60%
Racing dues/assessments/support	43,018	30,121	12,896	42.82%	721,436	(678,419)	-94.04%
Other taxes and licenses	133,789	122,178	11,610	9.50%	112,560	21,229	18.86%
Outside services	5,866,827	6,107,041	(240,214)	-3.93%	5,956,518	(89,691)	-1.51%
Satellite program costs	32,765	34,596	(1,831)	-5.29%	30,406	2,358	7.76%
Trophies	65,443	60,642	4,800	7.92%	58,876	6,567	11.15%
Interest	6,246	4,503	1,743	38.70%	4,132	2,115	51.18%
Charitable support	1,000	1,750	(750)	-42.86%	1,000	0	0.00%
Total Expenses	**29,715,180**	**29,729,031**	**(13,851)**	**-0.05%**	**29,927,779**	**(212,599)**	**-0.71%**
Net Income from Operations	**6,359,177**	**6,136,181**	**222,996**	**3.63%**	**4,700,672**	**1,658,505**	**35.28%**
Income tax expense	**0**	**0**	**0**	**0.00%**	**0**	**0**	**0.00%**
Direct payment to the District	**(500,000)**	**(500,000)**	**0**	**0.00%**	**(500,000)**	**0**	**0.00%**
Net Income before Payment to Race Track Leasing Commission	**$ 5,859,177**	**5,636,181**	**222,996**	**3.96%**	**4,200,672**	**1,658,505**	**39.48%**

DEL MAR THOROUGHBRED CLUB
CALENDAR YEAR 2026 OPERATING BUDGET DETAIL REPORT
September 30, 2026

	2026 Actual YTD Combined	2026 Budget YTD Combined	2026 Budget Variance Combined		2025 Actual YTD Combined	2026/2025 Variance Combined	
Revenues:							
Pari-mutuel commissions-on track	$ 3,362,300	3,654,571	(292,271)	-8.00%	3,608,633	(246,333)	-6.83%
Pari-mutuel commissions-account wagering	4,249,583	4,728,703	(479,120)	-10.13%	4,382,181	(132,598)	-3.03%
Pari-mutuel commissions-off track	3,381,743	3,232,553	149,189	4.62%	3,129,029	252,713	8.08%
Pari-mutuel commissions-out of state	8,873,535	8,187,314	686,221	8.38%	8,093,873	779,662	9.63%
Simulcasting fees-uncommingled	441,635	359,418	82,217	22.87%	322,365	119,270	37.00%
Intertrack wagering surplus fund	573,965	597,661	(23,696)	-3.96%	712,863	(138,898)	-19.48%
Breakage, net	101,384	115,971	(14,587)	-12.58%	17,458	83,926	480.73%
Pari-mutuel commissions/ADW/Simulcast fees	**20,984,145**	**20,876,191**	**107,953**	**0.52%**	**20,266,403**	**717,742**	**3.54%**
Admissions and reserved seats	**8,796,153**	**8,902,449**	**(106,296)**	-1.19%	**8,545,446**	**250,707**	2.93%
Program sales and parking receipts	**1,388,460**	**1,355,293**	**33,167**	2.45%	**1,145,539**	**242,921**	21.21%
Merchandise concession revenues	**608,446**	**513,431**	**95,015**	**18.51%**	**478,251**	**130,195**	**27.22%**
Interest income	137,594	155,741	(18,147)	-11.65%	248,821	(111,227)	-44.70%
Sponsorship revenues	4,024,557	3,956,345	68,212	1.72%	3,845,671	178,886	4.65%
Payroll protection program loan forgiveness	0	0	0	0.00%	0	0	0.00%
Other operating revenues	208,328	186,426	21,902	11.75%	175,883	32,445	18.45%
Other operating revenues	**4,370,479**	**4,298,512**	**71,967**	**1.67%**	**4,270,375**	**100,105**	**2.34%**
	36,147,683	35,945,877	201,806	0.56%	34,706,013	1,441,670	4.15%
Less revenue attributable to charity days	**(73,326)**	**(80,664)**	**7,339**	**-9.10%**	**(77,562)**	**4,236**	**-5.46%**
Total Revenues	**36,074,357**	**35,865,212**	**209,145**	**0.58%**	**34,628,451**	**1,445,906**	**4.18%**
Expenses:							
Salaries - annual administration	3,112,041	3,088,004	24,037	0.78%	2,832,329	279,712	9.88%
Salaries - annual maintenance	727,642	710,304	17,338	2.44%	700,256	27,386	3.91%
Salaries - annual administration	**3,839,683**	**3,798,308**	**41,375**	**1.09%**	**3,532,585**	**307,098**	**8.69%**
Salaries - seasonal employees	**8,021,815**	**7,986,497**	**35,318**	0.44%	**8,129,871**	**(108,056)**	-1.33%
Employee benefits	2,757,464	2,775,616	(18,152)	-0.65%	2,708,665	48,799	1.80%
Payroll taxes	1,277,827	1,238,060	39,767	3.21%	1,203,473	74,355	6.18%
Employee benefits/payroll taxes	**4,035,291**	**4,013,676**	**21,615**	**0.54%**	**3,912,137**	**123,154**	**3.15%**
Workers compensation insurance	374,590	342,550	32,040	9.35%	320,707	53,883	16.80%
Insurance	818,244	875,995	(57,751)	-6.59%	816,089	2,155	0.26%
Insurance--liability and workers compensation	**1,192,834**	**1,218,545**	**(25,711)**	**-2.11%**	**1,136,796**	**56,038**	**4.93%**
Advertising and public relations	**1,647,756**	**1,573,586**	**74,170**	4.71%	**1,558,545**	**89,211**	5.72%
Professional and banking services	**505,900**	**460,712**	**45,188**	9.81%	**427,656**	**78,244**	18.30%
Utilities	**1,121,248**	**1,139,103**	**(17,856)**	-1.57%	**1,304,949**	**(183,701)**	-14.08%
Repairs and maintenance	**1,184,230**	**1,242,876**	**(58,646)**	-4.72%	**1,228,512**	**(44,282)**	-3.60%
Supplies	**509,112**	**537,142**	**(28,030)**	-5.22%	**480,546**	**28,566**	5.94%
Other operating expenses	**58,824**	**61,325**	**(2,501)**	-4.08%	**48,974**	**9,850**	20.11%
Printing	**402,024**	**385,426**	**16,598**	4.31%	**369,963**	**32,061**	8.67%
Depreciation and amortization	**634,925**	**605,306**	**29,619**	4.89%	**575,860**	**59,066**	10.26%
Cost of goods sold - gift shop	**330,704**	**264,250**	**66,454**	25.15%	**248,939**	**81,765**	32.85%
Equipment leased and rented	**81,747**	**81,446**	**301**	0.37%	**87,519**	**(5,772)**	-6.60%
TRA dues and assessments	(10,743)	(24,379)	13,636	-55.93%	(23,595)	12,852	-54.47%
Federation racing costs	25,342	15,798	9,544	60.41%	23,707	1,635	6.90%
Racing industry support - NTRA	28,419	38,703	(10,283)	-26.57%	721,325	(692,906)	-96.06%
Racing dues/assessments/support	**43,018**	**30,121**	**12,896**	**42.82%**	**721,436**	**(678,419)**	**-94.04%**
Other taxes and licenses	**133,789**	**122,178**	**11,610**	9.50%	**112,560**	**21,229**	18.86%
Service contracts and equipment rentals	5,667,380	5,900,377	(232,997)	-3.95%	5,755,524	(88,144)	-1.53%
Data processing	199,447	206,665	(7,217)	-3.49%	200,994	(1,547)	-0.77%
Outside services	**5,866,827**	**6,107,041**	**(240,214)**	**-3.93%**	**5,956,518**	**(89,691)**	**-1.51%**
Satellite program costs	**32,765**	**34,596**	**(1,831)**	-5.29%	**30,406**	**2,358**	7.76%
Trophies	**65,443**	**60,642**	**4,800**	7.92%	**58,876**	**6,567**	11.15%
Interest	**6,246**	**4,503**	**1,743**	38.70%	**4,132**	**2,115**	51.18%
Charitable support	**1,000**	**1,750**	**(750)**	-42.86%	**1,000**	**0**	0.00%
Total Expenses	**29,715,180**	**29,729,031**	**(13,851)**	**-0.05%**	**29,927,779**	**(212,599)**	**-0.71%**
Net Income from Operations	**6,359,177**	**6,136,181**	**222,996**	**3.63%**	**4,700,672**	**1,658,505**	**35.28%**
Income tax expense	**0**	**0**	**0**	**0.00%**	**0**	**0**	**0.00%**
Direct payment to the District	**(500,000)**	**(500,000)**	**0**	**0.00%**	**(500,000)**	**0**	**0.00%**
Net Income before Payment to Race Track Leasing Commission	$ **5,859,177**	**5,636,181**	**222,996**	**3.96%**	**4,200,672**	**1,658,505**	**39.48%**

Del Mar Racing: 2026 Summer Meet

INDIVIDUAL OBSERVATIONS AND QUESTIONS | OCTOBER 29, 2026

Prepared by Mark Arabo, Director, 22nd District Agricultural Association

These are my views alone—not a report, finding, or position of the DMTC Liaison Committee or the Board. No committee or Board review, endorsement, or approval is represented.

I support DMTC and appreciate the work behind another successful summer. The financial results are encouraging. My interest is in understanding what is driving those results, where trends warrant attention, and how we can protect the long-term return to the Fairgrounds. These are questions for discussion, not conclusions about management.

TOTAL REVENUE
$36.07M
2026, through Sept. 30

OPERATING INCOME
$6.36M
Up $1.66M vs. 2025

GROSS F&B SALES
$11.7M
Summer meet

A useful second look: average results per racing day

MEASURE	2025 / DAY	2026 / DAY	CHANGE
Attendance	9,100	8,723	-4.2%
On-track wagering handle	$1.42M	$1.27M	-10.4%
Total wagering handle	$17.24M	$17.26M	+0.1%
Gross food & beverage sales	$371K	$366K	-1.4%

Per-day comparisons use 32 racing days in 2026 versus 31 in 2025. They are indicators only; weather, calendar and event mix can affect comparisons.

Questions I believe are worth asking

1. Attendance and on-track activity

With per-day attendance and on-track handle softer, what do the comparable-day and ticket-category trends show? What options could help grow general admission and repeat visits?

2. The District's actual financial return

Can we see a straightforward forecast reconciling operating income, permitted retained funds, the separate direct-payment schedule and total projected 2026 payments to the District?

3. Food and beverage: net benefit

The $11.7M sales figure is welcome. What net revenue ultimately benefits the District after applicable costs and concessions, and which initiatives are producing the strongest margins?

4. Online wagering economics

Account-wagering commissions were about $479K below budget despite stronger wagering activity. How much stems from deductions versus wagering mix, and what does that mean for 2027?

5. Marketing: engagement and conversion

Influencer reach and sponsorships deserve recognition. Can we also see evidence linking marketing investment to ticket purchases, repeat visits and revenue growth?

6. Sustainable performance and asset care

Which non-essential maintenance projects were deferred, and when will they be addressed? How much of the $1.66M operating-income improvement reflects recurring gains rather than unusual 2025 costs?

My goal is to strengthen a successful partnership with clearer measures and practical follow-up. I welcome management's explanation and recommendations through the District's established public-meeting and reporting process.

Source: DMTC, Q3 2026 Budget Report and Schedules, pp. 1-2, 10-15, 17-18. Daily figures calculated from DMTC-reported rounded totals; all dollar amounts approximate.

Food & Beverage Report
Sep-26

September 2026 Food Service Revenues were $1,846,658. Budgeted Revenues for September 2026 were $1,533,995

Net distribution to the District for September 2026 was $122,977 or 6.7%. Budgeted distribution for September 2026 was $35,631 or 2.3%.

Year-to-date 2026 distribution to the District is $4,209,765 or 21.3%. The budgeted distribution for YTD 2026 was $3,755,456 or 19.4%.

Sep-26	2026 ACTUAL	%	2026 BUDGET	%	2025 ACTUAL	%
TOTAL REVENUE	1,846,658	100.0%	1,533,995	100.0%	1,311,985	100.0%
TOTAL COGS	374,941	20.3%	350,584	22.9%	212,160	16.2%
GROSS MARGIN	1,471,717	79.7%	1,183,411	77.1%	1,099,825	83.8%
TOTAL PAYROLL	1,013,639	54.9%	908,119	59.2%	916,170	69.8%
OPERATING EXPENSES	317,533	17.2%	234,571	15.3%	225,826	17.2%
NET PROFIT	140,545	7.6%	40,721	2.7%	(42,172)	-3.2%
CLIENT DISTRIBUTION	122,977	6.7%	35,631	2.3%	(36,900)	-2.8%

YTD	2026 ACTUAL	%	2026 BUDGET	%	2025 ACTUAL	%
TOTAL REVENUE	19,747,074	100.0%	19,308,522	100.0%	18,944,576	100.0%
TOTAL COGS	4,123,617	20.9%	4,113,783	21.3%	3,920,879	20.7%
GROSS MARGIN	15,623,457	79.1%	15,194,739	78.7%	15,023,697	79.3%
TOTAL PAYROLL	8,327,495	42.2%	8,523,604	44.1%	8,272,246	43.7%
OPERATING EXPENSES	2,484,802	12.6%	2,379,186	12.3%	2,212,165	11.7%
NET PROFIT	4,811,160	24.4%	4,291,949	22.2%	4,539,286	24.0%
Y-T-D CLIENT DISTRIBUTION	4,209,765	21.3%	3,755,456	19.4%	3,971,875	21.0%

Food & Beverage Report
Sep-26
The Sound

September 2026 Food Service Revenues were $262,290. Budgeted Revenues for September 2026 were $222,010

Net distribution to the District for September 2026 was $132,334 or 50.5%. Budgeted distribution for September 2026 was 94,325 or 42.5%.

