

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4

Date: December 19, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Joyce Masterson, Assistant to the City Manager

SUBJECT: AMGEN Tour of California City Participation Agreement

RECOMMENDATION:

It is requested that the City Council authorize the Mayor to enter into an agreement with AEG Cycling, LLC to serve as the Overall Start City for the 2013 Amgen Tour of California and approve Resolution No. 2012-188 authorizing a budget adjustment in the amount of \$100,000 from the General Fund Reserve Balance to provide seed funding for initial expenses.

FISCAL ANALYSIS:

The City has committed to providing certain city services and expenses estimated in the amount of approximately \$475,000. It is the City's intention to solicit sponsorships to cover those expenses. However, funding is needed to cover initial expenses, such as promotional and fundraising materials prior to obtaining sponsorships. Funding is available in the General Fund Reserve Balance, which currently is \$21,800,975. These expenses will be reimbursed by sponsorships.

PREVIOUS ACTION:

On August 8, 2012, the City Council authorized Staff to submit a proposal to be the Overall Start City of the 2013 Amgen Tour of California.

BACKGROUND:

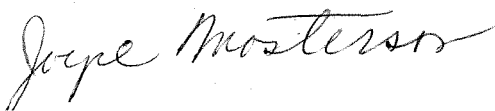
The AMGEN Tour of California is an international, world-class cycling road race that features the top elite professional teams and athletes from more than 24 countries. Over the past seven years it has become one of cycling's most important and prestigious annual stage races in the world. Escondido has been selected as the Overall Start City for the 2013 event which will take place over an eight-day period from May 12 – 19, 2013.

Each host city is required to sign a City Participation Agreement providing the Tour with certain expenses, city services and other obligations to ensure its success (See Attachment 1).

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December 19, 2012
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The City is soliciting sponsors to cover event expenses which are estimated to cost approximately \$475,000. However, seed money is needed immediately to begin developing marketing materials and fund raising items. These expenses will be reimbursed by sponsorships.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joyce Masterson".

Joyce Masterson
Assistant to the City Manager

AMGEN TOUR OF CALIFORNIA
CITY PARTICIPATION AGREEMENT

(Overall Start City: City of Escondido)

This **Amgen Tour of California City Participation Agreement** (hereinafter referred to as the "Agreement") is entered into as of this 26th day of October, 2012, by and between AEG Cycling, LLC, a Delaware limited liability company ("AEG Cycling"), and the City of Escondido, a municipal corporation organized under the laws of the State of California ("City"). (AEG Cycling and City are sometimes hereinafter collectively referred to as the "Parties" and individually as a "Party".)

RECITALS:

WHEREAS, AEG Cycling owns the Amgen Tour of California, a multi-stage cycling race across the State of California (the "Tour");

WHEREAS, in connection with its ownership of the Tour, AEG Cycling has rights to certain marks, logos, and other distinctive indicia of the Tour;

WHEREAS, AEG Cycling has contracted Medalist Sports ("Medalist") to assist with presenting, organizing and coordinating the Tour and developing its route and to utilize the Tour Marks (as hereinafter offered) in connection therewith;

WHEREAS, City wishes to acquire the rights and benefits of hosting the Host Stage (as that term is defined herein) and to undertake all of the obligations related to such hosting, all under the terms and conditions of this Agreement; and

WHEREAS, AEG Cycling wishes to grant such rights to the City under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the promises and covenants contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties hereby agree as follows:

1. Designation of Host and Location of Host Stage City. AEG Cycling licenses to City (the "Host") the right to host an Overall Start City (the "Host Stage") for the Tour to be held in May, 2013. The 2013 Tour is scheduled to be held from May 12 through May 19, 2013 and the Host Stage is scheduled to be held on May 12, 2013. Host accepts such license and agrees to exercise such license to host the Host Stage and to undertake and perform the Host Obligations, as defined hereinafter and as set forth more specifically in Section 4 of this Agreement. The Host Stage shall be held at a location in City which

shall be subject to the prior review and approval of AEG Cycling and Medalist Sports (the "Host Stage Location").

2. **Term.** The term of this Agreement shall begin as of the date first set forth above (the "Effective Date") and, unless earlier terminated in accordance with the terms set forth herein, shall continue through and including June 30, 2013 (the "Term").

3. **CITY.** City shall be subject to the following requirements:

a. **General.** At all times during the Term of this Agreement, City will not discriminate in any way on the basis of age, sex, race, national origin, handicap, religion or any other characteristic protected by law, in the conduct of its activities.

b. **Structure.** City will be led by one or more chairperson(s) who will be primarily responsible for performance of City's obligations under this Agreement. Such chairperson(s) shall ensure that the City's representatives relating to Tour include individuals with experience in the following areas and whose responsibilities could be as follows for the Host Stage in City (Cities have option to have one individual handle more than one responsibility):

Chairperson (Tour Director Point of Contact)
Technical Director
Operations Director
Media/Public Relations Director
Marketing Director
Sales/Sponsorship Director
Volunteer Director
VIP/Hospitality Director
Ceremony Coordinator
Lifestyle Festival Liaison
School/Community Involvement/Ancillary Events Director
Breakaway from Cancer Director

4. **Host Obligations.** In consideration of the license granted by AEG Cycling to host the Host Stage as set forth in Section 1 and the Host Benefits as set forth in Section 5 of this Agreement and in addition to those other obligations set forth in this Agreement, Host agrees to undertake and perform the following obligations (collectively, the "Host Obligations"):

a. **Implementation in Accordance with Planning Manual.** Host shall provide assistance in accordance with the 2013 Planning Manual for the Tour to be furnished by AEG Cycling or Medalist to Host within a reasonable period of time following the execution of this Agreement.

b. **Publicity and Promotion.** Host shall use its best efforts to publicize and promote the Tour and the Host Stage through all local media.

c. Host Obligation Specifications. Provide the following at the sole expense of Host in accordance with the operational and technical specifications set forth on Exhibit "A" (collectively, the "Host City 2013 Request for Proposal"):

(1) Auxiliary Space and Equipment for Tour Requirements: Those types of areas, premises and equipment for the time period designated on Exhibit A;

(2) Police Services: Local police services to work in coordination with the California State Patrol and California Department of Transportation, as well as Tour representatives and City volunteers, to provide for safe road closure, fixed-post positions, traffic and crowd control and general public safety;

(3) Public Works and Road Services: Support police efforts to ensure road closure and course safety;

(4) Permits: All local permits and fees for operation of the Tour in Host's locale and presentation of the Host Stage, including but not limited to special event permits, parking permits, road closure and use permits, alcohol permits, and concession sales permits;

(5) EMS/EMT Services: Emergency medical services and emergency medical technicians to serve the general public at and on the day of the Host Stage in City;

(6) Portable and/or Public Restrooms: Portable (e.g., port-o-johns) or public restroom facilities on the day of the Host Stage in a number and location to be determined by Tour representatives;

(7) Waste Management/Trash Removal/Recycling: Waste management, trash removal services and recycling following conclusion of the Host Stage in City; and

(8) Volunteers: Recruitment of that number of volunteers designated on Exhibit "A" to this letter to assist local police and Tour personnel with various functions to be designated by Tour representatives. Host will be responsible for the selection and training of its volunteers. All volunteers will be expected to perform their assigned duties and services in a professional and highly competent manner, to the best and full limit of their abilities at all times and in accordance with the highest quality standards, applicable law and the rules and regulations established by Host, Medalist and AEG Cycling. All volunteers will be required to sign the standard Volunteer Waiver and Release of Liability, Assumption of Risk and Indemnity Agreement form for the Tour.

d. Tour Course Layout and Host Stage Location. Host will assist Medalist and AEG Cycling in obtaining a design and layout of that portion of the City and county (if applicable) through which the Tour course will run and provide access to such course without imposition of any site fees.

e. Ambush-Free Zone. Host agrees to work with AEG Cycling and Medalist to create a zone which consists of the Host Stage Location and a radius around the Host Stage Location (the "Ambush-Free Zone") that shall be free from temporary merchandise vending, temporary advertising, and temporary signs and inflatable items. Nothing herein shall obligate Host to take any actions as it relates to permanent retail establishments in the Ambush-Free Zone. The parameters of the Ambush-Free Zone should be within a 1-block radius of the Start/Finish area.

f. Ambush Marketing. Host agrees to use its commercially reasonable efforts to: (1) minimize the "ambush marketing" of Tour sponsors and local sponsors in and around City and the Host Stage Location during the Tour; (2) prevent Commercial Exploitation Rights (as hereinafter defined) identified with City from being granted by any governmental agency to any entity that is not a Tour sponsor during the period commencing two (2) weeks prior to, through Tuesday following the conclusion of the Tour; and (3) prevent other City-controlled and conflicting major sporting, civic or cultural events from being scheduled in City during the week prior to, through the week following, the Tour, unless such major sporting, civic or cultural events are approved in writing by AEG Cycling and under such conditions as Medalist and AEG Cycling may specify.

g. Merchandise Counterfeiting and Trademark Enforcement. Host shall cooperate with AEG Cycling in preventing unauthorized use of the Tour Marks, admissions for the Host Stage and other intellectual property and the sale or distribution of unlicensed merchandise bearing the Tour Marks or any other reference to the Tour. Such commitment shall apply and be in force during the Term of this Agreement, particularly with respect to the period beginning May 1 prior to the Tour and continuing through thirty (30) days following the Tour. Host will cooperate with AEG Cycling by permitting AEG Cycling the right to pursue (at its expense) legal enforcement measures to prevent unauthorized use of the intellectual property regarding the Tour, including but not limited to action against any seller or distributor of unlicensed merchandise. Host, in conjunction with such appropriate governmental entities, will help to identify and communicate information to AEG Cycling regarding unauthorized use of the intellectual property of the Tour, including but not limited to sales or distribution of unlicensed merchandise. The decision to pursue civil legal action or settle claims against an unauthorized user of the intellectual property of AEG Cycling or against a seller or distributor of unlicensed merchandise will be at the sole discretion of AEG Cycling.

h. Media and Marketing Plan Cooperation. Host will cooperate with the media and marketing plan of AEG Cycling and its contractors, Medalist and designated public relations entity, including accommodating television broadcasters, sponsors, and other persons and entities to whom and to which AEG Cycling has granted and will grant rights.

i. Tour Sponsor Recognition. Host agrees that Tour sponsors shall have the right to have recognition and visibility at the Host Stage Location and that AEG Cycling shall determine placement of signage, recognition and visibility.

j. Ancillary Events. Before staging any ancillary events in connection with the rights licensed by AEG Cycling as set forth in this Agreement, Host shall obtain the prior written approval of AEG Cycling and Medalist for the type, location and anticipated size of the event as well as sponsors.

k. Sale of Merchandise. Host agrees that no merchandise other than that designated by AEG Cycling will be sold on-site at the Host Stage Location during the Tour without the prior written consent of AEG Cycling.

l. Reference to Name of Tour. Host shall refer to the Tour by the exact name supplied by AEG Cycling from time-to-time, including any title or presenting sponsor identification (should title or presenting sponsorship rights be granted), and shall include, in all agreements that Host may enter into with third parties, a requirement that all third parties utilize the exact name for the Tour supplied by AEG Cycling from time-to-time. Notwithstanding anything to the contrary herein, if AEG Cycling changes the name or logo of the Tour after Host has created Tour related identification, Host shall not be required to recreate the Tour related identification.

