

LOT RENTAL AGREEMENT

This lot rental agreement (the "Agreement") is made and entered on this first day of September, 2002, by and between San Diego Polo Club (Landlord), and SixPikes, Inc. Del Mar Wholesale Christmas Trees, Inc. (Tenant) with respect to the following facts:

- A. Landlord is Lessor of that certain property situated in the city of San Diego, State of California, "Premises" more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference, which property is the subject of the Agreement between Landlord and Tenant, and Landlord has the authority to rent said premises to Tenant (see item #9, page 2).
- B. Tenant desires to rent said premises from Landlord for the purpose of Christmas tree sales pursuant to the provision of this Agreement.

NOW THEREFORE, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS

1. PREMISES: Landlord rents to Tenant and Tenant rents from Landlord the premises located at 14555 El Camino Real, San Diego, State of California, as described in Exhibit "A" attached hereto for the purpose as set forth above.
2. TERM: The term shall commence November 1, 2002, and shall expire October 31, 2003, with tenant's occupancy of "Exhibit A" occurring only during the period of November 1st through December 31, 2002.
3. RENT: Tenant shall pay to Landlord as rent for premises \$10,000.00 (ten thousand dollars) for the period of November 1, 2002 to December 31, 2002. Rent is due and payable on or before November 01, 2002.
4. ACCESS TO PREMISES, Landlord hereby grants to Tenant the right to prepare the premises for Christmas tree sales, including, without limitation, site preparation and utility hookups. Landlord grants to the Tenant an additional right of limited access, but in no event earlier than November 1, 2002.
5. TENTS, the Tenant desires a 60"x120" tent, to be erected on the premises on or about November 1st, for the term of this agreement. Landlord will contract such a tent from its' tent supplier. Tenant agrees to reimburse Landlord for this service. Landlord agrees to allow Tenant to present competing bids from local area tent companies, and honor such bids as the accepted price for the tent supplied by Landlord's supplier. Bids have to be for equal quality tents.
6. INSURANCE, Tenant shall at Tenant's expense, obtain and keep in force during the term of this Agreement a lot Insurance policy with Reliance Insurance for \$1,000,000.00 (one million dollars), in particular, a policy of Bodily Injury Insurance insuring Landlord and Tenant against any liability arising out of the ownership, uses, occupancy, or maintenance of the premises.
7. UTILITIES Landlord agrees to allow access to water hookups on the premises at no additional expenses to the Tenant. Landlord will repair such hookups so that leaks do not occur during use (a normal condition).
Electricity hookup on premises is at the Tenant's expense. Landlord will allow Tenant to leave above ground panels connected to underground cable in their respective locations.
Landlord will provide a telephone binding post on the west side of the tent location.
8. SURRENDER, on the last day of each year's term hereof, or on any sooner termination, Tenant shall surrender the premises to Landlord in the same condition as when received, broom clean, ordinary wear and tear expected.

9. **AUTHORITY TO RENT.** Landlord and Tenant mutually acknowledge the negotiations that have taken place with the city of City of San Diego concerning deed restrictions of Exhibit "A" property. Landlord and Tenant further acknowledge that Tenant was informed of such deed restrictions in June of 2002, following an approximate 10-year rental history between them. Therefore, Landlord and Tenant acknowledge that the city of San Diego must approve all of Tenant's business permits for Tenant to operate it's Christmas Tree sales pursuant to the provisions of this Agreement.

10. **GOVERNING LAW,** this Agreement is made and entered into in the State of California and shall be interpreted, construed, and enforced in accordance with the laws of the State of California.

11. **RIGHT OF FIRST REFUSAL,** Tenant has the "Right of First Refusal" for the 2003 season (November 1, 2003 through December 31, 2003).

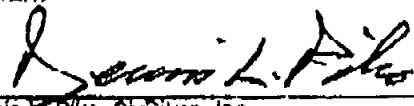
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

"Landlord"

Tom Goodspeed, General Manager
San Diego Polo Club

Chairman of the Board
San Diego Polo Club

"Tenant"



Dennis C. Pike, SixPikes, Inc.



Bob Jackson, Del Mar Wholesale Christmas Trees, LLC

SAN DIEGO POLO CLUB SPECIAL EVENT AGREEMENTS

SURF CUP SOCCER	<u>TERM</u> Jan. 1, 2001– Dec. 31, 2013 13 yrs	<u>RENT</u> \$48,315/yr + Annual CPI. 2% gross rev. over \$500K. Lump Sum on 3-98 of \$75K. Lump Sum on 3-99 of \$75K. 10% "Use Tax" to City	<u>PREMISES</u> Polo Fields: #1, #2, #3, #4	<u>USES</u> Youth Soccer Concessions
SURF GIRLS CUP	Jan. 1, 2001– Dec. 31, 2013 13 yrs	\$24,623/yr + Annual CPI. 2% gross rev. over \$500K. 10% "Use Tax" to City.	Polo Fields: #1, #2, #3, #4	Youth Soccer Concessions
CABRILLO KENNEL CLUB	June 17, 1996– Fall 2013 17 yrs	\$8,000 per show (2 shows annually)	Polo Fields: Vary	Dog Show Motorhome Parking Automobile Parking
JACKSON HOLE TACK SHOP	Jan. 1, 2002– Dec. 31, 2004 3 Yrs	\$2,000 per year	Trailer	Sale of Tack and Feed
GOLF LABORATORIES	Jan 1, 2001– Dec. 31, 2003 3 yrs	\$2,500 per month	Polo Fields: Vary	Golf Equipment Testing
SIXPIKES INC.	Nov. 1999– Dec. 2001 3 yrs	\$8,000 per year + Annual 10% Increase	Tents at Front of Property	Christmas Tree Sales
NORTH COAST SERVICES	June 14, 2001 Year to Year	Provide <u>large</u> amount of equipment to Polo Club Fee of Charge 20% Discount on Equipment for Polo Club	Entire Property	Party Equipment Rentals, Catering, Marketing of Corporate Packages.

9/24/02



RECEIVED

OCT 4 2002

Will Griffith
Real Estate Assets Department
1200 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101-4199
Fax (619) 236-7003

Real Estate Assets Director

Re: Existing Contracts/Strategic proposal for short-term operations

Dear Will,

Paul Robinson has reminded me that I need to copy you on all existing contracts between the polo club and events. I thought it might also be appropriate to take this opportunity to propose a short-term strategy for polo club operations as we had discussed in your office. The Polo Club has demonstrated good faith in its efforts to negotiate with the 22nd Ag District. We have provided them with a "Letter of Intent" as you had requested. Harry Collins has even offered private funds to initiate studies to be able to explore the feasibility of a joint polo and training facility.

When we met with you last, we indicated that we are currently in a very challenging position. We have been researching alternative sources of revenues that would fall within the perimeters of our lease. The most obvious usage would be to enter into a business relationship with other equestrian operations. We have had some interest, but the parties we have approached have all indicated they would need a long-term commitment for them to consider the polo club as a potential base of operations. With the present racetrack interest, our hands are pretty much tied.

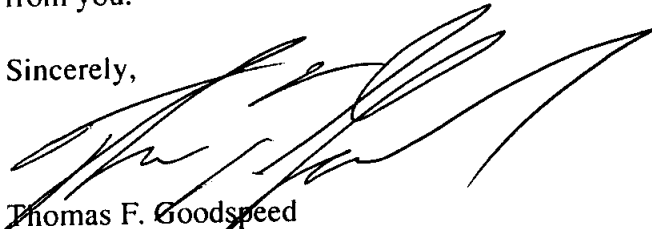
We would then recommend, that the City allow us to continue the existing Dog Shows or two other acceptable events, and golf testing until we can accomplish one of the following:

- 1) Secure an annual deposit from the 22nd Ag District to offset the event revenue loss.
- 2) Successfully negotiate a mutually acceptable long-term arrangement with the 22nd Ag District and the Polo Club, with the support of the City of San Diego.
- 3) Amend the current lease to reflect the language that we now have from Watt Industries.

We appreciate your understanding and support. We are very interested in the potential of a mutually acceptable long-term arrangement with the 22nd Ag District, the Polo Club, and the City of San Diego.

You can reach me at (619) 993-5553 if you have any questions. I look forward to hearing from you.

Sincerely,



Thomas F. Goodspeed
General Manager

Enclosures to the City:

Original & Current Dog Show Contracts

Original & Current Soccer contracts along with City permission letter

Current Tack Shop Contract

Current Golf Testing Contract

Previous and 2002 Proposed Christmas Tree Lot Contracts

Original & Previous Classic Party Contracts

Cc

H. Collins

P. Robinson

Tree Lot Contract

LOT RENTAL AGREEMENT

This lot rental agreement (the "agreement") is made and entered on this first day of November, 1999, by and between San Diego Polo Club, (Landlord), and SixPikes, Inc dba Del Mar Christmas Trees, (Tenant) with respect to the following facts:

- A. Landlord is owner of that certain property situated in the city of San Diego, State of California. "Premises" more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference, which property is the subject of the Agreement between Landlord and Tenant.
- B. Tenant desires to rent said premises from Landlord for the purpose of Christmas tree sales pursuant to the provision of this Agreement.

NOW THEREFORE, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS

1. PREMISES: landlord rents to Tenant and Tenant rents from Landlord the premises located at 14555 El Camino Real, San Diego, State of California, as described in Exhibit "A" attached hereto for the purpose as set forth above.

2. TERM: The term shall commence November 1, 1999, and shall expire December 30, 2001, with tenant's occupancy of "Exhibit A" occurring only during the period of November 1st through December 30th of the years 1999, 2000, 2001.

3. RENT: Tenant shall pay to Landlord as rent for premises \$8,000.00 (eight thousand dollars) for the period of November 1, 1999 to December 20, 1999. The rent for years 2000 and 2001 will be paid at a 10% increase per year with the following option:

- A.) At the Tenant's option, the 10% increase in rent for years 2000 and 2001 can be in the form of an increase in the rental fee or in improvements on the premises. Any improvement project must be pre-approved by the landlord, in writing, and must be equivalent in cost in the 10% increase due for the year in question.

All rents are due and payable on or before November 1, 1999.

4. ACCESS TO PREMISES, Landlord hereby grants to Tenant the right to prepare the premises for Christmas tree sales, including, without limitation, site preparation and utility hookups. Landlord grants to the Tenant an additional right of limited access, but in no event earlier than November 1st, for each year of the Agreement.

5. TENTS, the Tenant owns a 60"x120" tent, to be erected on the premises on or about November 1st for the term of this agreement. A tent company will be contracted to erect this tent, except in the year 1999 - purchase price includes installation for the first year. ~~Landlord will allow any tent company on the premises for this contracted service.~~ *Delate TFG DL.P.* *

6. INSURANCE, Tenant shall at Tenant's expense, obtain and keep in force during the term of this Agreement a lot insurance policy with Reliance Insurance for \$2,000,000.00 (two million dollars), in particular, a policy of Bodily Injury Insurance insuring Landlord and Tenant against any liability arising out of the ownership, uses, occupancy, or maintenance of the premises.

7. UTILITIES, Landlord agrees to allow access to water hookups on the premises at no additional expenses to the Tenant. Landlord will repair such hookups so that leaks do not occur during use (a normal condition).

Electricity hookup on premises is at the Tenant's expense. Landlord will allow Tenant to leave above ground panels connected to underground cable in their respective locations.

Landlord will provide a telephone binding post on the west side of the tent location.

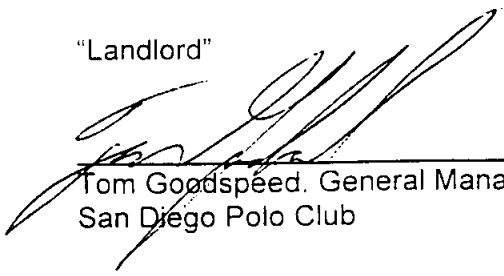
8. SURRENDER, on the last day of each year's term hereof, or on any sooner termination, Tenant shall surrender the premises to Landlord in the same condition as when received, broom clean, ordinary wear and tear expected.

9. GOVERNING LAW, this Agreement is made and entered into in the State of California and shall be interpreted, construed, and enforced in accordance with the laws of the State of California.

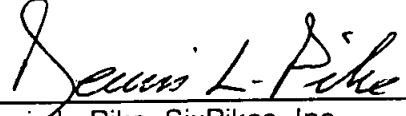
10. RIGHT OF REFUSAL. SixPikes, Inc has the "right of first refusal" for the 2002 season.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

"Landlord"


Tom Goodspeed, General Manager
San Diego Polo Club

"Tenant"


Dennis L. Pike, SixPikes, Inc.,
dba Del Mar Christmas Trees

- 1) This contract is dependent upon annual approval from the City of San Diego. This agreement can be terminated if the approval is not received TFG D.L.P.
- 2) Tenant will pay electric bill for meter usage. TFG D.L.P.

LEASE FOR RSF POLO CLUB

Golf Laboratories, Inc.

THIS RANCHO SANTA FE POLO AGREEMENT (the "Lease") is entered into this ____ day of January, 2001, between RSF Polo, or its assigns ("Lessor"), and Golf Laboratories, Inc. ("Lessee").