Year-to-date 2026 distribution to the District is $632,060 or 51.5%. The budgeted distribution for YTD 2026 was $441,159 or 40.6%.

Sep-26	2026 ACTUAL	%	2026 BUDGET	%	2025 ACTUAL	%
TOTAL REVENUE	262,290	100.0%	222,010	100.0%	273,251	100.0%
TOTAL COGS	48,237	18.4%	40,246	18.1%	56,165	20.6%
GROSS MARGIN	214,052	81.6%	181,764	81.9%	217,085	79.4%
TOTAL PAYROLL	41,694	15.9%	53,265	24.0%	32,625	11.9%
OPERATING EXPENSES	21,119	8.1%	20,699	9.3%	18,240	6.7%
NET PROFIT	151,239	57.7%	107,800	48.6%	166,220	60.8%
CLIENT DISTRIBUTION	132,334	50.5%	94,325	42.5%	145,443	53.2%

YTD	2026 ACTUAL	%	2026 BUDGET	%	2025 ACTUAL	%
TOTAL REVENUE	1,226,954	100.0%	1,085,382	100.0%	1,110,820	100.0%
TOTAL COGS	214,294	17.5%	196,758	18.1%	180,191	16.2%
GROSS MARGIN	1,012,660	82.5%	888,624	81.9%	930,628	83.8%
TOTAL PAYROLL	194,330	15.8%	282,970	26.1%	221,505	19.9%
OPERATING EXPENSES	95,976	7.8%	101,472	9.3%	108,640	9.8%
NET PROFIT	722,355	58.9%	504,182	46.5%	600,483	54.1%
Y-T-D CLIENT DISTRIBUTION	632,060	51.5%	441,159	40.6%	525,423	47.3%

Item 6-K-1: Fair Operations Committee Report
[Information Item]

The Fair Operations Committee met on October 27 to review concessions reporting and detailed analytics presented by Concessions Manager Jason Warrenburg.

The process of selecting concession operators and locations for the 2027 Fair is still in its early stages. Applications are expected to be posted when the Fair website launches in November.

Based on the results and experience from 2026, the committee remains confident in the current selection process. The committee believes there is a strong business rationale behind the way operators and locations are chosen, balancing guest preferences, operational requirements, and financial performance.

Guest survey results show that food, along with spending time with friends and family, is a primary reason patrons attend the Fair. The committee believes the current mix of concessionaires successfully delivers the unique and high-quality food options that guests expect while also generating significant **net** revenue: $4,970,449, for the district during the Fair's 20-day run in 2026.

Much of the perceived "duplication" among food vendors is the result of individual operators managing multiple stands, typically between two and four locations, each offering a different food concept.

This approach provides several benefits:

- Encourages proven operators to introduce new menu items and innovative concepts
- Maintains reliable revenue through established and popular offerings
- Allows operators to generate capital that can be reinvested in facilities, food quality, and guest experience
- Supports placement in locations outside the main avenue, such as the infield, by balancing them with higher-traffic locations elsewhere on the grounds
- Ensures guests have access to a variety of food options throughout the Fair, regardless of where they are located

Food concession operators assume substantial financial risk, including labor, food costs, transportation, and other operating expenses, all of which have increased significantly over time. In some cases, an operator may only break even at one location but can continue operating there because profits generated at another location offset those costs. This structure helps maintain a diverse and accessible food program across the Fairgrounds while supporting overall guest service objectives.

The committee remains confident in the concessions selection process and believes that allowing experienced operators to manage multiple locations with different concepts helps maximize the Fairground's need to achieve high levels of guest choice, sustain vendor investment, support offerings in less-trafficked locations, and maintain strong financial performance.

Additional Discussion Items

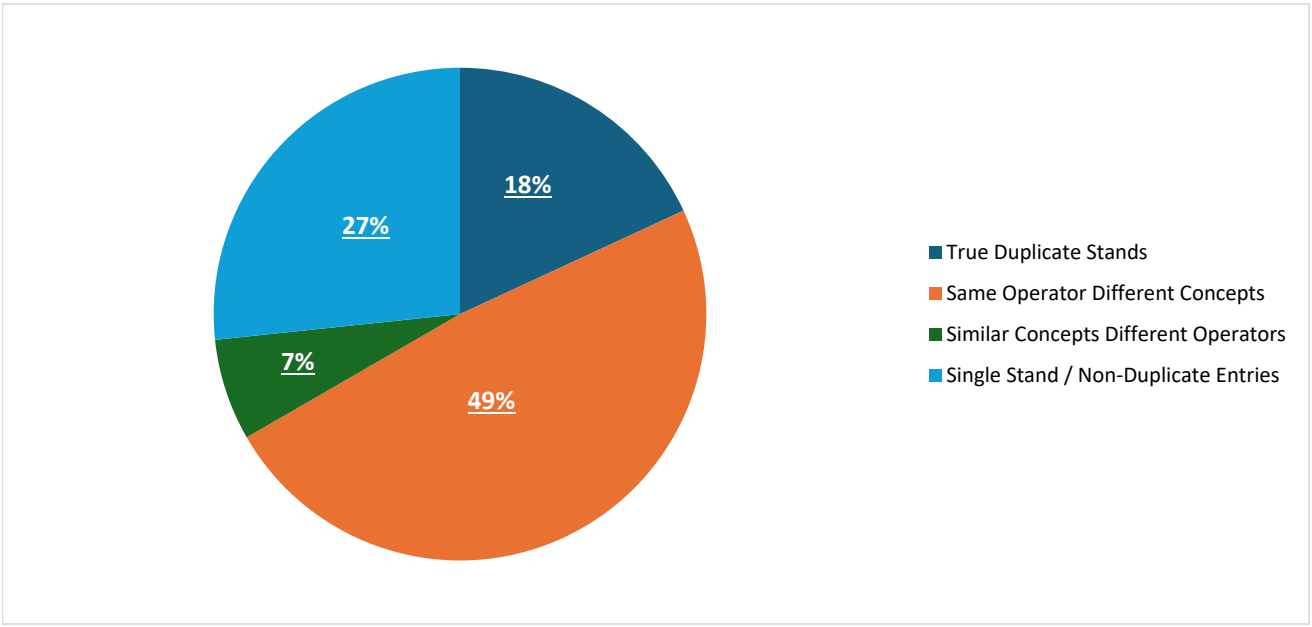
An initial proposal for Grandstand offers was submitted for review which the committee approved. The goal for Grandstand booking is to provide a mix of genres that reflect the San Diego population's varied musical interests, resulting in sell-out performances. The booking process is ongoing, and the Committee will meet as often as necessary to review and approve them. The goal is to go on sale with the concert series in March 2027 and releasing dates each month as needed. Confirmations will go before the Board at the March meeting.

The 2027 logo and website will be revealed at the November meeting.

CONCESSIONS | OPERATOR & CONCEPT ANALYSIS

San Diego County Fair • Fair Operations Committee • October 2026

Classification	Stand entries	Distinct operators	Gross sales
True Duplicate Stands	19	9	$5,670,339.68
Same Operator Different Concepts	51	21	$10,248,888.91
Similar Concepts Different Operators	7	6	$817,189.86
Single Stand / Non-Duplicate Entries	28	28	$4,204,569.51
TOTAL SOURCE ENTRIES	**105**		$20,940,987.96



CLASSIFICATION	ENTRIES	SHARE
True Duplicate Stands	19	18.1%
Same Operator, Different Concepts	51	48.6%
Similar Concepts, Different Operators	7	6.7%
Single Stand / Non-Duplicate	28	26.7%

Percentages are calculated from the 105 retained stand entries and will update when overview counts change.

DEL MAR TIMES > DEL MAR TIMES NEWS

DA declines to pursue criminal case over Del Mar's conflict of interest allegations against fair board member, state AG

Public Integrity Unit said in an Oct. 1 letter that the city of Del Mar's public handling of the criminal referral was 'very irregular'



Karen Billing

Del Mar City Hall (Karen Billing)



By **LUKE HAROLD** | luke.harold@delmartimes.net

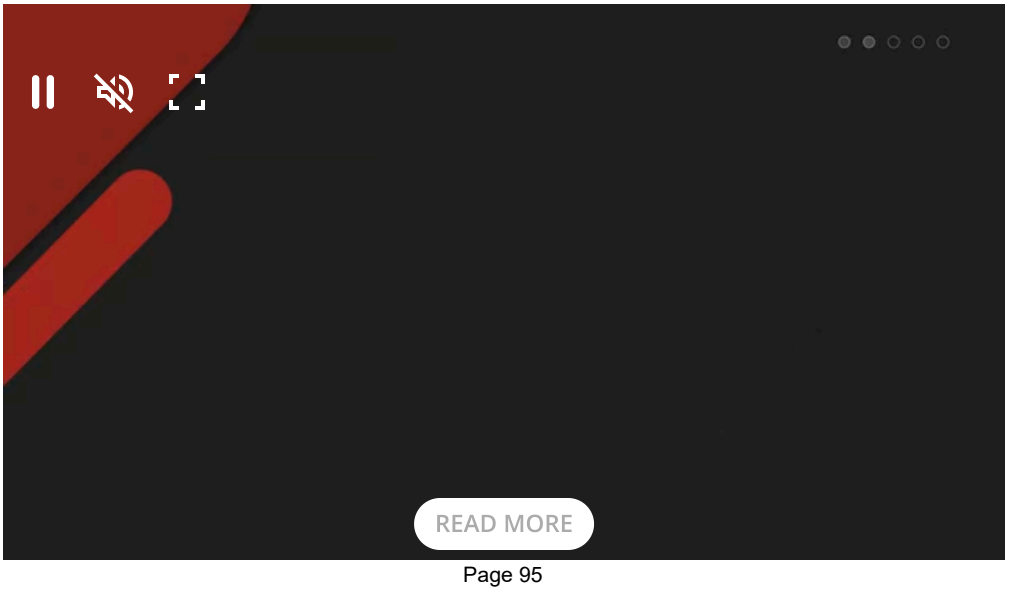
PUBLISHED: October 9, 2026 at 2:58 PM PDT | UPDATED: October 12, 2026 at 2:42 AM PDT

The San Diego County District Attorney will not pursue criminal charges over alleged conflicts of interest regarding an affordable housing project on Del Mar Fairgrounds property, according to an Oct. 1 letter.

In August, the Del Mar City Council asked for a possible criminal investigation after receiving an email signed by a Debrah Barnes, who alleged that a fairgrounds board member and the state attorney general may have had ulterior motives for criticizing an affordable housing project on fairgrounds property while appearing more supportive of a separate housing project.

The Del Mar Times was unable to verify whether Barnes is a real person. Neither was the DA's Public Integrity Unit.

"Despite several efforts, we have not been able to confirm the complaining party's identity or legitimacy as a complainant," said the recent letter to Del Mar's city attorney.



It added that “the way this complaint was referred was very irregular, especially with the media publicity surrounding its submission.”

“Historically, referrals of this nature have been communicated directly to the Public Integrity Unit rather than through public channels,” the letter continued.

In July, the city of Del Mar received the email from Barnes, who wrote she “does not allege wrongdoing by any individual.” Her email did not describe any specific illegal actions.

But using campaign finance records and other information on the internet, Barnes alleged that fair board member Mark Arabo opposed an affordable housing proposal at the fairgrounds because it would boost the prospects of completing Seaside Ridge, a separate pending Del Mar housing project.

In its housing element, Del Mar promised state housing regulators that the city would have a plan to build multiunit housing on the north bluff property, which is the proposed site of the 259-unit Seaside Ridge project, if the fairgrounds housing plan failed. Council members and many residents have spoken against adding density on that property.

There was a November 2026 deadline for the two sides to have a deal in place for the city and fairgrounds to agree on a lease, which would have allowed the city to find a developer.

But fair board members, including Arabo, had cautioned the city for years that their decision on whether they want to build housing might take longer than the city’s state-imposed deadlines.

The Barnes letter mentioned that Arabo bought a Rancho Santa Fe home in 2024 through a real estate agent who also works for the Seaside Ridge applicant, but Arabo said he has no financial stake in Seaside Ridge. He recused himself from the fair board vote later in August to terminate negotiations with the city of Del Mar for the affordable housing project.

In January, Attorney General Rob Bonta warned the city in a letter that it was violating state housing law by keeping the 259-unit Seaside Ridge proposal in “administrative limbo.” Bonta urged the city to work with property owner Carol Lazier to avert Lazier’s pending petition in Superior Court.