m. Proposed Host Contracts. Host shall submit to AEG Cycling for prior review and approval, such approval not to be unreasonably withheld, denied or conditioned, all material contracts that Host proposes to enter into with respect to: (1) the obligations undertaken by Host in connection with the Tour; and (2) Host's organization of any ancillary events. All such proposed Host contracts shall be subject to the terms of Section 8 of this Agreement.

n. Anti-Gouging Provisions. Host shall exercise commercially reasonable efforts to make sure that hospitality services (including lodging and restaurants) are provided at reasonable prices for visitors and tenants.

o. Cycling Requirements. Host will use best efforts to respect the minimum requirements for the sport of cycling as defined by the various governing organizations over the sport of cycling and all other reasonable requirements established by AEG Cycling as set forth in the 2013 Planning Manual to be provided by AEG Cycling or Medalist to Host within a reasonable period of time following the execution of this Agreement.

p. Guidelines and Amendments. All services and other activities required to be performed or provided by Host described in this Agreement will be performed or provided in compliance with all reasonable and customary guidelines, standards, policies and directives (collectively, "Guidelines") developed and issued by Medalist and AEG Cycling from time to time. Host recognizes that, while the contents of the Planning Manual issued by Medalist represents the current position of Medalist and AEG Cycling

on such matters, such material may evolve as a result of technological and other changes, some of which may be beyond the control of the Parties to this Agreement. Medalist and AEG Cycling reserves the right to propose amendments to this Agreement to address such changes. Should amendments to the Agreement or Guidelines result in adverse effects on the financial or other obligations of Host, it will so inform AEG Cycling in writing and AEG Cycling will then negotiate with Host in order to address such adverse effects in a mutually satisfactory manner.

q. Progress Reports. During the Term of this Agreement and as set forth in the 2013 Planning Manual, Host will submit to Medalist and AEG Cycling written progress reports describing the status of its plans relating to the Host Stage and the Host Stage Location and any related events, as well as copies of committee meeting minutes. Such periodic progress reports shall include, but not be limited to, information on: (1) the local sponsorships sold by Host and the status of efforts to present local sponsorship opportunities to various prospects; and (2) other revenues that Host has generated and expects to generate to pay the costs of discharging its obligations under this Agreement.

r. Promotion of Goodwill. Host agrees to conduct the activities contemplated by this Agreement and the Planning Manual in such a way as to promote the goodwill associated with the Tour, the Host Stage and the Host Stage Location, AEG Cycling, Anschutz Entertainment group, Inc. ("AEG"), Medalist, the State of California, and the sponsors of the Tour, and will not at any time disparage the good name, reputation, or image of the Tour, the Host Stage and the Host Stage Location, AEG Cycling, AEG, Medalist, the State of California, or the sponsors of the Tour. This section shall not be interpreted to preclude any action or proceeding by Host to enforce or defend its rights under the Agreement and shall not preclude Host or its representatives from communicating information, which Host reasonably determines to be factually accurate, pertaining to the Tour, its organizers or sponsors.

s. Credentials. AEG Cycling and its contractors shall be responsible for producing credentials of all types for the Tour, including the Host Stage and Host Stage Location and further including credentials for members of the media and operational personnel, which credentials shall be produced at the sole expense of AEG Cycling. AEG Cycling shall be responsible for all decisions regarding to whom media, VIP and operational credentials should be issued and shall establish all rules and regulations regarding media access to the Tour, the Host Stage and the Host Stage Location.

t. Intentionally Omitted.

u. Other Services. Host will provide those other services and undertake those other obligations set forth in Exhibit "A" attached hereto and incorporated herein by this reference, as well as those that may be reasonably requested by AEG Cycling after consultation with Host.

5. Host Benefits. In consideration of the agreement by Host to undertake and perform the Host Obligations, AEG Cycling agrees to provide the following recognition

and benefits (per the Host City 2013 Request for Proposal) to and for the benefit of Host (collectively referred to as the "Host Benefits"):

- a. Recognition. Include recognition for Host in the official Tour Guide, Tour web site, and in a press conference announcing that Host has agreed to serve as the host for the Host Stage of the Tour;
- b. Hospitality. Provide a designated number of credentials for and grant access to VIP hospitality area that AEG Cycling intends to create;
- c. Local Sponsorship. Provide local sponsorship opportunities for Host to utilize, as a means of fundraising, in accordance with the terms of Section 7 of this Agreement; and
- d. Ancillary Events. Establish activities ancillary to the Host Stage within City for the promotion of the State of California and Host, subject to the prior review and approval of AEG Cycling.

6. Financial.

a. Tour Revenues. Host acknowledges and agrees that AEG Cycling shall be entitled to retain all revenues attributable to the Tour, the Host Stage and the Host Stage Location, except as may be specifically set forth in Sections 6c and 7 of this Agreement.

b. Expenses. Host agrees that it shall be responsible for the entire cost and expense of undertaking and performing those Host Obligations listed in Section 4(c) of this document and in otherwise discharging its obligations under this Agreement.

c. Local Revenues.

(1) Parking. Host may offer parking for spectators for the Host Stage. Host may retain all revenues from such parking and shall be responsible for all parking expenses.

(2) Food and Beverage Concessions. Subject to certain VIP hospitality to be offered exclusively by AEG Cycling, Host may offer food and beverage concessions at the Host Stage -Location for purchase. Host may retain all revenues derived from food and beverage concessions and shall be responsible for all expenses attendant to such concessions.

(3) Ancillary Events. Host may create, organize and present events ancillary to the Host Stage, provided AEG Cycling and Medalist has approved such events in advance in writing, and Host may retain all revenues generated thereby. Host shall be responsible for all expenses of creating, organizing and presenting such ancillary events.

7. Local Sponsorships. Host acknowledges and agrees that AEG Cycling holds and retains superior rights to grant sponsorships for the Tour, including for a title and presenting sponsor as well as for sponsorships which will grant recognition for the entire Tour (collectively, the “Tour Sponsors”). Notwithstanding the foregoing, AEG Cycling grants to Host a license to solicit and secure local sponsors to support the activities of Host in connection with the Host Stage, in accordance with the following terms and conditions:

a. Designation. Each local sponsor may be given the designation “Local Stage Sponsor”, to the exclusion of any other sponsorship designation. A Local Stage Sponsor may neither be referred to nor describe its involvement with the Host Stage by any other designation, including but not limited to a sponsor of the Tour or a local sponsor of the Tour.

b. Sponsorship Levels. Host may create one or more sponsorship levels for Local Stage Sponsors, including a local presenting sponsor.

c. Local Sponsorship Benefits. Host shall be able to provide Local Stage Sponsors with those local sponsorship benefits to be provided by AEG Cycling. Specific local sponsorship benefits will be provided upon execution of this Agreement.

d. Local Sponsorship Guidelines. Sale of Local Stage Sponsor rights shall be subject to the following guidelines provided by AEG Cycling.

(1) Reserved Tour Sponsor Categories. Host acknowledges that AEG Cycling has retained the exclusive right to sell sponsorship rights in specific sponsorship categories to Tour Sponsors (“the Tour Sponsor Categories”). A listing of the current Tour Sponsor Categories is set forth on Exhibit “B”(which listing may be updated by AEG Cycling to add or delete sponsor categories). Pursuant to Exhibit “B”, all potential local sponsors must be pre-approved by AEG Cycling’s designated Tour Managing Director. Host acknowledges that it may not sell local sponsorship rights to become a Local Stage Sponsor to any company which manufactures, markets or distributes products or services in any of the Tour Sponsor Categories, such right being reserved to AEG Cycling for Tour Sponsors.

(2) AEG Cycling Approval. AEG Cycling shall have the right of prior review and prior written approval over the identity of all proposed Local Stage Sponsors as well as recognition and benefits to be provided by Host to such Local Stage Sponsors. Host acknowledges that such review and approval is necessary to avoid conflicts between Tour Sponsors and Local Stage Sponsors.

(3) Sponsorship Priority. The title sponsor of the Tour as well as all other sponsors of the Tour designated by AEG Cycling shall have priority over and rights superior to that of any local sponsor.

(4) Submission of Materials to AEG Cycling. Host must submit all prospective sponsor lists and packages, art work, copy and designs to AEG Cycling for approval in advance.

(5) Use of Tour Marks. Host has no authority to grant a sublicense to and Local Stage Sponsors shall have no right to use the Tour Marks at any time.

(6) Recognition of Tour Sponsors. Host shall facilitate that recognition of Tour Sponsors as designated by AEG Cycling and Benefits List.

(7) No Other Recognition. Local Stage Sponsors shall not receive any endorsements from individual athletes participating in the Tour without the involved athlete's prior permission, nor will local sponsors be guaranteed broadcast exposure of any type.

8. Required Clauses. Notwithstanding the obligations of Host pursuant to Section 4m of this Agreement, Host agrees that, in each and every transaction that the City enters into with regard to the Tour, the Host Stage, the ancillary events, or rights related to either the Tour, the Host Stage, or the ancillary events, the following required clauses will be incorporated:

a. Commercial Identification Prohibition. Unless otherwise agreed in writing by AEG Cycling, all parties contracting with or providing material goods or services to Host in connection with the Host Stage or the Tour and/or any ancillary events related thereto must agree that neither they nor their affiliates, agents, representatives, employees, suppliers or subcontractors shall commercially exploit in any manner the nature of their transaction with goods and/or services provided to Host for the Host Stage or the Tour, including without limitation: (1) by referring to the transaction or the goods or services, Host, the Host Stage or the Tour and/or events related thereto in any sales literature, advertisements, letters, client lists, press releases, brochures or other written, audio or visual materials; and (2) by using or allowing the use of the Tour Marks or any other service mark, trademark, copyright or trade name now or which may hereafter be owned or licensed to signify the Tour in connection with any service or product; or (3) by otherwise disclosing their affiliation with Host or the Host Stage or the Tour and/or events related thereto for a commercial purpose.

b. Clearances and Licenses. All parties contracting with or providing goods or services to Host in connection with the Host Stage or the Tour or events which Host hosts or associates with during the Host Stage and/or events related thereto must agree that they are responsible for providing all clearances, licenses, permissions and consents (including without limitation all music clearances, synchronization rights, union and guild fees and the like) as may be necessary for the presentation of all such events, to the extent permitted by AEG Cycling, in any and all media and in any and all forms, whether now known or hereafter developed.

c. Indemnification. Every party contracting with or providing goods or services to Host in connection with the Host Stage or the Tour and/or events related thereto must agree to indemnify, defend and hold harmless AEG Cycling, AEG, Medalist, designated public relations entity, the State of California, Union Cycliste Internationale (“UCI”), Amgen, Inc., and Tour Sponsors, and their respective parent, subsidiary, and affiliated companies and each of their respective shareholders, members, trustees, partners, officers, directors, agents, volunteers, employees, and other representatives (collectively, the “AEG Cycling Parties”) from and against any claims, demands, damages, liabilities, lawsuits, losses or expenses, including without limitation, interest, penalties, reasonable attorney’s fees, and all amounts paid in the investigation, defense or settlement of any or all of the foregoing (“Claim” or “Claims”) resulting from, arising out of or in connection with the contracting parties’ obligations to Host or the provision of goods or services to Host.

d. Compliance with Law. Every party contracting with or providing goods or services to Host in connection with the Host Stage or the Tour and/or events related thereto must agree to comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal or promulgated by other agencies or bodies having or claiming jurisdiction) applicable to the performance of such party’s obligations to Host.

e. Exculpation Clause. Every party contracting with or providing goods or services to Host in connection with the Host Stage or the Tour and/or events related thereto must agree to look solely to the assets of Host for any recourse, and not those of AEG Cycling or the AEG Cycling Parties (as defined in Section 8c above).

f. Insurance. Every party contracting with or providing goods or services to Host in connection with the Host Stage or the Tour and/or events related thereto must agree to maintain, at no cost to AEG Cycling or the AEG Cycling Parties, appropriate insurance coverage for Claims arising out of the contracting party’s operations, personnel, products and services. All such insurance provided by each contracting party shall be (1) primary to and non-contributory with any insurance maintained by Host, AEG Cycling and the AEG Cycling Parties; (2) shall be written by insurance companies with ratings of “A” or better in the latest edition of the A.M. Best key rating guide; and (3) shall provide that coverage may not be materially changed, reduced or cancelled unless thirty (30) days prior written notice thereof is furnished to Host and AEG Cycling. All liability policies shall be endorsed to name Host, AEG Cycling, Medalist, Amgen, Inc., and the AEG Cycling Parties as Additional Insureds, and shall include a waiver of subrogation in favor of the Additional Insureds. Each contracting party shall be solely responsible for the costs of all deductibles under such policies and shall remain solely and fully liable for the full amount of any Claims not covered by insurance. Each contracting party shall provide Host and AEG Cycling with certificates of insurance certifying that the appropriate insurance is in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

9. Licenses to Use Marks.

a. Tour Marks.

