

CHINESE LANTERN FESTIVAL AGREEMENT

THIS CHINESE LANTERN FESTIVAL CONTRACT (this "Agreement") is entered this _____ day of _____, 2018, by and between Washoe County, a political subdivision of the State of Nevada, acting by and through its Community Services Department, hereinafter called "County", whose address is PO Box 11130 Reno, NV 89520, Tianyu Arts & Culture, Inc., hereinafter called "Tianyu", whose address is 1 N. State Street, Suite 1500, Chicago, IL 60602, and May Arboretum Society (MAS) a Nevada nonprofit corporation, hereinafter called "MAS". County, Tianyu, and MAS are collectively referred to herein as the "Parties."

Recitals

WHEREAS, County is the current owner of that certain real property located in Washoe County Nevada, known as a portion of Parcel 002-040-27, more commonly known as May Arboretum and Botanical Gardens; and

WHEREAS, County and MAS desire to host an event known as "Reno Chinese Lantern Festival" at the May Arboretum and Botanical Garden; and

WHEREAS, Tianyu has the capability and experience necessary to construct and execute such an event for County and MAS;

NOW THEREFORE, in consideration of the mutual promises and undertakings herein, the Parties agree as follows:

Agreement

Event Name, Time and Place. The name, time and place of the event shall be:

Event name: Reno Chinese Lantern Festival (proposed name) or other name agreed upon by the Parties.

Event time: June 30 – August 5, 2018 (load in June 10, load out August 16, 2018)

Event place: May Arboretum and Botanical Garden
Rancho San Rafael Regional Park
1595 N. Sierra Street
Reno, NV 89503

1. Responsibilities of County:

a. County provides the site as depicted in Exhibit "A" and Exhibit "B" attached hereto as the venue and preparation area for the lantern festival for the period of 10 weeks, from June 10, 2018 to August 16, 2018, including the time for setup, exhibiting, and takedown/removal.

b. County will send an invitation letter to Tianyu in substantially the form attached hereto as Exhibit “C” to assist in getting the proper US visas for the Chinese artists. Tianyu is fully responsible for obtaining the visas for the Chinese artists.

2. Responsibilities of Tianyu:

a. Tianyu undertakes the general layout design job for the whole project.

b. Tianyu undertakes the design, manufacturing, installation, maintenance and dismantling work of the exhibition.

c. Tianyu purchases all the materials for the lanterns and prepares electric cables needed for power supply inside the lanterns.

d. Tianyu undertakes shipping the materials from inland China or other locations in the United States to Reno, NV and the related insurance for the transportation. Tianyu is responsible for the right documents to ensure the smooth custom clearance of the containers.

e. Tianyu undertakes the visa application process and fees, domestic and international traveling costs and insurance fees of all the Chinese artists, and is fully responsible for obtaining visas for the Chinese staff, workers, artisans, and performers.

f. Tianyu pays compensations of all Chinese artists, and for all other Chinese staff members' visa fees, salaries, domestic and international travel fees, and food costs.

g. Tianyu undertakes the design, printing, all ticket sales including online and box office and daily ticket reports with no additional ticketing fee charged. Tianyu shall adequately staff ticketing and ticket checking so that festival patrons do not experience in excess of a 25 minute delay to enter the festival.

h. Tianyu undertakes marketing promotion and related expenses for the project. Tianyu will provide a detailed promotion plan to be approved by all Parties (with an estimated budget USD\$75,000) and identifying County and MAS as sponsors.

i. Tianyu pays the visa fees, domestic and international travel fees, performance compensations, and food costs for all the performers and handicraftsmen, if performances are included in the festival.

j. Tianyu provides local accommodation and local work-related transportations for its artists and staff members.

k. Indemnification and Insurance. Washoe County has established specific indemnification and insurance requirements for organizations using County facilities or property. Indemnification and hold harmless clauses are intended to assure that the organization accepts and is able to pay for the loss or liability related to its activities. Attention is directed to the insurance requirements below. It is highly recommended that Tianyu confer with their respective insurance carriers or

brokers to determine in advance of the availability of insurance coverage and notification requirements as prescribed and provided for herein.

