

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 04-06

For the Purpose of Approving A Contract With Ticketmaster LLC To Provide Automated Ticketing Services For Events At The Portland Center For The Performing Arts, And Authorizing The General Manager To Execute The Contract.

WHEREAS, MERC's contracts with ticketing contractors at PCPA are currently on a month to month basis; and

WHEREAS, PCPA staff issued a Request For Proposals in order to select a new ticketing contractor(s) for PCPA; and

WHEREAS, the Request For Proposals sought proposals from proposers willing to provide exclusive ticketing services at the Keller Auditorium and the Arlene Schnitzer Concert Hall, and also sought proposals from proposers willing to provide non-exclusive ticketing services at all PCPA venues; and

WHEREAS, five firms submitted proposals in response to the Request For Proposals; and

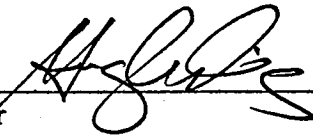
WHEREAS, a review committee comprised of PCPA staff, the MERC Chief Financial Officer, and the Oregon Symphony Chief Financial Officer reviewed and rated all the proposals, and recommended that a contract be awarded to Ticketmaster LLC that grants Ticketmaster LLC the exclusive right to provide ticketing services for events at the Keller Auditorium and the Arlene Schnitzer Concert Hall, and the non-exclusive right to provide ticketing services for events at the New Theater Building; and

WHEREAS, the PCPA Advisory Committee reviewed and unanimously approved the recommendation of the RFP review committee.

BE IT THEREFORE RESOLVED AS FOLLOWS:

1. The Metropolitan Exposition-Recreation Commission approves the selection of Ticketmaster LLC as the provider of exclusive ticketing services for events at the Keller Auditorium and the Arlene Schnitzer Concert Hall, and as a provider of non-exclusive ticketing services for events at the New Theater Building; and
2. The Metropolitan Exposition-Recreation Commission authorizes the MERC General Manager to execute a contract, in substantially the same form as the attached Exhibit "A," with Ticketmaster LLC .

Passed by the Commission on May 26, 2004.



Chair

Approved as to Form:
Daniel B. Cooper, Metro Attorney

By: 



Secretary-Treasurer

MERC Staff Report

Agenda Item/Issue: Approving the Automated Ticketing Services Agreement for Ticketing at Portland Center for the Performing Arts Facilities with Ticketmaster L.L.C., and authorizing the MERC General Manager to execute the contract.

Resolution No.: 04-06

Presented by: Robyn Williams

Date: May 26th, 2004

Background and Analysis:

MERC has held month to month Ticketing Services contracts with Ticketmaster and TicketsWest since the end of their term in March 2003. Since that time, it was determined that PCPA-because of the volume and nature of its ticketing operation compared to the other MERC facilities-might benefit more from a separate ticketing agreement.

A competitive process was begun and Request for Proposals for Automated Ticketing Services were issued in July 2003. The RFP requested responses in four areas: project management and experience, customer service, technology and technical support, financial/value added incentives. Companies were requested to base their proposals on two scenarios-1) Sharing ticket services with another company and 2) having exclusivity at the Arlene Schnitzer Concert Hall and Keller Auditorium. While PCPA had successfully operated dual ticketing systems in the past, it was felt that offering exclusivity in the larger halls might result in more favorable financial terms. Exclusive ticketing agreements are also the industry standard in public assembly facilities. Five companies submitted proposals.

A committee consisting of the MERC CFO, PCPA staff and the CFO from the Oregon Symphony-representing the resident companies-reviewed the proposals and scored the companies according to financial terms, qualifications and experience, operational and technical support and customer service. As the result of this process it was determined that 4 of the 5 companies had the ability to meet the ticketing needs of PCPA, so these companies were invited to make presentations to the committee. In every case, the ticketing companies-if given exclusivity at Keller Auditorium and Arlene Schnitzer Concert Hall-offered much greater financial return to PCPA than if ticketing was shared with one or more companies. (One company declined to submit a shared ticketing option.) Upon conclusion of the presentations, the committee again ranked these companies according to the evaluation criteria that had been established and the highest ranking company-Ticketmaster-was selected and negotiations on a contract begun.

The Ticketmaster proposal was more than \$600,000 higher in value than the next closest proposal. Internet and outlet service charges will increase an average of \$.65 to \$1.50 per ticket over current service charges. However, current ticket service charges have not increased at PCPA for the last 4 years. A survey of ticket charges in competing markets-Denver, Seattle, Eugene and other venues in Portland-showed the proposed service charges trending lower than in these cities. The PCPA Box Office can set it's own fees so

can continue to offer lower cost options for patrons. PCPA receives 25% of all outlet and internet service charges (approximately 30% if certain a certain volume is achieved) and 100% of any service charges charged at the PCPA Box Office.

The recommendation to award exclusive automated ticketing services at Keller Auditorium and Arlene Schnitzer Concert Hall to Ticketmaster was presented to and unanimously supported by the PCPA Advisory Committee.

Fiscal Impact:

Based on current ticketing levels, the proposed Ticketmaster contract will generate approximately \$200,000-\$250,000 in additional revenue annually over current ticketing contracts. This is due to cash signing bonuses, advertising/sponsorship payments, increased royalties and print at home and volume rebates. Also included is \$40,000/yr in on-line and off-line promotions such as email promotion pages, ticket alerts, regional entertainment guides and direct mail opportunities; Email campaign, performance tracking and customizable web survey software valued at more than \$20,000 and more than \$76,000 in new computer, ticket printing and bar code scanning hardware and software. These tools will provide increased promotional opportunities for events at PCPA as well as reporting and analysis capabilities of considerable value to many of PCPA's regular users.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission approve the Automated Ticketing Services Agreement for Ticketing at Portland Center for the Performing Arts Facilities with Ticketmaster L.L.C., and that it authorize the MERC General Manager to execute the contract.

**AUTOMATED TICKETING SERVICES AGREEMENT FOR
TICKETING AT PORTLAND CENTER FOR THE PERFORMING ARTS FACILITIES**

This agreement is made and entered into on this 26th day of MAY, 2004, by and between the Metropolitan Exposition-Recreation Commission ("MERC" or "Commission"), and Ticketmaster L.L.C ("Ticket Agent").

