

## OCEAN SPEEDWAY AGREEMENT RESTATED

Agreement No.-R2009-10

**THIS AGREEMENT** is entered into by and between the 14th District Agricultural Association, an entity of the State of California, hereinafter "District," and Ocean Speedway, LLC, a California corporation, hereinafter "Ocean Speedway." For convenience herein, "the Parties" refers to the District and Ocean Speedway.

### RECITALS

A. **WHEREAS**, on September 19, 2008, the District contracted with Ocean Speedway, Agreement No. R2009-10 (Rental Agreement), for the purpose of operating and conducting motorized racing on the District's property. The term of the Rental Agreement is for five years, commencing March 7, 2009, and terminating October 27, 2013.

B. **WHEREAS**, on February 17, 2009, at the request of Ocean Speedway, the Parties attempted to amend the Rental Agreement by revising several of the terms, including but not limited to, the rent due the District and the addition of two-three year options (Revised Rental Agreement).

C. **WHEREAS**, on June 29, 2011, the Community Alliance For Fairgrounds Accountability (CAFA) filed a Petition/Complaint in the Superior Court of Sacramento County, Case No. 34-2011-80000901 (Pending Litigation) against the District, Ocean Speedway, and others seeking a writ of mandate, declaratory relief, and other equitable relief. Specifically, among other causes of action, CAFA challenges the validity of the Revised Rental Agreement for failure to comply with various statutes and regulations and alleges that the District and Ocean Speedway are conducting motorized racing in violation of the California Environmental Quality Act (CEQA). The Pending Litigation has been stayed through December 31, 2013, while CAFA, the District, and Ocean Speedway attempt to negotiate a settlement.

D. **WHEREAS**, due to issues related to the Pending Litigation and to other financial considerations, a dispute has arisen between the District and Ocean Speedway over the validity and interpretation of the Revised Rental Agreement.

E. **WHEREAS**, due to the costs and uncertainties associated with litigation, the District and Ocean Speedway are desirous of resolving their dispute by entering into this Agreement.

**WHEREFORE**, the Parties agree as follows:

1. **Purpose:** The purpose of this Agreement is limited to the operation and management of the District's racetrack and for no other purpose.

**2. Term and Options:**

a. **Term:** The term of this Agreement is for 3 years. This Agreement shall become effective October 28, 2013, and will continue in effect until October 31, 2016, unless terminated or extended in accordance with the terms of this Agreement.

b. **Option:** The term of this Agreement may be extended, if mutually agreeable to the parties, for one (1) additional three (3)-year term on terms agreeable to the parties. In the event, that either party desires not to exercise the Option, or the parties fail to agree to terms, then this Agreement shall terminate upon expiration of the term set forth above.

3. **Premises:** The District hereby grants to Ocean Speedway the right to occupy, manage, and operate the District's property described as follows: 1/4 mile racetrack, grandstands, bleachers, parking lots, restrooms, beer and merchandise concessions, and a maximum of four food concession stands. The District makes no representation or guarantees concerning the fitness of the Premises for the intended purpose of this Agreement. Ocean Speedway accepts the Premises in an "as is" condition. [The Premises are shown on Exhibit A, which is attached hereto].

**4. Compensation and Reports:**

a. **Payments:** Ocean Speedway shall pay to the District the sum of the annual rent and annual utilities (Annual Payment) for each race year as set forth below. The Annual Payment for each race year shall be paid in six consecutive equal payments (e.g. for the 2014 race year each of the payments is \$66,000 divided by 6 or \$11,000.00) commencing on May 1st and continuing thereafter on the first of each month with the final payment due on October 1st.