(1) Acknowledgements Regarding Tour Marks. AEG Cycling retains the rights to sell title and presenting sponsorships in and to the Tour and, in such event, to incorporate the name and/or marks of such title and/or presenting sponsor into the Tour Marks or to develop new marks and logos for the Tour, acknowledging such title and/or presenting sponsor's relationship with and support for the Tour. Host acknowledges the foregoing and that the term "Tour Marks" as used herein may also refer to the Tour Marks as such may be expanded to include the name and/or marks of a title and/or presenting sponsor of the Tour. Upon being advised by AEG Cycling and Medalist of a change to the Tour Marks in the event of a sale of title or presenting sponsorships, Host agrees to utilize the updated Tour Marks with the name and/or marks of a title and/or presenting sponsor, all as designated by AEG Cycling.

(2) License to Use Tour Marks. AEG Cycling hereby grants to Host a limited non-exclusive license to use the name, logos, trademarks, service marks, designs, product and service identification, artwork and other symbols and distinctive indicia associated with the Tour and identified in Exhibit "C" (the "Tour Marks") during the Term of this Agreement, in accordance with the terms of this Agreement and the Tour Marks Guidelines set forth in Section 9a(6) hereinbelow, solely at or in connecting with the site of the Host Stage, including the Host Stage Location. (Such Exhibit "C" to be provided within reasonable timeframe upon execution of this Agreement). The foregoing license is subject to the right of AEG Cycling to review and approve in advance all such uses of the Tour Marks. Host shall have no right to assign, license or "pass-through" rights to use the Tour Marks to any other person or entity. In exercising this license to use the Tour Marks and in each and every reference to the Tour, Host shall utilize the Tour Marks and the exact name of the Tour designated by AEG Cycling, which shall include the name of any title and/or presenting sponsor. The Parties acknowledge and agree that, upon the expiration or termination of the Term of the Agreement, Host shall cease to use the Tour Marks.

(3) License Does Not Extend to Merchandise. Host shall not manufacture or sell, or license the manufacture or sale of, any promotional or other merchandise which bears the Tour Marks.

(4) Acknowledgements Regarding Goodwill. Host acknowledges the great value of goodwill associated with the Tour Marks. Host acknowledges that the goodwill attached to the Tour Marks belongs exclusively to AEG Cycling. Host agrees that any and all goodwill and other rights that may be acquired by the use of the Tour Marks by Host shall inure to the benefit of AEG Cycling.

(5) No Disparagement by Host. Host will not, at any time, disparage, dilute or adversely affect the validity of the Tour Marks or take any action, or otherwise suffer to be done any act or thing which may at any time, in any way materially adversely affect any rights of AEG Cycling in or to the Tour Marks, or any registrations thereof or which, directly or indirectly, may materially reduce the value of the Tour Marks or

detract from their reputation. This section shall not be interpreted to preclude any action or proceeding by Host to enforce or defend its rights under this Agreement and shall not preclude Host or its representatives from communicating information, which Host reasonably determines to be factually accurate, pertaining to the Tour, its organizers or sponsors.

(6) Tour Marks Guidelines. Any use of the Tour Marks during the Term shall be further subject to the following conditions and limitations (collectively, the "Tour Marks Guidelines"):

(a) The Tour Marks shall be used in accordance with the Amgen Tour of California Graphics Standards Manual, published by AEG Cycling from time-to-time;

(b) Host shall not use the Tour Marks in any manner that is misleading or that reflects unfavorably upon the reputation of the Tour, AEG Cycling, AEG, Medalist, Amgen, Inc., the State of California or any competitor in the Tour or in any manner that is contrary to applicable laws and regulations, including, without limitation, those relating to truth in advertising and fair trade practices;

(c) Host shall not (i) permit any tradename or mark of a third party to appear in conjunction with Host's materials that display any of the Tour Marks; or (ii) participate with any third party in a promotion using the Tour Marks or permit the Tour Marks to be used in a manner that could be reasonably interpreted as a promotion or endorsement of a third party's products or services;

(d) Host shall not use the Tour Marks without the appropriate trademark or copyright designation as required by AEG Cycling;

(e) Host acknowledges that its selection as a partner is not based upon the results of any quality comparison between Host and any other municipality within the State of California and agrees that it shall not represent otherwise to any third party or use the expressions "selected", "approved", "warranted", "preferred", or "consented to" by AEG Cycling or AEG, or the Tour or any similar endorsement;

(f) Host shall not use the license granted under this Agreement in any comparative advertising; and

(g) Host shall not, after the expiration or termination of this Agreement, use any slogan or graphic device that was developed for use in conjunction with the Tour Marks if such slogan or graphic device implies an ongoing association with the Tour.

b. Host Marks.

(1) License to Use Host Marks. Host hereby grants to AEG Cycling a limited non-exclusive license to use the name, logos, trademarks, service marks, designs, product and service identification, artwork and other symbols and distinctive indicia of Host and identified in Exhibit "D" attached hereto (the "Host Marks") during the Term of this Agreement in accordance with the terms of this Agreement and the Host Marks guidelines in accordance with Section 9b(2) of this Agreement, specifically to provide Host with the Host Benefits. The foregoing license is subject to the right of Host to review and approve in advance all such uses of the Host Marks. AEG Cycling shall have no right to assign, license or "pass-through" rights to use the Host Marks to any party, except as necessary to fulfill its obligations set forth in this Agreement. The Parties acknowledge and agree that, upon the expiration or termination of the Term of the Agreement, AEG Cycling shall discontinue any use of the Host Marks and AEG Cycling may continue to use the Tour Marks.

(2) Host Marks Guidelines. AEG Cycling shall utilize the Host Marks pursuant to the license granted herein in accordance with those graphics standards supplied by Host to AEG Cycling in writing from time-to-time.

10. Trademarks.

a. Tour Marks.

(1) The Tour Marks, specifically including but not limited to the words "Amgen Tour of California", are and shall remain the property of AEG Cycling and AEG Cycling shall take all steps reasonably necessary to protect such Tour Marks, which steps may include registrations through the United States Patent and Trademark Office ("PTO") and foreign registrations, as it deems desirable and through reasonable prosecution of infringements.

(2) The rights licensed by AEG Cycling to Host with respect to use of the Tour Marks shall convey license rights only and shall convey no rights of ownership in or to the Tour Marks.

(3) AEG Cycling represents and warrants that it has the right to use the Tour Marks, specifically including but not limited to the words "Amgen Tour of California", and to license the use of the Tour Marks to Host as set forth in Section 9a of this Agreement.

(4) AEG Cycling (as well as Amgen) shall own all right, title and interest in and to the Tour Marks. AEG Cycling shall have the right to take all steps reasonable necessary to protect the Tour Marks through PTO registrations and such foreign registrations as it deems desirable and through reasonable prosecution of infringements. AEG Cycling shall be the record owner of all such registrations for the Tour Marks. Host shall cooperate as reasonably necessary to assist AEG Cycling in obtaining such trademark protection and in prosecuting any alleged infringements of the Tour Marks.

b. Host Marks.

(1) The Host Marks are and shall remain the property of Host and Host shall take all steps reasonably necessary to protect such Host Marks through the PTO and foreign registrations as it deems desirable and through reasonable prosecution of infringements.

(2) Host represents and warrants that it has the right to use the Host Marks and to license the use of the Host Marks to AEG Cycling for use in connection with the Tour and to provide the Host Benefits.

(3) The rights granted to AEG Cycling by Host with respect to use of the Host Marks shall convey license rights only and shall convey no rights of ownership in or to the Host Marks.

11. Merchandising. The Parties acknowledge and agree that AEG Cycling shall be the sole licensor of all Tour-related merchandise bearing the Tour Marks and/or otherwise relating to the Tour in any way (the "Tour-Related Merchandise"). Host shall have the right to purchase Tour-Related Merchandise from the licensee for such Tour-Related Merchandise at amount to be agreed upon by and among AEG Cycling, Host and such licensee, but shall have no right or license to manufacture or distribute Tour-Related Merchandise or any other merchandise bearing the Tour Marks.

12. Approvals.

a. Host agrees to submit to AEG Cycling for its prior written approval all proposed uses of the Tour Marks that Host wishes to make pursuant to the limited license granted to Host in this Agreement, including but not limited to submission of representative samples of all advertising, promotional and other materials to be used in connection with Host's products and services as well as any premiums that Host may wish to use containing the Tour Marks. If Host's request is not responded to by AEG Cycling within ten (10) business days after AEG Cycling has received the material from Host, Host shall provide written notification to AEG Cycling of such fact and AEG Cycling agrees that any such proposed materials shall be deemed denied if Host's request is not responded to within five (5) business days following receipt of such written notice. Host shall not distribute any material without the prior written approval of AEG Cycling.

b. Host shall supply free of charge to AEG Cycling for administrative and archival purposes two (2) originals of all advertising, promotional or other materials in connection with the products and services to be used by Host in connection with the licenses granted under this Agreement.

c. All requests for approval, including representative samples of all advertising, promotional and other materials shall be sent to AEG Cycling at the address

for notices under this Agreement to the attention of the individual designated to receive notices for AEG Cycling.

13. Broadcast and Media Rights; Other Commercial Exploitation of Tour. As between Host and AEG Cycling, AEG Cycling controls all rights to distribute, promote, market and otherwise commercially exploit the Tour and the Host Stage by means of any and all audio, visual and audiovisual media of all types, including but not limited to television, radio, Internet and print, and wireless devices as well as with respect to sponsorship, licensing, hospitality, merchandising, and other marketing rights with respect to the Tour (“Commercial Exploitation Rights”) and that Host will not purport to grant or license any such rights to a third party without the prior express written approval of AEG Cycling.

14. Ownership and Protection of Intellectual Property.

a. Ownership of Intellectual Property.

