



©22nd D.A.A.

22ND DISTRICT AGRICULTURAL ASSOCIATION
State of California

May 31, 2017

Surf Cup Sports
Rob Haskell
2037 Park Dale Lane
Encinitas, CA 92024

RE: Standard Agreement # REV-17-010-22

Dear Rob:

Enclosed is a fully executed contract for your files.

Kind Regards,

Kathie Okolski
Contracts Department
(858) 755-1161x 2241

Enclosure

Surf-04
REV-17-010-22

**EXCLUSIVE REVOCABLE PERMIT
FOR SURF CUP INGRESS AND EGRESS TO POLO FIELDS**

THIS PERMIT is made and entered into this 27th day of April, 2017 and made retroactive from September 1, 2016, between the 22nd District Agricultural Association (hereinafter referred to as the "22ND DAA"), and Surf Cup Sports, LLC, 2037 Park Dale Ln., Encinitas, CA 92024 (herein referred to as the "Permittee"), collectively referred to herein as the "Parties."

WITNESSETH:

WHEREAS, the 22nd DAA owns and operates the Del Mar Fairgrounds, located at 2260 Jimmy Durante Boulevard, Del Mar, California ("Fairgrounds") and the Show Park Equestrian Center located near the SW corner of El Camion Real and Via De La Valle in the City of San Diego ("Show Park");

WHEREAS, pursuant to California state law, the 22nd DAA has the power to grant rights and privileges with respect to the use or occupancy of the Show Park property as a public facility; and

WHEREAS, Permittee desires the privilege of utilizing specified areas within the Show Park property for the purposes defined herein.

NOW, THEREFORE, for and in consideration of the covenants herein contained, the Fairgrounds hereby grants unto the Permittee the following rights and privileges:

1. RIGHTS AND PRIVILEGES

- A. The 22nd DAA hereby grants unto the Permittee an exclusive revocable permit ("Permit") to utilize certain areas of the Show Park as specifically described in the attached Exhibit A, which is incorporated herein by reference, subject, however, to the terms and conditions herein contained. The areas identified in Exhibit A may be used by Permittee only for ingress and egress to provide access to polo fields and adjacent parking and special event area owned and controlled by the City of San Diego. No other uses of the area identified are authorized except as may be identified herein, or authorized in advance in writing at the sole and absolute discretion of the 22nd DAA.
- B. Permittee shall use the 22nd DAAs facilities in the manner dictated by the 22nd DAA and shall protect, the public's health, and safety, as well as the 22nd DAAs reputation, appearance and perception. The Permittee shall not interfere and must allow the 22nd DAA and their associated tenants and operators to fully utilize the Show Park.
- C. Permittee may install the necessary signage at the location described in Exhibit A in order to identify the entrance to the polo fields; the Permittee is exclusively responsible for any costs related to the purchase and installation of the signage. The 22nd DAA reserves the right to approve signage, its location and inspect signage installation. Under no circumstances shall the placement and installation of Permittee's signage interfere with the 22nd DAAs operations, events or personnel. The responsibility for the service, maintenance, and upkeep of the installed signage is exclusively that of the Permittee. Permittee assumes any and all liability for the cost of

any repair and/or other loss or damages to Permittee's signage caused by any manner or persons. At no time, is the 22nd DAA responsible for the care loss or damage to the Permittee's signage.

- D. This Agreement in no way limits or restricts the 22nd DAA from allowing other activities, persons or operations to occur on 22nd DAA property.

2. ACCESS

The 22nd DAA hereby grants Permittee a limited right of access for ingress and egress to the to the Permittee's facilities at all times during the term of this Permit or any renewal term. Limited Access as used herein, shall mean access in accordance with the time and notification provisions stated in this Section 2. Permittee's right of access shall not materially interfere with 22nd DAA's operations and the 22nd DAA retains the right to deny or restrict such access to protect the public health and safety. The 22nd DAA also reserves the right to deny or restrict access at certain times to facilitate 22nd DAA events such as the SD County Fair or other operational requirements. Permittee should make efforts to coordinate access with 22nd DAA designee. Any access provided herein shall have the same term of this Permit. When possible the, 22nd DAA agrees to give Permittee 30 days written notice upon any restriction of access.

In regard to this Permit the 22nd DAA contact is Ean Corbet at (858) 755-1161 x2223 during normal business hours.

3. TERM

This Permit shall be for an initial term of approximately two (2) years beginning retroactively from September 1, 2016 and ending on August 30, 2018. Prior to expiration of the Permit, the Permit may be renewed for an additional one or more years. The renewal may be contingent upon the renegotiation of the terms and conditions and the mutual agreement of both parties. The 22nd DAA reserves the right to deny renewal without cause.

4. FEES AND PAYMENT SCHEDULE

In exchange for the Permit, the Permittee will pay the 22nd DAA based on the following fee schedule:

A monthly access fee of \$1,000.00 for ingress and egress on Show Park property, which accrue starting January 1, 2017. All fees including cumulative retroactive monthly fees owed to the 22nd DAA shall be due by the 15th (fifteenth) of the month. The 22nd DAA shall send separate invoices for any additional charges or adjustments if required. If the fees remain unpaid 30 days after due, the 22nd DAA may terminate this Permit with thirty (30) days written notice.

