

# CITY COUNCIL REPORT



Meeting Date: Tuesday, January 13, 2015  
 General Plan Element: *Economic Vitality*  
 General Plan Goal: *Sustain Scottsdale as a tourist destination*

## ACTION

**Subject statement.** Adopt Resolution 9895 which would approve Contract 2015 – 012 – COS, between WestWorld City of Scottsdale and The Arabian Horse Association of Arizona to produce the February Scottsdale Arabian Horse Show, and two additional horse shows; October and November, at the WestWorld facility for the next 20 years.

## BACKGROUND

The 2015 Scottsdale Arabian Horse Show is the 60<sup>th</sup> Annual show and has been held at WestWorld since the City of Scottsdale began running WestWorld.

## ANALYSIS & ASSESSMENT

Since 1955, the Annual Scottsdale Arabian Horse Show has set the pace in the Arabian horse world. This is the largest Arabian Horse Show in the country that brings in over 200,000 attendees and 2,000 horses from around the world. The event adds to the diversity of special events that WestWorld can host as well as contributes to the tourism aspect of our economy.

### Significant Issues to be Addressed

WestWorld Staff continues to meet with the Arabian Horse Association to insure the show is a success.

### Future Budget Implications

This Contract establishes an annual base operation support fee and an addition fixed debt service payment.

### Traffic Impacts

Scottsdale Police and City Traffic Departments work together with WestWorld and event producers to implement a City-approved traffic plan.

**Staffing, Workload Impact**

WestWorld Operations Staff is responsible for manure haul off and arena waters and drags during this event. This process is coordinated between event producers and the WestWorld Operations Department.

**OPTIONS & STAFF RECOMMENDATION**

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**Recommended Approach**

Adopt Resolution 9895 which would approve Contract 2015 – 012 – COS, between WestWorld City of Scottsdale and The Arabian Horse Association of Arizona to produce the February Scottsdale Arabian Horse Show, and two additional horse shows; October and November, at the WestWorld facility for the next 20 years.

**RESPONSIBLE DEPARTMENT(S)**

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WestWorld

**STAFF CONTACTS (S)**

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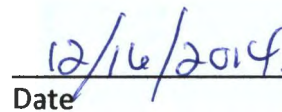
Paul T. Katsenes, Director, [Pkatsenes@scottsdaleaz.gov](mailto:Pkatsenes@scottsdaleaz.gov)

**APPROVED BY**

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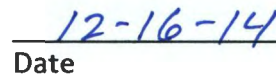
  
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Brian Dygert, General Manager

480-312-6825, [Bdygert@scottsdaleaz.gov](mailto:Bdygert@scottsdaleaz.gov)

  
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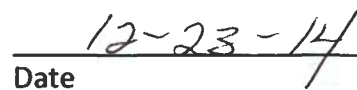
  
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Paul T. Katsenes, Director

480-312-2890, [Pkatsenes@scottsdaleaz.gov](mailto:Pkatsenes@scottsdaleaz.gov)

  
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Date

  
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Fritz Behring, City Manager

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Date

**ATTACHMENTS**

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1. Contract 2015 – 012 – COS
2. Resolution 9895

**WESTWORLD EVENT AGREEMENT**

THIS WESTWORLD EVENT AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2015, by and between City of Scottsdale, an Arizona municipal corporation ("Operator"), and Arabian Horse Association of Arizona, an Arizona non-profit corporation ("Producer").

**RECITALS**

A. Operator is the operator of the Westworld recreational facility (the "Westworld Facility") located northeast of the intersection of Pima Road and the Central Arizona Project Canal in Maricopa County, Arizona.

B. Operator operates the Westworld Facility pursuant to an agreement (the "BOR Agreement") with the United States Bureau of Reclamation ("BOR") and various other recorded and unrecorded documents governing use of the Westworld Facility (collectively, the "Site Documents"). The Westworld Facility is the real property for which Operator has recreational use rights under the BOR Agreement.

C. Producer is the producer of certain equestrian events (collectively, the "Events") as follows:

1. An annual tourist-oriented equestrian show and related equestrian oriented activities (the "February Event") known as the "Scottsdale Arabian Horse Show".

2. An annual equestrian show and related equestrian oriented activities (the "October Event") known as the "Arabian National Breeders Final".

3. An annual equestrian show and related equestrian oriented activities (the "November Event") known as the "Fall Festival".

4. Up to two additional one-day equestrian show and related equestrian oriented activities held throughout a single calendar year (the "One-day Events").

D. The parties desire to provide for Producer to continue to conduct the Events at the Westworld Facility.

E. Operator desires to grant to Producer a license to use certain portions of the Westworld Facility (the "Use Areas") for the Events (the "Permitted Uses") subject to the requirements of this Agreement.

F. The various Use Areas at the Westworld Facility are known by the names given on the drawing attached hereto as **Exhibit "A"**.

G. Operator and Producer also desire to provide for incidental goods and services (such as tables, lighting and tractor work) in support of the Events (the "Operations Support").

H. As part of this Agreement, Operator will provide specified Operations Support at no additional cost to Producer (the "Base Operations Support") and Producer will pay for any additional Operations Support that Operator may provide at Producer's request (the "Extra Operations Support").

I. Operator has recently completed major renovation and expansion work to the Equidome and other improvements at the Westworld Facility (the "Equidome Project"). The Equidome Project includes such other improvements, but the Equidome itself is limited to the Equidome proper as it exists on the date of this Agreement. Producer confirms that Operator carried out and accomplished the Equidome Project to Producer's satisfaction.

NOW, THEREFORE, for and in consideration of the foregoing, the amounts hereinafter to be paid by Producer, and the covenants and agreements contained herein to be kept and performed by Producer, and other good and valuable consideration, Operator and Producer agree as follows:

#### I. SCHEDULES AND USE AREAS

1. Schedules and Use Areas. Operator hereby grants to Producer a license to use the Use Areas as follows:

1.1 February Event Schedule. According to state law (A.R.S. § 1-301), the third Monday in February of each year is the President's Day holiday. The February Event shall take place during the following period (the "February Event Period"):

1.1.1 The first day of the February Event Period is the Thursday before the President's Day holiday.

1.1.2 The last day of the February Event Period is the Sunday following the President's Day holiday.

1.2 February Event Move-in. Producer shall have access to the Westworld Facility to set up for the February Event as follows:

1.2.1 The time for Producer to move in and set up for the February Event (the "February Move-in Period") begins on the Saturday preceding the first day of the February Event Period and ends on the Wednesday before the February Event Period.

1.2.2 Producer's use of the Westworld Facility for move-in for the February Event is subject to the exceptions specified on **Exhibit "B"**. The dates provided are approximate, and exact dates of the move-in exceptions shall be specified in a notice from Operator to Producer in November of each year.

1.3 February Event Move-out. Producer shall have access to the Westworld Facility to move out after the February Event Period as follows:

1.3.1 The time for Producer to move out after the February Event (the "February Move-out Period") begins at the end of the February Event Period and ends at 11:59 p.m. on the Thursday following the February Event Period.

1.3.2 Producer shall cause all personnel and all vehicles, horses, tents and other personalty to be removed from the Westworld Facility and shall cause the Westworld Facility to be completely cleaned and any damage repaired as required by this Agreement no later than the last day of the February Move-out Period.

1.3.3 Producer's use of the Westworld Facility for move-out for the February Event is subject to the exceptions specified on **Exhibit "C"**. The dates provided are approximate, and exact dates of the move-out exceptions shall be specified in a notice from Operator to Producer in November of each year.

1.4 February Event Use Areas. Except as otherwise provided, Producer shall have use of the Use Areas described on **Exhibit "D"** during the February Event Period. Producer has no right to use any other portion of the Westworld Facility in connection with the February Event. If Operator removes any such Use Areas or otherwise makes such Use Areas unavailable, Operator shall provide the same quantity of similar quality replacement Use Areas.

1.5 February Event Operations Support. Operator shall provide to Producer Operations Support for the February Event as follows:

1.5.1 Operator shall provide to Producer at no cost to Producer only the Base Operations Support. The Base Operations support for the February Event consists only of the items listed on **Exhibit "E"** attached hereto. No other Operations Support will be provided at Operator expense. For example, none of the items on listed on **Exhibit "F"** attached hereto is included in the Base Operations Support for the February Event.

1.5.2 Subject to availability, Producer may purchase Extra Operations Support from Operator as provided elsewhere in this Agreement.

1.5.3 Unless specified otherwise, Operator's obligation regarding all Operations Support is merely to provide the items listed. All set up, takedown and operation shall be performed by Producer at Producer's expense.

1.6 February Event Notice: No later than December 1 of each year, Producer shall deliver to Operator a notice (the "February Event Notice") containing the information specified on **Exhibit "G"**, along with any other information this Agreement may require. Within thirty (30) days after the February Event Notice, Operator shall notify Producer which portions of the February Event Notice Operator approves and does not approve. Producer shall revise the February Event Notice as Operator directs. Once Operator approves the February Event Notice, no changes are allowed unless Operator gives notice that Operator approves the change.

1.7 February Similar Events. During a certain period (the "February Restricted Period"), Operator shall not allow certain events (the "February Similar Events") at the Westworld Facility. The February Restricted Period is the period that begins forty-five (45) days before the beginning of the February Event Period and ends forty-five (45) days after the

end of the February Event Period. The February Similar Events are equestrian shows that feature Arabian or half-Arabian Horses and have more than Two Hundred (200) horses.

1.8 October Event Schedule. The October Event shall take place during the period (the "October Event Period") that will be assigned by Operator as follows:

1.8.1 The October Event Period shall end on a Sunday that is one of the last two Sundays in September or one of the first two Sundays in October.

1.8.2 The October Event Period shall begin on the Wednesday that precedes the end of the October Event Period

1.8.3 Operator shall notify Producer of the dates of the October Event Period no later than April 1 of the year in which the October Event occurs.

1.8.4 October Events may not be held before the year 2014.

1.8.5 The dates of the October Event Period may be permanently changed from time to time for subsequent years of this Agreement as follows:

1.8.5.1 Producer may request a change to the dates of the October Event Period by giving notice to Operator. Producer's notice must specify a proposed new date (the "New October Anchor Date".) Producer's notice must describe the New October Anchor Date as a particular Sunday relative to the beginning or end of a month (e.g., the second to last Sunday in August) or relative to an Arizona State legal holiday (e.g., the second Sunday after Memorial Day). Producer must give the notice at least (10) months prior to the beginning of the next scheduled October Event and at least ten (10) months prior to the New October Anchor Date.

1.8.5.2 If Operator accepts Producer's request, then the schedule for the October Event shall be thereafter permanently changed so that:

1.8.5.2.1 The October Event Period shall end on a Sunday selected each year by Operator. Operator may select the Sunday from the New October Anchor Date, the Sunday after the New October Anchor Date, or either of the two Sundays immediately preceding the New October Anchor Date. Operator shall give Producer notice of the Event Period dates each year at least One Hundred Eighty (180) days before the New October Anchor Date.

1.8.5.2.2 The October Event Move-in Period and the October Event Move-out Period, respectively, shall immediately precede and follow the rescheduled October Event Period.

1.8.5.3 Producer's request shall be deemed rejected unless within thirty (30) days after Producer's notice Operator gives Producer notice that Operator accepts Producer's request.

1.8.5.4 Operator shall endeavor to accommodate Producer's requested dates, taking into account events compatibility, tourism and economic impacts, and competing demands for the Westworld Facility and Operator's other resources. If Operator does not feel that Operator is able to accommodate a request to reschedule the October Event, then Operator shall consult with Producer regarding other dates that may be available. The final decisions about dates shall rest with Operator.

1.9 October Event Move-in. Producer shall have access to the Westworld Facility to set up for the October Event during the time (the "October Move-in Period") that begins at 1:00 p.m. on the Monday before the October Event Period and ends at the beginning of the October Event Period.

1.10 October Event Move-out. Producer shall have access to the Westworld Facility to move out after the October Event as follows:

1.10.1 The time for Producer to move out after the October Event (the "October Move-out Period") begins at the end of the October Event Period and ends at 6:00 a.m. on the Monday following the October Event Period.

1.10.2 Producer shall cause all personnel and all vehicles, horses, tents and other personalty to be removed from the Westworld Facility and shall cause the Westworld Facility to be completely cleaned and any damage repaired as required by this Agreement no later than the end of the October Move-out Period.

~~1.11 October Event Use Areas. Except as otherwise provided, Producer shall have use of the Use Areas described on **Exhibit "H"** during the October Event Period. Producer has no right to use any other portion of the Westworld Facility in connection with the October Event. If Operator removes any such Use Areas or otherwise makes such Use Areas unavailable, Operator shall provide the same quantity of similar quality replacement Use Areas.~~

1.12 October Event Operations Support. Operator shall provide to Producer Operations Support for the October Event as follows:

1.12.1 Operator shall provide to Producer at no cost to Producer only the Base Operations Support. The Base Operations support for the October Event consists only of the items listed on **Exhibit "I"** attached hereto. No other Operations Support will be provided at Operator's expense. For example, none of the items listed on **Exhibit "J"** attached hereto is included in the Base Operations Support for the October Event.

1.12.2 Subject to availability, Producer may purchase Extra Operations Support from Operator as provided elsewhere in this Agreement.

1.12.3 Unless specified otherwise, Operator's obligation regarding all Operations Support is merely to provide the items listed. All set up, takedown and operation shall be performed by Producer at Producer's expense.

1.13 October Event Notice: No later than July 1 of each year of an October Event, Producer shall deliver to Operator a notice containing the information specified on **Exhibit**

"K", along with any other information this Agreement may require. Within thirty (30) days after the October Event Notice, Operator shall notify Producer which portions of the October Event Notice Operator approves and does not approve. Producer shall revise the October Event Notice as Operator directs. Once Operator approves the October Event Notice, no changes are allowed unless Operator gives notice that Operator approves the change.

1.14 October Similar Events. During a certain period (the "October Restricted Period"), Operator shall not allow certain events (the "October Similar Events") at the Westworld Facility. The October Restricted Period is the period that begins thirty (30) days before the beginning of the October Event Period and ends thirty (30) days after the end of the October Event Period. The October Similar Events are equestrian shows that feature Arabian or half-Arabian Horses and are "all halter" shows.

1.15 November Event Schedule. The November Event shall take place during the period (the "November Event Period") as follows:

1.15.1 The November Event Period begins on the Wednesday before the second Sunday in November and ends on the second Sunday in November.

1.15.2 The dates of the November Event Period may be permanently changed from time to time for subsequent years of this Agreement as follows:

1.15.2.1 Producer may request a change to the dates of the November Event Period by giving notice to Operator. ~~Producer's notice must specify a proposed new date (the "New November Anchor Date").~~ ~~Producer's notice must describe the New November Anchor Date as a particular Sunday relative to the beginning or end of a month (e.g., the second to last Sunday in August) or relative to an Arizona State legal holiday (e.g., the second Sunday after Memorial Day).~~ Producer must give the notice at least (10) months prior to the beginning of the next scheduled November Event and at least ten (10) months prior to the New November Anchor Date.

1.15.2.2 If Operator accepts Producer's request, then the schedule for the November Event shall be permanently changed so that:

1.15.2.2.1 The November Event Period shall thereafter end on the New November Anchor Date.

1.15.2.2.2 The November Event Move-in Period and the November Event Move-out Period, respectively, shall immediately precede and follow the rescheduled November Event Period.

1.15.2.3 Producer's request shall be deemed rejected unless within thirty (30) days after Producer's notice Operator gives Producer notice that Operator accepts Producer's request.

1.15.2.4 Operator shall endeavor to accommodate Producer's requested dates, taking into account events compatibility, tourism and economic impacts, and competing demands for the Westworld Facility and Operator's other resources. If



Operator does not feel that Operator is able to accommodate a request to reschedule the November Event, then Operator shall consult with Producer regarding other dates that may be available. The final decisions about dates shall rest with Operator.

1.16 November Event Move-in. Producer shall have access to the Westworld Facility to set up for the November Event during the time (the "November Move-in Period") that begins at 1:00 p.m. on the Tuesday before the November Event Period and ends at the beginning of the November Event Period.

1.17 November Event Move-out. Producer shall have access to the Westworld Facility to move out after the November Event as follows:

1.17.1 The time for Producer to move out after the November Event (the "November Move-out Period") is 6:00 a.m. on the Monday following the November Event Period.

1.17.2 Producer shall cause all personnel and all vehicles, horses, tents and other personalty to be removed from the Westworld Facility and shall cause the Westworld Facility to be completely cleaned and any damage repaired as required by this Agreement no later than the last day of the November Move-out Period.

1.17.3 Tents and other miscellaneous equipment need not be removed until noon on the day after the November Event Period.

1.18 November Event Use Areas. Except as otherwise provided, Producer shall have use of the Use Areas described on **Exhibit "L"** during the November Event Period. Producer has no right to use any other portion of the Westworld Facility in connection with the November Event. If Operator removes any such Use Areas or otherwise makes such Use Areas unavailable, Operator shall provide the same quantity of similar quality replacement Use Areas.

1.19 November Event Operations Support. Operator shall provide to Producer Operations Support for the November Event as follows:

1.19.1 Operator shall provide to Producer at no cost to Producer only the Base Operations Support. The Base Operations support for the November Event consists only of the items listed on **Exhibit "M"** attached hereto. No other Operations Support will be provided at Operator's expense. For example, none of the items listed on **Exhibit "N"** attached hereto is included in the Base Operations Support for the November Event.

1.19.2 Subject to availability, Producer may purchase Extra Operations Support from Operator as provided elsewhere in this Agreement.

1.19.3 Unless specified otherwise, Operator's obligation regarding all Operations Support is merely to provide the items listed. All set up, takedown and operation shall be performed by Producer at Producer's expense.

1.20 November Event Notice: No later than August 1 of each year, Producer shall deliver to Operator a notice containing the information specified on **Exhibit "O"**, along with

any other information this Agreement may require. Within thirty (30) days after the November Event Notice, Operator shall notify Producer which portions of the November Event Notice Operator approves and does not approve. Producer shall revise the November Event Notice as Operator directs. Once Operator approves the November Event Notice, no changes are allowed unless Operator gives notice that Operator approves the change.

1.21 One-day Event Schedule. The schedule for the One-day Events at the Westworld Facility each year is as follows:

1.21.1 No earlier than sixty (60) days before a proposed One-day Event, Producer shall provide to Operator a notice identifying Producer's proposed date for the One-day Event. Within seven (7) days after receiving the notice, Operator shall give Producer notice whether the requested date has been approved (the "One-day Event Period"). Operator shall endeavor to accommodate Producer's requested dates, taking into account competing demands for the Westworld Facility and Operator's other resources. If Operator cannot accommodate any requested dates, Operator shall consult with Producer regarding other dates that may be available. The final decisions about dates shall rest with Operator.

1.21.2 Each One-day Event shall occur between May 1 and October 31, inclusive. No more than two (2) One-day Events shall be held in any calendar year.

1.21.3 If Producer desires to have additional single-day events at the Westworld Facility, then such additional single-day events (and any other use of the Westworld Facility outside the February Event, the October Event and the November Event) will require a separate contract through Operator's normal process for one-time events at the Westworld Facility.

1.22 One-day Event Move-in. The time for Producer to move in and set up for a One-day Event (the "One-day Move-in Period") is the date of the One-day Event Period.

1.23 One-day Event Move-out. Producer shall have access to the Westworld Facility to move out after each One-day Event as follows:

1.23.1 The time for Producer to move out after a One-day Event (the "One-day Move-out Period") is the date of the One-day Event Period.

1.23.2 Producer shall cause all personnel and all vehicles, horses, tents and other personalty to be removed from the Westworld Facility and shall cause the Westworld Facility to be completely cleaned and any damage repaired as required by this Agreement no later than the end of the One-day Move-out Period.

1.24 One-day Event Use Areas. Except as otherwise provided, Producer shall have use of the Use Areas described on **Exhibit "P"** during the One-day Event Period. Producer has no right to use any other portion of the Westworld Facility in connection with the One-day Events. If Operator removes any such Use Areas or otherwise makes such Use Areas unavailable, Operator shall provide the same quantity of similar quality replacement Use Areas.

1.25 One-day Event Operations Support. Operator shall provide to Producer Operations Support for the One-day Event as follows:

1.25.1 Operator shall provide to Producer at no cost to Producer only the Base Operations Support. The Base Operations Support for each One-day Event consists only of the items listed on **Exhibit "Q"** attached hereto. No other Operations Support will be provided at Operator expense. For example, none of the items listed on **Exhibit "R"** attached hereto is included in the Base Operations Support for the One-day Event.

1.25.2 Subject to availability, Producer may purchase additional Operations Support from Operator as provided elsewhere in this Agreement.

1.25.3 Unless specified otherwise, Operator's obligation regarding the Operations Support is merely to provide the items listed. All set up and takedown and operation shall be performed by Producer at Producer's expense.

