

**FIRST AMENDMENT TO RENTAL AGREEMENT
BETWEEN THE 32ND DISTRICT AGRICULTURAL ASSOCIATION and
TEL PHIL ENTERPRISES, INC.
DATED AUGUST 1, 2014**

This First Amendment ("1st Amendment") to the Rental Agreement ("Agreement") dated August 1, 2014 entered into between the 32ND DISTRICT AGRICULTURAL ASSOCIATION, a California State Institution ("Association") and TEL PHIL ENTERPRISES, INC., a California Corporation ("Tel Phil") is made and entered into effective October 1, 2015 ("Effective Date").

RECITALS

A. On August 1, 2014, the Association and Tel Phil entered into the Agreement for the rental of a portion of the Association's premises by Tel Phil for the conduct of an Outdoor Marketplace.

B. A portion of Paragraph X.4 on pages 35-36 of the Agreement states in relevant part:

The Association shall have the right to determine, in its sole and absolute discretion, which law enforcement agency shall provide security services to the Outdoor Marketplace in accordance with the Emergency Action Plan. The Association and Tel Phil acknowledge that, as of the Effective Date, law enforcement services are provided to the Fairgrounds, including to the Outdoor Marketplace, by the Orange County Sheriff's Department (the "Sheriff") pursuant to the Standard Agreement between the Sheriff and the Association (the "Sheriff Security Agreement"). All fees, costs and expenses due to the Sheriff pursuant to the Sheriff Security Agreement are paid by the Association, provided that the Association by entering into the Sheriff Security Agreement and/or performing its obligations pursuant thereto has no obligation to Tel Phil whatsoever to perform any obligations under the Sheriff Security Agreement or provide any law enforcement or security services to the Outdoor Marketplace, whether through the Sheriff or any other vendor of law enforcement or security services. Tel Phil shall be obligated to reimburse the Association for those portions of the law enforcement services provided pursuant to the Sheriff Security Agreement relating to the Outdoor Marketplace, as determined by the Sheriff. If the Sheriff does not allocate a portion of such services to the Outdoor Marketplace, the Association and Tel Phil shall determine by mutual agreement which portion of the fees, costs and expenses charged by the Sheriff to the Association under the Sheriff Security Agreement are allocable to law enforcement services for the Outdoor Marketplace. Tel Phil shall make the reimbursement payments required by this paragraph to the Association within ten (10) days of receiving an invoice for such payments from the Association. If there is any dispute regarding such

reimbursement, Tel Phil shall pay the undisputed portion of the reimbursement within such five (5) day period pending resolution of the dispute. Tel Phil shall indemnify and hold harmless the Association Indemnitees for any and all Claims that the Association incurs in connection with the services provided by the Sheriff to the Outdoor Marketplace, whether or not caused by the negligence of the Association. In the event that the Sheriff is no longer willing or able to provide security services to the Fairgrounds or the Outdoor Marketplace on terms reasonably acceptable to the Association, the Association may elect to enter into a new agreement for law enforcement or security services with any other law enforcement agency in the Association's sole and absolute discretion. If no law enforcement agency is willing or able to provide security services to the Fairgrounds or the Outdoor Marketplace on terms reasonably acceptable to the Association, the Association and Tel Phil shall mutually agree in their respective reasonable judgment upon an alternative provider of security services. Tel Phil agrees that the provisions of this Paragraph shall apply to any such new security agreement.

Therefore, in consideration of the above recitals, the mutual obligations and agreements in this Amendment, and for other good and valuable consideration, the Association and Tel Phil agree as follows:

AGREEMENT

1. That portion of Paragraph X.4 of the Agreement set forth in Paragraph B of the Recitals is amended to read as follows:

The Association shall have the right to determine, in its sole and absolute discretion, whether the Association's Safety and Security Office shall provide security services to the Outdoor Marketplace in accordance with the Emergency Action Plan; or, which law enforcement agency shall provide security services to the Outdoor Marketplace in accordance with the Emergency Action Plan. The Association and Tel Phil acknowledge that, as of the Effective Date of the Agreement, law enforcement services are provided to the Fairgrounds, including to the Outdoor Marketplace, by the Orange County Sheriff's Department (the "Sheriff") pursuant to the Standard Agreement between the Sheriff and the Association (the "Sheriff Security Agreement"). All fees, costs and expenses due to the Sheriff pursuant to the Sheriff Security Agreement are paid by the Association, provided that the Association by entering into the Sheriff Security Agreement and/or performing its obligations pursuant thereto has no obligation to Tel Phil whatsoever to perform any obligations under the Sheriff Security Agreement or provide any law enforcement or security services to the Outdoor Marketplace, whether through the Sheriff or any other vendor of law enforcement or security services. The parties agree that, as of the Effective Date of this 1st

Amendment, the Association's Safety and Security Office shall provide security services to the Outdoor Marketplace in accordance with the Emergency Action Plan. Tel Phil shall be obligated to reimburse the Association for (1) the costs and expenses incurred by the Association's Security and Safety Department, or (2) those portions of the law enforcement services provided pursuant to the Sheriff Security Agreement relating to the Outdoor Marketplace, as determined by the Sheriff. If the Sheriff does not allocate a portion of such services to the Outdoor Marketplace, the Association and Tel Phil shall determine by mutual agreement which portion of the fees, costs and expenses charged by the Sheriff to the Association under the Sheriff Security Agreement are allocable to law enforcement services for the Outdoor Marketplace. Tel Phil shall make the reimbursement payments required by this paragraph to the Association within ten (10) days of receiving an invoice for such payments from the Association. If there is any dispute regarding such reimbursement, Tel Phil shall pay the undisputed portion of the reimbursement within such five (5) day period pending resolution of the dispute. Tel Phil shall indemnify and hold harmless the Association Indemnitees for any and all Claims that the Association incurs in connection with the services provided by the Sheriff to the Outdoor Marketplace, whether or not caused by the negligence of the Association. In the event that the Sheriff is no longer willing or able to provide security services to the Fairgrounds or the Outdoor Marketplace on terms reasonably acceptable to the Association, the Association may elect to enter into a new agreement for law enforcement or security services with any other law enforcement agency in the Association's sole and absolute discretion. If no law enforcement agency is willing or able to provide security services to the Fairgrounds or the Outdoor Marketplace on terms reasonably acceptable to the Association, the Association and Tel Phil shall mutually agree in their respective reasonable judgment upon an alternative provider of security services. Tel Phil agrees that the provisions of this Paragraph shall apply to any such new security agreement.

2. Except as expressly provided in this 1st Amendment, in all other respects the Agreement (including, but not limited to, those portions of Paragraph X.4 of the Agreement not amended by this 1st Amendment) is hereby republished in its entirety and remains in full force and effect.

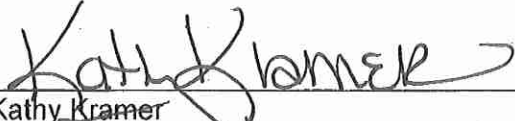
3. This 1st Amendment may be signed in counterparts.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this 1st Amendment to be executed by their respective Officers, effective October 1, 2015.

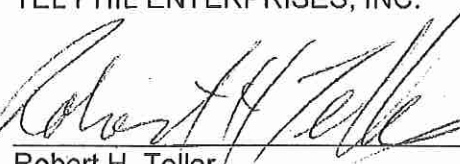
32nd DISTRICT AGRICULTURAL ASSOCIATION

By:


Kathy Kramer
Secretary/General Manager and Chief Executive
Officer

TEL PHIL ENTERPRISES, INC.

By:


Robert H. Teller
Chairman of the Board of Directors