

CITY COUNCIL REPORT



Meeting Date: Tuesday, May 13, 2014
General Plan Element: *Economic Vitality*
General Plan Goal: *Sustain Scottsdale as a tourist destination*

ACTION

WestWorld Event Contract with Arizona Cutting Horse Association. Adopt Resolution No. 9747 authorizing Contract No. 2014-049-COS between WestWorld and Arizona Cutting Horse Association (AzCHA) to hold the Arizona Cutting Horse Association, National Cutting Horse Association Days at WestWorld Event Facility.

BACKGROUND

This is a new event at WestWorld. The event, moving to WestWorld, will utilize the entire Tony Nelssen Equestrian Center: The Equidome Arena with 2 show arenas, the South Hall with 2 practice arenas and the North Hall with 200 stalls.

ANALYSIS & ASSESSMENT

Recent Staff Action

WestWorld Administration Staff has worked closely with the AzCHA to produce this event at WestWorld.

Policy Implications

AzCHA will pay WestWorld a base use fee of \$6,000 plus fifty percent (50%) of the their posted rates per stall (\$145.00 – 150.00 per stall.)

AzCHA will be working with Monterra at WestWorld to provide food and alcoholic beverage to their attendees.

Community Involvement

This event is free to the public.

RESOURCE IMPACTS

Available funding

Because this is a new event to WestWorld and is being held in the summer season, WestWorld Staff has negotiated a discount base use fee for this new event.

Staffing, Workload Impact

AzCHA Staff and WestWorld Operation's Staff are working closely on the set up and production of this event.

Maintenance Requirements

WestWorld Operation's Staff will be working arenas, cleaning grounds and restrooms for this event.

Future Budget Implications

Positive budget implications as this is a new event and could possibly become an annual event at WestWorld.

Cost Recovery Options

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Approve Contract # 2014-049-COS with Arizona Cutting Horse Association to hold AzCHA Derby Day at WestWorld.

Proposed Next Steps


RESPONSIBLE DEPARTMENT(S)

WestWorld

STAFF CONTACTS (S)

Brian Dygert, General Manager, Bdygert@scottsdaleaz.gov

APPROVED BY



Brian Dygert, General Manager

4/28/2014

Date

480-312-6825, Bdygert@scottsdaleaz.gov



Paul T. Katsenes, Executive Director

4-28-14

Date

480-312-2890, Pkatsenes@scottsdaleaz.gov



Fritz Behring, City Manager

4-28-14

Date

480-312-2811, Fbehring@scottsdaleaz.gov

ATTACHMENTS

1. Resolution # 9747
2. Contract # 2014-049-COS

RESOLUTION NO. 9747

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE,
MARICOPA COUNTY, ARIZONA, AUTHORIZING A WESTWORLD EVENT
AGREEMENT FOR THE 2014 ARIZONA CUTTING HORSE EVENT

(Arizona Cutting Horse event 2014)

WHEREAS:

A. Scottsdale's tourist oriented events are an important community asset providing significant economic, tourism and cultural amenities for Scottsdale's citizens, businesses and visitors.

B. The City of Scottsdale is committed to maintaining and enhancing the events to provide these important community benefits.

C. The "NCHA Days" cutting horse event (the "Event") increases the attractiveness of Scottsdale to tourists and otherwise advances the prosperity of Scottsdale and the broader community.

D. City desires to enter into a contract with Arizona Cutting Horse Association, ("Producer") to conduct the Event at Westworld.

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. The Mayor is hereby authorized and directed to execute Westworld Event Agreement (City of Scottsdale Contract No. 2014-049-COS) with Producer for the Event.

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:

OFFICE OF THE CITY ATTORNEY

By:  *For*
Bruce Washburn, City Attorney

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WESTWORLD EVENT AGREEMENT

THIS WESTWORLD EVENT AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, 20____, by and between City of Scottsdale, an Arizona municipal corporation ("Operator"), and Arizona Cutting Horse, 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 significant portions of 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").

C. Producer is the producer of the event known as "NCHA Days" (the "Event"). The Event is briefly described as follows:

Public discipline horse show of cutting horses.

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

E. The Permitted Uses include and are limited to activities that allow horse enthusiasts to exhibit their equestrian skills and their horses, and that are directly related to the theme of the Event as described above, such as:

1. Cutting competition.
2. Stabling of horses.
3. Retail vending of equestrian equipment and supplies.

F. The Permitted Uses do not include activities that are not directly related to the Event as described above, such as:

1. Flea markets and auctions.
2. Music concerts open to the general public.

3. Car shows.
4. Trade shows.

G. Operator desires to grant to Producer a license allowing Producer to conduct the Event at the Westworld Facility in 2014.

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

I. Producer desires that Operator provide certain incidental goods and services in support of the Event (such as tables, lighting and tractor work) (the "Operations Support"). Operations Support is divided into three categories:

1. Operations Support that Operator provides at Operator's expense as a required part of this Agreement (the "Base Operations Support").
2. Operations Support that Operator provides at Producer's expense as a required part of this Agreement (the "Charged Operations Support").
3. Operations Support that Operator may elect to provide at Producer's expense only if requested by Producer (the "Extra Operations Support").

J. As an adjunct to conducting the Event, Producer desires to conduct certain secondary business activities (the "Secondary Business Activities") at the Use Areas to directly support the Event (the "Concessions") as set out in **Exhibit "B"** attached hereto (the "Secondary Business Activities Requirements"). The Secondary Business Activities Requirements also describe some aspects of the Operations Support.

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 Event Schedule. The Event shall take place during the period (the "Event Period") specified in **Exhibit "C"** attached hereto (the "Event Timeline").

1.2 Event Move-in. The time for Producer to move in and set up for the Event (the "Move-in Period") begins at the date and time specified by the Event Timeline and ends at the beginning of the Event Period.

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

1.3.1 The time for Producer to move out after the Event (the "Move-out Period") begins at the end of the Event Period and ends at the date and time specified by the Event Timeline.

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 as required by this Agreement no later than the end of the Move-out Period.

