AGENDA
Special Meeting
Reno City Council
Wednesday, January 7, 2015 ● 12:00 PM
Reno City Council Chamber, One East First Street, Reno, NV 89501

Hillary Schieve, Mayor

Council Members:
Ward 1 – Jenny Brekhus  Ward 4 – Paul McKenzie
Ward 2 – Naomi Duerr  Ward 5 – Neoma Jardon
Ward 3 – Oscar Delgado  At-Large – David Bobzien

Posting: This agenda is posted at Reno City Hall – One East First Street, Washoe County Central Library – 301 South Center Street, Evelyn Mount Northeast Community Center – 1301 Valley Road, McKinley Arts and Culture Center – 925 Riverside Drive, Reno Municipal Court – One South Sierra Street, Washoe County Administration Building – 1001 East 9th Street and Reno-Sparks Convention and Visitors Authority – 4001 South Virginia Street, Suite G; and further in compliance with NRS 241.020, this agenda has been posted on the official website for the City of Reno – www.reno.gov and per NRS 232.2175 and 241.020 a link to this agenda has been posted to https://notice.nv.gov/.

Support Materials: Support materials are posted on the website www.reno.gov/meetings when they are provided to the governing body or if provided during a meeting, such materials will be posted on the website within 24 hours after the conclusion of the meeting. Support materials are also available at the City Clerk’s office and at the scheduled meeting. The designated contact to obtain support materials is the City Clerk, located at One East First Street, Second Floor, 334-2030.

Order of Agenda: Section titles on this agenda are for convenience and reference purposes and are not intended to define, govern, limit, modify or in any manner affect the titles of the items listed for consideration by the Reno City Council. A time listed next to a specific agenda item indicates that the specific item will not be heard before that time – it does not indicate the time schedule of any other item. Items on the agenda may be removed, postponed, taken out of order and the public body may combine two or more agenda items for consideration.

Public Comment: Public comment, whether on action items or general public comment, is limited to no more than three (3) minutes. The public may comment by submitting a Request to Speak form to the City Clerk. Public comment shall be presented to the Reno City Council as a body, and not to any member thereof. Speakers shall address questions through the presiding officer.

Rules – Procedures and Disruptive Conduct: The Reno City Council has established rules of procedure in order to ensure orderly conduct during the meeting. The presiding officer will enforce viewpoint neutral procedural rules to ensure the orderly conduct of business of the Reno City Council. The rules are available from the City Clerk, One East First Street, Second Floor, 334-2030.

Accommodations: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend meetings. If you should require special arrangements for any meeting, please contact our offices at 334-2030, 24 hours prior to the date of the meeting.

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Agenda Items

1  Pledge of Allegiance
2  Roll Call
3  Public Comment  (This item is for either public comment on any action item or for any general public comment.)
4  Approval of the Agenda  (For Possible Action) - January 7, 2015.
5 Staff Report (For Possible Action): Discussion, direction and possible approval of Second Amendment to that certain Agreement dated June 13, 2012 by and between the Reno-Sparks Convention and Visitors Authority (RSCVA), the City of Reno, Nevada (Reno) and United States Bowling Congress (USBC) to conduct certain national bowling tournaments within the City of Reno.

6 Identification of items for future agendas (For Possible Action).

7 Public Comment (This item is for either public comment on any action item or for any general public comment.)

8 Adjournment (For Possible Action)
STAFF REPORT

Date: January 7, 2015

To: Mayor and City Council

Thru: Andrew Clinger, City Manager

Subject: 5. Staff Report (For Possible Action): Discussion, direction and possible approval of Second Amendment to that certain Agreement dated June 13, 2012 by and between the Reno-Sparks Convention and Visitors Authority (RSCVA), the City of Reno, Nevada (Reno) and United States Bowling Congress (USBC) to conduct certain national bowling tournaments within the City of Reno.

From: Robert Chisel, Director of Finance and Administration

Summary: The United States Bowling Congress (USBC) advised the Reno-Sparks Convention and Visitors Authority (RSCVA) and the City of Reno of the USBC Board of Directors’ desire to re-open their current Agreement that is through 2030. The proposed Second Amendment has the following amendments to the contract:

- It increases the unique bowler payment to USBC to $30/$40 per unique bowler as a site fee payment, and sets the lineage at $2. (The 2015 and 2018 Championships are subject to a separate contract);
- Changes the cycle of tournaments to the previous rotation, with Championships coming to Reno every three years;
- Extends out the date of completion for construction projects at the National Bowling Stadium, specifically the demolition of the existing stadium seating and replacement with flexible space, and construct and establish a new food and beverage outlet from February 1, 2016 to February 1, 2020. In addition, the refurbish of the exterior of the National Bowling Stadium from February 1, 2018 to February 1, 2022;
- Reduces the amount dedicated from the $2 per night surcharge to the facility upgrades and renovations from 75% to 50%.

On December 5, 2014, the RSCVA Board of Directors approved the original Second Amendment, which is subject to the approval by the Reno City Council. The original Second Amendment did not include the changes to extend the completion for construction projects and the change in the percentage to be dedicated to facility upgrades and renovations. These changes will require approval by the RSCVA Board of Directors.
**Previous Council Action:** On June 13, 2012, Council approved an Agreement between the City of Reno, the RSCVA, and the USBC, through 2030 for USBC Open Championships and Women’s Championships national bowling tournaments.

On December 10, 2014 Council withdrew the agenda item on the Second Amendment.

On December 17, 2014 Council tabled the agenda item on the Second Amendment and directed staff to alter the amendment to seek changes in the capital project schedule and clarification on the language of the site fee payment in Exhibit B.

**Discussion:** On June 30, 2014, the United States Bowling Congress (USBC) Board of Directors sent a letter to the City and the RSCVA advising the City and the RSCVA of the USBC’s desire to re-open the current Agreement. The RSCVA, along with hotel partners and the City, have met regarding the USBC’s future challenges in light of the competing interest for the USBC’s business.

At a November 20, 2014 meeting, RSCVA executive staff and the RSCVA’s key hotel properties voted to effectively match the offer from Las Vegas by offering a $30/$40 per unique bowler site fee payment and lineage at $2. The 2015 and 2018 Championships are subject to a separate contract. In order to address the recurring USBC issue of “Reno fatigue,” the group also proposed returning to the previous rotation, with Championships coming to Reno every three years. The USBC Board recently reviewed this tentative proposal from RSCVA and approved the main deal points of an Agreement, with the understanding that the suggested offer was still subject to approval by the City and the RSCVA Board of Directors.

The RSCVA Board of Directors, at its December 4, 2014 meeting, approved the Second Amendment to the USBC agreement. The staff report for this item from the RSCVA is attached.

The highlights of the proposed Second Amendment are as follows:

1) RSCVA will pay USBC $30 per unique bowler (example 37,500 bowlers X $30 per unique bowler = $1,125,000 site fee).

2) For unique bowlers staying at one of the Partner Properties (Atlantis Casino Resort Spa, Circus Circus Hotel and Casino, El Dorado Resort Casino, Grand Sierra Resort and Casino, Harrah’s Reno, John Ascuaga’s Nugget, Peppermill Spa Resort Casino, Sands Regency Casino Hotel, and Silver Legacy Resort Casino), the RSCVA will pay $20 of the site fee, and Partner Properties will pay $10 of the site fee. For unique bowlers staying anywhere other than the Partner Properties, the RSCVA will pay 100% of the site fee.
3) RSCVA will audit bowlers prior to bowling their Team Event, determining where each bowler is staying (regardless of how they arrived at that hotel).

4) Partner Properties, working with the Nevada Resort Association (NRA) will ask the Nevada State Legislature to allow the Reno City Council to “re-purpose” the existing $2 per cash occupied room night surcharge to allow a portion of the fund to be used for the payment of USBC site fees. In addition, the NRA and the partner properties may request that the foregoing surcharge be increased and/or the scope of the properties charged with collecting the surcharge in Washoe County expanded. Should the Partner Properties/NRA be successful in that endeavor, the site fee will be escalated to the desired $40 per unique bowler by way of a Third Amendment to the Agreement.

5) If the Legislative changes are made, the amount will be $40 per unique bowler, the site fee breakdown would be paid as follows:

   a. RSCVA would pay $20 per unique bowler;

   b. Participating partner properties would pay $6 per unique bowler. The Surcharge would pay $14 per unique bowler. Note that the Partner Properties have agreed in principal to the reimbursement arrangements set forth herein with regard to the Site Fee. However, the RSCVA does not have written agreements with any of the Partner Properties regarding the site fee reimbursement at this time; and

   c. The Third Amendment would then be brought back to the RSCVA Board of Directors and Reno City Council for approval. In the event the RSCVA is unable to obtain City Council approval, the Site Fee shall remain at $30 per each Unique Team Bowler participating in the subject Tournament for the balance of the Term of the Agreement (excepting 2015 and 2018) without the necessity of any further action on the part of the Parties.

6) The length of the Agreement has been shortened. The Agreement now runs through 2026 as opposed to 2030. The new tournament schedule is included in the proposed Second Amendment.

7) The requirement of the renovation schedule has been changed. The Second Amendment extends out the date of completion for construction projects at the National Bowling Stadium, specifically the demolition of the existing stadium seating and replacement with flexible space, and construct and establish a new food and beverage outlet are changed from February 1, 2016 to February 1, 2020. In addition, the requirement to the City to
refurbish the exterior of the National Bowling Stadium is changed from February 1, 2018 to February 1, 2022. The Second Amendment also alters the amount needed to be dedicated from the $2 per night surcharge to the facility upgrades and renovations from 75% to 50%.

8) Lineage is now locked in at $2 per games bowled throughout the term of the Agreement.

9) RSCVA staff and Partner Properties recognize this is a significant increase in site fee payments and a reduction in lineage payments. However, this sets the site fee payments for tournaments hosted in Reno to a more comparable level with what USBC is receiving in other markets.

The Room Surcharge Capital Projects Fund (Surcharge) is a fee that is assessed at $2 per night for the rental of hotel rooms in the Reno downtown district. The 2011 Legislature enacted Assembly Bill 376 imposing the Surcharge. This funding, pursuant to the legislation, must be used solely to pay the cost of improving and maintaining publicly owned facilities for tourism and entertainment in the district and cannot be transferred to any other fund or account or used for any other purpose. The surcharge is overseen by the City Council’s Capital Projects Surcharge Advisory Subcommittee.

Currently the Surcharge generates approximately $2 million per fiscal year. As part of the USBC agreement certain improvements to the National Bowling Stadium were required. Of these projects the only remaining projects are the remodel of the stadium seating area on the fourth floor and the construction of a new food and beverage outlet. The National Bowling Stadium is owned by the City and the City is responsible for capital improvements including all major maintenance, including a potential substantial repair to the heating, ventilation and air conditioning system.

The Surcharge has been utilized to complete the following projects:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Citi Center/Police Substation</td>
<td>$324,172</td>
</tr>
<tr>
<td>DEC-Railing</td>
<td>$13,155</td>
</tr>
<tr>
<td>Livestock Event Center-Painting</td>
<td>$125,000</td>
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<tr>
<td>Livestock Event Center-Seats</td>
<td>$374,265</td>
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<tr>
<td>Livestock Event Center-Sign</td>
<td>$31,650</td>
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<tr>
<td>Livestock Event Center-Sound System</td>
<td>$100,000</td>
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<tr>
<td>NBS/DEC Feasibility Study</td>
<td>$43,438</td>
</tr>
<tr>
<td>NBS-4th Floor Remodel</td>
<td>$42,750</td>
</tr>
<tr>
<td>NBS-Hall of Fame Museum</td>
<td>$709,107</td>
</tr>
<tr>
<td>NBS-Kingpin Club</td>
<td>$2,025,141</td>
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</table>
Currently the Surcharge Fund has approximately $1.2 million.

Staff has prepared a projection of the Surcharge Fund based upon flat revenue projections and the expenditures for projects to include all know maintenance and capital expenditures (HVAC $2,960,000; Alarm Systems $315,000; Other $825,000) and current high projections for the fourth floor remodel of the NBS and the exterior refurbishment. Based upon this projection the Surcharge Fund will continue to have a minimum of $1 million and upon completion of the projects have an estimated $2.5 million. The projection of the balance of the Surcharge Fund is shown below.
Any actions approved by the RSCVA Board of Directors for the Second Amendment or Third Amendment have to be approved by the Reno City Council.

**Financial Implications:** None at this time. Based upon projections from staff the Surcharge Fund will continue to have a minimum of $1 million and upon completion of the projects have an estimated $2.5 million by 2022. If the Third Amendment and legislative authority is changed to utilize the Surcharge for payments to the USBC, the cost is estimated to be approximately $525,000 (37,500 bowlers times $40) from the Capital Projects Room Surcharge Fund every three years. The Surcharge has the revenue to make these payments if the projects are prioritized with this payment budgeted. City General Fund is not part of the discussion by the RSCVA.

**Legal Implications:** Under the Agreement, the funding of the Facility Upgrades and Renovations is derived solely from proceeds received from the Surcharge and is not secured by or payable from the General Fund of the City or the power of the City to levy ad valorem property taxes. Nothing contained in the Agreement shall in any manner limit or govern the legislative discretion of the City Council with regard to appropriation of the Surcharge proceeds […], however, the exercise of such legislative discretion may constitute an event of default under the Agreement.

**Recommendation:** Staff recommends Mayor and Council approve the Second Amendment to the Agreement dated June 13, 2012 by and between the Reno-Sparks Convention and Visitors Authority, the City of Reno and the United States Bowling Congress and authorize the Mayor to sign the Second Amendment.

**Proposed Motion:** I move to approve staff recommendation.

**Attachments:**
- RSCVA Board of Directors Meeting - USBC Agenda Item (PDF)
- USBC/RSCVA/Reno Agreement - Second Amendment - Redlined Version (PDF)
- USBC/RSCVA/Reno Agreement - Second Amendment - clean (PDF)
To: RSCVA Board of Directors

From: Christopher Baum, President/CEO and Joe Kelley, Vice President of Facilities

Date: December 4, 2014

Subject: Review, Discussion and Possible Action to (1) Approve a Second Amendment to that certain Agreement dated June 13, 2012 by and between the Reno-Sparks Convention and Visitors Authority (RSCVA), the City of Reno, Nevada (Reno) and United States Bowling Congress (USBC) and (2) Authorize the President/CEO to Execute the Second Amendment.