WITNESSETH:

RECITALS

1. This Commission is a subdivision of Metro, a municipal corporation.
2. The Automated Ticket Agent is a Delaware limited liability company.
3. The Commission desires to make tickets to events held at the PCPA Facilities widely available to the public.
4. The Ticket Agent represents that it is able to provide automated ticket sales services for the PCPA Facilities specified.
5. The Ticket Agent further represents that it possesses the necessary equipment and systems to provide automated ticketing sales and service, inclusive of outlet sales and telephone and internet sales, including the computer hardware, software program and system procedures for the purpose of printing, selling, auditing and controlling tickets for events at PCPA Facilities.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, and upon the express terms and conditions hereinafter set forth, it is agreed by and between them as follows:

1. DEFINITIONS

The following terms are defined as follows:

- a. "PCPA Facilities" means the Portland Center for the Performing Arts facilities operated or managed by MERC including Keller Auditorium, the Arlene Schnitzer Concert Hall, the New Theater Building, and any other facilities that become part of the Portland Center for the Performing Arts during the term of this agreement.
- b. "General Manager" means the chief executive officer responsible for the overall day-to-day management of the Commission's facilities or his or her designee.

- c. "Accounting Year" means the period commencing June 1 of each year and ending May 31 of the following year.
- d. "Group Sales" means sales of tickets to one person, on behalf of a group of at least ten (10) people to attend an event at a PCPA Facility as a group, and not to attend individually or to purchase tickets with the intent to resell such tickets.
- e. "House Seats" means tickets provided by Commission (e.g., complimentary, band holds and house seats) to the promoter or presenter of an event at a PCPA Facility, the performing act or event or members thereof, or their managers or agents (collectively, "House Seat Recipients"), for legitimate mail order only fan clubs or for legitimate promotional purposes; provided, however, that at no time shall such tickets be sold or issued to the general public.
- f. "PCPA Ticket Centers" means those box offices operated by Commission and located at or operated by the PCPA Facilities.
- g. "Ticket Charge" identifies any charge levied on tickets or orders for tickets sold through PCPA Facilities' Ticket Centers and Commission-contracted automated ticket agents and telephone centers, to be paid by the ticket purchaser. Ticket Charge also includes any charge levied on tickets or orders for tickets sold through the internet. This includes, but is not limited to, convenience fees, service charges, handling fees, and long distance fees. It does not include User Fees as defined in this agreement. The Ticket Charge is added to the base ticket price and is not a portion of the base price.
- h. "User Fee" identifies a charge levied on each ticket sold to spectator seated events located in the PCPA Facilities. The User Fee shall be retained by the Commission. The User Fee shall be included as part of the total ticket price printed on the ticket. User Fees shall be imposed on all paid admissions and administered in accordance with Commission User Fee Policies.
- i. "Ticket Outlet" means the Ticket Agent's contracted and authorized locations for ticket sales.
- j. "Facility Ticket Services Manager" means the MERC employee in charge of ticketing services for PCPA Facilities.

2. PURPOSE OF THE CONTRACT

The purpose of this agreement is to engage Ticket Agent as an independent contractor to sell tickets for events at PCPA Facilities. Nothing in the contract shall be construed to be an employment, partnership, joint venture, or joint employer relationship between the Commission and the Ticket Agent. Subject to the provisions of this agreement, the Ticket Agent has independent control over operations of the services contemplated in this agreement.

Ticket Agent is granted the exclusive right to conduct automated ticket sales for all events at PCPA Facilities at Ticket Agent's outlets, by telephone sales and through the internet under the terms and conditions of this agreement; provided, however, Ticket Agent is granted the non-exclusive right to conduct automated ticket sales for the New Theater Building. Notwithstanding the above, the Commission retains the right to: (i) sell single tickets from the PCPA Ticket Centers to persons physically present at the PCPA Ticket Centers; (ii) conduct Group Sales of tickets; (iii) provide a reasonable number of House Seats for any PCPA Facility event to House Seat Recipients; (iv) upon the consent of Ticket Agent, sell tickets to certain other events as mutually agreed upon; (v) sell non-public tickets for VIP's, to resolve customer service issues, etc. and (vi) sell tickets for seats in compliance with the Americans with Disabilities Act. Ticket Agent will allow those events put on sale prior to June 1, 2004 to be sold through a different ticketing provider until the performance date of such event at the PCPA Facilities. Except for events at the New Theater Building, in no event shall the Commission directly or indirectly from the PCPA Ticket Centers or otherwise: (i) use, sponsor, promote, authorize or permit the use of any Internet website other than the Ticket Agent website or any equipment or services of any computerized or Internet ticketing company or system other than the Ticket Agent system (any such website, equipment, services, company or system, a "Third Party Provider") in connection with the sale, resale or issuance of tickets; or (ii) sell or issue tickets to any person who Commission believes (or has a reasonable basis to believe) will sell or issue such tickets using a Third Party Provider.

Ticket Agent shall provide standard required equipment as listed in Exhibit A for use at PCPA Facilities. Ticket Agent shall provide the software, software upgrades and enhancements, and maintenance and repair services listed in Exhibit A.

3. TERM OF THE AGREEMENT

The term of this agreement shall be from June 1, 2004 until May 31, 2007, unless terminated sooner by the mutual agreement of the parties or as provided herein.

The Commission shall have the option at the end of the initial term of this agreement to extend this agreement for an additional two-year term, based on the same conditions as set out in this agreement. Sixty (60) days written notice to the Ticket Agent by the Commission prior to the termination of the initial term of this agreement shall be sufficient to exercise the renewal option.

4. DUTIES OF THE TICKET AGENT

During the term of this agreement, Ticket Agent shall be subject to the following terms and conditions:

A. Outlet, Telephone and Internet Sales

- 1) Ticket Agent shall establish and maintain a network of at least fifteen (15) outlets throughout the Portland metropolitan area including Salem and southwest Washington. An outlet plan stating the location of Ticket Agent's outlets must be approved by the General Manager or his or her

designee prior to the contract being entered into by the Ticket Agent. These outlets shall be established and operating no later than 30 days after the execution of this agreement. Ticket Agent shall use its commercially reasonable efforts to continue to build and expand this network of outlets into other areas of the State and region. Ticket Agent shall make reasonable efforts to provide information to those outside the Portland metropolitan area about ticket sales.

- 2) The Ticket Agent shall maintain regular commercially reasonable hours of operation in the telephone room and at all outlets, to facilitate public access to purchase tickets. A schedule of hours for each outlet and phone room shall be provided to the Commission upon execution of this agreement for review and approval. Any significant changes to the initial schedule are subject to the approval of the General Manager, or his or her designee.
- 3) The Ticket Agent shall provide real time Internet ticket sales including the ability to offer deep line or nesting capabilities. Subject to Ticket Agent receiving the applicable accurate information from the Commission, PCPA Facilities event information shall be kept current and maintained daily. The Ticket Agent shall be responsible to provide updated services that keep PCPA technologically advanced, including but not limited to bar-coding, e-ticketing and other Internet ticketing innovations.