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

1.5 Event Notice. No later than the date specified in the Event Timeline, Producer shall give to Operator a notice (the "Event Notice") containing the information specified on **Exhibit "E"**, along with any other information this Agreement may require. Producer shall simultaneously provide a copy of the Event Notice to the Scottsdale Police Department Special Events Unit Supervisor and to the Scottsdale Fire Marshall. Operator shall notify Producer which portions of the Event Notice Operator approves and does not approve. Producer shall revise the Event Notice as Operator directs. Once Operator approves the Event Notice, no changes are allowed unless Operator gives notice that Operator approves the change. Producer shall conduct the Event in compliance with the Event Notice. Only Operator's contract administrator has authority to approve the Event Notice for Operator.

1.6 Reservation. Operator reserves the exclusive, delegable right to use any stalls or other portions of the Use Areas that Producer is not actively, actually using from time to time.

1.7 No Real Property Interest. This Agreement creates only a license to use the Westworld Facility. Operator and Producer do not intend that Producer have a lease, easement or other real property interest.

1.8 Site Documents and Condition of Title. Producer's rights hereunder are subject to the Site Documents. Producer shall not violate the Site Documents. Without limitation, Producer shall comply with the civil rights provisions of the BOR Agreement. This Agreement shall be subordinate to the provisions and requirements of all Site Documents and any other existing or future agreement between Operator and BOR, or any other governmental agency or private entity relative to the development, funding, operation or maintenance of the Westworld Facility.

II. TERM OF AGREEMENT

2. Term of Agreement. Operator hereby grants to Producer a license to use the Use Areas within 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 Term. The term of this Agreement shall commence on the date of this Agreement and terminate on the date Producer completes performance of all its obligations under this Agreement. The only Event to be held under this Agreement shall be the Event in 2014.

2.2 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 or any rights of Producer under this Agreement and may be immediately terminated by Operator.

III. PRODUCER'S PAYMENTS

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

3.1 Use Fee Categories. Producer shall pay to Operator amounts for each of the following categories of Use Fee:

3.1.1 A single combined amount (the "Base Use Fee") to pay Operator for Producer's use of the Use Areas for the Event during the Move-in Period, the Event Period and the Move-out Period, and for the Base Operations Support.

3.1.2 An amount (the "Ticket Use Fee") based on tickets issued.

3.1.3 A single combined amount (the "Concession Use Fee") as described in the Secondary Business Activities Requirements to pay Operator for the right to conduct the Concessions.

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

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

3.1.6 An amount (the "Late Departure Use Fee") based on Producer's failure to completely exit the Westworld Facility within the time allowed by this Agreement.

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

3.1.8 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.

3.1.9 All other amounts required by this Agreement.

3.2 Base Use Fee Amount. The amount of the Base Use shall be Six Thousand Dollars (\$6,000).

3.3 Ticket Use Fee Amount. The amount of the Ticket Use Fee shall be as follows:

3.3.1 The amount of the Ticket Use Fee for the Event each year shall be equal to Zero and 50/100 Dollars (\$0.50) for each ticket with a price less than Twenty Dollars (\$20.00) plus One Dollar \$1.00) per ticket for each ticket with a price of Twenty Dollars (\$20.00) or more.

3.3.2 Ticket Use Fee applies to all paid tickets or other paid admissions to the Event each year.

3.3.3 Tickets given away for free without any consideration are not included in calculating Ticket Use Fee.

3.3.4 For purposes of calculating Ticket Use Fee, the price of a ticket is the sum of the following:

3.3.4.1 The higher of the face price of the ticket or the actual sales price of the ticket.

3.3.4.2 Any facilities, handling, mailing, ticketing or other fee or amount added to the price of a ticket or charged to a purchaser unless the purchaser can conveniently avoid the fee (such as avoiding a ticket booking or shipping fee by buying tickets directly from Producer or picking up the tickets in person at a convenient location in Maricopa County, Arizona).

3.3.5 If a ticket is provided as part of a package, then the price of the ticket shall be deemed to be the amount at which the ticket is available sold separately. If the ticket is not sold separately, then the price of the ticket shall be deemed to be the price of the package.

3.4 Concession Use Fee Amount. The amount of the Concession Use Fee shall be the total of all amounts described in the Secondary Business Activities Requirements.

3.5 Charged Operations Support Use Fee Amount. Except as may be otherwise specifically stated for a specific item of Charged Operations Support in the Secondary Business Activities Requirements, the amount of the Charged Operations Support Use Fee Shall be the amount necessary to compensate Operator for Producer's use of Charged Operations Support based on the prevailing charges at the Westworld Facility.

3.6 Extra Operations Support Use Fee Amount. Except as may be otherwise specifically stated for a specific item of Extra Operations Support in the Secondary Business Activities Requirements, 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.

3.7 Late Departure Use Fee Amount. If Producer fails to timely exit any part of the Westworld Facility after the time required by this Agreement, 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 covers the mere use of the areas occupied

by Producer and the administrative burden and business disruption that Operator will internally suffer due to a late departure, which are very difficult to measure, but does not excuse Producer's failure to timely exit the Westworld Facility or excuse Producer from liability for any other harm caused by such failure. Such other harm that is not covered includes, without limitation, claims by other events waiting to move in. Such payment is in addition to any other remedies Operator may have under this Agreement.

3.8 Damage Use Fee Amount. 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, plus an additional ten percent (10%) of such cost for administrative expenses. Without limitation, such costs include damage to property, repair costs, diminished service life, increased repair frequency, inspection costs, etc.

3.9 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.

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

3.10.1 Producer shall pay the greater of Fifteen Hundred Dollars (\$1,500.00) or ten percent (10%) of the Base Use Fee (the "First Payment") no later than the date of this Agreement.

3.10.2 After the end of the Move-out Period, Operator shall provide to Producer an invoice for all Use Fee accrued for the Event. Within thirty (30) days thereafter, Producer shall pay the invoice amount, less the amount of the First Payment.

3.10.3 If 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.

3.11 Place of Payment. Unless and until Operator gives notice otherwise, Producer shall deliver all Use Fee Payments to the administrative office at the Westworld Facility when it is open for business.