Executive Summary

On June 30, 2014, the RSCVA and City of Reno received a letter from Chad Murphy of the United States Bowling Congress (USBC) advising us of the USBC Board of Directors’ desire to re-open their current Reno agreement through 2030. Although the contracts signed by the City of Reno and the RSCVA are airtight, we have had a long and positive relationship with the bowlers, and we agreed to listen to their concerns to see how they might be addressed.

A meeting was subsequently scheduled in Reno on August 14 with Mr. Murphy, USBC’s legal counsel, and key local stakeholders: USBC’s primary hotel partners; the City of Reno, owner of the National Bowling Stadium (NBS); the RSCVA, manager of the NBS; and RSCVA’s legal counsel.

After a long conversation with Mr. Murphy regarding the USBC’s future challenges, it became obvious to our team that we needed to make Reno’s package more competitive with South Point’s Las Vegas deal and those from the one-shot destinations (like El Paso) that USBC travels to on occasion: approximately $1.5 million per Open Championship, which is more than the current Reno agreement provides.

After numerous meetings (the last of which was hosted by the RSCVA on November 20, 2014, RSCVA executive staff and the RSCVA’s key hotel properties voted to effectively
match the Las Vegas deal by offering a “hybrid” $30 / $40 per unique bowler (see attached correspondence from USBC Counsel) site fee payment and lineage at $2.00. (The 2015 and 2018 Championship are subject to a separate contract.) In order to address the recurring USBC issue of “Reno fatigue”, the group also proposed returning to the previous rotation, with Championships coming to Reno every three years.

The USBC Board recently reviewed this tentative proposal from Reno and approved the main deal points of an Agreement (see attached proposed 2nd Amendment), with the understanding that the suggested offer was still subject to approval by the City of Reno and the RSCVA Board of Directors.

Background

The RSCVA and Reno currently have an Agreement with USBC through the year 2030. The significant terms of the current Agreement are:

1) During the sixteen (16) year term, USBC will be required to bring a minimum of seven (7) Open Championships and a minimum of six (6) Women’s Championships.
2) The terms of the 2015 and 2018 Women’s Tournament are based on an old Agreement where the RSCVA receives lineage (2015- $2.77 and 2018- $2.77 per games bowled) and pays the USBC a flat $500,000 site fee.
3) In 2016 and all tournaments scheduled during years 2019–2030, USBC will pay the RSCVA an agreed upon lineage fee for each year of the tournament based upon the total number of games bowled (see Section 4.1).
4) The RSCVA will pay the USBC an agreed upon site fee based on the number of unique bowlers who participate in tournament(s) (see exhibit B of original Agreement).
   a. 2016 - 2018 - $20.00 per unique bowler
   b. 2019 – 2021 - $24.00 per unique bowler.
   c. 2022 – 2025 - $26.00 per unique bowler.
   d. 2026 – 2028 - $28.00 per unique bowler.
   e. 2029 – 2030 - $30.00 per unique bowler.
5) USBC will be required to book a certain number of room nights through their housing authority for each tournament (see exhibit B).
   a. Co-Located tournaments - 100,000 room nights through the housing authority.
   b. Open Championships – 65,000 room nights through the housing authority.
   c. Women’s Championships – 30,000 room nights through the housing authority.
6) Should USBC fall short of booking the required room nights, they will be penalized, (see exhibit B).
   a. 2019 – 2021 - $12.00 per room night*
   b. 2022 – 2025 - $13.00 per room night*
   c. 2026 – 2028 - $14.00 per room night*
   d. 2029 – 2030 - $15.00 per room night*

7) The participating hotel stakeholders will pay a room rebate to the RSCVA in an amount equal to.
   a. 2019 – 2021 - $12.00 per room night*
   b. 2022 – 2025 - $13.00 per room night*
   c. 2026 – 2028 - $14.00 per room night*
   d. 2029 – 2030 - $15.00 per room night*

*All “per room night” quotes refer to room nights booked through the approved housing authority.

8) The Agreement also requires the City of Reno to (see Section 2.3.2 – 2.3.4 of original Agreement):
   a. Utilize the funds in the “$2.00 surcharge fund” (and only utilize funds from this account. No general fund monies will be spent on improvements) to complete a certain number of improvements to the NBS by a set schedule (see Section 2.3 of original Agreement).
   b. Set aside of minimum of 75% of the “$2.00 surcharge fund” to complete these improvements through the year 2018.
   c. Though the risk is extremely minimal, should the City of Reno fail to complete the required improvements or fail to fund the required improvements, USBC will be allowed to:
      i. Terminate the Agreement
      ii. Penalize the RSCVA $250,000 per project year scheduled (2013, 2016 and 2018) as a penalty for potential loss revenue.

9) Should USBC fail to bring the required number of tournaments they will be penalized $1,000,000 for each Open or Co-Located Tournament and $500,000 for each Women’s Tournament not brought to the NBS.

These are the basic and significant terms of the existing Agreement. The original Agreement, in its entirety, is attached for your review.
Analysis

Based on the terms of the original Agreement, USBC experienced a significant and unexpected shortfall in their anticipated Site Fee for the 2013 Tournaments hosted in Reno. USBC’s site fee for 2013 was $916,000. This represents approximately $300,000 - $400,000 less than was anticipated by USBC. The primary factor driving the shortfall was that USBC bowlers booked approximately 13,000 room nights (through their official travel agency) against a goal of 100,000 room nights (most of which booked online or direct).

In February of 2014 (First Amendment attached); the RSCVA - along with our stakeholder partners - agreed to pay USBC a site fee of $20.00 per unique bowler and eliminate the room nights booked through the USBC travel agency term for the 2014 Tournament only. This increased the 2014 site fee to $1,210,000 with the RSCVA paying 70% and partner stakeholders paying 30%. Even though this is considerably more than the 2013 site fee, it is still significantly less than USBC receives in other markets.

Where, on the surface, this is financially beneficial to the RSCVA and our partner properties, it impairs USBC’s ability to operate and market effectively, which - in the long run - has a negative impact on the RSCVA and our hotel stakeholders.

In numerous meetings with the USBC and our partner properties, it was determined that a more reasonable Agreement is necessary, even though it will cost the RSCVA and our partner properties more money.

What is proposed in 2016, and all tournaments booked during years 2019–2026, is as follows:

1) RSCVA will pay USBC $30.00 per unique bowler (example 37,500 bowlers X $30.00 per unique bowler = $1,125,000 site fee).

2) For unique bowlers staying at one of the Partner Properties, the RSCVA will pay $20.00 of the site fee, and Partner Properties will pay $10.00 of the site fee. For unique bowlers staying anywhere other than the Partner Properties, the RSCVA will pay 100% of the site fee.

3) RSCVA will audit bowlers prior to bowling their Team Event, determining where each bowler is staying (regardless of how they arrived at that hotel).

4) Partner properties, working with the Nevada Resort Association (“NRA”) will ask the Nevada State Legislature to allow the Reno City Council to “re-purpose” the existing $2.00 per cash occupied room night surcharge to allow a portion of the fund to be used for the payment of USBC site fees. In addition, the NRA and the partner properties may request that the foregoing surcharge be increased and/or the scope of the properties charged with collecting the surcharge in Washoe County expanded. Should the partner properties / NRA be successful in that endeavor, the site fee will be escalated to the desired $40.00 per unique bowler by way of a Third Amendment to the Agreement.

5) If we do attain the desired $40.00 per unique bowler, the site fee breakdown would be paid as follows:
a. RSCVA would pay $20.00 per unique bowler
b. Participating partner properties would pay $6.00 per unique bowler
c. The surcharge would pay $14.00 per unique bowler.

Note that the partner properties have agreed in principal to the reimbursement arrangements set forth herein with regard to the Site Fee. However, the RSCVA does not have written agreements with any of the partner properties regarding the site fee reimbursement at this time.

6) This 3rd Amendment would then be brought back to the RSCVA BOD and Reno City Council for approval.
7) The length of the Agreement has been shortened. The Agreement now runs through 2026 as opposed to 2030. It has been determined that with the so many variables and unknowns, a shorter term Agreement makes more sense. The new tournament schedule is included in the proposed Second Amendment.
8) There is now the potential for flexibility in Reno’s renovation schedule. This is for the benefit of both parties and allows us to more strategically plan renovations and continue to pay for renovations out of cash flow.
9) Lineage is now locked in $2.00 per games bowled throughout the term of the Agreement.

RSCVA staff and Partner Properties recognize this is a significant increase in site fee payments and a reduction in lineage payments. However, this sets the site fee payments for tournaments hosted in Reno to a more comparable level with what USBC is receiving in other markets.

Attached for your review is,
1) The original Agreement.
2) The First Amendment approved in February of 2014.
3) The proposed Second Amendment.
4) Correspondence from USBC’s legal Counsel requesting the proposed $30.00 / $40.00 “hybrid” Agreement.
5) Clarification correspondence from RSCVA’s Legal Counsel in response to USBC’s legal counsel “hybrid” Agreement.

**Recommendation**

Staff recommends that the RSCVA Board of Directors approve the Second Amendment to the Amendment dated June 13, 2012 by and between the Reno-Sparks Convention and Visitors Authority, the City of Reno and the United States Bowling Congress and authorize the RSCVA CEO/President to execute the Second Amendment.
AGREEMENT

This AGREEMENT, made and entered into this 15th day of June, 2012, by and between the CITY OF RENO, NEVADA, a municipal corporation (hereinafter "CITY"), RENO SPARKS CONVENTION & VISITORS AUTHORITY, a political subdivision of the County of Washoe, Nevada (hereinafter "RSCVA"), and UNITED STATES BOWLING CONGRESS, INC. (hereinafter "USBC"), a Wisconsin non-profit corporation.

WITNESSETH:

WHEREAS, CITY is the owner of the public facility located at 300 N. Center Street, Reno, Nevada, commonly known as The National Bowling Stadium (hereinafter "NBS"); and

WHEREAS, RSCVA operates the NBS pursuant to that certain Downtown Events Center Operating Agreement by and between the City and RSCVA (the “Operating Agreement”); and

WHEREAS, RSCVA and USBC have contracted for several years for the City of Reno, and the RSCVA to host the USBC Open Championship ("Open Tournament"), the USBC Women's Championships ("Women's Tournament"), and the Co-Located Open & Women's Championship ("Co-Located Tournament") (collectively or individually referred to as "Tournament(s)") pursuant to certain written agreements (the "Original Agreements"); and

WHEREAS, the CITY and RSCVA each desire to induce the USBC to sponsor and conduct national bowling tournaments in the City of Reno, Nevada ("Reno") over a multi-year period; and,

WHEREAS, the USBC is willing to forego sponsoring and conducting national bowling tournaments in other locales and to conduct certain national tournaments in the City of Reno at the request of the CITY and RSCVA in reliance upon the specific promises and inducements contained in this Agreement.

WHEREAS, to induce USBC to consider the request of the CITY and RSCVA, the CITY and the RSCVA have each promised the USBC that certain funds will be dedicated for the completion of physical improvements that will be made to the NBS and completed by agreed upon dates as set forth in this Agreement; and

WHEREAS, it is fundamental to the conduct of such national bowling tournaments that USBC receive specific assurances that promised funds will in fact be dedicated to the NBS improvements as promised by the CITY and the RSCVA and that promised physical improvements to the NBS will be made in accordance with the dates set forth in this Agreement; and

WHEREAS, the USBC would not make the commitments it makes in this Agreement nor make the public announcements concerning the conduct of bowling tournaments in the City of Reno but for the promises of the CITY and RSCVA in this Agreement.
NOW, THEREFORE, in consideration of the terms, covenants, conditions, and provisions hereinafter contained, it is hereby mutually understood and agreed by and between the CITY, RSCVA and USBC as follows:

1. **INCORPORATION OF RECITALS.** The above recitals are true and correct and form a material part of this Agreement upon which the parties have relied.

2. **DEMISE, CONDITION OF PREMIES, USE, AND TERM.**

   2.1 **Premises.** The CITY and RSCVA hereby lease to the USBC those portions of the NBS described in Exhibit A attached hereto and incorporated herein by reference (the "Premises"), upon the terms and conditions set forth in this Agreement. The term "Premises" includes, without limitation, such bowling lanes and related areas on the third, fourth and fifth floors of the NBS, such office space as the parties mutually agree upon from time to time, and Common Areas of the NBS. The term "Common Areas" shall mean and include all areas and facilities of the NBS (exclusive of the Premises and areas leased to other parties or available for lease to other tenants) made available and designated by RSCVA for the common and joint use and benefit of tenants and occupants of the NBS including, but not limited to, sidewalks; parking areas; access roads; driveways; landscaped areas; truck service ways; public restrooms; public lobbies, hallways, stairwells, escalators and elevators; service elevators, docks, and areas; and parking area lights.

   2.2 **Right of First Opportunity.** Subject to the right of Nevada Land LLC, a Delaware limited liability company, to lease the first floor of the NBS under that certain Disposition and Development Agreement dated September 21, 2007 between Nevada Land LLC and the Redevelopment Agency of the City of Reno, for any space in the NBS that is not part of the Common Areas or leased or licensed to a third-party at any given time during the Term hereof, RSCVA shall first offer such space to USBC before leasing or licensing such space to another party. The USBC shall elect to add such space to its Premises within fifteen (15) days of receipt of RSCVA’s offer. If USBC fails to act within said fifteen (15) day period, RSCVA may proceed to license or lease such space to a third-party. If USBC elects to add such space to its Premises, such space shall be added to the Premises at no additional cost or expense to USBC. In addition, USBC shall have the right to add available space to its Premises for any Tournament, at no additional cost or expense, upon written notice to RSCVA exercising such right.