(1) Subject to the terms of Section 10 of this Agreement, each Party shall own all right, title and interest in and to all intellectual property created by or on behalf of such Party in connection with this Agreement, including without limitation, all logos, names, ideas, concepts, creative materials, promotional materials, advertising, graphics, including all copyrights and proprietary rights therein, and any inventions and discoveries first conceived or developed, whether or not protected by patent, trade secret or copyright, subject to the ownership rights of the other Party to such other Party’s trademarks to the extent that such are incorporated into such intellectual property (such property being collectively referred to as the “Intellectual Property”). (That Intellectual Property which has been created by or on behalf of Host is referred to as the “Host Intellectual Property” and that Intellectual Property which has been created on behalf of AEG Cycling is referred to as the “AEG Cycling Intellectual Property”).)

(2) Notwithstanding the foregoing, the Parties acknowledge and agree that the Tour Marks and the distinctive colors, concepts, indicia and look displayed by AEG Cycling throughout the Tour and by AEG Cycling in its regular business operations and materials shall constitute AEG Cycling Intellectual Property and therefore be owned by AEG Cycling. Host expressly acknowledges that the Parties have agreed that all copyrightable aspects of the AEG Cycling Intellectual Property are to be considered “works made for hire” within the meaning of the Copyright Act of 1976, as amended (the “Act”), of which AEG Cycling is to be the “author” within the meaning of such Act. All such copyrightable works, as well as all copies of such works in whatever medium fixed or embodied, shall be owned exclusively by AEG Cycling as its creation and Host expressly disclaims any interest in any of them. Host expressly acknowledges that it is not a joint author and that the AEG Cycling Intellectual Property and all other work created by AEG Cycling hereunder are not joint works under the Act.

(3) In the event (and to the extent) that any AEG Cycling Intellectual Property or any part or element thereof is found as a matter of law not to be “work made

for hire” within the meaning of the Act, Host hereby conveys and assigns to AEG Cycling the sole and exclusive right, title and interest in the ownership to all such AEG Cycling Intellectual Property, and all copies of it, without further consideration, and agrees to assist AEG Cycling’s efforts to register, and from time to time to enforce, all patents, copyrights, and other rights and protections relating to the AEG Cycling Intellectual Property in any and all countries. To that end, Host agrees to execute and deliver all documents requested by AEG Cycling to evidence any assignment as well as otherwise in connection therewith.

(4) Host understands that the term “moral rights” means any rights of paternity and integrity, including any right to claim authorship of a copyrightable work, to object to a modification of such copyrightable work and any similar right existing under the judicial or statutory law of any country or under any treaty, regardless of whether or not such right is referred to as a “moral right”, including, without limitation, the rights of attribution and integrity in works of visual art pursuant to 17 U.S.C. § 106A. Host irrevocably waives and agrees never to assert any moral rights Host may have in the AEG Cycling Intellectual Property, even after any termination or expiration of this Agreement.

(5) The Parties agree to affix appropriate copyright and trademark notices as reasonably designated by the other, together with their own notices as appropriate, on the AEG Cycling Intellectual Property to identify AEG Cycling as the owner of the AEG Cycling Intellectual Property and Host as the owner of the Host Marks.

b. Protection of Intellectual Property.

(1) Host acknowledges that it has no right, title or interest in the Tour Marks and that nothing in this Agreement shall be construed as an assignment to Host of any right, title or interest in the Tour Marks, except the license to use of the Tour Marks as provided in this Agreement.

(2) Host agrees that AEG Cycling shall have the sole right to determine whether any action should be taken to terminate unauthorized use of the Tour Marks or to settle any proceeding brought by AEG Cycling to terminate such unauthorized use. All proceeds from any enforcement action shall belong exclusively to AEG Cycling. AEG Cycling shall be permitted to seek equitable relief to prevent the unauthorized uses of the Tour Marks.

(3) AEG Cycling and Host agree to assist each other in the defense of any proceeding or claim with respect to the use of any Tour Marks by Host in accordance with the terms of this Agreement. AEG Cycling agrees to defend, at its expense, any such proceeding or claim on behalf of Host. Host shall be permitted to retain, at its expense, separate counsel in such defense.

15. Reservation of Rights. AEG Cycling reserves all rights not expressly licensed to Host under this Agreement. Any and all rights of AEG Cycling, including those in and to the Tour and the Tour Marks, not expressly granted to Host under this Agreement are reserved to AEG Cycling and may be exercised, marketed, exploited or disposed of by AEG Cycling concurrently with the Term of this Agreement in such form and manner as AEG Cycling wishes. Host acknowledges and agrees that this Agreement does not convey or grant to it any rights of ownership in or management of the Tour, AEG Cycling or the Tour Marks.

16. Representations and Warranties.

a. By AEG Cycling. AEG Cycling represents and warrants that:

(1) It has the full right, power and legal authority to enter into and fully perform this Agreement in accordance with its terms without violating the rights of any other person, that there are no other agreements or commitments, oral or written, that will interfere with its full performance hereunder and that it will fully comply with all federal, state and local laws, rules and regulations applicable to the day-to-day conduct of its business and to its obligations and performances hereunder;

(2) The Tour Marks do not infringe the trademarks or other proprietary rights of any other person or entity;

(3) Any materials created under the control, direction or supervision of AEG Cycling shall be original, shall be owned by AEG Cycling and shall not infringe any third party copyright or trademark; and

(4) It will comply with all applicable laws, regulations and ordinances pertaining to the promotion and conduct of the Tour.

b. By Host. Host represents and warrants that:

(1) It has the full right, power and legal authority to enter into and fully perform this Agreement in accordance with its terms without violating the rights of any other person, that there are no other agreements or commitments, oral or written, that will interfere with its full performance hereunder and that it will fully comply with all federal, state and local laws, rules and regulations applicable to the day-to-day conduct of its business and to its obligations and performances hereunder;

(2) Host owns or has the authority to grant to AEG Cycling a license to use the Host Marks;

(3) The Host Marks do not infringe the trademarks or other proprietary rights of any other person or entity;

(4) Any materials created under the control, direction or supervision of Host shall be original, shall be owned by Host and shall not infringe any third party copyright or trademark; and

(5) It will exercise its best efforts to ensure that City officials, employees and other representatives and Host officers, directors, employees, volunteers, agents, representatives, and contracted parties promote and protect the goodwill of the Tour and not engage in conduct which is detrimental to the Tour, its Sponsors, AEG Cycling, Medalist and/or the AEG Cycling Parties. This section shall not be interpreted to preclude any action or proceeding by Host to enforce or defend its rights under this Agreement and shall not preclude Host or its representatives from communicating information, which Host reasonably determines to be factually accurate, pertaining to the Tour, its organizers or sponsors.

17. Indemnification.

a. By AEG Cycling. AEG Cycling shall indemnify, defend and hold harmless Host, its affiliates, and their respective officers, directors, partners, shareholders, members, agents, employees, volunteers and other representatives (collectively, the "Host Indemnified Parties"), from and against any and all claims, demands, damages, liabilities, lawsuits, losses or expenses, including without limitation, interest, penalties, reasonable attorney's fees, and all amounts paid in the investigation, defense or settlement of the foregoing (the "Claim" or "Claims") arising out of, based on or in any other manner related to: (1) the breach of any representation, warranty, material covenant or obligation of AEG Cycling under this Agreement; (2) any negligent act, negligent omission or willful conduct by AEG Cycling; and (3) any Claim that the Tour Marks or other AEG Cycling Intellectual Property infringe upon any patent, copyright, trademark, trade secret or any other right of a third party.

b. By Host. Host shall indemnify, defend and hold harmless AEG Cycling, AEG, Medalist, the State of California, UCI, Amgen, Inc., and Tour Sponsors, and their respective parent, subsidiary and affiliated companies, and each of their respective officers, directors, partners, trustees, shareholders, members, agents, employees, volunteers and other representatives (collectively, the "AEG Cycling Indemnified Parties"), from and against any and all Claims arising out of, based on or in any other manner related to: (1) the breach of any representation, warranty, material covenant or obligation of Host under this Agreement; (2) any negligent act, omission or willful conduct by Host; (3) the products, services, and other deliverables provided by Host and its employees, volunteers, agents, representatives and contractors in carrying out its obligations under this Agreement; provided, however, that Host shall not be responsible for indemnification resulting from road conditions of State of California maintained highways and roads (4) the exercise by Host of its rights and the Host Benefits under this Agreement, including but not limited to any parking, food and beverage concessions, ancillary events or local sponsorships organized by Host; (5) advertiser's liability or other claim arising out of or in connection with the use by Host of the Tour Marks, including

but not limited to any claim based upon an allegation of sponsorship or guaranty by AEG Cycling of City; (6) a claim that the Host Marks infringe upon any patent, copyright, trademark, trade secret or any other right of a third party; and (7) the failure or alleged failure by Host to comply with all Laws relating to labor relations, fair employment practices, safety and similar rules and regulations, including without limitation, the requirement of the Occupational Safety and Health Act (OSHA) of 1970 and with all Equal Employment Opportunity (EEO) provisions as required by law, regulation or executive order. Notwithstanding the foregoing, this indemnification shall not extend to or include any claims, damages, suit or attorneys fees arising out of any claim or allegation that any of the routes, roads, trails or other parts of the Tour course were negligently designed or selected. Prior approval by AEG Cycling of the use of the Tour Marks or other matters as to which AEG Cycling approval is required under this Agreement shall not affect AEG Cycling's right to indemnification as to such usage.

c. Procedure Regarding Indemnification. Each Party shall give the other Party prompt written notice of any Claim coming within the scope of any indemnity expressly set forth in this Agreement. Upon written request of any indemnitee, the indemnitor will assume defense of any such Claim, action or proceeding. The indemnitee shall cooperate with the indemnitor in the investigation, defense and/or settlement of any such Claim. The indemnification obligations in this Section 17 of this Agreement shall survive the expiration and/or termination of this Agreement.

18. Termination.

a. Default. The non-defaulting Party may terminate this Agreement, at its option, upon written notice to the other Party, upon the occurrence of one or more of the following events (the "Termination Events"):

(1) Material breach of any covenant, agreement, representation, warranty, term or condition of this Agreement, if such breach has not been waived in writing and if such breach is not cured or remedied by the breaching Party to the other Party's reasonable satisfaction within thirty (30) days after delivery of written notice specifying the nature of the breach, or if the Parties agree that the breach is not capable of being cured or remedied within said thirty (30) days, then within the time period mutually agreed to by the Parties in a jointly approved plan of corrective action developed within thirty (30) days after the delivery of written notice to the breaching Party specifying the nature of the breach;

(2) A Party becomes insolvent, fails to pay its debts or perform its obligations in the ordinary course of its business as they become due, admits in writing its insolvency or instability to pay its debts or perform its obligations as they become due, or becomes the subject of any voluntary or involuntary proceeding in bankruptcy, liquidation, dissolution, receivership or general assignment for the benefit of creditors, provided that, if such condition is assumed involuntarily, it has not been dismissed with prejudice within sixty (60) days after its commencement; or

(3) A Party is the subject of public controversy of such a magnitude that such Party's association with the other Party pursuant to this Agreement creates a negative association for such other Party, in the reasonable judgment of such other Party, in which case the other Party may terminate this Agreement without cost or penalty.