B. Facilities and Equipment

- 1) The Ticket Agent shall provide the level of equipment, facilities, systems, and maintenance and repair services for ticket sales as provided in Exhibit A. The Ticket Agent shall also provide hard copy report printers, which provide each PCPA Ticket Center with transaction-by-transaction reports. This reporting system shall be acceptable to the Commission and shall provide sufficient information to monitor all sales and ensure proper auditing of ticket sales. Additional equipment shall be provided when needed to meet additional demand for sales. In no case shall the level of equipment, in any PCPA Facility, be reduced unless approved by the Facility Ticket Services Manager.
- 2) The Ticket Agent shall provide all equipment listed in Exhibit A, and all additional equipment the Commission and Ticket Agent deems necessary to meet the demand for sales, to Commission at no charge to Commission and shall maintain all equipment, facilities, and systems necessary for Ticket Agent's automated sales also at no charge to Commission for the term of this agreement.

C. System Safeguards

All ticketing system security safeguards shall be maintained in a form and manner which is consistent with industry standards. Such safeguards shall include but are not necessarily limited to the following:

- 1) Written documentation of safeguards in and associated with the system intended to prevent unauthorized access or manipulation of programs, data files, data lines and other components of the system necessary for proper operation, control and audit of the full system.
- 2) Written documentation of security procedures, measures, equipment, and facilities to assure protection of the system, its hardware, software and data files including its off-site backup storage facilities for programs and data files.
- 3) Written documentation of the hardware or software controls that prevent program modification during the on-line operation of the system.
- 4) Written documentation of its contingency plan in the event of computer failure or data line failure.
- 5) Written documentation of credit card number protection systems for telephone sales and internet sales.

Ticket Agent shall allow operational audits and system review by the Commission and its independent systems consultant at the Commission's request relating to ticket sales for events at PCPA Facilities if reasonable prior notice is provided by the Commission to Ticket Agent. Ticket Agent shall produce all documentation referenced herein upon Commission request.

D. Ticket Sale Operation

Ticket Agent agrees to operate sales as specified herein:

- 1) Prior to sale, the Facility Ticket Services Manager will fax or send written authorization for Agent to set up its computer ticket manifest. This authorization will include instructions concerning PCPA Facility seating layout, ticket price structure, discounts and ticket format. All complimentary tickets and deletions from the manifest must be issued by the PCPA Ticket Centers unless otherwise approved by the PCPA Executive Director.
- 2) Ticket Agent shall provide the Facility Ticket Services Manager with a complete seating manifest prior to tickets going on sale.

- 3) Upon receiving final approval from the Facility Ticket Services Manager, Ticket Agent will commence sale. Ticket Agent shall not commence any sales without Commission's prior approval.
- 4) The Commission shall set all times and dates for tickets to be placed on sale. All outlets in the Portland metropolitan area including Salem and southwest Washington must sell tickets to PCPA Facility events unless otherwise authorized by the Commission's General Manager or his or her designee.
- 5) Sale of tickets will be made at all Ticket Agent outlets in the Portland metropolitan area including Salem and southwest Washington, by telephone and internet sales at the same ticket price as charged at the PCPA Ticket Centers (but not necessarily at the same customer convenience charge or other charges, if any).
- 6) No tickets shall be held back prior to or during the time of sale unless authorized by the Facility Ticket Services Manager, in writing.
- 7) Costs associated with duplicate tickets issued through Ticket Agent or Ticket Agent's outlets due to the gross negligence or willful misconduct of Ticket Agent or Ticket Agent's outlets will be paid by Ticket Agent. All tickets purchased by telephone or by Internet, beginning six (6) days prior to the event, will be printed as will-call tickets at the PCPA Facility where the event takes place. Will-call tickets shall be printed out at the PCPA Facility where the event takes place, and Ticket Agent shall pay MERC for staff costs at the rate of fifty percent (50%) of the internet/phone handling fee charged by Ticket Agent and actually received and not refunded by Ticket Agent.
- 8) Any tickets which cannot be sold or which are machine printing errors will be reinstated into inventory. The Ticket Agent shall be responsible to provide documentation and justification of any reinstatement to inventory. All reinstatements to inventory shall be subject to procedures approved by Commission, and documentation consistent with such procedures shall be maintained and be subject to audit by Commission and its representatives.
- 9) Ticket Agent's sales practices and policies shall comply with the Americans With Disabilities Act and ORS 659A.100 et seq.

E. Ticket Content and Advertising

Ticket Agent shall pay for all ticket stock for tickets printed or sold at the PCPA Ticket Centers. Commission shall have the right to sell advertising on Ticket stock printed or sold at the PCPA Ticket Centers and ticket envelopes to the extent such ticket stock and envelopes are paid for by the Commission. Ticket Agent shall have the right to sell advertising on ticket stock or

envelopes with respect to (i) tickets sold by Ticket Agent and (ii) tickets sold by the Commission to the extent such ticket stock and envelopes are paid for by Ticket Agent. Ticket Agent and Commission shall separately receive and retain all income derived from advertising.

F. Compensation/Financial Arrangements

- 1) The Commission agrees that Ticket Agent shall have the right to assess and receive the convenience charges and processing fees on each ticket sold by Ticket Agent through outlets, telephone and Internet as set forth in Exhibit B.
- 2) Ticket Agent shall pay to the Commission its share of the applicable Royalties actually received and not refunded by Ticket Agent on all outlet, telephone, and internet sales. Ticket Agent shall pay to the Commission the per-order processing fee established in Exhibit B on all telephone and internet sales.
- 3) Ticket Agent shall pay to the Commission the other fees set forth in Exhibit B pursuant to the terms set forth in Exhibit B.
- 4) Notwithstanding any other provisions in this agreement, in no event shall the Ticket Agent assess ticket charges in a manner or amount that violates any law. Ticket Agent's duties of defense and indemnification pursuant to Article 7 shall apply to any and all claims that the manner or amount of any ticket charges violates any law.
- 5) Unless otherwise provided herein, the Ticket Agent shall pay all expenses which are necessary to carry out the terms of this agreement at no expense to the Commission unless authorized by the General Manager or his or her designee.
- 6) Ticket Agent will not assess any other fees or charges to ticket purchasers beyond the fees and charges set forth in this agreement without the approval of the General Manager or his or her designee.
- 7) Nothing in this agreement shall prevent the Commission from collecting and retaining ticket charges on tickets to events at the PCPA Facilities sold by Commission personnel to persons physically present at the PCPA Ticket Centers. Commission personnel shall have the right to sell tickets for all events at the PCPA Facilities on the Ticket Agent's system to persons physically present at the PCPA Ticket Centers.
- 8) The Commission shall be responsible for credit card charge back fees for tickets sold by PCPA Ticket Centers. Responsibility for charge backs on Will Call tickets distributed by PCPA will be determined by joint agreement of the Commission and Ticket Agent.