5. RESTRICTIONS AND REGULATIONS

- A. This Permit does not authorize Permittee to engage in any activity or use not expressly authorized under the terms of this Permit and use of 22nd DAA property not expressly authorized under the terms of this Permit is expressly prohibited. The Permittee agrees not to use or permit the use of the identified 22nd DAA property for an activity or use that results in a violation or act prohibited by the laws of the United States, the State of California, the County of San Diego, the Ordinances or Charter of the City of San Diego or for any purpose not

specifically authorized hereunder or in accordance herewith and it further agrees that all of its activities upon the Fairgrounds will be conducted in accordance with all rules and regulations or directives of the 22nd DAA or the 22nd DAA's CEO/General Manager. Consistent with the notice requirements of Section 2 above, the 22nd DAA reserves the right to temporarily suspend the uses allowed Permittee hereunder for safety and security needs of the 22nd DAA. Any liability, damages, costs, penalties, fines, fees or liens resulting from any violations of the above described restrictions will be the sole responsibility of the Permittee and may be cause for immediate termination of this Permit without providing thirty (30) days written notice to the Permittee.

- B. Permittee may not make any physical changes, alterations, modifications, developments or improvements whatsoever to the Premises; and, may not modify, paint, alter, change or install locks, equipment, screws, fastening devices, signs, displays, or other exhibits, on or in any portion of the premises or occupied space, without the prior written consent of the 22nd DAA which the 22nd DAA may grant or withhold in its sole exclusive discretion. Notice is not required for normal maintenance activities.
- C. The Permittee shall not cause or permit any Hazardous Material or toxic substance or waste to be brought upon, kept or used in or about the Premises, by the Permittee, its agents, employees, contractors or invitees in a matter or for a purpose prohibited by any governmental agency or authority. If the presence of any Hazardous Material on the Premises caused or permitted by the Permittee prior to or during the term of this Agreement results in any contamination of the Premises, the Permittee shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises, provided that the 22nd DAA's consent to such action shall first be obtained.
- D. The length of the property owned by the 22nd DAA east of El Camino Real and the crossover providing access to the Polo Fields is part of a storm water control channel. It is a vegetated swale used to transport rain water from adjoining properties to the San Dieguito River to the south. As such, nothing besides natural flowing rain water is allowed within this channel. Any alteration to natural flows into or out of the channel are prohibited. The placement of or removal of any materials or substances or other mechanisms to increase / decrease flows or redirect flows into the channel are prohibited. The 22nd DAA holds no operations, parking, events, or other activities within this area and as such, is not contributing any materials or substances into this channel. Permittee shall ensure that no trash, debris, or any other unnatural material generated by Permittee or their customers or participants does not enter this channel. In addition, Permittee must use implement practices to prevent dirt, mud or other materials from being deposited on the public roadway. (See Exhibit E and C) Any violations, fines, or fees received by the 22nd DAA for violations to storm water quality within the area to the east of El Camino Real on 22nd DAA owned property (outline in blue on Exhibit A) or regarding roadway due to Permittee's actions will be the sole responsibility of Permittee. Any violations, fines or fees received will be addressed in a timely manner and Permittee will provide written evidence that all issues, fines, penalties, fees, etc. have been resolved. One or more storm water violations of this nature may be cause for immediate termination of this Permit without providing thirty (30) days written notice to the Permittee.
- E. Permittee will comply with all fire regulations as prescribed by the State Fire Marshall.

6. REVOCATION AND TERMINATION

- A. If this agreement is not renewed, within thirty (30) days of the effective termination, the Permittee shall remove all signage and repair any damages to the Show Park property. During said thirty day period, access shall be in accordance with the access provisions of this Permit.
- B. During the term of this agreement the 22nd DAA at its sole discretion has the right to terminate this agreement, without penalty or cause, at any time on (30) days written notice to the Permittee.
- C. The Permittee may choose to remove signage installed at any time with thirty (30) days written notice without cause and without any further obligation, except to repair any damages caused to the Show Park property. Repairs can be made during Permittee's removal signage at which time this Permit shall be considered terminated.

7. INDEMNIFICATION

As further consideration hereunder, the Permittee hereby agrees to release, indemnify and hold harmless the 22nd DAA, its officers, agents and employees from and against any and all loss of, or damage to, property, or injuries to, or death of, any person or persons, including property and employees or agents of the City, and shall defend, indemnify and save harmless the 22nd DAA, its officers, agents and employees from any and all claims, damages, suits, costs, expenses, liabilities, actions or proceedings of any kind or nature whatsoever, in any way resulting from, or arising out of, directly or indirectly, its operations in connection herewith, or its use or occupancy of any portion of the Fairgrounds, and including negligent or intentional acts and omissions of the Permittee's officers, employees, representatives, suppliers, invitees, contractors and agents; provided, however, that the Permittee need not release, indemnify or save harmless the 22nd DAA, its officers, agents and employees from damages resulting from the negligence of the 22nd DAA's officers, agents and employees.

8. INSURANCE

General Provisions

Permittee shall not commence any work in connection with this Agreement until it has obtained all of the following types of insurance and such original insurance certificates have been received and approved by Manager. Approval by Manager of any certificate or policy of insurance shall not, however, relieve Permittee from its responsibilities to provide the required insurance coverage:

All insurance policies shall be issued by insurers licensed to do business in the State of California that carry a Best rating of at least "A-VIII", and are acceptable to 22nd DAA.

All policies must contain language requiring a thirty (30) day notification to the 22nd DAA and to the 22nd DAA's designated insurance underwriting manager, of cancellation of coverage. Permittee must notify 22nd DAA within two (2) business days of all substantial changes it makes in insurance coverage.

Permittee shall immediately report in writing to 22nd DAA's designated insurance underwriting manager and to Manager any incident that might reasonably be expected to result in any claim under any of the coverage's mentioned herein.