1.26 One-day Event Notice. No later than thirty (30) days before a One-day Event, Producer shall deliver to Operator a notice containing the information specified on **Exhibit "S"**, along with any other information this Agreement may require. Within thirty (30) days after the One-day Event Notice, Operator shall notify Producer which portions of the One-day Event Notice Operator approves and does not approve. Producer shall revise the One-day Event Notice as Operator directs. One Operator approves the One-day Event Notice, no changes are allowed unless Operator gives notice that Operator approves the change.

1.27 Condition of Title. Producer's rights hereunder are subject to the Site Documents. Producer shall not violate the Site Documents.

~~1.28 Condition of Use Areas. Operator's property shall be made available in an "as is" condition without any express or implied warranties of any kind, including without limitation any warranties or representations as to their condition or fitness for any use.~~

1.29 No Real Property Interest. This Agreement creates only a license to use the Westworld Facility. Operator and Producer do not, by this instrument, intend to create a lease, easement or other real property interest.

## II. TERM OF AGREEMENT

2. Term of Agreement. Operator hereby grants to Producer a license to use the Westworld Facility subject to and conditioned upon Producer's full, timely, complete and faithful performance of all performances and things to be performed or done hereunder by Producer, and Producer hereby accepts the Westworld Facility and this Agreement.

2.1 Old Agreement Superseded. Operator and Producer are parties to a certain Westworld Event Agreement No. 2007-030-COS (the "Old Agreement") dated February 20, 2007. This Agreement completely terminates and supersedes the Old Agreement as of the beginning of the term of this Agreement, subject to the following:

2.1.1 The Old Agreement shall continue to be effective as to any performances by Producer that may remain related to matters arising before the date of this Agreement.

2.1.2 In consideration of this Agreement, Producer shall order no later than the date of this Agreement and deliver to the Westworld Facility no later than June 1, 2015 not less than Two Hundred (200) portable stalls with roof systems, all according to specifications approved by Operator and all at Producer's expense. Operator shall own the stalls. A portion of the cost of the stalls reflects the remaining amounts of Ticket use Fee payable by Producer to Operator under the Old Agreement. Producer shall not be obligated to pay more Ticket Use Fee under the Old Agreement.

2.1.3 Producer held an event (the "Early Event") at the Westworld Facility on October 2, 2014 through October 4, 2014. The Early Event was conducted under a single year event contract approved under Operator's normal administrative event contract process. Operator and Producer desire that the amount of Use Fee established by this Agreement for October Events apply to the Early Event. Accordingly, a credit is hereby established against the next installment of Use Fee that Producer pays under this Agreement. The amount of the credit is Nineteen Thousand Two Hundred Seventy Dollars (\$19,270).

2.1.4 This Agreement is retroactive to all events held by Producer at the Westworld Facility in 2014, including without limitation the Early Event. The Early Event is the 2014 October Event under this Agreement.

2.2 Original Term. The original term of this Agreement shall commence retroactively on January 1, 2014 and terminate December 31, 2023. Even though the beginning of such term predates the date of this Agreement, Producer and Operator desire that this Agreement govern their relationship as of January 1, 2014, including without limitation payments and their financial relationship and their relationship with respect to all activities commencing January 1, 2014, specifically including without limitation the 2014 February Event.

2.3 Extensions. The term of this Agreement shall be extended at Producer's election for one (1) additional ten (10) year period to December 31, 2033. If Producer desires to extend, Producer shall give Operator notice of its desire to extend no later than January 1, 2023.

2.4 Holding Over. In any circumstance whereby Producer would continue using or occupying the Westworld Facility after the expiration of this Agreement, such holding over shall not be deemed to operate as a renewal or extension of this Agreement.

### III. LESSEE'S PAYMENTS

3. Producer's Payments. Producer shall make various payments (collectively the "Use Fee") to Operator as follows:

3.1 Base Use Fee. Producer shall pay to Operator a fixed annual amount (the "Base Use Fee") in each calendar year under this Agreement as a single combined amount to pay Operator for use of the Use Areas at the Westworld Facility and the Base Operations Support during such calendar year. The initial amount of the Base Use Fee for the entire calendar year 2014 shall be \$226,756.10. Beginning with the Base Use Fee payable in 2015, the Base Use Fee shall be automatically adjusted upward each year by adding 1.5% to the amount of the Base Use Fee that this Agreement provides for the preceding year.

3.2 Base Use Fee Adjustment for Extra Event Days. If Operator agrees to any request by Producer to add extra days to an Event Period for a particular year, then the following shall apply for that year:

3.2.1 For each additional day added to the February Event Period, the Base Use Fee for that year shall be increased by Fourteen Thousand Dollars (\$14,000).

3.2.2 For each additional day added to the October Event Period, the Base Use Fee for that year shall be increased by Six Thousand One Hundred Fifty Dollars (\$6,150).

3.2.3 For each additional day added to the November Event Period, the Base Use Fee for that year shall be increased by Six Thousand One Hundred Fifty Dollars (\$6,150).

3.2.4 The amounts in this paragraph shall be automatically adjusted upward in the same manner as other Base Use Fee.

3.2.5 One-day events may not be extended.

3.2.6 Unless Operator specifies otherwise, the increased Base Use Fee is due at the earlier of the next date for payment of Base Use Fee after the date Operator approves the extra days after the end of the applicable Event Period.

3.3 Additional Use Fee Items. In addition to the Base Use Fee, Producer shall pay to Operator amounts for each of the following additional categories of Use Fee:

3.3.1 An amount (the "Extra Operations Support Use Fee") based on Extra Operations Support provided by Operator.

3.3.2 An amount (the "Extra Improvements Use Fee") based on Producer's use of additional facilities at the Westworld Facility above and beyond the facilities Operator is required to provide by this Agreement.

3.3.3 An amount (the "Damage Use Fee") based on damage to the Westworld Facility related to the Events.

3.3.4 An amount (the "Equidome Project Use Fee") to pay for a portion of the cost of the Equidome Project.

3.3.5 All other amounts required by this Agreement.

3.4 Extra Operations Support Use Fee Amount. The amount of the Extra Operations Support Use Fee shall be the amount necessary to compensate Operator for Producer's use of Extra Operations Support based on the prevailing charges at the Westworld Facility for such support as imposed by Operator from time to time. Producer is not required to pay Extra Operations Support Use Fee with respect to the Base Operations Support.

3.5 Extra Improvements Use Fee Amount. The amount of the Extra Improvements Use Fee shall be the amount necessary to compensate Operator for Producer's use of any new or additional areas, improvements or equipment at the Westworld Facility based on the prevailing charges at the Westworld Facility as imposed by Operator from time to time. For example, if Operator constructs roofed vendor areas near the Equidome (in addition to those initially constructed as part of the Equidome Project), and Producer chooses to use such facilities, or if Operator otherwise uses any area or facility at the Westworld Facility that does not exist as of the date of this Agreement or that this Agreement does not require Operator to provide to Producer, then Producer shall pay to Operator the then prevailing fee for such use. This paragraph does not apply to a permanent indoor ferrier shop that Operator may elect to construct at the Westworld Facility.

3.6 Damage Use Fee. The amount of the Damage Use Fee shall be the cost to repair any damage to any improvements or other item of Operator or others caused in any manner by the Event or any work or activity under this Agreement. Without limitation, such costs include damage to property, repair costs, diminished service life, increased repair frequency, inspection costs, etc.

3.7 Equidome Project Use Fee Amount. The amount of the Equidome Project Use Fee shall be Two Hundred Forty Thousand and No/100 Dollars (\$240,000.00) per year commencing in 2014.

3.8 Use Fee Credit. In the years 2015 through 2024, Operator shall credit the amount of Seventeen Thousand Six Hundred and No/100 Dollars (\$17,600.00) against the Use Fee payable under the invoice that Operator sends after the February Event Period for that year.

3.9 Use Fee Payment Date. Producer shall make Use Fee payments as follows:

3.9.1 This paragraph applies only to Base Use Fee. Producer shall pay all Base Use Fee for each year no later than January 31 of each year. Producer has already paid Base Use Fee for 2014.

3.9.2 This paragraph applies to all Use Fee other than Base Use Fee. No later than April of each year, Operator shall provide to Producer an invoice for all Use Fee accrued through the end of the February Move-out Period. Producer shall pay all other Use Fee accrued as of the end of the Move-out Period for each other Event within thirty (30) days after the end of the Move-out Period for the Event. Any Use Fee amounts accruing between Events, such as payments related to indemnities provided under this Agreement, shall be due at the end of the calendar month in which they accrue. In the event an amount is not known in advance, Operator shall have the right to estimate the amount, with an adjustment to be made within sixty (60) days after the actual amount becomes known. Producer shall pay the Equidome Project Use Fee for 2014 no later than the date of this Agreement.

3.10 Use Fee Payment Location. All Use Fee payments shall be delivered to the Operator's fee remittance processing center at 7447 E. Indian School, Scottsdale, AZ 85251.

3.11 Use Fee Amount Report. Each installment of Use Fee shall include a report showing the manner in which each component of Use Fee was calculated. The report shall itemize the transactions giving rise to the Use Fee. When requested by Operator from time to time, the reconciliation shall be accompanied by dated and signed journal entries and other documentation substantiating all amounts.

3.12 Security Deposit. Upon execution of this Agreement, Producer shall provide to Operator, and maintain with Operator at all times during the term of this Agreement, a cash security deposit in the amount equal to Zero and No/100 Dollars (\$0.00) to guarantee the faithful performance of this Agreement. Any funds or property of Producer held by or available to Operator or any issuer of a letter of credit, receiver, escrow agent or other third party under or related to this Agreement shall also stand as a security deposit guaranteeing Producer's faithful performance of this Agreement. Any portion of any security deposit to which Producer may then be entitled, net of any setoff or other obligation of Producer, shall be paid to Producer without interest by the holder of Producer's rights under the BOR Agreement within sixty (60) days after the later of termination of this Agreement or completion of all of Producer's obligations related to this Agreement.

3.13 Late Fees. Should any Use Fee not be paid on or before the date due, a late fee shall be added to the amount due in the amount of the greater of ten percent (10%) of the amount due, or One Hundred Dollars (\$100). Furthermore, any Use Fee that is not timely paid shall accrue simple interest at the rate of two percent (2 %) per month from the date the amount first came due until paid. Producer expressly agrees that the foregoing represent fair and reasonable estimates by Operator and Producer of Operator's costs (such as accounting, administrative, legal and processing costs, etc.) in the event of a delay in payment of Use Fee. Operator shall have the right to allocate payments received from Producer among Producer's obligations.

3.14 Overstaying the Move-out Period. In the event Producer fails to timely exit the Westworld Facility after any Event, Producer shall pay to Operator an amount equal to three times the amount stated on Operator's then applicable fee schedule for the use of the occupied portion of the Westworld Facility for each day or portion of a day until Producer completely exits the Westworld Facility. Such payment does not excuse Producer's failure to timely exit the Westworld Facility or excuse Producer from liability for any harm caused by such failure. Such payment is in addition to any other remedies Operator may have under this Agreement.

3.15 Use Fee Amounts Cumulative. All amounts payable by Producer hereunder or under any tax, assessment or other existing or future ordinance, law, or other contract or obligation to the City of Scottsdale or the State of Arizona shall be cumulative and payable in addition to each other payment required hereunder, and such amounts shall not be credited toward, substituted for, or setoff against each other in any manner.

#### IV. USE RESTRICTIONS

4. Use Restrictions. Producer's use and occupation of the Westworld Facility shall in all respects conform to the following cumulative provisions:

4.1 Nature of Events. The Events are to be equestrian shows and related equestrian activities for the purpose of allowing enthusiasts to exhibit their equestrian skills and their horses. All activities at the Westworld Facility shall be directly related to advancing these objectives. Activities not related to advancing those objectives, such as music concerts open to the general public or car shows, are not allowed. If Operator grants permission for such other activities, Operator may elect to charge additional Use Fees for such use. This paragraph does not prevent activities that Producer and Operator may mutually elect to allow for a particular Event, whether or not the activity is directly related to horses. Operator may charge additional Use Fees for activities not directly related to horses.

4.2 Westworld Facility Rules and Regulations. Without limiting Producer's other obligations under this Agreement, Producer shall comply with the Westworld Facility rules and regulations as they may be amended by Operator from time to time as follows:

4.2.1 The current Westworld Facility general rules and regulations are set out in **Exhibit "T"** attached hereto. Operator hereby grants exceptions to the rules and regulations as listed on **Exhibit "U"**.

4.2.2 When any requirements of any such rules, regulations (or of any updates promulgated by Operator, subject to limitations set out below) may conflict with any other such requirement, Producer shall comply with the more restrictive requirement or with the requirements of this Agreement.

4.2.3 If Operator changes the rules and regulations between the February Event Notice and the February Event, Operator shall inform Producer directly of the change.

4.3 Actions by Others. Producer shall be responsible for compliance with this Agreement by all persons using the Westworld Facility under this Agreement or claiming through or under Producer or this Agreement.

4.4 Event Opening. Producer shall not commence an Event or permit the public to enter the Westworld Facility for an Event until after all of the following have occurred:

4.4.1 Operator's fire department has inspected the Event's set-up of the Westworld Facility and Producer has resolved to Operator's satisfaction any issues raised by such inspection.

4.4.2 Operator's risk management staff is satisfied that all insurance required by this Agreement for the Events is in place.

4.4.3 Producer has caused to occur compliance with all other requirements of this Agreement.

4.5 February Event Day Parking and RV's. Operator shall provide land to Producer to use for parking for the Events subject to the limits specified in this Agreement. Producer shall operate the parking at its own expense in compliance with the following:

4.5.1 Producer shall use the parking areas only for the February Event.



4.5.2 Producer shall not charge day parkers for use of the parking except that Producer may operate a paid valet parking service with a charge not to exceed a limit. The limit shall be Ten and No/100 Dollars (\$10.00) per vehicle. The limit shall be adjusted upward in the same manner provided above for adjustments to Base Use Fee. If the limit for a year is not a whole dollar amount, Producer may round up the limit for that year to the nearest whole dollar.

4.5.3 Producer shall operate and provide lighting for the parking areas that are not equipped with permanent lighting.

4.5.4 Producer shall provide security for the parking areas.

4.5.5 Producer shall insure the parking areas and indemnify Operator with respect to the parking areas.

4.5.6 RV's may park overnight in established RV spaces. All other parkers (other than staff and safety personnel) shall only park during the hours the February Event is actually open to the public, and an hour before and after such hours.

4.5.7 Producer shall cause RV's parking users to pay applicable sales tax, "bed tax" or other transient lodging taxes, fees or similar amounts from time to time.

4.5.8 Producer shall provide not less than four (4) parking spaces located not more than Three Hundred (300) feet from a public entrance to the February Event for exclusive use by Operator's officials and staff or shall valet park up to four (4) cars a day at no charge for Operator's officials and staff.

4.5.9 Producer shall accommodate all legally required handicap parking within close proximity to a public entrance to the February Event as provided by applicable laws or regulations.

4.6 Concessions. Producer shall have all rights to the food and non-alcoholic beverage concessions, feed and bedding concession, and R.V. concession (except for R.V. spaces allocated to Operator) at the Westworld Facility during the February Event Period and shall retain all revenues from such concessions and bear all expenses related to such concessions. These rights include the sale or distribution of programs, periodicals, books, magazines, newspapers, soft drinks, flowers, tobaccos, candies, food, novelties or any related merchandise commonly sold or dispenses including renting or selling of cushions or other articles and the operation of checkrooms. R.V. and feed and bedding concession operators must be approved in advance by Operator.

4.7 Provision of Security. Producer shall provide adequate security and surveillance to ensure the reasonable safety of the general public. Events security and crowd control shall be commensurate with prudent public assembly standards and shall be based on the projected total attendance for the Events, all to Operator's reasonable satisfaction.

4.8 Operator's Fixtures and Personality. Producer shall return to Operator any and all of Operator's property as may come into the possession of Producer or be used by Producer, after each Event and shall maintain such equipment in good working condition from time to time at

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Producer's expense. Operator shall own such equipment at all times with Producer being solely responsible for the condition thereof. All such personal property is provided "as is" and Producer accepts all responsibility for its condition and shall thoroughly inspect the same before use. Without Operator's prior written consent, Producer shall not remove, damage or alter in any way any of Operator's improvements or fixtures upon the Westworld Facility. Operator shall endeavor to provide such personal property in good working condition.

4.9 Qualified Personnel and Responsibility for Costs. Producer is responsible for all costs associated with and shall coordinate with Operator, all ushering, watchmen, security, and on and off site parking control. This includes any special requirements to separate the general public from areas to which Producer desires to restrict access, and to enforce all parking and other rules and regulations, and otherwise ensure the security, safety and well-being of all person attending or otherwise persons related to the Events. All of the above services must be performed by qualified personnel of a licensed, bonded company with current active liability, worker's compensation and other insurance meeting the requirements of this Agreement. Producer shall select parking and non-uniformed security providers from a list provided by Operator. Uniformed security and traffic control providers shall be limited to officers of the City of Scottsdale Police Department. Should Operator determine the need for additional personnel due to Producer not meeting its obligations for the above services, except in an emergency, Operator shall first notify Producer's agent to provide Producer the opportunity to address and correct the situation prior to Operator taking action.

4.10 Additional Personnel. When Operator deems necessary in its sole discretion, Operator may place personnel of its choosing on the grounds for the purpose of coordinating and controlling traffic flow, parking and security to the extent necessary to ensure the safety and well being of patrons and to enforce parking rules and regulations. Costs incurred for said personnel will be charged to and paid by Producer as Extra Operations Support Use Fee. Operator will, where possible, prorate these costs among concurrent events based on individual event attendance. Should Operator determine that the need for additional personnel is due to the fact that Producer is not meeting its obligation for security/traffic control, Operator will first notify Producer in order to provide Producer an opportunity to address the issue.

4.11 Safety Authority. In all matters pertaining to public health and safety, Producer shall have first responsibility, but in the event Operator becomes dissatisfied for any reason, Operator staff, including Westworld Facility operations staff, uniformed police and fire department personnel, shall have final authority.

4.12 Producer's Agent. Producer shall at all times during the Events and all other times when the Westworld Facility are occupied by Producer or its property retain on call available to Operator upon the Westworld Facility an active, qualified, competent and experienced person to supervise all activities upon and operation of the Westworld Facility and who shall be authorized to represent and act for Producer in matters pertaining to all emergencies and the day-to-day operation of the Westworld Facility and all other matters affecting this Agreement. Unless and until Producer gives notice to Operator of a new representative, Producer's representative shall be the person who executes this Agreement on behalf of Producer. Any change shall be given in writing hand-delivered to Operator's on-site Westworld Facility manager as well as in the manner stated for notices under this Agreement. Producer shall also provide notice to Operator of the name,

street address, electronic mail address, and regular and after hours telephone and telefax numbers of a person to handle Producer's affairs and emergencies at the Westworld Facility.

4.13 Signs. All signage by Producer is prohibited except in compliance with the following requirements:

4.13.1 Producer shall install and maintain the following signs upon the Westworld Facility:

4.13.1.1 All signs and markings required for safe and efficient use of the Westworld Facility by the public.

4.13.1.2 Signage directing parking, deliveries and other vehicle and other uses to comply with this Agreement as reasonably determined by Operator from time to time.

4.13.1.3 Other signs and other markings as reasonably determined by Operator from time to time.

4.13.2 Producer may elect to install the following signs:

4.13.2.1 Signs addressed to and principally visible only to persons already at the Event.

4.13.2.2 Signs directing pedestrians to parking, ticket sales, etc.

4.13.3 All other signs visible from outside the Westworld Facility are prohibited.

4.13.4 Producer shall design, make, install and maintain all signage in a first class, professional manner, without broken panels, faded paint or other damage.

4.13.5 The requirements of this paragraph apply to all signs, designs, monuments, decals, graphics, posters, banners, markings, and other manner of signage visible outside the Event or otherwise visible to anyone other than Producer and its agents and customers.

4.14 Ownership of Advertising Space. All advertising space at the Westworld Facility is the exclusive property of Operator. Producer has the right to sell advertising space at the Westworld Facility during the February Event, the October Event and the November Event. Operator may, from time to time, enter into agreements for advertising at the Westworld Facility. Producer's right to sell advertising space will not supersede Operator's right to display advertising during the Events. Operator will not enter into "exclusive" advertising arrangements that will preclude Producer from selling advertising during the Events.

4.15 Publicity. Producer shall publicly acknowledge the community support represented by this Agreement as follows:

4.15.1 All publicity and advertising for the Events that acknowledges any sponsor shall acknowledge Operator's support and utilize (where appropriate in Operator's discretion) an event sponsorship logo as directed by Operator. Except when Operator directs otherwise,

Producer shall use the event sponsorship logo maintained by the Scottsdale Convention and Visitors Bureau.

4.15.2 The word "Scottsdale" shall be in the name of the February Event. Except for giving the Event's location, no other use of Operator's name is allowed in any form of advertising or public relations without prior Operator approval.

4.15.3 Producer shall provide a minimum of one hundred (100) square feet of reasonably prominent exhibit space at the Events to be used by Operator and/or designee for the purpose of promoting Scottsdale.