G. Accounting

- 1) The Ticket Agent shall, with respect to all business done under this agreement, keep true and accurate accounting records, books, and data, which shall among other things show all gross receipts derived from over-the-counter, internet and telephone sales of all such tickets sold, and shall establish and maintain accounting procedures that are acceptable to the authorized representative of the Commission. The Ticket Agent shall account to the Commission for the full admission price of each ticket sold whether by telephone sales, Internet or over-the-counter sales. The reported settlement amount shall not be reduced by credit card charges, losses due to bad checks, or any other losses incurred by the Ticket Agent in the sale of tickets. The Commission and its agents shall have the right at all reasonable times during normal business hours and with prior notice and approval by Ticket Agent to inspect all books of account and ledgers of the Ticket Agent relating to subject ticket sales, and the right to make or cause to be made audits of these accounts. Further, the Commission reserves the right, and the Ticket Agent agrees to allow its systems, hardware and programs related to the sale of tickets to PCPA Facilities to be inspected by agents or representatives of the Commission at reasonable times with prior notice to and approval by Ticket Agent.
- 2) Ticket Agent shall collect and deposit all ticket receipts derived from ticket sales for events at all PCPA Facilities from all outlets, internet sales and telephone sales in an account to be maintained by Ticket Agent. Withdrawals of ticket receipts to which the Commission is entitled shall be made from such account by Ticket Agent and delivered to the Commission on Friday of each week with each weekly payment to be on account of Ticket Agent system ticket sales for events at all PCPA Facilities made by Ticket Agent during Monday through Sunday of the week preceding such payment date. Each weekly payment shall be accompanied by a written accounting.
- 3) In the event that any event at any PCPA Facility for which Ticket Agent sold tickets or processed transactions hereunder is cancelled, postponed, or modified (e.g., substitute acts) for any reason (each, a "Cancelled Attraction"), the Account Balance shall be held and made available for distribution by Ticket Agent to ticket purchasers entitled to refunds for tickets for Cancelled Attractions purchased from Ticket Agent. For purposes of this Agreement, the term "Account Balance" shall mean the amount of funds held at any time by Ticket Agent on account of ticket sales for all events at any PCPA Facility, less the amount of ticket sales proceeds which Ticket Agent is entitled to retain hereunder. The Commission authorizes Ticket Agent to refund the ticket price at the original point of purchase (e.g., at outlets or by Internet sales or telephone

sales) and to exchange tickets pursuant to any exchange policy that may be adopted by the Commission and Ticket Agent. Ticket Agent's agreement to make any refunds is subject and limited to Ticket Agent holding or receiving from the Commission the full amount of funds necessary to make refunds to all ticket purchasers properly entitled to a refund. The Commission and Ticket Agent agree that Ticket Agent shall be entitled to retain the processing fees assessable with respect to the initial sale of tickets to Cancelled Attractions and any other fees assessable although no additional compensation shall be payable to, or fee assessed by, Ticket Agent with respect to the exchange of any tickets initially purchased from Ticket Agent. The Commission shall be responsible for all refunds and exchanges of tickets initially purchased at the PCPA Ticket Centers. Any ticket sale proceeds, including telephone and Internet sales, remaining sixty (60) days after the scheduled event shall be returned to the Commission. Tickets remaining out after the sixty (60) day period will be refunded through MERC. Exceptions may be approved by Facility Ticket Services Manager.

- 4) Royalties for ticket sales due to MERC shall be settled and remitted to MERC at time of settlement as provided in Section 4G2.

H. Training and Service Standards

Ticket Agent shall meet or exceed the minimum standards for training, staffing and telephone response set forth in the attached Exhibit C.

5. RESPONSIBILITIES OF THE COMMISSION

The Commission shall be responsible for the following duties and functions:

- a. The Commission shall furnish the Ticket Agent all necessary event information to adequately plan for all events at PCPA Facilities to assist the Ticket Agent in accomplishing its services and accounting responsibilities.
- b. The Commission shall cooperate with the Ticket Agent in obtaining all necessary licenses and permits.
- c. The Commission shall conduct business with the Ticket Agent in an efficient and professional manner.
- d. The Commission may conduct an annual review of this agreement. Such review will include compliance with system security measures, service standards, ticket charges and other contract provisions.
- e. The Commission shall supply necessary electricity, wiring and space in its facilities for the installation and operation of the Ticket Agent's ticketing system.

- f. The Commission shall use the PCPA Ticket Centers as the Ticket Agent's ticket center ("Commission Ticket Center"), for the sale of tickets through Ticket Agent's system for events other than events scheduled or to be held at the PCPA Facilities ("Ticket Agent Tickets") in accordance with the terms and conditions set forth in this Section 5f.
- 1) Commission Ticket Center will sell Ticket Agent Tickets only to customers physically present at the Commission Ticket Center at the time of the ticket purchase transaction. Commission Ticket Center may not accept any order for Ticket Agent Tickets by telephone, facsimile; the Internet or any alternate mode of communication or to any person not physically present at the Commission Ticket Center at the time the transaction is completed.
 - 2) Commission Ticket Center shall make Ticket Agent Tickets readily and easily accessible for sale to the general public during the normal business hours (Monday through Saturday, 10:00 AM to 5:00 PM) of the Commission Ticket Centers and accept cash, Mastercard, Visa, American Express, Discover and Diner's Club (not checks or credit cards other than stated) in payment for tickets to all attractions, via the Ticketmaster system.
 - 3) All sales of Ticket Agent Tickets shall be made by Commission Ticket Center to the general public only.
 - 4) The Commission or any employee, agent, independent contractor or representative of the Commission shall not sell any Ticket Agent Ticket for an event in excess of the stated Ticket Agent Ticket limit for such event, engage in, participate in, or assist the practice known as scalping or brokering Ticket Agent Tickets, provide Ticket Agent Tickets through preferential sale, or provide inside information concerning Ticket Agent Ticket attractions.
 - 5) The Commission Ticket Center shall comply with all policies and procedures promulgated by Ticket Agent in relation to sales of tickets at ticket centers.
 - 6) The Commission Ticket Center shall, as Ticket Agent's sales agent, charge each Ticket Agent Ticket purchaser the face value of the Ticket Agent Tickets plus a convenience charge, each as specified by Ticket Agent. Ticket Agent may change the amount of the convenience charge from time to time by giving the Commission notice thereof in writing or via the Ticket Agent system, whereupon the Commission Ticket Agent shall charge each Ticket Agent Ticket purchaser such adjusted convenience charge immediately upon such effective date. The Commission Ticket Center may not otherwise change the amount of the convenience charge and may not assess any other charge against a Ticket Agent Ticket purchaser.