Effect of Termination. Should either Party terminate this Agreement as a result of a Termination Event set forth in subsection a above, then upon termination of this Agreement, Host's Host Benefits shall terminate and Host shall cease using the Tour Marks. In addition, should such termination result from termination notice given by Host to AEG Cycling from occurrence of a Termination Event of the type set forth in Sections 18a(1) or (2) above, AEG Cycling shall repay to Host all amounts actually expended by Host in performing its obligations hereunder; provided, however that in no event shall AEG Cycling be liable for amounts in excess of \$10,000 in the aggregate for any particular Tour. Should termination result from termination notice given by AEG Cycling to Host from occurrence of a Termination Event of the type set forth in Sections 18a(1) or (2) above, Host shall repay to AEG Cycling all amounts expended by AEG Cycling in licensing to Host the right to host the Host Stage, to provide the Host Benefits, and to relocate the site for the Host Stage; provided, however, in no event shall Host be liable for amounts in excess of \$10,000 in the aggregate.

19. Independent Contractors. AEG Cycling and Host are independent contractors with respect to each other and nothing herein shall be deemed or construed to create any partnership, joint venture or agency relationship between them. Host is simply serving as host to the Host Stage of the Tour under the license of rights granted herein and is agreeing herein to provide certain services and to undertake certain obligations in order to acquire certain marketing rights and benefits. Neither Party shall have any authority to contract or bind the other Party in any manner and shall not represent itself as the agent of the other.

20. Insurance.

a. AEG Cycling Provided Insurance. Throughout the Term of this Agreement (including any extensions thereof), AEG Cycling shall provide and maintain, at its expense, the following insurance policies which shall protect the AEG Cycling Parties on a primary basis from any and all Claims arising out of or in connection with respect to the staging of each Tour and the obligations of AEG Cycling pursuant to this Agreement:

(1) Event Liability insurance (inclusive of CGL as well as auto liability) of with limits not less than \$1,000,000 each occurrence and \$2,000,000 in the aggregate;

(2) Auto Liability & Physical Damage insurance covering Claims arising out of the use, operation or maintenance of any vehicle (whether owned, non-owned, leased, hired or borrowed) by AEG Cycling, with limits not less than \$1,000,000 each accident combined single limit for bodily injury and property damage

(3) Workers' Compensation insurance covering AEG Cycling's employees with limits as required by statutory law, including Employer's Liability coverage with limits not less than \$500,000 each accident;

(4) Umbrella and/or Excess Liability insurance with limits not less than \$5,000,000 each occurrence shall apply in excess of and on a following form basis to the primary Commercial General Liability, Automobile Liability and Employer's Liability policies; and

(5) Any other insurance necessary and appropriate for the staging of the Tour as determined by AEG Cycling and Medalist.

All such insurance to be maintained by AEG Cycling shall be (1) primary with respect to Claims arising out of the AEG Cycling's staging of each Tour and the obligations of AEG Cycling pursuant to this Agreement; (2) shall be written by insurance companies with ratings of "A" or better in the latest edition of the A.M. Best key rating guide; and (3) shall provide that coverage may not be materially changed, reduced or cancelled unless thirty (30) days prior written notice thereof is furnished to Sponsor.

Policies (1), (2) and (4) above shall be endorsed to name Host and the Host Indemnified Parties (as defined in Section 17b of this Agreement) as Additional Insureds under each policy on a separate endorsement page with respect to the negligent acts or omissions of AEG Cycling. The endorsement must be ISO Form CG 20 12 or CG 20 26 11 85, or an equivalent for the General and Excess Liability policies, and the CA 20-01 for the Automobile Liability policy.

At least 15 days prior to each Tour, AEG Cycling shall provide Host with a certificate of insurance certifying that the appropriate insurance is in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

b. AEG Cycling Optional Insurance. AEG Cycling may, but shall not be obligated to, secure Event Cancellation insurance providing reimbursement of insured losses if any Tour does not take place, in whole or in part, due to any Act of God or other event beyond the control of the AEG Cycling and those other circumstances set forth in Sections 21 and 22 of this Agreement. Covered perils may include adverse weather conditions; natural disasters; outbreak of disease; damage to or loss of venue; unavoidable transportation delays; non-appearance of key participants due to death, injury or illness; situations which pose significant danger to the public or Tour participants; and other causes beyond AEG Cycling's control which are not specifically excluded under the policy. Notable exclusions will include war, civil commotion, riot, martial law, seizure, or radioactive/ nuclear contamination; poor event planning and management; fraud, misrepresentation or concealment. All event cancellation proceeds shall constitute the property of AEG Cycling. AEG Cycling's obligation to secure Event Cancellation insurance is limited to the extent such coverage is available at a reasonable cost in the sole discretion of AEG Cycling.

c. Host Provided Insurance. Throughout the Term of this Agreement (including any extensions thereof), Host shall provide and maintain, at its expense, the following insurance policies (or in the event Host is self-insured, a program of insurance), which shall protect Host, AEG Cycling, Medalist, Amgen, Inc. and the AEG Cycling Parties on a primary basis from any and all Claims arising out of or in connection with the Host's activities, operations, representations and warranties, rights, obligations and duties of Host pursuant to this Agreement:

(1) General Liability insurance with limits not less than \$1,000,000 each occurrence and \$2,000,000 in the aggregate. Such insurance shall include coverage for contractual liability, products-completed operations, personal and advertising injury, premises damage legal liability, liquor liability (if applicable), property damage and bodily injury liability (including death);

(2) Auto Liability & Physical Damage insurance covering Claims arising out of the use, operation or maintenance of any vehicle (whether owned, non-owned, leased, hired or borrowed) by Host, with limits not less than \$1,000,000 each accident combined single limit for bodily injury and property damage;

(3) Workers' Compensation insurance covering Host's employees with limits as required by statutory law, including Employer's Liability coverage with limits not less than \$1,000,000 each accident, \$1,000,000 disease-each employee and \$1,000,000 disease-policy limit;

(4) Umbrella and/or Excess Liability insurance with limits not less than \$3,000,000 each occurrence shall apply in excess of and on a following form basis to the primary Commercial General Liability, Automobile Liability and Employer's Liability policies;

(5) Any other insurance necessary and appropriate for covering the Host's activities, operations, representations and warranties, rights, obligations and duties pursuant to this Agreement.

All such insurance to be maintained by Host shall be (1) primary to and non-contributory with any insurance maintained by AEG Cycling and the AEG Cycling Parties; (2) shall be written by insurance companies with ratings of "A" or better in the latest edition of the A.M. Best key rating guide; and (3) shall provide that coverage may not be materially changed, reduced or cancelled unless thirty (30) days prior written notice thereof is furnished to AEG Cycling.

Policies (1), (2) and (4) above shall be endorsed to name AEG Cycling and the AEG Cycling Indemnified Parties (as defined in Section 17a of this Agreement) as Additional Insureds under each policy on a separate endorsement page with respect to the negligent acts or omissions of Host. The endorsement must be ISO Form CG 20 12 or CG 20 26 11 85, or an equivalent for the General and Excess Liability policies, and the CA 20-01 for the Automobile Liability policy.

At least 15 days prior to each Tour, Host shall provide AEG Cycling with a certificate of insurance certifying that the appropriate insurance is in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

21. Force Majeure. In the event that the Tour does not take place or is rescheduled, in whole or in part, due to any Act of God or other event not reasonably foreseeable by the Parties or beyond the control of the Parties which is generally considered an event of force majeure ("Force Majeure"), including without limitation, weather, fire, flood, act of public enemy or terrorism, strike or labor dispute, governmental action or directive or local, regional or national day of mourning, whether such event of Force Majeure has occurred in a community through which the Tour course shall run or not, then AEG Cycling may discontinue provision of the Host Benefits to and for the benefit of Host and Host need not continue to perform those Host Obligations which remain unperformed as of the date of cancellation or postponement. AEG Cycling shall determine whether the Tour is to be cancelled in whole or in part or postponed due to a Force Majeure event. Should the Tour be cancelled in whole or in part due to an event of Force Majeure, AEG Cycling shall have no further obligation, financial or otherwise, to Host and Host shall have no further obligation to AEG Cycling in connection with the Tour. In the event that the Tour is postponed in whole or in part due to an event of Force Majeure and AEG Cycling intends to reschedule the Tour, AEG Cycling and Host shall discuss in good faith the terms under which such rescheduling should occur. In the event of such cancellation or postponement due to a Force Majeure event, the obligations of AEG Cycling and the rights of Host shall be as specifically set forth in this Section 21 as the sole and exclusive remedy by virtue of such cancellation or postponement.

22. Cancellation or Postponement of Tour for Reason Other than Force Majeure. AEG Cycling shall have the sole and unfettered right to cancel or postpone the Tour or any Host Stage. In such event, Host acknowledges and agrees that AEG Cycling shall have no financial responsibility to Host as a consequence of such cancellation or postponement. However, should AEG unilaterally cancel the Host Stage for reasons other than Force Majeure or a Termination Event, AEG shall, subject to the terms of Section 18(b), repay to Host all amounts reasonably expended by Host in performing its obligations hereunder. In the event of such cancellation or postponement for a reason other than Force Majeure, the obligations of AEG Cycling and the rights of Host shall be as specifically set forth in this Section 22 as the sole and exclusive remedy by virtue of such cancellation or postponement. Upon providing notice of cancellation or postponement, AEG Cycling shall have no further obligation to provide Host with any of the Host Benefits as set forth in this Agreement.

23. Public Announcement. The Parties agree to make a joint public announcement and press release upon in the near future following execution of this Agreement. The Parties agree that the form and substance of such announcement and press release shall be mutually agreed between the Parties.

24. Rider Event Release. USA Cycling, Inc. requires that all riders participating in the Amgen Tour of California must execute and return an Event Release Form ("Event Release") similar to the sample 2012 form of Event Release attached hereto as Exhibit E. AEG Cycling shall use commercially reasonable efforts to ensure that all rider participants will execute a completed Event Release and that Host Indemnified Parties, as defined in Section 17.a. herein, will be included as released parties to the Event Release.

25. Liability of City. City acknowledges and agrees that it shall be responsible for each and every obligation under this Agreement and, therefore, that any liability for breach of any obligation of Host hereunder shall constitute an obligation of City hereunder.

26. Specific Performance. The duties, obligations and responsibilities of the Parties under this Agreement are unique, and, therefore, the Parties agree that monetary damages will not be an adequate remedy for breach of this Agreement. The Parties acknowledge and agree that, in the event of a breach by Host, AEG Cycling will suffer irreparable harm. Therefore, AEG Cycling shall be entitled to the remedy of specific performance, which shall not be the exclusive remedy for any violation of breach of this Agreement.