	<u>Annual Rent</u>	<u>Annual Utilities</u>		<u>Annual Payment</u>
<u>2014</u>	60,000	6,000	=	\$66,000.00
<u>2015</u>	63,000	6,600	=	\$69,600.00
<u>2016</u>	66,000	7,200	=	\$73,200.00
<u>2017</u>	69,000	7,800	=	\$76,800.00
<u>2018</u>	72,000	8,400	=	\$80,400.00
<u>2019</u>	75,000	9,000	=	\$84,000.00

b. **Reports:** With each payment, Ocean Speedway shall submit a report, such report to include gross revenues received from all revenue sources connected with this Agreement, including but not limited to, concession sales, novelty sales, and sponsorships.

**5. Operations, Maintenance, and Personnel:**

**a. Racetrack Operations:**

(1) Subject to the terms of this Agreement, Ocean Speedway shall have complete responsibility, at its sole expense, for the conduct and maintenance of the racetrack operations; to include but not limited to track preparations, grading, water drainage, and crash wall maintenance.

(2) Ocean Speedway shall maintain all facilities and make repairs, at its sole expense, to keep the facilities in safe operating condition.

**b. Number of Races and Schedule:**

(1) Number of Races: Ocean Speedway may conduct up to but not more than 30 race events per race year.

(2) Race Schedule: Sixty (60) days prior to the commencement of each race season, Ocean Speedway shall submit the race schedule for the upcoming race season to the District for approval.

**c. Personnel:**

(1) Ocean Speedway shall employ and supervise qualified personnel for racetrack operations. In addition, Ocean Speedway shall also require all personnel to maintain a professional appearance and to display professional treatment to all customers and participants.

(2) Further, Ocean Speedway shall employ, as a minimum on race nights, the following personnel: an on duty maintenance man and a parking lot attendant.

**d. Health, Safety and Access:** Ocean Speedway shall comply with all applicable laws regarding health, safety, and disabled access in conducting its racing operations.

**e. Cleanup Services:** The District will continue to provide cleanup services following race events without cost to Ocean Speedway, provided that the District continues to receive free labor from the court designated community service program (Program). In the event this Program is discontinued or the free labor is unavailable, Ocean Speedway and the District will work together and develop a plan, including compensation, for the continuation of cleanup services.

**f. Security:** Ocean Speedway shall be responsible, at its own expense, for providing adequate security during its racing events. After any racing event, it is acknowledged and understood by the Parties that the District may review and evaluate Ocean Speedway's

security for its events and may require, in consultation with Ocean Speedway and the Santa Cruz County Sheriff's Department, additional security requirements.

**g. Signage:**

(1) **Authority:** It is agreed by the Parties that all signage, including the size and location, must be approved in advance by the District.

(2) **Revenue:** It is agreed by the Parties that all revenue generated from signage placed inside the racing area is the sole property of Ocean Speedway with the following exception: the District reserves the right to place up to two (2) signs inside the racing area for its own purpose or to derive revenue or other benefit to the District.

**h. Noise Level Policy:**

(1) Ocean Speedway operations shall comply at all times with the State Noise Ordinance requirement for motorized racing (as set forth below) and other required noise restriction(s) required either by the District or imposed by court order as a result of the Pending Litigation.

(2) State Noise Ordinance Requirement: No vehicle is allowed to participate in a motorized race event that exceeds the maximum decibel level of 95 dba at 100 feet. Any vehicle not in compliance with this ordinance shall be prohibited from racing until corrections have been made and the vehicle comes into compliance.

(3) Monitoring Procedures and Reporting:

(a) Monitoring Procedures: Ocean Speedway shall develop appropriate monitoring procedures to ensure and demonstrate that all vehicles participating in a race event are in compliance with all noise restrictions. Thirty (30) days prior to the commencement of each race season, Ocean Speedway shall submit its Noise Monitoring Procedures to the District for approval.

(b) Reporting: Ocean Speedway must report within 48 hours any and all vehicles, the names of registered owners, and addresses for violations of the Ocean Speedway noise level policy and any corrective action taken.

(4) Penalty for Noise Violation: In addition to any other penalty or remedy stated herein, it is acknowledged and understood by the Parties that the District reserves the right to consider repeated noise violations as a material breach and as grounds for immediate termination of this Agreement.