3.12 Use Fee Amount Report. Producer shall provide with each installment of Use Fee 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. If Operator requests from time to time, the reconciliation shall be accompanied by dated and signed journal entries and other documentation substantiating all amounts.

3.13 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 other property or funds 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 Operator'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.

3.14 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 administrative 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.

3.15 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 set off against each other in any manner.

3.16 Use Fee Refunds. Use Fee is not refundable under any circumstances.

3.17 Prevailing Rates. When this Agreement refers to Producer paying posted, published, announced, ordinary, normal, regular or prevailing amounts or rates for goods or services, it refers to the highest ordinary non-discounted amount that Producer publishes, posts, or charges for such goods or services on the date of this Agreement or at the time the goods or services are requested or delivered, at Producer's election.

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 Limit on Producer's Activities. All of Producer's activities at the Westworld Facility shall be confined to the Permitted Uses. The Permitted Uses are limited to the conduct of the actual Event together with the Secondary Business Activities listed in the Concession Requirements. Activities not described as Concessions in the Secondary Business Activities Requirements are not within the Permitted Uses. All other activities are prohibited except with Operator's prior written consent, which Operator may deny or grant from time to time in its sole and absolute discretion. If Operator grants permission for such other activities, Operator may elect to charge additional Use Fees for such use and may impose any other conditions, limitations or requirements Operator may desire in its sole and absolute discretion.

4.2 General Use Limitations. Notwithstanding anything in this Agreement to the contrary, Producer has no rights outside the Use Areas. Producer shall respect the contract and other rights of Operator and all other persons under contract with Operator to provide all manner of

goods and services and conduct all manner of activities and business outside the Use Areas at the Westworld Facility before, during, and after the Event.

4.3 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:

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

4.3.2 If any requirements of any such rules or regulations (or of any updates) conflict with any other such requirement, or with the requirements of this Agreement, Producer shall comply with the more restrictive requirement.

4.3.3 If Operator changes the rules and regulations between the date Operator approves the Event Notice for an Event and the date of the Event, Operator shall inform Producer directly of the change.

4.4 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. Producer shall inform its employees, vendors, exhibitors, attendees and other persons at the Westworld Facility related to the Event of the requirements of this Agreement as necessary to secure their compliance with this Agreement.

4.5 Additional Activity Limitations. Producer shall not allow, bring or allow others to bring the following to the Westworld Facility in connection with the Event, regardless of whether they are prohibited by the rules and regulations:

4.5.1 Vending machines.

4.5.2 Arcade games, such as video games, pinball machines, and so on.

4.5.3 Firearms, ammunition (including live ammunition and blanks) and other weapons, except such materials in the possession of sworn police officers who are on duty.

4.5.4 Knives, swords or other devices with a blade longer than six (6) inches.

4.5.5 Animals other than the following:

4.5.5.1 Horses and cattle.

4.5.5.2 Ordinary rodeo livestock, which are limited to cattle and sheep.

4.5.5.3 Seeing eye dogs and similar animals providing assistance to a disabled person.

4.5.5.4 Dogs on leashes, if allowed by applicable laws. Any pet in a stall area must be on a leash or secured. No pets are allowed in show ring areas. Absolutely no pets

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are allowed in arenas or within one hundred (100) feet of any food or alcohol preparation or serving area. Producer assumes all liability for all animals.

4.6 Arena Footing. Producer shall not alter the footing of the Paddock or any arena, whether by introduction of shavings, straw, or other foreign materials, or otherwise, except with Operator's prior written permission.

4.7 Conduct of Concessions. In addition to all other requirements of this Agreement, Producer shall conduct the Concessions in compliance with the requirements set out in the Secondary Business Activities Requirements.

4.8 Operator's Fixtures and Personal Property. Producer shall return to Operator immediately after each Event any and all of Operator's property as may come into Producer's possession or be used by Producer, and shall maintain such equipment in good working condition from time to time at 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 it before use. Without Operator's prior written consent, Producer shall not remove, damage or alter in any way any of Operator's improvements, fixtures or equipment.

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

4.9.1 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.

4.9.2 Operator's police department has approved Producer's security and public safety plan.

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

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

4.10 Security. Producer shall provide adequate security and surveillance to ensure the safety of the general public. Event security and crowd control shall be commensurate with prudent public assembly standards and shall be based on the Event Notice, crowd size, crowd behavior and other circumstances, all to Operator's satisfaction. Except to the limited extent, if any, as may be expressly and unambiguously stated in the Secondary Business Activities Requirements, Producer's security obligations shall apply to all Concessions, Operations Support and other Secondary Business Activities. Producer shall cooperate in ensuring compliance with applicable alcohol laws and Westworld alcohol policies.

4.11 Qualified Personnel and Responsibility for Costs. Producer is responsible for all costs associated with and shall coordinate with Operator, all ushering, watchmen, security. This includes any special requirements to separate the general public from areas to which

Producer desires to restrict access, and to enforce all rules and regulations, and otherwise ensure the security, safety and well-being of all persons attending or otherwise 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. Uniformed security and traffic control providers shall be limited to officers of the City of Scottsdale Police Department.

4.12 Additional Personnel. When Operator deems necessary, after discussion with Producer and safety officials, 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 Operator determines to be necessary to ensure the safety and well-being of patrons and to enforce parking and other rules and regulations. Costs incurred for said personnel will be charged to and paid by Producer as Extra Operations Support Use Fee. Operator shall inform Producer before placing such personnel to be charged to Producer. Where appropriate in Operator's discretion, Operator may elect to prorate these costs among concurrent events based on individual event attendance.

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

4.14 Producer's Agent. At all times during the Events and all other times when the Westworld Facility is occupied by Producer or its property, Producer shall retain on call available to Operator upon the Westworld Facility an active, qualified, competent and experienced person to supervise and be responsible for all activities upon the Westworld Facility related to the Event and who shall be authorized to represent and act for Producer in matters pertaining to all emergencies and Producer's day-to-day use 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. 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 such person. Any change in such information 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.