Permittee agrees to cooperate with Manager by promptly releasing reasonable information periodically as to the disposition of any claims, including a resume of claims experience relating to all its operations at the Del Mar Fairgrounds.

Scope of Insurance

The Permittee shall secure and maintain during the term of this Agreement all worker's compensation insurance required by California law for all employees and shall require the same coverage for any subsidiaries, agents, if any, and their employees, and shall carry \$1,000,000 employer's insurance coverage as part of the worker's compensation insurance.

The Permittee shall secure and maintain, during the term of this Agreement, One Million Dollars (\$1,000,000) combined single limit comprehensive general liability including liquor liability and comprehensive automobile liability insurance covering the Permittee, its employees, agents, and subsidiaries, for claims for damages for bodily injury and property damage and personal injury insurance including hazard groups A, B and C. Coverage shall include blanket contractual insurance and such coverage shall make express reference to the Permittee's indemnity obligation pursuant to the requirements herein.

The Permittee agrees that the bodily injury liability insurance herein provided for shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or time prior to or during the term of this Agreement, the Permittee agrees to provide 22nd DAA at least consistent with provisions of this subsection, prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. New certificates of insurance are subject to approval by the State of California, and the Permittee agrees that no work or services shall be provided prior to the giving of such approval. In the event the Permittee fails to keep in effect at all times insurance coverage as herein provided 22nd DAA may, upon giving written notice of such default as provided herein, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

The Permittee agrees to furnish all certificates of insurance to the 22nd DAA for review and approval upon request. To comply with requirements, General Liability Insurance as well as all other required insurance certificates must be supplied to 22nd DAA at execution of agreement.

Permittee shall secure and maintain during the term of this Agreement Commercial Automobile Liability coverage, on a per-accident basis, at least as broad as the current ISO policy form # CA 0001, Symbol #1 (any auto), or any successor ISO policy form, with limits of not less than one million dollars (\$1,000,000.00) combined single limit per accident for contracts involving the use of Permittee's vehicles or Permittee's vehicles when utilized by Permittee (autos, trucks, or other licensed vehicles) on the Premises or any portion of the fairgrounds.

Additional Insured Endorsement

The following statement regarding additional insured shall be included on all of Permittee's insurance certificates and policies:

"The State of California, the 22nd District Agricultural Association, the San Diego County

Fair, their agents, directors, officers, servants, and employees are made additional insureds in the comprehensive general liability but only insofar as the operations under this Agreement are concerned."

9. NOTICES

All notices required to be given to the 22nd DAA hereunder shall be in writing and shall be sent by certified mail, return receipt requested to the 22nd District Agricultural 22nd DAA, 2260 Jimmy Durante Blvd, Del Mar, CA 92013; all notices required to be given to Permittee hereunder shall be in writing and sent by certified mail, return receipt requested, addressed to San Diego Surf Cup, Attn: Rob Haskell, 2037 Park Dale Lane, Encinitas, CA 92024; provided, however, that either party hereto may designate in writing from time to time the address of substitute or supplementary persons within the State of California to receive such notices. The effective date of service of any such notice shall be the date such notice is mailed or delivered to Permittee or the 22nd DAA CEO/GM as aforesaid.

10. ASSIGNMENT

Permittee agrees not to assign pledge or transfer its rights in this Permit, in whole or in part, whether by operation of law or otherwise, nor grant a license hereunder, except to any affiliate corporation or successor-in-interest.

11. SUCCESSORS and Assigns

Subject to the provisions of this Agreement prohibiting the assignment or transfer of this Agreement, the provisions of this Agreement, shall extend to and be binding upon 22nd DAA and Permittee and their respective legal representatives, successors and assigns.

12. GOVERNING LAW AND VENUE

This Permit shall be deemed to have been granted in and shall be governed by and construed in accordance with the laws of the State of California. Venue for any action to enforce the provisions of this Permit shall be in the District Court in and for the County of San Diego, California.

13. RELATIONSHIP

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

14. ALTERATION

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

15. SEVERABILITY

Should any paragraph or any subparagraph of this Permit be held invalid as a matter of law none of the remaining paragraphs or subparagraphs shall be affected thereby.

16. EXHIBITS

Description of Ingress and Egress – Exhibit A
Insurance Requirements – Exhibit B
Preventing Storm Water Pollution – Exhibit C
Standard Terms and Conditions – Exhibit D
Entrance / Exit Stabilization and Maintenance – Exhibit E

17. APPROVALS

This Permit is of no force or effect until duly accepted and signed by both parties

IN WITNESS WHEREOF, this Permit shall be effective as of the day and year first written above upon execution by all Parties herein.

22nd District Agricultural Association
2260 Jimmy Durante Blvd.
Del Mar, Ca 92014