4.15.4 Producer shall publish in the Events programs a minimum of one full page of reasonably prominent advertisement promoting Scottsdale. The advertisement shall use content provided by Operator.

4.15.5 Producer shall deliver to Operator media schedules and publications no later than sixty (60) days prior to the Events.

4.16 Designated Seats at Facility. Operator or Operator's designee shall have the right to reserve the section of box seats located on the south "50-yard line" of both Wendell Arena and the Equidome at no charge to Operator. If the event is ticketed, then Producer shall deliver the box seat tickets to Operator at least two (2) weeks prior to event.

4.17 Admissions for Operator. Producer shall provide Operator not less than ten (10) patron badges, not less than ten (10) VIP badges, and appropriate VIP parking passes for the Events as well as any other ancillary sponsored event. Operator may elect to decline tickets from time to time. This paragraph does not detract from Operator's other rights to access the Westworld Facility.

4.18 Communications Operations Restriction. Producer shall not install, operate, or allow the use of equipment, methodology or technology that may or would interfere with the optimum effective use or operation of Operator's existing or future fire, emergency or other communication equipment, methodology or technology (i.e., voice or other data carrying, receiving or transmitting equipment). If such interference should occur, Producer shall immediately discontinue using the equipment, methodology or technology that causes the interference until Producer takes corrective measures are taken. Any such corrective measures shall be made at no cost to Operator.

4.19 Governmental and Neighborhood Relations. Producer shall conduct its activities in coordination with Operator as necessary to maintain good relations with all governmental and other entities having jurisdiction over the Westworld Facility and the occupants of surrounding real property. The preceding sentence does not prohibit Producer from asserting its legal rights against such entities. Producer shall immediately give to Operator notice of any actual or threatened dispute, violation or other disagreement relating to the Westworld Facility. Producer is not an agent for Operator. Without limitation, such entities (who are not third party beneficiaries to this Agreement) include (to the extent that such entities have jurisdiction over the Westworld Facility):

4.19.1 State of Arizona.

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- 4.19.2 Maricopa County.
- 4.19.3 Arizona Department of Environmental Quality.
- 4.19.4 Arizona Department of Water Resources.
- 4.19.5 Bureau of Reclamation.
- 4.19.6 Central Arizona Water Conservation District.
- 4.19.7 Federal Aviation Administration.

4.20 Nudity and Other Adult Conduct. Nudity and disorderly conduct are prohibited as provided in **Exhibit "V"** attached hereto.

4.21 Liquor License. If Producer requests in the February Event Notice, Operator shall cause the holder of any liquor license at the Westworld Facility to temporarily suspend or terminate the license to the extent necessary to allow Operator or Operator's liquor provider to obtain a temporary liquor license for the February Event. Such a suspension need only include the Use Areas. Unless such a suspension is in effect, all liquor must be obtained through the holder of the permanent Westworld Facility liquor license. Producer shall not allow alcohol served at the Westworld Facility to be consumed off of the Westworld Facility. Producer shall not allow anyone associated with the Events to bring into or take out of the Westworld Facility any alcohol. Producer must meet all necessary requirements for any special event liquor license and must assume all responsibility for obtaining, dispensing, and handling any alcoholic beverages served under the special event license, including, but not limited to, hiring qualified personnel to serve the alcoholic beverage and any increased insurance requirements.

4.22 Drainage Operations. Producer acknowledges that Producer's use of the Westworld Facility shall be subject and subordinate to use of the Westworld Facility as a drainage and flood control facility that will necessarily directly and indirectly affect Producer and the Westworld Facility. Operator's rights under this paragraph limit Producer's rights under all other provisions of this Agreement. Producer's use of the Westworld Facility shall not be permitted by Producer to in any way adversely affect use or operation of the Westworld Facility as a flood control facility. Operator and BOR shall have the following cumulative rights:

4.22.1 Operator and BOR reserve the right to further develop or improve the Westworld Facility as a flood control facility as it sees fit, regardless of the desires or views of Producer, and without interference or hindrance.

4.22.2 There is hereby reserved to Operator and BOR, and their successors and assigns a right of use of the Westworld Facility as a flood control facility. This right shall include the right to cause in the Westworld Facility such construction, earthmoving, maintenance, inspection, repair, replacement, Operations, and other activity inherent in the use of the Westworld Facility as a flood control facility.

4.22.3 Producer shall not be entitled to any damages or other remedy arising out of any use of the Westworld Facility for flood control purposes or for any interruption of Producer's business, use, or operation related thereto.

4.22.4 Producer shall not make use of the Westworld Facility in any manner, which might interfere with the use of the Westworld Facility as a flood control facility. Whether any particular conduct complies with the foregoing shall be determined by Operator and BOR.

4.22.5 Operator's and BOR's rights under this paragraph are delegable and are assignable.

4.23 Monterra Restaurant. This Agreement shall not be interpreted in a way that prevents Operator from performing its parking or other obligations with respect to Monterra's Restaurant or allows Producer (or requires Operator) to do anything that would interfere with access to the restaurant.

## V. OPERATOR'S IMPROVEMENTS

5. Operator's Improvements. Operator may continue to improve or change the Westworld Facility as follows:

5.1 No Improvements Required. Operator has not promised to and is not obligated in any manner to construct any new improvements or perform any other construction work at the Westworld Facility.

5.2 Reservation for Operator's Use and Future Improvements. Operator may construct, reconfigure, demolish, remove and otherwise modify the Westworld Facility and all improvements located at the Westworld Facility from time-to-time subject only to the specific prohibitions, if any, in this Agreement. Operator specifically reserves to itself and excludes from this Agreement the right to use all parts of the Westworld Facility at all times for any and all purposes that do not materially interfere with Producer's lawful conduct of the Permitted Uses under this Agreement. Operator may add or subtract parking or other land to or from the Westworld Facility and may otherwise change the boundaries of the Westworld Facility. Operator may also permit other public agencies and utility providers to enter all areas of the Westworld Facility at their sole risk and expense. Except in an emergency, any such entry by third parties to an Event shall be made only after reasonable oral notice to Producer.

5.3 Future Improvements. Except for the Equidome Project, Producer shall not have the right to use new buildings or other future improvements to the Westworld Facility unless such improvements are available for Producer's use at the time requested and Producer pays to Operator the applicable Extra Improvements Use Fee.

## VI. PRODUCER'S IMPROVEMENTS

6. Producer's Improvements. Producer shall not perform improvements, construction, utility alterations, or similar work of any kind at the Westworld Facility other than routine setup and take down activities for the Events as provided in this Agreement. Operator may refuse to

permit any construction work for any reason or for no reason. Operator's issuance of building permits or zoning clearances, or any other governmental reviews or actions shall not constitute approval of any work for purposes of this Agreement.

## VII. LESSEE'S INITIAL PROJECT CONSTRUCTION

7. Producer's Initial Project Construction. Operator has not approved or promised to approve any construction or similar work by Producer at the Westworld Facility. Producer is not obligated to construct any new improvements at the Westworld Facility.

## VIII. EVENT OPERATIONS

8. Event Operations. Except for the Base Operations Support, Producer shall be solely responsible for all work necessary to safely and properly prepare for, conduct, and take down the Events and to use the Westworld Facility for the Events during the term of this Agreement.

8.1 Access to Westworld Facility. Operator shall provide the Westworld Facility to Producer at the beginning of the Event Periods each year in a clean, safe, sound and attractive condition.

8.2 Producer's Operations. Except for the Base Operations Support, Producer shall be solely responsible for all set up, takedown, site preparation, janitorial service, cleanup, crowd control, parking management, security, temporary utilities, and other work necessary to safely and properly conduct the Events and to return the Westworld Facility to its prior condition following each Event.

8.3 Extra Operations Support. Operator will provide Extra Operations Support to Producer during the Events according to the pricing, availability, quality and capacity of such goods and services prevailing at the Westworld Facility at the time. Producer shall make all requests for Extra Operations Support in writing using the form attached hereto as **Exhibit "W"** or such other form as Operator may specify from time to time. Operator shall not be obligated to provide Extra Operations Support until Producer has properly requested the Extra Operations Support and Operator has subsequently agreed to provide it. Operator's ability to provide Extra Operations Support will be limited by resources available, taking into account the amount of time between the work requests and the work.

8.4 Maintenance by Producer. Producer shall at all times operate the Use Areas at Producer's sole expense in a sound, clean, safe and attractive manner, meeting or exceeding the manner of operation of first-class comparable events. All contractors working for Producer must waive any lien rights in writing before doing any work, if their work could result in a lien upon the Westworld Facility or other Operator property.

8.5 Entering Westworld. At the beginning of each Move-in Period (and prior to any permitted use of the Westworld Facility before commencement of a Move-in Period), Producer and Operator shall walk through the Westworld Facility together to record the state of the Westworld Facility and to make a written record of any prior damage. By entering the Westworld Facility to

begin setting up for the Events, Producer accepts the Westworld Facility as being in good condition and repair except as noted on the walk-through record.

8.6 Vacating Westworld. At the end of each Move-out Period (and after any permitted use of the Westworld Facility after the end of a Move-out Period), Producer shall vacate Westworld, leaving Westworld in as good condition as provided or better, ordinary wear and tear excepted. Prior to the end of each Move-out Period, Producer and Operator shall walk through the Westworld Facility together to record the state of the Westworld Facility, to make a written record of any new damage, and to determine the cost necessary to repair the damage. Except when prevented by good cause, the walk-through shall be conducted by the same Operator and Producer representatives who performed the walk-through prior to the Move-in Period. If Producer does not repair the damage before vacating the Westworld Facility, then the cost of the repairs shall be added to the Damage Use Fee.

8.7 Other Users. Producer acknowledges that Westworld is a year-round facility, which hosts numerous other events and activities. Accordingly, Producer must confine its activities to the times and locations specified in this Agreement and not interfere with or disrupt other events or activities. In addition, Operator and other Westworld Facility users will be moving-in, moving-out or conducting other events and activities at the Westworld Facility during periods that Producer may be at the Westworld Facility. Producer shall cooperate with Operator and other users to make the most efficient use of the Westworld Facility and to accommodate and avoid disturbing or interfering with other users or activities. Some of the other users (e.g. Barrett-Jackson) may have use of areas to be used by Producer and Producer must respect those uses.

~~8.8 Temporary Barns. The temporary barns discussed in this Agreement measure approximately one hundred feet (100') by twenty feet (20') overall and contain approximately twenty (20) individual horse stalls of approximately one hundred (100) square feet each.~~

8.9 Producer Provided Utilities. Producer shall install and use temporary utilities at the Westworld Facility at Producer's expense for the February Event, the October Event and the November Event as follows:

8.9.1 Producer may elect to install the following temporary above-ground utilities:

8.9.1.1 Electrical service.

8.9.1.2 Data, voice and video communication lines.

8.9.1.3 Temporary water lines in barn areas and extra RV areas.

8.9.2 Except for the Base Operations Support, Producer shall contract for and pay all charges, fees, deposits and other amounts for garbage disposal and for temporary electrical, telephone, and data communications facilities and service serving the Use Areas at the rates applicable thereto.

8.9.3 Producer shall pay for any and all temporary utility, installations and use, and all labor and supplies for electrical, water, and sewer hook-ups to existing service.



8.9.4 Producer shall install a fused disconnect switch for any connections made to an existing Westworld Facility power supply.

8.9.5 Producer must contract with Operator approved licensed contractors to perform utility work, and a member of the Westworld Facility operations staff must be present during hook-up. Licensee must make payment directly to the contractor who does the work.

8.9.6 Any power used from Monterra restaurant shall be arranged through separate agreement with the restaurant operator.

8.9.7 All plumbing, electrical, carpentry or any other type of utility work needed or requested by Producer shall be done or furnished by Operator or an Operator-approved contractor. Producer shall pay Operator or the Operator-approved contractor for these services according to the current schedule of rates on file at the Westworld Facility.

8.9.8 Producer shall not provide or use any other utilities at the Westworld Facility:

8.9.9 Operator shall limit utility usage as much as reasonably possible.

8.10 New Electrical Capacity. The electrical energy included in the Base Operations Support is limited to the amount of electrical energy that can be safely delivered through the various components of Operator's permanent electrical system at the Westworld Facility as of the date of the Old Agreement. If after the date of the Old Agreement Operator has installed or does install new electrical boxes or otherwise increases the capacity of all or part of Operator's fixed electrical system components at the Westworld Facility (through the Equidome Project or otherwise), and if the amount of electricity that Producer uses at any part of the Westworld Facility exceeds the capacity of any such component as of the date of the Old Agreement, then such additional electrical energy shall not be supplied by Operator as part of the Base Operations Support and Operator's cost of any such excess electricity used by Producer shall be added to the Extra Operations Support Use Fee. Charges will be calculated according to utility company rates for watts and loads used.

8.11 Utility Interruptions. Operator is not responsible for any interruption of utilities to or upon the Westworld Facility or other difficulties related to utilities at the Westworld Facility.

8.12 Secondary Business Activities. The following (the "Secondary Business Activities Requirements") shall apply to parking and other secondary business activities:

8.12.1 Certain other provisions of this Agreement specifically establish special rules for the February Event. (For example, there are special provisions for day parking and for alcohol for the February Event.) While the Secondary Business Activities Requirements apply to all Events, those special provisions of this Agreement that specifically apply to the February Event shall override the Secondary Business Activities Requirements as to the February Event to the extent necessary to avoid a contradiction between the Secondary Business Activities Requirements and the special provisions for the February Event.

8.12.2 The Secondary Business Activities Requirements are as stated in **Exhibit "X"**.

IX. BREACH BY LESSEE

9. Breach by Producer. Producer shall comply with, perform and do each performance and provision required of Producer herein and shall cause all persons using the Use Areas or claiming through or under Producer or this Agreement to do the same. Producer's failure to do so shall be a material breach by Producer of this Agreement.

9.1 Events of Default. This entire Agreement is made upon the condition that each and every one of the following events shall be deemed an "Event of Default" by Producer of Producer's material obligations under this Agreement:

9.1.1 If Producer shall be in arrears in the payment of Use Fee and shall not cure such arrearage within ten (10) days after Operator has notified Producer of such arrearage.

9.1.2 If Producer shall fail to immediately correct any failure to conduct the Events and its other activities at the Westworld Facility in compliance with this Agreement.

9.1.3 If Producer shall fail to timely conduct any of the Events.

9.1.4 If Producer shall fail to maintain any insurance required by this Agreement.

9.1.5 Any circumstance, occurrence, action or inaction contrary to the provisions of the Site Documents.

9.1.6 If Producer shall engage in a pattern of repeated failure (or neglect) to timely do or perform or observe any provision of this Agreement.

9.1.7 If Producer shall fail to or neglect to timely and completely do or perform or observe any other provisions contained herein and such failure or neglect shall continue for a period of thirty (30) days after Operator has notified Producer in writing of such failure or neglect.

9.2 Operator's Remedies. Upon the occurrence of any Event of Default or at any time, Operator may, at its option and from time to time, exercise at Producer's expense any or all or any combination of the following cumulative remedies in any order and repetitively at Operator's option:

9.2.1 Terminate this Agreement. Termination of this Agreement due to Producer's breach or for any other reason does not terminate Producer's obligations arising prior to or simultaneous with, or attributable to, the termination or in any way terminate any of Producer's liability related to any breach of this Agreement.

9.2.2 Without demand or notice, enter into and upon all or part of the Use Areas and repossess the same, and expel Producer and those claiming by, through or under it, and remove their effects, if any, forcibly if necessary, without being deemed guilty of trespass and without prejudice to any other remedy.

9.2.3 Enforce a lien (which Producer hereby grants to Operator in addition to any statutory or other lien that may exist) upon all of Producer's real or personal property now or at any time hereafter at or pertaining or related to the Use Areas securing all of Producer's obligations hereunder.

9.2.4 Pay or perform, for Producer's account, in Producer's name, and at Producer's expense, any or all payments or performances required hereunder to be paid or performed by Producer.

9.2.5 Abate at Producer's expense any violation of this Agreement.

9.2.6 Be excused without any liability to Producer therefor from further performance of any or all obligations under this Agreement.

9.2.7 Insist upon Producer's full and faithful performance under this Agreement and upon Producer's full and timely payment of all amounts during the entire remaining term of this Agreement.

9.2.8 Require an additional security deposit adequate in Operator's sole discretion to protect Operator and the Use Areas.

9.2.9 Assert, exercise or otherwise pursue at Producer's expense any and all other rights or remedies, legal or equitable, to which Operator may be entitled.

9.3 Notice of Licensee's Breach. Producer shall promptly give notice to Operator of any event or circumstance, that is (or which with the passing of time or the giving of notice or both will become) an Event of Default under this Agreement. Producer shall also promptly give to Operator notice of any notice or claim given by any third party alleging that an event or circumstance has occurred that is (or that with the passing of time or the giving of notice or both will become) an Event of Default under this Agreement.

9.4 Non-waiver. Producer acknowledges Producer's unconditional obligation to comply with this Agreement. No failure by Operator to demand any performance required of Producer under this Agreement, and no acceptance by Operator of any imperfect or partial performances under this Agreement, shall excuse such performance or impair in any way Operator's ability to insist, prospectively and retroactively, upon full compliance with this Agreement. No acceptance by Operator of Use Fee payments or other performances hereunder shall be deemed a compromise or settlement of any right Operator may have for additional, different or further payments or performances. Any waiver by Operator of any breach of condition or covenant herein contained to be kept and performed by Producer shall not be deemed or considered as a continuing waiver and shall not operate to bar or otherwise prevent Operator from declaring a default for any breach or succeeding or continuing breach either of the same condition or covenant or otherwise. No statement, bill or notice by Operator or Producer concerning payments or other performances due hereunder, or failure by Operator to demand any performance hereunder, shall excuse Producer from compliance with this Agreement nor estop Operator (or otherwise impair Operator's ability) to at any time correct such notice and/or insist prospectively and retroactively upon full compliance with this Agreement. No waiver of any description (INCLUDING ANY WAIVER OF THIS SENTENCE OR PARAGRAPH) shall be effective against Operator unless made in writing by a

duly authorized representative of Operator specifically identifying the particular provision being waived and specifically stating the scope of the waiver. PRODUCER EXPRESSLY DISCLAIMS AND SHALL NOT HAVE THE RIGHT TO RELY ON ANY SUPPOSED WAIVER OR OTHER CHANGE OR MODIFICATION, WHETHER BY WORD OR CONDUCT OR OTHERWISE, NOT CONFORMING TO THIS PARAGRAPH.

9.5 Reimbursement of Operator's Expenses. Producer shall pay to Operator upon demand any and all amounts expended or incurred by Operator in performing Producer's obligations together with interest thereon at the rate of two percent (2 %) per month from the date expended or incurred by Operator.

9.6 Breach by Operator. Notwithstanding anything in this Agreement to the contrary, in the event Operator at any time is required to pay to Producer any amount or render any performance, such amount or performance is not due until thirty (30) days after notice by Producer to Operator that the amount has become payable or that the performance is due. In the event a cure cannot be effected during that period, Operator shall not be in default so long as Operator commences cure during the period and diligently prosecutes the cure to completion provided such cure must be completed within sixty (60) days after the notice.

9.7 Right to Setoff and Credit. In addition to its other rights and remedies under this Agreement, Operator shall have the right to setoff and credit, from time to time and at any time, any and all amounts due from Producer to Operator, whether pursuant to this Agreement or otherwise, against any sum which may be due from Operator to Producer pursuant to this Agreement or otherwise.

#### X. TERMINATION

10. Rights at Termination. The following provisions shall apply at the expiration of the term hereof or upon any other termination of this Agreement:

10.1 Surviving Obligations. Expiration of this Agreement (or Operator's termination of this Agreement due to an Event of Default or any other reason) does not terminate Producer's obligations existing or arising prior to or simultaneous with, or attributable to, the termination or events leading to or occurring before termination.

10.2 Confirmation of Termination. Upon expiration or termination of this Agreement for any reason, Producer shall provide to Operator upon demand confirmations of termination covering the Use Areas executed and acknowledged by Producer and by all persons claiming through this Agreement or Producer any interest in or right to use the Use Areas.

#### XI. INDEMNITY AND INSURANCE

11. Insurance Responsibility. During the entire term of this Agreement, Producer shall insure the Use Areas and property and activities at and about the Use Areas and shall provide insurance and indemnification as follows:

11.1 Insurance Required. Prior to entering, occupying or using the Use Areas in any way, At all times when Producer is occupying or using the Westworld Facility in any way, Producer shall obtain and cause to be in force and effect the following insurance:

11.1.1 Commercial General Liability. Commercial general liability insurance with a limit of One Million Dollars (\$1,000,000) for each occurrence, a limit of Two Million Dollars (\$2,000,000) for products and completed operations annual aggregate, and a limit of Two Million Dollars (\$2,000,000) general aggregate limit per policy year. The policy shall cover liability arising from Westworld Facility, operations, independent contractors, products, completed operations, personal injury, bodily injury, advertising injury, and liability assumed under an "insured contract" including this Agreement. The policy will cover Producer's liability under the indemnity provisions of this Agreement.