   2.3 **Condition of Premises: Facility Upgrades and Renovations.**

   2.3.1 RSCVA and the CITY shall complete the following upgrades and renovations ("Facility Upgrades and Renovations"), to the NBS on or before the following agreed-upon completion dates:
Facility Upgrades and Renovations

<table>
<thead>
<tr>
<th>Description of Improvement</th>
<th>Completion Deadline</th>
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<tbody>
<tr>
<td>Hall of Fame/Museum on the first floor of the NBS</td>
<td>April 1, 2012</td>
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<td>Ten (10) additional bowling lanes (location to be determined by RSCVA)</td>
<td>February 1, 2013</td>
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<tr>
<td>NBS Video Projection System replacement</td>
<td>February 1, 2013</td>
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<tr>
<td>Squad Room renovation and expansion</td>
<td>February 1, 2016</td>
</tr>
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<td>Removal and Replacement of seventy-eight (78) bowling lanes on the fourth floor of the NBS</td>
<td>February 1, 2016</td>
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<td>Demolition of existing stadium seating and replacement with flexible space</td>
<td>February 1, 2016</td>
</tr>
<tr>
<td>Construct and establish a new food and beverage outlet (sports bar theme)</td>
<td>February 1, 2016</td>
</tr>
<tr>
<td>Refurbish exterior of the NBS</td>
<td>February 1, 2018</td>
</tr>
</tbody>
</table>

RSCVA shall (i) consult with the USBC regarding the plans and specifications for the Facility Upgrades and Renovations, (ii) complete construction of the Facility Upgrades and Renovations on or before the dates set forth above, and (iii) accommodate and incorporate USBC’s input and requests concerning plans and specifications for the Facility Upgrades and Renovations, to the extent possible. When finalized such plans and specifications shall be provided to USBC. If the Facility Upgrades and Renovations are not constructed in accordance with such plans and specifications, USBC shall be entitled to terminate this Agreement if the non-conformity is material to USBC’s Tournament operations. In addition, all Facility Upgrades and Renovations shall be completed in a good and workmanlike manner in accordance with the plans and specifications in compliance with all building codes and regulations applicable to the NBS. RSCVA shall obtain all permits or certificates as are necessary for USBC’s occupancy of the NBS and the Premises following completion of any Facility Upgrades and Renovations.

2.3.2 Funding. The Facility Upgrades and Renovations are to be solely funded from proceeds received by the City of Reno from a two dollar ($2.00) surcharge on room nights booked at specific hotels located in the City of Reno (the “Surcharge”).

(a) Commencing upon the Effective Date of this Agreement and until such time as all Facility Upgrades and Renovations are completed in accordance with this Agreement, the CITY shall dedicate and apply a minimum of seventy-five percent (75%) of the Surcharge proceeds for completion of the Facility Upgrades and Renovations (the “Dedicated Surcharge Proceeds”). The CITY and RSCVA shall not pledge, apply or
otherwise encumber the Dedicated Surcharge Proceeds until such time as all Facility Upgrades and Renovations are completed in accordance with this Agreement. The CITY agrees to pursue the legal authority to encumber or pledge Surcharge proceeds in good faith, and further agrees that if and when such authority is granted, the CITY shall grant USBC a first position security interest in the Dedicated Surcharge Proceeds during the Term hereof until such time as the Facility Upgrades and Renovations are completed in accordance with this Agreement.

(b) Until such time as all Facility Upgrades and Renovations are completed in accordance with this Agreement, the CITY shall contribute and apply the Dedicated Surcharge Proceeds to the Facility Upgrades and Improvements.

(c) USBC acknowledges and agrees that funding of the Facility Upgrades and Renovations is derived solely from proceeds received from the Surcharge and not secured by or payable from the general fund of the CITY or the power of the CITY to levy ad valorem property taxes. The CITY's other obligations under this Agreement (other than with respect to completion and funding of the Facility Upgrades and Renovations), however, shall be considered general obligations of the CITY. Nothing contained in this Agreement shall in any manner limit or govern the legislative discretion of the City Council with regard to appropriation of the Surcharge proceeds or the issuance of bonds or notes as special obligations under the Local Government Securities Law to finance or refinance the Facility Upgrades and Renovations; however, the CITY acknowledges and agrees that the exercise of such legislative discretion may constitute an event of default under this Agreement.

(d) Notwithstanding the provisions of this Section 2.3.2, or any other provision in this Agreement, the CITY and RSCVA acknowledge and agree that the USBC possesses the right to terminate this Agreement, as set forth in Section 2.3.5, if sufficient funds are not available to satisfy the obligations of the CITY and RSCVA or the Facility Upgrades and Renovations are not completed by the agreed-upon completion dates set forth in Section 2.3.1.

2.3.3 Application of Dedicated Surcharge Proceeds. Until such time as all Facility Upgrades and Renovations are completed in accordance with this Agreement, CITY and RSCVA shall use and apply all Dedicated Surcharge Proceeds towards performance and completion of the Facility Upgrades and Renovations.

2.3.4 Surcharge reports. The CITY agrees to track and maintain an accounting of all Surcharge proceeds cumulatively, as received, expended, and on an annual basis, and, as applicable, in connection with the design, construction and installation of any project, including but not limited to, the Facility Upgrades and Renovations, and report same to USBC at times as reasonably requested by USBC with at least five (5) days notice.

2.3.5 USBC Right to Terminate. Except as otherwise agreed to in writing by the Parties, if the Facility Upgrades and Renovations are not completed in accordance with the agreed-upon completion dates set forth in Section 2.3.1, or if the City or RSCVA do not comply with the other requirements of Section 2.3.1, USBC shall have the unqualified right to terminate this Agreement without liability, cost, expense, or penalty to USBC, at any time, with such termination to be effective not earlier than December 31, 2018. This USBC right of
termination shall not be subject to or affected by any lack of or shortfall in revenue sufficient to complete the Facility Upgrades and Renovations or any other matter. The provisions of Section 11 (Indemnity) shall survive such termination. The USBC’s right to terminate as set forth in this Section 2.3.5, and as set forth elsewhere in this Agreement, is an essential term and condition, without which USBC would not have entered into this Agreement.

2.3.6 **USBC Multiple Options.** Each failure of the City and the RSCVA to meet the agreed-upon completion dates of February 1, 2013, February 1, 2016 or February 1, 2018 shall constitute a separate breach of this Agreement and shall entitle USBC to the separate and independent rights provided herein (hereafter a “Termination Event”). In lieu of terminating this Agreement and in its sole discretion, upon each separate Termination Event the USBC may request the RSCVA to pay USBC the sum of Two Hundred Fifty Thousand and 00/100 ($250,000.00). If the RSCVA pays USBC such amount within thirty (30) days of written request therefor by USBC, in such event the breach of this Agreement resulting from such Termination Event shall be deemed irrevocably waived by USBC. For the avoidance of doubt, each agreed-upon completion date of February 1, 2013, February 1, 2016 or February 1, 2018 shall be a separate and independent obligation of the RSCVA and shall provide USBC with separate and independent rights to terminate this Agreement or, at the sole discretion of USBC, to waive its termination right (in one or more than one instance) in exchange for the payment of Two Hundred Fifty Thousand and 00/100 ($250,000.00) (hereafter “Fee”) as provided herein. If the USBC elects, on one or more occasions, to forego terminating this Agreement and to accept the Fee but the RSCVA does not pay the Fee within thirty days, the Fee shall bear interest at twelve percent (12%) per annum from the date due and the USBC shall have the following rights and remedies, which it may elect to exercise at its sole option: (a) to set off the Fee and all accrued interest against the Lineage Fee due under Section 4.1 at any time and from time to time and whether any amount is then due or becomes due in the future; (b) to set off the Fee and accrued interest against any amount due from USBC under Section 5.1, pursuant to Exhibit B attached hereto or pursuant to any other obligation of USBC under this agreement at any time and from time to time and whether any amount is then due from USBC or becomes due in the future. In addition, if for any reason the foregoing right of offset does not, in the sole discretion of USBC, provide an adequate remedy for the breach of this Agreement, USBC shall be entitled to terminate this Agreement.

2.3.7 **Quiet Enjoyment.** CITY and RSCVA each represent and covenant that Tenant shall have uninterrupted use of, and Tenant may peaceably and quietly enjoy, the Premises during each and every Occupancy Period (as defined in Section 2.5.2 of this Agreement) subject only to the terms and conditions of this Lease.

2.4 **Permitted Uses and Compliance.** USBC shall use the Premises only for the purpose of conducting the Tournaments and related events, and shall not use or permit the Premises to be used for any other purpose without the prior written consent of RSCVA. USBC shall comply with all laws and regulations of any governmental authority and requirements of any insurer, now or hereafter in force, pertaining to USBC’s use of the Premises. USBC shall comply with all necessary permits and certificates of occupancy for the use and occupancy of the Premises prior to taking possession of the Premises.

2.5 **TERM.**
2.5.1 **Term.** The term of this Agreement shall commence upon November 1, 2012 (the "Commencement Date") and end on the conclusion of the Tournament in 2030 (the "Term"), unless sooner terminated as provided in this Agreement.

2.5.2 **Occupancy Period.** USBC shall have the right to occupy the NBS and the Premises for eight (8) weeks prior to each Tournament, during each Tournament period, and two (2) weeks following the conclusion of each Tournament (the "Occupancy Period"). With respect to Open Tournaments and Co-Located Tournaments, the Parties estimate that each Tournament period will last for an approximate duration of five (5) months, beginning in January of the year of the respective Tournament and ending in July of that same year. Notwithstanding the foregoing USBC shall have the right to set the absolute dates for each Tournament. In addition, USBC shall have the right to extend the occupancy period for a period of no more than fourteen (14) days at the sole option of the USBC, with written notice of such extension being provided by USBC to RSCVA by the November 2nd preceding the subject Tournament. The Parties shall mutually agree on occupancy dates for the Women’s Tournaments.

3. **REPAIRS AND MAINTENANCE.** The RSCVA and the CITY shall, at all times during the Term of this Agreement, keep the NBS and the Premises (including all equipment thereon) in a condition suitable and appropriate for the conduct of first-class national public bowling tournaments, both at the inception of each scheduled Tournament and for the length of scheduled competition. This obligation of CITY and RSCVA includes, without limitation, maintenance of the Common Areas, Facility Upgrades and Renovations, structural portions of the NBS, and the exterior walls, window glass, roof and foundation of the NBS and the heating, ventilating, air conditioning, electrical, plumbing and mechanical systems in proper repair during the Term. Should USBC note any deficiencies in the NBS or the Premises which render same unsuitable for the conduct of first-class national public bowling tournaments, USBC shall be entitled to notify the RSCVA of such deficiencies in writing and the same shall be corrected, or a written plan of correction acceptable to USBC shall be submitted, within ten (10) days of such notice. If the deficiencies are not corrected to USBC’s satisfaction or an acceptable plan is not submitted, USBC may either (i) correct such deficiencies and debit the cost of correction from amounts otherwise due from USBC under this Agreement, or (ii) terminate this Agreement without liability, cost, expense or penalty to USBC. USBC shall be responsible for any damage to the Premises directly caused by USBC activities which are outside the scope of contemplated activities of USBC in connection with the Tournaments.

4. **COMPENSATION.**

4.1 **Lineage Fee.** USBC shall pay to RSCVA the amounts set forth in the schedule listed in this Section (the "Lineage Fee") for each game bowled by all tournament participants as a lineage fee during each Tournament. For team and doubles events, the Lineage Fee shall be paid per bowler bowling at least one frame during the three-game series. The Lineage Fee for the singles event will be based on the number of bowlers bowling at least one frame of the doubles event per bowler. The Lineage Fee is independent of all taxes. The parties acknowledge that at the time of the execution of this Agreement bowling is not taxed, however, in the event a tax is placed on the Lineage Fee, then any such tax shall operate independent of the Lineage Fee, unless such tax benefits the CITY or RSCVA, in which case the Lineage Fee owed to RSCVA under this section shall be reduced by an amount equal to any such tax.
imposed in a given year. Settlement for the Lineage Fee shall occur within thirty (30) days of the conclusion of the Tournament.

<table>
<thead>
<tr>
<th>Year</th>
<th>Lineage Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$1.75</td>
</tr>
<tr>
<td>2014</td>
<td>$1.75</td>
</tr>
<tr>
<td>2015</td>
<td>$2.77</td>
</tr>
<tr>
<td>2016</td>
<td>$2.00</td>
</tr>
<tr>
<td>2017</td>
<td>No Tournament</td>
</tr>
<tr>
<td>2018</td>
<td>$2.77</td>
</tr>
<tr>
<td>2019</td>
<td>$2.15</td>
</tr>
<tr>
<td>2020</td>
<td>$2.25</td>
</tr>
<tr>
<td>2021</td>
<td>$2.35</td>
</tr>
<tr>
<td>2022</td>
<td>$2.45</td>
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<tr>
<td>2023</td>
<td>$2.55</td>
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<tr>
<td>2024</td>
<td>$2.65</td>
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<tr>
<td>2025</td>
<td>$2.75</td>
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<tr>
<td>2026</td>
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<tr>
<td>2027</td>
<td>$2.95</td>
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<tr>
<td>2028</td>
<td>$3.05</td>
</tr>
<tr>
<td>2029</td>
<td>$3.15</td>
</tr>
<tr>
<td>2030</td>
<td>$3.25</td>
</tr>
</tbody>
</table>

4.2 **Site Fee.** In accordance with and subject to the payment schedule attached hereto as Exhibit B and incorporated by reference herein, RSCVA shall pay to USBC a Site Fee for each Tournament.

5. **USBC OBLIGATIONS**

5.1 **Number of Tournaments at NBS.** For the years 2013 through 2018, USBC agrees that it will conduct not less than five (5) Tournaments, in accordance with this Agreement, at least three (3) of which shall be an Open Tournament. For the years 2019 through 2030, USBC agrees that it will conduct not less than ten (10) Tournaments, in accordance with this Agreement, at least six (6) of which will be an Open Tournament or Co-Located Tournament. Of the remaining four (4) Tournaments to be held between 2019 and 2030, the USBC, in its sole discretion, may schedule an Open Tournament, a Women's Tournament, or a Co-Located Tournament. In the event USBC is unable or unwilling to conduct ten (10) Tournaments between 2019 and 2030 pursuant to this Section 5.1, then in addition to any remedies provided to RSCVA for breach of this Agreement as outlined in Section 14, USBC agrees that it will pay to RSCVA an amount equal to one million dollars ($1,000,000) as liquidated damages for each Open or Co-Located Tournament it fails to conduct and five hundred thousand dollars ($500,000) for each Women’s Tournament it fails to conduct as provided in this Section (“Liquidated Damages”); provided, however, USBC shall have no liability to RSCVA for Liquidated Damages if (i) USBC terminates this Agreement prior to the expiration of the Term as provided in this Agreement or (ii) if the Minimum Required Hotel Rooms (as such term is defined in Exhibit B) decrease to such an extent that it becomes
impossible or impractical for USBC to meet its Guaranteed Room Night obligation (as such term is defined is Exhibit B). The amount of any Liquidated Damages owed by USBC shall be reduced by any amounts owed to USBC by RSCVA or the City.