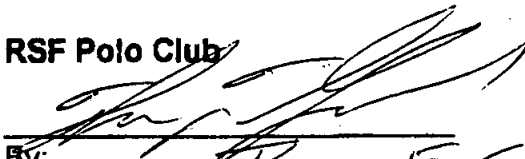
1. Use. The Lessee may use the Site for the purpose of testing golf equipment.
2. Term. The term of the Lease shall be three (3) years, commencing January 1, 2001 (the "Commencement Date"), and terminating at 11:59 p.m. December 31, 2003 (the "Original Term"). Both parties may mutually agree to extend this Lease for an additional term under such conditions and for such lengths of time as may be negotiated and mutually agreed upon prior to the termination date of the Original Term. Lessee must give Lessor written notice of its desire to renew not later than 90-days prior to the termination of the Original Term. Annual approval of lease is required by the city of San Diego.
3. Rent. Upon the Commencement Date, and during the Original Term of the lease, Lessee shall pay Lessor, as rent, the sum of \$ 2,500) per month. Thereafter, rent shall be payable monthly no later than the third day of each month to Lessor at Lessor's address

4. Non-Default Termination. In addition to the termination rights set forth in Paragraph 2, Lessor may, at its sole discretion, terminate all or a part of this Lease upon written request by Lessee for surrender of leasehold upon satisfaction by the Lessee of all outstanding rents, duties and obligations.

This Lease may also be terminated pursuant to the terms of Paragraph 2. Upon termination, Lessee agrees to promptly remove all of its equipment from the Premises, and return the areas occupied to their original condition at the time of leasing, normal wear and tear excepted.

DATED as of the date first set forth above.

LESSOR: **RSF Polo Club**

By: 
Thomas F. Gough
General Manager

LESSEE: **Golf Laboratories, Inc.**

By: 
Gene Parente

Its: President



Tack Shop

Jackson Hole Horse Emporium Lease with the San Diego Polo Club

The term of this lease is for three years, commencing January 1, 2002 and ending December 31, 2004.

The period of tack shop operation is from May 15th of each year until October 15th.

The Rent is \$2,000 each year, which does not include office space.

Any disputed matters shall go to arbitration.

The Jackson Hole Horse Emporium has the right to sell tack and feed on the polo club grounds. Exclusions from the other rights are the San Diego Polo Club Logo items, which are the property of the club.

7 8 02
Date

4 / 10 / 02
Date

[Signature]
San Diego Polo Club

George M. Pietsch
Jackson Hole Horse Emporium

Final 1996
Dog Show - Current
10/1/2002

POLO GROUNDS USE AGREEMENT

This POLO GROUNDS AGREEMENT is entered into as of June 17, 1996, by and between RANCHO SANTA FE POLO CLUB, a California non-profit corporation ("Owner"), and CABRILLO KENNEL CLUB, a California non-profit corporation ("Cabrillo"), with reference to the following facts, and supersedes all other contracts and agreements by and between Owner and Cabrillo.

RECITALS

A. Owner is a polo club whose facilities include numerous polo fields, parking area and other open spaces as well as certain club houses and other improvements located at 14555 El Camino Real, in the City of San Diego, San Diego County, California. Such property is hereinafter referred to as the "Club Grounds." Owner leases the Club Grounds from the City of San Diego pursuant to a Lease Agreement dated March 31, 1986 (the "City of San Diego Lease").

B. Cabrillo is a dog show and kennel club that, among other things, sponsors a semi-annual dog show and competition.

C. Cabrillo desires to enter into an agreement with Owner whereby Cabrillo would have the use of a certain portion of the Club Grounds to hold its scheduled shows on the terms and conditions set forth in this Agreement.

D. Owner desires to allow Cabrillo to utilize a portion of the Club Grounds on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing facts and the mutual promises set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Use of Club Grounds. Owner hereby agrees to allow Cabrillo to use a portion of the Club Grounds, defined below as the "Show Area," for the purposes, at the times and on the terms and conditions set forth in this Agreement. The Show Area may be used during the Show Dates, as defined below, for the purposes of holding a dog show and competition operated by Cabrillo and for no other purpose. Each of such Dog Shows and Competitions shall be held during a three-day period, twice annually, subject to the terms and conditions herein. Each such separate, multi-day

competition shall be referred to herein as a "Show." Each Show shall be conducted within a portion of the Club Grounds designated at the "Show Area" in the applicable Show Plan (as defined below).

2. Consideration.

2.1 Payment. As consideration for the use of the Show Area during the Show Dates, Cabrillo shall pay to Owner a "Use Fee" in the sum of \$8,000 per Show, as the same may be increased as described below. The Use Fee for the first Show shall be due and payable upon execution of this Agreement. The use Fee for each subsequent Show shall be due and payable 90 days in advance of the first day of each such Show.

2.2 Cost-of-Living Increase. None

2.3 Refund of Use Fee. Except as specifically set forth in this Agreement, the Use Fee shall not be refundable.

3. Show Dates, Term of Agreement.

3.1 Show Dates. Set forth in Exhibit "A" is a schedule of the Show Dates for each of the Shows to be scheduled during the term of this Agreement. Cabrillo's access to the Club Grounds and the ability of Cabrillo to utilize the Show Area for its events, shall be limited to the applicable dates.

3.2 Times. Cabrillo shall have access to the Show Area for the purpose of setting up beginning on the Wednesday morning at 8:00 a.m. which is immediately prior to the applicable Show Date. Participants, judges, and Cabrillo personnel shall have access to the Show Area from 6:00 a.m. to 8:00 p.m. on the actual Show Dates. The general public shall not be allowed in the Show Area other than during the following times: Friday, 9:00 a.m. to 6:00 p.m., Saturday, 9:00 a.m. to 6:00 p.m., Sunday, 9:00 a.m. to 6:00 p.m. Cabrillo shall not use the amplified public address system at all prior to 10:00 a.m. or after 8:00 p.m. on any day, and shall minimize such use prior to 11:00 a.m. on any day. Motorhomes may not arrive at the Club Grounds prior to 8:00 a.m. on the Friday of the Show Date, and no motorhome shall be admitted after 10:00 p.m. on any evening.

3.3 Force Majeure. It is understood and acknowledged that in the event of war, strikes, inability to procure labor or materials, riot, insurrection, rain, inclement weather, fire, flood, earthquake, acts of God, or other acts beyond the control of Owner ("Force Majeure"), it may be impractical to allow the use of the Club Grounds on a particular Show Date. It is further understood and acknowledged that the use of the Show Area and the other Club Grounds for the Shows may cause damage to the Club



Grounds in the event the Club Grounds are soft because of an event of Force Majeure (particularly excessive rain or other inclement weather), or for any other reason, whether or not the fault of Owner. Accordingly, in the event such Force Majeure or other reason causes the potential for damage to the Club Grounds, or otherwise in the event of any such Force Majeure, Owner shall have the right and option, immediately upon notice to Cabrillo, to cancel any Show Date. In the event of any such cancellation, the Use Fee for that particular Show shall be one-half (50%) of the normally applicable Use Fee, and any amount over such amount previously paid by Cabrillo shall be refunded to Cabrillo or returned to the Damage Deposit balance, as appropriate.

4. Early Termination.

4.1 Voluntary Termination by Owner. Owner shall have the right to terminate this Agreement prior to its natural expiration without cause upon giving Cabrillo at least six months' prior notice of termination.

4.2 Termination by Owner with Cause. In the event of any Default (as defined below) by Cabrillo, Owner shall have the right to terminate this Agreement immediately and recover (i) all damages resulting from such Default plus (ii) the Early Termination Fee described in Section 4.3 below.

4.3 Voluntary Termination by Cabrillo. Cabrillo may terminate this Agreement prior to its natural expiration upon at least six months prior written notice to Owner. In the event of such termination, Cabrillo shall pay a fee (the "Early Termination Fee") of \$16,000, but not in excess of \$8,000 times the number of Shows canceled by such early termination.

4.4 Termination by Causes Beyond the Control of the Parties. If this agreement is terminated prior to its natural expiration by the City of San Diego, because of damage to or destruction of all or a portion of the Club Grounds, because of the condemnation of all or a portion of the Club Grounds, this Agreement shall terminate immediately upon the happening of such event.

4.5 Mutual Termination.

5. Damage Deposit.

5.1 Deposit. Upon execution of this Agreement, Cabrillo shall pay to Owner the amount of \$70,000 in addition to the original \$100,000 (the "Damage Deposit"), as security for Cabrillo's performance of this

Agreement. Owner shall not be required to keep this Damage Deposit separate from its general funds or in any type of a trust account. In the event any application of any portion of the Damage Deposit under Section 5.2 below decreases the balance of the Security deposit to below \$25,000, Cabrillo shall deposit sufficient sums with Owner such that the Security deposit shall at all times have a balance of at least \$25,000.

5.2 Application to Unpaid Fees and Other Costs. Owner may apply all or a part of the Damage Deposit to pay (i) any unpaid Use Fee if such Use Fee is not paid within five (5) business days of the date due, in response to any failure to pay the same, (ii) any unpaid Early Termination Fee if such early Termination Fee is not paid within five (5) business days of the date due, (iii) other charges due from Cabrillo not paid by the date due, of (iv) any amount necessary to cure any other defaults of Cabrillo under this Agreement, including repair and restoration of the Club Grounds at the conclusion of any Show.

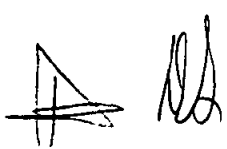
5.3 Interest on the Damage Deposit. There will be no future interest paid on Damage Deposit paid to Cabrillo by the Owner from the date of execution of this agreement. It is specifically noted by both parties, that this clause conflicts with the previous contract by and between the parties and this clause supersedes.

5.4 Guaranteed Return of Damage Deposit. Owner guarantees that, within ninety (90) days of the expiration or other termination of the term of this Agreement, the remaining balance of the Damage Deposit, after taking into account all applicable additions and deductions under the terms of this Article 5, shall be returned to Cabrillo.

6.0 Conduct.

6.1 Motorhome Parking. Motorhome parking shall be allowed in the portion of the Show Area designated for motorhomes in the applicable Show Plan. Motorhomes may not exceed 60 feet in length. Automobiles may be parked on the areas designated for automobile parking only during the times allowed for general public admission to the Show. There shall be no overnight parking other than for motorhomes. No more than 125 motorhomes nor more than 250 passenger automobiles shall be allowed to utilize the parking the Show Area. All motorhomes shall be self contained; no water, electricity or sanitary facilities shall be provided by Owner. No dumping of sewage, outhouses or other waste disposal shall be permitted on the Club Grounds. No more than two thousand (2,000) dogs total shall participate in any one Show.

6.2 Sanitation. Cabrillo shall provide at its sole cost portable toilets for the use of Show participants, service personnel, visitors



and guests. Dogs shall be confined or on leashes at all times. Cabrillo shall provide at its sole cost appropriate facilities for cleaning up of all dog droppings and the disposal thereof off the Club Grounds. Cabrillo shall be responsible for paying for any damages or repair necessitated by any droppings or urination of dogs on the Club Grounds.

6.3 Clean Up. After each Show, Cabrillo shall clean up all trash and litter on the show area and any trash or litter on the remainder of the Club Grounds related to or caused by the Show. Such cleanup shall be completed by 5:00 p.m. on the Monday immediately following the Show.

6.4 Security; Access; Parking. Cabrillo shall provide sufficient event staff and security guards to assure that access to the Show by participants, Cabrillo members and the general public is confined to the Show Area. Cabrillo shall also pay for the hiring of security guards for the stables area in amounts sufficient to guard the polo ponies and other livestock therein against theft or tampering during the continuance of the Show. Cabrillo shall hire the San Diego City Police Department or the San Diego County Sheriff's Department, or such other security agency approved by Owner, to supervise and patrol the parking areas for the Show. At no time shall any persons have access to the Owners' club house, restrooms or other facilities except as designated in the applicable Show Plan; provided, however, that Owner shall make a portion of such clubhouse facilities as exist from time to time as a hospitality area for Cabrillo members working on the Show and for judges of the Show, all as designated on the applicable Show Plan.

6.5 Costs. All the costs of clean up, security and other event staff shall be borne solely and without exception or limitation by Cabrillo. Cabrillo shall pay all wages, withholding taxes, payroll taxes, workers compensation insurance and other employment costs, and the fees of any [independent] contractor(s) for such services as they may require.

6.6 Compliance with Law; Waste. Cabrillo shall not do or permit anything to be done in or about the Club Grounds in conflict with, and Cabrillo shall, at its expense, comply promptly with all laws, ordinances, rules, regulations, orders, requirements, and recorded covenants and restrictions applicable to the Club Grounds, whether now in force or hereafter in effect, including alterations or installations of additional facilities as required by Cabrillo's occupancy or the conduct of Cabrillo's business. Cabrillo shall obtain, at its expense, all governmental permits required for Cabrillo's use and occupancy of the Club Grounds, and the conduct of the Shows. Cabrillo shall not use or permit the use of the Show Area in any manner which, in the reasonable judgment of Owner: (a) tends to create waste or a nuisance; (b) causes objectionable noise or odors; or (c) will invalidate or cause the cancellation of any fire, extended coverage or other insurance policy

covering the Club Grounds or any part thereof. Lien(s) may be satisfied from the damage deposit if Owner chooses to have them released.