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

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

4.15.1.1 Signs as directed by Operator at Westworld boundaries and on Westworld interior roadways directing vehicles to the specific parking areas used for the Event and providing other information Operator may require.

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

4.15.1.3 All other signs and markings required for safe and efficient use of the Westworld Facility related to the Event by the public and other persons who may be at the Premises at any time for any reason.

4.15.1.4 Other signs and other markings as directed by Operator from time to time.

4.15.2 Producer may elect to install and maintain the following additional signs:

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

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

4.15.3 All other signs visible from outside the Use Areas are prohibited.

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

4.15.5 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.

4.16 Advertising Space. Operator may, from time to time, enter into agreements for advertising at the Westworld Facility. However, Operator shall not enter into "exclusive" advertising arrangements that preclude Producer from selling additional advertising space at the Use Areas during the Event.

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

4.17.1 All publicity and advertising related to and during the Event that acknowledges any sponsor shall acknowledge Operator's support and shall use (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.

4.17.2 Except for giving the Event's location, no use of Operator's name or the Westworld Facility's name is allowed in any form of advertising or public relations unless Operator has given notice of Operator's approval.

4.17.3 If Operator requests, Producer shall provide a minimum of four hundred (400) square feet of reasonably prominent exhibit space at the Event to be used by Operator or Operator's designees for the purpose of promoting Scottsdale.

4.17.4 If Operator requests, Producer shall publish in the Event program a minimum of one page of reasonably prominent advertisement promoting Scottsdale. The advertisement shall use content provided by Operator.

4.17.5 Unless Operator requests otherwise, the official Event web site shall have a prominent link to Operator's internet web site and to Scottsdale Convention and Visitor's Bureau's web site.

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

4.18 Admissions for Operator. In addition to Operator's other rights to access the Westworld Facility and the Use Areas, Producer shall provide to Operator at no charge the following tickets (which includes badges, reservations or other rights of admission, attendance or participation) no later than two (2) weeks prior to the Event, unless Operator from time to time elects in writing to decline tickets:

4.18.1 Not less than twenty-five (25) general admission tickets, not less than twenty-five (25) upgraded tickets, and not less than fourteen (14) VIP tickets for each day of the Event, and for each separately ticketed part of the Event.

4.18.2 For any Event activity that uses the Wendell Arena, tickets for the section of box seats located on the south "50-yard line" of the Wendell Arena.

4.18.3 For any Event activity that uses the Equidome, tickets for the section of box seats located on the south "50-yard line" of the Equidome.

4.18.4 If Producer is operating the parking for the Event, not less than one (1) VIP parking pass for every two (2) tickets that are not general admission tickets and not less than one (1) general parking pass for every two (2) tickets that are general admission tickets.

4.19 Tickets. 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.

4.20 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. Any such corrective measures shall be made at no cost to Operator.

4.21 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. 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):

- 4.21.1 State of Arizona.
- 4.21.2 Maricopa County.
- 4.21.3 Arizona Department of Environmental Quality.
- 4.21.4 Arizona Department of Water Resources.
- 4.21.5 Bureau of Reclamation.
- 4.21.6 Central Arizona Water Conservation District.
- 4.21.7 Federal Aviation Administration.

4.22 Disorderly Conduct. Nudity and other disorderly conduct are prohibited as provided in **Exhibit "H"** attached hereto.

4.23 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:

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

4.23.2 Operator reserves to itself and to BOR, and their successors and assigns a right of use of the Westworld Facility as a flood control facility. This right includes the right to cause in the Westworld Facility such construction, earthmoving, maintenance, inspection, repair, replacement, operations, flooding and other activity related to use of the Westworld Facility as a flood control facility.

4.23.3 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.

4.23.4 Producer shall not make use of the Westworld Facility in any manner that 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.

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

4.24 Relocation or Cancellation of Events by Operator. Should conditions result in scheduling conflicts or conditions which would render the Use Areas unsafe for use, Operator may elect to relocate the Permitted Event to another arena or facility area of equal or greater

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value, at no extra cost to Producer. Should no other arena or facility be available, Operator shall offer to reschedule the event to a mutually acceptable future date, if available at no additional cost to Producer. Should no other area be available for the Event in Operator's discretion and no alternate date is acceptable to Producer, then the event shall be canceled at Operator's discretion and all deposits returned to Producer. Determination of whether or not the Use Areas are safe for use is totally at Operator's discretion and Producer shall abide by Operator's decision. Producer's obligations under this Agreement are otherwise unaffected by bad weather.

4.25 Monterra Restaurant. Notwithstanding anything in this Agreement to the contrary, 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, parking or other obligations for Monterra.

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 specific detailed prohibitions, if any, mandated 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 in Operator's opinion 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 a portion of an Event that requires a ticket shall be made only after reasonable oral notice to Producer.

5.3 Future Improvements. Producer shall not have the right to use new buildings or other future improvements to the Westworld Facility unless Operator chooses to make such improvements 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 set up 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.

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VII. PRODUCER'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. The Events shall be conducted as follows:

8.1 Condition of Use Areas. Operator and Producer shall be responsible for the condition of the Use Areas as follows:

8.1.1 Beginning Condition. Operator shall provide the Use Areas with stalls clean, and arenas clean of debris with a surface material appropriate for horses' movement. Operator shall properly fence any excavations or other construction areas. Operator's property shall otherwise 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. By entering the Westworld Facility to begin setting up for the Event, Producer accepts the Westworld Facility as being in good and safe condition and repair except as noted in a writing signed by Operator at the beginning of the Move-in Period.

8.1.2 Ending Condition. At the end of the Move-out Period (and after any use of the Westworld Facility that occurs after the end of the Move-out Period), Producer shall vacate the Westworld Facility, leaving the Westworld Facility in as good condition as provided or better, ordinary wear and tear excepted.

8.1.3 Beginning Walk-through. At the beginning of the Move-in Period (and prior to any permitted use of the Westworld Facility before commencement of the 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 existing damage or safety issue.

8.1.4 Ending Walk-through. At the end of each the 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. The cost of repairs or similar issues shall be added to the Damage Use Fee.