By: _____

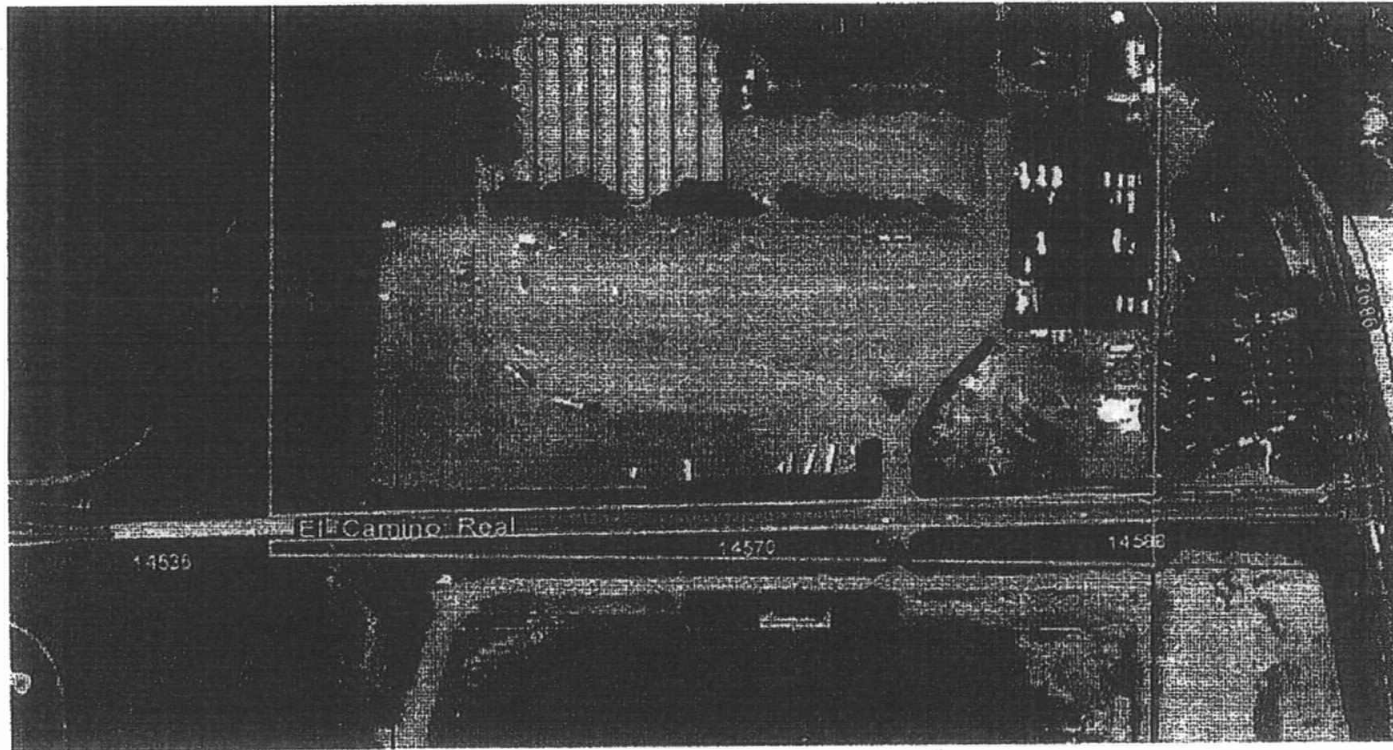
Tim Fernell 22nd DAA General Manager / Date

Surf Cup Sports, LLC
2037 Park Dale Ln.
Encinitas, CA 92024

By: _____

Rob Haskell/Surf Cup Sports Director / Date

EXHIBIT A



The access granted is the two-lane ingress/egress located along El Camino Real approximately 692 feet south from the centerline point of Via De La Valle (denoted by the red star above), directly across from the ingress/egress point for Horsepark.

"Exhibit B"

Insurance Requirements

A. Evidence of Coverage. Permittee shall provide a signed original evidence of coverage form for the term of the Event Agreement protecting the legal liability of the State of California, the 22nd District Agricultural 22nd DAA, the Del Mar Fairgrounds, The Del Mar Thoroughbred Club, their respective directors, officers, agents, servants, tenants and employees, from occurrences related to operations of the ride services under the Event Agreement. Permittee shall also use commercially reasonable efforts to require that all of Permittee's subcontractors and sponsors that participate in a significant role or risk in the provision of ride services maintain insurance consistent with the requirements set forth in this (Exhibit B) Insurance Requirements. The required insurance must be provided as follows:

- (i) Insurance Certificate - The Permittee provides the 22nd DAA with a signed original certificate of insurance, including an original insured endorsement as detailed below, lawfully transacted, which sets forth the following:

- (a) List as the Additional Insured: "That the State of California, the 22nd District Agricultural Association, the San Diego County Fair, the Del Mar Thoroughbred Club, their agents, directors, officers, servants, tenants and employees" are made additional insured by an endorsement, endorsement must state that Permittee's insurance policy is primary and noncontributory, but only insofar as the operations under this contract are concerned." Permittee or Permittee's insurer must provide a signed, valid, additional insured certificate. An ACORD form is NOT acceptable.

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

- (c) Coverages:

- 1) General Liability - Commercial General Liability coverage, on an occurrence basis, at least as broad as the current Insurance Service Office (ISO) policy form #CG 0001. Limits shall be not less than \$1,000,000 per occurrence for the ride services is required.
- 2) Automobile Liability - Commercial Automobile Liability coverage, on a per accident basis, at least as broad as the current ISO policy form # CA 0001, Symbol #1 (Any Auto) with limits of not less than \$1,000,000 combined single limits per accident for contracts involving use of Permittee owned, leased or sponsor provided vehicles or subcontractor vehicles (autos, trucks or other licensed vehicles) on fairgrounds.
- 3) Workers' Compensation - Workers' Compensation coverage shall be maintained covering Permittee's employees, as required by law.

- (d) Cancellation Notice: A statement by the insurance company that it will not cancel said policy or policies without giving 30 days prior written notice to the named certificate holder and the additional insured. Notice of cancellation of the listed policy or policies shall be sent to the Certificate Holder and the additional insured in accordance with policy provisions.

- (e) Additional Insured / Certificate Holder:

- 1) For Individual Events Only – the 22nd District Agricultural 22nd DAA, 2260 Jimmy Durante Blvd. Del Mar, CA 92014, is listed as the additional insured.