Indemnification Agreement: Tianyu agrees to hold harmless, indemnify, and defend County, its officers, officials, agents, employees, and volunteers from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action, or cause of action based on bodily injury including death, personal injury, or property damage to property of others and to Tianyu 's property caused by any action, either direct or passive, the omission, failure to act, or negligence on the part of Tianyu, its employees, volunteers, agents, representatives, contractors, or subcontractors arising out of the use of County premises or by others under the direction, supervision, or invitation of Tianyu.

In the event of a lawsuit against the County, its officers, officials, agents, employees, or volunteers not defended by Tianyu or Tianyu's insurance carrier, Tianyu shall reimburse County at the conclusion of litigation for costs of County personnel in defending such actions, unless litigation determines that County was solely negligent. Reimbursement for the time spent by such personnel shall be at the rate which would be charged for such services by private counsel.

General Requirements: Tianyu shall purchase Workers' Compensation Insurance and General Liability as described below. The cost of such insurance shall be borne by Tianyu.

Workers' Compensation Insurance: It is understood and agreed that there shall be no Workers' Compensation Insurance coverage provided for Tianyu by the County. Tianyu must purchase Workers' Compensation for their employees. Tianyu is to require all subcontractors, to provide coverage and agrees to hold harmless, indemnify and defend County from and against any claim filed by any Tianyu, its employees or volunteers for claims covered by Workers' Compensation Insurance.

Minimum Limits of Insurance:

General Liability: \$2,000,000 combined single limit per occurrence. \$2,000,000 annual aggregate for bodily injury, personal injury and property damage. The limit provided by this policy will be dedicated to this event and any aggregate limit will not be eroded by any other extent, loss or party. All liability coverage shall be on an "occurrence" basis.

Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the County Risk Management Division. The County reserves the right to request additional documentation, financial or otherwise, prior to giving its approval of the deductibles and self-insured retention and prior to executing the underlying agreement. Any changes to the deductibles or self-insured retentions made during the term of this Agreement or during the term of any policy, must be approved by the County Risk Manager prior to the change taking effect.

Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

a. The County, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability, arising out of the activities performed by or on behalf of Tianyu; products and completed operations of Tianyu; premises owned, occupied or used by Tianyu; or automobiles owned, leased, hired or borrowed by Tianyu. The coverage shall contain no special limitations on the scope of protection afforded to the County, its officer, officials, employees or volunteers.

b. Under the property damage coverage provided by the insurance contract, it is understood that with respect to damage to County property by Tianyu or by others under the direction, supervision, auspices or invitation of Tianyu will be covered by the policy without regard to the County being an insured and the operation care custody and control exclusion.

c. The full limits of liability provided by this policy including any general aggregate limit will apply separately to this event.

d. Tianyu 's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officer, officials, employees, or volunteers shall be excess of Tianyu 's insurance and shall not contribute with it in any way.

e. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers.

f. Tianyu 's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

g. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the County.

Verification of Coverage: Tianyu shall furnish the County with original endorsements effecting coverage and with certificates for all insurance required by this contract. The endorsements and certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the County thirty (30) days prior to the event. The County reserves the right to require complete certified copies of all required insurance policies at any time.

l. Tianyu undertakes the customs clearance, freight & delivery and unloading device for transporting the containers to the venue.

m. Tianyu provides security, and event staff for ticketing, information, way finding, cleaning, parking direction, and trash removal, based on local requirements of the venue, and necessary supporting facilities, such as restrooms and portable toilets including ADA accessible facilities, for the event. If County and MAS determine in their sole discretion (with reasonable request) that the supporting facilities are inadequate, County and MAS may require Tianyu to provide additional supporting facilities.