The Barnes letter alleged that Bonta's letter was spurred by Arabo's campaign contributions, although records show Arabo has been making maximum contributions to Bonta since before Arabo was on the fair board and before the first Seaside Ridge application was ever submitted.

During a 10-minute special meeting in August, the Del Mar City Council voted 3-0, with Councilmember Dan Quirk absent, to make the criminal referrals to the District Attorney and U.S. Attorney Adam Gordon, whose federal court district includes San Diego.

Council members did not have a typical pre-vote discussion, nor did they acknowledge a three-page email from Arabo vehemently denying the allegations. An attorney representing Seaside Ridge also wrote to the city saying that the referrals were "based on misconstrued, incomplete and unsubstantiated assertions."

The DA's Public Integrity Unit said there was "insufficient evidence" to proceed.

"We also reviewed publicly available information indicating that the California Attorney General's Office has been involved in numerous matters concerning compliance with low-income housing requirements through their Housing Justice Team," the Oct. 1 letter said. "Nothing in this matter suggests that the performance of Rob Bonta's duties is connected in any way with contributions to his political campaign."

In a fairgrounds email blast Sunday night, board President Sam Nejabat said in a statement that he welcomed the DA's decision. He added that "legitimate questions remain" about the Debrah Barnes email, "including its origins and whether the identity of the purported complainant was independently verified."

"If the complaint process was misused, whether through misrepresentation, improper influence, or an attempt to undermine a public official, such conduct must be taken seriously and addressed through the appropriate channels," Nejabat said. "Protecting the integrity of the investigative process is just as important as ensuring that legitimate complaints are heard and thoroughly evaluated."

A spokesperson for the U.S. Attorney's office declined to say whether Gordon has made a decision on the Del Mar referral.

Del Mar City Manager Ashley Jones declined comment.

DA’s office rejects Del Mar investigation request

thecoastnews.com/das-office-rejects-del-mar-investigation-request

Jim Trageser October 12, 2026



DEL MAR — The San Diego County District Attorney’s Office has rejected the City of Del Mar’s request to investigate California’s attorney general and a member of the state board overseeing the Del Mar Fairgrounds.

On Aug. 3, the Del Mar City Council voted to have the city attorney formally ask both the district attorney and the U.S. attorney for the Southern District of California to investigate ties between Brian Guiltinian, an adviser and broker for the proposed Seaside Ridge housing project, California Attorney General Rob Bonta and 22nd District Agricultural Association board member Mark Arabo.

The city attorney sent the letter Aug. 7.

The City Council based its complaint on a letter it received in July from resident Debrah Barnes, who pointed out that Guiltinian served as Arabo’s real estate agent when he purchased a new family home in 2024 and that records show both Guiltinian and Arabo contributed to Bonta’s election campaign.

Bonta, as attorney general, has formally warned the city that it must meet its state-mandated goals to provide below-market-rate housing for low-income residents, specifically citing Carol Lazier’s proposed 259-unit Seaside Ridge project in the North Bluff neighborhood, which is now tied up in litigation

between the city and Lazier.

Arabo, as a 22nd DAA board member, was involved in the decision to scrap a proposed low-income housing project at the fairgrounds, which could have allowed the city to meet its state mandate without rezoning to accommodate the Lazier project.

However, on Oct. 1, the district attorney's office sent a strongly worded letter to the Del Mar city attorney that not only rejected the city's request for a criminal investigation into Bonta and Arabo but also questioned the request itself.

The letter, which is included in the agenda for Tuesday's 22nd DAA board meeting, stated in part:

"Despite several efforts, we have not been able to confirm the complaining party's identity or legitimacy as a complainant."

The district attorney's letter also noted that Bonta's office has been involved in numerous low-income housing disputes.

The letter to Del Mar closed by stating:

"As an aside, we wanted to convey that the way this complaint was referred was very irregular, especially with the media publicity surrounding its submission. Historically, referrals of this nature have been communicated directly to the Public Integrity Unit rather than through public channels."

Statement following the district attorney's decision regarding board member Mark Arabo

uniradioinforma.com/sociedad/declaracion-tras-decision-fiscal-distrito-sobre-miembro-junta-directiva-mark-arabo-n908057

Redacción October 12, 2026



By Sam Nejabat, Chairman of the Board of Directors of the District 22 Agricultural Association

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12/10/2026 10:53 /**Uniradio Reports**/Society Updated 14/10/2026

DEL MAR.— Following the decision by the San Diego County District Attorney not to file criminal charges against Mark Arabo, a member of the Board of Directors of the District 22 Agricultural Association, the board's president, Sam Nejabat, issued the following statement:

"I welcome the district attorney's decision not to file criminal charges against my colleague, Mark Arabo."

During his service on the Board of Directors of the District 22 Agricultural Association, Mark has demonstrated a strong commitment to the Del Mar Fairgrounds, the communities we represent, and the responsibilities entrusted to us as public servants. I have personally witnessed his dedication, professionalism, and willingness to make difficult decisions in the public interest.

While allegations of misconduct should always be taken seriously and assessed through appropriate procedures, the principles of fairness, due process, and the presumption of innocence are equally fundamental. No individual should have their reputation or record in public service unfairly defined by allegations that have not resulted in criminal charges.

I also believe that legitimate questions remain about the circumstances surrounding this complaint, including its origins and whether the identity of the person who allegedly filed it was independently verified. These questions deserve answers through a proper, transparent, and independent review.

If the whistleblowing process was misused, whether through false statements, undue influence, or an attempt to undermine a public official, such conduct must be taken seriously and addressed through the appropriate channels. Protecting the integrity of the investigative process is as important as ensuring that legitimate complaints are heard and thoroughly evaluated.

Our board members volunteer their time to serve the people of California. They are entrusted with overseeing important public assets and making decisions that affect the economic and civic future of our region. They must be able to fulfill these responsibilities independently, without fear that unfounded accusations could be used to damage their reputation or interfere with their public duties.

I recognize the personal and professional impact this matter has had on Mark and his family. I strongly support his right to fair treatment and fully endorse his continued service on our board.

As president, my responsibility is to protect the integrity of this institution, maintain the highest standards of accountability in public service, and ensure that every board member is treated with fairness and respect.

Our commitment to due process must be unwavering, our accountability standards must be applied consistently, and our dedication to public trust must remain above question.

Impartiality and accountability are not opposing principles. They are the foundation of public trust, and we have a responsibility to uphold both.

Mark Arabo, like anyone who chooses to serve the public, deserves nothing less than that."

Sam Nejabat

Chairman of the Board of Directors

Agricultural Association of District 22

Del Mar Fairgrounds

Wave owners pitch soccer stadium at Del Mar Fairgrounds

thecoastnews.com/wave-owners-pitch-soccer-stadium-at-del-mar-fairgrounds

Jim Trageser October 13, 2026



DEL MAR — The family that owns the San Diego Wave women's soccer club has proposed redeveloping the Del Mar Fairgrounds with a new soccer stadium, hotel, convention center and parking garage.

Lauren Leichtman and her son, Zachary Leichtman-Levine, presented their plans to the board of the 22nd District Agricultural Association at its monthly meeting Tuesday morning as part of the Master Site Planning Committee report.

The Wave ownership, which has been working with the Master Site Planning Committee, told the full board that its long-term plans include having a dedicated stadium for the team when its current lease at San Diego State University's Snapdragon Stadium expires. The owners are also considering building a new training facility in the Del Mar area, but that would not be part of this project.

The Wave compete in the National Women's Soccer League, the top level of women's professional soccer in North America. The owners are looking to build a stadium with a capacity of 12,000 to 16,000 — less than half the size of Snapdragon Stadium, which seats 35,000.

Leichtman-Levine said the smaller stadium would better align with dedicated soccer stadiums in the NWSL.

Leichtman-Levine told the board that the Wave are at the bottom of the priority list for scheduling at Snapdragon, behind SDSU's football team, the men's San Diego FC of Major League Soccer and special events such as concerts.

"We would like to be able to provide a supportive, women's purpose-built stadium for the San Diego Wave," Leichtman-Levine said.



A conceptual rendering shows the San Diego Wave ownership group's proposed redevelopment of the Del Mar Fairgrounds, featuring a 12,000- to 16,000-seat soccer stadium, 300-room hotel, 125,000-square-foot convention center, parking garage, shops, restaurants and public recreation areas. Courtesy photo

While the site map they shared showed a stadium, convention center and parking garage clustered on the south side of the fairgrounds, Leichtman-Levine emphasized that the illustrations are conceptual only and that no site studies or other development work have been conducted.

The parking garage is expected to accommodate roughly 1,300 cars, the hotel would have about 300 rooms, and the convention center would encompass 125,000 square feet. The plan also includes a retail and restaurant district to attract visitors year-round, and a proposed tram would circle the fairgrounds and include a stop at the approved train platform.

Wave ownership emphasized that the plans would preserve both the racetrack and the annual San Diego County Fair.

A timeline shared with the board showed the stadium opening in 2031, the shops and restaurants in 2033, and the hotel and convention center the following year.

The family requested a two-year exclusive negotiating period that would justify spending millions of dollars on detailed site plans to present to the board for future approval.

In response to the request to place such an agreement on the November agenda, Director Kathlyn Mead asked whether the 22nd DAA had solicited proposals from other potential development partners. Sam Nejabat, chair of the Master Site Planning Committee, told her the committee had not proactively sought proposals but had been meeting with groups that approached the fairgrounds.



The San Diego Wave compete at Snapdragon Stadium in San Diego. The Wave's ownership group has proposed building a dedicated 12,000- to 16,000-seat soccer stadium at the Del Mar Fairgrounds. Courtesy photo/Wave

Board Vice Chair Lisa Barkett asked the Wave representatives whether they had considered including affordable housing in the project. A member of the development team said they were open to the idea.

Barkett followed up by asking where the 22nd DAA's offices would be located.

“We can certainly add additional office space,” Leichtman-Levine said, also pointing out that the family has experience building housing.

Becky Bartling, CEO of the 22nd DAA, pointed to a previous effort to develop a master plan for the fairgrounds.

“We went through the master plan process in 2000 for several years, and ultimately finalized it with the EIR (environmental impact review). The challenge was we didn’t have any money, so nothing got done.”

Boardmember Frederick Schenk said he also wanted to hear from other potential developers before moving forward.

Mead closed the discussion by asking staff to develop a timeline for accepting both solicited and unsolicited proposals. The board took no action because the presentation was informational.

Soccer venue, development are proposed for Del Mar parking lot

horseracingnation.com/news/Soccer_venue_development_are_proposed_for_Del_Mar_parking_lot_123

Ron Flatter October 13, 2026



Photo: Levine Leichtman Capital Partners

A proposal by the San Diego Wave women's soccer team to build a 12,000- to 16,000-seat stadium in the southeast parking lot at **Del Mar** was presented Tuesday to the fairgrounds board that oversees the racetrack property.

"This project we think could be sort of what we're looking for to achieve a long-term home for the San Diego Wave and a women's purpose-built stadium," said Zachary Leichtman Levine, whose family owns the National Women's Soccer League club.

The proposal made to the 22nd District Agricultural Association board is part of an ambitious, three-phase development plan. The project would include the stadium, an adjacent parking tower, a tram to cover the 324-acre property, a 350,000-square-foot retail and restaurant center, a 300-room hotel and a 125,000-square-foot convention center to replace existing fairgrounds halls. It all would be paid for by investors led by the Wave owners. It would not interrupt racing.

"You'll notice the racetrack meet and the fair, all that continues through the phase of our work here," said Leichtman Levine, who is chief financial officer of Levine Leichtman Capital Partners.

Artist renderings of the finished project were presented as “conceptual” and not illustrated to exact scale. The cost of the entire venture never came up.

“As part of all the feasibility that we’re going to be doing and the money we’re going to be spending through all the site plan and studies and research that we’re going to do, this is all the stuff that we’re going to need to discuss with you guys,” said Bobby Assil, CEO of 88 Place Acquisitions, a Los Angeles-based colleague of Leichtman Levine. “From now until November, we’re more than happy to meet and talk as much as individually that we’re able to meet with you guys and discuss it and try to figure out what is the additional things that you guys may want after our presentation that would be concerning for you that you want to see come to life on the property.”

One dollar figure that was presented was a preliminary amount to build the stadium.

“I think our early estimates are somewhere in the $10-plus-million range that we will pay for,” Leichtman Levine said. “What we view here is a way to create durable new revenue streams not only for the fairgrounds but for San Diego and the surrounding communities, in addition to adding and supporting the local infrastructure, local environment, animals, wetlands, etc., and continuing to support a fairground and racing history and other non-main-fairground events that already take place on the site.”

The Del Mar board did not take any action on the presentation Tuesday. Instead, Leichtman Levine said the investment group, which claims to manage $20 billion of capital assets, wants the Del Mar board to open a negotiating window when it meets next month.

“We are looking for a two-year exclusive period to start that allows us to spend the money and do the work and get up to speed in terms of what the entire project is going to look like,” Leichtman Levine said. “During that time we’ll be working with you on a number of definitive documents to get to an agreement in full and some order.”

