KITTITAS VALLEY EVENT CENTER
FACILITIES LEASE AGREEMENT

This Agreement made and dated this ____ day of _____, 2016 by and between KITTITAS COUNTY as lessor, hereafter referred to as "County", and the ELLENSBURG RODEO ASSOCIATION, hereinafter referred to as "Lessee" or "Association", wherein the Parties agrees as follows:

1. TERMS: For consideration of the rental herein specified and the covenants herein stated, the County herewith leases to the Lessee the following portion of the Kittitas County Fairgrounds; hereinafter the "leased premises", commonly known as the "Rodeo Grounds".

The "Rodeo Grounds" and associated properties and locations as described: the Rodeo arena, all grandstands (but not including the rooms or facilities under the main/south grandstand), covered and uncovered seating around the Rodeo arena (including that portion of land upon which the Association's 800-seat temporary bleachers are located), the track surrounding the Rodeo Arena, all facilities, fixed equipment and the grounds enclosed by the track, all associated stock pens surrounding the arena, the Gold Buckle building, the Western Village, all barns presently lying North and East of the Rodeo Arena (Director's Barn, Dinner Bell Handicap Barn, and Posse Barns), the fenced parking immediately West of the 8th Avenue entrance, the parking area directly North of the Rodeo Grounds (bounded on the South by 8th Street, the North by the alley between 8th and 9th Streets, East by Alder Street and on the West by 1009 E. 8th Street, otherwise known as Lots 9, 10, and 11 of Block 90); and such rights, conditions and limitations as may have been reserved by the County in that instrument dated the 5th of January 1933 and recorded in Volume 52 of Records of Deeds to a) portion of Craig Avenue and Patrick Avenue and Reed Park between the water tower and the American Legion Hall; and b) the hillside road leading from the top of Craig's Hill to the Rodeo Arena track.

2. NATIVE AMERICAN FACILITES: The lease for the property described as: the area East of Alder Street, North of the lot currently owned by the Ellensburg Rodeo, and immediately South of the John Wayne Trail, which serves to accommodate the Native Americans present at the Rodeo, shall be included in the Terms and Conditions of this Agreement.

3. PURPOSE: The Lessee shall use the premises only for the following purpose:

Lessee will conduct a professional Rodeo and other such activities as the Association shall choose in conjunction therewith including but not limited to "slack performances", bull riding, night shows, concessions, "Behind the Chutes", souvenir sales and the operation of areas of general public entertainment on the above described premises for the period of the lease as described herein.

4. RENTAL FEES: The Association shall pay to the County as rent for the annual period of occupancy, the total sum of $50,000.00 for the first year of the lease, to be paid, on or before October 1, 2017. The annual payment for each subsequent year will be determined by the County and noticed to the Association in the following manner: at the beginning of each new

calendar year, the County Auditor's office will add an amount equal to 1% or the average Consumer Price Index (CPI) for the period January – June of the previous year as published by the Bureau of Labor Statistics, whichever is greater, to the previous year's payment, and notify the Association in writing of the new rate no later than January 31st of that year. The total sum as determined by the County and noticed to the Association is to be paid on or before October 1st of each year.

The County waives the expectation of any and all parking and/or camping-RV revenue from properties leased to the Association during the Association's period of occupancy. The County waives all expectation of revenue from the rental of stalls or barns from the properties leased to the Association during the Association's period of occupancy.

5. FAIR ADMITTANCE: All tickets issued by the Association for any event conducted during the period of occupancy shall contain a "County Fair stub" that guarantees the patrons of that event admission to the Kittitas County Fair, and any event hosted by the Association where no ticket is required for entry shall be made available to Fair patrons as well. The rental fee set forth above includes admission of the Association's patrons to the Fair. The Association shall present to the Kittitas County Fair a certified accounting of the gross number of Rodeo and other event tickets issued by the Association with a Fair stub by October 1st of each year.