6. **OPERATION AND CONTROL OF NBS.**

6.1 **Control of NBS and Premises.** Except as otherwise set forth in Section 6.1.1, USBC shall retain exclusive control over the bowling operations at the Premises during the Occupancy Period during the Term of this Agreement, including without limitation scheduling usage of the bowling facilities, and the condition of the lanes. USBC shall further be entitled to provide input to the RSCVA regarding staffing needs in connection with bowling operations on, in or about the Premises. RSCVA shall retain exclusive control over all other aspects of the Premises and NBS, including without limitation permanent signage and advertising in the Premises, except that RSCVA may not allow such signage to include the USBC or tournament name or logo without written approval from USBC. Twelve (12) months prior to each Tournament event, RSCVA will provide to USBC in writing a list of permanent stadium signage that will be posted throughout the event, including size and location. If, within 12 months of the event, RSCVA shall cause to be posted permanent signage that is not included within the list of stadium signage, RSCVA shall promptly notify USBC in writing.

6.1.1 **Rights Reserved by RSCVA.** RSCVA shall have the following rights, exercisable without notice and without any liability to USBC for damage or injury to person, property or business, without the same being deemed a disturbance in any manner of USBC's use or possession of the Premises and without relieving USBC from its obligation to pay any fee hereunder (a) to change the NBS's name or street address; (b) to install, affix and maintain any and all permanent signs on the exterior and/or interior of the NBS; (c) to make such structural repairs or alterations to the NBS as RSCVA may deem necessary or desirable and to take all material into and upon the NBS that may be required thereof during non-Tournament periods; (d) to take any and all reasonable measures, including inspections, repairs, alterations, additions and improvements to the Premises as may be necessary or desirable for the operating or preservation of the NBS. RSCVA shall conduct all such inspections, repairs, alterations, additions and improvements at times and in such a manner so as to minimize conflict with USBC's programming and events.

6.2 **Services provided by RSCVA.** During each Tournament during the term of this Agreement, RSCVA shall provide at its sole cost and expense the following services to USBC:

(a) Provide parking lot security at NBS from sunset until one hour after close of the tournament operation on each respective day of the Tournament.

(b) Provide USBC suitable office space in the NBS during each Tournament.

(c) Provide an outdoor sign program including signboards and all reader boards during each Tournament.

(d) Provide appropriate security personnel in the NBS during each Tournament.

6.3 **Food and Beverage.** RSCVA reserves the sole and exclusive right to offer for sale on, in or about the NBS, including the Premises, food and beverages of any type, or RSCVA may lease all concessions rights to any party or parties designated by RSCVA. Food City of Reno/RSCVA/USBC
and beverages provided during Tournament events shall be of a quality and selection consistent with the quality and selection available at other well-operated public sports arena venues. RSCVA shall accommodate and incorporate USBC’s input and requests concerning food and beverage, to the extent possible. Except as hereafter provided, RSCVA shall retain any and all revenue from food and beverage sales on, or about the NBS. To the extent the RSCVA may grant USBC any concession rights at the NBS, such rights will be subject to existing concession contracts between RSCVA and third parties. In no event will USBC, its exhibitors, agents or guests, bring into the NBS any food, whether prepared or unprepared, or beverages of any kind whatsoever, including but not limited to alcoholic beverages, without the prior written consent of the RSCVA. However, employees and contract laborers of USBC and its vendors may bring their own meals into the NBS, provided that they are privately consumed in areas not available to the general public, and are not advertised as non-NBS food and beverage (e.g. pizza delivery).

The Parties acknowledge that RSCVA contracts with, and may continue its practice of contracting with, third-party concession service providers for the provision of food and beverage service at the NBS, and that pursuant to said contracts, RSCVA is, or will be, entitled to receive a portion of all food and beverage sales at the NBS (the “RSCVA Royalties”). During the term of this Agreement, if food and beverage sales over the course of any USBC Tournament are more than $625,000 but less than $700,000, USBC shall be entitled to twenty-five percent (25%) of all RSCVA Royalties. If food and beverage sales are more than $700,000, USBC shall be entitled to fifty percent (50%) of all RSCVA Royalties. The RSCVA shall, as soon as reasonably possible after each Tournament, complete its accounting of food and beverage sales and remit to USBC any payments due under this Section. USBC shall be entitled to receive copies of all documents relating to the accounting of food and beverage sales at the NBS during the term of this Agreement. This Section 6.3 supersedes any prior agreements of the Parties relating to food and beverage services at the NBS.

6.4 Staffing. USBC will be responsible for providing at its sole cost and expense all tournament office officials during each Tournament, including the tournament manager, assistant manager, personnel manager, day manager, night secretary, registration staff and public relations staff. In addition, USBC will be responsible for providing all staffing for lane maintenance, weigh master and score monitoring. The RSCVA will be responsible for providing all staffing for pinsetter mechanics, facility maintenance, housekeeping support and facility management.

6.5 Laws/Regulations/Taxes. USBC shall pay all taxes levied or assessed upon USBC’s equipment, furniture, fixtures and other personal property located in or about the Premises, and wherever applicable, USBC shall pay all taxes, fees, surcharges, or other assessments levied by the County of Washoe, City of Reno and State of Nevada upon USBC’s business, operation, event or other activity, including but not limited to the Tax on Live Entertainment levied pursuant to Chapter 368A of the Nevada Revised Statutes or other possessory interest tax. In the event of contemplated changes to the tax laws of any of the aforesaid governmental entities, RSCVA agrees that it will use its best efforts in coordination with USBC to avoid the potential applicability of any such tax, including the potential sponsorship of the Tournament itself by the City of Reno so as to obtain any exemptions from tax that may be available.

USBC shall comply with all laws of the United States and the State of Nevada, all
ordinances of the County of Washoe and City of Reno, State of Nevada, and wherever applicable, all rules regulations of the Reno Police Department, Reno Fire Department and policies and criteria established by the RSCVA for the use of the NBS. USBC will not permit to be done anything on said premises in violation of such laws, ordinances, rules, regulations, policies or criteria herein referred to.

6.6 **Miscellaneous.** USBC may operate photo concessions and booth rentals during the Tournament at such locations approved by the RSCVA and shown on the map attached hereto as Exhibit A and incorporated by reference herein. USBC shall retain all revenues generated from any such concessions and booth rentals. The RSCVA shall be allowed to operate its logo shop at the NBS during the Tournament with all revenues being retained by the RSCVA.

7. **ADVERTISING AND SIGNAGE.** The RSCVA retains exclusive control over all permanent signage on the interior and exterior of the NBS, including without limitation the exclusive right to sell, lease or permit third parties to use such signage. Except for those areas used for permanent signage, USBC shall have the right to install any temporary signage upon the start of any Tournament, and shall restore the premises to its pre-signage condition, reasonable wear and tear excepted. RSCVA assures that corporate sponsors involved with the Tournament will receive some type of featured exposure during the event, as mutually agreed upon by USBC and RSCVA; however, nothing in this Agreement shall cause existing signage in the NBS to be removed or covered. USBC further acknowledges and agrees that in accordance with the naming right reserved by RSCVA under Section 6.1.1, USBC will exclusively use-the current name of the NBS in all advertising, signage and sponsorship materials.

8. **USE OF USBC NAME, LOGO AND SERVICE MARKS.** RSCVA shall not use USBC's name, logo or service marks without the prior written consent of USBC. Any approval granted by USBC hereunder shall be deemed a limited license, and the USBC name, logo and service marks shall, at all times, remain the sole property of USBC. RSCVA shall not use the USBC name, logo, or service marks except as approved in writing by the USBC.

9. **USBC TRAVEL AGENCY.** The RSCVA acknowledges and agrees USBC has the authority to utilize or appoint its own travel agency (or its designated housing agency) for purposes of travel and tour packages related to the Tournament. USBC (or its designated travel or housing agency) shall only represent, utilize, book and otherwise participate with hotel/casino properties with respect to housing or sponsorship programs who participate in the RSCVA room assessment program; however, the RSCVA acknowledges that USBC cannot compel its members to use the USBC's appointed travel or housing agency. In the event the necessary room requirements are not provided by the RSCVA to the USBC (or its designated travel or housing agency), USBC reserves the right to book rooms at alternative hotel/motel properties not participating in the room assessment program. USBC shall take such actions as are available to USBC to encourage that the relevant books, records (written, electronic, computer related or otherwise), and papers of any such travel agency (or designated housing agency) related to the Tournament(s) shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of such travel agency where such records may be found, with or without notice by the RSCVA or any of its authorized representatives.
10. **INSURANCE.**

10.1 **RSCVA Insurance.** RSCVA shall maintain insurance coverage in such types and with such limits as set forth below. All losses paid under the insurance carried pursuant to this Section 10.1 shall be payable to RSCVA.

10.1.1 **Standard Comprehensive General Liability insurance policy covering Bodily Injury, Property Damage, Independent Contractors, Liquor Liability (where allowable by State law), Personal Injury, Broad Form Property Damage, Broad Form contractual Liability and Medical Payments.** The limits of liability shall not be less than Five Million Dollars ($5,000,000) per occurrence, Ten Million Dollars ($10,000,000) general aggregate for both bodily injury and property damage, which policy names USBC as an additional insured.

10.1.2 RSCVA shall furnish USBC with a certificate showing that RSCVA is protected under the Worker's Compensation law of the State of Nevada.

10.1.3 RSCVA shall furnish USBC with evidence of the additional following coverages:

(1) All-Risk (or Special Form) Property insurance on RSCVA's Building and Contents.

(2) Liability coverage for all owned or Agreement vehicles including non-ownership coverage.

10.1.4 **Form of Coverage.** All such Insurance maintained by RSCVA shall be (i) issued by insurance companies authorized to do insurance business in the State of Nevada, (ii) endorsed to include USBC, the City of Reno, the City of Reno Redevelopment Agency, the County of Washoe and their respective officers, agents, beneficiaries, partners, employees, as ADDITIONAL INSURED (or, with respect to worker's compensation, contain a waiver of subrogation endorsement In favor of USBC) and (ii) satisfactory in form and substance to USBC. All insurance shall provide that the policy shall not be cancelled nor shall coverage be reduced thereunder until after thirty (30) days written notice to USBC at United States Bowling Congress, Inc., 621 Six Flags Dr., Arlington, TX, 76011. RSCVA shall deposit each policy or a certificate thereof with USBC thirty (30) days prior to the commencement of each Tournament.

10.2 **USBC Insurance.** At all times during the Occupancy Period during the Term of this Agreement, USBC shall procure and maintain, at its sole expense the following insurance coverages:

10.2.1 USBC shall carry a Standard Comprehensive General Liability insurance policy covering Bodily Injury, Property damage, Independent Contractors, Personal Injury, Broad Form Property Damage, Broad Form Contractual Liability and Medical Payments. The limits of liability shall not be less than Five Million Dollars ($5,000,000) per occurrence, Ten Million Dollars ($10,000,000) general aggregate for both bodily injury and property damage, which policy names RSCVA as an additional insured.

10.2.2 USBC shall furnish RSCVA with a certificate showing that USBC is protected under the Worker's Compensation law of the State of Nevada.
10.2.3 USBC shall furnish RSCVA with evidence of the additional following coverages:

1. All-Risk (or Special Form) Property Insurance on its personal property

2. Liability coverage for all owned or Agreement vehicles including non-ownership coverage.

10.2.4 **Form of Coverage.** All such insurance maintained by USBC shall be (i) issued by insurance companies authorized to do insurance business in the State of Nevada, (ii) endorsed to include RSCVA, the City of Reno, and the City of Reno Redevelopment Agency and their respective officers, agents, beneficiaries, partners, employees, the County of Washoe and the City of Reno as ADDITIONAL INSURED (or, with respect to worker’s compensation, contain a waiver of subrogation endorsement in favor of RSCVA) (iii) written as primary policies, not excess or contributing with or secondary to any other insurance as may be available to the additional insureds, and (iv) satisfactory in form and substance to RSCVA. All insurance shall provide that the policy shall not be cancelled nor shall coverage be reduced thereunder until after thirty (30) days written notice to RSCVA at Reno-Sparks Convention & Visitors Authority, Post Office Box 837, Reno, Nevada 89504-0837 USBC shall deposit each policy or a certificate thereof with RSCVA thirty (30) days prior to the commencement of each Tournament.

10.3 **Increase in Coverage.** If, by reason of changed economic conditions, any insurance amounts referred to in this Section 10 required to be purchased by both parties become inadequate in either party’s reasonable determination based upon the foreseeable hazards and upon insurance customarily required with respect to buildings similar in character, general location and use and occupancy to the Premises, the parties may increase the amounts required.

10.4 **Waiver of Subrogation.** All insurance required under this Section 10: (i) may be covered, in whole or in part, by blanket policies, and (ii) shall provide that the insurer waives all rights of recovery by way of subrogation against RSCVA or USBC, as applicable, in connection with any loss or damage covered by such policies. RSCVA and USBC notwithstanding any provisions of this Agreement to the contrary, waive any rights of recovery against each other for loss or injury against which the waiving party should be protected by insurance containing provisions whereby the insurer has waived any rights of subrogation, specifically including loss or Injury which would have been covered by the insurance described in Section 10.1 or 10.2 hereof.

11. **INDEMNIFICATION**

11.1 **Indemnification by USBC.** To the extent not covered by insurance, USBC shall hold RSCVA, the City of Reno, and the City of Reno Redevelopment Agency harmless and indemnify it against liability from loss imposed by law arising out of injury to or death of any person or persons, or damage to property, real or personal, resulting from USBC’s use of the Premises or of any equipment or fixtures thereon, whether owned by USBC or otherwise, or resulting from the negligence of any of the officers or employees of USBC or of others under contract to USBC. Contract liability of both parties shall not be subject to punitive damages. The provision of this section shall survive the expiration or termination of this Agreement with
respect to any claims or liability occurring prior to expiration or termination.

11.2 **By RSCVA.** To the extent not covered by insurance, RSCVA shall hold USBC harmless and indemnify it against liability from loss imposed by law arising out of injury to or death of any person or persons, or damage to property, real or personal, resulting from the use or operation of the Premises or NBS or of any equipment or fixtures thereon, whether owned by RSCVA or otherwise, by any party other than USBC; or resulting from the negligence of any of the officers of employees of RSCVA or of any other party other than USBC. Contract liability of both parties shall not be subject to punitive damages.