6.7 Liens. Cabrillo shall pay when due all claims for any work performed, materials furnished or obligations incurred by or from Cabrillo, and Cabrillo shall keep the Club Grounds free from any liens arising with respect thereto. If Cabrillo fails to cause any such lien to be released within ten (10) days after imposition, by payment or by posting of a proper bond, Owner shall have the right (but not the obligation) to cause such release by such means as Owner deems proper. Cabrillo shall reimburse Owner upon demand for all costs incurred by Owner in connection therewith. Liens may be satisfied if owner decides to have them released.

7. Show Plan. At least sixty (60) days prior to each Show, representatives of Cabrillo and representatives of Owner shall meet and develop a "Show Plan" for the Show next scheduled. The Show Plan shall address, among such other appropriate matters as such representatives may determine, the following items:

- (a) The location of the Show Area, the lots to be used for motorhome parking and automobile parking, traffic patterns and access routes;
- (b) Set up times and arrangements;
- (c) Security and event staff arrangements;
- (d) Review of insurance documentation;
- (e) Review of prior Shows and handling of any problems that may have previously arisen;
- (f) Restroom locations and arrangements;
- (g) Approval by Owner of Cabrillo pre-event publicity (except that entry forms and participant information directed primarily to potential participants shall not be subject to Owner's approval);
- (h) Directional signage on public streets;
- (i) City of San Diego issues; and

- (j) The possibility of additional overnight motorhome parking, and the location of additional day-of-Show parking of all vehicles, as approved by Owner, shall be identified.

It is distinctly understood and agreed that each Show Plan is to be determined on a Show-by-Show basis, and that Owner shall have the right to impose varying requirements on each Show. The existence or non-existence of a particular element, waiver or exception of a requirement in one Show Plan shall not constitute an agreement or consent to include or exclude such same element or requirement in any other Show Plan under any circumstances.

8. Permanent Improvements. Owner agrees to consider proposals by Cabrillo for permanent improvements to the Club Grounds. Such improvements would be made at the sole expense of Cabrillo. All plans and specifications for such improvements, the location thereof and permits required therefor would be provided by Cabrillo and would be subject to the approval of the Board of Directors of Owner. This paragraph constitutes an agreement to consider such proposals by Owner; however, it is specifically understood that Owner reserves the right to approve or disapprove any such proposals or any portion thereof, or to impose additional requirements thereon, at its sole discretion. Owner shall be under no obligation to approve any such improvements at all.

9. Assignment.

9.1 Assignment by Owner. Owner may assign, sublet, grant, or transfer any of its interest in this Agreement to any other person or group that succeeds to any interest in the Rancho Santa Fe Polo Club or in the Club Grounds at any time.

9.2 Assignment by Cabrillo. Cabrillo may not sell, assign, hypothecate, grant, subcontract or otherwise transfer all or any portion of its interest in this Agreement, and any attempted or purported transfer thereof shall be void and of no force or effect, Owner under no circumstances shall be deemed to accept impliedly any transfer of interest whatsoever, whether by actual or constructive notice any owner may or may not have. Provided, however, that Cabrillo may allow the Del Sur Kennel Club to work in conjunction with Cabrillo on any particular Show. In no event, however, shall Cabrillo not be involved in any particular Show. Cabrillo shall remain fully and primarily liable for all of the obligations and liabilities of Cabrillo hereunder. Cabrillo shall notify Owner of any such arrangement by first class return receipt mail, at least 60 days prior to the date of the affected Show, which notification shall be accompanied by a written agreement by Del Sur



Kennel Club to be jointly and severally liable with Cabrillo for all of the obligations and liabilities of Cabrillo hereunder for that particular Show.

10. Nature of Agreement. This Agreement is a license in favor of Cabrillo to use a portion of the Club Grounds on the terms and conditions contained herein. No interest in real property or in the City of San Diego Lease on the part of Cabrillo or any other person is created hereby, not any sublease or partial assignment or any portion of the City of San Diego is intended or created hereby. If ever required by Owner, Cabrillo shall, within ten (10) days of request therefor, execute, acknowledge and deliver a Quitclaim Deed in recordable form to all or a portion the Club Grounds in favor of Owner.

11. Insurance; Indemnity.

11.1 Insurance Requirements. Cabrillo shall maintain, at Cabrillo's expense, a policy of comprehensive public liability insurance, insuring Cabrillo and naming Owner, the City of San Diego, and any holder or holders of any mortgage or deed of trust on the Club Grounds designated by Owner ("Owner's designated lenders") as additional insureds, against liability for personal injury or property damage arising out of the use of the Club Grounds by Cabrillo. The initial amount of such insurance shall be at least One Million Dollars (\$1,000,000), combined single liability limit per occurrence. Owner shall have the right to increase such limit periodically based upon inflation, increased liability awards, lender requirements, and other relevant factors. The policy shall provide that: (a) such coverage is primary and non-contributing with any policy carried by Owner (which shall be excess insurance), but only with respect to the activities of Cabrillo or for matters arising out of the Show itself, rather than activities of Owner, and (b) no cancellation or reduction in coverage shall be effective until thirty (30) days after written notice to Owner and any Owner's designated lender. The policy shall not exclude Owner from recovery by reason of Owner being named as an additional insured thereunder. The policy shall be issued by an insurer licensed in California and having a rating in Best's Insurance Guide of B+ or better and otherwise reasonably approved by Owner. The policy shall insure Cabrillo's performance of the indemnity provisions of this Agreement, but the amount of such insurance shall not limit Cabrillo's liability nor relieve Cabrillo of any obligation hereunder. Prior to each Show Date, Cabrillo shall deliver a certificate evidencing such insurance to Owner. Cabrillo shall, at Cabrillo's expense, maintain such other liability insurance as Cabrillo deems necessary to protect Cabrillo.

11.2 Waiver of Subrogation. Notwithstanding any other provision of this Agreement to the contrary, each party waives all rights of recovery against the other party, and its officers, employees, agents and representatives, for any claims for loss or damage to person or property caused

by or resulting from any other risks to be insured against under the provisions of this Agreement. Each party shall cause each insurance policy obtained by it to provide that the insurer waives all right of recovery by way of subrogation against the other party in connection with any damage covered by such policy.

11.3 Indemnification. Cabrillo shall indemnify, hold harmless and defend Owner and its directors, officers, members, employees, contractors, agents, guests and invitees from and against any and all claims, actions, damages, liability, costs, and expense, including attorneys' fees, and costs in connection with loss of life, personal injury and/or property damage arising from (a) the use, occupation, improvement or maintenance of the Show Area or any work or activity in or about the Club Grounds by Cabrillo or its agents, employees, contractors, licensees or invitees; (b) any activity, condition or occurrence in or about the Club Grounds; (c) any breach or failure to perform any obligation imposed on Cabrillo under this Agreement; or (d) any negligent, intentional or other tortious act or omission of Cabrillo or agents, contractors, employees, customers, invitees or licensees. Upon notice from Owner, Cabrillo shall, at Cabrillo's sole expense and by counsel satisfactory to Owner, defend any action whatsoever or proceeding brought against Owner and its directors, officers, members, employees, contractors, agents, guests and invitees by reason of any such claim. If Owner and its directors, officers, members, employees, contractors, agents, guests and invitees, without fault on its part, is made a party of any litigation commenced by or against Cabrillo, then Cabrillo shall indemnify, protect, hold harmless and defend Owner or such other persons and pay all costs, expenses and reasonable attorneys' fees and costs incurred or paid by Owner or such other persons in connection with such litigation. Cabrillo, as a material part of the consideration to Owner hereunder assumes all risk of, and waives all claims against Owner and its directors for, personal injury or property damage in, upon or about the Club Grounds, from any cause whatsoever.

11.4 Exemption of Owner from Liability. Neither Owner nor any of its directors, officers, members, employees, contractors, agents, guests and invitees shall not be liable for injury to Cabrillo's business or loss of income therefrom or for damage which may be sustained by the person, goods, wares, merchandise or property of Cabrillo, its employees, invitees, customers, agents or contractors or any other person in or about the Club Grounds, caused by or resulting from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of the Club Grounds, pipes, sprinklers, wires, appliances, plumbing, air conditioning, lighting, buildings, structures, fences, driveways or other elements of the same, whether said damage or injury results from conditions arising upon the Club Grounds, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Cabrillo. Owner shall not be liable for any damages arising from any use, act or failure to act of any other person on the Club Grounds and



shall not be liable for any latent defect in the Club Grounds. All property of Cabrillo kept or stored on the Club Grounds shall be so kept or stored at the risk of Cabrillo only, and Cabrillo shall indemnify, protect and hold harmless Owner and its directors, officers, members, employees, contractors, agents, guests and invitees from the against any claims arising out of damage to the same, including subrogation claims by Cabrillo's insurance carriers.

11.5 Taxes. Cabrillo shall pay prior to delinquency all taxes charged against all of its equipment or any other personal property. Cabrillo shall pay all permit fees, taxes, license fees, income or use taxes and other governmental or quasi-governmental charges arising out of any Show. Cabrillo shall additionally pay all sales and use taxes associated with all Shows and any goods or services that may be provided or sold in connection therewith. Cabrillo shall additionally pay any City of San Diego fees, charges, additional rent, percentage rent or other amounts that may be due or become due under the City of San Diego Lease as a result of any activity, payment, or other act on the part of Cabrillo undertaken in connection with this Agreement or otherwise. Cabrillo shall comply with any and all requests for the review or auditing of any books or records of Cabrillo made by the City of San Diego under the City of San Diego Lease and shall simultaneously allow access thereto by Owner. Cabrillo shall pay all payroll taxes associated with its activities, it being specifically understood that all personnel associated with, hired or contracted for by Cabrillo in connection with any Show shall be employees or contractors of Cabrillo and not of Owner.

12. Default. The occurrence of any of the following events shall constitute a Default ("Default") by Cabrillo under this Agreement:

- (a) Failure by Cabrillo to pay all or any portion of the Use Fee when due;
- (b) Failure of Cabrillo to pay any other monetary amounts owed from Cabrillo to Owner when due;
- (c) Failure to perform any other agreement or obligation of Cabrillo hereunder if such failure continues for five (5) days after written notice by Owner to Cabrillo; provided, however, that if the nature of the Default is such that the same cannot be reasonably cured within such five-day period, Cabrillo shall not be in Default if Cabrillo commences to cure such Default within such five-day period and thereafter diligently prosecutes the cure to the completion thereof, and does in fact cure such Default within ninety (90) days after such notice. However, Owner shall not be required to give such notice or allow for Cabrillo's cure if the Default is not susceptible of cure within such ninety-day period or if such cure is otherwise impractical, or cannot be completed in time to be effective; or



(d) A petition on behalf of or against Cabrillo is filed for an order of relief under the Federal Bankruptcy Code or for an order or decree of insolvency or reorganization or rearrangement of Cabrillo under any state or Federal law; or Cabrillo makes a general assignment for the benefit of creditors; or a receiver or trustee is appointed to take possession of any substantial part of Cabrillo's assets; or Cabrillo consents to or suffers an attachment, execution or other judicial seizure of any substantial part of its assets or its interest under this Agreement.

13. General Provisions.

13.1 Attorneys' Fees. Should any party hereto employ an attorney for the purpose of enforcing or construing this Agreement, or any judgment based on this Agreement, in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, the prevailing party shall be entitled to receive from the other party thereto reimbursement for all attorneys' fees and all costs, including but not limited to service of process, filing fees, court and court reporter costs, investigative costs, expert witness fees, and the cost of any bonds, whether taxable or not, and that such reimbursement shall be included in any judgment or final order issued in that proceeding. The term "prevailing party" means the party determined by the court to most nearly prevail and not necessarily the one in whose favor a judgment is rendered.

13.2 Counterparts. This Agreement or any Escrow Instructions pursuant to this Agreement may be executed in multiple copies, each of which shall be deemed an original, but all of which shall constitute one Agreement after each party has signed a counterpart hereof.

13.3 Computation of Time Periods. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice or approval shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or state or national holiday.

All prior or contemporaneous agreement, understandings, representations, warranties and statements, oral or written, are hereby superseded, and especially all contracts entered into by both parties previous to this one, on 6/18/96.

13.4 Entire Agreement. This Agreement, together with all exhibits attached hereto and other agreements expressly referred to herein, constitutes the entire agreement between the parties with respect to the subject matter hereof. No oral or written statements, writings,



representations, warranties, negotiations, course of dealings, customary course of dealings for transactions of this nature, or other extrinsic evidence shall be utilized in any manner to interpret, modify, or amend any term of provision of this Agreement, except as may be specifically set forth in this Agreement.