6. RECIPROCAL USE OF FACILITIES: The Association owns real property and structures located on the Association-owned real property (see Exhibit A) within the areas encompassed by the 2016 Kittitas Valley Event Center Master Plan. The Association grants to Kittitas County the use of those properties and structures at no charge to be used by the County as part of the Kittitas Valley Event Center facilities. This use by the County is allowed throughout the term of this lease except for during the period of occupancy by the Association.

7. RIGHT OF FIRST REFUSAL: The Association grants to the County the right of first refusal on any of the properties owned by the Association that lie within the area described under option "A" of the 2016 Kittitas Valley Event Center Master Plan.

8. PERIOD OF OCCUPANCY: The Association shall be entitled to exclusive use and possession of the above described premises for a twenty-four (24) day period each year during the term of this agreement. The period of joint occupancy shall begin the Monday two weeks prior to the advertised first day of the Rodeo at 7:00 AM and shall end the second Wednesday following Labor Day at 9:00 PM. In addition to the occupancy period set forth above, the Association shall have the right to use the Gold Buckle building, the large room in the Southwest corner of the Western Village, and the Rodeo Arena, three times each, per year, without charge, subject to scheduling with the Event Center management. In addition, the Association is granted access to the facilities at such times as are necessary and reasonable to do maintenance, repair, and/or capital improvements as may be necessary.

The Association shall be entitled to exclusive possession of the stock pens surrounding the area fourteen (14) days prior to the first day of the Rodeo. Requests to use the stock pens during the period of exclusive occupation shall be submitted to the Association for their approval.

9. TERM OF AGREEMENT: The term of this agreement shall run from January 2, 2017 to December 31, 2019.

The Association shall enjoy the right of first refusal should any other event contractor wish to pursue negotiations with the County after expiration of the above period, and shall be allowed to meet or exceed the terms of any offer received by the County.

10. RODEO ENTRY GATES: For the purpose of admission to the leased grounds, and for the purposes stated above, the County shall not unreasonably restrict the Association from designating entry and egress points on and about the leased premises. At least three of those points shall allow entry to the premises from the following public streets or ways: The "Champie Property" entrance, the 8th Street gate and the 7th Street gate.

11. ACCESS TO PREMISES: The Association shall be permitted reasonable access to the premises herein described at such other times during the year for the purposes of maintenance, inspection and construction and other necessary preparations for the Rodeo activities. However, it is understood that the County shall have the exclusive right to rent or lease the premises herein described above to others during the remainder of the year, other than as described in Section 8 of this agreement.

The County shall have all stalls in the tie stall barn and eight stalls in the box stall barn clean and ready for bedding when the Association takes possession. The Association shall return the stalls to the County at the end of each yearly period of occupation in the condition in which they were received, less bedding, and place the stall waste in an area that is accessible to the County staff for removal.

12. NIGHT SHOWS/OTHER PERFORMANCES: During its periods of occupancy as defined in Section 8 of this agreement, the Association shall have 24 hour per day control of the leased premises as to all events which occur on the leased premises. No other activities shall be scheduled during the period of occupancy by any other party involving the leased premises without the specific consent of the Association.

13. MAINTENANCE: The County shall perform such maintenance necessary to maintain the Rodeo Arena in full operating condition. The Association shall designate their Grounds Director to work closely with the Event Center Director concerning repair and maintenance for the Rodeo Arena and the other leased grounds. The parties shall tour the grounds at a mutually agreeable time, but no later than May 1st of each year, to designate and identify the needed maintenance. The Parties will develop a mutually agreeable "punch list" of maintenance items which will be the County's responsibility for completing. The County shall have until August 1st of each year to complete the punch list items. The Parties shall meet again at a mutually agreeable time after August 1st of each year to review the County's progress completing the maintenance punch list. Any items which remain on the punch list as incomplete after August 1st, as mutually agreed in writing by the Parties, may be completed by the Association. Notice of the incomplete punch list items as mutually agreed by the Parties must be submitted to the Kittitas County Auditor and the Kittitas County Board of County

Commissioners no later than August 15th of the current year. Direct costs, including but not limited to materials and any professional contractor costs, but excluding any Association or volunteer labor costs related to the punch list items completed by the Association may be deducted from the Rental Fees as described in Section 4 of this Agreement. No deductions from the Rental Fees shall be allowed for labor, administrative, or other costs not related to materials. All costs in this section for items which may remain on the "punch list" after August 1st and which may be completed after that date by the Association, as mutually agreed, shall not exceed $25,000.00.