8.2 Producer's Event Operations Responsibilities. Except for such Operations Support as this Agreement requires Operator to provide, Producer shall be solely responsible to set up the Event, conduct the Event, and take down the Event. Without limitation, Producer shall comply with the following:

8.2.1 Scope of Work. Producer shall provide all set up, takedown, site preparation, janitorial service, cleanup, crowd control, restrooms, parking management, security, safety, temporary utilities, and other work necessary to safely and properly prepare for, conduct

and take down the Events and to return the Westworld Facility to its prior condition following each Event.

8.2.2 Event Producer Supplied Items. In addition to such Operations Support as this Agreement requires Operator to provide, Producer must independently provide and conduct during the Event the items listed on **Exhibit "I"** attached hereto. Producer must obtain such items either from Operator as Extra Operations Support or through other sources. Operator has no responsibility or liability with regard to receiving, handling, caring for, taking custody of or removing any personal property shipped or delivered to the Westworld Facility in connection with the Event.

8.2.3 Quality Event. 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. Producer shall cause all contractors working for Producer to 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.

8.3 Event Operations Support. Operator shall provide Operations Support for the Event as follows:

8.3.1 Base Operations Support. Operator shall provide to Producer at no additional cost to Producer only the Base Operations Support. The Base Operations Support for the Event consists only of the items listed on **Exhibit "J"** attached hereto, together with only such items as are specifically identified as Base Operations Support in the Secondary Business Activities Requirements, if any. No other Operations Support will be provided at Operator expense. For example, none of the items on listed on **Exhibit "K"** attached hereto is included in the Base Operations Support for the Event.

8.3.2 Charged Operations Support. Producer shall purchase from Operator and pay for the items of Charged Operations Support that are listed on **Exhibit "L"** attached hereto, together with such items as are specifically identified as Charged Operations Support in the Secondary Business Activities Requirements, if any.

8.3.3 Extra Operations Support. Operator shall provide Extra Operations Support requested by Producer during the Events at Producer's expense 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 "M"** 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 decision whether to provide Extra Operations Support will be limited by resources available, taking into account such factors as Operator's resources, competing demands, and the amount of time between the work requests and the work, and by any other factor Operator may desire to consider.

8.3.4 Limits on Operations Support. Unless clearly specified otherwise, Operator's obligation regarding all Operations Support is merely to make available at the

Westworld Facility the items listed and does not include set up, takedown, operation or other items or services.

8.4 Other Users. Producer acknowledges that the Westworld Facility is a year-round facility that 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 may also have use of areas used by Producer, and Producer must respect those uses.

8.5 Water. Producer may use the existing water service at the Use Areas.

IX. BREACH BY PRODUCER

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 Event and its other activities at the Westworld Facility in compliance with this Agreement after a member of Producer's management team has been informed of the failure.

9.1.3 If Producer shall fail to timely conduct the Event.

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 multiple or 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 thereafter, 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 Producer'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, if 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. If 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 that 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 or termination of this Agreement for 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.

10.3 Property not Removed. Any property of Producer or others related to the Event remaining on or about the Use Areas after the time for removal shall be considered abandoned and subject to removal, storage and disposal by Operator at Producer's expense and without compensation or accounting.

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. 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 Automobile Liability. Automobile liability insurance with a combined single limit of One Million Dollars (\$1,000,000) for each accident 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.

11.1.3 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.

11.1.4 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.

11.1.5 Concessions. Any and all additional insurance that the Secondary Business Activity Requirements may require Producer to provide.

11.1.6 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.

11.2 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.

11.3 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:

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

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

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

11.3.4 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.

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

11.3.6 Producer's insurance shall be primary insurance.

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

11.3.8 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.

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

11.3.10 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.

11.3.11 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.

11.3.12 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.

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

11.3.14 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."

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

11.4 Insurance Timing. Producer shall cause all insurance policies to be issued (and provide to Operator the required evidence of such issuance) no later than the date of this Agreement. All insurance policies must be in effect and cover the entire time that Producer in any way uses the Westworld Facility.

11.5 Insurance Coverage. The insurance required by this Agreement shall cover all use of the Westworld Facility related to the Event.

11.6 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.

11.7 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.

11.8 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. If Producer fails to provide insurance and Operator elects 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), 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.

11.9 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.

11.10 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.

11.11 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.

11.12 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 in any way to the Event, Producer's use of the Westworld Facility, and 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:

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

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

11.13 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.

11.14 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.

11.15 Insurance to be Provided by Others. Producer shall cause its contractors or other persons occupying, working on or about, or using the Westworld Facility pursuant to this Agreement to be covered by their own or Producer's insurance in the amounts and coverages required by this Agreement and conforming to the other requirements of this Agreement.

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

XII. CONDEMNATION

12. Condemnation. If a condemnation occurs that in Licensor's opinion prevents the Event from occurring as contemplated by this Agreement, this Agreement shall terminate for that year and Operator shall receive all proceeds. 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 or others 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 THE WESTWORLD FACILITY

13. Damage to or Destruction of the Westworld Facility. If Operator determines that the Westworld Facility cannot be used for the Event due to damage from fire, explosion, the elements, the public enemy or other casualty, then this Agreement shall terminate.

XIV. PRODUCER'S RECORDS

14. Producer's Records. Producer shall keep records and provide information to Operator as follows:

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

14.1.1 Information relating to Operator's or Producer's rights, obligations or performances under this Agreement.

14.1.2 Producer's 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. If 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 Maricopa County, Arizona for a period ending seven (7) years after the 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 separate 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 cannot 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 that 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 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 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.

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 Consent to Assignments. Every assignment of any of Producer's right to use the Right-of way or this Agreement or any of Producer's rights or interests hereunder is prohibited unless Producer first receives from Operator notice of Operator's consent to the assignment.

16.2 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:

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

16.2.2 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").

16.2.3 The use, occupation, management, control or operation of the Use Areas or any part thereof by others, except for permitted ordinary food, souvenir, and other vendors and concessionaires serving the Events under contract with Producer or Operator to the extent permitted by the Secondary Business Activities Requirements.

16.2.4 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.

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

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

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

16.3 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.