12. **CASUALTY**

12.1 **Termination of Agreement.** If the NBS or any part thereof is damaged or destroyed by fire or other casualty RSCVA shall immediately notify USBC. If in the mutual estimation of the parties it would be unreasonable to fully repair or restore the building or the parties determine that the fire insurance proceeds are insufficient to repair and restore the NBS or if the NBS cannot be fully repaired or restored within ninety (90) days of the commencement of the next succeeding Tournament after the casualty, either party may terminate this Agreement by written notice to the other within one-hundred eighty (180) days after the date of the damage or destruction.

12.2 **Restoration of Premises.** Unless this Agreement is terminated pursuant to Section 12.1 RSCVA and/or the City of Reno shall restore the Premises to substantially its previous condition, except that RSCVA and/or the City of Reno shall not be required to rebuild, repair or replace any part of the partitions, fixtures additions and other improvements constructed or installed in or about the Premises for the benefit of or by USBC. If such restoration has not been substantially completed within 360 days after the casualty, USBC may as USBC’s sole remedy terminate this Agreement by prompt written notice to RSCVA.

13. **USE AND COMPLIANCE WITH LAW.** USBC shall not commit waste, or overload the walls, ceilings, roof, floors or structure, or subject the Premises to any use which would tend to damage any portion thereof, or permit any nuisance therein such as offensive sound, light or odor. USBC will not permit the Premises to be used for any purpose or in any manner that would void the insurance thereon, increase the insurance risk, or cause the disallowance of any sprinkler credits, including without limitation, use of the Premises for the receipt, storage or handling of any product, material or merchandise that is explosive or highly inflammable. USBC shall comply with all laws and regulations of any governmental authority and requirements of any insurer, now or hereafter in force, pertaining to USBC’s use of the Premises, and with all restrictive covenants and other requirements affecting the Premises and recorded in the public records. USBC shall secure and comply with all necessary permits and certificates of occupancy for the use and occupancy of the Premises prior to taking possession of the Premises.

14. **DEFAULTS.**

14.1 **By USBC.** The following shall be events of default by USBC (an "event of default" or "default") hereunder:

14.1.1 USBC shall fail to pay any Lineage Fee or other obligation when due and payable under this Agreement and such failure continues for ten (10) days from the date such
payment was due.

14.1.2 USBC shall (a) become insolvent; (b) admit in writing its inability to pay its debts; (c) make a general assignment for the benefit of creditors; (d) file a voluntary petition or be the subject of an involuntary petition for arrangement of reorganization or seeking the appointment of a receiver or other relief under bankruptcy laws, and such petition remains undischarged for a period of ninety (90) days; (e) cease to be a nonprofit organization, either voluntarily or involuntarily; or (f) take any action to authorize or in contemplation of any of the actions set forth above in this paragraph.

14.1.3 USBC fails to comply with any covenant, agreement or obligation hereunder (other than those listed above in this Section), and such failure continues for thirty (30) days after written notice thereof to USBC, and USBC fails to cure such default within such thirty (30) days after written notice from RSCVA specifying such default (or, with respect to any default that cannot be cured within thirty (30) days, if USBC does not commence to cure within such period and thereafter diligently pursue such cure to completion). Unless otherwise provided in Section 5.1, failure to hold a Tournament in any given year does not constitute an event of default.

14.2 **By RSCVA and CITY.** The following shall be events of default by RSCVA and CITY (an "event of default" or "default") hereunder:

14.2.1 RSCVA or CITY fails to comply with any covenant, agreement or obligation hereunder, and such failure continues for ten (10) days (in the event of a monetary default) or thirty (30) days (in the event of a non-monetary default) after written notice thereof to RSCVA or CITY, as the case may be. RSCVA or CITY fails to cure such default within such applicable ten (10) or thirty (30) day period after written notice from USBC specifying such default (or, with respect to any default that cannot be cured within thirty (30) days, if RSCVA or CITY does not commence to cure within such period and thereafter diligently complete such cure within a reasonable time thereafter but in no event later than one hundred twenty (120) days). This latter provision shall not apply to the time requirements in Section 2.3.1 nor extend such dates.

14.2.2 RSCVA or CITY shall (a) become insolvent; (b) admit in writing its inability to pay its debts; (c) make a general assignment for the benefit of creditors; (d) file a voluntary petition or be the subject of an involuntary petition for arrangement or reorganization or seeking the appointment of a receiver or other relief under bankruptcy laws, and such petition remains undischarged for a period of ninety (90) days; (e) cease to be a governmental entity, either voluntarily or involuntarily; or (f) take any action to authorize or in contemplation of any of the actions set forth above in this paragraph.

14.3 **Remedies.** Upon occurrence of an event of default by either party, the non-defaulting party shall have the following rights and remedies, which shall be distinct, separate and cumulative and shall not operate to exclude or deprive the non-defaulting party of any other right or remedy allowed at law or in equity or elsewhere in this Agreement:

14.3.1 Terminate this Agreement by written notice to the defaulting party;

14.3.2 Enforce the provisions of this Agreement by a suit or suits in equity or at
law for specific performance of any provision herein, and for any other appropriate legal or equitable remedy.

14.3.3 All other rights and remedies available under law.

15. **TRANSFER OF PREMISES.** In the event that all or any portion of the NBS or the Premises are conveyed by the CITY to an entity or person other than the CITY or RSCVA, the USBC, at its option, may terminate this Agreement without liability, cost, expense or penalty to USBC. Subject to USBC’s Right of First Opportunity set forth in Section 2.2 of this Agreement, this Section 15 shall not limit the CITY’s or RSCVA’s right to lease or license space within the NBS (other than the Premises) to third parties and USBC’s termination right under this Section 15 shall not apply in such circumstance.

16. **LEGAL POWER AND AUTHORITY.** Each party to this Agreement represents that it has the legal power, right, and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement. The individual executing this Agreement on behalf of the City, RSCVA or USBC has the legal power, right, and actual authority to bind the City, RSCVA and USBC to the terms, provisions, and conditions of this Agreement. Upon execution of this Agreement, CITY and RSCVA shall each provide an opinion of counsel certifying that CITY and RSCVA have the requisite authority to enter into and perform the obligations of CITY and RSCVA hereunder, and that the terms hereof are enforceable against the CITY and RSCVA.

17. **ORIGINAL AGREEMENTS PARTIALLY SUPERSEDED.** The Parties agree that this Agreement shall govern the contractual relationship of the Parties as to the use and occupancy of the NBS for the years 2013 through 2030. Any and all prior agreements of the Parties pertaining to the years 2013 through 2030, including those agreements by and between the USBC and RSCVA dated March 17, 2005, July 13, 2005, and October 8, 2010, as amended, are, to the extent they are inconsistent with this Agreement, expressly superseded by this Agreement as for the years 2013 through 2030. Nothing in this Agreement shall be construed to amend or relieve USBC or RSCVA of their respective obligations under such prior agreements for the years prior to 2013.

18. **NO ASSIGNMENT.** USBC shall not sell, assign, or otherwise transfer this Agreement, in whole or in part, nor sublet or permit occupancy by any party other than USBC of all or any part of the Premises, without the prior written consent of RSCVA in each instance, which consent shall not be unreasonably withheld. However, either party may assign this Agreement to a corporation or entity organized to succeed the rights, title and interests of the assignor such as through, but not limited to, a consolidation, merger or other corporate combination.

19. **NOTICES.** All notices, demands, consents and requests required or permitted hereunder shall be in writing and shall be deemed given and delivered, whether or not received, when deposited in the United States Mail, postage prepaid and property addressed, certified mail, return receipt requested, as follows:

   To RSCVA:       Reno-Sparks Convention and Visitors Authority
                   Attn: Chief Executive Officer
                   P.O. Box 837

City of Reno/RSCVA/USBC
Reno, Nevada 89504-0837

With a copy to: Gordon Silver
Attn: Brett J. Scolari
100 West Liberty, Suite 690
Reno, Nevada 89501

To USBC: United States Bowling Congress
Attn: Stu Upson, Executive Director
621 Six Flags Dr.
Arlington, TX 76011

With a copy to: Michael Best & Friedrich LLP
Attn: K. Thor Lundgren and Danielle M. Bergner
100 East Wisconsin Avenue
Suite 3300
Milwaukee, WI 53202

To City: Attn: Director of Finance
City of Reno
P.O. Box 1900
Reno, NV 89505
Phone: (775) 334-2410
Fax: (775) 334-2409

20. MISCELLANEOUS.

20.1 Force Majeure. Whenever a day is appointed herein on which, or a period of time is appointed in which, either party hereto is required to do or complete any act, matter or thing, the time for doing or completion thereof may be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of labor disputes (Exception: neither party may terminate nor suspend its performance under this agreement for strikes, labor disputes or work stoppages involving its respective employees or agents), civil commotion, war, warlike operation, terrorist acts and/or specific threats of terrorism as determined by a threat condition of orange (high condition) or above by a U.S. government agency or official, sabotage, governmental regulations or control, fire or other casualty, inability to obtain any materials, or to obtain fuel or energy, weather or other acts of God, or other causes beyond such party’s reasonable control (financial inability excepted).

For the purpose of this Section, terrorism is defined as acts of persons acting individually or on behalf of or in connection with any organization that carries out activities within the United States directed toward overthrowing or intimidating the United States government or intimidation of its residents by violence, use of chemicals or other deadly substances, or any other force that is intended to cause serious bodily injury or illness. War is that which Congress or the President declares under the War Powers Act and/or other Federal laws.

(a) Should the Tournament be delayed by one (1) week or more by strikes, labor
trouble, riots, civic commotion or kindred events, USBC may, at its option, cancel the Tournament for that year without liability, cost, expense or penalty to the USBC.

(b) If there is a National, State or Municipal emergency and, due to any order of the National, State or Municipal government or any department or commission or officer thereof, a Tournament is not held as scheduled herein, then either party, at its option, by written notice given to the other party, may cancel the Tournament provided for herein without incurring any liability therefore.

20.2 **Construction.** In all cases the language in all parts of this Agreement shall be construed simply according to its fair meaning and not strictly for or against RSCVA or USBC.

20.3 **Further Assurances.** The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement.

20.4 **Governing Law.** The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Agreement.

20.5 **Time.** Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.

20.6 **Bond Obligations.** USBC acknowledges and agrees the City of Reno has issued bonds whose interest is exempt from federal income taxation to construct NBS. USBC represents that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the Code); that it will maintain its status as such an organization throughout the term of this contract; that it will use NBS only for its activities which do not constitute unrelated trades or businesses determined by applying Section 513(a) of the Code; and that to the extent it controls other uses of NBS, it will restrict the use of the NBS for activities that constitute unrelated trades or businesses determined by applying Section 513(a) of the Code.

20.7 **Entire Agreement.** This Agreement contains the entire understanding between the parties with respect to the subject matter of this Agreement and it supersedes any prior oral or written agreements and understandings between them as to the years 2013 through 2030. This Agreement may be modified only in writing signed by both parties.

WHEREFORE, the parties on the date specified in the introductory paragraph hereby agree to the terms set forth in this Agreement.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

By: [Signature]

Chris Baum

Its: President/CEO

Dated: 5-18-12

City of Reno/RSCVA/USBC
UNITED STATES BOWLING CONGRESS, INC.

By: [Signature]
Stu Upson
Its: Executive Director

Dated: 5/xx/xx

CITY OF RENO

By: [Signature]
Robert A. Cashell, Sr.
Mayor

Dated: 6/13/xx
EXHIBIT A

Description of Premises

[Attached]
EXHIBIT B
Site Fee - Payment Schedule

2013 & 2014
For the 2013 and 2014 Tournaments, RSCVA shall pay to USBC an amount equal to twenty dollars ($20.00) for each unique bowler that participates in either the USBC Open Championships Team Events that bowled a score or the USBC Women’s Championships Team Events that bowled a score. Except as hereinafter specified, the RSCVA guarantees a minimum payment of one million eight hundred thousand dollars ($1,800,000) for each of the 2013 and 2014 Tournaments.

As consideration for the 2013 and 2014 site fees, USBC guarantees a minimum of one hundred thousand (100,000) trackable room nights that are booked through the USBC housing bureau. In the event less than one hundred thousand (100,000) room nights are booked through the USBC housing bureau for either the 2013 or 2014 Tournament, the RSCVA shall deduct an amount of ten dollars ($10.00) from the site fee for each room night below the guaranteed one hundred thousand (100,000).

For the 2013 Tournament, the RSCCA agrees to pay the site fee in three (3) payments subject to the following schedule based on a projection of one hundred thousand (100,000) trackable room nights: January 10, 2012 the amount of $600,000; January 10, 2013 the amount of $600,000; and within thirty (30) days of the completion of the 2013 Tournament, the remaining balance owed based on the actual number of unique bowlers that participate.

For the 2014 Tournament, the RSCCA agrees to pay the site fee in three (3) payments subject to the following schedule based on a projection of one hundred thousand (100,000) trackable room nights: January 10, 2013 the amount of $600,000; January 10, 2014 the amount of $600,000; and within thirty (30) days of the completion of the 2013 Tournament, the remaining balance owed based on the actual number of unique bowlers that participate.

2015
For the 2015 Tournament, RSCVA shall pay to USBC the sum of $75.00 for the first 8,000 5-person teams and $90.00 for all 5-person teams above 8,000 that actually bowl the Team Event in the 2015 Tournament. The site fee does not take into consideration the number of teams who bowl in the Doubles & Singles events. The RSCVA agrees to pay the site fee in three (3) payments subject to the following schedule based on a projection of 12,000 teams: January 1, 2013 the amount of $315,000; January 1, 2014 the amount of $315,000; and July 31, 2015 the remaining balance owed based on the actual number of 5-person teams that bowl in the 2015 Tournament. The minimum site fee paid by RSCVA to USBC for the 2015 Tournament shall be $500,000.

2016
For the 2016 Tournament, RSCVA shall pay to USBC the sum of $100.00 for each 5-person team that actually bowls the Team Event in the 2016 Tournament. The site fee does not take into consideration the number of teams who bowl in the Doubles & Singles events.
RSCVA agrees to pay the site fee in three (3) payments subject to the following schedule based on a projection of 16,000 teams: January 1, 2014 the amount of $533,000; January 1, 2015 the amount of $533,000; and July 31, 2016 the remaining balance owed based on the actual number of 5-person teams that bowl in the 2016 Tournament.