Becky Bartling, who recently returned to the Del Mar Fair in April to become CEO after 10 years running the Sonoma County Fair in Santa Rosa, Calif., said she was happy to hear from a developer who was not asking for money.

“We went through the masterplan process in the 2000s for several years and ultimately finalized it with the (environmental-impact report),” said Bartling, who had been chief operating officer at the Del Mar Fair from 2003 to 2015. “The challenge was we didn’t have any money, so nothing got done. Anything that comes before us, and this plan does that, it needs to get paid by the developer. That’s the great opportunity with this project. If there’s another project out there with a similar concept, those are the things we need to look at, because we don’t have the money. It’s exciting to have somebody who does.”

Currently the Wave plays its home matches at Snapdragon Stadium, which opened in 2022 next to the former site of Qualcomm Stadium. The primary tenant is San Diego State University athletics followed in order of scheduling priority by concerts and special events and then San Diego FC of Major League Soccer. The Wave, whose regular season runs from March to November, falls fourth on that list.

“Women tend to be considered second-, third- or sometimes even fourth-class citizens,” Leichtman Levine said. “What we found at Snapdragon is something resembling a fourth-class citizen. ... We would like to be able to provide a supportive sort of women’s purpose-built stadium for the San Diego Wave and a way to support women and children and families in the community.”

The board generally sounded receptive to the presentation, which was vetted first by a master-site planning committee that included Bartling, board chairperson Sam Nejabat and board member Mark Arabo.

“I think we walked in very skeptical,” Arabo said. “We ended up very happy, for myself, at least. I think it’s important to know that what we’re presenting is just a study. They’re not saying we’re going to develop it. They’re going to say, can you do it? Can you not? Can we do this? Can we do that? It’s just a study. ... I like the renderings. I still have a lot more questions to ask, but I think they’re all preliminary. I like that we’re going to go really slow, definitely crawl, crawl, walk, run.”

Horse Racing Nation *covered Tuesday’s board meeting by monitoring a live stream provided on YouTube by the Del Mar Fair.*

Del Mar Fairgrounds Board Hears Proposal For Parking Lot Development

paulickreport.com/news/the-biz/del-mar-fairgrounds-board-hears-proposal-for-parking-lot-development

Lillian Davis October 14, 2026

The proposal includes a 12,000- to 16,000-seat National Women's Soccer League stadium



Del Mar racetrack in Del Mar, Calif.
Del Mar Thoroughbred Club Photo

The 22nd District Agricultural Association board heard a proposal for development of the parking lots on the property that houses the Del Mar Thoroughbred Club on Tuesday, Oct. 13, *Horse Racing Natio*n reports.

According to the report, the three-phase proposal includes a 12,000- to 16,000-seat stadium for the San Diego Wave, currently the second-ranked club in the National Women's Soccer League, with a parking tower and tram for transportation throughout the property.

The proposed project also includes a 350,000-square-foot retail and restaurant center, a 300-room hotel, and a 125,000-square-foot convention center.

Levine Leichtman Capital Partners brought the proposal, claiming the work would not impact racing.

The board did not take any action during Tuesday's meeting.

"I think we walked in very skeptical," said board member Mark Arabo. "We ended up very happy, for myself, at least. I think it's important to know that what we're presenting is just a study. They're not saying we're going to develop it."

Read more at horseracingnation.com.

The San Diego Union-Tribune

SPORTS › **SOCCER** • News

San Diego Wave propose development project with new stadium on Del Mar Fairgrounds property



A concept drawing presented to the 22nd District Agricultural Association board shows a development that would be anchored by a new 12,000-to-16,000-seat San Diego Wave stadium. (Del Mar Dreams LLC)



By **MARK ZEIGLER** | mark.zeigler@sduniontribune.com
PUBLISHED: October 14, 2026 at 6:31 PM PDT | UPDATED: October 15, 2026 at 1:37 PM PDT

Saying they're "a fourth-class citizen" at Snapdragon Stadium, the San Diego Wave women's professional soccer team met with the body overseeing the Del Mar Fairgrounds earlier this week and proposed a sweeping development project that includes a 12,000- to 16,000-seat stadium.

a home for women and support women's sports as we have done for a number of years as a family."

Leichtman-Levine and his mother, Wave controlling owner Lauren Leichtman, made a 20-minute presentation to the 22nd District Agricultural Association board, then took 30 minutes of questions about a project that would transform the state-owned property housing the Del Mar horseracing track and annual county fair.

The stadium is the centerpiece of what is called Del Mar Dreams, situated in conceptual renderings on the 324-acre property's southeast side near the track's first turn. It also includes a multi-level parking garage for 1,300 cars; 350,000 square feet of retail stores and restaurants modelled after "The Grove" in Los Angeles; a 125,000-square-foot convention center; a 300-room hotel; and a tram connecting the new facilities to a nearby rail line.



The estimated cost of the project was not disclosed, although the going rate for a 12,000-seat soccer stadium in California is in the $200 million range.

The Wave started as an NWSL expansion franchise in 2022, spending most of their inaugural season at 6,000-seat Torero Stadium at USD. They played the final two games of the season at the newly opened Snapdragon Stadium before moving there permanently the following season.



announced crowd of 32,066.

Then two things happened: Superstar forward Alex Morgan retired, and Major League Soccer expansion franchise San Diego FC launched in 2025 with priority over coveted Saturday night dates.

Crowds have plummeted in recent seasons, to 13,427 last year and about 12,000 this year — even though the Wave are currently in second place in the 16-team league.

And those are announced figures. Turnstile is typically less than that.

"We've been tenants, as you know, of Snapdragon Stadium," Leichtman-Levine, the Wave's alternate governor, told the DAA board. "What we learned along the way as owners of this team, as well as kind of what we've experienced through a number of philanthropic processes that we've been involved in related to women's academics and sports, is that women tend to be considered second-, third- or sometimes even fourth- class citizens.

"What we found at Snapdragon is something resembling a fourth-class citizen. We are fourth on the list of selecting dates for the games."

It's an issue that first surfaced three years ago, when then-Wave coach Casey Stoney told media: "It frustrates me again that we're the established team in the market, and a men's team comes in and gets first picks on the schedule. ... Shame that it continues to happen."

Snapdragon Stadium is owned by San Diego State, which obtained the Qualcomm Stadium land in Mission Valley from the city through a 2018 ballot referendum. The 35,000-capacity venue cost $310 million to build and opened in August 2022.

SDSU athletic director John David Wicker declined comment Wednesday.

In 2023, he called Stoney's remarks "much ado about nothing," noting that expansion talks with MLS began in 2017 and included a non-negotiable provision that it would receive scheduling priority at an SDSU-owned stadium behind Aztecs football and pre-booked concerts.

"It's because (MLS) asked first," Wicker said then. "We started this conversation well before the NWSL was a thought in San Diego. MLS was adamant from early in our conversations that they would be No. 2 in the building."

San Diego FC is also paying for the privilege. Its 20-year stadium lease is for $200,000 per game, with 3% raises in years five, seven and nine.

The Wave's original lease expired in 2025, replaced by a six-year deal that comes up for renewal in 2031. The Union-Tribune has yet to obtain terms of the new lease, but in the original one the Wave paid $25,000 per game for use of the lower bowl only and $35,000 per game for the entire venue.

It also included a clause addressing the potential addition of an MLS tenant: "(The Wave) further acknowledges, that should a Major League Soccer Team play its home schedule at the stadium, (the stadium and Wave) and MLS shall work cooperatively in good faith to establish new mutually beneficial scheduling procedures."



A wide view of Snapdragon Stadium during the NWSL match between San Diego Wave FC against the Utah Royals FC. (Xavier Hernandez for the UT)

The Wave will play only three of 15 home games this season on Saturdays. Several other Saturdays were available, but the NWSL's television deal allows the league to move games to Friday or Sunday and set kickoff times.

Most home dates have been restricted to the lower bowl, about the same size as the proposed Del Mar stadium that, as currently planned, would start at 12,000 seats with the ability to add another 4,000.

"Early days when the team was launched, we were filling the stadium quite well and actually have done so in a number of games in the two years," Leichtman-Levine told the DAA board. "But what we found is for us to create the environment that we want to achieve, we think the 12,000- to 16,000-seat capacity stadium is probably the sweet spot.

"(It) gives you enough of a feeling of a real sports event without becoming gigantic."

Leichtman-Levine told the board the Wave looked at "three or four" other potential sites in the county before settling on the Del Mar Fairgrounds. The stadium could be used for concerts and high school sports events as well.

The stadium, parking structure and tram would be part of Phase 1, which would target a 2031 opening. Phase 2 would include the retail and restaurant district. Phase 3 would encompass the hotel and convention center.



Melanie Barcenas of the San Diego Wave shoots past Racing Louisville FC defenders during the second half at Snapdragon Stadium Aug. 28, 2026 in San Diego, Calif. (Photo by Denis Poroy)

Leichtman-Levine requested a two-year exclusive negotiating window that, he hopes, the board would approve at its Nov. 10 meeting. The DAA would ultimately provide the land; the Wave owners and their partners would fund the development.

The presentation before the full board came after the Wave's owners met with its master plan committee. For the past two decades, the Del Mar Fairgrounds has talked about developing the land surrounding the track, but projects never got off the ground.

"We went through the master plan process in the 2000s for several years," fairgrounds CEO Becky Bartling said during the meeting. "The challenge was we didn't have money, so nothing got done. Anything that comes before us, and this plan does that, it needs to get paid (for) by the developer.

"That's the great opportunity with this project and if there's another project out there with a similar concept. Those are the things we need to look at, because we don't have the money. It's exciting to have somebody who does."

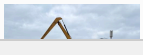
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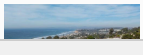
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Fair board asks for apology from Del Mar City Hall over criminal referrals



John Gibbins/San Diego Union-Tribune

An aerial view of the Del Mar Fairgrounds property, as pictured on Jan. 14, 2020. (John Gibbins / U-T file)



By LUKE HAROLD | luke.harold@delmartimes.net

PUBLISHED: October 14, 2026 at 6:42 PM PDT | UPDATED: October 14, 2026 at 7:29 PM PDT

The Del Mar Fairgrounds Board of Directors wants city officials to appear at the November fair board meeting to apologize for making conflict of interest allegations against board member Mark Arabo based on an email sent by someone whose existence no one has been able to verify.

In July, the city received an email signed by a Debrah Barnes. It does not describe any particular wrongdoing. But the letter implied that state Attorney General Rob Bonta, who has urged the city to comply with state housing law and work with the property owner behind the 259-unit Seaside Ridge proposal in Del Mar, was acting at the behest of Arabo due to Arabo's campaign contributions.

It alleged that Arabo has an interest in Seaside Ridge because he bought a house in 2024 through a local real estate agent who happens to work with the Seaside Ridge applicant.

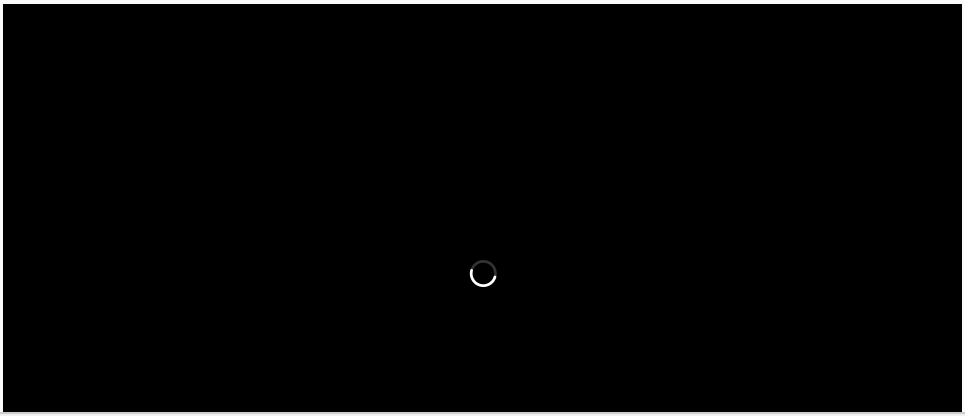


Arabo denied that he had any stake in Seaside Ridge or any influence in Bonta's enforcement of state housing laws.

In a 10-minute meeting on Aug. 3, with no discussion or consideration of Arabo's three-page rebuttal to the Barnes email, the Del Mar City Council voted 3-0 to send criminal referrals to District Attorney Summer Stephan and U.S. Attorney Adam Gordon. Councilmember Dan Quirk was absent.

In an Oct. 1 letter, San Diego County District Attorney Summer Stephan took the fairly unusual step of not only announcing that her office is not bringing charges, but also calling Del Mar's publicity-seeking efforts "very irregular."

The DA's Public Integrity Unit wrote in the letter that they couldn't verify Barnes' identity or legitimacy as a complainant. It also said Bonta's communications with Del Mar on Seaside Ridge were in line with his overall enforcement of housing law.



A spokesperson for Gordon, whose federal court district includes San Diego, declined to say whether his office has made a decision on the referral.

"Imagine the chilling effect it has when we have to make tough decisions for the best interest of the fairgrounds and we worry that someone is going to unfairly, slanderously, defamatory attack us and our character," Arabo said.