27. General.

a. **Assignment.** Host may not assign any rights or obligations under this Agreement or this Agreement itself, in whole or in part, without the prior express written consent of AEG Cycling. Notwithstanding the foregoing, AEG Cycling may retain the services of subcontractors to discharge certain obligations under this Agreement.

b. **Notices.** Except as expressly provided to the contrary herein, any notice, consent, report, documents or other item to be given, delivered, furnished or received hereunder shall be deemed given, delivered, furnished and received when given in writing and personally delivered to and received by an officer or designated employee of the applicable Party, to seventy-two (72) hours after the same is deposited in the United States mail, postage prepaid, registered or certified first class mail, return receipt requested addressed as set forth below, or to such other address as either of the parties shall advise the other in writing or sent by confirmed facsimile transmission:

If to Host:

City of Escondido
City Manager's Office
201 North Broadway
Escondido, CA 92025
Attn.: Joyce Masterson

If to AEG Cycling:

AEG Cycling, LLC

800 W. Olympic Blvd., Ste. 305
Los Angeles, CA 90015
Attn: Kristin Bachochin

with a copy to:

AEG Cycling, LLC
800 W. Olympic Blvd., Ste. 305
Los Angeles, CA 90015
Attn: Legal Department.

c. Entire Agreement; Modifications. This Agreement constitutes the entire agreement of the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings between the Parties with respect to the subject matter hereof. This Agreement may not be modified, amended or supplemented or otherwise changed, except by a written document executed by an authorized representative of each of the Parties hereto.

d. No Waiver of Rights and Breaches. No failure or delay of any Party in the exercise of any right given to such Party hereunder shall constitute a waiver thereof, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. The waiver by a Party of any default of any other Party hereunder shall not be deemed to be a waiver of any such subsequent default or other default of any Party.

e. Captions. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement.

f. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and authorized assigns.

g. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State of California and for all purposes governed by and construed in accordance with the laws of the State of California.

h. Construction of Agreement. Each Party acknowledges that it has participated in the negotiation of this Agreement and that no provision of this Agreement shall be construed against or interpreted to the disadvantage of any Party hereto by any court or other governmental or judicial authority by reason of such Party having or deemed to have structured, dictated or drafted such provision.

i. Relationship of Parties. This Agreement shall neither be deemed nor construed to create a joint venture or partnership between AEG Cycling and Host, nor shall this Agreement be deemed or construed as making either Party the agent or representative of the other Party. Neither Party shall have the authority to bind the other Party in any respect.

j. Survival. Those covenants, acknowledgments, representations, agreements and obligations contained in Sections 9a(4), 9a(5), 9a(6)(g), 13-16, 17, 18b, 20-22, and 24-27 of this Agreement shall survive the expiration and/or termination of this Agreement.

k. Compliance with Law, Rules and Regulations. The Parties agree to comply with all federal, state and local laws, ordinances, orders, rules and regulations applicable to the performance of their respective obligations under this Agreement, both now existing and as such may hereinafter be adopted.

l. Time of Essence. The Parties agree that time is of the essence in performing obligations under this Agreement.

m. Exhibits. The documents attached hereto as exhibits are incorporated by reference herein and made a part of this Agreement as if fully set forth herein.

n. Severability. The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, all of such provisions being inserted conditionally upon their being considered legally valid, and this Agreement shall be construed and performed in all respects as if such invalid or unenforceable provision(s) were omitted.

o. Exclusive Jurisdiction. The Parties agree that, subject to the provisions of Section 24, venue of any judicial action in connection with this Agreement shall lie exclusively in the North County Division of the San Diego County Superior Court or federal courts located in San Diego County, California. Host accepts, generally and unconditionally, the exclusive jurisdiction of such courts and any related appellate court and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Host further agrees that it irrevocably waives any objection it may now have or hereafter have as to the jurisdiction or venue of any such suit, action or proceeding brought in such court or that such court is an inconvenient forum. Host acknowledges that it possesses the requisite minimum contacts with the State of California sufficient to establish jurisdiction over Host in State and Federal Courts in California.

p. Further Assurances. The Parties agree to execute and deliver, or cause to be executed and delivered, such instruments and documents as either Party may reasonably request or require to carry out more effectively the purpose and intent of this Agreement.

q. Intentionally Omitted.

r. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

s. No Third Party Beneficiaries. It is expressly understood that there are no third party beneficiaries to this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement on their respective behalf, all as of the day and year first above written.

AEG CYCLING:

AEG CYCLING, LLC

By: _____

Name: _____

Title: _____

HOST:

CITY OF ESCONDIDO

By: _____

Name: _____

Title: _____

EXHIBITS

- A Host City 2013 Request for Proposal**
- B Sponsorship**
- C Tour Marks**
- D Host Marks**

EXHIBIT A

Host City 2013 Request for Proposal

(see attached)

HOST CITY REQUIREMENTS – OVERALL START

As a partner of the Amgen Tour of California, an Overall Start Host City is required to provide the following support and assume all related costs as part of their bid submission.

RACE OPERATIONS

POLICE SERVICES – Local (city and/or county and unincorporated areas if applicable) police services and related costs are the responsibility of the Host City. In coordination with California Highway Patrol (CHP), CalTrans, as well as the Tour's motor and road marshals and in conjunction with the LOC volunteer program, local police provide safe road closures, which may include fixed-post positions, traffic control, crowd control, enforcing no-parking zones and maintaining general public safety.

PUBLIC WORKS AND ROAD SERVICES – Local public works and road services are the responsibility of the Host City. The Host City will absorb the cost for all services within the city/county (and unincorporated areas if applicable) limits. These services are necessary to support police efforts to ensure road closures and the safety of the course. These services include:

- Detours and detour equipment (ATOC will provide 6,000 feet of start/finish fencing*)
- Barricades
- Cones
- (2) Scissor lifts/Fork Lifts (1 additional Fork Lift available for Vehicle Load Lot)**
- Printing/posting of 'No Parking' signs
- Removal/restoration and street repair
- Distribution of notices to residents advising of road closures and providing a "hotline" available to residents and businesses to handle issues related to closures.

*Exact amount of fencing varies depending on the venue

** Scissor Lift and Fork Lift specs can be provided upon request. Fork Lift must be 5,000 lb warehouse lifts.

START/FINISH CIRCUITS – The decision to incorporate either Start or Finish circuits into a Tour stage must be mutually agreed upon by the Tour and Host City. The Host City will absorb the cost for all services and infrastructure necessary to conduct circuits, even if the circuits extend outside of the city limits, including traffic control, permits, and requirements for all roadways not under city jurisdictions.

If there are road knobs, curbs, speed-bumps, etc., which impact the course and the riders safety, the Host City is financially responsible to have these elements temporarily removed and replaced.

PERMIT SERVICES – All fees associated with city/county/state (and unincorporated areas if applicable) permits and permit requirements for the operation of the event are to be procured by the Host City on behalf of the Tour. They include, but are not limited to:

- City, county and state permits for stages, tents, electrical, health, alcohol, sound, and any road permit that may be required for any portion of the route that is within the city limits of the LOC
- Parking - both on and off the street
- Alcoholic beverages - consumption in public, if served at a start, from cups, bottles and cans, in a private VIP area

- Road closures and use - closure and use of roads for setup and racing (includes permits for construction of staging, tents, wiring and electrical, portable generators, power equipment and a fork lift)
- Special and ancillary events - pre-event and race day
- Banners and signs - hanging and display of pre-event, race day advertising and sponsor banners
- Concession sales - on-site merchandise and concession stands as requested by race organizers

The LOC is responsible to provide all necessary health department contact information that pertains to the Host City 90 days prior to the event. The LOC is to also make best efforts to invite the health department permitting person to one of the pre-tour site visits designated by The Tour.

*Please list any special permitting/restrictions that the Tour should be aware of, including Alcohol, Signage and Sound Amplification. This may affect the options for START LINE placement.

EMT/EMS SERVICES – Host City is financially responsible for providing EMT/EMS services for the general public on the day of the Overall Start. Medical plan must be submitted to the Tour Technical Director. Please note that the Tour provides medical services for the athletes, team support and staff personnel, however the LOC must cover ambulance costs if the Tour contract ambulance provider is not licensed for the location.

RESIDENT/BUSINESS NOTIFICATIONS – Host City is responsible for notifying local residents and businesses within the city limits that impact the Tour; including road closures, traffic advisories, etc. In the case of a circuit or agreed upon route outside the city, notification must be made in these locations as well. Notifications should be bilingual, including an English and Spanish version.

PORT-O-LETS – Host City is financially responsible for securing port-o-let services or public restrooms during the day of the Overall Start. The number of units and placement of the units will be mutually agreed upon by the Host City and the Tour's Production Director. Portable toilets to be guaranteed to arrive the night prior to the start or finish event for the overnight crews.

WASTE MANAGEMENT – Host City is financially responsible for providing waste management/trash removal services during and at the conclusion of the event. Necessary supplies and services include: trash containers, roll off containers, dumpsters, recycling containers and the crews to remove full containers of liners, and replace them with fresh liners. Also needed are crews to restore the venue to its original beauty, meaning removal of trash from streets, parking lots, parking garages, curbs, city property, county property and federal property. Street sweeping is recommended the day before the event and the evening after tear down.

BREAKAWAY MILE

Background: Four cities will be chosen to host Breakaway Mile events, which include a pre-event reception and an approximately one mile walk along the race course that crosses the finish

line (prior to the pros) to honor the millions of cancer survivors worldwide as part of the *Breakaway from Cancer*® initiative. Approximately 150 community members -- cancer survivors, patients, caregivers and advocates -- will be included in this activity.

The Host City is financially responsible for the following:

- Indoor meeting space for a pre-event accommodating 150 guests in a location near the race course (ideally approximately 0.75 – 1 mile from the finish line). The meeting space must include seating; a podium and sound system with microphone; and three (3) skirted tables for check-in. Light refreshments may also be requested including beverages and finger sandwiches, fruit, cookies, etc.
- Marching band or other ancillary participation creating a highly visual and compelling element included in the Breakaway Mile walk along the race course
- Partner with the *Breakaway from Cancer* team to conduct community outreach to secure Breakaway Mile participants. This could include local community outreach to organizations involved in the cancer community

AWARDS CEREMONY

- LOC will provide ten (10) floral bouquets to be used in the awards ceremony
- Floral bouquets should arrive on-site approximately three hours before the race Finish

*Additional details regarding the Awards Ceremony and LOC Opportunities will be provided during the planning process

HOTEL ACCOMMODATIONS - ROOM BLOCKS (OVERALL START)

The Host City is FINANCIALLY RESPONSIBLE for all costs associated with the following room allocations:

TWO PEAK NIGHTS FOR ENTIRE ENTOURAGE:

- 1500 rooms (60/40 ratio of doubles/single rooms)
 - Hotel-related parking expenses

*note rooms can be spread across multiple nights

NIGHT BEFORE THE OVERALL START FOR ADVANCE CREW AND STAFF:

- 280 rooms (60/40 ratio for doubles/single rooms)
- Hotel-related parking expenses

THE TOTAL NUMBER OF ROOMS THAT ARE NEEDED 8 DAYS BEFORE THE OVERALL START:

The Host City must secure the remaining rooms at \$90, all-inclusive room rate (including local and state taxes and fees):

* Please note that the room block captures staggered arrival beginning 8 days out. Below are the estimated rooms that will be used in total:

<u>Date</u>	<u># of Hotel Rooms</u>
Sunday	20 rooms (60/40 ratio of doubles/single rooms)
Monday	20 rooms (60/40 ratio of doubles/single rooms)

Tuesday	20 rooms (60/40 ratio of doubles/single rooms)
Wednesday	230 rooms (60/40 ratio of doubles/single rooms)
Thursday	230 rooms (60/40 ratio of doubles/single rooms)
Friday	720 rooms (60/40 ratio of doubles/single rooms)
Saturday	720 rooms (60/40 ratio of doubles/single rooms)
Sunday	550 rooms (60/40 ratio of doubles/single rooms)

HOTEL REQUIREMENTS:

- No more than three hotel properties
 - Tour will work with LOC approve and assign properties for each functional area
- Hotels must be a minimum of a 3-star hotel property and provide television viewing of the Tour's broadcast partner's network
- Hotels must be located in close proximity to each other
- Hotels must be full-service properties with banquet facilities, and carry the Tour's broadcast partner network
- Hotel properties must be pre-approved by AEG

SITE VISIT/LOC ROOMS:

The Host City is financially responsible for providing the Tour with 60 hotel room nights to be used anytime from September 1, 2012 – July 1, 2013.