**2018**

For the 2018 Tournament, RSCVA shall pay to USBC the sum of $75.00 for the first 8,000 5-person teams and $100.00 for all 5-person teams above 8,000 that actually bowl the Team Event in the 2018 Tournament. The site fee does not take into consideration the number of teams who bowl in the Doubles & Singles events. The RSCVA agrees to pay the site fee in three (3) payments subject to the following schedule based on a projection of 12,000 teams: January 1, 2016 the amount of $333,000; January 1, 2017 the amount of $333,000; and July 31, 2018 the remaining balance owed based on the actual number of 5-person teams that bowl in the 2018 Tournament. The minimum site fee paid by RSCVA to USBC for the 2018 Tournament shall be $500,000.

**2019-2030**

The RSCVA shall pay to USBC an amount based on the following schedule for each unique team bowler that participates in either the Tournament, the Women's Tournament, or the Co-Located Tournament so long as that team bowls a score in the Event. For the purposes of this Agreement, a unique team bowler shall mean each individual bowling for a team of bowlers consisting of four or five individuals that each bowl a score at a Tournament exclusively for their team ("Unique Team Bowler"). If any member of the team participates on another team during the Tournament, that bowler will not be considered a unique team bowler, and will not be counted for the purpose of calculating the Site Fee.

<table>
<thead>
<tr>
<th>Years</th>
<th>Site Fee per Unique Team Bowler</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2021</td>
<td>$24.00</td>
</tr>
<tr>
<td>2022-2025</td>
<td>$26.00</td>
</tr>
<tr>
<td>2026-2028</td>
<td>$28.00</td>
</tr>
<tr>
<td>2029-2030</td>
<td>$30.00</td>
</tr>
</tbody>
</table>

As consideration for the site fee, USBC guarantees a minimum of one hundred thousand (100,000) trackable room nights for each year the USBC conducts a Co-Located Tournament, sixty five thousand (65,000) trackable room nights for each year the USBC conducts an Open Tournament, and thirty thousand (30,000) trackable room nights for each year the USBC conducts a Women's Tournament (each amount referred to as "Guaranteed Room Nights"). These Guaranteed Room Nights must be booked through the USBC housing bureau. Except as provided below, in the event The USBC fails to book the Guaranteed Room Nights, through the USBC housing bureau for any of the Tournaments, the RSCVA shall deduct an amount as provided on the following schedule from the site fee for each room night below the Guaranteed Room Nights:
<table>
<thead>
<tr>
<th>Years</th>
<th>Site Fee Reduction Below Guaranteed Room Nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2021</td>
<td>$12</td>
</tr>
<tr>
<td>2022-2025</td>
<td>$13</td>
</tr>
<tr>
<td>2026-2028</td>
<td>$14</td>
</tr>
<tr>
<td>2029-2030</td>
<td>$15</td>
</tr>
</tbody>
</table>

USBC’s commitment to book the Guaranteed Room Nights is, however, contingent upon the availability of not less than 2,000 hotel rooms at the following hotels (the “Minimum Required Hotel Rooms”): Circus Circus, Silver Legacy, Eldorado, Harrah’s, Sands Regency, Peppermill and Atlantis. In the event that the Minimum Required Hotel Rooms decrease to such an extent that it becomes impossible or impractical for USBC to meet its Guaranteed Room Night obligation, then USBC shall be relieved of such obligation and there shall be no reduction in the site fees.

The RSCVA agrees to pay the site fee in three (3) payments subject to the following schedule based on the projection of the USBC meeting its Guaranteed Room Nights: January 10, of the year prior to the Tournament, the amount of one-third (1/3) of the estimated Site Fee; January 10, of the year of the Tournament, the amount of one-third (1/3) of the estimated Site Fee; and within thirty (30) days following completion of the Tournament, the remaining balance owed based on the actual number of Unique Team Bowlers. In the event RSCVA is owed a refund because USBC failed to achieve the Guaranteed Room Nights, the USBC shall immediately pay the RSCVA any refund owed to RSCVA as a result of such failure.

Notwithstanding the foregoing, in the event USBC provides a minimum of fifty thousand (50,000) Unique Team Bowlers for any Open Tournament, or twenty thousand (20,000) Unique Team Bowlers for any Woman's Tournament, the RSCVA shall guarantee a minimum Site Fee payment of one million dollars ($1,000,000) and two hundred fifty thousand dollars ($250,000) respectively.
NATIONAL BOWLING STADIUM - 5TH FLOOR

Exhibit "A"
Exhibit "A"
FIRST AMENDMENT TO AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT (this "Amendment") is entered into effective as of December 11, 2013 (the "Effective Date"), by and between THE RENO-SPARKS CONVENTION AND VISITORS AUTHORITY, a political subdivision of the County of Washoe, State of Nevada ("Authority"), the CITY OF RENO, NEVADA, a municipal corporation (the "City"), and UNITED STATES BOWLING CONGRESS, a Wisconsin non-profit corporation ("USBC").

RECURS

1. The City, Authority and USBC are parties to that certain Agreement dated June 13, 2012 (the "Agreement"), whereby the USBC agreed to lease a portion of the NBS from the Authority, and the Authority and City agreed to provide certain Facility Upgrades and Renovations to the NBS, all on certain terms and conditions as more fully set forth therein. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

2. The parties desire to amend the Agreement to revise the site fee payable to the USBC for the 2014 Tournament and to provide for other related matters as set forth herein, and are entering into this Amendment for such purpose.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, Authority and USBC hereby agree as follows:

1. **Recitals.** The foregoing recitals are hereby acknowledged by the City, Authority and USBC as true and correct and are incorporated herein by this reference.

2. **Exhibit B – Site Fee Payment Schedule.** The portion of Exhibit B relating to the site fee payable for the 2014 Tournament is hereby deleted in its entirety and replaced with the following:

**2014 Tournament Site Fee.** For the 2014 Tournament, Authority shall pay to the USBC an amount equal to twenty dollars ($20.00) for each unique bowler that participates in either the USBC Open Championships Team Events that bowled a score or the USBC Women’s Championships Team Events that bowled a score.

The Authority agrees to pay the 2014 Tournament site fee to the USBC in two (2) separate installments. The first installment, in an amount equal to Six Hundred Thousand and No/100ths Dollars ($600,000.00), was paid to the USBC by the Authority on or about January 10, 2013. By execution of this Amendment below, the USBC acknowledges timely receipt of the foregoing initial installment. The remaining balance of the 2014 Tournament site fee which is based on the actual
number of unique bowlers that participate in the 2014 Tournament shall be paid by the Authority to the USBC within thirty (30) days of the completion of the 2014 Tournament.

In consideration of the foregoing, the USBC shall allow the Authority access to each unique bowler that participates in the 2014 Tournament for the purpose of allowing the Authority to conduct a survey regarding which hotel property, if any, each such bowler stayed at while participating in the 2014 Tournament (the “Bowler Surveys”). The Authority shall be entitled to conduct the Bowler Surveys at such times and places as the USBC and Authority mutually agree, which such time and place shall not unreasonably interfere with the 2014 Tournament. The Bowler Surveys may be conducted in any manner deemed appropriate or desirable by the Authority, including, but not limited to, face to face surveys by employees or agents of the Authority. The USBC shall cooperate fully with the Authority in regard to the Bowler Surveys and shall not in any way interfere with or hinder the Authority’s ability to conduct the Bowler Surveys. The USBC acknowledges that the Bowler Surveys are necessary to enable the Authority to receive reimbursement of a portion of the 2014 Tournament site fee from third parties and that if the USBC interferes with or prevents the Authority from conducting the Bowler Surveys, the Authority will suffer economic damages as a result.

3. No Further Changes to Agreement. As amended by this Amendment, the Agreement shall remain in full force and effect. All references to the Agreement contained therein shall mean the Agreement as amended hereby.

4. Conflict. In the event of any contradiction of terms between this Amendment and the Agreement, the terms of this Amendment shall control.

[Remainder of page intentionally left blank]
5. **Counterparts: Electronic Transmission.** This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Executed counterparts of this Amendment may be delivered by facsimile, PDF file or other electronic file attached to e-mail, or other electronic means. Such delivery shall be conclusive for all purposes.

The City, Authority and USBC have executed this Amendment effective as of the Effective Date.

**AUTHORITY**

RENO-SPARKS CONVENTION AND VISITORS Authority, a political subdivision of the County of Washoe, State of Nevada

By: __________________________
Name: _________________________
Its: __________________________

**USBC**

UNITED STATES BOWLING CONGRESS, a Wisconsin non-profit corporation

By: __________________________
Name: _________________________
Its: __________________________

**CITY**

CITY OF RENO, NEVADA, a municipal corporation

By: __________________________
Name: _________________________
Its: __________________________
USBC Agreement
Second Amendment

To be distributed under separate cover
November 12, 2014

VIA ELECTRONIC MAIL

Benjamin W. Kennedy, Esq.
Gordon Silver
100 West Liberty Street
Suite 940
Reno, NV 89501

Re: Reno Negotiations

Dear Attorney Kennedy:

I write on behalf of USBC, and in response to your letter dated November 7, 2014. As we advised, the USBC Board was to meet (and has now met) on November 8th and 9th. The USBC Board is frustrated and disappointed that the Amendment to the Agreement has not been approved by the Reno Parties at this point. The delay on the part of the Reno Parties (although you have offered an explanation) puts in serious jeopardy the USBC’s ability to hold a successful 2016 tournament. We have a simple solution which is described below. Before proposing that solution, a few points of context are appropriate both to support the approval of the solution we seek and so that the Reno Parties may appreciate the significant problem this delay is causing the USBC and its members.

I. Context

In the summer of 2014, upon the request of USBC, the parties agreed to reopen and potentially amend that certain Agreement by and among the RSCVA, the city, and the USBC dated June 13, 2012 (the “Agreement”). Specifically, the parties agreed to discuss the 2016 Open Championship and the number and types of tournaments required to be held in Reno throughout the term of the Agreement, as well as other matters.

The parties made specific arrangements to be sure that all necessary parties were in the room; ready, willing, and with the authority to negotiate an amendment to the Agreement. August 14, 2014 was set as the meeting date.

On August 14, 2014, the parties negotiated and reached a tentative agreement on an Amendment to the Agreement. That amendment would adjust the tournament’s schedule in Reno to a “one in three” rotation; adjust the term from 2030 to 2035; and, adjust the Reno Parties’ payment to USBC to $40 per Unique Bowler for all future tournaments beginning in 2016.
At this meeting of August 14th, the Reno Parties asked USBC representatives (Executive Director Murphy and Attorney Beightol) to take the tentatively agreed upon Amendment to the Agreement to the USBC Board for approval. Technically, this was the "Second Amendment to Agreement." The USBC approved the Amendment with a liquidated damages change (and not additional remedies) as we confirmed in a letter to you dated September 12, 2014.

The Reno Parties then advised that the Amendment to the Agreement would be approved at the September RSCVA Board meeting.

That did not occur and, instead, the Reno Parties advised that the USBC could anticipate an approval on October 22, 2014.

The USBC confirmed that its prior approval of the Amendment to the Agreement (by its communication of September 12, 2014) would remain in place until October 28, 2014.

The RSCVA did not approve the Amendment to the Agreement at its October 22, 2014 meeting. Instead, the RSCVA Board, by letter dated October 22, 2014, indicated that approval would be sought and should take place at its December 4, 2014 RSCVA Board of Directors meeting.

Most recently, by your letter dated November 7, 2014, the RSCVA Board has indicated that, while it supports the Amendment to the Agreement, that it does not have the approval of the necessary public bodies. Those public bodies were then identified as not only the RSCVA and the Reno Council, but now also the Nevada Legislature. You stated approvals from these public bodies would be necessary in order for the Reno Parties to be able to fund the promise made at the August 14, 2014 meeting leading to the Amendment to the Agreement. And, within that same November 7th communication from the RSCVA, now the timeline has been extended to as late as "first quarter of 2015" before those necessary approvals can be obtained.

The USBC notes also the various assurances that the Reno Parties have made in face-to-face discussions and in your correspondence that it fully intends to go forward with the Amendment to the Agreement and that these approvals by the public bodies will be undertaken and obtained.

II. Solution

In light of this history, and as a showing of good faith on the part of the USBC to conclude the negotiations leading to the Amendment to the Agreement, the USBC presents the following solution for which we ask approval by the RSCVA Board at its December 4, 2014 meeting. Assuming the RSCVA Board can take those actions necessary to agree to these terms, the USBC will maintain its commitment to keep the 2016 Open Tournament in Reno. The terms of USBC's solution follow:
1. The Second Amendment to the Agreement exchanged between the parties on or about September 12, 2014, is agreed upon by the RSCVA Board of Directors, subject only to public body approvals of the funding of the $40 fee;

2. The RSCVA and the Hotel Properties guarantee a payment of $30 per Unique Bowler for the 2016 Open Tournament and, all tournaments covered in the Second Amendment to the Agreement;

3. The Reno Parties promise that they will undertake all efforts as previously described to meet the $40 per Unique Bowler payment for all Tournaments from 2016 and beyond covered by the Second Amendment to the Agreement, as outlined in Attorney Kennedy’s correspondence of November 7, 2014; and

4. These commitments on the part of the RSCVA Board and the Hotel Properties must be in writing and delivered to the USBC on or before December 10, 2014.

We believe the RSCVA and the Hotel Properties may make these commitments and, by doing so, demonstrate their continued good-faith negotiations and intention to follow through and commit to the previously agreed upon Amendment to the Agreement. By so doing, the USBC in exchange will commit to holding its 2016 Open Tournament in Reno. USBC and the Reno Parties would, once the Reno Parties have obtained the necessary approvals from the public authorities, sign the Amendment to the Agreement as previously negotiated. Per your prior correspondence, we would anticipate that occurring in the first quarter of 2015.

If you have any questions concerning our intent or need for the solution we propose, please, as always, feel free to call. We would be happy to do a telephone call in advance of your December 4th Board meeting. We think this is a simple and straightforward solution and, as previously discussed and described in this communication, we hope that our intent and our good faith is apparent.