13.5 Exhibits. All exhibits referred to herein are attached hereto and incorporated herein by reference.

13.6 Further Assurances. The parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement and the intentions of the parties.

13.7 Gender, Number. As used herein, the singular shall include the plural and the masculine shall include the feminine, wherever the context so requires.

13.8 Governing Law. This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

13.9 Headings. The captions and paragraph headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

13.10 Joint and Several Liability. If any party consists of more than one person or entity, the liability of each such person or entity signing this Agreement shall be joint and several.

13.11 Mediation and Arbitration. In the event a dispute arises out of or related to this Agreement or the breach thereof, and if said dispute cannot be settled through direct discussions between the parties, the parties agree to first attempt to settle the dispute through mediation before a mutually acceptable mediator. The cost of mediation shall be divided equally between the parties. Thereafter, any remaining unresolved controversies or claims shall be settled by binding arbitration before a mutually acceptable arbitrator. The prevailing party in the arbitration shall be entitled to recover reasonable costs and attorneys' fees and costs as determined by the arbitrator. Any judgment rendered by the arbitrator may be entered in any court having jurisdiction.

13.12 Modification, Waiver. No modification, waiver, amendment or discharge of this Agreement or any clause or sentence of this Agreement shall be valid unless the same is in writing and signed by both Cabrillo and Owner.

13.13 No Other Inducement. The making, execution and delivery of this Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressed herein.

13.14 Notice. Notice to either party shall be in writing and either personally delivered or sent by certified mail, postage prepaid, return receipt requested, addressed to the party to be notified at the address specified herein. Any such notice shall be deemed received on the date of personal delivery to the party (or such party's authorized representative) or three (3) business days after deposit in the U.S. Mail, as the case may be.

Owner's Address for Notice -
Personal or Messenger Delivery:

Rancho Santa Fe Polo Club
14555 El Camino Real
San Diego, CA 92130
Attention: Mr. Harry A. Collins

Owner's Address for Notice - Mail

Rancho Santa Fe Polo Club
P. O. Box 3035
Rancho Santa Fe, CA 92067
Attention: Mr. Harry A. Collins

With a copy to:

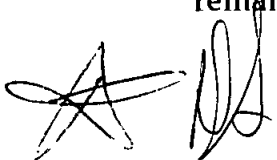
SCALONE STIPANOV YAFFA & MEBANE
7855 Ivanhoe Avenue, Suite 420
La Jolla, California 92037
Attn: Kenneth J. Stipanov, Esq.

Cabrillo's Address for Notice:

3036 Vicjas View Place
Alpine, CA 91904
Attn: Bob Caswell

Either party may change its address for notice by delivering written notice to the other party as provided herein.

13.15 Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term,



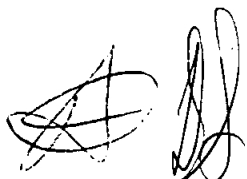
provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13.16 Successors. Subject to the restriction on assignment contained herein, all terms of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns.

13.17 Review of Agreement. The parties hereto acknowledge that they have carefully reviewed this Agreement and have had the opportunity to consult with legal counsel concerning its terms and provisions. No representation is made by either party or its representatives as to the legal sufficiency, effect or ramifications of this Agreement, and each party is relying solely on the advice of its own legal counsel.

13.18 Time. Time is of the essence of each provision of this Agreement.

13.19 Venue. The venue for any and all disputes shall be in San Diego, California.



IN WITNESS WHEREOF, the parties have executed this Use Agreement as of the date first written above.

RANCHO SANTA FE POLO CLUB, a
California non-profit corporation

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: Thomas F Goodspeed

Title: General Manager

6/18/96

CABRILLO KENNEL CLUB, a
California non-profit corporation

By: _____

Print Name: Robert A. Swecc

Title: _____

Superintendent 6/18/96

By: _____

Print Name: Douglas Shipley

Title: _____ 6/18/96

EXHIBIT "A"

Show Dates

<u>Show Name</u>	<u>Show Date</u>
Fall	1992
Spring	1993
Fall	1993
Spring	1994
Fall	1994
Spring	1995
Fall	1995
Spring	1996
Fall	1996
Spring	1997
Fall	1997
Spring	1998
Fall	1998
Spring	1999
Fall	1999
Spring	2000
Fall	2000
Spring	2001
Fall	2001
Spring	2002
Fall	2002
Spring	2003
Fall	2003
Spring	2004
Fall	2004
Spring	2005
Fall	2005
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Spring	2009
Fall	2009
Spring	2010
Fall	2010
Spring	2011
Fall	2011



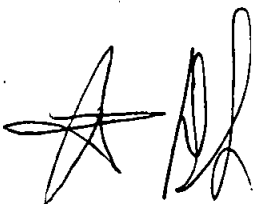
Spring 2012

Fall 2012

Spring 2013

Fall 2013

1987 agreement-26 year lease, 2013 is term

A handwritten signature in black ink, consisting of a stylized 'A' followed by a series of loops and a vertical stroke.A handwritten signature in black ink, appearing to be 'TFG' with a long horizontal stroke extending to the right.

Dog Show - Initial Contract
10/1/2002

POLO GROUNDS USE AGREEMENT

This POLO GROUNDS USE AGREEMENT is entered into as of _____, 1992, by and between RANCHO SANTA FE POLO CLUB, a California non-profit corporation ("Owner"), and CABRILLO KENNEL CLUB, a California non-profit corporation ("Cabrillo"), with reference to the following facts:

RECITALS

A. Owner is a polo club whose facilities include numerous polo fields, parking area and other open spaces as well as certain club houses and other improvements located at 14555 El Camino Real, in the City of San Diego, San Diego County, California. Such property is hereinafter referred to as the "Club Grounds." Owner leases the Club Grounds from the City of San Diego pursuant to a Lease Agreement dated March 31, 1986 (the "City of San Diego Lease").

B. Cabrillo is a dog show and kennel club that, among other things, sponsors a semi-annual dog show and competition.

C. Cabrillo desires to enter into an agreement with Owner whereby Cabrillo would have the use of a certain portion of the Club Grounds to hold its scheduled shows on the terms and conditions set forth in this Agreement.

D. Owner desires to allow Cabrillo to utilize a portion of the Club Grounds on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing facts and the mutual promises set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Use of Club Grounds. Owner hereby agrees to allow Cabrillo to use a portion of the Club Grounds, defined below as the "Show Area," for the purposes, at the times and on the terms and conditions set forth in this Agreement. The Show Area may be used during the Show Dates, as defined below, for the purposes of holding a dog show and competition operated by Cabrillo and for no other purpose. Each of such Dog Shows and Competitions shall be held during a three-day period, twice annually, subject to the terms and conditions herein. Each such separate, multi-day competition shall be referred to herein as a

"Show." Each Show shall be conducted within a portion of the Club Grounds designated as the "Show Area" in the applicable Show Plan (as defined below).

2. Consideration.

2.1 Payment. As consideration for the use of the Show Area during the Show Dates, Cabrillo shall pay to Owner a "Use Fee" in the sum of \$7,500 per Show, as the same may be increased as described below. The Use Fee for the first Show shall be due and payable upon execution of this Agreement. The Use Fee for each subsequent Show shall be due and payable 90 days in advance of the first day of each such Show.

2.2 Cost-of-Living Increase. The amount of the Use Fee provided in Section 2.1 shall be increased, effective for Calendar Year 1996 and each calendar year thereafter, to reflect increases in the cost of living. The Use Fee as so increased shall be in effect for the two shows to take place during the calendar year for which the adjustment is made. The base for computing the adjustment shall be the Consumer Price Index for All Urban Consumers (1982-84 = 100) for the San Diego Area (the "Index"), as published by the U.S. Department of Labor, Bureau of Labor Statistics. The Index published for January of the calendar year for which the adjustment is to take place (the "Adjustment Index") shall be compared with the Index published for August, 1992 (the "Base Index"). The Use Fee shall be increased in accordance with the percentage increase (if any) between such Indexes to equal \$7,500 times a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Base Index. Provided, however, that no such adjustment shall ever result in the Use Fee for any calendar year being less than the Use Fee for the immediately preceding calendar year. If the Index is discontinued or materially revised during the term of this Agreement, Owner may substitute another index that reasonably reflects consumer prices for purposes of computing the cost-of-living adjustment.

2.3 Refund of Use Fee. Except as specifically set forth in this Agreement, the Use Fee shall not be refundable.

3. Show Dates, Term of Agreement.

3.1 Show Dates. Set forth on Exhibit "A" is a schedule of the Show Dates for each of the Shows to be scheduled during the term of this Agreement. Cabrillo's access to the Club Grounds and the ability of Cabrillo to utilize the Show Area for its events, shall be limited to the applicable dates.

3.2 Times. Cabrillo shall have access to the Show Area for the purpose of setting up beginning on the Wednesday morning at 8:00 a.m. which is immediately prior to the applicable Show Date. Participants, judges and Cabrillo personnel shall have access to the Show Area from 6:00 a.m. to 8:00 p.m. on the actual Show Dates. The general public shall not be allowed in the Show Area other than during the following times: Friday, 8:00 a.m. to 6:00 p.m., Saturday, 8:00 a.m. to 6:00 p.m., Sunday, 8:00 a.m. to 6:00 p.m. Cabrillo shall not use the amplified public address system at all prior to 8:00 a.m. or after 8:00 p.m. on any day, and shall minimize such use prior to 10:00 a.m. on any day. Motorhomes may not arrive at the Club Grounds prior to 8:00 a.m. on the Friday of the Show Date, and no motorhome shall be admitted after 10:00 p.m. on any evening.

3.3 Force Majeure. It is understood and acknowledged that in the event of war, strikes, inability to procure labor or materials, riot, insurrection, rain, inclement weather, fire, flood, earthquake, acts of God, or other acts beyond the control of Owner ("Force Majeure"), it may be impractical to allow the use of the Club Grounds on a particular Show Date. It is further understood and acknowledged that the use of the Show Area and the other Club Grounds for the Shows may cause damage to the Club Grounds in the event the Club Grounds are soft because of an event of Force Majeure (particularly excessive rain or other inclement weather), or for any other reason, whether or not the fault of Owner. Accordingly, in the event such Force Majeure or other reason causes the potential for damage to the Club Grounds, or otherwise in the event of any such Force Majeure, Owner shall have the right and option, immediately upon notice to Cabrillo, to cancel any Show Date. In the event of any such cancellation, the Use Fee for that particular Show shall be one-half (50%) of the normally applicable Use Fee, and any amount over such amount previously paid by Cabrillo shall be refunded to Cabrillo or returned to the Damage Deposit balance, as appropriate.

4. Early Termination.

4.1 Voluntary Termination by Owner. Owner shall have the right to terminate this Agreement prior to its natural expiration without cause upon giving Cabrillo at least six months prior notice of termination.

4.2 Termination by Owner with Cause. In the event of any Default (as defined below) by Cabrillo, Owner shall have the right to terminate this Agreement immediately and recover (i) all damages resulting from such Default plus (ii) the Early Termination Fee described in Section 4.3 below.

4.3 Voluntary Termination by Cabrillo. Cabrillo may terminate this Agreement prior to its natural

expiration upon at least six months prior written notice to Owner. In the event of such termination, Cabrillo shall pay a fee (the "Early Termination Fee") of \$15,000, but not in excess of \$7,500 times the number of Shows cancelled by such early termination.

4.4 Termination by Causes Beyond the Control of the Parties. If this Agreement is terminated prior to its natural expiration by the City of San Diego, because of damage to or destruction of all or a portion of the Club Grounds, because of the condemnation of all or a portion of the Club Grounds, this Agreement shall terminate immediately upon the happening of such event.

5. Damage Deposit.

5.1 Deposit. Upon execution of this Agreement, Cabrillo shall pay to Owner the amount of \$100,000 (the "Damage Deposit"), as security for Cabrillo's performance of this Agreement. Owner shall not be required to keep this Damage Deposit separate from its general funds. Cabrillo shall be entitled to interest thereon as described in Section 5.3 below. In the event any application of any portion of the Damage Deposit under Section 5.2 below decreases the balance of the Security deposit to below \$25,000, Cabrillo shall deposit sufficient sums with Owner such that the Security deposit shall at all time have a balance of at least \$25,000.

5.2 Application to Unpaid Fees and Other Costs. Owner may apply all or a part of the Damage Deposit to pay (i) any unpaid Use Fee if such Use Fee is not paid within five (5) business days of the date due any failure to pay the same, (ii) any unpaid Early Termination Fee if such early Termination Fee is not paid within five (5) business days of the date due, (iii) other charges due from Cabrillo not paid by the date due, or (iv) any amount necessary to cure any other defaults of Cabrillo under this Agreement, including repair and restoration of the Club Grounds at the conclusion of any Show.

5.3 Interest on the Damage Deposit. The balance of the Damage Deposit held by Owner from time to time shall bear interest at the rate of seven percent (7%) per annum, simple interest. ?