MEALS

TEAM DINNER – The Host City is financially responsible to provide three (3) dinners for athletes and team support personnel only (approximately 350 people) for three consecutive nights: Friday night, the night before the Overall Start (Saturday) and the night of the Overall Start (Sunday), based upon menu specifications provided by the Tour's Operations Director. The dinner should be served at the Team Hotel.

STAFF PER DIEM – A dinner per diem of \$15 (per person) should be provided for staff of 410 people. (if coupons are used, they must be valid at Tour entourage hotel properties)

TEAM BREAKFAST – The Host City is financially responsible to provide three (3) breakfasts for athletes and team support personnel only (approximately 350 people) for three consecutive mornings: Friday morning, the morning before the Overall Start and the morning of the Overall Start (Sunday). The Tour's operations director will provide a specific menu for the team breakfast. The breakfast will be served at the Team Hotel.

MEDIA LUNCH – The Host City is financially responsible to provide a lunch the day of the Overall Start, for approximately 175 working media. The lunch should be served adjacent to the designated media workroom.

TEAM/STAFF BOXED LUNCHES – The Host City is financially responsible for providing (600) boxed lunches for two (2) days for the teams and staff, to include (but not limited to): sandwich, fruit, chips, cookies. Sandwich choices to include three varieties plus a vegetarian (small percentage vegetarian). The Tour will provide a box lunch RFP to assist with soliciting local caterers/restaurants.

TOUR HOSPITALITY PROGRAM

The Host City is financially responsible for procuring local catering services, to cover the following areas, as it pertains to the official Tour VIP Hospitality tent, an all-inclusive tent with services for approximately 1000 people (final guest count to be confirmed by ATOC the Friday before the Tour starts).

- VIP Hospitality is to include high-end faire for guests including ATOC official partners, VIPs and local VIPs/dignitaries and must include up 7 items, 3 of which are to be hot items. Final menu subject to ATOC/AEG approval
- Overall Start City caterer is to be contracted 90 days prior to the race and caterer to begin coordination and preparation with ATOC team within 60 days of the event
- Caterer to provide all necessary serviceware, utensils, serving plates, cups, etc. for all food and beverage preparation, service and guest usage
- Caterer to provide professional contracted Wait/Service Staff to serve the breakfast (not volunteers)
- Floral arrangements for tables (subject to ATOC/AEG approval)
- Caterer to provide all ice as well as ice bins for cold beverage storage
- The Tour will provide the tenting, décor, tables and chairs, including set-up and tear-down
- Once the hospitality tent closes the Overall Start Host City will be responsible for the clean up and removal of all trash, recyclables and left-over food & beverage within the hospitality tent through a contracted trash removal service

*The Tour will provide a catering "Request for Proposal" Document, Outlining Specifics

AUXILIARY SPACES

The Host Cities are responsible for providing the following auxiliary spaces:

RACE OFFICE (4 days in advance of race through race day) – Requires approximately 500 to 1,000 square feet and should be located at the Headquarter Hotel. Must have power and wireless internet access.

MEDIA OFFICE – (3 days in advance of race – could be same specs as the race-day media workroom if this space logistically works out) – Requires a minimum of 1,000 square feet of space and must be inside the headquarters hotel - Note, this space will need to be expanded to 2,000 square feet on race day if it is to be the same location.

- 100 chairs
- Twenty-five (25) 6' skirted tables
- Twelve (12) 110V outlets and power strips for 8' tables
- Two (2) high speed color copiers which collate and staple, and 3,000 sheets of paper for printing needs. Copiers will be delivered and installed in the media office and should

print a minimum of 30-50 pages per minute. Copiers should come with a service agreement that includes on-site maintenance, if necessary. (Note, these can be moved to press day office)

- One (1) dedicated phone line
- Two (2) T1 lines or capacity to accommodate 175 users, whichever is greater.
- A minimum of four (4) 32-port, wireless routers and a booster available as much as 24 hours in advance
- Cable or satellite service that provides the NBC Sports Network as part of the package hooked up to each television in the media center
- One (1) screen and projector to be hooked up to a laptop computer to project computer images
- Two (2) HD televisions (each a minimum of 46 inches in size each) to project live race coverage
- Trash and recycling receptacles
- Four (4) volunteers to assist press room operations staff

STAFF PROCESSING SPACE – (4 days in advance of race through race day) - Requires approximately 2,000 square feet, located in or near the Headquarter Hotel and must be secure space.

MEDIA WORK ROOM (Race Day) – Must be in close proximity to the finish line area (no more than 100 meters from finish line). Requires approximately 2000 square feet. Workrooms will need to remain operational until at least six (6) hours after the end of the race.

The Media Work Room must have the following:

- 150 chairs
- Fifty (50) 6' skirted tables
- Fifteen (15) 110V outlets and power strips for each table (50)
- Two (2) high speed color copiers which collate and staple, and 3,000 sheets of paper for printing needs. Copiers will be delivered and installed in the media office and should print a minimum of 30-50 pages per minute. Copiers should come with a service agreement that includes on-site maintenance from 9 AM – 9 PM on day of event
- Two (2) dedicated phone lines
- Two (2) T1 lines or capacity to accommodate 150 users, whichever is greater.
- A minimum of four (4) 32-port, wireless routers and a booster available as much as 24 hours in advance
- Cable or satellite service that provides the NBC Sports Network as part of the package hooked up to each television in the media center
- One (1) screen and projector to be hooked up to a laptop computer to project computer images
- Four (4) televisions (each a minimum of 46 inches in size each) to project live race coverage
- Sufficient trash and recyclable cans
- Four (4) volunteers to assist press room operations staff

PRESS CONFERENCE AREA

- Requires approximately 2,000 square feet; minimum
- 100 chairs arranged theatre style
- Three (3) 8-foot skirted tables for dais
- 18-foot risers with platform for dais
- Four (4) 110V outlets with power strips
- One (1) working phone/phone line (for teleconference capabilities, if needed)
- Security to monitor/check credentials

*The Tour will provide a mult-box, microphones and a sound system.

** The Tour's media operations team will provide a schematic with details regarding the press conference and media work room.

KICK-OFF PRESS CONFERENCE MEDIA LUNCHEON (prior to press conference) – The Host City is financially responsible for providing a buffet-style lunch for approximately 175 media, prior to the kick-off press conference. Luncheon should be in room adjacent to press conference area. Menu must be submitted to race organizers for approval two weeks prior to event.

GREEN ROOM – A separate green room for Press Conference participants with catering for 25

MEDICAL OFFICE (1 day in advance of race through race day) – Suite at the Headquarter Hotel or meeting room at the team hotel with a nearby bathroom.

BUILD CREW SIGNAGE ROOM (5 days in advance through race day) – An indoor location, approximately 800 square feet, on the GROUND FLOOR, with easy access from the street to unload, inventory and sort a ton of signage. Preferably at the hotel for the start/finish crew.

ALL-STAFF MEETING SPACE (1 day in advance of race through race day) – Requires approximately 1,500 square feet (can be the same room as the kick-off press conference) with theater-style seating for 600 people.

AD-HOC MEETING SPACE (4 days in advance of race through race day) – Requires approximately 1,000 square feet at the Headquarter Hotel with classroom seating for 70 people and a podium. This room is used for event managers meetings.

ADDITIONAL MEETING SPACE - THREE ROOMS (1 day in advance of race) - Three meeting rooms requiring approximately 1000 square feet, each allowing for classroom seating for 70 people in each. These rooms are used for the multiple functional group and race officials meetings.

STORAGE SPACE FOR DELIVERIES (6 days in advance of race through race day) – Requires approximately 1,500 square feet near or at the Headquarter Hotel with staffing to accept and distribute deliveries.

BICYCLE STORAGE (3 days in advance of race through race day) – Requires approximately 1,500 square feet that can accommodate all team bicycles and can be locked and secured.

T1 LINES – The Host City is financially responsible for delivering an open internet connection to the TV compound with minimum upload speeds of 3.0 Mbps, and 2 telephone lines (this is in addition to the press room needs).

GALA/OFFICIAL TEAM PRESENTATION – The Overall Start City is financially responsible for organizing and executing the official Team Presentation Gala. This includes securing the venue, dinner, entertainment, all rentals, etc. In addition, a portion of the proceeds need to benefit *Breakaway from Cancer*®.

*the Tour will provide a document outlining the specific requirements and deliverables

PARKING REQUIREMENTS

The Overall Start Host City is obligated to provide suggested directions to each parking area and assist with the following parking:

VEHICLE PROCESSING LOT – (7 days in advance of race through race day) – Must have capacity for 145 vehicles and 25 trucks with 24-hour access. Must be within walking distance of the Headquarter Hotel. The LOC is responsible for providing hired Security for this lot, from 7 pm – 7 am, starting 7 days out from the Overall Start through race day.

* A 500 lb warehouse forklift must be available with the Vehicle Processing Lot.

TEAM PARKING AND MECHANICS WORK AREA – (5 days in advance of race through race day) – Requires a sizable portion of the Headquarter Hotel parking lot with HIRED overnight security. Security hours of operation are 7 pm – 7 am 3 days in advance of the Overall Start through race day. Each team travels with a motor coach, trailer and support vehicle, and additional space is needed for mechanics to work on bikes. Must have access to water and power.

TEAM PARKING (FINISH LINE) – Requires a sizable lot (approximately 160 parking spaces) in close proximity to the Finish Line, to accommodate team vehicles. Each team travels with a motor coach, trailer and support vehicles.

VIP PARKING – Requires parking for approximately 250 vehicles adjacent to the finish line location.

FESTIVAL EVENT PARKING – Requires parking within close proximity of the start/finish area for approximately 150 vehicles for event and festival vendors.

MEDIA PARKING – Parking for 175 vehicles within close proximity of the press workroom/press conference.

BREAKAWAY MILE PARKING – Requires parking for approximated 100 vehicles adjacent to the finish line location.

STAFF EVENT PARKING – Requires parking for approximately 75 vehicles adjacent to the finish line location.

CREW PARKING – Parking must be secured for the construction crew vehicles at the Overall Start location with HIRED security.

CREW SECURITY – Security must be provided for the build crew graveyard shift and should begin the evening prior to the event to watch over equipment and crews. Hours of Security Operation are 7 pm – 7 am and include the TV Compound and Overall Start footprint.

OTHER

The Host City is responsible for securing the following:

- **MEDIA WORKSPACE** – A room to accommodate media check-in and working space for up to 50 journalists shall be provided adjacent to the start line
- **T1 LINES** – A minimum of a two (2) additional T1 Lines established at the start line (to be mutually determined). A T1 line can handle a high speed Internet connection speed of 1.544 Mbps (total of 3 Mbps download speed)
- **COFFEE** – coffee for up to 30 people should be provided at the Media Check-In tent 1 hour prior to the Start of the Race.

RECYCLE PROGRAM

The Amgen Tour of California is committed to being a responsible and green event. As such, Host Cities should provide sufficient means of recycling for all areas of the event. Clearly marked recycling bins should be placed at every trash can to encourage participants to recycle. Host Cities should provide dumpsters for recyclables only and make all ATOC staff aware of the location of these dumpsters to ensure proper disposal of recyclables. These must be provided within the entire footprint. (ex: hospitality, start/finish festival, etc.)