Very truly yours,

MICHAEL BEST & FRIEDRICH LLP

Scott C. Beightol

cc: Chad Murphy
November 18, 2014

Scott C. Beightol
Michael Best & Friedrich LLP
100 East Wisconsin Avenue
Suite 3300
Milwaukee, WI 53202

Via Email: scbeightol@michaelbest.com

Re: USBC Proposal

Dear Mr. Beightol:

I am in receipt of your correspondence dated November 12, 2014, whereby the USBC has outlined a proposal to move forward with the proposed amendment (the “Amendment”) to that certain agreement by and among the RSCVA, City of Reno and USBC dated June 13, 2012 (the “Agreement”) pending receipt of the necessary governmental approvals. Thank you for the proposal. The RSCVA and the various community stakeholders are in the process of discussing the course of action you have outlined, and I anticipate that I will have a substantive response to you regarding the same in the near future. In the meantime, I would like to respond to, and clarify, several points raised in your letter to ensure that written record of this transaction remains accurate.

First and foremost, your correspondence, seems to call into question the tentative nature of the proposed Amendment. As was discussed in that certain correspondence from the RSCVA and City of Reno to the USBC in anticipation of the August 14th meeting, nothing that was discussed at the August 14th meeting is in any way binding on either the City of Reno or RSCVA until the necessary approvals are obtained from the governing bodies, and a written amendment to the Agreement is executed. As the USBC was aware, the RSCVA executive staff attending the August 14th meeting (Christopher Baum and Joe Kelley) lacked any authority to bind the RSCVA Board of Directors. Any implication that the terms of the proposed Amendment are in any way presently binding, or that the USBC has relied on any statement of the parties involved regarding assurance that the proposed Amendment will be approved and executed is incorrect.

To clarify, the RSCVA and the City of Reno are public bodies, and are both subject to the open meeting law set forth in the Nevada Revised Statutes Chapter 241. At the August 14th meeting, RSCVA executive staff reached consensus on the parameters of an Amendment to the Agreement that they supported, and were willing to recommend to the RSCVA Board of Directors for approval. Contrary to your correspondence, while the RSCVA executive staff supports the proposed Amendment and continues to work to reach agreement on the funding of the additional obligations contained in the proposed Amendment, the RSCVA Board of Directors has not approved or supported the proposed Amendment in any way. Pursuant to the State of Nevada open meeting law, the RSCVA Board of Directors is prohibited from doing so until such time as the proposed Amendment is properly noticed and acted upon in a public meeting.
In addition, you have stated that the USBC has approved the proposed Amendment “with a liquidated damages change.” To avoid any potential misunderstanding, and as was previously communicated to you, the RSCVA executive staff and legal counsel will not approve the modified liquidated damages language you previously proposed. The recommendation to the RSCVA Board of Directors will be to approve the proposed Amendment with the liquidated damages language taken verbatim from the existing Agreement.

Lastly, you have stated that the fact that the proposed Amendment has not yet been approved, “puts in serious jeopardy the USBC’s ability to hold a successful 2016 tournament.” As has been the RSCVA’s position from the outset, until such time as the proposed Amendment receives all necessary approvals and is executed by each of the parties thereto, the relationship between the RSCVA, the City of Reno and the USBC is governed by the existing Agreement which remains in full force and effect. The existing Agreement requires the USBC to hold its 2016 tournament in Reno. At the meeting on August 14th, Mr. Murphy openly and freely acknowledged and agreed that a failure on the part of the USBC to hold the 2016 tournament in Reno would be a breach of the Agreement. Based thereon, the RSCVA expects the USBC to hold its 2016 tournament in Reno as is presently required, regardless of any issues involving the proposed Amendment.

Please understand that it is not our intention for this letter to be viewed as argumentative or antagonistic to the USBC, or as an indication that the proposed Amendment will not be approved. Notwithstanding, given the USBC’s stated willingness to breach the existing Agreement and deal with the legal fallout that would necessarily ensue, it is important to the RSCVA that the written record concerning this matter be as accurate as possible.

That said, the RSCVA, through its executive staff, continues to explore ways by which the proposed Amendment can be funded, and appreciates the additional options which you have provided. As has been said many times, the RSCVA truly values its partnership with the USBC and looks forward to resolving the present issues and moving forward in mutual success with the USBC.

I anticipate that I will be in touch in the near future to discuss next steps forward.

Very truly yours,

GORDON SILVER

Benjamin W. Kennedy

cc: Christopher Baum (via email)
    Joe Kelley (via email)
SECOND AMENDMENT TO AGREEMENT

This Second Amendment (the “Second Amendment”) is made and entered into effective as of January ____, 2015 (the “Effective Date”), by and among the CITY OF RENO, NEVADA, a municipal corporation (the “City”), the RENO-SPARKS CONVENTION & VISITORS AUTHORITY, a political subdivision of the County of Washoe, State of Nevada (the “RSCVA”), and the UNITED STATES BOWLING CONGRESS, INC., a Wisconsin nonprofit corporation (the “USBC”). The City, the RSCVA and the USBC are sometimes hereinafter collectively referred to as the “Parties” and individually as a “Party.”

RECITALS

A. The City, the RSCVA and the USBC are parties to that certain Agreement dated as of June 13, 2012, as amended by that certain First Amendment dated as of February 11, 2014 (the “Agreement”), whereby the USBC agreed to sponsor and conduct national bowling tournaments at the National Bowling Stadium in Reno, Nevada (the “NBS”), all on the terms and conditions as set forth in the Agreement. Capitalized terms not otherwise defined in this Second Amendment shall have the meaning ascribed to them in the Agreement, as amended hereby.

B. The Parties desire to amend the Agreement to revise: (i) the USBC obligations in regard to the number and types of Tournaments to be held at the NBS, (ii) the dates for the Tournaments which are to be held at the NBS; (iii) the site fee to be paid from the RSCVA to the USBC on account of each Tournament; (iv) the schedule for completion of the Facility Upgrades and Renovations to be performed by the RSCVA; and (v) other matters properly related thereto.

C. The Parties are entering into this Second Amendment for the purpose of amending the Agreement as set forth above.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, the RSCVA and the USBC hereby agree as follows:

1. Recitals. The foregoing Recitals are hereby acknowledged by the City, the RSCVA and the USBC as true and correct and are incorporated herein by this reference.

2. Term. Section 2.5.1 of the Agreement is hereby deleted in its entirety and replaced with the following new Section 2.5.1.

2.5.1 Term. The term of this Agreement shall commence upon November 1, 2012 (the “Commencement Date”) and end on the conclusion of the Open Tournament in 2026 (the “Term”), unless sooner terminated as provided in this Agreement.

3. Number of Tournaments. Section 5.1 of the Agreement is hereby deleted in its entirety and replaced with the following new Section 5.1.
5.1 Number of Tournaments at NBS. For the years 2015 through 2026, USBC agrees that it will conduct not less than eight (8) Tournaments, at least four (4) of which shall be an Open Tournament. The Tournaments at the NBS shall occur according to the following schedule:

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In the event the USBC is unable or unwilling to conduct the eight (8) Tournaments at the times as set forth in this Section 5.1, the USBC shall be deemed in default and the USBC agrees that it will pay to the RSCVA an amount equal to Two Million Dollars ($2,000,000.00) as liquidated damages for each Open Tournament it fails to conduct and One Million Dollars ($1,000,000.00) for each Women’s Tournament that it fails to conduct according to the foregoing schedule ("Liquidated Damages"); provided, however, in the event, a particular Tournament becomes economically unviable, as determined by the USBC, and is cancelled by the USBC and neither the USBC nor any affiliated or related entity, wholly or partially owned or controlled by USBC, holds the cancelled Tournament, or any iteration thereof, whether in whole or in part, at any other venue during the calendar year in which the cancelled Tournament was to be held at the NBS, the above Liquidated Damages amounts for the economically unviable cancelled Tournament (whether an Open Tournament or a Women’s Tournament) shall be decreased to Zero Dollars ($0.00). The amount of any Liquidated Damages owed by USBC shall be reduced by any amounts owed to USBC by RSCVA or the City.

4. Site Fee. With the exception of the portions of Exhibit B of the Agreement relating to the 2015 and 2018 Tournaments, Exhibit B is hereby deleted and replaced with the new Exhibit B attached hereto as Attachment 1. For the avoidance of doubt, the site fee for the years 2015 and 2018 shall remain as set forth in the original Exhibit B.

5. Facility Upgrades and Renovations. Subsection 2.3.1 of the Agreement is hereby deleted in its entirety and replaced with the following new subsection 2.3.1.
2.3.1. RSCVA and the CITY shall complete the following upgrades and renovations ("Facility Upgrades and Renovations"), to the NBS on or before the following agreed-upon completion dates:

### Facility Upgrades and Renovations

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The USBC acknowledges that of the Facility Upgrades and Renovations set forth in this Section 2.3.1 of the Agreement, the RSCVA has completed all required upgrades and renovations with the exception of (i) the demolition of existing stadium seating and replacement with flexible space (to be completed prior to February 1, 2016); (ii) construction and establishment of a new sports bar theme food and beverage outlet (to be completed prior to February 1, 2016); and (iii) refurbishment of the exterior of the NBS (to be completed prior to February 1, 2018). The RSCVA represents that it is currently on schedule and on budget to complete the remaining three Facility Upgrades and Renovations in accordance with the provisions of the Agreement. Notwithstanding, the RSCVA believes it may be beneficial to delay completion of the demolition of the existing stadium seating and replacement with flexible space and construction and establishment of a new sports bar theme food and beverage outlet...
in order to accrue additional Dedicated Surcharge Proceeds to allow for a greater budget for such projects. Therefore, at such time as the RSCVA has the proposed budget, plans and specifications for the demolition of the existing stadium seating and replacement with flexible space and construction and establishment of a new sports bar theme food and beverage outlet based on a completion date on or before February 1, 2016, the RSCVA and USBC shall meet and confer regarding whether to complete such projects with the existing budget for completion on or before February 1, 2016, or whether to postpone such projects as mutually agreed by the Parties to allow the accrual of additional Dedicated Surcharge Proceeds—2020); and (iii) refurbishment of the exterior of the NBS (to be completed prior to February 1, 2022).

For the avoidance of doubt, unless agreed otherwise by the Parties in their sole and absolute discretion, the schedule of RSCVA shall (i) consult with the USBC regarding the plans and specifications for the Facility Upgrades and Renovations, (ii) complete construction of the Facility Upgrades and Renovations on or before the dates set forth above, and (iii) accommodate and incorporate USBC’s input and requests concerning plans and specifications for the Facility Upgrades and Renovations, to the extent possible. When finalized such plans and specifications shall be provided to USBC. If the Facility Upgrades and Renovations are not constructed in accordance with such plans and specifications, USBC shall be entitled to terminate this Agreement if the non-conformity is material to USBC’s Tournament operations. In addition, all Facility Upgrades and Renovations shall be completed in a good and workmanlike manner in accordance with the plans and specifications in compliance with all building codes and regulations applicable to the NBS. RSCVA shall obtain all permits or certificates as are necessary for USBC’s occupancy of the NBS and the Premises following completion of any Facility Upgrades and Renovations.

6. Funding. Subsection 2.3.2(a) of the Agreement is hereby deleted in its entirety and replaced with the following new subsection 2.3.2(a).

(a) Commencing upon the Effective Date of this Agreement and until such time as all Facility Upgrades and Renovations are completed in accordance with this Agreement, the CITY shall dedicate and apply a minimum of fifty percent (50%) of the Surcharge proceeds for completion of the Facility Upgrades and Renovations (such 50% referred to as the “Dedicated Surcharge Proceeds”). The CITY and RSCVA shall not otherwise pledge, apply or encumber the Dedicated Surcharge
Proceeds for purposes other than the Facility Upgrades and Renovations until such time as all Facility Upgrades and Renovations are completed in accordance with this Agreement. The CITY agrees to pursue the legal authority to encumber or pledge Dedicated Surcharge Proceeds in good faith, and further agrees that if and when such authority is granted, the CITY shall grant USBC a first position security interest in the Dedicated Surcharge Proceeds during the Term hereof until such time as the Facility Upgrades and Renovations are completed in accordance with this Agreement. Nothing in this Agreement shall restrict use of any Surcharge proceeds other than the Dedicated Surcharge Proceeds.

7. **Facility Upgrades and Renovations** set forth in the Agreement shall control.

6. **Lineage Fee.** Section 4.1 of the Agreement is hereby amended to the extent necessary to provide that the Lineage Fee for the Tournaments held in 2015 and 2018 shall be Two and 77/100ths Dollars ($2.77), and for all other Tournaments held after the Effective Date hereof, the Lineage Fee shall be Two and No/100ths Dollars ($2.00).

7.8. **Joint Marketing Efforts.** The USBC and RSCVA shall establish a joint marketing committee composed of designated representatives of the USBC and RSCVA (the “Marketing Committee”). The USBC and RSCVA shall each have the right to appoint up to five (5) individuals to serve as their designated representatives on the Marketing Committee. The Marketing Committee shall hold regular meetings in person, or telephonically, as necessary but not less than once every six (6) months at which times the members of the Marketing Committee shall use good faith efforts to develop marketing programs with a general goal of increasing the number of participants in the Tournaments and increasing the volume of Tournament participants which utilize the hotels identified by the RSCVA as partner properties. The USBC and RSCVA shall then determine whether they desire to implement any marketing program recommended by the Marketing Committee. This provision is not intended, nor shall it be deemed, to obligate the USBC and/or the RSCVA to participate in or implement any marketing program recommended by the Marketing Committee unless the USBC and/or RSCVA determine, in their sole and absolute discretion, that it is in their best interests to so participate.

89. **Counterparts and Delivery of Signatures.** This Second Amendment may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and/or electronically delivered signatures are permissible and shall be binding for purposes of this Second Amendment.

9.10. **Binding Effect.** This Second Amendment shall be binding upon, and inure to the benefit of, the parties hereto, and their respective personal and legal representatives, heirs, executors, administrators, successors and assigns.

10.11. **Ratification of Remaining Terms and Conditions.** Any and all terms and provisions of the Agreement that are inconsistent or in conflict with the terms and provisions of
this Second Amendment are hereby amended to be consistent with the terms and provisions contained herein. As modified herein, all of the terms and provisions of the Agreement are hereby ratified and affirmed in all respects.

The parties have executed this Second Amendment and caused the same to be duly delivered on their behalf effective as of the Effective Date.