The County agrees to conduct weed control and minor maintenance on the various properties surrounding the Fairgrounds that are owned by the Association in return for the use of those grounds and structures at times other than during the period of the Association's occupancy.

The Association shall not be held responsible for the normal repair, maintenance, servicing or supply of materials to the leased premises. However, the Association shall be responsible for the general cleanliness and garbage removal of any waster or litter created or caused through the execution of this agreement, excluding animal waste and bedding, and shall return the leased portions of the facility to the County in the condition in which they were received.

14. DAMAGE: Any damages caused by the Association's use, less normal wear and tear, to the leased premises shall be repaired by the Association at their expense.

15. CAPITAL IMPROVEMENTS: No major alterations that will affect the Association's ability to pursue the normal course of their business at the facility shall be undertaken without the full knowledge of the Association and that is not in compliance with the 2016 Kittitas Valley Event Center Master Plan. All permanent improvements made by the Association to the leased premises shall be subject to advance written approval of the Kittitas County Board of County Commissioners, and shall become the property of the County after completion. The Association, no later than August1st of each year, shall notify the Kittitas County Auditor in writing of any improvements completed that year at the facility and their corresponding value. The Association shall participate in the planning and execution of any capital improvement projects with the Kittitas Valley Event Center with the understanding that any improvements shall prove substantially appropriate in all use and effect to the 2016 Kittitas Valley Event Center Master Plan, or as may be subsequently amended.

16. INSURANCE: The Association shall indemnify, hold harmless and the save Kittitas County Fair Board, the "Friends of the Fair", Kittitas County, its officers, assigns and employees from all loss, damage, liability or expense (including the cost of litigation) arising out of or resulting from any actual injury or death of any person, or from any actual loss of or damage to property belonging to any person on account of or arising from the use of the leased premises by the Association during the Association's period of occupancy.

The Association shall not be held liable for the structural reliability, or destruction resulting from the structural reliability of facilities owned by the County, provided that the

Association in its use of the facilities conforms to all public safety and health, maximum occupancy or any other regulations governing the use of the leased facilities.

The Association shall at all times require the evidence of adequate insurance protections which includes the Association and the County named as additional insured from all contractors who will perform work for the Association on the premises.

The County may, from time to time, reassess the adequacy of coverage and require the Association to increase or reduce the level of coverage to meet their needs. The limits of said liability shall be determined by the County and are attached to this agreement as Exhibit B. The Association shall provide the County a certificate of insurance coverage at the time of execution of this agreement, and upon each anniversary date of any insurance coverage, and not less than ten days prior to each period of occupancy as described in Section 8 of this agreement. The county shall be notified immediately of any change or cancellation of any insurance policy.

The County shall keep insured against all peril all structures and fixtures located on the premises leased by the Association, and if they be destroyed, the County shall repair, rebuild or replace any said structures as soon as possible. Should any structures or fixtures normally leased to the Association become unavailable to the Association for their use during the period of occupancy as described in Section 8 of this agreement, the County shall provide suitable temporary structures to replace them at the County's expense.

17. ASSIGNABILITY: Lessee may not assign this lease without the assignment being first authorized by resolution of the Kittitas County Board of County Commissioners and the consent in writing of at least two members of the Board endorsed on the lease as required by RCW 36.34.180.

18. DISPUTE RESOLUTION PROCESS: In the event of any dispute relating to this Agreement, any Party to the agreement may initiate the Dispute Resolution Process after the Parties have attempted to resolve the disagreement informally.