5.4 Guaranteed Return of Damage Deposit. Owner guarantees that, within ninety (90) days of the expiration or other termination of the term of this Agreement, the remaining balance of the Damage Deposit, after taking into account all applicable additions and deductions under the terms of this Article 5, shall be returned to Cabrillo. *

6. Conduct.

6.1 Motorhome Parking. Motorhome parking shall be allowed in the portion of the Show Area designated for motorhomes in the applicable Show Plan. Motorhomes may not exceed 60 feet in length. Automobiles may be parked on the areas designated for automobile parking only during the times allowed for general public admission to the Show. There shall be no overnight parking other than for motorhomes. No more than 125 motorhomes nor more than 250 passenger automobiles shall be allowed to utilize the parking in the Show Area. All motorhomes shall be self contained; no water, electricity or sanitary facilities shall be provided by Owner. No dumping of sewage, outhouses or other waste disposal shall be permitted on the Club Grounds. No more than two thousand (2,000) dogs total shall participate in any one Show.

6.2 Sanitation. Cabrillo shall provide at its sole cost portable toilets for the use of Show participants, service personnel, visitors and guests. Dogs shall be confined or on leashes at all times. Cabrillo shall provide at its sole cost appropriate facilities for cleaning up of all dog droppings and the disposal thereof off the Club Grounds. Cabrillo shall be responsible for paying for any damages or repair necessitated by any droppings or urination of dogs on the Club Grounds.

6.3 Clean Up. After each Show, Cabrillo shall clean up all trash and litter on the show area and any trash or litter on the remainder of the Club Grounds related to or caused by the Show. Such cleanup shall be completed by 5:00 p.m. on the Monday immediately following the Show.

6.4 Security; Access; Parking. Cabrillo shall provide sufficient event staff and security guards to assure that access to the Show by participants, Cabrillo members and the general public is confined to the Show Area. Cabrillo shall also pay for the hiring of security guards for the stables area in amounts sufficient to guard the polo ponies and other livestock therein against theft or tampering during the continuance of the Show. Cabrillo shall hire the San Diego City Police Department or the San Diego County Sheriff's Department, or such other security agency approved by Owner, to supervise and patrol the parking areas for the Show. At no time shall any persons have access to the Owner's club house, rest rooms or other facilities except as designated in the applicable Show Plan; provided, however, that Owner shall make a portion of such clubhouse facilities as exist from time to time for a hospitality area for Cabrillo members working on the Show and for judges for the Show, all as designated on the applicable Show Plan.

6.5 Costs. All the costs of clean up, security and other event staff shall be borne by Cabrillo.

Cabrillo shall pay all wages, withholding taxes, payroll taxes, workers' compensation insurance and other employment costs, and the fees of any independent contractor for such services.

6.6 Compliance with Law; Waste. Cabrillo shall not do or permit anything to be done in or about the Club Grounds in conflict with, and Cabrillo shall, at its expense, comply promptly with all laws, ordinances, rules, regulations, orders, requirements, and recorded covenants and restrictions applicable to the Club Grounds, whether now in force or hereafter in effect, including alterations or installations of additional facilities as required by Cabrillo's occupancy or the conduct of Cabrillo's business. Cabrillo shall obtain, at its expense, all governmental permits required for Cabrillo's use and occupancy of the Club Grounds, and the conduct of the Shows. Cabrillo shall not use or permit the use of the Show Area in any manner which, in the reasonable judgment of Owner: (a) tends to create waste or a nuisance; (b) causes objectionable noise or odors; or (c) will invalidate or cause the cancellation of any fire, extended coverage or other insurance policy covering the Club Grounds or any part thereof.

6.7 Liens. Cabrillo shall pay when due all claims for any work performed, materials furnished or obligations incurred by or for Cabrillo, and Cabrillo shall keep the Club Grounds free from any liens arising with respect thereto. If Cabrillo fails to cause any such lien to be released within ten (10) days after imposition, by payment or by posting of a proper bond, Owner shall have the right (but not the obligation) to cause such release by such means as Owner deems proper. Cabrillo shall reimburse Owner upon demand for all costs incurred by Owner in connection therewith.

7. Show Plan. At least sixty (60) days prior to each Show, representatives of Cabrillo and representatives of Owner shall meet and develop a "Show Plan" for the Show next scheduled. The Show Plan shall address, among such other appropriate matters as such representatives may determine, the following items:

- (a) The location of the Show Area, the lots to be used for motorhome parking and automobile parking, traffic patterns and access routes;
- (b) Set up times and arrangements;
- (c) Security and event staff arrangements;
- (d) Review of insurance documentation;

- (e) Review of prior Shows and handling of any problems that may have previously arisen;
- (f) Restroom locations and arrangements;
- (g) Approval by Owner of Cabrillo pre-event publicity (except that entry forms and participant information directed primarily to potential participants shall not be subject to Owner's approval);
- (h) Directional signage on public streets;
- (i) City of San Diego issues; and
- (j) The possibility of additional overnight motorhome parking, and the location of additional day-of-Show parking of all vehicles, as approved by Owner, shall be identified.

It is distinctly understood and agreed that each Show Plan is to be determined on a Show-by-Show basis, and that Owner shall have the right to impose varying requirements on each Show. The existence or non-existence of a particular element or requirement in one Show Plan shall not constitute an agreement or consent to include or exclude such same element or requirement in any other Show Plan.

8. Permanent Improvements. Owner agrees to consider proposals by Cabrillo for permanent improvements to the Club Grounds. Such improvements would be made at the sole expense of Cabrillo. All plans and specifications for such improvements, the location thereof and permits required therefor would be provided by Cabrillo and would be subject to the approval of the Board of Directors of Owner. This paragraph constitutes an agreement to consider such proposals by Owner; however, it is specifically understood that Owner reserves the right to approve or disapprove any such proposals or any portion thereof, or to impose additional requirements thereon, at its sole discretion. Owner shall be under no obligation to approve any such improvements at all.

9. Assignment.

9.1 Assignment by Owner. Owner may assign, sublet, grant or transfer any of its interest in this Agreement to any other person or group that succeeds to any interest in the Rancho Santa Fe Polo Club or in the Club Grounds at any time.

9.2 Assignment by Cabrillo. Cabrillo may not sell, assign, hypothecate, grant, sell, subcontract or otherwise

transfer all or any portion of its interest in this Agreement, and any attempted or purported transfer thereof shall be void and of no force or effect. Provided, however, that Cabrillo may allow the Del Sur Kennel Club to work in conjunction with Cabrillo on any particular Show. In no event, however, shall Cabrillo not be involved in any particular Show. Cabrillo shall remain fully and primarily liable for all of the obligations and liabilities of Cabrillo hereunder. Cabrillo shall notify Owner of any such arrangement at least 60 days prior to the date of the affected Show, which notification shall be accompanied by a written agreement by Del Sur Kennel Club to be jointly and severally liable with Cabrillo for all of the obligations and liabilities of Cabrillo hereunder for that particular Show.

10. Nature of Agreement. This Agreement is a license in favor of Cabrillo to use a portion of the Club Grounds on the terms and conditions contained herein. No interest in real property or in the City of San Diego Lease on the part of Cabrillo or any other person is created hereby, nor any sublease or partial assignment of any portion of the City of San Diego is intended or created hereby. If ever required by Owner, Cabrillo shall, within ten (10) days of request therefor, execute, acknowledge and deliver a Quitclaim Deed in recordable form to all or a portion the Club Grounds in favor of Owner.

11. Insurance; Indemnity.

11.1 Insurance Requirements. Cabrillo shall maintain, at Cabrillo's expense, a policy of comprehensive public liability insurance, insuring Cabrillo and naming Owner, the City of San Diego, and any holder or holders of any mortgage or deed of trust on the Club Grounds designated by Owner ("Owner's designated lenders") as additional insureds, against liability for personal injury or property damage arising out of the use of the Club Grounds by Cabrillo. The initial amount of such insurance shall be at least One Million Dollars (\$1,000,000), combined single liability limit per occurrence. Owner shall have the right to increase such limit periodically based upon inflation, increased liability awards, lender requirements, and other relevant factors. The policy shall provide that: (a) such coverage is primary and non-contributing with any policy carried by Owner (which shall be excess insurance), but only with respect to the activities of Cabrillo or for matters arising out of the Show itself, rather than activities of Owner, and (b) no cancellation or reduction in coverage shall be effective until thirty (30) days after written notice to Owner and any Owner's designated lender. The policy shall not exclude Owner from recovery by reason of Owner being named as an additional insured thereunder. The policy shall be issued by an insurer licensed in California and having a rating in Best's Insurance Guide of B+ or better and otherwise reasonably approved by Owner. The policy shall insure Cabrillo's performance of the indemnity provisions of this Agreement, but the amount of such insurance shall not limit Cabrillo's liability nor relieve Cabrillo of any obligation hereunder. Prior to each Show Date, Cabrillo shall

deliver a certificate evidencing such insurance to Owner. Cabrillo shall, at Cabrillo's expense, maintain such other liability insurance as Cabrillo deems necessary to protect Cabrillo.

11.2 Waiver of Subrogation. Notwithstanding any other provision of this Agreement to the contrary, each party waives all rights of recovery against the other party, and its officers, employees, agents and representatives, for any claims for loss or damage to person or property caused by or resulting from any other risks to be insured against under the provisions of this Agreement. Each party shall cause each insurance policy obtained by it to provided that the insurer waives all right of recovery by way of subrogation against the other party in connection with any damage covered by such policy.

11.3 Indemnification. Cabrillo shall indemnify, hold harmless and defend Owner and its directors, officers, members, employees, contractors, agents, guests and invitees from and against any and all claims, actions, damages, liability, costs, and expense, including attorneys' fees, in connection with loss of life, personal injury and/or property damage arising from (a) the use, occupation, improvement or maintenance of the Show Area or any work or activity in or about the Club Grounds by Cabrillo or its agents, employees, contractors, licensees or invitees; (b) any activity, condition or occurrence in or about the Club Grounds; (c) any breach or failure to perform any obligation imposed on Cabrillo under this Agreement; or (d) any negligent or other tortious act or omission of Cabrillo or agents, contractors, employees, customers, invitees or licensees. Upon notice from Owner, Cabrillo shall, at Cabrillo's sole expense and by counsel satisfactory to Owner, defend any action or proceeding brought against Owner and its directors, officers, members, employees, contractors, agents, guests and invitees by reason of any such claim. If Owner and its directors, officers, members, employees, contractors, agents, guests and invitees, without fault on its part, is made a party to any litigation commenced by or against Cabrillo, then Cabrillo shall indemnify, protect, hold harmless and defend Owner or such other persons and pay all costs, expenses and reasonable attorneys' fees incurred or paid by Owner or such other persons in connection with such litigation. Cabrillo, as a material part of the consideration to Owner hereunder assumes all risk of, and waives all claims against Owner and its directors for, personal injury or property damage in, upon or about the Club Grounds, from any cause whatsoever.

11.4 Exemption of Owner from Liability. Neither Owner nor any of its directors, officers, members, employees, contractors, agents guests and invitees shall not be liable for injury to Cabrillo's business or loss of income therefrom or for damage which may be sustained by the person, goods, wares,

merchandise or property of Cabrillo, its employees, invitees, customers, agents or contractors or any other person in or about the Club Grounds, caused by or resulting from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of the Club Grounds, pipes, sprinklers, wires, appliances, plumbing, air conditioning, lighting, buildings, structures, fences, driveways or other elements of the same, whether said damage or injury results from conditions arising upon the Club Grounds, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Cabrillo. Owner shall not be liable for any damages arising from any use, act or failure to act of any other person on the Club Grounds and shall not be liable for any latent defect in the Club Grounds. All property of Cabrillo kept or stored on the Club Grounds shall be so kept or stored at the risk of Cabrillo only, and Cabrillo shall indemnify, protect and hold harmless Owner and its directors, officers, members, employees, contractors, agents, guests and invitees from and against any claims arising out of damage to the same, including subrogation claims by Cabrillo's insurance carriers.

11.5 Taxes. Cabrillo shall pay prior to delinquency all taxes charged against all of its equipment or any other personal property. Cabrillo shall pay all permit fees, taxes, license fees, income or use taxes and other governmental or quasi-governmental charges arising out of any Show. Cabrillo shall additionally pay all sales and use taxes associated with all Shows and any goods or services that may be provided or sold in connection therewith. Cabrillo shall additionally pay any City of San Diego fees, charges, additional rent, percentage rent or other amounts that may be due or become due under the City of San Diego Lease as a result of any activity, payment, or other act on the part of Cabrillo undertaken in connection with this Agreement or otherwise. Cabrillo shall comply with any and all requests for the review or auditing of any books or records of Cabrillo made by the City of San Diego under the City of San Diego Lease and shall simultaneously allow access thereto by Owner. Cabrillo shall pay all payroll taxes associated with its activities, it being specifically understood that all personnel associated with, hired or contracted for by Cabrillo in connection with any Show shall be employees or contractors of Cabrillo and not of Owner.