- 7) The Commission agrees that its sole compensation for producing, selling and accounting for the Ticket Agent Tickets pursuant to this Section 5f. shall be a commission of twenty-five percent (25%) of the convenience charge which is assessable in the Ticket Agent Tickets purchased if such Ticket Agent Tickets had been purchased with cash, irrespective of the actual purchase method (*i.e.*, cash or credit cards to the event remitted under this Section 5f.) collected on each Ticket Agent Ticket sold by the Commission. The Commission Ticket Center's commission as provided herein may be deducted by it concurrently with the remittance by the Commission of ticket proceeds to Ticket Agent in accordance with the terms of the payment schedule set forth in Section 5f(8) below.
- 8) Ticket Agent shall furnish the Commission Ticket Center with blank Ticket Agent Tickets as described in the Blank Ticket Stock Delivery Receipt in the form attached hereto as Exhibit D and incorporated herein, and executed by Ticket Agent and the Commission from time to time. The Commission shall be responsible for the security of the ticket stock and risk of loss of the ticket stock shall shift to the Commission upon the delivery of such ticket stock to the Commission or Commission's authorized representative, agent or employee. For all sales made through the Ticket Agent system, the Commission Ticket Center shall use exclusively the ticket stock provided by Ticket Agent. The Commission shall make an accounting to Ticket Agent for all unused ticket stock upon Ticket Agent's request, and Ticket Agent shall have the right to inspect Commission Ticket Center's inventory of ticket stock during the normal business hours of the Commission Ticket Center as Ticket Agent deems necessary; provided, however, the inspection shall not be conducted in a manner or during a time that unreasonably interrupts Commission Ticket Center's sales of Ticket Agent Tickets. The Commission Ticket Center shall return to Ticket Agent all Ticket Agent Tickets which are returned to the Commission Ticket Center or voided on the Ticket Agent system, or are canceled, defaced, mutilated or otherwise rendered unsalable. The Commission shall be responsible for any and all damages arising out of or resulting from missing or unaccounted for Ticket Agent Tickets, including, but not limited to, costs of ticket stock, printing, and the face value of any such Ticket Agent Tickets, if the face value is known, or \$20.00 per Ticket Agent Ticket, if the face value is not known.
- 9) The Commission Ticket Center agrees, as Ticket Agent's ticket sales agent, to sell and deliver Ticket Agent Tickets to all Ticket Agent Ticket events, collect the proceeds from such sales and remit to Ticketmaster agency account number 323-871771 ABA#021 000 021 at Chase Manhattan by 11:00 AM the aggregate amount for all Ticket Agent Ticket sales, plus the applicable convenience charge for all such Ticket Agent Ticket sales, plus the aggregate amount due for unaccounted for Ticket Agent Tickets calculated, less the amount which the Commission is entitled to deduct as its commission to Ticket Agent on the day specified below. On Tuesday of each week, the Commission shall remit to and pay Ticket Agent for sales generated on Monday, Tuesday, Wednesday, Thursday, Friday, Saturday and Sunday of the preceding week. The Commission

Ticket Center shall make a daily accounting for Ticket Agent Ticket sales and unaccounted for Ticket Agent Tickets based on computer, cash and related sales reports for the Commission Ticket Centers. In addition, Ticket Agent may deduct amounts payable by the Commission to Ticket Agent pursuant to the terms of this Section 5f. from amounts due from Ticket Agent to the Commission pursuant to Section 4G2 of this agreement.

- 10) All receipts and proceeds from the sale of Ticket Agent Tickets shall remain the property of Ticket Agent, shall be segregated from the Commission Ticket Center's other assets and shall be held in trust by the Commission on behalf of Ticket Agent. The Commission shall have no right, title or interest in or to the ticket proceeds or receipts. The Commission shall deposit all proceeds once per week in an account to be designated by Ticket Agent, in accordance with the terms of set forth in Section 5f(9) above. The Commission shall not use any receipts or proceeds from the sale of Ticket Agent Tickets as its own property, or in the form of loans to itself, or as collateral for loans from third parties to itself or otherwise, and such funds shall not be subject to assignment or alienation by the Commission or to the claims of creditors of the Commission.
 - 11) The Commission acknowledges and agrees that its obligations to remit and pay to Ticket Agent all receipts or monies due from sold or unaccounted for Ticket Agent Tickets, less the commission, and the rights of Ticket Agent in and to such remittance and payment, shall be absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense, counterclaim or recoupment due or alleged to be due to; or by reason of, any past, or present or future claims which the Commission may have against Ticket Agent, or against any person for any reason whatsoever.
 - 12) The Commission's breach of any term, covenant or condition set forth in this Section 5f. shall, at Ticket Agent's option, give Ticket Agent the right to terminate the Commission's right to be a Ticket Agent outlet.
- g. The Commission shall be responsible for any material breach of the terms set forth in this agreement or any acts or omissions in the performance of this agreement by the Commission, its employees and subcontractors.

6. POWERS RESERVED TO THE COMMISSION

In the event of a dispute between the Ticket Agent and the Commission, the decision of the Commission concerning the operation or management of the automated ticketing services shall be final and binding on both parties. By way of illustration and not limitation, the reserved powers of the Commission are as follows:

- a. The final determination of all policies and procedures related to the operation and management of all PCPA Facilities' automated ticketing services.