**i. Curfew:**

(1) Curfew: Ocean Speedway shall continue to end races on average at 10 p.m. and shall conduct no races after 11 p.m.

(2) Penalty for Curfew Violation: In addition to the fines and penalties stated below, it is acknowledged and understood by the Parties that the District reserves the right to consider repeated curfew violations as a material breach and as grounds for immediate termination of this Agreement.

(a) 1st offense within one calendar year-\$500 fine payable to the District;  
and,

(b) 2nd offense within one calendar year-\$1000 fine payable to the District.

**General Terms and Conditions**

6. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
7. Assignment: This Agreement is not assignable by Ocean Speedway, either in whole or in part, without the consent of the District in the form of a formal written amendment.
8. Audit: Ocean Speedway agrees that the District, the Department of Food & Agriculture, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Ocean Speedway agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Ocean Speedway agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Ocean Speedway agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.
9. Non-Discrimination Clause: During the performance of this Agreement, Ocean Speedway and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Ocean Speedway and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Ocean Speedway and subcontractors shall comply with the provisions of the

Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Ocean Speedway and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement. Ocean Speedway shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

10. No Liens: During the term provided for in this Agreement, subject to the terms hereof, Ocean Speedway (including any of its contractors), will not in any way encumber or cloud its title to all or any portion of the Premises real property, or any improvements to it, and will promptly pay and discharge any and all debts contracted by it in reference thereto for labor, material, or services, or anything connected with or used by it upon the Premises.
11. Permits: Ocean Speedway shall at all times abide by and comply with all applicable federal, state, and local laws and at all times shall have in good standing necessary licenses or permits to conduct its operation on the District's Premises.
12. Damage to Equipment: The District does not have responsibility for loss or damage to Ocean Speedway's property or the property of others in connection with the operation of the race track arising from causes beyond the control of the District.
13. Indemnification and Hold Harmless:
  - a) Ocean Speedway shall indemnify, hold harmless and defend the District, the California Department of Food & Agriculture, the California Fairs Service Authority, and the State of California, its officers, agents and employees against any and all claims, suits, actions of every name, kind and description, brought forth from, or on account of, damage to property or injuries to or death of any person, including but not limited to workers or the public, resulting from any activities on the Premises conducted pursuant to this Agreement, except for (1) claims arising out of the sole negligence of the District and the State of California, its officers, agents or employees, and (2) claims arising out of conditions or occurrences with respect to the Premises and adjacent areas occurring or existing prior to the date of this Agreement, which conditions or occurrences do not comply with, or may result in liability under the environmental laws or regulations of any governmental authority.
  - b) Ocean Speedway hereby waives all claims and recourse against District and the State of California including the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to this Agreement. The duty of Ocean Speedway to indemnify and save harmless includes the duties to defend as set forth in section 2778 of the Civil Code.

- c) Ocean Speedway waives any and all rights to any type of express or implied indemnity against the District and the State of California, its officers or employees.
  - d) In the event the District is named as co-defendant, Ocean Speedway shall notify the District of such fact and shall represent the District in such legal action unless the District undertakes to represent itself as co-defendant in such legal action, in which event Ocean Speedway shall bear the District's litigation costs, expenses, and attorney's fees.
14. General Liability Insurance: At all times Ocean Speedway shall maintain at its own cost and expense commercial general liability insurance coverage with minimum limits of at least \$3,000,000 per occurrence combined single limit for bodily injury and property damage and cover damages for bodily injury, property damage, personal injury liability, and products and completed operations liability. The general liability insurance coverage shall include the following provisions:
- a) State of California, the 14th District Agricultural Association, its agents, officers, directors, employees, and servants are made additional insured but only insofar as the operations under this Agreement are concerned.
  - b) The coverage will not be cancelled or reduced in coverage without 30 days prior written notice to the District.
  - c) The District shall not be responsible for the payment of any premiums or assessments on the policy.
  - d) Ocean Speedway shall submit insurance certificates to the District for approval by appropriate agencies prior to the commencement of operation on the Premises. At least thirty (30) days prior to the expiration of any policy, a new insurance certificate with renewal information shall be filed with the District. Ocean Speedway shall furnish the District with a certified copy of the policy within ten (10) days upon request.
  - e) Certificate of Insurance and/or policy must cover the term of the Agreement including the period described as set-up and clean-up period, if any.
  - f) Ocean Speedway agrees that the liability insurance herein provided shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Ocean Speedway agrees to provide the District a new certificate of insurance evidencing insurance coverage as provided for herein for not less than one year or the remainder of the term of this Agreement. New Certificates of Insurance are subject to the approval of the District and Ocean Speedway agrees that no activity by Ocean Speedway contemplated by this Agreement be performed after the insurance expires and prior to the giving of such approval. In the event Ocean Speedway fails to keep in effect at all times during the