To initiate the Dispute Resolution Process, a requesting Party shall provide written notice to the other Party that describes the issue(s) in dispute. Upon receiving the notice of dispute, the Parties shall meet within thirty (30) calendar days to confer and seek to resolve the dispute ("Conference"). The Conference shall be attended by the following parties: (a) the County shall send a member of the Board of County Commissioners, and department director(s), and County employee(s) and contractor(s) with information relating to the dispute, and (b) the Association shall send an Association's representative and any Association's consultant, employee(s) and volunteer(s) with technical information or expertise related to the dispute. The Parties shall, in good faith, endeavor to resolve their dispute through the Conference. Additional meetings may be scheduled during the period of Conference as needed. The Parties, by mutual agreement, may employ any other alternative dispute resolution procedures they deem useful under the circumstances. If the Parties are successful in resolving the disputed issue(s), the Parties shall jointly prepare a written statement listing the disputed issue(s) and the agreed resolution(s).

If the Parties fail to resolve the dispute within thirty (30) days of the initial Conference, or the dispute is not resolved within the timeframe established by mutual agreement of the Parties, the Dispute Resolution Process shall then be deemed complete and any party may seek to enter Binding Arbitration by providing written notice to the other Party. Such written notice shall include the remaining issues in dispute.

19. BINDING ARBITRATION: If a dispute relating to this Agreement is not able to be resolved by the Parties to this Agreement through the Dispute Resolution Process described in Section 18 of this Agreement, the Parties agree to pursue binding arbitration to resolve all remaining disputes.

Each Party shall select an arbitrator within thirty (30) days of the notice to arbitrate the resolution of the controversy between the parties, and the selected arbitrators shall jointly select a third arbitrator who shall participate in the arbitration.

The three arbitrators as provided for above shall hold an arbitration hearing within sixty (60) days of the selection of the third arbitrator and the three arbitrators shall allow each Party to present their case, evidence and witnesses, if any, in the presence of the other Party and shall render their decision. All costs of the arbitration shall be shared equally by the Parties to this Agreement. The decision of the majority of the arbitrators shall be binding on the Parties to this Agreement and judgment may be entered on such decision in any court having jurisdiction and be enforced therein.

The Parties hereto agree that the arbitration decision shall be binding and final and may not be appealed or otherwise brought before the courts for any reason other than enforcement of said arbitration award and decree.

20. LONG RANGE PLANNING: It is recognized that the County has adopted a plan to guide the future development of the Kittitas Valley Event Center titled" 2016 Kittitas Valley Event Center Master Plan" and that the continued presence of the annual Ellensburg Rodeo is of vital importance to this plan. The Association shall at all times be advised of the current state of development and implementation of that plan, and shall be guaranteed full participation in the planning process in any element of the plan that in any measure affects the Association's ability to rely upon the guarantees of this Agreement. The Association recognizes that, from time to time and in the public interest, the County will purchase land, restore or renovate structures, improve land, install utilities, convert to other use, or in other ways alter the general conditions of the facilities and land which at that time comprises the Kittitas Valley Event Center. The County shall undertake no action that serves to unreasonably restrict the Association's reliance on this agreement without their knowledge and approval.

21. AMENDMENT/TERMINATION: This Agreement may be amended or terminated at any time upon the mutual agreement of both Parties by any method suitable to both Parties that complies with law.

22. GENERAL CONDITIONS: Lessee agrees to appoint one or more representatives who will be the contact person in all dealings with grounds management and staff during the

term of the event. That person shall be available during normal operating hours and at other times as requested by the County.

23. REMOVAL OF TEMPORARY STRUCTURES: With the exception of the East End bleachers in the Arena, the Lessee shall remove temporary structures from the leased space immediately after the close of occupancy, or secure written permission to further hold space and later remove temporary structures.