- b. Sole discretion to cancel, terminate or interrupt any Commission event, and cause the patrons to be dismissed during any event. The Commission shall not be liable to the Ticket Agent for any loss or cost occasioned by any such determination or action by the General Manager, or his or her designee, taken in good faith for the benefit or protection of the Commission and the public generally or the PCPA Facilities.
- c. The power to have access to any automated ticketing areas at any time.
- d. The power to terminate or suspend this agreement for acts of default by the Ticket Agent in accordance with Article 8 herein.
- e. The Commission's General Manager or his or her designee must approve in advance, and in writing, any new agreements for subcontracted ticket outlets within 3 miles of the New Theatre Building, which may be proposed by the Ticket Agent during the term of this agreement, which approval shall not be unreasonably withheld.
- f. The Commission may, at its discretion, conduct a performance review and/or audit of Ticket Agent's compliance under this agreement on an annual basis or more frequently as appears necessary.
- g. Commission hereby grants to Ticket Agent the right, in Ticket Agent's sole discretion, to advertise, in any medium determined by Ticket Agent, including on the Ticket Agent website or other Ticket Agent or affiliated websites, events at PCPA Facilities and the availability of tickets at the PCPA Ticket Center, at all outlets, and by Internet sales and telephone sales and, in connection therewith, to use the name and logo of Commission, the PCPA Facilities and events at PCPA Facilities, Commission's and PCPA Facilities website addresses and all other information respecting events at PCPA Facilities. Commission may, during the Term hereof, provide and place advertisements in any form of media which Commission shall desire to promote the availability of tickets (except on websites or other media operated by, or on behalf of, third-party ticketing companies); provided, however, that in the event Commission shall place any such advertisements, it shall use its best efforts to cause Ticket Agent's name, logos, applicable Ticket Agent website address and charge-by-phone number to be displayed in the advertisement, as well as the address of the PCPA Facility and, if possible, the identity of the outlets where tickets may be purchased. In this regard, Commission shall use its best effort to cause Commission's and/or the PCPA Facility's website, if any, to deeplink to specified web page(s) within the applicable Ticket Agent website where ticket purchasers can begin the process of purchasing tickets to events at PCPA Facilities bypassing earlier web pages shown to other ticket purchasers within the Ticket Agent website. Commission agrees to use its best effort to promote the availability of tickets on the Ticket Agent website by including, at a minimum, one "above-the-fold" graphic Ticket Agent branded link to the Ticket Agent website on each web page featuring one or more of the events at PCPA Facilities on Commission's and/or the PCPA Facility's website, if any. Such link will include the Ticket Agent website graphic logo and a call to action such as "buy tickets."

THE FACT OF
THIS AGREEMENT,
AND/OR

7. INSURANCE AND INDEMNIFICATION

It is understood and agreed that, to the fullest extent permitted by law, the Ticket Agent shall indemnify and hold harmless Commission, Metro, the City of Portland and their officers, agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees and court costs, arising out of or resulting from a material breach of the terms set forth in this agreement or any acts or omissions in performance of this agreement by the Ticket Agent, its employees, and subcontractors.

Ticket Agent shall provide a Comprehensive General Liability Insurance Policy, Automobile Liability Policy, and Workers Compensation Policy. Coverage to be provided by the foregoing insurance policies shall include, but not be limited to, coverage commonly referred to by the insurance industry as follows:

- a. Premises/Operations Liability
- b. Blanket Contractual Liability
- c. Broad Form Bodily Injury and Property Damage Liability, including loss of use
- d. Personal Injury
- e. Products/Completed Operations Liability
- f. Fire Legal Liability

Automobile Liability: Automobile Liability, including coverage for owner, non-owned, hired or borrowed vehicles.

Workers Compensation: Stop Gap or Employer's Contingent Liability

The Comprehensive General Liability policy shall:

- a. Name, the Commission and its officers, agents and employees as additional insured.
- b. Provide for not less than thirty (30) days advance written notice to the Commission regarding termination or any material change to the policy.
- c. Include a "cross liability" (severability of interest) clause and a breach of warranty clause.
- d. Include limits of protection as follows:

Not less than \$1,000,000.00 for the Comprehensive General Liability Policy written on a per-occurrence basis.

In the event that PCPA automated ticketing facilities' service are destroyed by an act of God, fire, vandalism, terrorism, or similar events, so that continued operation thereof is not feasible, the Commission will be under no obligation to replace them.

The Commission hereby assumes and shall bear the entire risk of loss and damage to the equipment at the PCPA Facilities, ordinary wear and tear excepted, whether or not insured against, once installed, unless occasioned by the negligence of Ticket Agent, from any and every cause whatsoever from the date of delivery of the equipment to the PCPA Facility until removal thereof following termination of this agreement. No such loss or damage to the equipment shall impair any obligation of the Commission under this agreement. In the event of loss or damage of any kind to any equipment, the Commission, at its sole option, shall within thirty (30) days after such loss or damage: (i) place the same, or replace the same with similar property, in good repair, condition and working order to the satisfaction of Ticket Agent; or (ii) pay Ticket Agent in cash the actual cash value of the equipment; and Ticket Agent shall promptly install new equipment to replace the lost or damaged equipment.

The Commission shall self-insure or, at its own expense, provide and maintain at all times during the term hereof insurance to protect the equipment against loss caused by fire (with extended coverage), vandalism, malicious mischief, theft, or any other cause in an amount equal to the actual cash value of the equipment as determined by Ticket Agent. The Commission shall furnish Ticket Agent with certificates of such insurance or other evidence satisfactory to Ticket Agent as to its compliance with the provisions of this Section.

The Commission covenants and agrees that the equipment, software, and any deliverables or work product furnished under this agreement are, and shall at all times be and remain, personal property which shall, at all times, remain the sole and exclusive property of Ticket Agent, and the Commission shall have no right, title or interest therein or thereto except as a licensed user thereof.

Workers' Compensation Insurance: Ticket Agent, its subcontractors, if any, and all employers working under this agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Commission with certification of Workers' Compensation insurance including employer's liability. If Ticket Agent has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as an Exhibit in lieu of the certificate showing current Workers' Compensation.

8. TERMINATION FOR BREACH BY TICKET AGENT

Material Breach: Any actions by the Ticket Agent or any failure by Ticket Agent to perform any obligation hereunder which directly or indirectly impairs or interferes with the favorable public image or reputation of the PCPA Facilities shall be a material breach and shall entitle the Commission to terminate this contract if written notice is provided by the Commission to Ticket Agent and Ticket Agent does not cure such default within ten (10) business days of Ticket Agent's receipt of such written notice.

In the event that either party shall default in the material obligations or conditions set forth in this and other paragraphs of this agreement, and such default shall continue unremedied and no action taken to correct for three (3) business days (or ten (10) business days in the event of a default set forth immediately above) after written notice of said material default to the other party, thereupon, at the other party's option, this agreement may be terminated upon thirty (30) days written notice by either party. Notwithstanding the foregoing, nothing herein shall preclude the Commission or its agents from taking any immediate necessary action to remedy dangerous or unsafe conditions, regardless of the impact upon the Ticket Agent.