The other board members called for an apology to Arabo and for more answers from city officials, including whether they might handle things differently in the future if receiving vague allegations about a public official from a pseudonymous sender.

Councilmembers Tracy Martinez and John Spelich, who joined Councilmember Terry Gaasterland in voting to send the referrals, have appeared during public comment urging the fair board to continue to negotiate with the city on a housing project on fairgrounds property.

The fair board voted in August to discontinue talks with the city over a proposed 61-unit project on the property.

Fair board member Donna DeBerry said there first needs to be an apology.

"I don't understand why the city of Del Mar can continue to come for public comment without doing that first," DeBerry said.

The Del Mar Times has reached out to City Manager Ashley Jones and the council for comment.

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Fair board fumes over probe request, demands Del Mar apology

thecoastnews.com/fair-board-fumes-over-probe-request-demands-del-mar-apology

Jim Trageser October 14, 2026



DEL MAR — During an emotional discussion, members of the Del Mar Fairgrounds board of directors expressed anger, frustration and distrust toward the Del Mar City Council after the District Attorney's Office declined the city's request to investigate a member of the fairgrounds board.

Sam Nejabat, chairman of the board for the 22nd District Agricultural Association, the state-appointed body that oversees operations at the fairgrounds, told his colleagues during Tuesday's monthly board meeting that he wanted to share the Oct. 1 letter from the district attorney and gauge how other board members felt the 22nd DAA should respond.

Boardmember Mark Arabo, who was — along with state Attorney General Rob Bonta and local real estate agent Brian Guiltinian — a target of Del Mar's request for a criminal investigation, said he had heard nothing from the city in the nearly two weeks since the district attorney notified Del Mar and the fair board that there would be no investigation.

After Del Mar placed the topic of requesting investigations by the district attorney and U.S. attorney on the agenda for a special City Council meeting Aug. 3, Arabo said he submitted a three-page letter July 31 outlining what he believed were factual errors in the allegations.

Arabo also pointed out that Del Mar's letter listed his family's home address, in apparent violation of state law. The city redacted the address only after his attorney demanded it.

"We did not deserve this, what the city of Del Mar did," he told his colleagues.

During Tuesday's meeting, Arabo shared a document titled "What the public should know" with his colleagues, which was also provided to The Coast News.

In the document, Arabo highlighted not only that the district attorney found no evidence of criminal behavior, but also that the office could not determine whether a person named Debrah Barnes, whom Del Mar cited as the source of allegations against Bonta, Arabo and Guiltinian, even exists.

In addition, Del Mar never conducted even a basic investigation into Barnes' allegations before sending the letters.

The Coast News has contacted the U.S. Attorney's Office for the Southern District of California to determine whether it has responded to Del Mar's request but has not yet received a response.

Boardmember Frederick Schenk said Del Mar's actions could chill appointed government officials, given the legal expenses Arabo and his family incurred.

During a spirited discussion, another board member wondered whether the threat of an investigation — warranted or not — could cause volunteer appointees on state boards to change their votes to avoid a similar situation.

"This could have been any of us," Schenk added.

Another board member said she could not believe Del Mar had failed to perform even basic due diligence to determine whether the letter it relied upon was written by a real person.

Boardmember Donna DeBerry expressed astonishment that the mayor and deputy mayor had spoken during Tuesday's meeting, again requesting during public comment that the 22nd DAA consider building affordable housing on the fairgrounds to help the city meet its state-mandated low-income housing requirements.

"There can be no moving forward," DeBerry said, given the present situation. "I don't understand why the city of Del Mar continues to come here, with no apology."

Vice Chair Lisa Barkett asked her colleagues, “How do we guarantee that moving forward they act as real partners?”

Boardmember Phil Blair asked whether the fair board could send a letter to the city requesting a retraction and apology. Josh Caplan, a deputy state attorney general who serves as the board’s legal counsel, said such a move would require a public vote by the board and advance public notice.

Nejabat asked whether he could write a letter on behalf of the board as chairman, but other directors said any letter would be more effective if all directors signed it individually.

Caplan then suggested that the board could invite the City Council to attend a future fair board meeting.

Nejabat endorsed the suggestion, saying the healing process needed the City Council to attend the fair board’s November meeting and speak directly with board members in a public setting.

During the next agenda item, a report from the board’s Audit and Governance Committee, DeBerry proposed that the board adopt a policy allowing members to be reimbursed for legal expenses incurred as a result of their service on the board.

Barkett said laws prohibit using taxpayer funds to directly benefit individuals and warned that reimbursing legal fees could result in additional litigation.

DeBerry modified her motion to direct staff to establish a policy allowing legally permitted reimbursement of reasonable attorney fees related to good-faith actions taken as a director.

The board approved the motion.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

October 16, 2026

Ashley Jones, City Manager
City of Del Mar
1050 Camino del Mar
Del Mar, CA 92014

RE: City of Del Mar's Housing Element Implementation – Corrective Action Letter

Dear Ashley Jones:

The California Department of Housing and Community Development (HCD) has reviewed the City of Del Mar's (City) obligations under the housing element and hereby issues its written findings that the City has failed to implement Program 1E (Rezone of Vacant North Bluff and/or South Stratford Properties) to rezone sites to satisfy its lower-income Regional Housing Needs Allocation (RHNA) shortfall pursuant to Government Code section 65583.2, subdivisions (h) and (i).

HCD requests that the City provide a written response to the findings below within 30 days and no later than November 16, 2026. HCD will consider the City's written response before taking any enforcement action authorized by Government Code section 65585, subdivisions (i) and (j). As discussed in this letter, such actions may include revoking HCD's finding that the City's housing element is in substantial compliance with Housing Element Law and/or referral to the California Office of the Attorney General.

Housing Element Law

HCD must review any action or failure to act by a local government that it determines to be inconsistent with an adopted housing element or Government Code section 65583 generally, and it must issue written findings accordingly.[1] HCD must give the local government a reasonable time, no longer than 30 days, to respond to these findings.[2] If HCD does not receive a written response within 30 days, or the response does not demonstrate that the program action has been implemented, then HCD may revoke its findings that the local jurisdiction's housing element substantially complies with Housing Element Law.[3]

[1] Gov. Code, § 65585, subd. (i)(1).
[2] Gov. Code, § 65585, subd. (i)(1)(A).
[3] Gov. Code, § 65585, subd. (i)(1)(C).

Additionally, HCD may notify the California Office of the Attorney General when a local jurisdiction takes actions that are inconsistent with an adopted housing element or Government Code section 65583, among other laws.[4]

Findings

On May 31, 2023, HCD found the City's housing element in substantial compliance with Housing Element Law. HCD based its compliance findings on, among other things, a commitment to implement housing element Programs 3A (Fairgrounds Affordable Housing) or 1E, which are fundamental to the City's ability to meet its 6th cycle RHNA. These key programs commit the City to develop a minimum of 54 units of affordable housing on the Fairgrounds site or implement a contingency rezone program, pursuant to Government Code section 65583.2, subdivisions (h) and (i). The City is relying on the Fairgrounds site to accommodate nearly half of its total lower-income RHNA.

On December 11, 2024, HCD sent the City a Letter of Technical Assistance, clarifying the implementation requirements of these key programs. Although the City met the initial requirements of Program 3A by entering into an Exclusive Negotiating Rights Agreement (ENRA) with the state 22nd District Agricultural Association (DAA), HCD informed the City that a development agreement, such as a ground lease with the DAA, is required to effectively implement Program 3A. In addition, HCD clarified that Program 1E remains a requirement should the ENRA be terminated or development of affordable housing on the Fairgrounds becomes infeasible within the planning period.

On January 15, 2026, HCD sent a Letter of Inquiry regarding the City's progress. The letter acknowledged new deadlines provided by the City, which include reaching an agreement with the DAA on the site and lease terms by November 2026. Importantly, the letter stated that any delays may render the Fairgrounds site infeasible within the planning period and would trigger implementation of Program 1E. The City provided a written response on February 10, 2026, confirming its understanding of the required program actions and deadlines.

On August 18, 2026, the DAA Board of Directors voted to terminate the Affordable Housing Site Due Diligence and Development and Feasibility Analysis Agreement (formerly called the ENRA), effectively ending Fairgrounds affordable housing discussions with the City. HCD met with the City on September 1, 2026, to inquire about Program 1E implementation. The City provided a written response on September 16, 2026, stating that it would implement Program 1E by rezoning the North Bluff properties. However, the City did not confirm implementation of the requisite "by-right" provisions to satisfy the lower-income RHNA shortfall.[5] The City's response claimed that it had sufficient lower-income RHNA capacity based on alternate sites that were not analyzed nor identified in the City's adopted sites inventory. As a reminder, HCD's December 11, 2024 letter

[4] Gov. Code, § 65585, subd. (j).
[5] Gov. Code, § 65583.2, subds. (h) and (i).

advised the City that a housing element amendment would be necessary to substantially modify the sites inventory and program actions and must be reviewed by HCD prior to adoption.[6] Absent any formal amendment, the City's housing element and sites inventory currently shows a shortfall of 54 lower-income units to meet the RHNA.

Based on the City's September 16, 2026, correspondence, HCD finds that the City has failed to implement the required rezone program actions following termination of the Fairground affordable housing agreement. Failure to implement the rezone actions in Program 1E means the City's housing element will no longer substantially comply with Housing Element Law, and HCD may revoke its finding of substantial compliance.

Next Steps

HCD provides the City until November 16, 2026, to provide a written response to these findings. If you have questions, need additional information, or wish to schedule a meeting, please contact Linda Ly at Linda.Ly@hcd.ca.gov.

Sincerely,



Melinda Coy
Assistant Deputy Director
Housing Accountability Unit

cc: Karen Brindley, Planning and Community Development Director
Amanda Lee, Principal Planner
Ralph Hicks, Assistant City Attorney

DEL MAR TIMES › DEL MAR TIMES NEWS

Fair board adopts policy for reimbursing legal expenses



John Gibbins/San Diego Union-Tribune

An aerial view of the Del Mar Fairgrounds property, as pictured on Jan. 14, 2020. (John Gibbins / U-T file)



By LUKE HAROLD | luke.harold@delmartimes.net

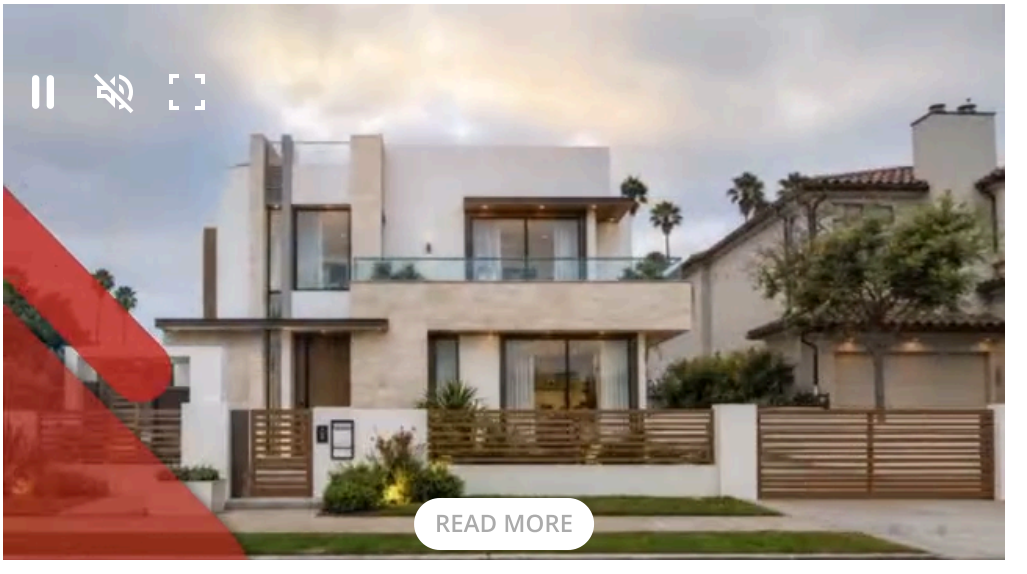
PUBLISHED: October 17, 2026 at 4:07 PM PDT

The Del Mar Fairgrounds Board of Directors on Oct. 13 approved a policy that allows board members to seek reimbursement for all “reasonable” legal fees incurred through their service on the board.

Each request for reimbursement would be reviewed by the board on a case-by-case basis and subject to review from the California attorney general’s office to confirm it does not qualify as an illegal gift of public funds.

“Certainly it would need to be on a case-by-case basis because it’s very fact specific,” said Josh Caplan, a deputy attorney general who represents the fairgrounds. “But this policy doesn’t require the district to pay or reimburse anything yet. This essentially opens the door for a board member to step forward and say, ‘Hey, I incurred these expenses, I appreciate that they aren’t required to be reimbursed under state law, but notwithstanding, I would request that the board reimburse my reasonable fees and costs.’”

The motion came from the board’s Audit and Governance Committee. It included language about covering legal expenses that preceded the adoption of the policy.



“I don’t think we’re opening up any Pandora’s box since it’s all public knowledge, so I’m not concerned about adding that language,” Board President Sam Nejabat said.