VOLUNTEER PROGRAM

The Host City will be responsible for securing and organizing local volunteers for the Tour. Volunteers will assist the Tour and the LOC with coordinating activities on the day of the event. Each Host City will have different volunteer requirements, but the total number of volunteers is typically 400 to 500 per Host City.

If LOC decides that volunteer check-in, for start or finish, is at a location other than the start or finish line location, then LOC is responsible for its own infrastructure (tents, tables, chairs, generators). The Tour will not provide these items to satellite locations.

*Please note you may be asked to extend the volunteers a short distance beyond the city limits.

EXHIBIT B

TOUR SPONSORS

Please note that there are policies regarding the local sponsorship sales in a variety of product categories. In some cases, certain categories have already been "exclusively" sold, some categories are currently unavailable and others may potentially become available at a particular calendar date. AEG Cycling will inform all Host Cities regarding any additions/deletions made based on National Sponsorship. Please contact the Tour representatives before making any commitments or have questions about any potential local sponsorship sales.

*subject to change

Exclusivity	Apparel/Footwear Automobile (Nissan) Beer (Michelob Ultra) Beverage (Water/Soda/Energy/Isotonic) Biotechnology (Amgen) Coffee Footwear Freeze Dried/Dehydrated Produce (Crunchies) Energy Bar/Drink Banking and Financial Services (Rabobank) Health Insurance (UnitedHealthcare) Insurance (Auto/Home/Life) Nutrition Company (Bars/Gels/Recovery Drinks/Supplements, etc.)
Category Hold	Airline Consumer Electronics (personal electronics, wireless hardware, etc.) Consumer Product Goods Credit Card Electronics Retailer Gas/Convenience Grocery Home Improvement Health Foods/Snacks Personal Security Software/IT Solar/Wind Energy Home Improvement Web Portal/Search Engine Wireless Carrier
March 15 Release	Airline Credit Card Electronics Retailer Health Foods/Snacks Home Improvement Gas/Convenience Personal Security Solar/Wind Energy Home Improvement Web Portal/Search Engine Wireless Carrier
Permanently unavailable	Firearms Gaming/Gambling Pornography Spirits/Hard alcohol Tobacco

EXHIBIT C

Tour Marks



HORIZONTAL PRIMARY



VERTICAL PRIMARY



HORIZONTAL ON DARK BACKGROUND



VERTICAL ON DARK BACKGROUND



HORIZONTAL BLACK & WHITE



VERTICAL BLACK & WHITE



Pantone 1245C



AMGEN BLUE



CMYK 6,35,99,18



CMYK 91,43,0,0

EXHIBIT D

Host Marks

(to be inserted)

EXHIBIT E

Sample Form of Event Release

See Attached

2011 USA Cycling Amgen Tour of California Event Release Form

The following event release form has been approved by USA Cycling, Inc. If reproduced, it must be in a minimum of 10 point type and retain the exact same formatting.

PLEASE COMPLETE THE FOLLOWING INFORMATION

TODAY'S DATE _____
EVENT NAME _____
EVENT DATE(S) _____
RACE(S)/ACTIVITY(IES) ENTERED _____
CLUB/TEAM NAME _____
ANNUAL LICENSE # _____
RACING AGE (as of December 31, 2011) _____
NAME _____
ADDRESS _____
CITY _____ ST _____ ZIP _____
PHONE _____ E-MAIL _____
EMERGENCY CONTACT _____
EMERGENCY CONTACT PHONE _____

I ACKNOWLEDGE THAT BY SIGNING THIS DOCUMENT, I AM ASSUMING RISKS, AND AGREEING TO INDEMNIFY, NOT TO SUE AND RELEASE FROM LIABILITY THE ORGANIZER OF THIS EVENT AND USA CYCLING, INC. (USAC), ITS ASSOCIATIONS (THE UNITED STATES CYCLING FEDERATION (USCF), NATIONAL OFF ROAD BICYCLE ASSOCIATION (NORBA), NATIONAL COLLEGIATE CYCLING ASSOCIATION (NCCA), U.S. PROFESSIONAL RACING ASSOCIATION (USPRO), AND BMX ASSOCIATION (BMXA), USA CYCLING DEVELOPMENT FOUNDATION (USACDF), AEG CYCLING, LLC, ANSCHUTZ ENTERTAINMENT GROUP, INC., AMGEN INC., MEDALIST SPORTS, LLC, UNION CYCLISTE INTERNATIONALE, STATE OF CALIFORNIA, EACH HOST, EACH HOST CITY, EACH HOST VENUE, LOCAL ORGANIZING COMMITTEES, AND ALL OTHER SPONSORS OF THE RACE, THEIR RESPECTIVE AGENTS, EMPLOYEES, VOLUNTEERS, MEMBERS, CLUBS, SPONSORS, PROMOTERS AND AFFILIATES (COLLECTIVELY "RELEASEES"), AND THAT I AM GIVING UP SUBSTANTIAL LEGAL RIGHTS. THIS RELEASE IS A CONTRACT WITH LEGAL AND BINDING CONSEQUENCES AND IT APPLIES TO ALL RACES AND ACTIVITIES ENTERED AT THE EVENT, REGARDLESS WHETHER OR NOT LISTED ABOVE. I HAVE READ IT CAREFULLY BEFORE SIGNING, AND I UNDERSTAND WHAT IT MEANS AND WHAT I AM AGREEING TO BY SIGNING.

In consideration of the issuance of a license to me by one or more Releasees or the acceptance of my application for entry in the above event, I hereby freely agree to and make the following

contractual representations and agreements. **I ACKNOWLEDGE THAT CYCLING IS AN INHERENTLY DANGEROUS SPORT AND FULLY REALIZE THE DANGERS OF PARTICIPATING IN THIS EVENT,** whether as a rider, official, coach, mechanic, volunteer, or otherwise, and **FULLY ASSUME THE RISKS ASSOCIATED WITH SUCH PARTICIPATION INCLUDING,** by way of example, and not limitation: dangers associated with man made and natural jumps; the dangers of collision with pedestrians, vehicles, other riders, and fixed or moving objects; the dangers arising from surface hazards, including potholes, equipment failure, inadequate safety equipment, use of equipment or materials provided by the event organizer and others, **THE RELEASEES' OWN NEGLIGENCE,** the negligence of others and weather conditions; and the possibility of serious physical and/or mental trauma or injury, or death associated with the event. For myself, my heirs, executors, administrators, legal representatives, assignees, and successors in interest (collectively "Successors") **I HEREBY WAIVE, RELEASE, DISCHARGE, HOLD HARMLESS, AND PROMISE TO INDEMNIFY AND NOT TO SUE** the Releasees and all sponsors, organizers and promoting organizations, property owners, law enforcement agencies, public entities, special districts and properties that are in any manner connected with this event, and their respective agents, officials, and employees through or by which the event will be held, (the foregoing are also collectively deemed to be Releasees), **FROM ANY AND ALL RIGHTS AND CLAIMS INCLUDING CLAIMS ARISING FROM THE RELEASEES' OWN NEGLIGENCE TO THE MAXIMUM EXTENT PERMITTED BY LAW,** which I have or which may

hereafter accrue to me and from any and all damages which may be sustained by me directly or indirectly in connection with, or arising out of, my participation in or association with the event, or travel to or return from the event. I agree it is my sole responsibility to be familiar with the event course and agenda, the Releasees' rules, and any special regulations for the event and agree to comply with all such rules and regulations. I understand and agree that situations may arise during the event which may be beyond the control of the Releasees, and I must continually ride and otherwise participate so as to neither endanger myself nor others. I accept responsibility for the condition and adequacy of my equipment, any equipment provided for my use, and my conduct in connection with this event. I will wear a helmet which satisfies the requirements of the Releasees' Racing Rules or Regulations and that can protect against serious head injury, and assume all responsibility and liability for the selection of such a helmet and any modifications or attachments thereto. I have no physical or medical condition which would endanger myself or others if I participate in this event, or would interfere with my ability to safely participate in this event. I understand that drug testing may be conducted for athletes registered for this event and that the use of blood boosting or substances prohibited by Releasees' rules would make me subject to penalties including, but not limited to, disqualification and suspension. I agree to be subject to drug testing if selected, and its penalties if I fail to comply with the testing or am found positive for the use of a banned substance.

I agree, for myself and my Successors, that the above representations are contractually binding, and are not mere recitals, and that should I or my Successors assert a claim contrary to what I have agreed to in this contract, the claiming party shall be liable for the expenses (including legal fees) incurred by the Releasees in defending the claims. This contract may not be modified orally, and a waiver or modification of any provision shall not be construed as a waiver or modification of any other provision herein or as a consent to any subsequent waiver or modification. I consent to the release by any third party to Releasees and their insurance carriers of my name and medical information that may relate solely to any injury or death I may suffer arising from the event. Every term and provision of this contract is intended to be severable. If any one or more of them is found to be unenforceable or invalid, that shall not affect the other terms and provisions, which shall remain binding and enforceable.

Signature of Entrant _____ AGE _____

CONSENT AND RELEASE OF PARENT OR GUARDIAN

I am the parent or guardian of _____ (Child). My Child is fit for the event, and I consent to my Child's participation. **I HAVE READ AND I UNDERSTAND THE ABOVE CONTRACT.** In consideration of allowing my Child to participate, I consent to the contract and agree that **ITS TERMS SHALL LIKEWISE BIND ME, MY CHILD,** and our heirs, legal representatives, and assignees. **I HEREBY RELEASE AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE RELEASEES FROM EVERY CLAIM AND ANY LIABILITY** that I or my Child may allege against the Releasees (including reasonable legal fees and costs) as a direct or indirect result of injury or death to me or my Child because of my Child's participation in the event. **WHETHER CAUSED BY THE NEGLIGENCE OF THE RELEASEES OR OTHERS TO THE MAXIMUM EXTENT PERMITTED BY LAW, I PROMISE NOT TO SUE RELEASEES** on my behalf or on behalf of my Child regarding any claim arising from my Child's participation in the event.

Signature of Parent or Guardian _____

RESOLUTION NO. 2012-188

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
MODIFYING THE CITY OF ESCONDIDO
FUND BALANCE POLICY GENERAL FUND
RESERVE FOR THE PURPOSE OF
PROVIDING SEED FUNDING FOR INITIAL
EXPENSES RELATED TO THE 2013 AMGEN
TOUR OF CALIFORNIA

WHEREAS, the Governmental Accounting Standards Board ("GASB") has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood; and

WHEREAS, the City Council of the City of Escondido has adopted Resolution No. 2012-151, the Fund Balance Policy; and

WHEREAS, the Fund Balance Policy provides that the City Council may commit funds for specific purposes by taking formal action and these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action to establish the commitment; and

WHEREAS, the City Council has determined that the General Fund Reserve balance be established at \$21,800,975; and

WHEREAS, Escondido was selected as the official start of the 2013 Amgen Tour of California to be held on May 12, 2013 and has committed to fulfilling the terms of an agreement with AEG Cycling, LLC; and

WHEREAS, the City Council desires at this time and deems it to be in the best

public interest to provide seed funding in the amount of \$100,000 for initial expenses related to Escondido's serving as the official start of the 2013 Amgen Tour of California; and

WHEREAS, this initial funding is to be reimbursed through solicited sponsorships.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council hereby establishes and approves the new balance of the General Fund at \$21,700,975 as of the date of this Resolution.
3. That \$100,000 will be added to the Capital Improvement Budget to fund initial expenditures associated with the 2013 Tour of California.