RSCVA

RENO-SPARKS CONVENTION AND VISITORS AUTHORITY, a political subdivision of the County of Washoe, State of Nevada

By: ____________________________
Name: __________________________
Its: ____________________________

USBC

UNITED STATES BOWLING CONGRESS, a Wisconsin nonprofit corporation

By: ____________________________
Name: __________________________
Its: ____________________________

CITY

CITY OF RENO, NEVADA, a municipal corporation

By: ____________________________
Name: __________________________
Its: ____________________________
ATTACHMENT 1

[see attached]
EXHIBIT B

Site Fee Payment

With the exception of the 2015 and 2018 Tournaments, for all other Tournaments held pursuant to the terms of the Agreement, RSCVA hereby agrees to pay to the USBC a site fee in an amount equal to Thirty and No/100ths Dollars ($30.00) per each Unique Team Bowler participating in the subject Tournament (the “Site Fee”). The Site Fee shall increase to Forty and No/100ths Dollars ($40.00) per each Unique Team Bowler in the event the RSCVA is able to obtain the necessary legislative and local governmental approvals for the imposition of a transient lodging tax surcharge (“New Surcharge”) the proceeds of which are authorized to be used for the payment of the increase of the Site Fee from $30.00 to $40.00 per each Unique Team Bowler as further set forth below.

In an effort to obtain the funding necessary to increase the Site Fee to Forty and No/100ths Dollars ($40.00) per each Unique Team Bowler, the RSCVA shall use all reasonable efforts to obtain approval from the 2015 Nevada State Legislature to increase the existing and local governments for the New Surcharge, through the creation of a new transient lodging tax surcharge and/or repurpose of the existing $2.00 transient lodging tax surcharge to increase the Site Fee by an additional Ten and No/100ths Dollars ($10.00) per each Unique Team Bowler. In the event the RSCVA is able to obtain the necessary legislative approval, as well as the approval of any local government necessary to implement an increase to the existing transient lodging tax surcharge and/or a repurposing of the existing transient lodging tax surcharge the New Surcharge to fund an additional Ten and No/100ths Dollars ($10.00) per each Unique Team Bowler participating in the subject Tournament and modifying the Liquidated Damages to provide that the Liquidated Damages shall be Three Million Five Hundred Thousand Dollars ($3,500,000.00) for each Open Tournament USBC fails to conduct and One Million Seven Hundred Fifty Thousand Dollars ($1,750,000.00) for each Women’s Tournament that USBC fails to conduct according to the schedule set forth in the Agreement; provided, however, in the event a particular Tournament becomes economically unviable, as determined by the USBC, and is cancelled by the USBC and neither the USBC nor any affiliated or related entity, wholly or partially owned or controlled by USBC, holds the cancelled Tournament, or any iteration thereof, whether in whole or in part, at any other venue during the calendar year in which the cancelled Tournament was to be held at the NBS, the above Liquidated Damages amounts for the economically unviable cancelled Tournament (whether an Open Tournament or a Women’s Tournament) shall be decreased to Zero Dollars ($0.00).

In the event the RSCVA is unable to obtain the foregoing approvals for a New Surcharge authorized for the purpose of paying the Site Fee increase, the Site Fee shall remain at Thirty and No/100ths Dollars ($30.00) per each Unique Team Bowler participating in the subject Tournament for the balance of the Term of the Agreement (excepting 2015 and 2018) without the necessity of any further action on the part of the Parties.
As used herein, the term “Unique Team Bowler” shall mean an individual bowling for a team of bowlers consisting of four or five individuals that each bowl a score at a Tournament exclusively for their team. If any member of a team participates on another team during the Tournament, that bowler will not be considered a Unique Team Bowler, and will not be counted for the purpose of calculating the Site Fee.

The RSCVA agrees to pay the Site Fee in full to the USBC within thirty (30) days following the completion of each Tournament.

In consideration of the foregoing, the USBC shall allow the RSCVA access to each Unique Team Bowler that participates in any of the Tournaments for the purpose of allowing the RSCVA to conduct a survey regarding which hotel property, if any, each such Unique Team Bowler stayed at while participating in the subject Tournament (the “Bowler Surveys”). The RSCVA shall be entitled to conduct the Bowler Surveys at such times and places as the USBC and RSCVA mutually agree, which such time and place shall not unreasonably interfere with the subject Tournament. The Bowler Surveys may be conducted in any manner deemed appropriate or desirable by the RSCVA, including, but not limited to, face to face surveys by employees or agents of the RSCVA. The USBC shall cooperate fully with the RSCVA in regard to the Bowler Surveys and shall not in any way interfere with or hinder the RSCVA’s ability to conduct the Bowler Surveys. The USBC acknowledges that the Bowler Surveys are necessary to enable the RSCVA to receive reimbursement of a portion of the Site Fee from third parties and that if the USBC interferes with or prevents the RSCVA from conducting the Bowler Surveys, the RSCVA will suffer economic damages as a result.

For the avoidance of doubt, the Site Fee payable by the RSCVA to the USBC for the 2015 and 2018 Tournaments shall be as set forth in the original Exhibit B to the Agreement, regardless of the ability of the RSCVA to obtain the governmental approvals contemplated herein.
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The USBC acknowledges that of the Facility Upgrades and Renovations set forth in this Section 2.3.1 of the Agreement, the RSCVA has completed all required upgrades and renovations with the exception of (i) the demolition of existing stadium seating and replacement with flexible space (to be completed prior to February 1, 2020); (ii) construction and establishment of a new sports bar theme food and beverage outlet (to be completed prior to February 1, 2020); and (iii) refurbishment of the exterior of the NBS (to be completed prior to February 1, 2022).

RSCVA shall (i) consult with the USBC regarding the plans and specifications for the Facility Upgrades and Renovations, (ii) complete construction of the Facility Upgrades and Renovations on or before the dates set forth above, and (iii) accommodate and incorporate USBC’s input and requests concerning plans and specifications for the Facility Upgrades and Renovations, to the extent possible. When finalized such plans and specifications shall
be provided to USBC. If the Facility Upgrades and Renovations are not constructed in accordance with such plans and specifications, USBC shall be entitled to terminate this Agreement if the non-conformity is material to USBC’s Tournament operations. In addition, all Facility Upgrades and Renovations shall be completed in a good and workmanlike manner in accordance with the plans and specifications in compliance with all building codes and regulations applicable to the NBS. RSCVA shall obtain all permits or certificates as are necessary for USBC’s occupancy of the NBS and the Premises following completion of any Facility Upgrades and Renovations.

6. **Funding.** Subsection 2.3.2(a) of the Agreement is hereby deleted in its entirety and replaced with the following new subsection 2.3.2(a).

   (a) Commencing upon the Effective Date of this Agreement and until such time as all Facility Upgrades and Renovations are completed in accordance with this Agreement, the CITY shall dedicate and apply a minimum of fifty percent (50%) of the Surcharge proceeds for completion of the Facility Upgrades and Renovations (such 50% referred to as the “**Dedicated Surcharge Proceeds**”). The CITY and RSCVA shall not otherwise pledge, apply or encumber the Dedicated Surcharge Proceeds for purposes other than the Facility Upgrades and Renovations until such time as all Facility Upgrades and Renovations are completed in accordance with this Agreement. The CITY agrees to pursue the legal authority to encumber or pledge Dedicated Surcharge Proceeds in good faith, and further agrees that if and when such authority is granted, the CITY shall grant USBC a first position security interest in the Dedicated Surcharge Proceeds during the Term hereof until such time as the Facility Upgrades and Renovations are completed in accordance with this Agreement. Nothing in this Agreement shall restrict use of any Surcharge proceeds other than the Dedicated Surcharge Proceeds.

7. **Lineage Fee.** Section 4.1 of the Agreement is hereby amended to the extent necessary to provide that the Lineage Fee for the Tournaments held in 2015 and 2018 shall be Two and 77/100ths Dollars ($2.77), and for all other Tournaments held after the Effective Date hereof, the Lineage Fee shall be Two and No/100ths Dollars ($2.00).

8. **Joint Marketing Efforts.** The USBC and RSCVA shall establish a joint marketing committee composed of designated representatives of the USBC and RSCVA (the “**Marketing Committee**”). The USBC and RSCVA shall each have the right to appoint up to five (5) individuals to serve as their designated representatives on the Marketing Committee. The Marketing Committee shall hold regular meetings in person, or telephonically, as necessary but not less than once every six (6) months at which times the members of the Marketing Committee
shall use good faith efforts to develop marketing programs with a general goal of increasing the number of participants in the Tournaments and increasing the volume of Tournament participants which utilize the hotels identified by the RSCVA as partner properties. The USBC and RSCVA shall then determine whether they desire to implement any marketing program recommended by the Marketing Committee. This provision is not intended, nor shall it be deemed, to obligate the USBC and/or the RSCVA to participate in or implement any marketing program recommended by the Marketing Committee unless the USBC and/or RSCVA determine, in their sole and absolute discretion, that it is in their best interests to so participate.

9. Counterparts and Delivery of Signatures. This Second Amendment may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and/or electronically delivered signatures are permissible and shall be binding for purposes of this Second Amendment.

10. Binding Effect. This Second Amendment shall be binding upon, and inure to the benefit of, the parties hereto, and their respective personal and legal representatives, heirs, executors, administrators, successors and assigns.

11. Ratification of Remaining Terms and Conditions. Any and all terms and provisions of the Agreement that are inconsistent or in conflict with the terms and provisions of this Second Amendment are hereby amended to be consistent with the terms and provisions contained herein. As modified herein, all of the terms and provisions of the Agreement are hereby ratified and affirmed in all respects.

The parties have executed this Second Amendment and caused the same to be duly delivered on their behalf effective as of the Effective Date.

RSCVA

RENO-SPARKS CONVENTION AND VISITORS AUTHORITY, a political subdivision of the County of Washoe, State of Nevada

By:__________________________________
Name:_______________________________
Its:__________________________________

USBC

UNITED STATES BOWLING CONGRESS, a Wisconsin nonprofit corporation

By:___________________________________
Name:________________________________
Its:___________________________________

CITY

CITY OF RENO, NEVADA, a municipal corporation

By: _________________________________
Name: _______________________________
Its: _______________________________
ATTACHMENT 1

[see attached]
EXHIBIT B

Site Fee Payment

With the exception of the 2015 and 2018 Tournaments, for all other Tournaments held pursuant to the terms of the Agreement, RSCVA hereby agrees to pay to the USBC a site fee in an amount equal to Thirty and No/100ths Dollars ($30.00) per each Unique Team Bowler participating in the subject Tournament (the “Site Fee”). The Site Fee shall increase to Forty and No/100ths Dollars ($40.00) per each Unique Team Bowler in the event the RSCVA is able to obtain the necessary legislative and local governmental approvals for the imposition of a transient lodging tax surcharge (“New Surcharge”) the proceeds of which are authorized to be used for the payment of the increase of the Site Fee from $30.00 to $40.00 per each Unique Team Bowler as further set forth below.

In an effort to obtain the funding necessary to increase the Site Fee to Forty and No/100ths Dollars ($40.00) per each Unique Team Bowler, the RSCVA shall use all reasonable efforts to obtain approval from the 2015 Nevada State Legislature and local governments for the New Surcharge, through the creation of a new transient lodging tax surcharge and/or repurpose of the existing $2.00 transient lodging tax Surcharge. In the event the RSCVA is able to obtain the necessary legislative approval, as well as the approval of any local government necessary to implement the New Surcharge to fund an additional Ten and No/100ths Dollars ($10.00) per each Unique Team Bowler, the Parties shall execute a Third Amendment to the Agreement increasing the Site Fee from Thirty and No/100ths Dollars ($30.00) per each Unique Team Bowler participating in the subject Tournament to Forty and No/100ths Dollars ($40.00) per each Unique Team Bowler participating in the subject Tournament and modifying the Liquidated Damages to provide that the Liquidated Damages shall be Three Million Five Hundred Thousand Dollars ($3,500,000.00) for each Open Tournament USBC fails to conduct and One Million Seven Hundred Fifty Thousand Dollars ($1,750,000.00) for each Women’s Tournament that USBC fails to conduct according to the schedule set forth in the Agreement; provided, however, in the event a particular Tournament becomes economically unviable, as determined by the USBC, and is cancelled by the USBC and neither the USBC nor any affiliated or related entity, wholly or partially owned or controlled by USBC, holds the cancelled Tournament, or any iteration thereof, whether in whole or in part, at any other venue during the calendar year in which the cancelled Tournament was to be held at the NBS, the above Liquidated Damages amounts for the economically unviable cancelled Tournament (whether an Open Tournament or a Women’s Tournament) shall be decreased to Zero Dollars ($0.00).

In the event the RSCVA is unable to obtain the foregoing approvals for a New Surcharge authorized for the purpose of paying the Site Fee increase, the Site Fee shall remain at Thirty and No/100ths Dollars ($30.00) per each Unique Team Bowler participating in the subject Tournament for the balance of the Term of the Agreement (excepting 2015 and 2018) without the necessity of any further action on the part of the Parties.

As used herein, the term “Unique Team Bowler” shall mean an individual bowling for a team of bowlers consisting of four or five individuals that each bowl a score at a Tournament exclusively for their team. If any member of a team participates on another team during the
Tournament, that bowler will not be considered a Unique Team Bowler, and will not be counted for the purpose of calculating the Site Fee.

The RSCVA agrees to pay the Site Fee in full to the USBC within thirty (30) days following the completion of each Tournament.

In consideration of the foregoing, the USBC shall allow the RSCVA access to each Unique Team Bowler that participates in any of the Tournaments for the purpose of allowing the RSCVA to conduct a survey regarding which hotel property, if any, each such Unique Team Bowler stayed at while participating in the subject Tournament (the “Bowler Surveys”). The RSCVA shall be entitled to conduct the Bowler Surveys at such times and places as the USBC and RSCVA mutually agree, which such time and place shall not unreasonably interfere with the subject Tournament. The Bowler Surveys may be conducted in any manner deemed appropriate or desirable by the RSCVA, including, but not limited to, face to face surveys by employees or agents of the RSCVA. The USBC shall cooperate fully with the RSCVA in regard to the Bowler Surveys and shall not in any way interfere with or hinder the RSCVA’s ability to conduct the Bowler Surveys. The USBC acknowledges that the Bowler Surveys are necessary to enable the RSCVA to receive reimbursement of a portion of the Site Fee from third parties and that if the USBC interferes with or prevents the RSCVA from conducting the Bowler Surveys, the RSCVA will suffer economic damages as a result.

For the avoidance of doubt, the Site Fee payable by the RSCVA to the USBC for the 2015 and 2018 Tournaments shall be as set forth in the original Exhibit B to the Agreement, regardless of the ability of the RSCVA to obtain the governmental approvals contemplated herein.