11.1.2 Liquor Liability. Liquor liability insurance in an amount not less than Five Million Dollars (\$5,000,000) for each claim and Five Million Dollars (\$5,000,000) for all claims in the aggregate. This coverage is required at all times when alcohol is being consumed, sold, or served at the Use Areas, or when Producer holds any type of liquor license for the Use Areas, or when any liquor license otherwise exists with respect to the Use Areas.

11.1.3 Automobile Liability. Automobile liability insurance with a limit of One Million Dollars (\$1,000,000) for each occurrence covering any and all owned, hired, and non-owned vehicles assigned to or used in any way in connection with Producer's use of the Use Areas. Without limitation, such insurance shall cover hazards of motor vehicle use for loading and off loading.

11.1.4 Workers' Compensation. Such workers' compensation and similar insurance as is required by law and employer's liability insurance with a minimum limit of One Hundred Thousand Dollars (\$100,000) for each accident, One Hundred Thousand Dollars (\$100,000) disease for each employee, Five Hundred Thousand Dollars (\$500,000) policy limit for disease. All contractors and subcontractors must provide like insurance.

11.1.5 Personal Property. Producer shall maintain special causes of loss personal property coverage, as defined by Insurance Services Office, Inc., in an amount per occurrence equal to full replacement cost of all personal property used in connection with the Use Areas.

11.2 Other Insurance. Any other insurance Operator may reasonably require for the protection of Operator and Operator's employees, officials, representatives, officers and agents (all of whom, including Operator, are collectively "Additional Insureds"), the Use Areas, surrounding property, Producer, or the activities carried on or about the Use Areas.

11.3 Policy Limit Escalation. Operator may elect by notice to Producer to increase the amount or type of any insurance to account for inflation, changes in risk, or any other factor that Operator reasonably determines to affect the prudent amount of insurance to be provided.

11.4 Form of All Insurance. All insurance provided by Producer with respect to the Westworld Facility, whether required by this Agreement or not, shall meet the following requirements:

11.4.1 "Occurrence" coverage is required. "Claims made" insurance is not permitted.

11.4.2 If Producer uses any excess insurance then such excess insurance shall be "follow form" equal to or broader in coverage than the underlying insurance.

11.4.3 Policies must also cover and insure Producer's activities relating to the business operations and activities conducted away from the Use Areas.

11.4.4 Producer must clearly show by providing copies of insurance certificates, formal endorsements or other documentation acceptable to Operator that all insurance coverage required by this Agreement is provided.

11.4.5 Upon Operator's request, Producer shall provide to Operator copies of actual insurance policies.

11.4.6 Producer's insurance shall be primary insurance.

11.4.7 All policies, including workers' compensation, shall waive transfer rights of recovery (subrogation) against Operator, and the other Additional Insureds.

11.4.8 No deductibles, retentions, or "self insured" amounts shall exceed One Hundred Thousand Dollars (\$100,000.00) in the aggregate per year, per policy. Producer shall be solely responsible for any self-insurance amount or deductible.

11.4.9 No deductible shall be applicable to coverage provided to Operator.

11.4.10 Operator may require Producer from time to time to secure payment of any deductible or self-insured retention by a surety bond or irrevocable and unconditional letter of credit.

11.4.11 All policies shall contain provisions that neither Producer's breach of a policy requirement or warranty, nor failure to follow claims reporting procedures, shall affect coverage provided to Operator.

11.4.12 All policies except workers' compensation must name Operator and the other Additional Insureds as additional insureds. Producer shall cause coverage for Additional Insureds to be incorporated into each insurance policy by endorsement.

11.4.13 All applicable policies must name Operator as a loss payee as respects proceeds relating to the Use Areas.

11.4.14 All policies must require the insurer to provide Operator with at least thirty (30) days prior notice of any cancellation, reduction or other change in coverage. The insurer's duty to notify Operator of changes in coverage shall not include phrases such as "endeavor to" or "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives."

11.4.15 All policies shall require that notices be given to Operator in the manner specified for notices to Operator under this Agreement.

11.5 Insurance Timing. Producer shall cause all insurance policies to be issued (and provide to Operator the required evidence of such issuance) no later than thirty (30) days prior to the beginning of the Move-in Period for each Event. All insurance policies must be in effect and cover the entire time that Producer in any way uses the Westworld Facility. Liquor liability insurance is only required of Producer during the February Event Period and at all other times when alcohol is being consumed, sold or served at the Westworld Facility in connection with Producer or the Events, or when Producer holds any type of liquor license for the Westworld Facility in connection with Producer or the Events, or when any liquor license otherwise exists by someone other than Operator's exclusive alcohol vendor with respect to the Westworld Facility in connection with Producer or the Events.

11.6 Insurance Coverage. The insurance required by this Agreement shall cover all of the Westworld Facility.

11.7 Insurance Certificates. Producer shall evidence all insurance by furnishing to Operator certificates of insurance annually and with each change in insurance coverage. Certificates must evidence that the policy described by the certificate is in full force and effect and that the policy satisfies each requirement of this Agreement applicable to the policy. For example, certificates must evidence that Operator and the other Additional Insureds are additional insureds and that insurance proceeds will be paid as required by this Agreement. Certificates must be in a form acceptable to Operator. All certificates are in addition to the actual policies and endorsements required. Producer shall provide updated certificates at Operator's request.

11.8 Acceptable Insurers. All insurance policies shall be issued by insurers acceptable to Operator. At a minimum, all insurers shall be duly licensed (or qualified unlicensed non-admitted insurer) by the State of Arizona, Department of Insurance. At a minimum, all insurers shall have and maintain an A.M. Best, Inc. rating of B++ 6.

11.9 Operator's Election to Provide Insurance. Operator is not required to carry any insurance covering or affecting the Use Areas or use of Operator's property related to this Agreement. Operator may elect to acquire all or any part of the insurance required by this Agreement (with or without any other real property Operator may own, or control) and Producer shall pay to Operator the costs of such insurance as reasonably determined by Operator. Producer shall provide all required insurance not so provided by Operator. Any insurance or self insurance maintained by Operator shall not contribute to Producer's insurance.

11.10 Insurance Proceeds. All insurance proceeds (whether actually paid before or after termination of this Agreement) shall be paid directly to Operator and owned by Operator for Operator's use in compensating Operator for the loss and use of the Use Areas, protecting Operator, the Use Areas and Operator's property from every other loss or exposure suffered by Operator, and satisfying and securing Producer's obligations hereunder. Thereafter, proceeds of damage to the Use Areas shall be used as provided elsewhere in this Agreement. Any remaining proceeds shall be allocated among Operator, Producer and other interested parties as their interests may appear.

11.11 No Representation of Coverage Adequacy. By requiring insurance herein, Operator does not represent that coverage and limits will be adequate to protect Producer. Operator reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Producer from, nor be construed or deemed a waiver of, Producer's obligation to maintain the required insurance at all times.

11.12 Use of Subcontractors. If Producer subcontracts or otherwise delegates any work or use of the License Areas under this Agreement, Producer shall cause the delegatee to execute and provide to Operator a writing executed by the delegatee containing the same indemnification clauses and insurance requirements set forth herein protecting Operator and Producer. Producer shall provide to Operator certificates of insurance and other evidence that such requirements have been satisfied.

11.13 Indemnity. In addition to all other indemnities and other obligations hereunder, to the fullest extent permitted by law, throughout the term of this Agreement and until all obligations and performances under or related to this Agreement are satisfied and all matters described in this paragraph are completely resolved, Producer (and all other persons using, acting, working or claiming through or for Producer or this Agreement (if they or their subcontractor, employee or other person or entity hired or directed by them participated in any way in causing the claim in question)) shall jointly and severally pay, indemnify, defend and hold harmless Operator and all other Additional Insureds for, from and against any and all claims or harm related to the Use Areas or this Agreement (the "Indemnity"). Without limitation, the Indemnity shall include and apply to any and all allegations, demands, judgments, assessments, taxes, impositions, expenses, proceedings, liabilities, obligations, suits, actions, claims (including without limitation claims of personal injury, bodily injury, sickness, disease, death, property damage, destruction, loss of use, financial harm, or other impairment), damages, losses, expenses, penalties, fines or other matters (together with all attorney fees, court costs, and the cost of appellate proceedings and all other costs and expenses of litigation or resolving the claim) that may arise in any manner out of any use of the Use Areas or other property related to this Agreement or any actions, acts, errors, mistakes or omissions relating to work or services in the performance of or related to this Agreement, including without limitation any injury or damages or cause of action claimed or caused by any employees, contractors, subcontractors, tenants, subtenants, agents or other persons upon or using the Use Areas or surrounding areas related to this Agreement, including without limitation, claims, liability, harm or damages caused in part by Operator or any other Additional Insured or anyone for whose mistakes, errors, omissions or negligence Producer or Operator may be liable. As a condition to Operator's executing this Agreement, Producer specifically agrees that to the extent any provision of this paragraph is not fully enforceable against Producer for any reason whatsoever, this paragraph shall be deemed automatically reformed to the minimal extent necessary to cause it to be enforceable to the fullest extent permitted by law. The Indemnity shall also include and apply to any environmental injury, personal injury or other liability relating to Operator's or Producer's acquisition, ownership or use of real property developed, operated, owned, used, controlled or possessed by Operator or Producer under this Agreement. Notwithstanding the foregoing, the Indemnity does not apply to:

11.13.1 Claims arising only from the sole gross negligence of Operator.



11.13.2 Claims that the law prohibits from being imposed upon the indemnitor.

11.14 Risk of Loss. Producer assumes the risk of any and all loss, damage or claims to the Use Areas or related to Producer's use of the Use Areas or other property of Operator, Producer or third parties throughout the term hereof. Producer shall be responsible for any and all damage to its property and equipment related to this Agreement and shall hold harmless and indemnify Operator and all other Additional Insureds, regardless of the cause of such damages.

11.15 Indemnities and Insurance Cumulative. Producer's obligations to indemnify do not diminish in any way Producer's obligations to insure; and Producer's obligations to insure do not diminish in any way Producer's obligations to indemnify. Producer's obligations to indemnify and provide insurance are in addition to, and do not limit, any and all other liabilities or obligations of Producer under or connected with this Agreement. The amount and type of insurance coverage required by this Agreement will in no way be construed as limiting the scope of the indemnities in this paragraph.

11.16 Insurance to be Provided by Others. Any contractors or other persons occupying, working on or about, or using the Use Areas pursuant to this Agreement must also provide for the protection of Operator and all other Additional Insureds all of the insurance and indemnification required by this Agreement. The preceding sentence does not require such persons to provide insurance that merely duplicates insurance Producer provides.

11.17 BOR Insurance. Producer shall cause BOR to be a named insured under insurance required by this Agreement and, to the extent requested by Operator from time to time, Producer's indemnities shall include BOR.

## XII. CONDEMNATION

12. Condemnation. The following shall govern any acquisition by eminent domain of all or any part of or interest in the Use Areas (the "Part Taken") and any conveyance to a condemnor in avoidance or settlement of eminent domain or a threat of eminent domain and any termination of the BOR Agreement:

12.1 Termination as to Part Taken. This Agreement shall terminate as to the Part Taken on the date (the "Condemnation Date") that is the earlier of the date title to the Part Taken vests in the condemnor, or the date upon which the condemnor is let into possession of the Part Taken. Producer shall execute and deliver to Operator deeds or other instruments reasonably requested by Operator conveying and assigning to Operator Producer's rights to the Part Taken. In the case of a total condemnation or a condemnation that prevents the Events from occurring as contemplated by this Agreement, this Agreement shall expire as to the entire Use Areas as of the Condemnation Date.

12.2 Condemnation Proceeds. Producer hereby assigns and transfers to Operator Producer's entire interest in all condemnation damages, interest, severance damages, and any other payments or proceeds of any kind relating to the condemnation (collectively the "Condemnation Proceeds"). Producer shall execute and deliver to Operator assignments or other instruments requested by Operator confirming such assignment and transfer. Producer shall immediately pay to Operator any Condemnation Proceeds Producer may receive.

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12.3 Power to Condemn. Producer acknowledges that BOR and others from time-to-time may use the power to condemn the Use Areas or any interest therein or rights thereto. Operator has not relinquished any right of condemnation or eminent domain over the Use Areas. Operator does not warrant that BOR, Operator will not condemn the Use Areas during the term of this Agreement, but Operator does not presently have intentions to condemn the Use Areas.

### XIII. DAMAGE TO OR DESTRUCTION OF WESTWORLD FACILITY

13. Damage to or Destruction of the Westworld Facility. The following provisions shall govern damage to or destruction of the Use Areas by fire, explosion, the elements, the public enemy, or other casualty (collectively "Casualty Damage").

13.1 Termination. If the cost of repairing the Casualty Damage exceeds One Hundred Thousand and No/100 Dollars (\$100,000.00), then Operator shall elect whether to terminate this Agreement or repair the Casualty Damage. Otherwise, Operator shall repair the Casualty Damage.

13.2 Repair. If Operator elects to repair the Casualty Damage, then this Agreement shall continue and Base Use Fee (but not any other part of the Use Fee) shall abate (using a proration reasonably allocated by Operator) as to each damaged portion of the Westworld Facility until the Casualty Damage for that portion of the Westworld Facility is repaired.

### XIV. PRODUCER'S RECORDS

14. Producer's Records. During the entire term of this Agreement, Producer shall keep records and provide information to Operator as follows:

14.1 Scope of Information. Unless otherwise specified, Operator is only entitled to obtain Producer's information regarding the following topics as reasonably determined by Operator (collectively the "Covered Information"):

14.1.1 Information relating to this Agreement or to any of Operator's or Producer's rights or obligations hereunder.

14.1.2 Activities and operations conducted at or from the Westworld Facility.

14.2 Records Inspection. If requested by Operator, Producer shall at Producer's expense:

14.2.1 Permit and assist Operator and its representatives at all reasonable times to inspect, audit, and copy Producer's records of Covered Information.

14.2.2 Make the records of Covered Information (and reasonable accommodations for Operator's audit and inspection) available to Operator at Producer's offices in Maricopa County, Arizona (or at another location requested by Operator within the corporate limits of the City of Scottsdale).

14.2.3 Cause Producer's employees and agents and accountants to give their full cooperation and assistance in connection with Operator access to the Covered Information.

14.3 Standards for Records. Producer shall maintain a standard, modern system of recordkeeping for the Covered Information and shall keep and maintain proper and accurate books and other repositories of information relating to the Covered Information in accordance with generally accepted accounting principles applied on a consistent basis. In the event Operator does not receive Covered Information, Operator shall have the right to estimate the information that is not provided, which estimate shall be binding upon Producer.

14.4 Record Retention. Producer shall preserve records of the Covered Information in a secure place within the Maricopa County, Arizona for a period ending seven (7) years after the time period reported by the records.

14.5 Record Media Included. Operator's and Producer's rights and obligations regarding the Covered Information encompass all media, materials, and data repositories of every kind and character. Such repositories include, without limitation, records, books, papers, documents, logs, accounts, notes, diaries, ledgers, correspondence, reports, drawings, receipts, vouchers and memoranda, and any and all other sources, records and repositories of Covered Information.

14.6 Costs of Audit. If an audit, inspection or examination discloses underpayments (or other matters adjusted in favor of Operator) of any nature that exceed three percent (3%) of any payments or single payment, Producer shall pay to Operator Operator's actual cost (based on the amount paid by Operator, or based on reasonable charges charged by private auditors and other service providers for comparable work if the audit is performed by Operator's employees) of the audit, inspection or examination, together with late fees, interest, and other amounts payable in connection with such adjustments or payments. Any adjustments and/or payments due as a result of any such audit, inspection or examination shall be made within a reasonable amount of time (not to exceed 30 days) after Operator gives to Producer notice of Operator's findings.

## XV. COMPLIANCE WITH LAW

15. Compliance with Law. Producer shall perform its obligations under this Agreement and all activities at the Westworld Facility in accordance with all federal, state, county and local laws, ordinances, regulations or other rules or policies as are now in effect or as may hereafter be adopted or amended. Without limiting in any way the generality of the foregoing, Producer shall comply with all and each of the following:

15.1 Applicability of Municipal Law. Without limitation, Producer shall comply with municipal laws as follows:

15.1.1 Producer acknowledges that this Agreement does not constitute, and Operator has not promised or offered, any type of waiver of, or agreement to waive (or show any type of forbearance, priority or favoritism to Producer with regard to) any law, ordinance, power, regulation, tax, assessment or other legal requirement now or hereafter imposed by the City of Scottsdale or any other governmental body upon or affecting Producer, the Use Areas, the Westworld Facility or Producer's use of the Use Areas or the Westworld Facility.

15.1.2 All of Producer's obligations hereunder are in addition to, and cumulative upon (and not to any extent in substitution or satisfaction of), all existing or future laws and regulations applicable to Producer.

15.1.3 This Agreement includes, replaces and supersedes all economic or other incentives from or through the City of Scottsdale applicable to the Events. In the case of any existing or future ordinance or other law of the City of Scottsdale authorizing a credit, reduction in tax or amount charged or assessed, or any other benefit as a result of performances rendered under this Agreement, Producer expressly waives, relinquishes and repudiates all such benefits with respect to performances rendered under this Agreement. This paragraph does not prevent the parties from entering into subsequent sponsorship, economic development or other contracts regarding the Events.

15.1.4 This Agreement is not intended to diminish any performances that would be required of Producer by law if this Agreement had been made between Producer and a private citizen.

15.1.5 Operator by this Agreement can not and has not relinquished or limited any right of condemnation or eminent domain over the Use Areas or any other property related to this Agreement or within the Westworld Facility.

15.1.6 Operator's rights and remedies hereunder for Producer's failure to comply with all applicable laws supplement and are in addition to and do not replace otherwise existing powers of the City of Scottsdale or any other governmental body.

15.2 Taxes, Liens and Assessments. In addition to all other amounts herein provided, Producer shall pay, when the same become due and payable, all taxes and general and special fees, charges and assessments of every description that during the term of this Agreement may be levied upon or assessed upon or with respect to Producer's use of the Use Areas, the operations conducted therein, any amounts paid or other performances under this Agreement by either party, and all possessory interest in the Use Areas and improvements and other property thereon, whether belonging to Operator or Producer. Producer shall pay, indemnify, defend and hold harmless Operator and the Use Areas and all interests therein and improvements thereon from any and all such obligations, including any interest, penalties and other expenses which may be imposed, and from any lien therefor or sale or other proceedings to enforce payment thereof. Operator shall have the right from time to time to require that all of the foregoing payments be made by Producer through Operator. Producer shall pay all sales, transaction privilege, and other taxes.

15.3 Food Laws. Producer shall at all times comply with Federal Pure Food and Drug Laws and all other applicable health rules, regulations, standards, laws and ordinances of the United States of America, State of Arizona, County of Maricopa, City of Scottsdale and any other authority lawfully exercising authority over food and beverage services. Producer shall at its own expense obtain and maintain all necessary licenses and permits permitting the sale of food and beverages on the Use Areas.

15.4 New Westworld Facility Regulations. Operator reserves the right to adopt, amend and enforce against Producer new or amended rules and regulations governing the operation of

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the Westworld Facility, including the concession areas generally and the Use Areas, Producer's activities thereon, and the public areas and facilities used by Producer in connection therewith. Notwithstanding the foregoing, Operator shall grant to Producer an exception to certain new or amended regulations (the "New Rule Exceptions"). A New Rule Exception shall apply if and only if both of the following are true:

15.4.1 The new or amended rule or regulation materially increases the cost to Producer of putting on the Events and Operator does not offer to compensate Producer for the increased cost.

15.4.2 The new or amended rule or regulation does not directly enhance health, safety, or welfare of the Westworld Facility, its users, or the public. (An example of such a new or amended rule or regulation would be a new regulation that merely imposes an additional fee for using an arena that Producer is already entitled to use. On the other hand, such a new or amended rule or regulation would not include a regulation requiring that motorized equipment be equipped with a certain type of spark arrestor, for example.)

15.5 Westworld Facility Agreements. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between Operator and BOR, or any other governmental agency relative to the development, funding, operation or maintenance of the Westworld Facility.

## XVI. ASSIGNABILITY

16. Assignability. This Agreement is not assignable by Producer (and any assignment shall be void and vest no rights in the purported assignee) unless the assignment is made in strict compliance with the following:

16.1 Assignments Affected. All references in this Agreement to assignments by Producer or to assignees shall be deemed also to apply to all of the following transactions, circumstances and conditions and to all persons claiming pursuant to the such transactions, circumstances and conditions:

16.1.1 Any voluntary or involuntary assignment, conveyance, transfer or sublease of the Use Areas or any interest therein or any rights under this Agreement, in whole or in part.

16.1.2 Any voluntary or involuntary pledge, lien, mortgage, security interest, judgment, deed of trust, claim or demand, whether arising from any contract, any agreement, any work of construction, repair, restoration, maintenance or removal, or otherwise affecting the Use Areas (collectively "Liens").

16.1.3 The use, occupation, management, control or operation of the Use Areas or any part thereof by others, except for ordinary food, souvenir, and other vendors and concessionaires serving the Events under contract with Producer.