12. Default. The occurrence of any of the following events shall constitute a Default ("Default") by Cabrillo under this Agreement:

(a) Failure by Cabrillo to pay all or any portion of the Use Fee when due;

(b) Failure of Cabrillo to pay any other monetary amounts owed from Cabrillo to Owner when due;

(c) Failure to perform any other agreement or obligation of Cabrillo hereunder if such failure continues for five (5) days after written notice by Owner to Cabrillo; provided, however, that if the nature of the Default is such that the same cannot be reasonably cured within such five-day period, Cabrillo shall not be in Default if Cabrillo commences to cure such Default within such five-day period and thereafter diligently prosecutes the cure to the completion thereof, and does in fact cure such Default within ninety (90) days after such notice. However, Owner shall not be required to give such notice or allow for Cabrillo's cure if the Default is not susceptible of cure within such ninety-day period or if such cure is otherwise impractical, or cannot be completed in time to be effective; or

(d) A petition on behalf of or against Cabrillo is filed for an order of relief under the Federal Bankruptcy Code or for an order or decree of insolvency or reorganization or rearrangement of Cabrillo under any state or Federal law; or Cabrillo makes a general assignment for the benefit of creditors; or a receiver or trustee is appointed to take possession of any substantial part of Cabrillo's assets; or Cabrillo consents to or suffers an attachment, execution or other judicial seizure of any substantial part of its assets or its interest under this Agreement.

13. General Provisions.

13.1 Attorneys' Fees. Should any party hereto employ an attorney for the purpose of enforcing or construing this Agreement, or any judgment based on this Agreement, in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, the prevailing party shall be entitled to receive from the other party thereto reimbursement for all attorneys' fees and all costs, including but not limited to service of process, filing fees, court and court reporter costs, investigative costs, expert witness fees, and the cost of any bonds, whether taxable or not, and that such reimbursement shall be included in any judgment or final order issued in that proceeding. The term "prevailing party" means the party determined by the court to most nearly prevail and not necessarily the one in whose favor a judgment is rendered.

13.2 Counterparts. This Agreement or any Escrow Instructions pursuant to this Agreement may be executed in multiple copies, each of which shall be deemed an original, but all of which shall constitute one Agreement after each party has signed a counterpart hereof.

13.3 Computation of Time Periods. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice or approval shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or state or national holiday.

13.4 Entire Agreement. This Agreement, together with all exhibits attached hereto and other agreements expressly referred to herein, constitutes the entire agreement between the parties with respect to the subject matter hereof. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are hereby superseded. No oral or written statements, writings, representations, warranties, negotiations, course of dealings, customary course of dealings for transactions of this nature, or other extrinsic evidence shall be utilized in any manner to interpret, modify, or amend any term or provision of this Agreement, except as may be specifically set forth in this Agreement.

13.5 Exhibits. All exhibits referred to herein are attached hereto and incorporated herein by reference.

13.6 Further Assurances. The parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement and the intentions of the parties.

13.7 Gender, Number. As used herein, the singular shall include the plural and the masculine shall include the feminine, wherever the context so requires.

13.8 Governing Law. This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

13.9 Headings. The captions and paragraph headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

13.10 Joint and Several Liability. If any party consists of more than one person or entity, the liability of each such person or entity signing this Agreement shall be joint and several.

13.11 Mediation and Arbitration. In the event a dispute arises out of or related to this Agreement or the breach thereof, and if said dispute cannot be settled through direct discussions between the parties, the parties agree to first attempt to settle the dispute through mediation before a mutually acceptable mediator. The cost of mediation shall be divided equally between the parties. Thereafter, any remaining unresolved controversies or claims shall be settled by binding arbitration before a mutually acceptable arbitrator. The prevailing party in the arbitration shall be entitled to recover reasonable costs and attorneys' fees as determined by the arbitrator. Any judgment rendered by the arbitrator may be entered in any court having jurisdiction.

13.12 Modification, Waiver. No modification, waiver, amendment or discharge of this Agreement shall be valid unless the same is in writing and signed by both Cabrillo and Owner.

13.13 No Other Inducement. The making, execution and delivery of this Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressed herein.

13.14 Notice. Notice to either party shall be in writing and either personally delivered or sent by certified mail, postage prepaid, return receipt requested, addressed to the party to be notified at the address specified herein. Any such notice shall be deemed received on the date of personal delivery to the party (or such party's authorized representative) or three (3) business days after deposit in the U.S. Mail, as the case may be.

Owner's Address for Notice -
Personal or Messenger Delivery:

Rancho Santa Fe Polo Club
14555 El Camino Real
San Diego, CA 92130
Attention: Mr. Harry A. Collins

Owner's Address for Notice - Mail
Rancho Santa Fe Polo Club
P. O. Box 3035
Rancho Santa Fe, CA 92067
Attention: Mr. Harry A. Collins

With a copy to:

SCALONE STIPANOV YAFFA & MEBANE
7855 Ivanhoe Avenue, Suite 420
La Jolla, California 92037
Attn: Kenneth J. Stipanov, Esq.

Cabrillo's Address for Notice:

Either party may change its address for notice by delivering written notice to the other party as provided herein.

13.15 Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13.16 Successors. Subject to the restriction on assignment contained herein, all terms of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns.

13.17 Review of Agreement. The parties hereto acknowledge that they have carefully reviewed this Agreement and have had the opportunity to consult with legal counsel concerning its terms and provisions. No representation is made by either party or its representatives as to the legal sufficiency, effect or ramifications of this Agreement, and each party is relying solely on the advice of its own legal counsel.

13.18 Time. Time is of the essence of each provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Use Agreement
as of the date first written above.

RANCHO SANTA FE POLO CLUB, a
California non-profit
corporation

By: [Signature]

Print Name: SICKELS

Title: President

By: [Signature]

Print Name: HARRY COLLINS

Title: TRES.

CABRILLO KENNEL CLUB, a
California non-profit
corporation

By: [Signature]

Print Name: ROBERT J. RUSSELL

Title: President

By: [Signature]

Print Name: Douglas Shipley

Title: Treasurer

EXHIBIT "A"

Show Dates

Show Name

Show Date

Fall 1992
Spring 1993
Fall 1993
Spring 1994
Fall 1994
Spring 1995
Fall 1995
Spring 1996
Fall 1996
Spring 1997
Fall 1997
Spring 1998
Fall 1998
Spring 1999
Fall 1999
Spring 2000
Fall 2000
Spring 2001
Fall 2001
Spring 2002

Soccer Current
Contract
10/1/2002

SDPC
Copy

Final

SAN DIEGO SURF CUP/SAN DIEGO POLO CLUB FACILITY USE AGREEMENT LONG TERM

This agreement is made and entered into effective January 1, 1998 by and between San Diego Surf Cup, Inc., a California Corporation located at 3101 La Costa Avenue, Carlsbad, California 92009 (hereinafter "Cup") and San Diego Polo Club a California Corporation having its principal place of business 14555 El Camino Real, Rancho Santa Fe, California 92067 (hereinafter "SDPC").

Whereas, Cup is a non-profit public benefit corporation organized for public and charitable purposes, including the staging of one or more soccer tournaments for the benefit of youth soccer activities; and

Whereas, SDPC is a non profit mutual benefit corporation and has a long term lease with the City of San Diego for the use of the referenced facilities located at 14555 El Camino Real, San Diego, California (hereinafter "the Property"); and

Whereas, SDPC desires to lease to Cup, and Cup desires to lease from SDPC the Property for a term and subject to the terms, agreements and, conditions of this Agreement.

Whereas, Cup and SDPC desire to enter into a business relationship through which the Cup will produce amateur youth soccer events and conduct soccer practices/games at the SDPC's facility for the period beginning January 1, 2001 and ending December 31, 2013, and SDPC shall provide for such facility use; and

The parties agree as follows:

1. **DEFINITIONS.** As used herein the terms set forth below shall be defined as follows:
 - A. **SAN DIEGO SURF CUP SOCCER TOURNAMENT.** The San Diego Surf Cup Soccer Tournament (320 teams) is held on two consecutive weekends (Friday, Saturday, and Sunday at the end of July and the first of August.) The game schedule is as follows: on Friday and Saturday the first game begins at 8:00AM and the last game ends at 6:30PM; and on Sunday the first game begins at 9:00AM and the last game ends at 6:30PM.

The Cup's facility requirement shall include polo fields #1, #2, #3 and #4.

The Cup shall begin set up for the event beginning Monday prior to the first Friday's game. The Cup shall return the facilities back to SDPC the afternoon of the Wednesday following the last day of play.

The Cup shall not conduct practices the week after the tournament.

SDPC will mow and water in preparation for the first weekend of play and shall mow and water between the weekends of the events.

- B. **SAN DIEGO SURF CUP GIRLS THANKSGIVING TOURNAMENT.** The San Diego Surf Cup Girls Thanksgiving Tournament (160 teams) is held over the Thanksgiving weekend beginning Friday following Thanksgiving, Saturday, and Sunday. The game schedule is as follows: on Friday and Saturday the first game begins at 8:00AM and the last game ends at 4:00PM; and on Sunday the first game begins at 9:00AM and the last game ends at 4:00PM.

The Cup's facility requirements are polo fields #1, #2, #3, and #4.

The Cup shall begin set up on Monday prior to the first game day. The Cup will return facilities back SDPC the afternoon of the Wednesday following the last tournament day.

SDPC shall mow and water prior to the event.

- C. **PRACTICE/GAMES.** The Cup shall be allowed to schedule practice by the San Dieguito Surf Soccer Club and to conduct games.

The Cup's facility use requirements are one and one-half adjacent polo fields in April, May, July, August, September, October and November as follows: Weekday use shall be Monday through Thursday, 3:00PM until 7:00PM and for Saturdays games from 9:00AM until 5:00PM.

The Cup's facility use requirement is one polo field in January, February, March, and December as follows: weekdays use shall be Monday through Thursday, 3:00PM until 7:00PM and for Saturday games from 9:00AM until 5:00PM.

There will not be practices on Friday or Sunday.

There may be makeup games on Sunday.

The exact location for practice, Saturday and Sunday makeup games will be determined by SDPC pursuant to a one-week notice to the Cup.

2. **CONSIDERATION OF FACILITY USE.** In consideration for facility use, the Cup shall make payment to SDPC as follows:

- A. **SAN DIEGO SURF CUP SOCCER TOURNAMENT.** The Cup shall pay SDPC a fee of \$48,315.00, which shall be adjusted annually on January 1 of each succeeding year, based on an increase or decrease in the United States Department of Labor's Bureau of Labor Statistics Consumer Price Index, All Urban Consumers, San Diego, California (1967 equals 100), or a successor of such index (hereinafter the "CPI"), for the year immediately proceeding such Adjustment Date. The numerator shall be the CPI in the month which facility use commenced.

In addition the Cup shall pay a 10% use tax of the yearly rental fee to the City of San Diego.

In addition the Cup shall pay two per cent (2%) of Surf Cup gross revenues (exclusive of concessions) over \$500,000.00.

- B. **SAN DIEGO SURF GIRLS CUP.** The Cup shall pay SDPC a fee of \$24,623.00, which shall be adjusted annually on January 1 of each succeeding year, based on an increase or decrease in the United States Department of Labor's Bureau of Labor Statistics Consumer Price Index, All Urban Consumers, San Diego, California (1967 equals 100), or a successor of such index (hereinafter the "CPI"), for the year immediately proceeding such Adjustment Date. The numerator shall be the CPI in the month which facility use commenced.

In addition the Cup shall pay a 10% use tax of the yearly rental fee to the City of San Diego.

In addition the Cup shall pay two per cent (2%) of Girls' Cup gross revenues (exclusive of concessions) over \$500,000.00

- C. **PRACTICE/GAMES.** The Cup will pay SDPC a monthly fee as follows: \$6,000.00 for April, May, July, August, September, October, November (there is no practice during the month of June), and \$5,000.00 for January, February, March, and December, which shall be adjusted annually on January 1 of each succeeding year, based on an increase or decrease in the United States Department of Labor's Bureau of Labor Statistics Consumer Price Index, All Urban Consumers, San Diego California (1967 equals 100), or a successor of such index (hereinafter the "CPI"), for the year immediately preceding such Adjustment Date. The numerator shall be the CPI in the month which facility use commenced.

3. **PERMISSION OF FACILITY USE.** In consideration of the fees and other consideration to be paid by Cup the SDPC, and of the other obligations by SDPC herein:

- A. Cup shall be given complete use of the designated areas of the facility during the term of the agreement;
- B. Cup shall manage, produce, and conduct its activities on said premises;
- C. SDPC shall make reasonable measures to maintain its facilities for Cup's contemplated usage.

4. **TERM.** This agreement shall remain in full force and effect for the period beginning January 1, 2001 and expiring on December 31, 2013.

5. **SPECIFIC TERMS AND CONDITIONS.** Cup and SDPC additionally agree to the following:

- A. The Cup shall bear full cost and responsibility for trash pick up and disposal.
- B. The Cup shall supply portable toilets.
- C. The Cup shall supply parking control attendant for practices/games.
- D. No permanent markings will be allowed on the fields that would interfere with polo matches.
- E. Soccer goals shall be stored at the end of use in areas designated by SDPC.