Termination Accounting: In the event of termination under this Article, each party shall have full access to the other's financial records and accounts relating specifically to such party, for a period of two (2) years:

9. ASSIGNMENT

Both parties fully understand and agree that the highly skilled and professional management and operation of the automated ticket services for PCPA Facilities are of paramount importance and that this agreement would not be entered into by the Commission except for its confidence in, and assurances provided for, the character, management abilities and financial stability of the Ticket Agent. The Ticket Agent, therefore, shall not sell, assign, sublet, transfer or in any manner encumber the rights and privileges granted herein, nor allow such assignment, subletting, transfer or any other encumbrance to occur by operation of law or otherwise without the prior consent of the Commission which consent shall not be unreasonably withheld. The parties agree, further, that any occurrence, whether within or beyond the control of Ticket Agent, which renders Ticket Agent incapable of performing all duties required hereunder shall constitute a material breach hereunder and shall give the Commission the option of terminating this agreement.

10. IMPOSSIBILITY

The Commission and the Ticket Agent shall not hold each other liable for failure to perform as outlined herein where such performance is rendered impossible or financially impractical due to labor strikes, walkouts, acts of God, inability to obtain necessary materials, products and services, civil commotion, fire, unavoidable casualty, or similar causes beyond the control of the Commission or the Ticket Agent. Each party agrees to notify the other promptly upon the occurrence of an event or condition which will, or which is likely to, give rise to the likelihood that performance will be rendered impossible or impracticable under this Article. The failure to give prompt notice as herein required shall act as a waiver of any right under this Article.

11. NON-WAIVER PROVISION

No waiver by either party of default in any of the terms, covenants or conditions hereof to be performed, kept or observed by the other party shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein contained.

12. ATTORNEY'S FEES

In case suit or action is instituted by either party hereto to enforce compliance with this agreement, the prevailing party in such litigation shall be entitled, in addition to the costs and disbursements provided by statute, to such additional sum of money of the United States as the Court may adjudge reasonable for attorneys' fees in the trial of any such suit or action, and in any appeal therefrom.

13. AMENDMENTS

The Commission and the Ticket Agent may amend this agreement at any time only by written amendment executed by the General Manager and the Ticket Agent.

14. MISCELLANEOUS PROVISION

This agreement constitutes the entire agreement and understanding between the Commission and the Ticket Agent. No provision of this agreement may be changed or eliminated unless mutually agreed to in writing by the Commission and the Ticket Agent.

All notices relative to this agreement shall be in writing and shall be mailed by certified mail or delivered in person to the Commission or the Ticket Agent. Said notices shall be addressed to the following:

Ticket Agent

General Manager
Ticketmaster Northwest
P.O. Box 4248
Seattle, Washington 98194-0248

Commission

General Manager
MERC
P.O. Box 2746
Portland, Oregon 97208-2746

With copies to:

PCPA Executive Director
Portland Center for the Performing Arts
1111 SW Broadway
Portland, Oregon 97205-2913

Daniel B. Cooper
Office of Metro Attorney
600 NE Grand Avenue
Portland, Oregon 97232-2736

This agreement is made in accordance with the laws of the State of Oregon, which shall be controlling in any dispute which arises under this agreement.

The situs of this agreement is Portland, Multnomah County, Oregon. The parties agree that any litigation respecting this agreement or performance hereunder shall be had at said City and County in the Circuit Court of the State of Oregon or if jurisdiction exists in the Federal District Court, Portland, Oregon.

The underlined titles for the various articles of this agreement are for reference only. No meaning shall be ascribed to them, and they shall not be used in construing this agreement.

15. MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES & EMERGING SMALL BUSINESS PROGRAM/EQUAL OPPORTUNITY HIRING

- a. Ticket Agent will comply with all requirements of Commission's MBE/WBE/ESB Program.
- b. The Ticket Agent agrees to follow the policies and rules set out in Commission's Minority Business Enterprises, Emerging Small Business and Women-Owned Business Enterprises Programs, which by this reference, are hereby fully incorporated as it fully set forth herein.
- c. In replacing a Minority, Emerging Small Business or Women-Owned Business subcontractor, the Ticket Agent shall follow the policies and rules set out in Commission's Minority Business Enterprises, Emerging Small Business and Women-Owned Enterprises Programs.
- d. The Ticket Agent shall provide reports on its compliance with the MBE/WBE/ESB goals established for this agreement and with the Minority Business Program as reasonably requested by Commission.
- e. Commission reserves the right, at all times during the period of this agreement, to monitor compliance with the terms of the Minority Business Program and this agreement, and with any representation made by the Ticket Agent prior to agreement award pertaining to Minority, Emerging Small Business or Women-Owned Business participation in the agreement, and any representation made by the Ticket Agent regarding replacement of any Minority, Emerging Small Business or Women-Owned Business subcontractor during the duration of this agreement.

16. TIME IS OF THE ESSENCE

Time is of the essence in this agreement.

17. OBEY ALL LAWS

In performing this agreement, Ticket Agent shall obey all state, federal, local, and regional laws. Ticket Agent's duties of defense and indemnification pursuant to Article 7 shall apply to any and all claims that Ticket Agent has violated any law.

18. NO THIRD PARTY BENEFICIARIES

It is the intent of the parties that there shall be no third party beneficiaries of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this document as of the day and year first above written.

TICKETMASTER L.L.C.

**METROPOLITAN EXPOSITION-
RECREATION COMMISSION**

By: Geoff Cunniff

By: [Signature]

Title: General Manager

Title: GM

Date: 5.26.04

Date: 5/26/04

EXHIBIT A
AUTOMATED TICKETING SERVICES AGREEMENT
Equipment

1. Ticketing Equipment - Hardware

Ticket Agent shall supply the following hardware to the Commission:

- 8 Desktop PC's with Keyboards
- 8 Ticket Printers (Ticketmaster/BOCA TM1)
- 8 Credit Card Swipers (MagTek - Serial)
- 2 Report Printers
- 9 Access Points
- 20 Palm Scanners
- 20 Pistol Grips
- 3 Small Venue Servers
- 3 PC Anywhere Software
- 3 Server Operating Systems
- 1 WAN Router
- 1 64K WIC for the WAN Router
- 3 Network Switch (12-port)
- 1 Dial Up Modem
- 2 Uninterruptible Power Supply

Ticket Agent shall not charge the Commission for the use of this equipment. Ticket Agent shall own the equipment at all times.

Ticket Agent shall pay annual phone line charges including any one-time installation fees or charges required to operate the automated ticket system and bar code scanning equipment.