24. ACTIVITIES AND ADVERTISING: The Lessee shall keep all activities and proprietary advertising matters within the leased premises. Both the Lessee and the Kittitas County Fair Board receive considerations from various advertisers and sponsors which require signs and other advertising materials to be placed within their respective venues, including the leased premises. The Parties hereto agree that they will respect each other's territory and shall consult with one another if any advertising materials are placed in such a manner as to potentially interfere with or encroach into the activities of the other.

25. BATHROOM SERVICES: County staff will stock and clean the restrooms on the leased premises. Any unforeseen service problems should be reported immediately to County staff.

26. INCIDENT REPORTING: The Kittitas Valley Event Center management is to be notified immediately of any significant incident that occurs during the event.

27. SECURITY: Lessee is responsible for providing sufficient internal security, ushering, medical aid and other personnel for the leased premises to maintain order and protect persons and property as required herein. Lessee, or it representative(s), shall meet with the security representative(s) of the Kittitas County Fair Board no later than July 31st of each year as necessary to establish mutually-agreeable, coordinated security protocols and operating procedures.

28. EVENT MONITORING: The County reserves the right of entry onto the leased premises for the purpose of monitoring compliance with all stated policies and conditions of the Agreement. Further, the County reserves the right of entry to perform repairs or improvements providing that the entry shall not unreasonably interfere with lessee's operation of their event. The County reserves the right to determine a condition of emergency and to act accordingly to preserve the public health and safety.

29. HOLD HARMLESS: The Lessee agrees to hold the County and its Fair Board, Fair Association, and their officers, agents and employees harmless from any claim made against them or on account of any actions of the said Lessee or on account of any actions or injuries to any person who is an invitee of the Lessee or for damage to any property, including the County's property, which may occur due to the action of the Lessee, or its officers, agents or employees, or due to the action of any invitee of the Lessee, or on account of any fire, explosion or other calamity caused by the Lessee, or any of its officers, agents or employees, or the Lessee invitees, or any material or equipment brought onto the premises by the Lessee, or any damage or injury

to property or persons caused by any animal brought onto said premises by the Lessee or by any invitee of the Lessee.

The County agrees to hold Lessee and its Directors, officers, agents and employees harmless from any claim made against them or on account of any actions of the said County or on account of any actions or injuries to any person who is an invitee of the County or for damage to any property, including the Lessee's property, which may occur due to the action of the County, or its officers, agents or employees, or due to the action of any invitee of the County, or on account of any fire, explosion or other calamity caused by the County, or any of its officers, agents or employees, or the County invitees, or any material or equipment brought onto the premises by the County, or any damage or injury to property or persons caused by any animal brought onto said premises by the County or by any invitee of the County.

30. COMPLIANCE WITH LAWS: The Lessee agrees, in addition to the terms of this agreement, to comply with all rules and regulations of the County and the Kittitas County Board of County Commissioners with reference to said Kittitas Valley Event Center and further to comply with all ordinances, laws and rules and regulations of the City of Ellensburg, County of Kittitas, State of Washington, and United States of America, with reference to the activity or the activities to be conducted by the Lessee.

31. SEVERABILITY: Any subsequent determination of invalidity of individual clauses of this contract shall not render the entire contract invalid.

IN WITNESS WHEREOF, the Parties agree to the above terms and conditions.

Ellensburg Rodeo Association

Jeff Faltus, President

Kittitas County

Obie O'Brien
Chairman

Paul Jewell
Vice-Chairman

Commissioner

ATTEST:

Julie Kjorsvik
Clerk of the Board

EXHIBIT A

RODEO ASSOCIATION REAL PROPERTY

Lots 3-6 inclusive, Bock 84, J.A. SHOUDY'S 2nd ADDITION TO ELLENSBURG, in the County of Kittitas, State of Washington, a per plat thereof recorded in Book 1 of Plats, page 11, records of said County. (Champie property includes RV hookups and Rodeo Secretary Office with restricted use bathroom).

Lots 15 and 16, Block 81, SHOUDY'S 2nd ADDITION TO ELLENSBURG, in the County of Kittitas, State of Washington, a per plat thereof recorded in Book 1 of Plats, page 11 records of said County. (Lots south of Fields house, no improvements).