16.1.4 Any transfer of membership interests, corporate stock or any other direct or indirect transfer of any significant part of the ownership, management or control of Producer not caused by the death of a shareholder or other owner.

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16.1.5 Any assignment by Producer for the benefit of creditors, voluntary or involuntary.

16.1.6 The occurrence of any of the foregoing by operation of law or otherwise.

16.1.7 The occurrence of any of the foregoing with respect to any assignee or other successor to Producer.

16.2 Grounds for Refusal. No assignment of this Agreement by Producer is contemplated or bargained for. Producer acknowledges that only Producer personally can provide to Operator the benefits that induced Operator to enter into this Agreement and that Operator has entered into this Agreement in strict reliance upon Producer's covenant that only Producer alone would occupy the Use Areas and conduct the Events. Operator has the absolute right for any reason or for no reason in its sole and absolute discretion to give or withhold consent to any Assignment or to impose any conditions whatsoever upon Operator's consent to any Assignment.

16.3 Effect of Assignment. Prior to any assignment, each assignee must execute an assumption of this Agreement in form acceptable to Licensor. No action or inaction by Operator shall be deemed a waiver of the prohibition on assignments or any other provision of this Agreement, or the acceptance of the assignee, sublessee or occupant as Producer, or a release of Producer from the further performance by Producer of the provisions of this Agreement. Consent by Operator to an assignment shall not relieve Producer from obtaining Operator's consent to any further assignment. No assignment shall release Producer from any liability hereunder.

~~16.4 Assignment Remedies. Any assignment without Operator's consent shall be void and shall not result in the assignee obtaining any rights or interests in, under or related to this Agreement. Operator may, in its sole discretion and in addition to all other remedies available to Operator under this Agreement or otherwise, and in any combination, terminate this Agreement, collect Use Fee from the assignee and/or declare the assignment to be void, all without prejudicing any other right or remedy of Operator under this Agreement. No cure or grace periods shall apply to assignments prohibited by this Agreement or to enforcement of any provision of this Agreement against an assignee who did not receive Operator's consent.~~

16.5 Assignment Fee. Producer shall pay to Operator in advance the sum of Two Thousand Five Hundred Dollars (\$2,500) as a nonrefundable fee for legal, administrative and other expenses related to any request for a consent to assignment, whether or not Operator grants such request.

## XVII. MISCELLANEOUS

17. Miscellaneous. The following additional provisions apply to this Agreement:

17.1 Amendments. This Agreement may not be amended except by a formal writing executed by Operator and Producer.

17.2 Time of Essence. Time is of the essence of each and every provision of this Agreement.

17.3 Survival of Liability. All obligations of Producer hereunder and all warranties and indemnities of Producer hereunder shall survive termination of this Agreement for any reason.

17.4 Severability. In the event any term, condition, covenant, stipulation, agreement or other provision of this Agreement is held to be invalid or unenforceable for any reason, the invalidity of any such provision shall in no way affect any other provision. Further, this Agreement shall be deemed automatically reformed to secure to Operator the legal, equitable, practical and other benefits of the provisions of this Agreement to the very maximum extent permitted by law.

17.5 Conflicts of Interest. No officer or employee of Operator shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement that is prohibited by law.

17.6 No Partnership. This Agreement and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties.

17.7 Nonliability of Officials and Employees. No official, representative or employee of Operator shall be personally liable to any party, or to any successor in interest to any party, in the event of any default or breach by Operator or for any amount which may become due to any party or successor, or with respect to any obligation of Operator or otherwise under the terms of this Agreement or related to this Agreement.

17.8 Notices. Notices hereunder shall be given in writing delivered to the other party or mailed by registered or certified mail, return receipt requested, postage prepaid addressed to:

If to Operator:           City Manager  
                                  City of Scottsdale  
                                  3939 N. Drinkwater Blvd.  
                                  Scottsdale, AZ 85251

Copy to:                   Westworld Manager  
                                  City of Scottsdale  
                                  16601 N. Pima Road  
                                  Scottsdale, AZ 85260

Copy to:                   City Attorney  
                                  City of Scottsdale  
                                  3939 N. Drinkwater Blvd.  
                                  Scottsdale, AZ 85251

If to Producer:           President  
                                  Arabian Horse Association of Arizona  
                                  P.O. Box 13865  
                                  Scottsdale, AZ 85267

By notice from time to time, a person may designate any other street address within Maricopa County, Arizona as its address for giving notice hereunder. Service of any notice by mail shall be

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deemed to be complete three (3) days (excluding Saturday, Sunday and legal holidays) after the notice is deposited in the United States mail.

17.9 Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior understanding, negotiation, or discussion regarding the Use Areas.

17.10 Other Agreements. Operator and Producer may now be (or may hereafter become) parties to other contracts regarding the Events. Unless otherwise specified in such contracts, such other contracts and this Agreement are separate and do not modify each other.

17.11 Construction. Whenever the context of this Agreement requires, the singular shall include the plural, and the masculine shall include the feminine. This Agreement was negotiated on the basis that it shall be construed according to its plain meaning and neither for nor against any party, regardless of their respective roles in preparing this Agreement. The terms of this Agreement were established in light of the plain meaning of this Agreement and this Agreement shall therefore be interpreted according to its plain meaning and without regard to rules of interpretation, if any, which might otherwise favor Producer.

17.12 Funding. This subparagraph shall control notwithstanding any provision of this Agreement or any exhibit or other agreement or document related hereto. In the event funds necessary to fulfill Operator's obligations under this Agreement are not appropriated by the Scottsdale City Council, Operator may terminate this Agreement, by notice to Producer. Operator shall use best efforts to give notice of such a termination to Producer at least thirty (30) days prior to the end of Operator's then current fiscal period and will pay all amounts payable through the end of such period. Termination in accordance with this provision shall not constitute a breach of this Agreement by Operator. No person will be entitled to any compensation, damages or other remedy from Operator if this Agreement is terminated pursuant to the terms of this subsection.

17.13 Paragraph Headings. The paragraph headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Agreement.

17.14 No Third Party Beneficiaries. Except for limited provisions expressly stated to be for the benefit of a third party, if any, no person or entity shall be a third party beneficiary to this Agreement or shall have any right or cause of action hereunder.

17.15 Exhibits. All Exhibits specifically stated to be attached hereto as specified herein are hereby incorporated into and made an integral part of this Agreement for all purposes.

17.16 Attorneys' Fees. In the event any action, suit or proceeding is brought to enforce this Agreement, Producer shall pay all costs of such action or suit and all expenses of such action or suit together with such sum as the court (and not a jury) may adjudge reasonable as attorneys' fees to be allowed in said suit, action or proceeding and other litigation costs. Producer shall provide evidence to Operator of the rate of payment of Producer's attorneys fees to its counsel and Operator shall be entitled to recover payment for attorneys employed by Operator (including attorneys who are regular employees of Operator) on such proceeding at the same rate of payment.



17.17 Choice of Law. This Agreement shall be governed by the internal laws of the State of Arizona without regard to choice of law rules. Operator has not waived its claims procedures as respects this Agreement. Exclusive proper venue for any action regarding this Agreement shall be Maricopa County Superior Court. Operator and Producer consent to personal jurisdiction in such court.

17.18 Statutory Cancellation Right. In addition to its other rights hereunder, Operator shall have the rights specified in A.R.S. § 38-511.

EXECUTED as of the date first given above.

**PRODUCER:** ARABIAN HORSE ASSOCIATION OF ARIZONA, an Arizona non-profit corporation

By: J. D. Allen  
Jay D. Allen  
Its: president

**OPERATOR:** CITY OF SCOTTSDALE,  
an Arizona municipal corporation

By: \_\_\_\_\_  
W. J. "Jim" Lane, Mayor

ATTEST:

\_\_\_\_\_  
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

Kelly Ward  
for  
Bruce Washburn, City Attorney

Paul T. Katsenes  
Paul T. Katsenes, Director of Tourism and Events Department

Katherine Callaway  
Katherine Callaway, Risk Management Director

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**TABLE OF EXHIBITS**

<u>New Exhibit</u>	<u>Old Exhibit</u>	<u>Paragraph</u>	<u>Description</u>
<b>MAP</b>			
A	A	F	Map showing names of Westworld Facility Use Areas
<b>FEBRUARY EXHIBITS</b>			
B	B	1.2.2	List of February Event Move-in Exceptions
C	C	1.3.3	List of February Event Move-out Exceptions
D	D	1.4	List of February Event Use Areas
E	E	1.5.1	List of February Event Base Operations Support paid by Operator
F	F	1.5.1	List of examples of February Event Extra Operations Support not paid by Operator
G	G	1.6	List of February Event Information Producer will provide to Operator each year
<b>OCTOBER EXHIBITS</b>			
H	none	1.11	List of October Event Use Areas
I	none	1.12.1	List of October Event Base Operations Support paid by Operator
J	none	1.12.1	List of examples of October Event Extra Operations Support not paid by Operator
K	none	1.13	List of October Event Information Producer will provide to Operator each year
<b>NOVEMBER EXHIBITS</b>			
L	H	1.18	List of November Event Use Areas
M	I	1.19.1	List of All November Event Base Operations Support paid by Operator
N	J	1.19.1	List of examples of November Event Operations Support not paid by Operator
O	K	1.20	List of November Event Information Producer will provide to Operator each year
<b>ONE-DAY EXHIBITS</b>			
P	L	1.24	List of One-Day Event Use Areas
Q	M	1.25.1	List of All One-Day Event Base Operations Support paid by Operator

R N 1.25.1 List of examples of One-Day Event Extra Operations Support not paid by Operator

S none 1.26 List of One-day Event Information Producer will provide to Operator before each One-day Event

**RULES AND REGULATIONS**

T O 4.2.1 Westworld Rules and Regulations

U P 4.2.1 List of Exceptions to Westworld Rules and Regulations

V Q 4.20 Nudity and other adult conduct

W R 8.3 Extra Operations Support work order

X none 8.12 Secondary Business Activities Requirements



EXHIBIT A  
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**List of February Event Move-in Exceptions**

1. Early Move-in Privileges. Producer shall have limited early access to the Westworld Facility prior to the February Move-in Period as follows:

1.1 No later than December 15 of each year, Operator shall make storage space available somewhere at the Westworld Facility for temporary storage of temporary barns for the February Event. If Operator determines that space is available, Operator shall allow Producer to begin setting up the temporary barns at that time.

1.2 On the Monday before the February Move-in Period, Operator shall make space available at the Westworld Facility for setup of temporary barns, tents, fences and office trailers for the February Event.

### List of February Event Move-out Exceptions

1. Early Move-out Obligations. The following move-out activities for the February Event must be accomplished by the dates specified:

1.1 All RV's must vacate the Westworld Facility no later than noon on Monday of the February Move-out Period.

1.2 Producer shall finish removal of display trailers and small tents no later than Wednesday of the February Move-out Period.

1.3 Producer shall have use of one arena for exercising horses only until noon on Wednesday of the February Move-out Period. Producer shall cause all horses to be removed from the Westworld Facility by noon on Wednesday of the February Move-out Period.

1.4 Producer shall finish removing all barn decorations and cleaning up permanent barns by noon on Thursday of the February Move-out Period.

2. Late Move-out Privileges. Producer shall have limited late access to the Westworld Facility after the February Move-out Period as follows:

2.1 Producer is not required to finish removing the temporary fencing until the day after the February Move-out Period.

2.2 Except for temporary barns Operator may elect to allow in Parking Lot H, Producer is not required to finish removal of temporary barns until the second Sunday following the February Move-out Period.

### List of February Event Use Areas

1. Exclusive Use Areas. Producer shall have exclusive use of the entire Westworld Facility during the February Event Period, subject to the rights reserved to Operator under this Agreement. The Westworld Facility must include space for one hundred eight (108) temporary barns in an area with immediate access to electricity and water.

2. Supplemental Areas. For purposes of the February Event, the Westworld Facility includes the real property for which Operator has recreational use rights under the BOR Agreement together with such parking, R.V., and temporary barn areas as Operator may own and make available for parking, R.V., and temporary barn use on the following parcels:

2.1 The parcel north of the Equidome comprising approximately fifty-two (52) acres of former State Trust Land. (This parcel is also known as Lot K.)

2.2 The parcel north of arena 3 comprising approximately six (6) acres of formerly privately owned land. (This parcel is also known as Lot T.)

2.3 The parcel west of 98th Street north of arena 5A comprising approximately eighteen (18) acres of former State Trust Land. (This parcel is also known as Lot M.)

3. Excluded Areas. Operator reserves the following areas of the Westworld Facility during the February Event Period:

3.1 The big tent.

3.2 The approximately 10 acre Arizona State Land Department SLUP parcel fronting Bell Road.

3.3 Lot C.

3.4 Shared use of the streets and parking areas.

3.5 All administrative offices and related parking.

3.6 Monterra restaurant and related parking.

3.7 Law enforcement stables and related parking.

3.8 10 R.V. spaces selected by Operator.

3.9 Other areas dedicated to an ongoing use, such as the Westworld Facility on-site feed and bedding operation.

3.10 Any area that Producer is not actually using.

**List of All February Event Base Operations Support Paid By Operator**

1. Use of arena lights.
2. Use of public address system.
3. Use of up to one thousand seven hundred (1,700) linear feet of cattle panels.
4. Use of all available chairs for the Wendell arena.
5. Use of all available picnic tables (with attached benches).
6. Use of all available bleachers set once.
7. Use of all available RV pedestals. Operator shall repair and replace RV pedestals as necessary to maintain an inventory of not less than 225 useable RV pedestals for the February Event.
8. Electrical power from Operator's existing permanent electrical facilities.
9. Periodic use of a water truck and tractor to supplement the equipment and crews that Producer provides to water and drag arenas. This begins on the first day of the Move-in Period and ends the last day of the Event Period. Not more than 3 drags and 2 waters per arena per day.
10. One-time set of available Operator owned portable stalls, but only to the extent adequate permanent stalls are not available. Operator shall repair and replace stalls as necessary to maintain an inventory of not less than 380 useable portable stalls for the February Event.
11. One-time set-up of judges chairs and judges stand in all show arenas.
12. One-time configuration of existing public address system at all arenas.



**List of Examples of February Event Extra Operations Support Not Paid By Operator**

1. Light towers.
2. Moving bleachers and other equipment.
3. Cleaning supplies.
4. Restroom supplies.
5. Trash bags.
6. Hand tools.
7. Brooms, rakes and shovels.
8. Labor for domestic garbage daily service.
9. Labor for daily custodial and show office custodial service.
10. Tenting.
11. Fencing.
12. Curbing for tents and ramps for curbing.
13. Golf carts.
14. Portable public restrooms.
15. Portable drinking fountains.
16. Labor and materials to install, connect, remove or otherwise deal with any electrical, water, sewer or other systems that are not part of the Westworld Facility's permanent utility system. The preceding sentence does not apply to nominal amounts of nonskilled labor that Producer's staff routinely performs for Producer's and other events to configure electricity for flexible RV spots using equipment from Producer's normal RV spot configuration equipment inventory. Any such work allowed for the Event is confined to Lot F.
17. Removal of horse manure and shavings and final cleanup of permanent and temporary barns and manure bins after the Event, following removal of all other items by Producer.
18. Commercial dumpsters and hauling services.
19. Any other Operations Support or work.

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**List of February Event Information Producer Will Provide to Operator Each Year**

1. A schedule of the February Event activities and all move-in and move-out activities.
2. A site plan showing the layout of the upcoming February Event showing scheduled activities, staging, parking, vendor, vehicle and pedestrian circulation, emergency access, and all other areas to be used for the February Event.
3. A description of any temporary work to the Westworld Facility, such as tents, staking, grading, moving dirt, or temporary stairs that Producer proposes for the upcoming February Event.
4. A list of additional Operations Support that Producer desires to purchase from Operator for the February Event.
5. A description of liquor licensing and alcohol and catering services for the upcoming February Event.
6. A statement whether Producer requests that any existing liquor license covering the Westworld Facility be suspended for the portions of the Westworld Facility that the February Event will be using during the February Event Period.
7. A thorough description of fire, emergency and other public safety plans for the upcoming February Event.
8. The name of Producer's agent in charge of the February Event.
9. The names of persons who are authorized to contract with Operator on Producer's behalf for Extra Operations Support for the February Event.
10. Attendance estimates.
11. Stall estimates.
12. Such other information as Operator may reasonably specify.

### List of October Event Use Areas

1. Exclusive Use Areas. Producer shall have exclusive use of the following areas during the October Event Period, limited to quantities and conditions as they exist on the date of this Agreement (or as they may be improved as part of the Equidome Project):

- 1.1 Equidome and arenas #3 and #4.
- 1.2 South hall.
- 1.3 Permanent barns A, B, H and I.
- 1.4 The show office at the Equidome.
- 1.5 One (1) area suitable for farrier operations.

2. Shared Use Areas. Producer shall have shared use of the following areas, limited to quantities and conditions as they exist on the date of this Agreement:

2.1 Such public parking areas of the Westworld Facility as Operator may make available for public parking from day-to-day, taking into account competing uses for such areas and general Westworld Facility management considerations.

- 2.2 Reasonable access ways to the exclusive use Areas.
- 2.3 Permanent public restrooms.

**List of All October Event Base Operations Support Paid By Operator**

1. Use of arena lights.
2. Use of public address system.
3. Use of available picnic tables (with attached benches).
4. Electrical power from Operator's existing permanent electrical facilities.
5. Operator shall drag each show arena two times each day and shall water each show arena two times each day.
6. One-time set of available Operator owned portable stalls.

**List of Examples of October Event Extra Operations Support Not Paid By Operator**

1. Light towers.
2. Moving bleachers and other equipment.
3. Cleaning supplies.
4. Restroom supplies.
5. Trash bags.
6. Daily domestic garbage service.
7. Daily restroom service.
8. Tenting.
9. Fencing.
10. Curbing for tents and ramps for curbing.
11. Golf carts.
12. Portable public restrooms.
13. Portable drinking fountains.
14. Labor and materials to install, connect, remove or otherwise deal with any electrical, water, sewer or other systems that are not part of the Westworld Facility's permanent utility system. The preceding sentence does not apply to nominal amounts of nonskilled labor that Producer's staff routinely performs for Producer's and events to configure flexible RV spots using equipment from Producer's normal equipment inventory.
15. Removal of horse manure and shavings and final cleanup of permanent and temporary barns and manure bins after the Event, following removal of all other items by Producer.
16. Commercial dumpsters and hauling services.
17. Any other Operations Support or work.

**List of October Event Information Producer Will Provide to Operator Each Year**

1. A schedule of the October Event activities and all setup and takedown activities.
2. A site plan showing the layout of the upcoming October Event showing scheduled activities, staging, parking, vendor, vehicle and pedestrian circulation, emergency access, and all other areas to be used for the October Event.
3. A description of any temporary work to the Westworld Facility, such as tents, staking, grading, moving dirt, or temporary stairs that Producer proposes for the upcoming October Event.
4. A list of the Extra Operations Support that Producer desires to purchase from Operator for the October Event.
5. The name of Producer's agents in charge of the October Event.
6. The names of the persons who are authorized to contract with Operator on Producer's behalf for Extra Operations Support for the October Event.
7. Stall estimates.
8. Stabling layout.
9. Plan for use of the South Hall.
10. Such other information as Operator may reasonably specify.

**List of November Event Use Areas**

1. Exclusive Use Areas. Producer shall have exclusive use of the following areas during the November Event Period, limited to quantities and conditions as they exist on the date of this Agreement (as they improved as part of the Equidome Project):

1.1 Equidome and arenas #3, #4, #6, #7 and #8.

1.2 These barns:

A, B, C, D

H, I, J, K

O, P, Q, R

1.3 The South Hall.

1.4 The show office at the Equidome and show office 6.

1.5 One (1) area suitable for farrier operations.

2. Shared Use Areas. Producer shall have shared use of the following areas, limited to quantities and conditions as they exist on the date of this Agreement:

2.1 Such public parking areas of the Westworld Facility as Operator may make available for public parking from day-to-day, taking into account competing uses for such areas and general Westworld Facility management considerations.

2.2 Reasonable access ways to the exclusive use Areas.

2.3 Permanent public restrooms.

**List of All November Event Base Operations Support Paid By Operator**

1. Use of arena lights.
2. Use of public address system.
3. Use of all available picnic tables (with attached benches).
4. Electrical power from Operator's existing permanent electrical facilities.
5. Periodic use of a water truck and tractor to supplement the equipment and crews that Producer provides to water and drag arenas. This begins on the first day of the Move-in Period and ends the last day of the Event Period. Not more than 3 drags and 2 waters per arena per day.
6. One-time set of available Operator owned portable stalls.
7. One-time set-up of judges chairs and judges stand in all show arenas.
8. One-time configuration of existing public address system at all arenas.