- F. The Cup will not allow activities to interfere with polo play.
 - G. SDPC recognizes that each Saturday is a game day. The field location for games may not be adjusted by SDPC without the mutual consent of Cup and SDPC following a one-week proper notice.
 - H. Parking for practice/games will be in areas mutually agreed to by Cup and SDPC.
 - I. A public address system may be used only during the tournaments between the hours of 11:00AM and 6:00PM exclusive of practice.
 - J. The Cup shall make all efforts to prevent traffic backup. To this extent shall hire proper personnel subject to the approval of SDPC.
 - K. The Cup shall be solely responsible for any necessary action or expense to assure the safety of their participants.
 - M. The Cup shall supply insurance and waivers required by SDPC. SDPC requires insurance of two million dollars (\$2,000,000.00) naming the City of San Diego, San Diego Polo Club as additional insured.
 - N. During the term of the Agreement, and any renewals or extensions thereof, the Cup and its affiliates will not approach the City of San Diego concerning the SDPC lease with the City of San Diego.
 - O. SDPC may require the Cup to adjust field locations if wear is excessive. SDPC recognizes that this is an additional expense to the Cup and will work to avoid this request.
6. **POLO CLUB ACCESS.** Cup and SDPC agree that vehicle parking during the Surf Cup and Girls Cup events shall be offsite and that vehicle parking during practices/games shall be on site. Cup shall be responsible for the annual payment of \$9,000.00 to SDPC for access to the Polo Club via El Camino Real, except as may be provided below. Cup may charge a parking fee for offsite parking or may subcontract parking and parking fee collection. If the Cup subcontracts to the 22nd Agg District, SDPC agrees that Cup shall not be responsible for the payment of any annual fee subject to SDPC prior consent to any Cup/22nd agreement.
7. **CANCELLATION DUE TO WEATHER.** Cup and SDPC each individually retains the right to cancel either tournament as a result of the consequences of inclement weather or acts of God. If a use is cancelled prior to said use, the Cup will be refunded 50% of any amount of fees paid.
8. **EXCLUSIVITY.** Cup is hereby granted by SDPC exclusive use of the Property for all soccer activities for the duration of this Agreement.
9. **LONG TERM AGREEMENT FEE.** In consideration for the right to enter into this long term agreement, the Cup shall pay to SDPC two non refundable lump sum deposits: the first payment will be made on March 31, 1998 in the amount of \$75,000.00 and the second payment will be made on March 31, 1999 in the amount of \$75,000.00.
10. **SECURITY DEPOSITS.** The Cup shall pay refundable security deposits to SDPC as follows:
- A. Surf Cup. The Cup shall pay a refundable security deposit of \$5,000.00. This deposit will be paid by May 15. SDPC will refund the security deposit within 60

days following the event. SDPC may deduct monies from the security deposit for damages caused by the Cup. If damages are deducted SDPC will provide the accounting for the amount of the deduction.

- B. Girls Thanksgiving Tournament. The Cup shall pay a refundable security deposit of \$3,000.00. This deposit will be paid by November 1. SDPC will refund the security deposit within 60 days following the event. SDPC may deduct monies from the security deposit for damages caused by the Cup. If damages are deducted SDPC will provide the accounting for the amount of the deduction.

11. **USE OF PROPRIETARY VENDORS.** Whereas SDPC has an exclusive agreement with North County Party Rental for the rental of tents. If tent rental is necessary Cup agrees to rent tents from North County Party Rental.

12. **NOTICES.** All notices, statements and payments provided for herein shall be made in writing and deemed given if sent by registered or certified mail, postage prepaid, air carrier or by verifiable facsimile transmission, to the parties at the addresses given below, or such other addresses as either party may designate in writing to the other during the term of the agreement:

Cup: R. Michael Connerley, President
San Diego Surf Cup, Inc.
3101 La Costa Avenue
Carlsbad, CA 92009

SDPC: Tom Goodspeed
San Diego Polo Club
P. O. Box 3035
Rancho Santa Fe, CA 92067

It is the obligation of each party to notify the other of any address change.

13. **RIGHT TO TERMINATE.**

- A. Upon written default notice to Cup, SDPC may terminate this agreement given notice and right to cure 30 days if Cup fails to cure within 30 calendar days after receipt of written default notice for the following:

- a. Fails to perform any material term or condition provided for herein; or
b. Is adjudicated insolvent, dissolved or declares bankruptcy.

If SDPC so terminates this agreement, Cup forfeits any outstanding deposits.

- B. Upon written notice to SDPC, Cup shall have the right to terminate this Agreement given notice and right to cure 30 days if ~~Cup~~ fails to cure within 30 calendar days after receipt of written default notice for the following:

- a. Fail to perform any material term or condition provided herein; or
b. Is adjudicated insolvent or declares bankruptcy.

SDPC
Int HCH
Int JH

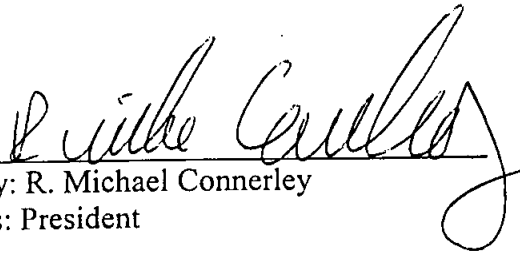
If Cup so terminates this agreement, SDPC shall refund all outstanding Cup deposits and the remaining Long Term Agreement Fee after reducing Long Term Agreement Fee balance by one sixteenth per year beginning in 1998. Outstanding deposits and remaining fees shall be paid to the Cup as follows: the initial 50% within 60 calendar days from the notice to terminate and the final 50% within 240 calendar days from the notice to terminate.

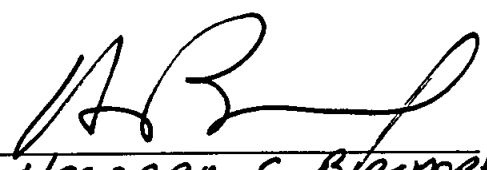
14. **ASSIGNMENT/DELEGATION.** Neither Cup nor SDPC shall assign or delegate the obligations of this Agreement without the express prior written consent of the other party.
15. **PARAGRAPH CAPTIONS.** Paragraph and other captions contained herein are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of the Agreement of any of its provisions.
16. **ENTIRE AGREEMENT.** Upon execution by both parties this agreement shall constitute the entire understanding between the parties and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between Cup and SDPC have for further force and effect.

Witness whereof, the parties have executed this agreement on the date described below.

SAN DIEGO SURF CUP, INC.

SAN DIEGO POLO CLUB


By: R. Michael Connerley
Its: President


By: HOWARD C. BINWOOD
Its: PRESIDENT

Dated: 1-20-98

Dated: 1-16-98

To: SURF and the RSFPC Board members
From: T Goodspeed(TFG)
Date: 2/10/92-Modified 5/13/92 and 6/18/92

*Initial Agreement
Surf Soccer
& City Permission letter*

**Proposed Agreement between the Rancho Santa Fe Polo Club(RSF)
and the SURF soccer club(SURF)**

SURF is requesting exclusivity.

Description of the event:

1) Soccer Tournament, This tournament has already received Board approval.-July 31, August 1, 2, 7, 8, and 9. Six days of soccer tournaments on fields 2-5 through our two week break. Both Sundays would include a polo match and premier soccer play on Field #1 (these final activities will receive some televised air time). SURF and RSF have received permission from both Watt Industries and the City of San Diego for this event.

Set-up/Clean-up

Set up will begin on Monday, July 27 and clean up by August 11th.

Payment

Surf will pay RSF \$15000 for the tournament. \$5,000 due upon signature of this agreement, \$5,000 on July 15th and the final \$6500 (includes city's 10%, \$1500, check payable to the City of San Diego), on August 7th. An additional deposit of \$6,000 will be required upon signature of this agreement to be used by RSF upon any damages caused to RSF by reason of activities resulting from SURF. The deposit or appropriate amount of the deposit will be returned within 10 days following the tournament. SURF has also agreed to pay \$2,000 for helping to obtain parking on leased property, north of Fields #1 and #2.

Additional concerns by the RSF Board and responses to TFG by SURF.

- 1) Trash disposal-SURF will bear full cost and responsibilities.**
- 2) Weather-RSF will hold the right to cancel any soccer play,(practice, match, or tournament), due to wet fields. SURF will be refunded any pro-rata amount of \$12,000 from RSF in the event of rain, by Sept 1st, 1992. The remaining \$3,000 will be treated as a non-refundable deposit. Any damages resulting from SURF in the event of rain will be drawn from the security deposit. The \$2,000 parking fee will be non-refundable, and may be used as credit towards 1993.**
- 3) Health- SURF will explore any health risk by using an equestrian field for youth sports and assume any associated risk. SURF and TFG will coordinate efforts in exploring any potential safety concerns with the obvious risks of horses and children. SURF will be solely responsible for any necessary action or expense to insure the safety of their participants.**
- 4) SURF will supply all necessary insurance and waivers required by RSF. In addition, SURF will supply RSF with a long term agreement(20 years) of non-compete with RSF as to the existing lease.**
- 5)All parking for SURF participants will be designated by RSF.**
- 6) TFG to check event with both the City of San Diego and RSF Insurance.**
- Soccer Tournament-Approved by the Board in Jan 29th Board Meeting**
- 7) SURF will be given exclusivity at RSF for soccer events, if rental to RSF from Surf is increased to over \$50,000 annual in 1993.**
- 8) SURF will promote two polo matches to SURF participants and the public, August 2 and 9.**
- 9) SURF will also make Field 5 available to RSF from Sunday, Aug 2nd thru Wed, Aug 5th for polo practices.**
- 10) RSF can require SURF to move all soccer fields between the two weekends due to wear. RSF recognizes that this is an additional expense to SURF and will try to avoid this option.**

Amendments as requested by the City of San Diego

Requested by Norman Swain 5/12/92

- 1) Hours of Operation Fri/Sat-7am until 6pm, Sun 9am until 6pm.
- 2) PA System-The City would prefer no PA, but if necessary, limited to the hours between 11am and 6pm
- 3) SURF must try to keep traffic on El Camino Real from backing up by hiring the proper personel to supervise traffic flow.
- 4) City would like to have the option of a representative from each party to be formed as an operational committee if necessary.

Chas. Smith
RSF President

Date 7/10/92

Norman Swain
RSF General Manager

Date 7/10/92

Emile Conley *PRCZ*
SURF

Date 7-10-92

[Signature]
Witness

Date 7-10-92

PARKING AREA 1

SAN DIEGO
SURF
CUP XII

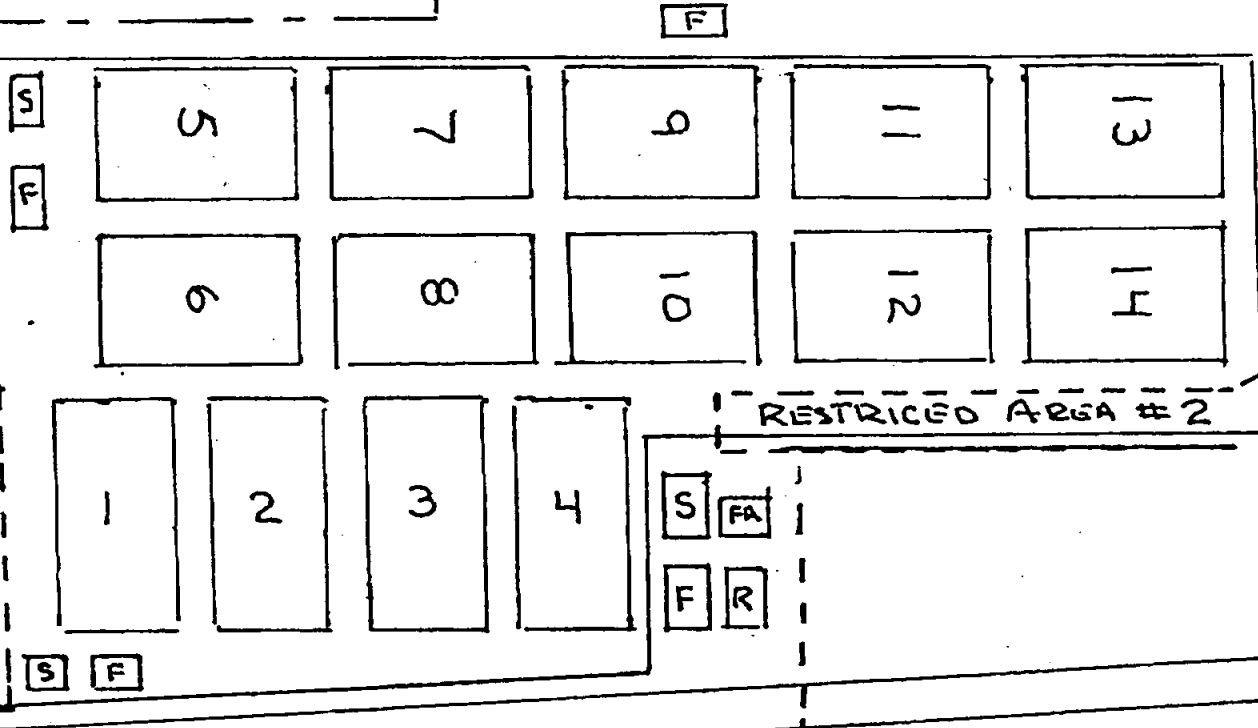
JUL- 7-92 TUE 19:33
SAN DIEGO SURF CUP

24256

P.01

STAFF ONLY

RESTRICTED
AREA
#1



S --- SOCCER STORE
F --- FOOD
FA --- FIRST AID
R --- REFEREE TENT



SCALE 1"=60'

PARKING AREA 2

EL CAMINO REAL

P.O. BOX 3035
RANCHO SANTA FE, CA 92087
(619) 481-9217
(619) 481-2247 FAX

SAN DIEGO POLO CLUB**Fax**

5 (619) 533-6142
&
(619) 236-6706

To: *Mike Naggar*
*Maddy Negrete*From: *Tam Crossland*Fax: *Tina Sanchez*

Pages (including cover sheet):

12

Phone:

Date: *8/29/00*

Re:

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• Comments:

*I am forwarding copy
of the agreement that
indicates a parcel # &
ownership of the strip
of frontage at our entrance.*

SENT BY: STEWART TITLE COMPANY : 12-22-83 : 2:38PM :

SAN DIEGO-

619 755 7820: # 2/10

LICENSE AGREEMENT

This License Agreement is made and effective as of the 24th day of February, 1986, by and between WALLACE W. MC COY ("Licensor") and FAIRBANKS POLO CLUB, a California nonprofit corporation ("Licensee"), with reference to the following facts:

A. Licensor is the owner of that certain real property situated in the City of San Diego, County of San Diego, State of California, more particularly described on Exhibit A attached hereto and incorporated herein by this reference ("Licensor's Property").