Lots 1 and 2, Block 85, SHOUDY'S SECOND ADDITION TO ELLENSBURG, in the County of Kittitas, State of Washington, a per plat thereof recorded in Book 1 of Plats, page 11, records of said County. (Lots east of North Fair ticket office contain Association owned livestock panels and pen).

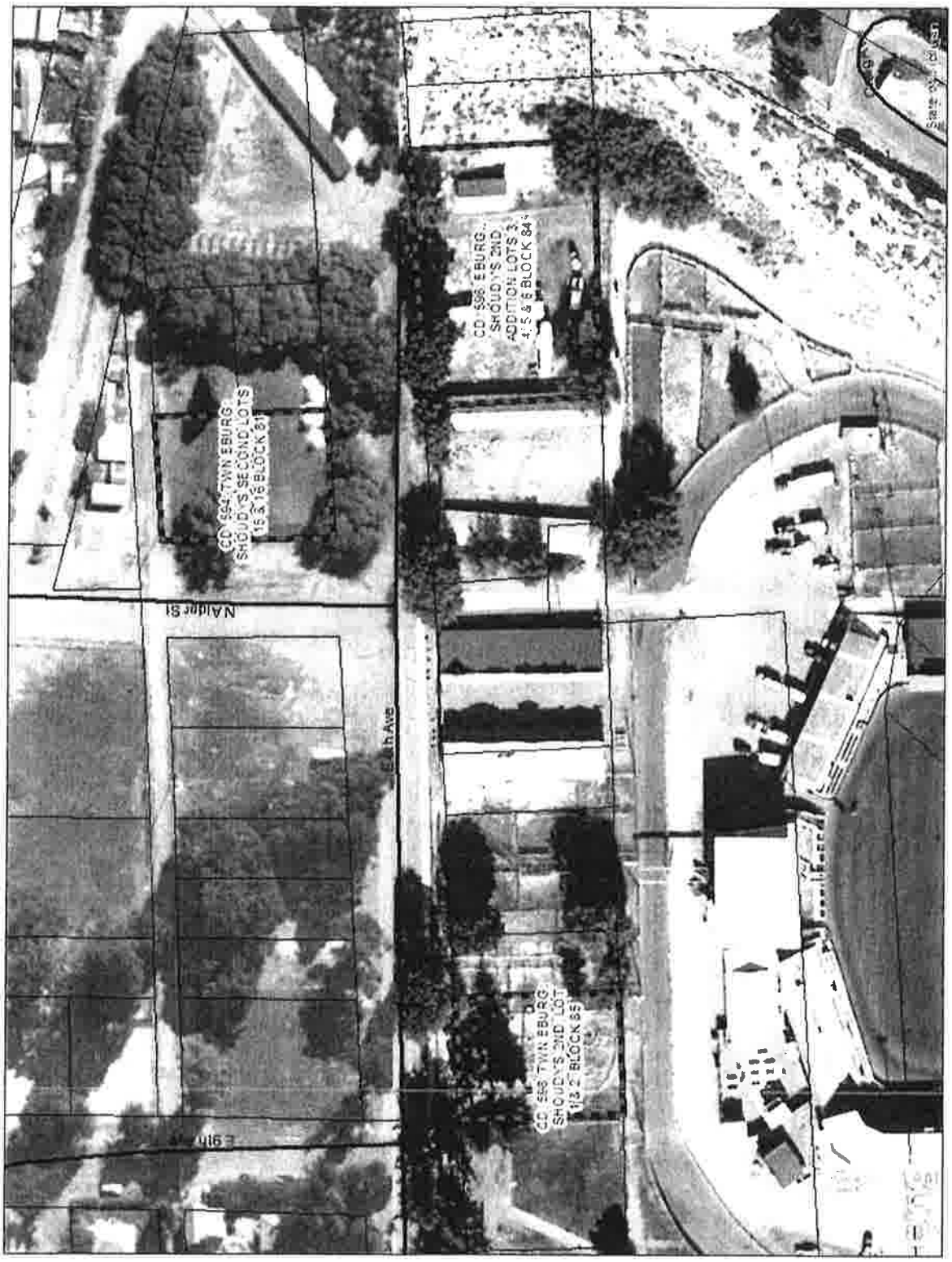

CD 598 EBURG
SHOUDY'S 2ND
ADDITION LOTS 3,
4, 5 & 6 BLOCK 84
CD 598 TWN EBURG
SHOUDY'S SECOND LOTS
15 & 16 BLOCK 81
Alder St
E 8th Ave
CD 598 TWN EBURG
SHOUDY'S 2ND LOT
13 & 14 BLOCK 85

EXHIBIT B

INSURANCE REQUIREMENTS

The Association shall secure and maintain in effect at all times during the duration of this agreement such insurance as will protect the Association, its contractors, volunteers, support and the Additional Insured's from all claims, losses, harm, costs, liabilities, damages and expenses arising out of personal injury (including death) or property damage that may result from this Agreement, whether such performance is by the Association or any of its subcontractors, volunteers, or support.

All insurance shall be issued by companies admitted to do business in the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports unless otherwise approved by the County. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

The Contractor shall provide proof of insurance for:

1) Commercial General Liability Insurance.
   - Coverage limits not less than:
     - $3,000,000 per occurrence
     - $5,000,000 general aggregate
     - $1,000,000 products & completed operations aggregate
     - $1,000,000 personal and advertising injury, each offense
   - Coverage provided must include spectators. It must also include participants, or the Association shall have sole responsibility for ensuring the insurance coverage and limits required are obtained by participants.
   - Certificate Holder – Kittitas County
   - The Certificate must name the County as additional insured, and insurance must be primary and non-contributory.
   - Thirty (30) days written notice to the County of cancellation of the insurance policy.

2) Stop Gap/Employers Liability.
   - Coverage limits not less than:
     - $1,000,000 each accident
     - $1,000,000 disease – policy limit
     - $1,000,000 disease – each employee