term of this Agreement the insurance coverage as herein provided, the District may, in addition to any other remedies it may have, immediately terminate this Agreement upon the occurrence of such event.

15. Workers' Compensation Insurance: Ocean Speedway certifies that it is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and Ocean Speedway affirms to comply with such provisions before commencing the performance of the work of this Agreement.
16. Property Insurance: At all times Ocean Speedway shall maintain at its own cost and expense all-risk property insurance coverage on the buildings, improvements, fixtures, furnishings, equipment and all other personal property, including supplies of the Ocean Speedway on the Premises, on replacement of the property in event of loss.
17. Automobile Liability Insurance: At all times Ocean Speedway shall maintain at its own cost and expense commercial automobile liability insurance coverage with limits not less than \$1,000,000 combined single limit per accident.
18. Potential Subcontractors: Nothing contained in this Agreement or otherwise shall create any contractual relation between the District and any subcontractors, and no subcontract shall relieve Ocean Speedway of its responsibilities and obligations hereunder. Ocean Speedway agrees to be as fully responsible to the District for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Ocean Speedway. Ocean Speedway's obligation to pay its subcontractors is an independent obligation from the District's obligation to make payments, if any, to Ocean Speedway. As a result, the District shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
19. Dispute Resolution
  - a) Mediation: In the event a dispute or disagreement arises in connection with an interpretation or meaning of a particular term or provision of this Agreement, and such dispute cannot be informally resolved by the parties, the parties agree to formally mediate the dispute prior to initiating litigation. The parties agree to equally share the costs associated with such mediation.
  - b) Venue in Santa Cruz: The parties to this Agreement agree that any action at law or suit in equity, relating to this Agreement or any provision thereof, shall only be instituted and maintained in a court of competent jurisdiction in the County of Santa Cruz, State of California. Each party hereto waives the right to change of venue.
  - c) In the event of litigation that is instituted by one party against the other, the parties agree that, in addition to any other remedies that this Agreement or the law may allow,



the prevailing party in such litigation shall recover all reasonable costs, including attorney's fees.

20. Termination:

a) Termination Related to Pending Litigation:

As referenced in Paragraph C of the Recitals, the Parties acknowledge that the outcome of the Pending Litigation is unknown and its impact may adversely affect the economics of this Agreement. Therefore, if the final decision, judgment on a trial, or dispositive motion, or final decision of any appeal (the Outcome) will, in either party's reasonable determination, have a substantial adverse effect on the economics of this Agreement, then the party so affected may terminate this Agreement on thirty days' written notice to the other party. In order to effectuate this termination, said notice must state the reason(s) for the termination and such reason(s) must be a consequence of the Outcome of the Pending Litigation.

b) Termination Prior to Expiration of Term:

1. Events of Default Defined: Any of the following acts or omissions shall constitute breach of this Agreement if not cured within applicable notice and cure periods (each referred to herein as an "Event of Default" or "breach" of this Agreement) which shall give the District the right to terminate this Agreement as set forth in this paragraph if not cured within applicable notice and cure periods and take such other actions to enforce this Agreement as are permitted by law. Due performance of this Agreement by Ocean Speedway is an express condition of its continuance, as provided in this paragraph.