**List of Examples of November Event Extra Operations Support Not Paid By Operator**

1. Light towers.
2. Moving bleachers and other equipment.
3. Cleaning supplies.
4. Restroom supplies.
5. Trash bags.
6. Hand tools.
7. Brooms, rakes and shovels.
8. Tenting.
9. Fencing.
10. Curbing for tents and ramps for curbing.
11. Golf carts.
12. Portable public restrooms.
13. Portable drinking fountains.
20. Labor and materials to install, connect, remove or otherwise deal with any electrical, water, sewer or other systems that are not part of the Westworld Facility's permanent utility system. The preceding sentence does not apply to nominal amounts of nonskilled labor that Producer's staff routinely performs for Producer's and events to configure electricity for flexible RV spots using equipment from Producer's normal RV spot configuration equipment inventory. Any such work allowed for the Event is confined to Lot F.
14. Removal of horse manure and shavings and final cleanup of permanent and temporary barns and manure bins after the Event, following removal of all other items by Producer.
15. Commercial dumpsters and hauling services.
16. Any other Operations Support or work.

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**List of November Event Information Producer Will Provide to Operator Each Year**

1. A schedule of the November Event activities and all setup and takedown activities.
2. A site plan showing the layout of the upcoming November Event showing scheduled activities, staging, parking, vendor, vehicle and pedestrian circulation, emergency access, and all other areas to be used for the November Event.
3. A description of any temporary work to the Westworld Facility, such as tents, staking, grading, moving dirt, or temporary stairs that Producer proposes for the upcoming November Event.
4. A list of the Extra Operations Support that Producer desires to purchase from Operator for the November Event.
5. The name of Producer's agents in charge of the November Event.
6. The names of the persons who are authorized to contract with Operator on Producer's behalf for Extra Operations Support for the November Event.
7. Attendance estimates.
8. Stalls estimates.
9. Stabling layout.
10. Plan for use of the South Hall.
11. Such other information as Operator may reasonably specify.

**List of One-Day Event Use Areas**

1. Exclusive Use Areas. Producer shall have the exclusive use of the following areas during the One-day Event Period, limited to quantities and conditions as they exist on the date of this Agreement:

- 1.1 One covered or uncovered outside arena as designated by Operator.
- 1.2 One show office as designated by Operator.
- 1.3 One area suitable for a farrier.

2. Shared Use Areas. Producer shall have shared use of the following areas, limited to quantities and conditions as they exist on the date of this Agreement:

2.1 Such public parking areas of the Westworld Facility as Operator may make available for public parking from day-to-day, taking into account competing uses for such areas and general Westworld Facility management considerations.

- 2.2 Reasonable access to the exclusive use Areas.
- 2.3 Permanent public restrooms.

**List of All One-Day Event Base Operations Support Paid By Operator**

1. Use of arena lights.
2. Use of public address system.
3. Use of all available picnic tables (with attached benches).
4. Electrical power from Operator's existing permanent electrical facilities.

**List of Examples of One-Day Event Extra Operations Support Not Paid By Operator**

1. Light towers.
2. Moving bleachers and other equipment.
3. Cleaning supplies.
4. Restroom supplies.
5. Trash bags.
6. Hand tools.
7. Brooms, rakes and shovels.
8. Labor for domestic garbage daily service.
9. Labor for daily custodial and show office custodial service.
10. Tenting.
11. Fencing.
12. Curbing for tents and ramps for curbing.
13. Golf carts.
14. Portable public restrooms.
15. Portable drinking fountains.
16. Labor and materials to install, connect, remove or otherwise deal with any electrical, water, sewer or other systems that are not part of the Westworld Facility's permanent utility system. The preceding sentence does not apply to nominal amounts of nonskilled labor that Producer's staff routinely performs for Producer's and events to configure electricity for flexible RV spots using equipment from Producer's normal RV spot configuration equipment inventory. Any such work allowed for the Event is confined to Lot F.
17. Removal of horse manure and shavings and final cleanup of permanent and temporary barns and manure bins after the Event, following removal of all other items by Producer.
18. Commercial dumpsters and hauling services.
19. Any other Operations Support or work.

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COS Contract No. 2015-012-COS

**List of One-day Event Information Producer Will Provide to Operator Each Year**

1. A schedule of the One-day Event activities and all setup and takedown activities.
2. A site plan showing the layout of the upcoming One-day Event showing scheduled activities, staging, parking, vendor, vehicle and pedestrian circulation, emergency access, and all other areas to be used for the One-day Event.
3. A list of the Extra Operations Support that Producer desires to purchase from Operator for the One-day Event.
4. The name of Producer's agents in charge of the One-day Event.
5. The names of the persons who are authorized to contract with Operator on Producer's behalf for Extra Operations Support for the One-day Event.
6. Attendance estimates.
7. Stalls estimates.
8. Such other information as Operator may reasonably specify.

## Westworld Rules and Regulations

All Westworld users must comply with the following rules and regulations:

### 1. General Rules.

1.1 Activity Hours. All events, move-in, move-out, and other activities at Westworld shall be confined to the hours of 8:00 a.m. to 11:59 p.m. each day, except that the following activities are allowed at all hours:

1.1.1 Overnight security.

1.1.2 Fire, police, medical and other emergency response.

1.1.3 Medical care of horses.

1.1.4 Private activity inside an R.V.

1.1.5 Such other limited activities as Westworld may elect to allow from time to time in Westworld's sole discretion, which shall be subject to such limitations and conditions as Westworld may determine.

1.2 Unauthorized Use. Unauthorized use of Westworld facilities is prohibited.

1.3 Effect on Other Users. Other events and activities will likely be taking place at the Westworld Facility during your use of the Westworld Facility. Conduct activities at Westworld so as to minimize their effect on other activities and persons at Westworld.

1.4 Fees. All fees for use of Westworld must be pre-paid in cash, or by credit card with appropriate identification.

1.5 Liability Release. Facility users, temporary/overnight boarders and RV guests are required to register with Westworld management and sign a Liability Release Agreement before using Westworld facilities.

1.6 Risk of Harm. Use Westworld facilities at your own risk. Westworld is not responsible for any injury or damage to you or your property at Westworld or while coming to or going from Westworld.

1.7 Private Property. Westworld is not liable for lost, stolen or damaged personal property. This includes any items delivered, received, handled, stored or otherwise located at Westworld, either prior to, during, or subsequent to any use of Westworld. Westworld will dispose of unclaimed perishable property at Westworld's sole discretion. Other personal property or belongings left at Westworld, if unclaimed after ninety (90) days, will become the sole property of Westworld.

1.8 Damage to Facilities. Users are responsible for any and all damage to Westworld facilities or equipment, excluding normal wear and tear. Westworld reserves the rights to repair damage and to invoice the user for costs of repair.

1.9 Accident Reporting. Immediately report to Westworld management and/or security personnel any accident, or other personal injury or property damage of any nature.

1.10 Commercial Activity. Sales and distribution of any goods or services and other commercial activities are prohibited except when conducted under written contract with an event producer as allowed by an event agreement

1.11 Waste Disposal. Dispose of trash or other solid waste materials only in designated areas or receptacles.

1.12 Plumbing. Only use water closets, drains or other water apparatus for the purposes for which they were constructed. Do not place therein sweepings, rubbish, rags, papers or other inappropriate substances.

1.13 Equipment Operation. Only Westworld employees may operate Westworld tractors and other vehicles, circuit breakers, public address and other sound systems, electrical facilities, and other Westworld equipment.

1.14 Signs. Westworld visitors and facility users may not post or exhibit any printed material such as posters, signs or advertisements.

1.15 Right to Refuse Admission. Operator reserves the right to refuse admission or to eject or cause to be ejected from the Westworld Facility any person or persons who:

1.15.1 Displays inappropriate behavior, drunkenness, and deliberate disregard for the requirements of Westworld Facility rules or regulations or any event contract.

1.15.2 Creates excessive noise or disturbance.

1.15.3 Engages in any activity that creates or results in a potential threat to public health or safety.

1.15.4 Violates any provision of the rules or regulations or any event agreement.

1.16 Photography. Westworld reserves the right to use the name, image, photograph, likeness or any other reproduction, taken or acquired by Westworld of any visitor or facility user for publicity purposes of Westworld without notifying or compensating individuals therein.

1.17 Noise. Sound equipment and other noise sources shall be operated and controlled so that sound coming therefrom does not exceed the ambient noise level at the boundary of Westworld. Obey all Westworld staff instructions concerning volume and all other aspects of use of sound equipment and other sources of noise.

1.18 Emergency and Utility Vehicle Passage. Keep all emergency and service ways open for passage at all times.

1.19 Event Contract Requirements. All event attendees, vendors and other Westworld visitors must comply with all applicable rules, regulations and contracts that apply to Westworld and to the event with which the visitor is associated, and with all instructions by Westworld staff.



1.20 Updated Rules and Regulations. Westworld reserves the right to revise all rules and regulations from time to time. Westworld users are responsible to obtain the most recent version of the rules and regulations.

1.21 Exceptions to Rules and Regulations. Any exception to these rules and regulations is void unless the exception is specifically established in the event contract or is confirmed in advance in writing signed by an authorized Westworld staff member.

## 2. Pets.

2.1 Leashes. Pets must be kept on a leash held by a person unless the pet is confined inside a permitted pen, stall, or R.V.

2.2 Pets Near Barns. Any pet in a barn area must be on a leash or secured in a stall.

2.3 Pet Areas. No pets allowed are allowed in the following areas:

2.3.1 Show rings.

2.3.2 Arenas.

## 3. Animals.

3.1 Animals. No animals are allowed at Westworld other than:

3.1.1 Horses in compliance with applicable rules and regulations.

3.1.2 Animals that are being transported in a proper motor vehicle to a place within Westworld where the animal is allowed.

3.1.3 Animals that are part of an authorized event.

3.1.4 Seeing eye dogs and similar animals providing health assistance to disabled persons.

3.1.5 Pets, subject to applicable rules and regulations.

3.1.6 Canine police patrols and other security or law enforcement animals.

3.2 Responsible Parties. All of the following people are jointly and severally responsible for compliance with all rules and regulations affecting any horse, pet or other animal during the entire time the horse, pet or other animal is at Westworld:

3.2.1 The owner of the horse, pet or other animal.

3.2.2 The person riding the horse or other animal.

3.2.3 The person having charge of the horse, pet or other animal.

3.2.4 The producer of the event.

#### 4. Horses and Other Livestock.

4.1 Horse Check-in. No horse is allowed at Westworld (except for horses using the trailheads to access trails outside Westworld) without first complying with the following:

4.1.1 The horse must be housed in a stall or using an arena or polo field authorized by a contract with Westworld or with an event producer who is managing the stall or the arena or polo field pursuant to an event contract with Westworld.

4.1.2 The fee related to such a contract must be paid in advance.

4.1.3 The owner of the horse must sign a Liability Release Agreement stating that Westworld is in no way responsible for the care, custody or control of any horses, people, equipment, etc., while at Westworld.

4.2 Horse Activities. Horses are only permitted on established trails, in immediate barn areas, in posted available arenas and polo fields, and in designated areas connecting such facilities to the barn areas.

4.3 Horse Safety. Horse safety is the joint responsibility of horse owners and riders, those who bring horses to Westworld, and those who have charge of horses while at Westworld. For trail riding safety, a minimum of two (2) riders is recommended. Users shall obey all regulatory signs.

4.4 Loose Horses. Do not allow horses to run loose in the arenas or elsewhere.

4.5 Horse Washing. Wash horses in wash racks only. Do not wash horses in stalls, bathrooms, walkways, streets or any other area.

4.6 Horse Tying. Do not tie horses to any structure not specifically designated for this purpose.

4.7 Horse Speed. Horses are to move only at a walking speed except while in an arena or on a polo field.

4.8 Equestrian Classes. All equestrian activities shall be held within arenas or on the polo field.

4.9 Standing Horses. No horse shall stand outside its trailer past 8:00 p.m. or longer than one (1) hour after the last class or other equestrian event.

4.10 Farrier Activities. Hot shoeing is prohibited in barn areas.

4.11 Other Livestock. All rules and regulations applicable to horses and equestrian activities are also applicable to mules and other livestock and their activities.

#### 5. Horse Barns and Stalls.

5.1 Portable Pens. Portable pens, barns or stalls are not allowed.

- 5.2 Sleeping in Barns. Sleeping is not allowed in barns.
- 5.3 Stall Unlocking. A stall is considered "used" for the entire day when it is unlocked.
- 5.4 Overstaying. A stall day is from 6:00 a.m. to 6:00 a.m. Any stall occupied after 6:00 a.m. will be charged for an additional day.
- 5.5 Delayed Departures. In the event of delayed departure by previous show, stalls will be accepted as-is.
- 5.6 Outside Feed and Bedding. Outside hay, feed, shavings and bedding are prohibited.
- 5.7 Bedding Required. Each stall occupied by a horse shall have at least two (2) bags of shavings.
- 5.8 Stall Waste. Stall waste is to be placed only in areas designated by Westworld staff. Stall waste may not be put in any walkway or trash barrel. If you have any question about stall cleaning, or waste disposal, contact Westworld staff for information. Manure drop areas are designated by signs showing manure drops. Trash is not to be mixed with manure.
- 5.9 Refuse. Users are responsible to clean up and remove from Westworld all waste, cartons, trash, decorative materials, manure droppings on grounds, etc. Westworld reserves the right to perform clean-up and charge users at the current posted labor rate, plus the cost of supplies and equipment needed to perform clean-up.

## 6. Food and Beverage.

- 6.1 Food and Beverage Sales. Sales and distribution of food and beverage is not allowed at Westworld unless specifically authorized by contract with Westworld.
- 6.2 Alcohol. Alcoholic beverages are not permitted on the Westworld Facility unless provided by Westworld or its contract vendors. Alcohol is not to be removed from Westworld property.
- 6.3 Alcohol in Barns. Alcohol consumption or sales is not permitted in the barn areas.

## 7. Fires and Smoking.

- 7.1 Fire Department. The local fire department is Scottsdale Fire Department.
- 7.2 Fire Clearances. Tents, temporary barns, etc. may not be used until all applicable permits from the Fire Department are issued.
- 7.3 Fire Department Instructions. Comply with all fire department requests.
- 7.4 Campfires. Open cooking and campfires are prohibited.
- 7.5 Heaters. Electric, open flame, and space heaters are prohibited.
- 7.6 Smoking. Smoking is not permitted in barn areas.

7.7 Fire Extinguishers. Event producers must furnish approved fire extinguishers at the following locations:

7.7.1 Within seventy-five (75) feet of every temporary barn or tent.

7.7.2 Any other location required by law or requested by the fire department.

7.8 Fires Near Barns. Cooking, heaters, flames and food preparation are prohibited within fifty (50) feet of any barn.

7.9 Flammable Materials. All decorations and other decorative materials must be treated with flame-proofing and be approved by the fire department.

## 8. Vehicles and Parking.

8.1 Off-road Vehicles. ATVs, golf carts, dirt motorcycles, motorized skateboards and scooters, and other off-road vehicles are prohibited.

8.2 Vehicles Near Barns. Motor vehicles are prohibited within barn areas except to load or unload horses, tack or feed.

8.3 Overnight Parking. Overnight parking is not allowed except in RV or other specially designated overnight parking areas.

8.4 Traffic Rules and Speeding. Traffic and parking signs are to be observed at all times, including posted speed limits. The posted speed limit on the main access road is 25 mph. All other roads are posted at 15 mph.

8.5 Fire Lanes. Keep designated fire lanes clear at all times.

8.6 Towing. Vehicles in unauthorized areas may be towed at the vehicle's owner's expense.

8.7 Vehicle Impound. Westworld reserves the right to impound any vehicle that Westworld management or security believes is violating applicable rules and regulations, is being operated in an unsafe or reckless manner, is obstructing vehicular or pedestrian traffic flow, or otherwise poses a potential threat to people, animals, public safety, or health.

8.8 Drivers Licenses. All individuals operating a golf cart, all terrain vehicle (ATV), motorbike or other motor vehicle must have a valid driver's license.

8.9 Driveway Parking Prohibited. Parking, standing, loading and unloading are prohibited along the roads and driveways of Westworld and upon surrounding streets or land.

8.10 Trailers. Trailers for exhibitors not renting barns must be loaded, unloaded and parked in areas designated for trailer day use and haul-in parking.

8.11 Drive Through Prohibited. No drive-through transaction or other business transaction conducted involving a person in or upon an automobile or other wheeled vehicle shall occur at Westworld.

9. Event Responsibilities.

9.1 Event Agreements. No event may occur at Westworld unless the event producer has entered into a formal written event agreement with Westworld for the event.

9.2 Event Rules. All Westworld rules and regulations shall apply to all events at Westworld unless the event agreement specifically identifies a particular rule or regulation and specifically describes an exception to the rule or regulation.

9.3 Public Access Areas. Do not obstruct any part of any driveway, sidewalk, entry, passage vestibule, hall, or other access way. Use such areas only for ingress and egress to and from the facilities.

9.4 Light Obstruction. Do not obstruct lights, doors, skylights, stairways, windows, or other openings.

9.5 Non-event Days. During move-in periods and move-out periods, Westworld is only obligated to provide very minimal staffing and heat/air conditioning, building lighting, and other utilities, if applicable.

9.6 Removal Cost. If an event producer fails to timely remove any item from Westworld, then the cost of removal shall be added to the clean-up cost and charged to the event producer.

9.7 Concessions. Westworld may elect to allow any concessionaire operating at any fixed location anywhere at Westworld from time to time to remain open for business during any event.

9.8 Westworld Staff Access to Facility. Event producers shall admit authorized Westworld staff members to all parts of Westworld at all times upon demand upon the presentation of Westworld staff identification cards for purposes of:

9.8.1 Performing, administering or enforcing rules and regulations or any event contract.

9.8.2 Examining, inspecting, evaluating, planning, repairing, designing, maintaining, showing or otherwise administering events or Westworld.

9.8.3 Performing Westworld's regulatory, law enforcement and other governmental duties.

9.8.4 Exercising any rights provided to Operator under an event contract.

9.9 Westworld Control. Westworld shall at all times have the right to exercise control over Westworld and shall maintain possession and control of all keys to Westworld facilities. Westworld shall lock and unlock the entrances and exits of Westworld at such times as may be required for an event producer's activities. Event producers are solely responsible, at their own expense, to maintain sufficient watchmen at all unlocked entrances and exits.

9.10 Exhibit Entrances. Move exhibits, fixtures, materials, animals, equipment, displays, and other items into or out of any building or area only at such entrances as may be designated by Westworld.

9.11 Defacing of Facilities. The following are prohibited:

9.11.1 Anything that tends to injure, mar, or in any manner deface the facilities.

9.11.2 Driving or installing any nails, hooks, staples, tacks, or screws into any part of the facilities.

9.11.3 Making any alterations of any kind to any buildings, equipment or other facilities.

9.12 Staking. Staking of tents and other staking is prohibited without Westworld's written prior permission. Any staking Westworld may permit shall only be undertaken with Westworld grounds personnel in attendance. Event producers and the persons driving stakes are personally responsible for any damage to underground utilities whether marked or not.

9.13 Staging and Setup. Event producers are responsible for ensuring that all staging, tents, novelty vendors, etc. comply with move-in and move-out dates and times. All staging, obstacle construction, locations, and other aspects of setup must be approved by Westworld prior to initiation of work before the work begins. Event producers are responsible to keep Westworld informed of the progress of move-in and move-out.

9.14 Large Westworld Tent. Event producers who use the large Westworld tent must comply at their own expense with all fire monitoring and other requirements related to their use of the tent.

9.15 Actions by Others. Event producers are responsible for compliance with the event agreement and all rules and regulations by all persons using Westworld in connection with the event. The event producer shall not allow such persons to do anything that the rules and regulations or the event agreement prohibit the event producer from doing.

9.16 Trash. Event producers shall provide adequate and sanitary handling and disposal, away from Westworld of all trash, garbage and other refuse related to the event producer's use of the Westworld Facility. Event producers shall provide commercial dumpster service.

9.17 Litter. Event producers shall provide litter pickup and other maintenance related to the event.

9.18 Traffic on Polo Field. Except for activities authorized by an event contract, event producers shall keep all people, animals, vehicles and other unauthorized traffic off the polo fields.

9.19 Liability for Damage. Event producers shall pay for any damage resulting from any misuse of any Westworld facility or equipment by any persons at Westworld for the event.

9.20 Occupancy Permits. Event producers shall obtain City of Scottsdale occupancy permits for tents and temporary show office trailers.

9.21 Stake Holes. Event producers shall fill with sand all tent stake or other holes in turfed areas. Producer shall patch all tent stake or other holes in all other surfaced areas.

9.22 Repair and Restoration. Event producers shall repair any damage to Westworld occurring during Producer's Use. Event producers shall restore any changes to the surface of Westworld.

9.23 Quality Service. Event producers shall operate the event in a first-class manner; shall furnish prompt, clean and courteous service; and shall keep all areas used attractively maintained, orderly, clean, sanitary and in an inviting condition at all times and meeting or exceeding the standards of comparable first class events in the western United States all to Westworld's reasonable satisfaction.