- n. Tianyu shall be responsible for the energy costs on site that are used by the lantern festival during installation, exhibition, maintenance, and takedown periods. Tianyu provides generators with cables for the lantern groups, if needed.
- o. Tianyu provides performance stage, sound and lighting equipment, exhibition rooms if there is any performance or exhibition as part of the festival.
- p. Tianyu provides heavy equipment such as forklift, manual lift, etc., that are allowed on site at the venue for the lantern installation and takedown when needed.
- q. Tianyu will provide power supply reaching the power demands of Tianyu to be extended to the distribution box of each lantern group, beyond any limited supply County may have on site.
- r. Tianyu hereby grants County and MAS the exclusive right for a period of five years from the Contract Effective Date to host all Chinese lantern festivals to be produced by Tianyu in Northern Nevada. County and MAS hereby commit to work with Tianyu exclusively on all Chinese lantern festivals or similar events for a period of five years from the Contract Effective Date.
- s. Tianyu shall follow the direction of the May Arboretum Horticulturalist with respect to use and protection of the May Arboretum and Botanical Garden.
- t. Tianyu is responsible for any and all necessary permits required for the event.

3. Shared responsibilities of all Parties:

- a. Ticket sales and ticket checking will be carried out by Tianyu. All cash receipts shall be promptly secured and accounted for by Tianyu according to procedures approved by all parties.
- b. County and Tianyu shall pay their own taxes based on its income distribution proportion.
- c. As agreed by all Parties, the entrance fee will be \$15 US dollars for adult and \$10 US dollars for child, **excluding sales/admission taxes and credit card fees**. Ticket prices are subject to change as agreed upon in advance among all Parties. Discounts for seniors, military, students would be available on weekdays. Each member of the May Arboretum Society shall receive a discount of \$5 per ticket for up to four tickets.
- d. As agreed by all Parties, ticketed event times will be 5:00 p.m. (or 6:00 p.m.) to 10:00 p.m., Sunday through Thursday, and 5:00 p.m. to 11:00 p.m. Friday and Saturday during the entire duration of the event. Ticketed event times can change if agreed upon by all Parties in advance.
- e. As agreed by all Parties, the Wilbur May Arboretum and Botanical Garden will remain open and free to the general public from approximately 8:00 a.m. to the ticketed event start time, daily throughout the event. County may close specific areas of the Wilbur May Arboretum and Botanical Garden for set-up, tear-down, maintenance, or other activities as deemed necessary.

f. All parties have the ability to create programming within Rancho San Rafael Park that complement the Chinese Lantern Festival, subject to approval by all parties.

g. All parties agree that daily ticket sales shall not exceed 6000 attendees. Daily ticket sales will be monitored closely by Tianyu and numbers will be provided to County and MAS upon request. If at any time daily ticket sales exceed the ability of Tianyu to manage the crowds effectively, County, at its sole discretion, has the ability to limit ticket sales to an appropriate number to ensure public safety, a positive experience and to not exceed the reasonable capacity of the venue. Ticket sales may break into time slots to solve capacity problem.

4. Income distribution.

Income shall be determined as follows: 10/90 split of gross ticket sales after deductions of credit card fees and local admission tax, if any, with County receiving 10% and Tianyu receiving 90%.

Settlements of ticketing revenues will be processed on a weekly basis. Tianyu will provide County with daily ticketing sales and attendance report, and weekly settlement report with weekly settlement check. Tianyu will give the final settlement check to County within 20 business days after the last day of the event. All payments to County shall be made payable to Washoe County and noted: "For the Other Restricted-May Arboretum Fund to support operations, maintenance and improvements at the Arboretum."

Food concessions will be recruited and determined by all Parties. All food concessions will need all necessary health and business permits in order to participate.

Tianyu will sell cultural merchandises from China and cultural handicrafts made by its handicraftsmen at the festival. Tianyu will keep all sales revenue from its own merchandises and handicrafts. All merchandises and handicrafts require prior review and approval by County and MAS.