- 2) For Master Insurance Certificates Only - California Fair Services Authority, Attn: Risk Management, 1776 Tribute Road, Suite 100, Sacramento, CA 95815 is listed as the certificate holder.
- 3) Insurance Company: The Company providing insurance coverage must have an A. M. Best rating of "A" (VII) or greater and be acceptable to the California Department of Insurance.

(f) Insured: Permittee must be specifically listed as the Insured.

OR

- 1) CFSA Special Events Program - The Permittee obtains liability protection through the California Fair Services Authority (CFSA) Special Events Program, when applicable.

OR

- 2) Master Certificates - A current master certificate of insurance for Permittee has been approved by and is on file with the CFSA.

B. General Provisions

- (i) Maintenance of Coverage - Permittee agrees that the commercial general liability (and automobile liability, workers' compensation) insurance coverage herein provided for shall be in effect at all times during the term of this Permit. In the event said insurance coverage expires or is cancelled at any time or times prior to or during the term of this Permit, Permittee agrees to provide the 22nd DAA, before the applicable expiration or cancellation date, a new certificate of insurance and additional insured endorsement evidencing insurance coverage as provided for herein for not less than the remainder of the term of the Permit, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of California Fair Services Authority, and, Permittee agrees that no work or services shall be performed prior to the giving of such approval. In the event Permittee fails to keep in effect at all times insurance coverage as herein provided or fails to reinstate such coverage within ten (10) business days after receipt of written notice thereof, the 22nd DAA may, in addition to any other remedies it may have, take any of the following actions: (1) declare a material breach of the contract by Permittee and terminate the contract; (2) withhold all access to property or payments due to Permittee until notice is received that the required insurance coverage is in effect; and (3) obtain the required insurance coverage and deduct premiums for same from any sums due or which become due to Permittee under the terms of the Permit.
- (ii) Primary Coverage - Permittee's insurance coverage shall be primary and noncontributory and any separate coverage or protection available to the 22nd DAA or any other additional insured shall be secondary.
- (iii) Permittee's Responsibility - Nothing herein shall be construed as limiting in any way the extent to which Permittee may be held responsible for damages resulting from Permittee's operations, acts, omissions or negligence. Insurance coverage obtained in the minimum amounts specified above shall not relieve Permittee of liability in excess of such minimum coverage, nor shall it preclude the 22nd DAA from taking other actions available to it under contract documents or by law, including, but not limited to, actions pursuant to Permittee's indemnity obligations. Permittee's indemnity obligations under the Event Agreement shall survive the expiration, termination or assignment of the Event Agreement.
- (iv) Certified Copies of Policies - Upon request by the 22nd DAA, Permittee shall immediately furnish a complete copy of any policy required hereunder, with said copy certified by the underwriter to be a true and correct copy of the original policy. If utilized, Permittee must submit copies of actual liability insurance policies, certified by an underwriter, to the CFSA.



*"Water is the driving
force of all nature."
Leonardo da Vinci*



**Learn more about storm
water pollution prevention
at:**

www.sdcoastkeeper.org
www.projectcleanwater.org
www.thinkblue.org

Del Mar Fairgrounds

2260 Jimmy Durante Blvd
Del Mar, CA 92014
www.sdfair.com

EXHIBIT C

Preventing Storm Water Pollution

*For Staff, Promoters, Vendors,
Contractors, & Participants in
Fairgrounds Events*

Del Mar Fairgrounds

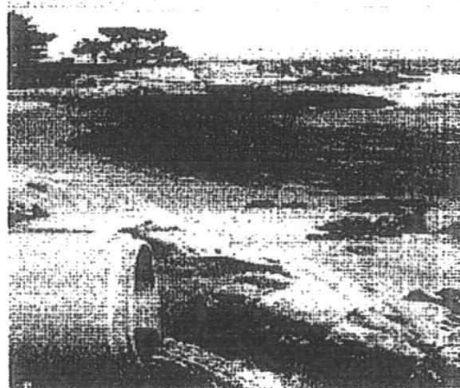
Tel: (858)755-1161

What you are required to do

...at the Fairgrounds

- Use only designated construction site entrances.
- Keep equipment away from silt fences, fiber rolls, and other sediment barriers.
- Know the locations of disposal areas, and know the proper practices for trash, concrete, paint washout, hazardous material, etc.
- Keep soil, materials, and liquids away from paved areas and storm drain inlets. Properly contain these materials using mechanisms such as silt fences. Never sweep or wash anything into a storm drain.
- Know the location and understand the proper use of spill kits.
- Know the location of the designated protection area.
- Keep equipment off mulched, seeded, or stabilized areas.
- NEVER dump liquids, trash, oil, grease, or other pollutants into or near storm drains, gutters, or anywhere other than proper disposal facilities.
- Pick up trash and animal wastes.
- Provide proper containment for natural materials such as dirt or sand.
- Do not rinse down booths, vehicles, or other equipment as it is prohibited on the property unless authorized by the chief of operations. If approved, this can only be done in official wash facilities.
- Know who to contact when problems are identified!

Polluted storm water runoff is a major contributor to the degradation of waterways, which include lagoons, bays, streams, rivers, lakes, and beaches. The means in which polluted runoff is transported to these receiving waters are primarily through Municipal Separate Storm Sewer Systems (MS4s). The Del Mar Fairgrounds is listed as a non-traditional MS4 and has prepared a Storm Water Management Plan to prevent pollutants from entering the nearby San Dieguito River, Stevens Creek, and the Pacific Ocean.



www.sciencebuddies.org

Failure to comply with these storm water pollution prevention measures may result in fines/penalties as it is a contract violation with the 22nd DAA. The cost of cleanup resulting from the violation will be passed on to the violator.