16.4 Effect of Assignment. Prior to any assignment, each assignee must execute an assumption of this Agreement in form acceptable to Operator. 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.

16.5 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.

16.6 Assignment Fee. Producer shall pay to Operator in advance the sum of Ten Thousand and No/100 Dollars (\$10,000.00) 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 Joint Producers. If Producer is comprised of more than one entity, then all such entities shall jointly and severally be responsible for Producer's performance of this Agreement.

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

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

17.4 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.

17.5 Severability. If 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.

17.6 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.

17.7 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.

17.8 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 that 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.

17.9 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:

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If to Operator: Brian Dygert
Westworld Administrative Office
16601 N. Pima Road
Scottsdale, AZ 85260

Copy to: Paul T. Katsenes
Executive Director Community and Economic Development
City of Scottsdale
7447 E. Indian School Rd., OCC 105
Scottsdale, AZ 85251

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

If to Producer: Terry D. Randall, President
Arizona Cutting Horse Association
11455 N. 102nd Street
Scottsdale, AZ 85260

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

17.10 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.

17.11 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.

17.12 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, that might otherwise favor Producer.

17.13 Funding. This subparagraph shall control notwithstanding any provision of this Agreement or any exhibit or other agreement or document related hereto. If 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

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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.

17.14 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.

17.15 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.

17.16 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.

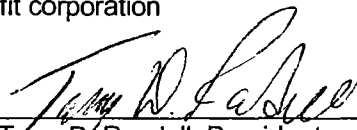
17.17 Attorneys' Fees. If any action, suit or proceeding is brought to enforce this Agreement, Producer shall pay all costs of such action or suit and all expenses of such action or suit together with such sum as the court (and not a jury) may adjudge reasonable as attorneys' fees to be allowed in said 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.

17.18 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.

17.19 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: **ARIZONA CUTTING HORSE ASSOCIATION**, an Arizona non-profit corporation

By: 
Terry D. Randall, 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

By: *R Kelly Ward*
Bruce Washburn, City Attorney

Brian Dygert
Brian Dygert, Westworld General Manager

Paul T. Katsenes
Paul T. Katsenes, Executive Director Economic Vitality

Katherine Callaway
Katherine Callaway, Risk Management Director

TABLE OF EXHIBITS

| <u>Exhibit</u> | <u>Paragraph</u> | <u>Description</u> |
|----------------|------------------|---|
| A | I | Map showing names of Westworld Facility Use Areas |
| B | K | Secondary Business Requirements |
| C | 1.1 | Event timeline table specifying all important dates |
| D | 1.4 | List of Event Use Areas |
| E | 1.5 | List of Event Information Producer will provide to Operator each year |
| F | 4.3.1 | Westworld Rules and Regulations |
| G | 4.3.1 | List of Exceptions to Westworld Rules and Regulations |
| H | 4.21 | Nudity and Other Disorderly Conduct |
| I | 8.2.2 | List of goods and services that Producer must procure from someone other than Operator (or from Operator as Extra Operations Support if Operator is willing to provide it) and provide for the Event. |
| J | 8.3.1 | List of Event Base Operations Support Paid by Operator. |
| K | 8.3.1 | List of examples of items NOT included in Base Operations Support and NOT Paid by Operator |
| L | 8.3.2 | List of Charged Operations Support |
| M | 8.3.3 | Extra Operations Support Work Order |



Westworld - SITE MAP 2012

EXHIBIT A

SECONDARY BUSINESS ACTIVITIES REQUIREMENTS

(Arizona Cutting Horse)

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, water, soft drinks, or other non-alcoholic drinks. Food does not include candy, gum or alcohol. 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, including vending machines.
2. Responsibility for Food. Operator provides Food as Base Operations Support.
3. Food Use Fee. This Agreement does not require Producer to pay to Operator any additional Use Fee with respect to Food. Operator retains all revenue from Food.
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 CONCESSION REQUIREMENTS

1. Alcohol Concession Scope. Alcohol Concession 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, barn parties and similar activities. Alcohol includes all modes of service, including vending machines.

2. Alcohol Concession 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.

2.1 Consumption and Possession of Alcohol. Consumption and Possession of alcohol at the Westworld Facility is limited as follows:

2.2 Consumption of alcohol at the Westworld Facility is prohibited unless the alcohol 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).

2.3 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.

2.4 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 person who possessed it.

2.5 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 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 Concession Use Fee Amount. The amount of the Non-Food Concession Use Fee shall be calculated as follows:
 - 3.2.1 The amount of the Non-Food Concession Use Fee shall be equal to zero cents (0¢) per square foot of space used for Non-food Concession vendors inside the Equidome.
 - 3.2.2 The amount of the Non-Food Concession Use Fee shall be equal to twenty-five cents (25¢) per square foot of space used for Non-food Concession vendors outside the Equidome.
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.
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 (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 similar service. 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
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 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 (PERMANENT BARNS) STYLE STABLE
CHARGED 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. Responsibility for Stable. Operator provides Stable service as Charged Operations Support.
3. Use Fee for Stable Operations Support. Operator shall provide Stable as part of the Charged Operations Support. Producer shall pay all Stable and related area cleaning, use and other fees as Charged Operations Support. The amount of such Charged Operations Support shall be fifty percent (50%) of all Stable revenues. Producer shall not charge less than One Hundred Forty and No/100 Dollars (\$140.00) per stall for the whole Event or less than Fifty and No/100 Dollars (\$50.00) per stall for a single day or overnight stall.
4. Usage Counts. Stable usage shall be measured as follows:
 - 4.1 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.
 - 4.2 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.
 - 4.3 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.
 - 4.4 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.
 - 4.5 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.
5. Animal Check-In. All reservations, check in, check-out, and payment, for Stable shall go through Producer's reservation and payment system.
6. Stable Use Restrictions. Producer shall comply with the following regarding Stable:

6.1 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.

6.2 Only one animal is allowed per stall.

6.3 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.

6.4 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.

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

6.6 Portable pens are not allowed unless provided by Operator.

6.7 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.

6.8 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.