Tianyu shall keep and maintain records of all gross ticket sales. Upon reasonable notice, County or MAS may, at its sole expense, audit any and all records in Tianyu's possession, custody or control regarding ticket sales. Tianyu agrees to cooperate with such audit and provide reasonable assistance and access to information. Tianyu agrees to pay within seven days of written notification any additional amounts owed to County. In the event that the audit reveals a payment discrepancy in excess of \$500, then Tianyu shall also pay all costs of the audit within seven days.

5. Force Majeure.

Neither Party shall be held responsible for failure or delay to perform all or any part of this contract due to flood, fire, earthquake, drought, war, visa delay or visa rejection due to current unpredictable U.S. immigration policies, or similar force majeure which could not be predicted, controlled, avoided or overcome by the respective Party. Any Party affected by an event of force majeure shall inform the other Party of its occurrence in writing as soon as possible and thereafter send a certificate of the event issued by the relevant authorities or other reasonable confirmation to the other Party within 15 days after its occurrence.

6. Liability for Breach of Contract.

County and MAS disclaim all express or implied warranties, including suitability of the premises and fitness for a particular purpose. Tianyu has had the opportunity to inspect the premises and accepts the use of the premises on an as-is basis. Neither County nor MAS shall be liable to Tianyu for any indirect, incidental, special, punitive, or consequential damages, or any loss of revenue or profits, even if advised of the possibility of such damages.

7. Dispute Resolution.

This Agreement shall be governed by and construed in accordance with the substantive and procedural laws of the State of Nevada regardless of the fact that any of the parties hereto may be or may become a resident of a different country, state, or jurisdiction. All disputes among the Parties arising from or in connection with this contract shall be settled or attempted to be settled through friendly consultations among the Parties, which may include mediation. If any dispute cannot be settled through consultations, any Party shall be entitled to submit such dispute to resolution in the state or federal courts in Reno, NV. Any suit or action arising out of this Agreement shall be filed in a court of competent jurisdiction within the County of Washoe, State of Nevada. The Parties hereby expressly consent to the personal jurisdiction and venue of such courts within Washoe County, State of Nevada and to the application of Nevada law to this contract. The parties hereby waive any objections to venue in such courts within Washoe County, State of Nevada. The prevailing Party in any dispute shall be entitled to recovery of reasonable expenses, including attorney's fees, from the non-prevailing Party.

8. Contract Effective Date.

This contract shall take effect as of the date first set forth above. It may be signed in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by facsimile or other electronic transmission, and delivery of executed facsimile or other electronically transmitted copies to the parties or their counsel shall be deemed to be a delivery of a duplicate original and sufficient delivery to result in entry to this Agreement by the transmitting party.

9. Amendments.

This Agreement constitutes the complete and exclusive statement of the agreement among the Parties, and all provisions representations, discussions, and writings are merged in, and superseded by, this Agreement. This contract can be altered or amended only in writing signed by all Parties.

10. Assignment.

No Party may assign any portion of this contract without the advance written consent of the other Parties.

11. Notices.

All notices, requests, consents and other communications which are required or permitted hereunder shall be in writing and shall be delivered personally, sent by facsimile or other electronic transmission, or mailed by certified or registered mail, postage prepaid, return-receipt requested (in which case it shall be deemed given three (3) business days after mailing) to the addresses listed in the preamble of this Agreement.

12. Authorization to Sign.

The undersigned signatories for the Parties affirm and attest that they have full authority to sign this document and bind their respective Party to this contract.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Washoe County,
a political subdivision of the State of Nevada

Tianyu,
Tianyu Arts & Culture, Inc.

Chair
Washoe County Commission

Bin Zhu, Director and Chairman
Tianyu Arts & Culture, Inc.

Date signed: _____

Date signed: _____

May Arboretum Society,
a Nevada Nonprofit Corporation

Lynn Bethel, President
May Arboretum Society

Date signed: _____