Storm Water Pollution Prevention Measures at the Del Mar Fairgrounds:

- The fairgrounds follow Best Management Practices (BMPs) to prevent pollutants from entering our storm drain system.
- Vehicles are monitored to ensure that leakage does not occur.
- Storm drain inlets are either locally capped or are blocked by a downstream valved gate in order to prohibit any unwanted elements such as trash, oil, grease, and other pollutants from getting into the storm drain.
- Horse Wash Racks send contaminated water to the Sanitary Sewer System for sanitization.
- Street sweeping and parking lot cleaning occurs regularly to ensure that sediment, trash, debris, and vehicle fluids are removed from the premises.
- During a rain event, all runoff discharge points are visually inspected for odor, unusual color, turbidity, and floatables. Each location is tested 2 times a year for hydrocarbons, coliforms, detergents, ketones, metals, oil, grease phosphates, and other pollutants.
- Hazardous materials/waste are properly stored and/or disposed of.
- Soil erosion control measures are in place.
- Irrigation Equipment is inspected weekly for leaks and adjustments.
- Employees receive Annual Awareness training about storm water pollution and the relationship between our activities with potential pollutants.

Exhibit D

SPECIAL TERMS AND CONDITIONS

1. Approval

This Permit is of no force or effect until duly accepted and signed by both parties and approved by the Department of Food & Agriculture, if required. Permittee may not commence performance until such approval has been obtained.

2. Indemnification

To the fullest extent permitted by law, Permittee shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds, and their respective agents, directors, and employees (collectively the "State") from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorneys fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Permit, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Permittee be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Permittee herein, or any of its employees or agents.)

3. Independent Permittee

Permittee, and the agents and employees of Permittee, in the performance of this Permit, shall act in an independent capacity and not as officers or employees or agents of the State. In no way does this Permit create a partnership, joint venture, landlord-tenant, principal-agent or such similar relationships between the parties.

4. Potential SubPermittees

Nothing contained in this Permit or otherwise, shall create any contractual relation between the State and any subPermittees, and no subcontract shall relieve the Permittee of his responsibilities and obligations hereunder. The Permittee agrees to be as fully responsible to the State for the acts and omissions of its subPermittees and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Permittee. The Permittee's obligation to pay its subPermittees is an independent obligation from the State's obligation to make payments to the Permittee. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subPermittee.

5. Appearance, Conduct, or Demeanor

Permittee and Permittee's employees shall dress uniformly and shall be courteous, efficient and neat and clean in appearance at all times. Identification as Permittee's employee will be prominently displayed at all times.

Permittee understands and agrees that District management, at its sole discretion, may determine that a person or agent utilized by Permittee in the performance of this contract, due to his or her appearance, conduct, or demeanor may be unacceptable to the State, if it is determined that such appearance, conduct, or demeanor is detrimental to State's operations. Permittee agrees to remove such person or agent from operations arising out of this contract. Determination by State management regarding these matters shall be final.

Permittee agrees that it will not sell, exchange or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the State to Permittee or its employees.

6. Smoking Policy

By signing this Contract, the Permittee hereby certifies that they have read, understand, and will comply with State Law and the District's Smoking Policy, as follows:

State law expressly prohibits smoking in all buildings and enclosed areas on the Del Mar Fairgrounds. A no smoking zone also exists within 20 feet of any entrance to a building on the Fairgrounds. In addition, as a matter of public health and courtesy, the District's policy is to attempt to provide a smoke-free environment to all nonsmoking individuals here to conduct business or members of the public, whether they are congregating within a building or outside on the grounds. Permittees, Sub-Permittees and their employees wishing to smoke in an outside location while on break are expected to be sensitive to the needs of nonsmokers at all times.

Please Note: During the San Diego County Fair, the entire Fairgrounds is smoke free. Smoking is only allowed in designated smoking areas. All Permittees, Sub-Permittees, and their employees must comply with the law. It is the responsibility of the Permittee/Sub-Permittee to insure that all employees are informed of and comply with this policy.

7. Nonexclusively

Permittee understands and agrees that this is a nonexclusive Permit. State may hire other Permittees for work of a similar or identical nature.

8. Insurance Requirements (refer to Exhibit B)

Delivery - Certificate(s) of Insurance for General Liability, Automobile Liability, and Workers' Compensation, must be submitted directly by the Permittee's insurance carrier pursuant to the requirements herein detailed at least ten (10) days prior to commencement services or occupation of premise, and covering the entire Term of this Permit. Certificates of insurance and additional insured endorsements are subject to the approval of the State, and Permittee agrees that no work or services shall be performed, prior to such approval. Only originals, without ink or white-out changes, will be accepted.

Primary Coverage - It is the intent of the parties that Permittee's Insurance coverage shall be primary and that any separate coverage available to the State of California, 22nd District Agricultural Association and other additional insured(s) shall be secondary.

General Liability Insurance: Permittee shall secure and maintain at its own expense during the entire term of this Permit, a minimum of one million dollars (\$1,000,000) combined single-limit commercial general liability insurance covering the Permittee, its employees, agents, and subsidiaries, for claims for damages for bodily injury, broad form property damage, and personal injury. Coverage shall include blanket contractual insurance and such coverage shall make express reference to the Permittee's hold-harmless provision in Paragraph 2 above, and must also include coverage for products and losses related to independent Permittees and equipment.