6.9 Operator shall be responsible for the daily pick-up of manure, and final manure clean-up of permanent horse stalls unless otherwise specifically provided by this Agreement. Operator shall perform clean-up and removal of all other waste, cartons, trash, decorative materials, hay, shavings and manure droppings. Operator shall perform all of such work at Producer's expense as Charged Operations Support at the current posted rates for all labor, supplies and equipment (including dumpsters) necessary to perform said clean-up and removal from the Westworld Facility.

6.10 Basic electrical plug-ins are supplied at each stall. Producer or the person overloading these circuits at Operator's election shall be billed for the labor to reset the circuits.

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

6.12 Absolutely no hot shoeing is permitted in stall areas.

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

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

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

7.1 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.

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

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

8. 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.

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 for all persons attending, exhibiting, vending 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 provides availability of Day Parking service as Base Operations Support. 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.
3. Decisions Regarding Day Parking. Operator may conduct Day Parking as Operator may see fit (including without limitation charging for parking).
4. Use Fee for Day Parking Operations Support. Operator may elect to provide a Day Parking vendor as part of the Base Operations Support. The cost of the availability of the Day Parking vendor is included in the Base Use Fee. Producer is not required to pay any additional Use Fee for the availability of the Day Parking vendor. However, any person who actually uses Day Parking must pay the Day Parking vendor for the goods or services provided at prevailing rates.
5. Day Parking Location. Operator shall determine the location of Day Parking for the Event. Producer shall use the Day Parking service areas only for providing Day Parking for the Events.

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 areas exclusively controlled by Producer. Operator has no obligation to provide RV Outside. 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 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 (PROHIBITED) STYLE RV INSIDE CONCESSION REQUIREMENTS

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

GENERAL PROVISIONS

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. Operator may offer all manner of secondary business activities 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.
3. 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.
4. Unless expressly provided otherwise in this Agreement, Operator shall have the right to determine the area and location of all Concessions and Operations Support.
5. Producer's insurance and indemnity provisions of this Agreement apply to the Secondary Business Activities.
6. It is Producer's responsibility to investigate and remain informed about 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, feed and bedding, utilities and so on, and all resources related to those things.

(Arizona Cutting Horse)

EVENT TIMELINE

| | Event | Date | Exceptions |
|---|------------|--|------------|
| 1 | 2014 Event | a. Event Notice is due on the date of this Agreement | None |
| | | b. Move-In Period begins 8:00am on May 21, 2014 | None. |
| | | c. Event Period begins May 29, 2014 | None. |
| | | d. Event Period ends June 1, 2014 | None. |
| | | e. Move-Out Period ends 10:00am on June 2, 2014 | None. |

(Arizona Cutting Horse)

List of Event Use Areas

1. **Use Areas.** Producer shall have use of the following portions of the Westworld Facility during the Event Period, subject to the rights reserved to Operator under this Agreement:

1.1 The following portions of the Tony Nelssen Equestrian Center:

- 1.1.1 Equidome.
- 1.1.2 Equidome show office.
- 1.1.3 Equidome restrooms.
- 1.1.4 Paddock.
- 1.1.5 North hall.
- 1.1.6 North Hall restrooms
- 1.1.7 South hall.

1.2 Arena 3

1.3 Arena 8 (including attached permanent cattle pen).

1.4 One show office as designated by Operator. (Optional at Operator's discretion.)

1.5 Barn A or Barn O if Operator determines it is necessary.

2. **Additional Areas.** The Westworld Facility general manager shall have authority in his discretion to agree with Producer to extend the Use Areas to additional portions of the Westworld Facility subject to payment of applicable prevailing Use Fees.

3. **Shared Use Areas.** Producer shall have shared use of the following areas:

3.1 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.

3.2 Reasonable access ways to the exclusive Use Areas.

4. **Excluded Areas.** Notwithstanding anything in this Agreement to the contrary, Operator reserves for its own exclusive use the following areas of the Westworld Facility at all times:

4.1 Any portion of the Westworld Facility not specifically listed above on this exhibit as being for Producer's exclusive use.

4.2 All administrative offices and related parking.

4.3 The Monterra restaurant and related parking.

4.4 Law enforcement stables and related parking.

4.5 Other areas dedicated to an ongoing use, such as the Westworld Facility on-site feed and bedding operation, maintenance facility and RV office.

4.6 Any area that Producer is not actually using.

(Arizona Cutting Horse)

Event Information that Producer Will Provide to Operator

1. A schedule of the upcoming Event activities and all move-in and move-out activities.
2. A site plan showing the layout of the upcoming Event. The site plan shall show scheduled activities, staging, parking, fences, tents, stages, vendors, vehicle and pedestrian circulation, emergency access, and all other areas to be used for the Event.
3. A description of any temporary work that Producer proposes to the Westworld Facility for the upcoming Event, such as tents, staking, grading, moving dirt, or temporary stairs.
4. A list of Extra Operations Support that Producer desires to purchase from Operator for the Event.
5. A thorough description of fire, emergency and other public safety plans and facilities for the Event.
6. The name, telephone number and email address of Producer's agent in charge of the Event.
7. The names, telephone numbers and email addresses of persons who are authorized to contract with Operator on Producer's behalf for Extra Operations Support for the Event.
8. Attendance estimates.
9. Stall usage estimates.
10. RV usage estimates.
11. Any information required by the Secondary Business Activities Requirements.
12. A statement of Producer's choices as to any matters for which this Agreement allows Producer to make an election. For example, if this Agreement allows Producer to elect whether to use the turfed polo field, the statement shall indicate whether Producer desires to use the turfed polo field.
13. 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 flames, 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), motorbikes 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.

Exceptions to Westworld Rules and Regulations

1. **Exceptions.** The following exceptions to the Westworld rules and regulations are approved for:

1.1 **Fees.** Regarding paragraph 1.4 of the Westworld Rules and Regulations, fees shall be as stated in this Agreement.

1.2 **Refuse.** Regarding paragraph 5.9 of the Westworld Rules and Regulations, Operator will perform the clean-up and charge Producer as Base Operations support.

1.3 **Fire Extinguishers.** Regarding paragraph 7.7.1 of the Westworld Rules and Regulations, Operator shall provide fire extinguishers as specified by the fire department.