   - Thirty (30) days written notice to the County of cancellation

of the insurance policy.

3) Commercial Automobile Liability Insurance.
   - Automobile Liability for owned, non-owned, hired, and leased vehicles, with an MCS 90 endorsement and a CA 9946 endorsement attached if 'pollutants' are to be transported.

- Coverage limits not less than:
  - $1,000,000 combined single limit
- Thirty (30) days written notice to the County of cancellation of the insurance policy.

4) Excess or Umbrella Liability.
   - The Contractor shall provide Excess or Umbrella Liability coverage at limits of $3,000,000 per occurrence and annual aggregate. This Excess or Umbrella Liability coverage shall apply, at a minimum, to both the Commercial General and Auto Insurance policy coverage.
   - This requirement may be satisfied instead through the Contractor's primary Commercial General and Automobile Liability coverage, or any combination thereof.

5) Workers' Compensation.
   - Workers' Compensation in amounts required by law.

The Association shall furnish the County a certificate of insurance **with Endorsement** as evidence that policies providing insurance required by this Agreement are in full force and effect. The Association hereby waives all rights of recourse, including any right to which another may be subrogated, against Kittitas County for personal injury, including death, and property damage. Association's insurance policies required above shall be primary insurance and shall be non-contributing with any other insurance maintained by Kittitas County.

The Association shall assume full responsibility for all loss or damage from any cause whatsoever to any tools, Association's employee-owned tools, machinery, equipment, or motor vehicles owned or rented by the Association, or the Association's agents, suppliers, volunteers, or contractors as well as to any temporary structures, scaffolding and protective fences.

The Association shall have sole responsibility for ensuring the insurance coverage and limits required are obtained by subcontractors.

NOTE: No agreement shall form until and unless a copy of the Certificate of Insurance with Endorsement, properly completed and in the amount required, is attached hereto.