9.24 Damage. Event producers shall replace any Westworld property consumed, damaged or removed including without limitation missing or damaged:

- 9.24.1 Locks, latches, screws or metal trim.
- 9.24.2 Holes one-eighth inches (1/8") or larger in diameter.
- 9.24.3 Stall panels.
- 9.24.4 Arenas, buildings and other facilities.
- 9.24.5 Water or telephone lines and other utilities.
- 9.24.6 Telephones, microphones and show office equipment.
- 9.24.7 Chairs, picnic tables and other equipment.

9.25 Cleaning. Event producers shall thoroughly clean and prepare all use areas for use by subsequent Westworld users, including without limitation the following areas:

- 9.25.1 Barn areas.
- 9.25.2 Staging areas.
- 9.25.3 Spectator areas.
- 9.25.4 R.V. areas.
- 9.25.5 Parking areas.
- 9.25.6 Restrooms.
- 9.25.7 Areas subject to manure, shavings or bedding.
- 9.25.8 Exhibit, displays and activity areas.
- 9.25.9 All other areas used by the event.

9.26 Aircraft. There is hereby reserved to Westworld, its successors and assigns, and for the use and benefit of the City of Scottsdale and the public, a right of flight for the passage of aircraft in the airspace above the surface of Westworld. This right of flight shall include the right to cause within or without said airspace any noise, vibrations or other effects relating to the operation of any aircraft used for navigation or flight through the said airspace.

9.27 Event Staff Education. Event producers are responsible to inform all vendors, employees and other workers related to the event of all rules and regulations and contract requirements applicable to them.

9.28 Stall Assignments. At least two (2) days prior to the beginning of the move-in period, event producers must deliver to Westworld a stall chart showing all stall assignments for the event. Extra labor for Westworld occasioned by changes to stall assignments after the stall chart is submitted will be charged back to the event producer.

9.29 Stall Records. In the event of discrepancy between an event producer and Westworld over the number of stalls used, Westworld's daily stall accounting chart will act as the deciding factor.

9.30 Stall Charges. Stalls charges are calculated per day (6:00 a.m. to 6:00 a.m.). All stalls allocated to an event will be charged for the duration of the event.

9.31 Transient Horses. Barns and stalls allocated to an event are only for the use of horses participating in the contracted event. Absolutely no in-transit, transient or other non-event horses are allowed.

9.32 Barn Decorations. Barn decorations shall not extend more than ten (10) feet from the nearest wall of the barn. Barn decorations shall not extend into any driveway or fire lane.

9.33 Concessionaires. Event producers are responsible to ensure that concessionaires serving the event have appropriate business and sales tax licenses.

9.34 Video and Vending Machines. Arcade devices (such as video games and pin ball machines) and vending machines are prohibited.

9.35 Trademarks. Event producers must pay all costs arising from the use of patented, trademarked, franchised, or copyrighted music, materials, devices, processes or dramatic rights used on or incorporated in connection with any event at Westworld.

9.36 Weather. Bad weather does not absolve an event producer from complying with these rules and regulations or with the event agreement.

#### 10. Dangerous Items and Materials.

10.1 Prohibited Materials. The following items are not allowed at Westworld:

- 10.1.1 Firearms.
- 10.1.2 Fireworks or explosives.
- 10.1.3 Illegal drugs and all other contraband



10.2 Motor Vehicle Fueling. No motor vehicle or other fueling of any description shall occur at Westworld. The preceding sentence does not prohibit incidental dispensing of nominal amounts of fuel ("Minimal Fueling") when performed in compliance with law to lightweight vehicles (such as parking lot trams and gas powered golf carts) serving the event or to stranded motorists by roadside assistance organizations (such as AAA).

10.3 Hazardous Materials. All activities upon or about Westworld shall be subject to the following regarding any hazardous waste or materials or toxic substances or any substance now or hereafter subject to regulation under the Arizona Hazardous Waste Management Act, A.R.S. § 49-901, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq., or the Toxic Substances Control Act, 15 U.S.C. 2601, et seq., or any other existing or future federal, state, county, or local law pertaining to hazardous waste or toxic substances (collectively "Toxic Substances"):

10.3.1 Westworld users shall not produce, dispose, transport, treat, use or store any Toxic Substances upon or about Westworld. The prohibitions of the preceding sentence only shall not apply to:

10.3.1.1 Ordinary gasoline, diesel fuel or other fuels or lubricants necessary for ordinary use in motor vehicles and ordinary construction or landscaping machinery serving events at Westworld. Such materials must be properly and lawfully contained in ordinary quantities in ordinary tanks and receptacles that are either permanently installed in such vehicles and machinery, or that are being used for the Minimal Fueling.

10.3.1.2 Janitorial supplies and similar materials in the minimum quantities reasonably necessary for first class modern uses of the Westworld Facility as permitted by Westworld.

10.3.2 Westworld users shall dispose of any Toxic Substances away from Westworld as required by law and as required by Westworld.

10.3.3 Westworld users shall not use Westworld in a manner inconsistent with regulations issued by the Arizona Department of Health Services, or in a manner that would require a permit or approval from the Arizona Department of Health Services or any other governmental agency.

10.3.4 In addition to and without limitation of any other indemnities or obligations, Westworld users shall pay, indemnify, defend and hold Westworld harmless against any loss or liability incurred by reason of any Toxic Substance on or affecting Westworld attributable to or caused by a Westworld users (or anyone using the Westworld Facility under an event agreement or acting or claiming under the event producer or the event agreement).

10.3.5 Westworld users shall immediately notify Westworld of any prohibited Toxic Substance at any time discovered or existing at Westworld. Within twenty-four (24) hours thereafter, users shall report such violation to Westworld in writing.

## 11. Electricity, Lighting and Noise.

11.1 Lighting Hours. Arena lights are to be turned off before 11:00 p.m.

11.2 Light Shielding. Exterior lighting shall be shielded and otherwise configured to minimize spillover outside the specific lighted area.

11.3 Lighting Instructions. Event producers shall obey all Westworld staff instructions concerning lighting use.

11.4 Energy Conservation. Event producers shall not use more lighting than reasonably necessary for any activity. Without limitation, event producers shall turn off all outside arena lights when an arena is not in use. Event producers shall turn off all lighting not then being used to light a specific activity underway.

11.5 Equipment Operation. Only Westworld employees may operate circuit breakers, sound systems, lighting, electrical facilities, and other equipment.

11.6 Overloading Electrical Circuits. Do not exceed the safe capacity of any electrical circuit, breaker or other component. Any person overloading circuits will be billed for the labor to reset the circuits and any harm caused by the overloading.

## 12. Recreation Vehicles.

12.1 Overnight R.V. Check-in. No R.V. is allowed to stay at Westworld overnight or to attach to Westworld power or water without first complying with the following:

12.1.1 The R.V. must be authorized by a contract with Westworld or with an event producer who is managing an R.V. space pursuant to an event contract with Westworld.

12.1.2 The owner must sign a Liability Release Agreement stating that Westworld is in no way responsible for the care, custody or control of their vehicle or actions while at Westworld.

12.2 Vehicle Utility Use. Except for R.V.'s in designated R.V. spaces, no vehicle shall park adjacent to, inside of, or derive electrical power from any building on the grounds.

12.3 Overnight Charges. Parking for all vehicles remaining at Westworld overnight shall be confined to formally marked overnight parking areas.

12.4 Overnight Vehicle Charges. Nightly rates for use of such overnight parking areas are available upon request.

12.5 Utility Hookups. R.V.'s will be charged a daily rate with or without hookups.

12.6 Waste Water. All R.V.'s must be equipped with holding tanks for gray water and black water.

12.7 R.V. Spaces. Only one R.V. may be parked at an R.V. space. No more than two (2) vehicles are allowed at an R.V. space. All vehicles at an R.V. space must be completely parked within the boundaries of the R.V. space.

## List of Exceptions to Westworld Rules and Regulations

1. **Exceptions that Apply to All Events.** The following exceptions to the Westworld rules and regulations are approved for all Events:

1.1 **Signs.** Regarding paragraph 1.14 of the Westworld Rules and Regulations, Producer's signage shall be as stated in the body of this Agreement.

1.2 **Horse Check-In.** Regarding paragraph 4.1.3 of the Westworld Rules and Regulations, a Liability Release Agreement is not required for individual horses checking in for all Events, but Producer shall obtain its own liability releases in favor of Producer and Operator for all horses.

1.3 **Horse Speed.** Regarding paragraph 4.7 of the Westworld Rules and Regulations, horses may trot in preparation to enter an arena if the applicable equestrian activity so requires and if Producer denies the public access to the area in which trotting occurs.

1.4 **Off-road Vehicles.** Regarding paragraph 8.1 of the Westworld Rules and Regulations, Producer may allow off-road vehicles if safely operated only by a person holding a valid drivers license. Operator may limit the areas in which off-road vehicles are used.

1.5 **Alcohol in Barns.** Regarding paragraph 6.3 of the Westworld Rules and Regulations, alcohol may be served and consumed at the barns to the extent allowed by applicable law, but such alcohol may only be provided by the person who holds the liquor license for the Event. Producer shall see that such alcohol is not taken outside the boundary of the liquor license. No alcohol may be brought to the barns or elsewhere at the Event by anyone other than the holder of the liquor license for the Event.

1.6 **Staking.** Regarding paragraph 9.12 of the Westworld Rules and Regulations, Operator's written approval of a site plan for an Event shall constitute Operator's written permission for staking shown on the site plan for tents and barns.

2. **Exceptions that Apply to February Events.** The following exceptions to the Westworld rules and regulations are approved for the February Event:

2.1 **Activity Hours.** Regarding paragraph 1.1 of the Westworld Rules and Regulations, Producer's activities for the February Event may begin before the stated hours and continue after the stated hours to the extent necessary to conclude the day's scheduled activities or to prepare for the next day's activities.

2.2 **Liability Release.** Regarding paragraph 1.5 of the Westworld Rules and Regulations, February Event attenders and horse exhibitors, and R.V. guests using R.V. spaces allocated to the February Event shall register with Producer and not with Operator and shall sign Liability Release Agreements with Producer and not Operator.

2.3 **Noise.** Regarding paragraph 1.17 of the Westworld Rules and Regulations, public address system noise levels for the February Event shall be as directed by Westworld staff.

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2.4 Portable Pens. Regarding paragraph 5.1 of the Westworld Rules and Regulations, Producer may use portable barns and stalls for the February Event.

2.5 Sleeping in Barns. Regarding paragraph 5.2 of the Westworld Rules and Regulations, persons who need immediate access to a horse to tend the horse may sleep in stall during the February Event.

2.6 Overstaying. Regarding paragraph 5.4 of the Westworld Rules and Regulations, for the February Event Move-out Period, Operator will not charge Producer an additional day's stall fee if a stall is vacated before 8:00 a.m.

2.7 Outside Feed and Bedding. Regarding paragraph 5.6 of the Westworld Rules and Regulations, the Westworld on-site feed and bedding operation shall be closed from the beginning of the February Event Move-in Period until the time specified for horses to exit Westworld during the February Move-out Period. During that time, all feed and bedding shall be provided by Producer's contracted feed and bedding vendor.

2.8 Concessions. Regarding paragraph 9.7 of the Westworld Rules and Regulations, the Westworld on-site feed and bedding operation shall be closed for the February Event as specified above.

2.9 Stall Charges. Regarding paragraph 9.30 of the Westworld Rules and Regulations, as stated above, stall charges for an additional day shall not accrue in the February Event Move-out Period if a stall is vacated before 8:00 a.m.

2.10 Motor Vehicle Fueling. Regarding paragraph 10.2 of the Westworld Rules and Regulations, during the February Event Period and the February Event Move-in Period and the February Event Move-out Period, Minimal Fueling may also include refilling fuel tanks on light towers, generators, tractors, and other vehicles and equipment used directly in the February Event that cannot reasonably leave Westworld for refueling.

2.11 Hazardous Material. Regarding paragraph 10.3.1.1 of the Westworld Rules and Regulations, Producer may allow properly licensed, insured and safely operated fuel trucks to enter the Use Areas during the February Event Move-in Period, and the February Event Move-out Period to perform the Minimal Fueling.

2.12 Lighting Hours. Regarding paragraph 11.1 of the Westworld Rules and Regulations, Equidome lights may be on at any time the Equidome is in use during the February Event Period. Other arena lights may be kept on after 11:00 p.m. during the February Event Period as necessary to conclude scheduled activities or to prepare the arena for use the next day.

2.13 R.V. Spaces. Regarding paragraph 12.7 of the Westworld Rules and Regulations, during the February Event, Producer may allow two (2) R.V.'s at an R.V. space at the R.V. spaces southeast of arena # 9, even if one or both R.V.'s encroaches slightly outside the boundaries of the R.V. space; but no R.V. shall obstruct traffic, fire or emergency lanes or otherwise create a safety hazard.

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3. **Exceptions that Apply to October Events.** The following exceptions to the Westworld rules and regulations are approved for the October Event:

3.1 **Activity Hours.** Regarding paragraph 1.1 of the Westworld Rules and Regulations, Producer's activities for the October Event may begin before the stated hours and continue after the stated hours to the extent necessary to conclude the day's scheduled activities or to prepare for the next day's activities.

3.2 **Liability Release.** Regarding paragraph 1.5 of the Westworld Rules and Regulations, October Event attendees and horse exhibitors shall register with Producer and not with Operator and shall sign Liability Release Agreements with Producer and not Operator.

3.3 **Noise.** Regarding paragraph 1.17 of the Westworld Rules and Regulations, public address system noise levels for the October Event shall be as directed by Westworld staff.

3.4 **Portable Pens.** Regarding paragraph 5.1 of the Westworld Rules and Regulations, Producer may use portable barns and stalls for the October Event.

3.5 **Sleeping in Barns.** Regarding paragraph 5.2 of the Westworld Rules and Regulations, persons who need immediate access to a horse to tend the horse may sleep in stall during the October Event.

3.6 **Lighting Hours.** Regarding paragraph 11.1 of the Westworld Rules and Regulations, Equidome lights may be on at any time the Equidome is in use during the October Event Period. Other arena lights may be kept on after 11:00 p.m. during the October Event Period as necessary to conclude scheduled activities or to prepare the arena for use the next day.

4. **Exceptions that Apply to November Events.** The following exceptions to the Westworld rules and regulations are approved for the November Event:

4.1 **Activity Hours.** Regarding paragraph 1.1 of the Westworld Rules and Regulations, Producer's activities for the November Event may begin before the stated hours and continue after the stated hours to the extent necessary to conclude the day's scheduled activities or to prepare for the next day's activities.

4.2 **Portable Pens.** Regarding paragraph 5.1 of the Westworld Rules and Regulations, Producer may use portable barns and stalls for the November Event.

4.3 **Sleeping in Barns.** Regarding paragraph 5.2 of the Westworld Rules and Regulations, persons who need immediate access to a horse to tend the horse may sleep in stall during the February Event.

4.4 **Liability Release.** Regarding paragraph 1.5 of the Westworld Rules and Regulations, October Event attendees and horse exhibitors, and R.V. guests using R.V. spaces

allocated to the October Event shall register with Producer and not with Operator and shall sign Liability Release Agreements with Producer and not Operator.

4.5 Noise. Regarding paragraph 1.17 of the Westworld Rules and Regulations, public address system noise levels for the October Event shall be as directed by Westworld staff.

4.6 Lighting Hours. Regarding paragraph 11.1 of the Westworld Rules and Regulations, Equidome lights may be on at any time the Equidome is in use during the October Event Period. Other arena lights may be kept on after 11:00 p.m. during the October Event Period as necessary to conclude scheduled activities or to prepare the arena for use the next day.

5. Limited Exceptions. The foregoing exceptions are limited and only apply to the portion of the rule or regulation specifically discussed by the exception.

## Nudity and Other Adult Conduct

1. Conduct at Westworld Facility. In entering into this Agreement, Operator and Producer have foremost in mind providing the public with a family atmosphere devoid of any act by any person contrary to the highest standards of community sensitivity, and avoiding any substance or appearance of any noisy, unruly, inebriated, disruptive, disorderly, lewd, nude, topless, bottomless, gambling, adult oriented, unwholesome or sexually oriented behavior, business, entertainment, or other activity of any description or to any degree at the Westworld Facility. Any such behavior, business or activity at the Westworld Facility (or elsewhere at Westworld) by Producer, any customer of Producer or anyone else using any part of Westworld related to Producer or this Agreement while this Agreement is in effect is strictly prohibited. The preceding sentence does not apply to private conduct that occurs completely inside a lawfully parked recreational vehicle that is fully enclosed with solid walls, if such conduct is not visible to the public or otherwise discernable outside the recreational vehicle. Producer specifically acknowledges that the requirements of this paragraph are a requirement of this Agreement independent of and in addition to any zoning or other governmental regulation affecting the Westworld Facility. Any violation of this paragraph by any person using any part of Westworld related to Producer or the Event shall be an "Unruly Behavior Occurrence" by Producer under this Agreement. Producer shall immediately cause removal from Westworld any person whether inside or outside the Fence who commits or who causes, directs or encourages any person to commit, an Unruly Behavior Occurrence.

1.1 This subparagraph does not apply to private conduct that occurs completely inside a lawfully parked recreational vehicle that is fully enclosed with solid walls if such conduct is not visible to the public or otherwise discernable outside the recreational vehicle. No materials shall be displayed, viewed or produced upon the Westworld Facility depicting specified anatomical areas or specified sexual activities. No person shall exhibit, use, display or offer to sell any devices, objects or paraphernalia which are designed or typically marketed for use in connection with specified sexual activities. No person shall perform specified sexual activities upon the Westworld Facility. No person shall make visible his or her specified anatomical areas. "Specified anatomical areas" shall mean less than completely and opaquely covered human genitals, pubic region, buttock, and female breast below a point immediately above the top of the areola; and human male genitals in a discernibly turgid state, even if completely and opaquely covered; or any simulation or portrayal of any of the foregoing. Specified sexual activities shall mean human genitals in a state of sexual stimulation or arousal; acts of masturbation, sexual intercourse or sodomy; fondling or other erotic touching of human genitals, pubic region, buttock or female breast; or any simulation or portrayal of any of the foregoing.

1.2 Producer shall immediately cause to be removed from the Westworld Facility (and from Westworld) any person related to Producer or this Agreement (including without limitation Producer's customers) who:

1.2.1 Violates this paragraph.

1.2.2 Appears or is believed to be to be intoxicated or illegally under the influence of any narcotic or chemical.

1.2.3 Commits an act of violence.

1.2.4 Acts in a loud or unusually boisterous manner.

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1.2.5 Harms or threatens harm to any person or thing.

1.2.6 Uses loud or electronically amplified profanity.

1.2.7 Violates laws or regulations applicable to Westworld.

1.3 The requirements of this paragraph are for the benefit of Operator and for the benefit of all real property located within one thousand feet (1,000') of Westworld. The owners and occupants of such real property and their successors and assigns are third party beneficiaries of this paragraph throughout the Agreement term. Such third party beneficiaries' sole remedy is injunctive relief against Producer and those claiming under Producer and other occupants of the Westworld Facility to enforce the requirements of this paragraph.



**Extra Operations Support Work Order**

Producer shall sign and deliver this Work Order to Westworld staff before work is scheduled or performed.

Event: Arabian Horse Association

Date/Time Needed: \_\_\_\_\_

Date/Time Requested: \_\_\_\_\_

Requested By: \_\_\_\_\_

Work To Be Done: \_\_\_\_\_

**Work Schedule Rates**

Electrical Work		\$ __.00/hour
Welding Work		\$ __.00/hour
Plumbing Work		\$ __.00/hour
Clean-Up Labor	Laborer	\$ __.00/hour/person
	Supervisor	\$ __.00/hour/person
Maintenance Labor		\$ __.00/hour/person
Dumpster Fees	Each	\$ __.00/40 yards
Dump Truck	With Operator	\$ __.00/hour
Blade Work	With Operator	\$ __.00/hour
Tractor	With Operator	\$ __.00/hour
Front-end Loader (1 yard)	With Operator	\$ __.00/hour
Front-end Loader (3 yards)	With Operator	\$ __.00/hour/8 hour min
Backhoe	With Operator	\$ __.00/hour
Water Truck	With Operator (incl. water)	\$ __.00/load
Parts or Supplies		Cost plus 10%
Cleaning Supplies		Cost plus 10%

By signing below, the person signing this work order:

1. Commits the above-named event producer to pay for the described work.
2. Personally warrants and represents that he has legal authority to bind the event producer to pay for the work and to speak for the event producer regarding the work.

**AUTHORIZATION FOR EVENT PRODUCER:**

\_\_\_\_\_  
Rates are subject to change by Operator. Any additional work requested by Licensee outside the described scope of services will be charged at current posted rates and will be due immediately unless otherwise provided in the event agreement.