Board members voted 7-0 to approve the policy. Board member Mark Arabo abstained and board member Ted Miyahara was absent.

The Fairgrounds Board And City of Del Mar Are Still Beefing

voiceofsandiego.org/2026/10/21/the-fairgrounds-board-and-city-of-del-mar-are-still-beefing

Tigist Layne October 22, 2026



It’s the failed-housing-project story that keeps on giving — the push to develop an affordable housing project on the Del Mar Fairgrounds, that is.

Not surprisingly, there have been some new developments in the two-year-long saga between Del Mar city leaders and members of the 22nd District Agricultural Association (DAA), the governor-appointed board that runs the Del Mar Fairgrounds.

Since we last updated the story, the 22nd DAA has demanded an apology from the city of Del Mar for publicly requesting a criminal investigation into one of its board members, Mark Arabo, and the Del Mar Mayor released a letter clarifying the city’s actions and doubling down.

Remember: This whole thing started back in 2024, when the Del Mar Fairgrounds and the city of Del Mar signed an exclusive agreement to work toward building an affordable housing project on the Fairgrounds property.

The negotiation process went through several rocky periods and then, eventually, the Fairgounds board essentially killed the deal in August. There were several factors that likely contributed, the main one being that the project had become too complicated in scope, board members said. It was clear it would have required an annexation process and a longer timeline to move forward.

The process itself was also “messy,” and had too much “animosity,” one board member said at an Aug. 18 board meeting, referring to the disagreements between the two agencies.

Now, even though the housing project is dead, the disagreements just keep on rolling — as does one very interesting mystery.

Who is Debrah Barnes?

On Aug. 3, the Del Mar City Council interrupted their vacations to hold a special meeting and request a formal investigation by District Attorney Summer Stephan and U.S. Attorney Adam Gordon into Attorney General Rob Bonta and 22nd DAA Board Member Arabo.

City leaders say they requested those investigations because a resident named Debrah Barnes submitted an email to the city raising concerns about Bonta and Arabo’s potential conflicts of interest regarding a different housing project proposed for Del Mar’s North Bluff known as Seaside Ridge.

City officials have repeatedly rejected Seaside Ridge claiming the application is incomplete, fails to meet the location’s zoning standards, and unnecessary given other affordable housing units the city had in the pipeline (meaning the now-dead Fairgrounds project). Del Mar and Seaside Ridge developers are currently locked in a legal battle over those rejections.

So, Barnes’ implication was that both Bonta and Arabo may have sought to block the affordable housing proposed for the Fairgrounds, because they have ties to one of the developers of Seaside Ridge — and wanted to use their influence to help that project move forward instead of Seaside Ridge.

Because of these concerns, city leaders publicly called for investigations into Bonta and Arabo. Many people felt the calls for an investigation felt thin at best, especially coming from a government body that was opposed to the Seaside Ridge project.

The state required Del Mar leaders to include a backup site in the city’s housing plan where they would let developers build affordable housing if the proposal at the Fairgrounds fell through. Del Mar’s backup site is the exact location Seaside Ridge developers want to build their project. Now that the Fairgrounds project is no more, Seaside Ridge should, theoretically, be moving forward. But it doesn’t look like Del Mar will let that happen without a fight. You can read more about that here.

On Oct. 1, District Attorney Stephan declined to pursue a criminal investigation or charges against Bonta. Although her announcement didn't explicitly mention Arabo, a press release last week from 22nd DAA Board Chair Sam Nejabat indicates the Fairgrounds board interprets the decision to apply to Arabo, as well.

But one question persists: Who is Debrah Barnes?

Nejabat, in his press release, called for an independent review into the identity of Barnes, saying "legitimate questions remain regarding the circumstances surrounding this complaint."

The implication seems to be that someone who may have not liked the Seaside Ridge project made her up.

No one can seem to be able to verify if Barnes even exists. I have tried, with no luck, to find her; her letter to the council, included in the Aug. 3 agenda, has a phone number and address in the signature. Calls to the phone number don't go through, and online searches show the number has previously been connected to multiple different names, none of them Debrah Barnes. Similarly, a search on the address showed it's been connected to multiple different people over the years, not Debrah Barnes. Calls to these people went unanswered.

The letter from District Attorney Stephan also said that the DA's office couldn't verify the "complaining party's identity or legitimacy as a complainant."

And so, the identity of the person who wrote that initial letter has only become more intriguing. Del Mar leaders and city staff continue to put a lot of emphasis on the fact that they only referred Bonta and Arabo to be investigated because of this resident and her concerns.

Residents send a lot of concerns to cities. Almost none of them end up with public calls for an investigation.

Del Mar Mayor Tracy Martinez put out a public statement on Oct. 15 defending the city's decision to publicly call for an investigation. "The City Council, as elected public officials, has a responsibility to take concerns raised by members of the public seriously and ensure they are handled appropriately," Martinez wrote "The concerns brought forward to the city were serious in nature and warranted review."

As for whether Barnes exists, Martinez said in the statement that "staff exchanged several communications with the individual who brought forward concerns and had no reason to believe they were anyone other than who they said they were."

Ashley Jones, Del Mar's city manager, told me via email recently that the city didn't do any investigating into Barnes. So, that means city staff communicated with Barnes several times but never verified her identity.

And though some, like Nejabat, have criticized Del Mar for not doing that work, Martinez basically said in her statement that it didn't really matter at the time:

"The city had a responsibility to act regardless of the identity of the complainant or whether they chose to identify themselves at all. It is not uncommon for individuals to want to protect their identity when raising serious concerns about people in high level positions."

She also pointed out that there seems to be "more interest in the identity of the complainant than determining the legitimacy of the concerns they brought forward."

Fairgrounds Board Wants Apology

At an Oct. 13, Fairgrounds board meeting, board members told staff to invite the Del Mar City Council to a future meeting so city officials could apologize for requesting the investigation into Arabo, which multiple board members said was inappropriate and intimidating.

In Martinez' statement released two days later, there is no mention of an apology or a future meeting between the two agencies, so I'm not going to hold my breath.

Also: At the same meeting, representatives from the San Diego Wave FC soccer club presented a proposal to the Fairgrounds board — a conceptual plan to build a new stadium, hotel, convention center, retail and dining village and parking garage on the Fairgrounds property.

On Oct. 15, the same day Martinez released her statement, she and Deputy Mayor John Spelich sent emails to several thousand Del Mar residents about their opposition to the proposal from the San Diego Wave, the Coast News reported. The emails warned residents about disastrous impacts to the environment, Del Mar and neighboring cities if the project moves forward.

In Other News

- ICYMI: County Supervisor Jim Desmond spent at least $250,000 of public funds so far this year on ads promoting himself, his work and his political views, a practice not very common among the other supervisors. At the same time, he's running for one of the most consequential congressional races in the country. And though the ads weren't connected to his campaign, they've given him significantly expanded reach in the months leading up to the election. (Voice of San Diego)
- Residents of a mobile home park in Encinitas facing double-digit rent increases successfully lobbied the City Council to consider a potential measure that would freeze park rental rates on a short-term basis. The Council will discuss it on Oct. 28. (Union-Tribune)
- In the months after Sharp HealthCare officially began running Tri-City Medical Center, and UC San Diego Health finalized a joint powers agreement with Palomar Health, it's been a slow process for both of the new systems to get access to medical records and integrate into North County. (Union-Tribune)

OPINION > **COMMENTARY** • Opinion

Opinion: Del Mar went looking for lawbreakers. It should check the mirror.



Frank Wolden

This is a rendering of Seaside Ridge, a proposed 259-unit complex in Del Mar. It is on a nearly 7-acre site near Dog Beach. (Frank Wolden)

By **MANNY RODRIGUEZ**

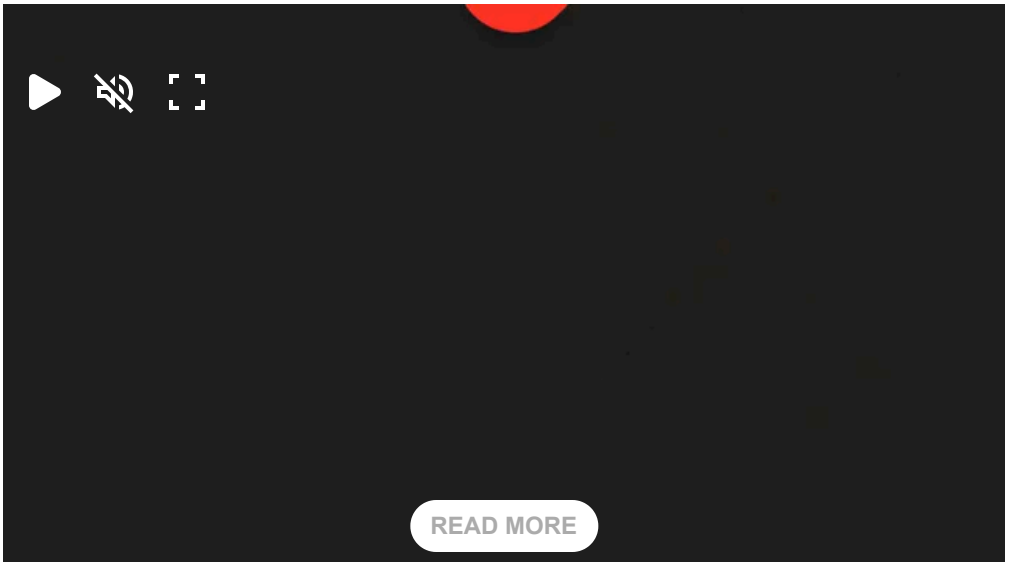
PUBLISHED: October 23, 2026 at 6:30 AM PDT

In August, the Del Mar City Council cut its summer recess short for a special meeting. It lasted about 10 minutes and had one item on the agenda. That item was not a plan to deliver the mere 113 affordable homes the state requires of Del Mar by 2029. Instead, the council voted unanimously to ask county and federal prosecutors to investigate California Attorney General Rob Bonta and Del Mar Fairgrounds board member Mark Arabo.

Their crime? Insisting that Del Mar actually build the affordable housing it owes.

Since Del Mar wants to talk about lawbreaking, let's review the case file.

Del Mar's alibi is that it had a plan. For years, the city's plan was to meet more than half its affordable housing obligation on someone else's land: the Fairgrounds, a state property, where the only site the fair board would accept sits inside the city of San Diego. In other words, Del Mar's plan for housing working families was to put them just outside its own city limits.



San Diego never committed to handing over the land. In August, with a November 2026 state deadline looming, the fair board voted to walk away.

Every city is responsible for its own share. Wealthy coastal cities cannot keep outsourcing theirs while the service workers who keep them running are pushed farther inland.

The evidence starts with Del Mar's own state-certified Housing Element, which names a backup if the Fairgrounds deal fails: the North Bluff.

That's where a proposed development called Seaside Ridge has been ready to build since 2022. The project would bring 259 homes, including 85 affordable units, plus an oceanfront public park and trail paid for and maintained by the project, not by taxpayers. That is more affordable housing than the roughly 61 units the Fairgrounds plan could have delivered.

Seaside Ridge should have been approved under California's Builder's Remedy, which limits a city's power to block housing when it lacks a compliant housing plan. Del Mar lacked one at the time. The city refused to process the application, then formally denied it, and the owner is now suing.

Then there are the warnings. Since December, the attorney general has sent Del Mar a series of letters urging it to follow state housing law. The city's response was to refer the attorney general to federal prosecutors. Del Mar isn't trying to uncover misconduct. It is trying to prevent affordable housing from being built.

This is not Del Mar's first offense. In 2020, the state found Del Mar out of compliance for failing to complete rezoning it promised in its own housing plan. In 2023, Del Mar joined a lawsuit against the state to escape SB 9, a law allowing duplexes on single-family lots. Last year, the city asked the governor to veto SB 79, the landmark housing bill of the decade that allows more housing to be built near transit.

And on Sept. 22, the council approved, on its consent calendar, a nearly $170,000 contract to draft a brand-new zone for the North Bluff. Back in May, the city cast that rezoning as preparation for its next housing plan, which doesn't start until 2029. That was the same night it voted 4-0 to deny Seaside Ridge, the project ready to build on that very bluff.

The priors confirm what we already knew: Del Mar treats the coastline like a Gilded Age estate. Workers can come in to cook, clean and lifeguard, as long as they leave by sundown.

That leaves the sentence. Under AB 712, which took effect in January, a city that loses a housing lawsuit must pay the developer's legal fees. If the state warned the city first, as it has warned Del Mar, the court must also impose fines of at least $10,000 per home. For Seaside Ridge's 259 homes, that would top $2.5 million.

Taxpayers, not council members, will foot that bill.

Enough is enough.

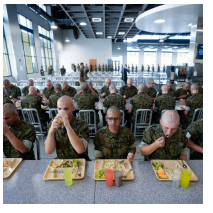
The council should call off its witch hunt, implement the rezoning its own Housing Element already promises, and settle with Seaside Ridge so these homes can get built.

Del Mar residents who don't want to spend their next dinner party explaining why they live in the town that tried to prosecute public servants to block affordable housing should tell the council so at its next meeting.