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

1.5 **Trash.** Regarding paragraph 9.16 of the Westworld Rules and Regulations, Operator shall perform the clean-up as Base Operations Support.

1.6 **Repair and Restoration.** Regarding paragraph 9.22 of the Westworld Rules and Regulations, Operator shall perform the repairs and charge Producer as Charged Operations support.

1.7 **Damage.** Regarding paragraph 9.24 of the Westworld Rules and Regulations, Operator shall perform the repairs and charge Producer as Charged Operations support.

1.8 **Cleaning.** Regarding paragraph 9.25 of the Westworld Rules and Regulations, Operator shall perform the repairs and charge Producer as Charged Operations support.

1.9 **Stall Records.** Regarding paragraph 9.29 of the Westworld Rules and Regulations, Operator and Producer shall review Westworld's daily stall accounting chart together each day.

1.10 **Operator's Vendors.** Regarding paragraph 9.33 of the Westworld Rules and Regulations, Producer is not responsible to cause a vendor to obtain a license if the vendor operates at the Westworld Facility pursuant to a contract with Operator and does not have a contract with Producer.

1.11 **Lighting Hours.** Regarding paragraph 11.1 of the Westworld Rules and Regulations, outdoor Arena lights are to be turned off before 11:59 p.m.

1.12 **Energy Conservation.** Regarding paragraph 11.4 of the Westworld Rules and Regulations, instead of turning off lights, Producer shall request Operator to turn off lights.

1.13 **Utility Use by Vehicles.** Regarding paragraph 12.2 of the Westworld Rules and Regulations, a mobile veterinary clinic may draw electric power from a permanent barn.

1.14 Conflict with Event Agreement. If a specific provision of the text of the Agreement plainly and explicitly contradicts a specific provision of the Westworld Rules and Regulations, then an exception to the Westworld Rules and Regulations is granted to conform to the Agreement text.

2. **Limited Exceptions.** The foregoing exceptions are limited as follows:

1.1 They are limited to their precise terms.

1.2 They only apply to the portion of the rule or regulation specifically discussed by the exception.

Disorderly 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 by Producer, any customer of Producer or anyone else using any part of the Westworld Facility 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 discernible 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.

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 discernible 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 that 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 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.
- 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 the Westworld Facility.

(Arizona Cutting Horse)

**Items that Producer must Provide from Third Party Vendors
for the Event in addition to Operation Support**

NONE

(Arizona Cutting Horse)

Base Operations Support
(to be provided by Operator at Operator's expense)

1. Use of permanent arena lights.
2. Use of existing public address system as may be available within specific use areas.
3. All available cattle panels placed once before the beginning of the Event Period.
4. Use of all available chairs for the Wendell arena.
5. Use of such picnic tables (with attached benches) as Operator may view to be available taking into account competing demands.
6. Use of such bleachers as Operator may view to be available taking into account competing needs, placed once before the beginning of the Event Period.
7. Periodic use of a water truck, tractor and Westworld Facility staff operator to supplement the equipment and crews that Producer provides to water and drag arenas.
8. Twice a day water and drag for each arena for each day of the Event Period.
9. Periodic emptying of manure bins.
10. Removal of horse manure and shavings and other janitorial and stall cleaning at the Use Areas.
11. Daily trash pickup and removal within Use Areas by Westworld Facility staff.
12. Electrical power from Operator's existing permanent electrical facilities.
13. Dust control of public parking areas.

Examples of Items NOT Included in Base Operations Support
(to be paid By Producer and 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. Tents.
9. Fencing.
10. Curbing for tents and ramps for curbing.
11. Golf carts.
12. Portable restrooms.
13. Portable drinking fountains.
14. Fuel for lights and generators.
15. Water truck.
16. Water (except for incidental amounts through existing small diameter hose bibs, drinking fountains and the like that may be included in the Use Areas).
17. Commercial vacuums and floor machines.
18. Other equipment and tools.
19. Labor and materials to install, connect, remove, operate or otherwise deal with any electrical, water, sewer or other systems that are not part of the Westworld Facility's permanent utility system.
20. Removal of horse manure and shavings and other janitorial and stall cleaning at the Use Areas.

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21. Final cleanup of permanent and manure bins after the Event, following removal of all other items by Producer.

22. Items that Operator may provide or perform as Extra Operations Support as described in the Secondary Business Activities Requirements or otherwise.

23. All other Operations Support, work and resources.

Charged Operations Support
(to be provided by Operator at Producer's expense)

None, except for items otherwise provided in this Agreement.

(Arizona Cutting Horse)

Extra Operations Support Work Order

The event producer shall sign and deliver a Work Order to Westworld staff before work is scheduled or performed.

Event: _____ (Arizona Cutting Horse)

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.

12228635v5

Stevens, Katie

From: nicetang@cox.net
Sent: Tuesday, May 13, 2014 9:42 AM
To: Jagger, Carolyn; Stevens, Katie
Subject: Agenda Item Comment for 05/13/14 - Item 21- Cutting Horse Event

Meeting Date: 05/13/14
Item Number: 21- Cutting Horse Event

Contact Information (if blank, user did not provide):

Name: Michael Mayer
Address: 11157 E Greenway Road
C/S/Z: Scottsdale, Az 85255
Phone:

Comment for 05/13/14 Item 21- Cutting Horse Event:

Mayor and Council,

As a taxpayer, I object to this Cutting Horse Event contract discounting user fees for a one time event.

Business lesson #1...Once you own the cow you don't have to buy the milk.

Scottsdale built a \$50M (\$10M over budget) horse barn. Westworld has not updated their business plan since 1998...16 years ago.

Clearly the City Directors and Westworld General Manager have no business sense....just big salary's and retirements.

I suggest only multiyear contracts be negotiated and user fees which cover costs.

Obviously Westworld will probably never make \$50,000 per week, 52 weeks a year which is what would be required to cover the bond you issued without a business plan or a citizen vote.

If this cannot be done then leave the horse barn empty.

But quit throwing more money at the problem. Fix the problem.