a. Breach of Agreement: If a material breach is made by Ocean Speedway of any of the terms, conditions or covenants contained in this Agreement which is not cured within 30 days of receipt of written notice thereof, or if not reasonably capable of being cured within 30 days, as soon thereafter as is commercially practicable so long as Ocean Speedway diligently prosecutes such cure to completion; or

b. Nonpayment: If the required monthly rent is delinquent in the amount of payment, or in the prescribed time of payment, for a period in excess of fifteen (15) days (acceptance by the District of any portion of the delinquent rent, at the option of the District shall not constitute waiver of said breach).

2. Remedies for Breach: In the event of a breach of this Agreement by Ocean Speedway, the District may send written notice to Ocean Speedway of said breach. If Ocean Speedway shall fail to remedy (1) commence cure of the breach described in such notice within 30 days of receipt or (2) diligently prosecute such cure to completion thereafter, the District, at its option, may declare this Agreement terminated and may thereupon take immediate possession of the Premises.

3. Bankruptcy: Subject to the provisions of the United States Bankruptcy Code, as amended, should Ocean Speedway file a voluntary petition in bankruptcy or be adjudged a bankrupt either upon the voluntary petition in bankruptcy of Ocean Speedway or upon the involuntary petition of creditors of Ocean Speedway, or should the District seek a remedy afforded by any statute of the United States relating to bankruptcy, or should Ocean Speedway make an assignment for the benefit of its creditors, or should a receiver be appointed over its assets, or should an attachment be levied, and permitted to remain for a period of more than thirty (30) days, upon any interest of Ocean Speedway under this Agreement, then, all interest of Ocean Speedway in this Agreement, except such interest as may have been validly assigned by Ocean Speedway pursuant to the conditions of this Agreement, shall at the sole option of the District terminate upon ninety (90) days written notice to Ocean Speedway and the District may take immediate possession of the Premises.
21. Relationship of the Parties: The parties hereto agree that Ocean Speedway, and the agents and employees of Ocean Speedway, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of the District.
22. Force Majeure: Neither party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of performance constitute default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" is defined as follows: Acts of war and acts of god such as earthquakes, floods, and other natural disasters such that performance is impossible.
23. Timeliness: Time is of the essence in this Agreement.
24. Governing Law: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
25. Unenforceable Provision: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
26. Inspection of Premises: The District reserves the right to enter the Premises to inspect, investigate and survey the Premises as deemed necessary by the District and the right to do any work of any nature in any location on the District grounds necessary for its preservation, maintenance, and operation. Ocean Speedway shall use the Premises in such a manner so as not to cause interference to the District.
27. Taxes: Ocean Speedway agrees to pay all lawful taxes, assessments or charges which at any time may be levied upon any interest in this Agreement. It is understood that this Agreement may create a possessory interest subject to the payment of property taxes levied on such interest.

28. Access: The route of access to the Premises may be designated and redesignated by the District.

29. Title and Capital Improvements:

a) Title: Ocean Speedway hereby acknowledges the title of the District in and to the Premises described in this Agreement, including real property improvements existing or hereafter erected thereon, by Ocean Speedway, the District, or others and hereby covenants and agrees never to assail, contest, or resist said title. Further, title to capital improvements and fixtures, constructed by Ocean Speedway in connection with this Agreement will vest in the District, at the District's option, at the expiration of this Agreement and Ocean Speedway shall be obligated to provide a quitclaim deed, if required, transferring any such ownership interest to the District.

b) Capital Improvements: All capital improvements shall be approved by the District in writing before commencement of work. For each capital improvement, Contractor shall submit detailed plans and specifications prepared or approved by either a California licensed engineer or architect, and is subject to approval by the State Fire Marshall and the State Architects Office for Americans with Disabilities Act (ADA). All work performed by Ocean Speedway or contracted for by Ocean Speedway must be conducted by a licensed contractor(s) under the prevailing wage laws of California and is subject to reasonable inspection by the District or its designated representative. In addition, all work must be performed in compliance with all applicable regulations and laws.