As for the investigation, Del Mar's council members went looking for lawbreakers. They didn't need to call prosecutors. They just needed to look in the mirror. Every warning letter the attorney general sent names the same suspect: the city of Del Mar.

Rodriguez is president of YIMBY Democrats of San Diego County.

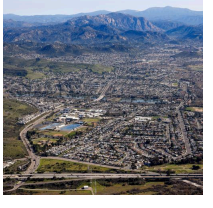
MORE FROM OUR NEWSROOM



Chow time! Marine Corps Recruit Depot in San Diego opens military's largest mess...
Wednesday, October 21



National City council moves toward eliminating, reducing $100,000 district budgets
Wednesday, October 21



Two longtime Santee council members challenged for their seats
Wednesday, October 21



CONTACT:
Becky Bartling
Chief Executive Officer
Del Mar Fairgrounds, 22nd DAA
(858) 755-1161

DEL MAR FAIRGROUNDS BOARD CHAIRMAN REAFFIRMS BOARD INDEPENDENCE AND GOVERNANCE STANDARDS

DEL MAR, CA (October 23, 2026) — The 22nd District Agricultural Association (22nd DAA), which oversees the Del Mar Fairgrounds, is issuing this statement to clarify recent comments made by Board Member Phil Blair concerning the proposed San Diego Wave development project.

As Chairman, I respect every director's right to express individual views and participate fully in Board deliberations. However, that independence carries a responsibility to respect the authority of the Board as a whole and the governance policies we have collectively adopted.

Director Blair's published comments reflect his individual views, not the position of the 22nd DAA or its Board of Directors.

Our adopted policies are clear: Individual directors are not authorized to speak on behalf of the District without proper authorization, and media inquiries concerning District business must be directed through established communications channels. These standards apply equally to every Board member, without exception.

No single director has the authority to prejudge a proposal, establish the District's position, or speak for the collective Board.

The Board has not taken a formal position supporting or opposing the proposed San Diego Wave development. No proposal should be characterized as approved, rejected, or predetermined before the Board has completed its public evaluation and deliberative process.

As Chairman, I have a responsibility to protect the integrity of this institution, the independence of every director, and the public's confidence in our decision-making.

Public comments that create the impression that the Board has reached a conclusion when it has not may undermine that confidence. Our established governance procedures exist precisely to prevent such confusion.

The future of the Del Mar Fairgrounds is too important to be determined through individual media statements. It deserves thoughtful consideration, meaningful public input, and the independent judgment of the entire Board.

We will ensure that our communications policies are understood and consistently followed by all directors.

Our obligation is not to any individual proposal or personal preference. It is to the people of California and the responsible stewardship of one of San Diego County's most important public assets.

Sam Nejabat
Chairman, Board of Directors
22nd District Agricultural Association
Del Mar Fairgrounds

About the 22nd District Agricultural Association

The 22nd District Agricultural Association, which produces the San Diego County Fair, 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 of which is the annual San Diego County Fair. To learn more, visit delmarfairgrounds.com.



MEDIA CONTACT:
Luis Valdivia
Marketing Specialist
Del Mar Fairgrounds, 22nd DAA
(858) 792-4257
media@sdfair.com

Three Directors Reappointed to 22nd DAA Board

Sam Nejabat, Mark Arabo, and Donna DeBerry will continue to serve on the Board that governs the Del Mar Fairgrounds

DEL MAR, Calif. (October 23, 2026) – Governor Gavin Newsom has re-appointed three directors to the 22nd District Agricultural Association Board, a state entity that owns and operates the Del Mar Fairgrounds and produces the annual San Diego County Fair.

Sam Nejabat, of La Jolla, has been reappointed to the 22nd District Agricultural Association Del Mar Fairgrounds Board. Nejabat has been Founder and Chief Executive Officer at SJN Properties since 2008. Nejabat was Senior Advisor of Business Affairs at the California Department of Justice from 2023 to 2025. He held multiples roles at the Governor's Office of Business and Economic Development from 2020 to 2023, including Assistant Deputy Director of External Affairs and Senior Business Development Specialist. He is a Trustee of the California State University. Nejabat earned a Bachelor of Arts degree from University of California, Berkeley, a Master of Arts degree in Liberal Studies from Dartmouth College, and a Juris Doctor degree from the University of California, Berkeley School of Law.

Mark Arabo, of Rancho Santa Fe, was first appointed to the 22nd DAA Board in August 2023. He has served as President and CEO of Refined Management since 2015 and was appointed by Governor Gavin Newsom to the State Racetrack Leasing Commission in 2024. He previously served on the California Workforce Development Board and held leadership positions at the Neighborhood Market Association. Arabo earned his Bachelor of Science in Business

Administration from San Diego State University in 2004. In 2025, he received an honorary Doctor of Humane Letters from SDSU and the California State University Board of Trustees, becoming the 68th honorary doctorate recipient in SDSU's history.

Donna DeBerry was first appointed to the 22nd DAA Board in May 2025. She currently serves as President and CEO of the County of San Diego Black Chamber of Commerce (CSDBCC). DeBerry was previously the Vice President of Inclusion at Seismic Software, where she was responsible for developing and embedding innovative global inclusion strategies. Before Seismic from 2007-2020, she held global leadership positions at Starbucks Corporation, Nike, and Wyndham Worldwide, where she implemented inclusion initiatives, organizational development and strategies at a global scale. She was the Principal of Brand Inclusion and worked with some of the largest ***Fortune and international organizations*** including **NFL, NBA** and **USOC.** She worked with ***Oprah*** and was featured in ***Fortune, Newsweek, Time, Essence*****, and *Black Enterprise*.**

"I am thrilled to have Chair Nejabat, Director Arabo, and Director DeBerry reappointed to the 22nd District Agricultural Association Board," said Becky Bartling, CEO of the 22nd DAA. "Their commitment to the continued success of the Del Mar Fairgrounds and its operation is an invaluable asset."

About the 22nd District Agricultural Association

The 22nd District Agricultural Association, which produces the San Diego County Fair, 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 of which is the annual San Diego County Fair. To learn more, visit delmarfairgrounds.com.

FAIRGROUNDS FEVER DREAMS

by Betty Wheeler | Seaview Avenue

On October 13, a development group, Del Mar Dreams LLC, presented a proposal to the 22nd DAA Board (the Fair Board) for a mega-development on the Fairgrounds: a soccer stadium with 12,000 to 16,000 seats, a 300-room hotel, a 125,000 sq. ft. convention center replacing existing exhibit halls, a multi-level, 1,300-car parking garage, and a retail and restaurant district. Del Mar Dreams LLC includes the majority owners of San Diego Wave FC and founders of a global private equity firm, and a developer of mixed-use and industrial real estate. The conceptual graphic places the new structures primarily on the south side of the Fairgrounds property, adjacent to the ecologically sensitive San Dieguito Lagoon.

Notably, the conceptual graphic shows some existing facilities such as the racetrack, barns and backstretch, but does not appear to show the existing Del Mar Fire Station. Nor does it show a location for an affordable housing project to help Del Mar meet its State housing obligations, which are based in part on the 22nd DAA' s employment numbers – even as the presentation boasted of the creation of "year-round jobs in sports, hospitality, retail and operations," which would presumably increase Del Mar's future housing obligations imposed by the state. Nor does the graphic appear to have the 100-foot buffer required by State law to be established along the San Dieguito River no later than when the existing exhibit halls are replaced. A chart in the presentation lists "Plazas, open space and lagoon-edge walks" as part of the proposal, in contrast to "a 100-ft greenway along the San Dieguito River" shown on the chart as what was included in the 22nd DAA's 2008 master plan. That 100-ft greenway is what State law requires.

The estimated completion date for the stadium is 2031, with other elements opening in 2033-34. Since the presentation was on the agenda as an "informational" item, the 22nd DAA took no action. Board member Sam Nejabat, chair of the Master Site Planning Committee, said that the committee had not sought proposals for development, but is meeting with groups that approach the 22nd DAA about potential

Continued on Page 7

Sandpiper

DEL MAR'S COMMUNITY JOURNAL

The Sandpiper is published by the Del Mar Community Alliance, a 501(c)(4) non-profit. Its purpose is to advocate the Del Mar Community Plan, to foster informed public and government decision-making regarding issues affecting the community of the City of Del Mar, and to encourage a social and political climate favorable to the protection of the community character of the City of Del Mar and its environs.

Editorial Board: Jeff Barnouw, Bud Emerson, Hylton Lonstein, Julie Maxey-Allison, Don Mosier, Betty Wheeler. *All editors, writers, and photographers are volunteers.* Email: editor@delmarsandpiper.org

This publication depends upon the contributions of readers like you. Send contributions to: Sandpiper, 1155 Camino Del Mar #436, Del Mar, CA 92014. Make checks payable to Sandpiper, or pay online. Contributions are not tax-deductible.

The Sandpiper's Leadership Donors

Over the years, hundreds of Del Mar citizens have donated generously to the Del Mar Community Alliance (DMCA) in support of the Sandpiper. Since 2018, more than $296,000 has been contributed by Del Mar citizens, making it possible to bring the Sandpiper to every Del Mar family at no cost, via their mailboxes and online. The list below represents the community's cumulative leadership giving to DMCA between 2018 and February 13, 2026. Thank you!

Joel Holliday Circle ($5,000+)

Jeff Barnouw, remembering Dagmar Barnouw | Rosanne Rennie Holliday and Joel Holliday* | Lynn and Charlie Gaylord Rod Franklin | Bud and Mary Ann Emerson | Maryka and George Hoover* | Betty Wheeler and Dwight Worden | Mary and Jeff Friestedt | Judd and Susan Halenza | Louise Keeling and Ralph Keeling | Ann Feeney and Don Mosier | Suzi Resnick and Stan Marks | Patricia and Marc Brutten

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John Kerridge Circle ($1,000+)

Sheila and Michael Sharpe | Glenn and Randee Warren | James Nystrom | Judith and Dr. Marc Schuckit | Deborah Lawson and Paul Cleveland | Linda and Mel Katz | William Holliday Pat JaCoby* | Carol and John Kerridge* | Catherine Atcheson Chuck Freebern* | Chana Mannen | Catherine and Phil Blair Liz and Wayne Dernetz | Linda Hirshberg | Dr. Lawrence J. Schneiderman* | Richard and Ruth Simons, remembering John Kerridge | Karl and Greet Hostetler*

Publisher's Circle ($500+)

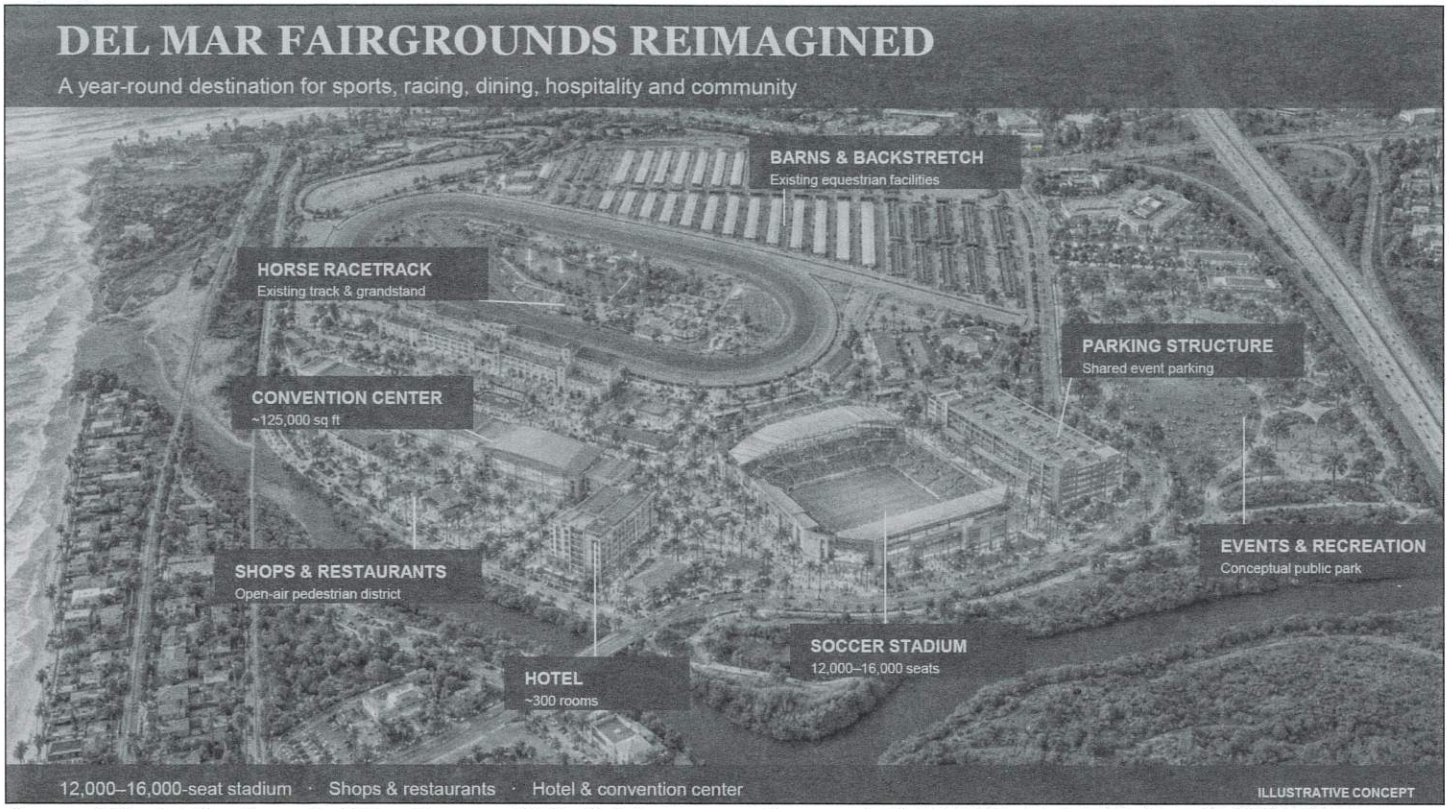
Barbara and John Healy | Phyllis and Ed Mirsky | Jennifer and Alan Lonbom | Steven Reich | Fiona Kaper and Reza Kasnavi Alan and Ulla Sweedler* | Joe Calabro and Joanne Gervase Katherine and Tom Sohn | Palmer and Susan Taylor | Barbara Marmor | Nancy and David Doyle | John Goodkind and Felise Levine* | John and Gale Graybill | Barbara and Joe Harper Joe Jelley | Vernie and John McGowan | Tanya Young and Michael McManus | Madonna Messina | Nicole and Tom O'Neil Jane Brown Voss and Steve Voss | Tema and David Halpern Deborah Lyons | Diane Cherson and Douglas Barile | Leslie Coll

**In Memoriam*

Fairgrounds Fever Dreams
Continued from Page 2

development. Del Mar Dreams LLC asked for a two-year exclusive negotiating agreement with the 22nd DAA, to justify the millions it would spend producing detailed site plans.