B. Licensee is the lessee from the City of San Diego of that certain real property situated adjacent to Licensor's Property, more particularly described on Exhibit B attached hereto and incorporated herein by this reference ("Licensee's Property").

C. Licensee desires to enter upon that portion of Licensor's Property which is located east of El Camino Real for the purpose of access over, through and across such portion of Licensor's Property ("License Area").

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of License. Licensor hereby grants to Licensee access on, over, through and across the License Area. Licensee shall, at all times, restrict all its entry to the License Area.

2. Government Approvals. Licensee shall obtain, at its own expense, all necessary permits and authorizations of any nature from any and all governmental agencies. While on the License Area, Licensee will comply and will cause all Licensee's agents, employees, invitees and licensees upon Licensor's Property comply with all applicable governmental laws and regulat'

SENT BY: STEWART TITLE COMPANY : 12-22-83 : 2:38PM :

SAN DIEGO :

618 755 7820: # 3/10

3. Conduct While in License Area of Work. At all times during the term of this Agreement, all work undertaken by Licensee or its agents pursuant to this Agreement shall be accomplished in the most expeditious manner possible. Licensee shall take all steps necessary to minimize any damage, disruption or inconvenience caused by such work to Licensor and/or persons granted permission to use Licensor's Property and shall make adequate provision for the safety of such persons. Licensee shall otherwise observe and comply with all public laws, ordinances and regulations from time to time applicable to such construction. While on Licensor's Property, Licensee shall not do or permit to be done or bring, keep, or permit to be brought, or kept thereon, anything which is prohibited by or will in any way conflict with any law, statute, ordinance or governmental regulation now in force or which may hereafter be enacted or promulgated, anything which constitutes a nuisance, or anything which will create a fire hazard or danger to Licensor's Property and any improvements situated thereon and any other real property adjacent thereto.

4. Expenses. All work undertaken by Licensee on the License Area shall be undertaken at Licensee's sole cost and expense.

5. Restoration and Repair. Licensee shall repair, at its own cost and expense, any and all damage caused to Licensor's Property or resulting from Licensee's entry onto Licensor's Property or any other property including, but not limited to, the License Area, and shall restore Licensor's Property, or other damage to property, to a condition which is equal to or better than its condition prior to the commencement of such work. In the event that Licensee fails to repair such damage after delivery of notice from Licensor, then Licensor shall have the right to repair said damage and thereafter Licensee shall be liable for all costs incurred by Licensor in repairing such damage, together with a charge for overhead and administrative

SENT BY: STEWART TITLE COMPANY : 12-22-83 : 2:38PM :

SAN DIEGO

618 755 7820:# 4/10

costs in the amount of ten percent (10%) of Licensor's actual cost. Such amount shall be payable within fifteen (15) days after delivery of a statement thereof to Licensee. Any amount owed by Licensee to Licensor which is not paid when due shall bear interest from the due date at the maximum interest rate permitted by law.

6. Location of Entrance. Licensee agrees to locate its entrance from El Camino Real into the License Area directly across from Licensor's existing access off of El Camino Real, provided that such a location is feasible and is approved by the City of San Diego.

7. Indemnity. Licensor shall not be liable for any loss, damage, or injury of any kind or character, including, but not limited to, attorneys' fees and costs, to any person or property arising from any damage created by Licensee's entry onto Licensor's Property, or from any use of the License Area by Licensee or any of its agents, employees, licensees or invitees, or any part thereof, or caused by or arising from any act or omission of Licensee, or any of its agents, employees, licensees or invitees, or by or from any accident on the License Area or any fire or other casualty thereon, or occasioned by the failure of Licensee to maintain the License Area in a safe condition. Licensor shall be named an insured party on any policy of liability insurance obtained by Licensee which relates to Licensee's activities on the License Area. Licensee, as a material part of the consideration of this Agreement, hereby waives on its behalf all claims and demands against Licensor for any such loss, damage, or injury of Licensee, and hereby agrees to indemnify, defend and hold Licensor entirely free and harmless from all liability for any liabilities, claims, actions, causes of action, suits, proceedings, demands, judgments, costs and expenses, including attorneys' fees and costs, arising from or attributable to Licensee's or Licensee's agents', employees', licensees' or invitees' use or entry onto Licensor's Property.

SENT BY: STEWART TITLE COMPANY 12-22-83 : 2:00PM :

SAN DIEGO-

619 755 7820: # 5/10

8. Liens and Claims. Licensee shall not suffer or permit to be enforced against the License Area, or any part thereof, any mechanic's, materialman's, contractor's or subcontractor's liens arising from any claim for damage growing out of the work of any construction, repair, restoration, replacement or improvement, or any other claim or demand howsoever the same may arise, but Licensee shall pay or cause to be paid all of said liens, claims or demands before any action is brought to enforce the same against Licensor's Property; and Licensee agrees to indemnify, defend and hold Licensor and Licensor's Property free and harmless from all liability for any and all such liens, claims and demands, together with reasonable attorneys' fees and all costs and expenses in connection therewith.

9. Assignability. Licensee shall not assign or otherwise transfer any rights under this Agreement without the prior written consent of Licensor, which consent shall not be unreasonably withheld.

10. Term of Agreement. This Agreement shall terminate concurrently with the termination of Licensee's leasehold estate granted by the City of San Diego. Notwithstanding the foregoing, Licensee acknowledges and agrees that, at any time prior to the expiration date, Licensor can terminate this Agreement by delivering written notice thereof ninety days prior to the intended termination date. Licensor shall have no liability to Licensee for any damage or injury sustained by Licensee as a result of the termination of this Agreement.

11. Notices. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered upon personal delivery, or as of the second business day after mailing by United States mail, postage prepaid, by certified or registered mail, return receipt requested, addressed as follows:

SENT BY: STEWART TITLE COMPANY 12-22-80 2:40PM

SAN DIEGO-

619 755 7820: # 6/10

If to Licensor, to: Wallace W. Mc Coy
Post Office Box 1126
2847 Via de la Valle
San Diego, CA 92067

If to Licensee, to: Harry Collins, President
Fairbanks Polo Club
Post Office Box 2388
La Jolla, CA 92038

or to such other person as either party shall designate to the other for the purpose in the manner hereinabove set forth.

12. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. This Agreement shall be deemed made and entered into in San Diego County.

13. Attorneys' Fees. In the event of any dispute between Licensor and Licensee relating to this Agreement, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may be incurred, whether or not litigation is instituted.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above-written.

LICENSOR:

Wallace W. Mc Coy
WALLACE W. MC COY

LICENSEE:

FAIRBANKS POLO CLUB, a California
nonprofit corporation

By: Harry A. Collins
Harry A. Collins, President

SENT BY: STEWART TITLE COMPANY : 12-22-00 : 2:40PM :

SAN DIEGO-

618 755 7820: # 7/10

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On December 24, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared Wallace W. Mc Coy, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

[SEAL]



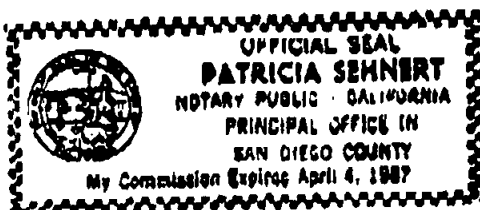
[Signature]
Notary Public in and for said
County and State

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On December 24, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared Harry A. Cellina, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the President of Fairbanks Polo Club, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

[SEAL]



[Signature]
Notary Public in and for said
County and State

SENT BY: STEWART TITLE COMPANY : 12 22-88 : 2:41PM :

SD DIEGO-

618 755 7820;# 8/10

FIRST AMENDMENT TO LICENSE AGREEMENT

This First Amendment is made to that certain License Agreement dated February 24, 1986, by and between Wallace W. McCoy ("Licensor") and Rancho Santa Fe Polo Club (formerly Fairbanks Polo Club) ("Licensee") (the "License Agreement").

FOR VALUABLE CONSIDERATION, the License Agreement is hereby amended as follows:

1. Paragraph 1 of the License Agreement is hereby deleted in its entirety, and there shall be substituted therefor the following:

"1. Grant of License. Licensor hereby grants to Licensee the exclusive right of access on, over, through and across the license area. Licensee shall also have the right to install and maintain on the license area such access road and landscaping as shall be necessary and convenient for Licensee's operation of its polo fields."

2. Paragraph 10 of the License Agreement is hereby deleted in its entirety and there shall be substituted therefor the following:

"10. Term of Agreement and Fees. This Agreement shall terminate concurrently with the termination of Licensee's leasehold estate granted by the City of San Diego. From and after February 1, 1988, Licensee shall pay to Licensor for the License granted hereby the sum of SEVEN HUNDRED DOLLARS (\$700) per month, to be paid on the first day of each and every month. Said sum will increase annually in accordance with the annual percentage increase in the Los Angeles/Long Beach Cost of Living Index for All Items. In the event Licensee shall fail to pay any monthly fee within 48 hours after having received written notice from Licensor of its failure to so do, a late fee of ONE HUNDRED

SENT BY: STEWART TITLE COMPANY : 12-22-93 : 2:41PM :

SAN DIEGO

619 753 7820: # 8/10

DOLLARS (\$100) will be charged. This Agreement may be terminated at the option of Licensor in the event Licensee is in arrears for more than three monthly payments."

3. Wherever the words "Fairbanks Polo Club" appear in the License Agreement, the same shall be changed to "Rancho Santa Fe Polo Club".

Except as mentioned herein, the License Agreement is not otherwise amended, modified or changed.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to License Agreement as of the first day of February, 1988.

LICENSOR:

Wallace W. McCoy
WALLACE W. MC COY

LICENSEE:

RANCHO SANTA FE POLO CLUB, a
California nonprofit corporation

Harry A. Collins
Harry A. Collins, President

SENT BY: STEWART TITLE COMPANY : 12-22-83 : 2:41PM :

DIEGO-

619 755 7820: #10/11

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On FEBRUARY 11, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared WALLACE W. MC COY, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

(SEAL)

Barbara McCulley

Notary Public in and for said County and State

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

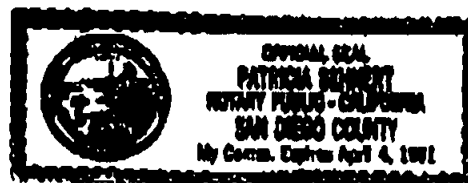
On January 8, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared HARRY A. COLLINS, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the President of Rancho Santa Fe Polo Club and acknowledged to me that the corporation executed the same.

WITNESS my hand and official seal.

(SEAL)

[Signature]
Notary Public in and for said County and State

AG016EMH



PARCEL 1
That portion of Lot 8 in Section
6, Township 14 South, Range 3
West, San Bernardino Meridian, in
the County of San Diego, State of
California, according to the
Official Plat thereof lying
Southerly of the center line of
County Road Survey No. 443
(Valley Road) according to the
plat thereof on file in the
office of the County Recorder of
San Diego County.

1

PARCEL 2
That portion of the Southeast
Quarter of the Southwest Quarter
of Section 6, Township 14 South,
Range 3 West, San Bernardino
Meridian, in the County of San
Diego, State of California,
according to the Official Plat
thereof, lying Southerly and
Southeasterly of the
Northwesterly line of County Road
Survey No. 443 (Valley Road)
according to Plat thereof on file
in the office of the County
Engineer of San Diego County.

1
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8