(1) Title to Capital Improvements: Ownership, including both legal and equitable title, in all capital improvements vests in the District, at the District's option, at the expiration of the term of this Agreement, or at an earlier termination caused by a material breach of this Agreement by Ocean Speedway.

(2) Capital Improvement Defined:. For purposes of this provision, capital improvement is defined as a structure and/or fixture of a permanent nature; i.e. that the intent of the improvement is of an enduring nature, not temporary or transient. Equipment permanently installed may be considered by the District as a capital improvement.

(3) CEQA: Any physical changes or improvements made to the Premises by Ocean Speedway or its agents shall comply with the California Environmental Quality Act (CEQA).

c) Cleanup and Restoration of the Premises: Upon termination of this Agreement, if the District opts not to take title to capital improvements constructed by Ocean Speedway during the term of the Agreement, Ocean Speedway shall remove any and all improvements, fixtures, facilities and structures, constructed or placed on the premises by Ocean Speedway, whether permanently affixed to premises or not, and to restore the premises and leave them in as good condition as at the commencement of this Agreement. Ocean Speedway shall remove all trash, stocks and materials, supplies, tools, and other materials belonging to

Ocean Speedway. The cost of such removal and restoration shall be borne completely by Ocean Speedway.

30. Miscellaneous

- a) Gender and Headings: As used herein, whenever the context so requires, the neuter gender includes the masculine and the feminine, and the singular includes the plural and vice versa. Defined terms are to have their defined meanings regardless of the grammatical form or number of tenses of such terms. The title headings of the respective paragraphs of this Agreement are inserted for convenience only, and shall not be deemed a part of this Agreement or considered in construing this Agreement.
- b) Covenants: Whenever words or provisions imposing an obligation or duty on either party are used herein, such word or provision shall have the same force and effect as though phrased in the form of express covenants.
- c) Construction: The language in all parts of this Agreement shall in all cases be construed simply and according to its fair meaning and not strictly for or against either of the parties.
- d) Successors and Assigns: The terms, provisions, and conditions hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. All rights, options, privileges and obligations of the District may be assumed, enforced or performed by any person designed by it or by its successors or assigns.
- e) Definition of "Race Season": Race Season, as used herein, includes the period of time commencing in March and ending in October in any given calendar year in which all the motorized events conducted by Ocean Speedway occur.
- f) Representations Not Herein Contained: This Agreement contains all of the representations, provisions, Agreements, understandings and warranties either express or implied and it is understood that no person, employee, agent or representative of the District or any instrumentality thereof, has authority to make, and Ocean Speedway warrants that it is not relying on any written or oral statement, express or implied, except as herein set forth, leading up to or including it to execute or enter into this Agreement.
- g) Interpretation of Agreement: The parties agree that this Agreement shall be interpreted in a manner which reflects that both parties participated equally in its drafting.

31. Authority to Sign: Each individual signing on behalf of his respective party to this Agreement represents and warrants that he has the authority to enter into this Agreement and the authority to bind his respective party to the terms and conditions contained herein.

32. Approval: If required, the Parties acknowledge and agree that this Agreement shall not be effective until it has been approved by the Department of Food & Agriculture.

IN WITNESS WHEREOF, the Parties hereto have affixed their signatures on the date shown below.

OCEAN SPEEDWAY, LLC

14TH DISTRICT AGRICULTURAL ASSN.

By: \_\_\_\_\_  
John Prentice  
Principal Owner/Promoter

By: \_\_\_\_\_  
David Kegebein  
General Manager/CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address:  
8070 Soquel Drive, Suite 120  
Aptos, CA 95003

Address:  
2601 East Lake Avenue  
Watsonville, CA 95076