Just as the 2008 master plan was challenged in court by the cities of Del Mar, Solana Beach and the San Dieguito River Park JPA, with a separate challenge filed by the Sierra Club, a mega-development like this, on such an environmentally important and sensitive location, would likely face heightened scrutiny by those same stakeholders, along with the California Coastal Commission. ▢



Concept illustration from Del Mar Dreams LLC's October 13, 2026 presentation to the 22nd DAA Board of Directors.



Exposed: remains of early "natatorium" from the 1800s along sand stripped shore. Photo: Julie Maxey-Allison.



High low tide against the cliffs: here today, here tomorrow? Photo: Julie Maxey-Allison.

Saturday, October 17, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Greg Carlson

Your Email Address [redacted]

Message:

Hello - it is concerning that a developer has the opportunity to negotiate in exclusivity without a thorough, proactive multi-year planning process by the Board and staff.

Development is worth considering, but there needs to be a complete process to solicit proposals without false urgency because one developer has approached with a proposal.

Tuesday, October 20, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Jay C

Your Email Address [redacted]

Message:

I do not agree with the proposed Del Mar Fairgrounds redevelopment. Attempting to create 7 different zones of entertainment with one parking structure in an environmentally, beautifully maintained place is a nightmare. The construction time, all the unforeseen delays and the eye sore it would be to a once precious Del Mar would be catastrophic. The idea of redevelopment should not be considered. Manage the crowds and parking situation at San Diego Fair before attempting a design so far from the potential of the space.

Tuesday, October 20, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Joanne Standlee

Your Email Address [redacted]

Message:

The Del Mar Dreams proposal is an ABOMINATION!! We moved to Del Mar because it's a suburban community. WE DON'T WANT THE CHAOS OF THE FAIR 365 DAYS A YEAR. In fact it would be amazing if we could close the race track. It's an abusive sport, with a similar disregard for the lives of the animals as dog fighting and bull fighting. The land should be reclaimed as an open nature park. PLEASE don't approve this hot mess.

Thursday, October 22, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Lorie Lentz

Your Email Address [redacted]

Message:

No more development…in an environmentally sensitive area around the fairgrounds. The bluffs and lagoons need protected. The side streets and crowded freeways can't handle the traffic jamzilla. No and No…go inland.

Friday, October 23, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name William O'Connell

Your Email Address [redacted]

Message:

No stadium at Del Mar it’s simply too much traffic in an area where there is seasonal traffic headaches and commuter problems on the 5
No put it somewhere in down town or along the 15

Saturday, October 24, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Barbara Casino

Your Email Address [redacted]

Message:

We have had enough soccer in this community. We are tired of all the traffic, especially with surf. Who has no respect for this community. Stick the wave somewhere else.

Saturday, October 24, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Dolores Davies Jamison

Your Email Address [redacted]

Message:

This is shameful. I think the surrounding community is going to fight this in every possible way. First, the board reneged on an affordable housing project that Del Mar needs because of the state. Are you forgetting that you are on state property, and it was because of your part-time employees that Del Mar is being forced to build more affordable housing than is justified? Instead of collaborating with a neighboring city that needed your cooperation, you are choosing to go the corporate route and totally abandon your mission all while adding a high level of traffic to a region that is already congested. Now, you have the gall to demand that Del Mar issues you an apology. It is the Fairgrounds that owes the City of Del Mar an apology. No one is going to support this “convention center” and a stadium for the women’s soccer team?!?! You can’t really think that this is a good plan that will be supported. It is the opposite of that.

Saturday, October 24, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Carlon Rogers

Your Email Address [redacted]

Message:

I think the Soccer stadium and surrounding amenities are a great idea!

Friday, October 23, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Erin Langs

Your Email Address [redacted]

Message:

Please do not add a soccer facility- the traffic is already bad enough with the fair, the races AND SURF down the road that brings way too many cars into an area that cannot evacuate quickly due to the location and roads. This discussion around a soccer stadium is unsafe, unwelcome and compromises our area in such a negative way its beyond! I live on Solana Circle and cannot imagine what sort of nightmare of cars this will create - not to mention the pollution and lack of safety.

Saturday, October 24, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Betty Embree

Your Email Address [redacted]

Message:

Building a soccer stadium at the Fairgrounds is an irresponsible concept. The traffic congestion would be a nightmare for the residents in the area, and for the people using Via de La Valle to get home. It's already a mess with Surf Sports

Saturday, October 24, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Jamie Nalley

Your Email Address [redacted]

Message:

Did you ask the concept designer to utilize every square inch of land? Why don't you ask the public if they need a soccer stadium and high rise parking. I'm sure you know the answer… a resounding NO! This is Del Mar, not downtown San Diego. This is about greed.

Saturday, October 24, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Nhila Kliber

Your Email Address [redacted]

Message:

To Whom It May Concern, I live in Del Mar Hills and have been made aware of this horrible idea referred to as the Wave proposal for Del Mar Fairgrounds. This proposal will destroy the beautiful community of Del Mar as well as the surrounding coastal communities. It will bring in unwanted guests, crime, bottleneck traffic, and more. Our infrastructure cannot handle the seasonal traffic, well, as it stands. Horrible plan for Del Mar.

Sunday, October 25, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Deborah Andrews

Your Email Address [redacted]

Message:

Strongly oppose the development of the fair grounds to include a stadium for the Wave team, hotel and shops. Traffic is already very challenging during race season, the San Diego Fair , Surf soccer events and Horse Park events on Via de la Valle. There is also an eco sensitive lagoon to consider. As residents bear the venue we do not want this development in our community.!

Monday, October 26, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Jennifer Voss

Your Email Address [redacted]

Message:

I am a local resident, and I would love to see The Wave team move to the fairgrounds.

Outlook

Fw: Opposition to “Del Mar Dreams" Proposal

From Becky Bartling <bbartling@sdfair.com>
Date Sun 10/25/2026 3:26 PM
To Molly Arnold <marnold@sdfair.com>

From: Suzanne Van Cleve <[redacted]>
Sent: Sunday, October 25, 2026 12:26 PM
To: Becky Bartling <bbartling@sdfair.com>; Brad Mason <bmason@sdfair.com>; Public Records Act <PRA@sdfair.com>; Joe LaCava Councilman City Of SD <joelacava@sandiego.gov>
Subject: Opposition to “Del Mar Dreams" Proposal

Dear Members of the 22nd DAA Board of Directors,

I am writing to express my strong, unequivocal opposition to the "Del Mar Dreams" mega-development proposal which will become the “Del Mar Nightmare” for us local residents. I urge the Board to reject any requests for an Exclusive Negotiating Agreement (ENA) or further feasibility studies for this project.

The proposed footprint is entirely unsuitable for a stadium and commercial complex of this scale for several critical reasons:

- **Traffic Gridlock and Zero Transit:** Local coastal roads are already heavily congested. Unlike Mission Valley, this location completely lacks high-capacity public transit, forcing thousands of event-goers into individual cars and overwhelming local infrastructure.
- **Environmental Degradation:** The site sits directly adjacent to the sensitive San Dieguito Lagoon. A project of this magnitude introduces severe, irreversible risks to local wetlands through massive light pollution, noise, and toxic urban runoff.
- **Prioritizing Luxury Over Housing:** It is deeply concerning that the Board recently walked away from a long-negotiated affordable housing plan on this very footprint. Prioritizing a billionaire sports owner's commercial complex over critical community housing needs is a profound disservice to the public interest.

This proposal represents a severe threat to the environment and the quality of life for North County residents. Please listen to the overwhelming pushback from local cities and neighboring residents and reject this proposal immediately.

Sincerely,

Suzanne Van Cleve

[redacted] San Diego, 92130

SURF & TURF RV PARK
BOARD REVIEW PACKET

Submitted by: Nicole Focone
Date: October 27, 2026
To: Board of Directors, 22nd District Agricultural Association
Del Mar Fairgrounds, 2260 Jimmy Durante Boulevard, Del Mar, CA 92014

Subject: Formal Request for Reinstatement of Approved Long-Term Occupancy Status

Dear Members of the Board:

I respectfully request reconsideration of the decision denying my return to Surf & Turf RV Park under my previously approved long-term occupancy status.

My name appears on the Fairgrounds' Approved Surf & Turf Long-Term Occupants List. I was previously recognized as an approved long-term occupant and relied upon that designation.

My absence from the park was necessitated by family circumstances requiring me to remain in Los Angeles. I did not intend to relinquish my approved status or permanently discontinue my stays.

After reviewing the records produced in response to my Public Records Act request, I have not identified a written provision expressly stating that an approved long-term occupant automatically forfeits that status by missing a season or remaining absent for more than one year.

The Standard Operating Procedures discuss seasonal applications and occupancy requirements, but the materials supplied do not appear to establish the specific one-year absence rule cited as the basis for denying my return. A September 6, 2023 email contains draft language discussing the return of previously approved month-to-month occupants; I request clarification of how that historical arrangement relates to current eligibility.

I recognize the Fairgrounds' authority to establish reasonable occupancy rules. My concern is whether the particular rule applied to my situation was formally adopted, consistently administered, and adequately communicated to previously approved occupants.

I respectfully request:

1. Reinstatement of my previously approved long-term occupancy status, subject to applicable seasonal applications and lawful park requirements.
2. A copy of any written policy establishing expiration after a missed season or absence exceeding one year.
3. The effective date and adoption or approval records for that policy.
4. Copies of notices communicating any expiration or forfeiture rule to approved occupants.
5. A written explanation of the basis for excluding me from the approved long-term program.

I ask the Board to consider my prior approved status, family circumstances, and the Fairgrounds' own records. My request is for a fair and transparent application of the rules, not preferential treatment.

Please provide a written response and advise whether this matter can be placed on a future Board agenda for consideration.

Thank you for your time and consideration.

Respectfully,
Nicole Focone

EXHIBIT INDEX

Exhibit A: Approved Surf & Turf Long-Term Occupants List (2 pages; name appears on page 2).

Exhibit B: Surf & Turf RV Park Standard Operating Procedures (7 pages).

Exhibit C: September 6, 2023 email concerning proposed return arrangements for previously approved month-to-month occupants (1 page; contains draft proposed notice, not proof of final adopted policy).

Exhibits are copies of the records provided; inclusion does not establish that no other policy exists.

Friday, October 30, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Jennifer Wall

Your Email Address [redacted]

Message:

Dear Board Members,

I strongly oppose the proposed Del Mar Fairgrounds redevelopment. Our coastline is already overdeveloped, and adding a stadium, hotel, and more commercial space will only increase traffic, pollution, and overcrowding in an already congested area.

I fully support women's professional sports and believe they deserve greater investment and visibility, but this is simply the wrong location for a stadium and hotel.

We have already sacrificed so much of our coastal landscape to development. We should be protecting what remains, not finding new ways to commercialize it.

Not every piece of land needs to be turned into a revenue-generating opportunity. Sometimes the greatest long-term public benefit comes from leaving a place alone.

I urge the Board to reject this proposal.

Thank you.

Monday, November 2, 2026

Contact the Board of Directors

22nd District Agricultural Association

Your Name Devin Gerardy

Your Email Address [redacted]

Message:

Please do not do this project. I have lived in Del Mar my entire life and our beautiful city does not need or want this project. We do need a train stop at the fair but not this convention center and hotel space.