The following endorsement regarding additional insured must be included the general liability certificate: *"The State of California, the 22nd District Agricultural Association, the Del Mar Fairgrounds, and their respective agents, directors, officers, servants, and employees are made additional insureds but only insofar as the operations under this Permit are concerned."*

In addition to the foregoing, Permittee shall provide a certified copy of an additional insured endorsement to the State, Forms ISO CG 2005, 2010, 2012, 2024, showing the State of California, the 22nd District Agricultural Association, the Del Mar Fairgrounds, and their agents, directors, officers, servants, and employees are made additional insureds on Permittee's general liability policy, and automobile liability policy.

Automobile Liability Insurance: Permittee shall secure and maintain at its own expense during the Term of this Permit Commercial Automobile Liability coverage, on a per accident basis, at least as broad as the current ISO policy form # CA 0001, Symbol #1 (any auto), or any successor ISO policy form, with limits of not less than \$1,000,000 combined single limit per accident for contracts involving the use of Lessee's vehicles (autos, trucks, or other licensed vehicles) on the Premises or any portion of the fairgrounds

Workers' Compensation Insurance: Permittee either (1) shall be a qualified self-insurer pursuant to the requirements of the California Labor Code Permittee or (2) shall secure and maintain at its own expense during the Term of this Permit Workers' Compensation insurance coverage in accordance with "The Workers' Compensation and Insurance Act," Division IV of the Labor Code, along with Employer's Liability coverage, in a minimum sum of **one million dollars (\$1,000,000)**, with either the State Compensation Insurance Fund or a licensed carrier, and Permittee affirms to comply with such provisions before commencing that performance of the work of this Permit.

Maintenance of Coverage - Permittee agrees that any insurance coverage(s) herein provided shall be in effect at all times during the Term of this Permit. In the event said insurance coverage expires or is cancelled at any time or times prior to or during the Term of this Permit, Permittee agrees to provide the State at least consistent with the provision of this Permit, prior to any expiration date or upon cancellation, a new certificate of insurance evidencing insurance coverage as provided for in this Permit for a term not less than the remainder of the Term, or for a period of not less than one (1) year.

If at any time during the Term of this Permit, Permittee fails to maintain and keep in effect insurance coverage(s) as herein provided, the State may, at State's option and in addition to all other remedies available, do one of the following: (1) declare a material breach of this Permit by the Permittee and terminate the Permit; (2) order all work under this Permit to be discontinued immediately and withhold all payments due or which become due to Permittee, until notice is received by State that such insurance requirements have been restored or replaced in full force and effect that the premiums therefore have been paid to cover a period of time satisfactory to District; or (3) obtain such insurance and deduct premiums due for same from any sums due or which become due to Permittee under this Permit. No action taken by State pursuant to this paragraph shall in any way relieve Permittee of its responsibilities under this Permit. The phrase "fails to maintain and keep in effect insurance coverage(s)" shall include, but is not limited to, notification received by State that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

Permittee's Responsibility - In no event is State responsible for the payment of premiums or deductibles of any required coverage's. Nothing herein shall be construed as limiting in any way the extent to which Permittee may be held responsible for damages resulting from Permittee's operations, acts, omissions or negligence. Insurance coverage obtained in the minimum amounts specified above shall not relieve Permittee of liability in excess of such minimum coverage, nor shall it preclude the State from taking other actions available under contract documents or by law, including, but not limited to, actions pursuant to Permittee's indemnity obligations.

Certified Copies of Policies - Upon request by the State, the Permittee shall immediately furnish a complete copy of any policy required by this provision, including all endorsements, certified by the insurance company issuing the policy to be a true and correct copy of the original policy.

9. Licenses and Permits

Permittee shall be an individual or firm licensed to do business in California and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this Permit.

If you are a Permittee located within the State of California, a business license from the city/county in which you are headquartered is necessary, however, if you are a corporation, a copy of your incorporation documents/letter from the Secretary of State's Office can be submitted. If you are a Permittee outside the State of California, you will need to submit to the State a copy of your business license or incorporation papers for your respective State showing that your company is in good standing in that state.

In the event, any license(s) and/or permit(s) expire at any time during the term of this contract, Permittee agrees to provide agency a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Permittee fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this contract upon occurrence of such event.

10. Fire Regulations

Permittee agrees to observe and comply with all fire regulations as prescribed by the State Fire Marshall.

11. Settlement of Disputes

Any dispute concerning a question of fact arising under the terms of this Permit which is not disposed of informally within a reasonable period of time of ten days between the Permittee and State Contract's Manager, or other normally responsible for the administration of this contract, shall be brought to the attention of the State's Chief Executive Officer (or designated representative) of each organization for joint resolution (Public Contract Code Section 22200 and California Code of Regulations, Title 1, Section 300 et seq.).

In the event of such an informally unresolved dispute, Permittee shall file a "Notice of Dispute" with the 22nd DAA Contracts Manager and Chief Executive Officer within ten (10) days upon failure to informally dispose of such a dispute. The decision of State's Chief Executive Officer shall be final.

12. Conflict in Terms & Conditions

Where the terms of this Permit or State's documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in the Permittee's proposal or Permittee's documents, both parties agree that the terms set forth in State's documents shall supersede and take precedence over Permittee's proposal or Permittee's documents.

13. Termination

The State reserves the sole and exclusive right to terminate this Permit, at any time, with or without cause, by giving the Permittee notice in writing at least thirty (30) calendar days prior to the date when such termination shall become effective. Such termination shall relieve the State of any further payments, obligations, and/or performances required in the terms of the contract.

14. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Permit. California may pay any applicable sales and use tax imposed by another state.

15. Entire Permit

This Permit constitutes the entire Permit between the parties hereto with respect to the subject matter hereof and may not be modified, amended or any provision hereof waived, other than by written instrument executed by both parties.

16. Ban

The mass release of helium balloons is strictly prohibited.

17. Drone Policy

The operation or use of any drones, unmanned aircraft/flying systems, and remotely-controlled or radio-controlled flying machines (whether or not motorized) of all types, shapes, and sizes (collectively, "drones") at any time on the property of the 22nd District Agricultural Association ("22nd DAA") is prohibited under all circumstances except pursuant to the terms and conditions of written permission from the 22nd DAA. This policy applies to all individuals, persons, companies, and business entities and includes, but is not necessarily limited to, promoters, tenants, renters, patrons, visitors, and guests.

Permission to stay or remain on 22nd DAA property may, in the discretion of the 22nd DAA, be revoked for any person[s] in violation of this policy.

18. California Franchise Tax Board

Permittee may be subject to State withholding by the Franchise Tax Board.

19. Conflict Of Interest Prohibition

Permittee will comply with the requirements of California Government Code Section 1090 et seq. and any and all other ethics laws applicable to the performance of this Permit. The Permittee may not perform services for any other person or entity that, pursuant to any applicable law or regulation, would result in a conflict of interest or would otherwise be prohibited with respect to the Permittee's obligations pursuant to this Permit. The Permittee agrees to cooperate fully with the State/22nd DAA and to provide any necessary and appropriate information requested by the State/22nd DAA or any authorized representative concerning potential conflicts of interest or prohibitions concerning the Permittee's obligations pursuant to this Permit. Permittee may not employ any State/22nd DAA director, official, officer or employee in the performance of this Permit, nor may any director, official, officer or employee of the State/22nd DAA have any financial interest in this Permit that would violate California Government Code Section 1090, et seq. Permittee acknowledges and understands that, if this Permit is made in violation of Government Code Section 1090, et seq., this entire Permit is void and the Permittee will not be entitled to any compensation for Permittee's performance of this Permit, including reimbursement of expenses, and Permittee will be required to reimburse the State/22nd DAA for any sums paid to the Permittee under this Permit. Permittee understands that, in addition to the foregoing, penalties for violating Government Code Section 1090 may include criminal prosecution and disqualification from holding public office in the State of California. Any violation by the Permittee of the requirements of this provision will constitute a material breach of this Permit, and the State/22nd DAA reserves all its rights and remedies at law and in equity concerning any such violations.

20. Recycling Policy

In an effort to address environmental concerns, the 22nd DAA has established a goal of "Zero Waste". The 22nd DAA maintains a policy of mandatory recycling on the Fairgrounds. We are committed to doing our part to insure a clean, environmentally safe world for future generations to enjoy. When conducting services on 22nd DAA property Permittees must breakdown (flatten) all cardboard boxes and place them inside the blue cardboard recycling dumpsters found in designated areas of the Fairground. Please do not use cardboard boxes for trashcans. Other items which must also be recycled include glass bottles, plastic containers, tin, aluminum, metals & AAA-D batteries (no automobile batteries). Please use the recycling receptacles provided for public use throughout the grounds for beverage containers. Permittees are not to leave any hazardous materials (including paint) on the Fairgrounds. They must be removed when you leave the grounds. Use of polystyrene foam containers is prohibited. If you have questions regarding this policy please contact Nancy Strauss, the 22nd DAA Recycling Manager at 858-792 4298

Violators may be fined up to \$200.00 per instance for not following the 22nd DAA recycling Policy.

Exhibit E

Entrance / Exit Stabilization and Maintenance

Permittee must design and implement a stabilized access point which is defined by a point of entrance/exit that is stabilized to reduce the tracking of mud and dirt onto public roads by vehicles.

Use at entrance / exit:

- Where dirt or mud can be tracked onto public roads.
- Adjacent to water bodies.
- Where poor soils are encountered.
- Where dust is a problem during dry weather conditions.

Standards and Specifications to be used when applicable:

- ▣ Limit the points of entrance/exit to property.
- ▣ Limit speed of vehicles to control dust.
- ▣ Properly maintained the grade at entrance/exit to prevent runoff from leaving the site.
- ▣ Route runoff from stabilized entrances/exits through a sediment-trapping device before discharge.
- ▣ Stabilized entrance/exit to support the heaviest vehicles and equipment that will use it.
- ▣ Select access stabilization (aggregate, asphaltic concrete, concrete) based on longevity, required performance, and property conditions. The use of asphalt concrete (AC) grindings for stabilized access/roadway is not allowed.
- ▣ Use of constructed/manufactured steel plates with ribs for entrance/exit access is allowed.
- ▣ If aggregate is selected, place crushed aggregate over geotextile fabric to at least 300 mm (12 in) depth, or place aggregate to a depth recommended by the RE. Crushed aggregate greater than 75 mm (3 inches) and smaller than 150 mm (6 inches) shall be used.
- ▣ Implement Street Sweeping and Vacuuming as needed and as required.
- ▣ Require all guests, employees, subcontractors, and suppliers to utilize the stabilized access.

Maintenance and Inspection

- ▣ Inspect routinely for damage and assess effectiveness of the BMP. Remove aggregate, separate and dispose of sediment if entrance/exit is clogged with sediment.
- ▣ Keep all temporary roadway ditches clear.
- ▣ Inspect for damage and repair as needed.