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Exhibit "W"  
Page 1 of 1

COS Contract No. 2015-012-COS

## SECONDARY BUSINESS ACTIVITIES REQUIREMENTS

(AHAA)

These are the Secondary Business Activities Requirements:

### NORMAL (OPERATOR VENDOR) STYLE FOOD OPERATIONS SUPPORT

1. Food Scope. Food service is the sale or other provision of food, soft drinks, or other non-alcoholic drinks. Food does not include candy, gum or alcohol. Food includes normal retail sales of individual servings of water (such as in bottles or cups by persons also selling soft drinks), but excludes water that Operator elects to provide from permanent or portable hose bibs, hydrants, drinking fountains, tanks, dispensers and other facilities and any water (bottled or otherwise) that Operator may elect to provide for public safety. Food includes all service at all organized activities regardless of size or type, including without limitation exhibitor parties, barn parties and similar activities. Food includes all modes of service, such as vending machines.
2. Responsibility for Food. Operator provides availability of Food as Base Operations Support. Producer shall not provide Food. Producer shall promptly inform Operator of any dissatisfaction with Food service. Producer shall give immediate formal notice to Operator of material problems with Food service.
3. Food Use Fee. This Agreement does not require Producer to pay to Operator any additional Use Fee with respect to Food. Operator is not obligated to pay for Food provided to Producer. Operator retains all revenue from Food. Persons receiving Food must pay for it.
4. Food Restrictions. Operator shall conduct Food service in compliance with the following:
  - 4.1 Operator shall designate the location and space for Food to be provided at the Event.
  - 4.2 Food shall be provided by persons selected by Operator. Each such person shall provide Food pursuant to a contract between such person and Operator.
  - 4.3 Operator is only required to offer Food on days when the Event is actually open to the public during the Event Period.
  - 4.4 Operator shall establish the hours when Food is available.

## NORMAL (OPERATOR VENDOR) STYLE ALCOHOL REQUIREMENTS

1. Alcohol Scope. Alcohol is the sale, dispensing, handling or other providing of alcohol. Alcohol includes all service at all organized activities regardless of size or type, including without limitation exhibitor parties, manufacturer parties and similar activities. Alcohol includes all modes of service, such as vending machines.
2. Responsibility for Alcohol. Operator provides Alcohol as Base Operations Support. Producer shall not provide Alcohol. Producer shall promptly inform Operator of any dissatisfaction with Alcohol service. Producer shall give immediate formal notice to Operator of material problems with Alcohol service.
3. Alcohol Use Fee. This Agreement does not require Producer to pay to Operator any additional Concession Use Fee with respect to Alcohol. However the Alcohol vendor must pay applicable revenues to Operator under the Alcohol vendor's contract with Operator. Persons receiving Alcohol must pay for it. Producer must pay the Alcohol vendor for all alcohol service provided.
4. Consumption and Possession of Alcohol. Consumption and possession of alcohol at the Westworld Facility by Producer and all persons related to the Event is limited as follows:
  - 4.1 Consumption of alcohol at the Westworld Facility is prohibited unless the alcohol consumed is provided at the Westworld Facility by Operator's exclusive alcohol provider for the Westworld Facility or its authorized contractor (which, as of the date of this Agreement, are National Western Capital Corporation and M Culinary Concepts LLC, respectively).
  - 4.2 Importation of any type of alcohol to the Westworld Facility is prohibited. Producer shall not allow any person associated with the Event to bring any alcohol onto or take away any alcohol from the Westworld Facility.
  - 4.3 Producer shall monitor alcohol possession and consumption at the event and ensure compliance with all applicable alcohol requirements by Producer, event attendees, and all other persons related to the Event. Producer shall report to Operator any alcohol improperly existing at the Westworld Facility. Operator may require that Producer confiscate any alcohol improperly at the Westworld Facility and eject the persons who possessed it or were otherwise involved.
5. Alcohol Location. Operator shall determine the location of Alcohol for the Event.

## NORMAL (PRODUCER VENDOR) STYLE NON-FOOD CONCESSION REQUIREMENTS

1. Non-Food Concession Scope. Non-Food is the sale, rental, dispensing, distribution, furnishing or otherwise providing of programs, periodicals, books, magazines, newspapers, flowers, tobaccos, seat cushions, novelties and similar merchandise commonly

dispensed at this type of event, together with massages, pedicures, coat checkrooms, and other Event related services. Automatic teller machines and other equipment or persons providing similar payment or money services are not included. Candy and gum are included.

2. Responsibility for Non-Food. Producer provides Non-Food service as a Concession.

3. Non-Food Concession Use Fee. Producer shall pay additional Use Fee (the "Non-Food Concession Use Fee") to Operator for the Non-Food Concession as follows:

3.1 Non-Food Revenue and Expenses. Producer shall retain all revenues and bear all expenses related to providing Non-Food. The preceding sentence does not excuse Producer from paying the Non-Food Concession Use Fee.

3.2 Non-Food Use Fee Amount. The amount of the Non-Food Concession Use Fee is \$0.00.

4. Non-Food Vendor Selection. Non-Food Vendors shall be selected as follows:

4.1 Non-Food shall be provided by persons selected by Producer.

4.2 Producer shall cause such persons to provide Non-Food in compliance with this Agreement.

5. Non-Food Use Restrictions. Producer shall conduct Non-Food in compliance with the following:

5.1 Producer shall not offer Non-Food except during the Event Period.

5.2 Producer's Non-Food vendors must be approved in advance by Operator.

5.3 Producer shall provide security for the Non-Food service areas.

6. Compliance With Law. Producer shall cause Non-Food vendors to pay applicable sales tax and other taxes, fees and similar amounts from time to time.

#### NORMAL (PRODUCER CHOICE) STYLE TICKET REQUIREMENTS

1. Ticket Concession Scope. Ticket is the sale, rental, dispensing, distribution, furnishing or otherwise providing of a ticket or other permission to admit a person to the Event or to an area or activity within the Event, or to grant a person privileges related to attending the Event.

2. Responsibility for Ticket. Producer provides Ticket service as a Concession. Producer is responsible for all Ticket. Operator is not required to provide Ticket. Producer is not required to sell, distribute, collect or otherwise use tickets for the Event. If Producer sells, distributes, collects or otherwise uses tickets at the Westworld Facility, Producer shall have adequate workers, windows, turnstiles and other resources to meet demand.

3. Ticket Concession Use Fee. Producer shall pay additional Use Fee (the "Ticket Concession Use Fee") to Operator for the Ticket Concession as follows:

3.1 Ticket Revenue and Expenses. Producer shall retain all revenues and bear all expenses related to providing Ticket. The preceding sentence does not excuse Producer from paying the Ticket Concession Use Fee.

3.2 Ticket Concession Use Fee Amount. The amount of the Ticket Concession Use Fee shall be \$0.00.

4. Ticket Management. Producer shall be completely responsible for all management of Ticket.

#### NORMAL (OPERATOR OPTION) ATM OPERATIONS SUPPORT REQUIREMENTS

1. ATM Operations Support Scope. ATM is the sale, rental, dispensing, distribution, furnishing or otherwise providing of use of automatic teller machines or other equipment or persons providing payment or money service to persons attending the event in any capacity. Operator has no obligation to provide ATM. Producer shall not provide ATM or interfere in any way with any ATM that Operator may offer anywhere at the Westworld Facility. Operator may offer ATM or related goods or services to anyone at any location including the Use Areas and may impose upon such use any fees, charges, restrictions, reservations systems, payment systems or other requirements as Operator may desire.

#### NORMAL (OPERATOR VENDOR) STYLE ANIMAL FEED AND BEDDING BASE OPERATIONS SUPPORT REQUIREMENTS

1. Animal Feed and Bedding Scope. Animal Feed and Bedding is the sale, rental dispensing, distribution, furnishing or otherwise providing of animal feed and bedding.

2. Responsibility for Animal Feed and Bedding. Operator provides availability of Animal Feed and Bedding service as Base Operations Support.

3. Use Fee for Animal Feed and Bedding Operations Support. Operator shall provide a Animal Feed and Bedding vendor as part of the Base Operations Support. The cost of the availability of the Animal Feed and Bedding vendor is included in the Base Use Fee. Producer is not required to pay any additional Use Fee for the availability of the Animal Feed and Bedding vendor. However, any person who actually uses Animal Feed and Bedding must pay the Animal Feed and Bedding vendor for the goods or services provider at prevailing rates.

4. Animal Feed and Bedding Concession Use Fee. This Agreement does not require Producer to pay to Operator any additional Concession Use Fee with respect to Animal Feed and Bedding. However, the Animal Feed and Bedding vendor must pay applicable revenues to Operator under the Animal Feed and Bedding vendor's contract with Operator. Producer must pay Operator's vendor for any Animal Feed and Bedding that Operator's vendor provides. Operator is not obligated to provide any Animal Feed and Bedding or to pay Operator's vendor for any Animal Feed and Bedding provided in connection with the Event.

5. Animal Feed and Bedding Use Restrictions. Producer shall use animal feed and bedding in compliance with the following:

5.1 No stall shall be occupied until it is furnished with at least two (2) bags of shavings purchased from the Animal Feed and Bedding office at the Westworld Facility.

5.2 Producer shall prevent all persons related to the Event from bringing or delivering to the Westworld Facility any type or form of shavings or other animal bedding without Operator's prior written consent. Producer shall report to Operator any animal bedding improperly existing at the Westworld Facility. Operator may elect to confiscate any animal bedding improperly at the Westworld Facility and eject the person who possessed it. Operator may elect to hire a security guard to ensure compliance with Animal Feed and Bedding requirements. The security guard shall be Charged Operations Support at Producer's expense.

#### NORMAL (PROHIBITED) STYLE CAMPING INSIDE REQUIREMENTS

1. Camping Inside Concession. Camping Inside is the use, sale, rental, dispensing, distribution, furnishing or otherwise providing of temporary overnight sleeping facilities of any description (other than RVs) inside areas controlled by Producer. Producer shall not use, offer or provide Camping Inside at the Event.

#### NORMAL (OPERATOR OPTION) STYLE CAMPING OUTSIDE REQUIREMENTS

1. Camping Outside Operations Support. Camping Outside is the use, sale, rental, dispensing, distribution, furnishing or otherwise providing of temporary overnight sleeping facilities of any description (other than RVs) outside areas controlled by Producer. Operator has no obligation to provide Camping Outside. Producer shall not offer, allow or provide Camping Outside or interfere in any way with any Camping Outside that Operator may offer anywhere at the Westworld Facility. Operator may elect to offer Camping Outside or related goods or services to anyone at any location and may impose upon such use any fees, charges, restrictions, reservations systems, payment systems or other requirements as Operator may desire.

#### NORMAL (PROHIBITED) STYLE RV INSIDE CONCESSION REQUIREMENTS

1. RV Inside Concession. RV Inside is the use, sale, rental, dispensing, distribution, furnishing or otherwise providing of overnight RV parking inside areas exclusively controlled by Producer. Producer shall not use, offer or provide RV Inside at the Event.

#### NORMAL (OPERATOR OPTION) STYLE RV OUTSIDE BASE OPERATIONS SUPPORT REQUIREMENTS

1. RV Outside Operations Support. RV Outside is the sale, rental, dispensing, distribution, furnishing or otherwise providing of overnight RV parking outside of areas exclusively controlled by Producer. Producer shall not provide RV Outside or interfere in any way with any RV Outside that Operator may offer anywhere at the Westworld Facility. Operator may elect to offer RV Outside or related goods or services to anyone at any location and may impose upon such use any fees, charges, restrictions, reservations systems, payment systems or other requirements as Operator may desire.

#### NORMAL (OPERATOR MANAGED) STYLE DAY PARKING BASE OPERATIONS SUPPORT REQUIREMENTS

1. Day Parking Operations Support Scope. Day Parking is the rental, furnishing or otherwise providing of parking or parking services for all persons attending, exhibiting, vending, producing, supporting or otherwise participating in the Event but not parking overnight. Day Parking

includes valet parking for Day Parking. Day Parking includes without limitation parking for all of Producer's staff and vendors.

2. Responsibility for Day Parking. Producer shall not offer Day Parking at the Event. Operator shall provide availability of Day Parking service as Base Operations Support.

3. Decisions Regarding Day Parking. Operator may offer Day Parking or related goods or services to anyone at any location and may impose upon such use any fees, charges, restrictions, reservations systems, payment systems or other requirements as Operator may desire. Operator shall not charge Producer's staff or vendor's for parking. Operator shall provide Producer at least 100 parking passes per day for Producer to provide for VIP attendance at the Event.

4. Use Fee for Day Parking Operations Support. The availability of Day Parking is included in the Base Use Fee. Producer is not required to pay an additional Use Fee for the availability of Day Parking. However, any person who actually uses Day Parking must pay for Day Parking at prevailing rates.

5. Day Parking Location. Operator shall determine the location of Day Parking for the Event. Producer shall not use the Day Parking areas for other purposes.

#### NORMAL (PERMANENT BARNS) STYLE STABLE BASE OPERATIONS SUPPORT REQUIREMENTS

1. Stable Scope. Stables is the sale, rental, dispensing, distribution, furnishing or otherwise providing of overnight or other stays in barns by horses or other permitted animals.

2. Use Fee for Stable Operations Support. Operator shall provide Stable as part of the Base Operations Support.

3. Usage Counts. Stable usage shall be measured as follows:

3.1 Between 6:00 a.m. and 8:00 a.m. each day, Operator shall prepare, date and sign a written inventory listing separately in detail each stall that was occupied at any time from 6:00 a.m. the preceding day and 6:00 a.m. on the day of the report.

3.2 A stall is considered occupied if it is unlocked or if any animal, person or property entered the stall or remained in the stall at any time during the period in question.

3.3 Producer's stable manager shall also prepare, date and sign a report each day. The report shall describe any incidents that occurred at the stable area during the period of the report. Operator may specify the form of the report. Producer's stable manager shall deliver each day's report to the Westworld Facility administrative office no later than 9:00 a.m. on the day of the report. Producer's stable manager shall remain at the Westworld Facility administrative office to



resolve in writing issues relating to the report and the stable use report. Producer's stable manager shall sign such writings.

3.4 Producer shall make stall assignments and deliver a stall chart to Operator not less than four (4) days prior to the beginning of the Move-in Period. Producer shall pay as Charged Operation Support Use Fee the cost of any Operator labor time to make changes to the stall chart.

3.5 This paragraph shall apply on every day that any stall is occupied from the beginning of the Move-in Period to the end of the Move-out Period. If this Agreement grants exceptions for early arrivals or late departures, or if any stall is occupied early or late then this paragraph shall also apply to the exception periods and other periods.

4. Animal Check-In. All reservations, check in, check-out, and payment, for Stable shall go through Producer's reservation and payment system.

5. Stable Use Restrictions. Producer shall comply with the following regarding Stable:

5.1 Operator shall provide red marked "Sharps" containers in each aisle way between stables. Producer shall see that all syringes, needles and other bio-hazardous materials are placed in such containers.

5.2 Only one animal is allowed per stall.

5.3 No person may sleep in a stall unless it is reasonably necessary for the person to sleep in the stall in order to attend to known current medical needs of an animal in the stall or an adjacent stall.

5.4 Producer shall ensure that no parking of any kind of any duration occurs in stable areas. This includes without limitation trucks, automobiles, golf carts and other motor vehicles, trailers, wagons and other non-motorized vehicles, and storage of any kind. Horse trailers shall park in areas designated by Operator.

5.5 Producer shall have round the clock responsibility for security for the stable area.

5.6 Only animals registered to participate in the Event or accompanying an exhibitor whose animal is registered to participate in the Event are allowed in stalls. Absolutely no transient, in-transit or other animals are allowed in stalls.

5.7 Stall cleanings are to be placed only in areas designated by Operator. Stall cleanings may not be put in any walkway or trash barrel. Producer shall contact Operator for information concerning designated disposal areas and procedures, if necessary. Signs showing manure drops designate specific areas. Trash is not to be mixed in with manure.

5.8 Wash animals in wash racks only. Do not wash animals or other things in stalls, bathrooms, walkways, streets or any other area.

5.9 Absolutely no hot shoeing is permitted in barn areas.

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5.10 Cooking, heaters or any heat, flame or food preparation is prohibited in stalls, in the barn area and within 50 feet of any barn.

5.11 Decorations shall not extend more than six (6) feet from barns nor extend into any driveway, pedestrian lane or fire lane.

6. Stable Manager. Producer shall provide a full time stable manager as follows:

6.1 The Stable manager shall remain at the Westworld Facility from the beginning of the Move-in Period to the end of the Move-out Period and during any other period that a stall is occupied.

6.2 Producer shall pay for the Stable manager's RV space use as Charged Operations Support Use Fee.

6.3 Producer shall cause Producer's stall manager to provide stall reports and perform Producer's other responsibilities related to Stables.

7. Early Arrivals and Late Departures. Operator has no obligation to permit animals to be at the Westworld Facility outside the times specified in this Agreement. Occupancy of stalls at other times is completely at Operator's sole discretion and is subject to such charges, limits and conditions as Operator may desire. Any requests for early arrival or late departure must be made no later than five (5) days prior to the beginning of the time period requested. Persons making such requests must sign a liability release and other documents acceptable to Operator stating, among other things, that Operator is in no way responsible for the care, custody, control, safety or security of any horses, people, equipment or other things while at the Westworld Facility. Persons making such requests shall pay for such use in advance either in the form of cash, credit card, or a signed check, with appropriate identification.

#### OPERATOR (NORMAL REQUIRED) TRASH CHARGED OPERATIONS SUPPORT REQUIREMENTS

1. Trash Operations Support Scope. Trash is the gathering, removal and disposition of litter, trash, manure, soiled animal bedding and other debris during the Move-in Period, the Event Period and the Move-out Period.

2. Responsibility for Trash. Producer shall perform all Trash service at Producer's expense.

#### GENERAL PROVISIONS

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Exhibit "X"  
Page 9 of 10

COS Contract No. 2015-012-COS

Without limiting any requirements of this Agreement (including without limitation the requirements of this exhibit), Producer shall comply with the following:

1. Producer shall cause its Concession vendors to pay applicable sales tax and other taxes, fees and similar amounts from time to time.

2. Producer shall cause its Concession vendors to comply with all insurance and other risk management requirements.

3. Operator may offer all manner of secondary business activities and all manner of other uses, goods and services to anyone at any location other than areas exclusively occupied by the Event and may impose upon such use any fees, charges, restrictions, reservations systems, payment systems or other requirements as Operator may desire.

4. Nothing in any part of this exhibit shall be interpreted to reduce Producer's obligations to pay Use Fee or perform its other obligations related to the Event as established by the Agreement, such as insurance and indemnity obligations.

5. Concessions are confined to the Use Areas.

6. Unless expressly provided otherwise in this Agreement, Operator shall have the right to determine the area and location and hours of all Concessions and Operations Support.

7. Producer's insurance and indemnity provisions of this Agreement apply to the Secondary Business Activities.

8. It is Producer's responsibility to investigate, remain informed about and coordinate the prices and availability of all Operations Support, Concessions, vendors and other goods and services related to the Event. Without limitation, the preceding sentence includes Food, Alcohol, Non-food, Animal Feed and Bedding and so on, and all resources related to those things.

**RESOLUTION NO. 9895**

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE,  
MARICOPA COUNTY, ARIZONA, AUTHORIZING A WESTWORLD  
EVENT AGREEMENT NO. 2015-012-COS WITH ARABIAN HORSE  
ASSOCIATION OF ARIZONA

(AHAA horse show)

WHEREAS:

A. Operator and Producer are the original parties to that certain Westworld Event Agreement (Contract No. 2007-030-COS) dated February 20, 2007 (the "Old Agreement") regarding a portion of the Westworld Facility.

B. Neither Operator nor Producer has assigned any rights under the Old Agreement.

C. The Old Agreement provides for Producer to conduct equestrian Events at the Westworld Facility over a multi-year period.

D. Operator and Producer desire to terminate the Old Agreement and enter into a replace agreement (the "New Agreement") in order to:

1. Reflect the fact that Operator has reconstructed the Equidome and has performed related construction work (collectively, the "Equidome Project").

2. Extend the term of the Old Agreement.

3. Adjust Operator's and Producer's financial obligations in light of the cost of the Equidome Project.

4. Adjust certain other provisions of the Old Agreement in light of the Equidome Project and other circumstances.

5. Provide for Producer to produce an additional event each October.

6. Reduce the number of One-day Events.

E. The New Agreement contains provisions terminating the Old Agreement. The New Agreement is retroactive to January 1, 2014.

F. Undefined terms capitalized in this Amendment have the meanings assigned in the Old Agreement.

G. The city council has considered the city expenditure, if any, authorized by the termination of the Old Agreement and its replacement with the New Agreement and the direct consideration that City will receive and finds that there is a clearly identified public purpose for City's expenditure, and that City will receive direct consideration substantially equal to its expenditure, if any.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Mayor is authorized and directed to execute on behalf of the City of Scottsdale the New Agreement (No. 2015-012-COS) in the form the City Council approved at the meeting in which this resolution is adopted.

PASSED AND ADOPTED by the Council of the City of Scottsdale this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF SCOTTSDALE, an Arizona  
municipal Corporation

\_\_\_\_\_  
W. J. "Jim" Lane, Mayor

ATTEST:

By: \_\_\_\_\_  
Carolyn Jagger, City Clerk

APPROVED AS TO FORM: *R Kelly Ward*  
By: *Bruce Washburn* for \_\_\_\_\_  
Bruce Washburn, City Attorney