The amount of equipment identified in this Exhibit A is the amount anticipated to be necessary to handle the standard level of business. During the term of the Agreement, it is possible that a smaller or greater amount of equipment will actually be necessary to adequately serve the public. The General Manager of the Commission, or his or her designee and Ticket Agent, shall determine the timing and sequence in which the Ticket Agent will provide the equipment listed in Exhibit A or will provide equipment in addition to that listed in Exhibit A. In making this determination, the General Manager or his or her designee and Ticket Agent will consider significant increases or decreases in the level of ticket business, quality of facilities, ticketing functions, etc.

2. Ticketing System - Software

Ticket Agent shall provide the Commission with Ticketmaster Classic software. This software directly connects with and supports box offices, ticket outlets, call centers, Interactive Voice Response (IVR), and the Ticketmaster website.

Ticket Agent shall not charge the Commission for the use of the Ticketmaster Classic software.

3. Maintenance and Repair

Ticket Agent shall provide maintenance and repair services for the PCPA Facilities ticketing infrastructure (excluding personal computers and other items not provided by Ticket Agent). Ticket Agent shall maintain a technical support office in Portland located within close proximity to the PCPA Facilities.

Ticket Agent shall not charge the Commission for such maintenance and repair service for ticketing infrastructure.

4. Box Office Online Authorization

In connection with Commission's processing of credit card sales of Tickets at PCPA Facilities, Ticket Agent shall provide Ticket Agent's online credit card authorization/processing system to Commission, pursuant to Commission's separate agreement with Paymentech. In connection with Commission's credit card sales of tickets authorized via Ticket Agent's credit card processing system using either Visa or MasterCard, Ticket Agent's credit card processor shall deduct a merchant fee on a daily basis equal to 2.75% of transactions processed. This fee is subject to automatic increases equal to any actual increases in Ticket Agent's processing fees or based on increases in credit card association or credit card company fees (such as interchange, assessments or other charges). In the event Commission desires to process any credit cards other than Visa or MasterCard utilizing Ticket Agent's credit card processing system that are supported by Ticket Agent's credit card processors, then the fees for such service shall be mutually agreed upon by Commission and the applicable credit card company. The parties agree that if Ticket Agent's agreement with its current credit card processor expires or terminates, Commission's agreement with Ticket Agent's credit card processor shall also expire or terminate without any early termination penalties or charges.

5. Software Support and Upgrades

Ticket Agent shall provide Ticketmaster Classic software support and software upgrades and enhancements throughout the term of the Agreement.

Ticket Agent shall not charge the Commission for software support or software upgrades and enhancements for Ticketmaster Classic.

The Commission acknowledges that the Ticket Agent system and Equipment represent and contain certain proprietary and confidential data relating to the software and hardware configurations and the unique methods by which Ticket Agent utilizes the software and hardware to accomplish the overall results of the Ticket Agent system, and the Commission agrees that nothing of a technical or proprietary and confidential nature will be copied, duplicated or disclosed to any person or entity by the Commission or its employees, officers, agents, independent contractors or representatives without the prior written consent of Ticket Agent unless required by the Oregon public records law.

EXHIBIT B
AUTOMATED TICKETING SERVICES AGREEMENT
Financial Terms

1. Signing Bonus of \$150,000

Ticket Agent shall pay the Commission a signing bonus of \$150,000 upon execution of this agreement.

2. Marketing, Advertising and Promotional Support

During each Contract Year, Ticket Agent shall pay the Commission an annual advertising allowance ("Advertising Allowance") to advertise and promote Ticket Agent as the source for advance tickets to the PCPA Facilities. "Contract Year" shall mean the period June 1 to May 31 of each year.

Ticket Agent shall pay the Commission an Advertising Allowance calculated according to the table below, with the Advertising Allowance for the first Contract Year in the amount of \$100,000 to be paid no later than June 15, 2004 as an advance ("First Year Advertising Advance"). In the event on June 1, 2005, less than 200,000 tickets were sold between June 1, 2004 and May 31, 2005, the Commission shall pay to Ticket Agent the difference between \$100,000 and what the Advertising Allowance should have been for the period between June 1, 2004 and May 31, 2005 in accordance to the chart below and, in the event that during June 1, 2004 through May 31, 2005 the Ticket Agent sells 200,000 or more tickets, the Ticket Agent shall pay the Commission the difference between \$100,000 and what the Advertising Allowance should have been for the period between June 1, 2004 and May 31, 2005 in accordance with the chart below. As an example only, in the event the number of tickets sold by Ticket Agent through its outlets, internet sales and telephone sales for the period of time between June 1, 2004 and May 31, 2005 is 180,000 tickets, Commission shall pay the Ticket Agent \$25,000.

No later than June 15 of each subsequent Contract Year (except for the first Contract Year), Ticket Agent shall pay the Commission the Advertising Allowance based upon the number of tickets Ticket Agent sold through its distribution channels (outlet sales, internet sales, telephone sales) with a convenience charge during the preceding Contract Year.

The amount of the Advertising Allowance shall be as follows:

Tickets Sold (and Not Refunded) During Contract Year	Total Annual Advertising Allowance
0 to 149,000	\$25,000
150,000 to 174,999	\$50,000
175,000 to 199,999	\$75,000
200,000 to 224,999	\$100,000
225,000 to 249,999	\$125,000
250,000 to 274,999	\$150,000
275,000 to 299,999	\$175,000
300,000 to 324,999	\$200,000
325,000 and up	\$225,000

Additionally, Ticket Agent shall provide a minimum of \$40,000 in value added marketing during each Contract Year for advertising that promotes the PCPA Facilities or events at the PCPA Facilities. Such advertising may be included on Ticketmaster.com and direct mail inserts in Ticket Agent's orders. Such advertising shall include, but not be limited to the following: Online promotional placements, e-mail marketing programs and offline promotional placements. On or before the end of each Contract Year, Ticket Agent shall provide documentation of such advertising to the PCPA Executive Director.

3. Mail Manager

Ticket Agent shall provide to the Commission, free of charge, Ticket Agent's MailManager product, and all necessary training for the use thereof. MailManager is an in-house email marketing tool that will allow the Commission to build a permission marketing database that supports targeted trackable direct email communication to customers.

4. Ticket Royalties/Convenience Charges/Processing Fees

A. Per-Ticket Customer Convenience Charges And Royalties

Ticket Agent may assess a per-ticket customer convenience charge on tickets purchased at all ticket outlets, by telephone, and through the internet. For the first Contract Year, the per-ticket customer convenience charge shall be as set forth in the table below. For the first Contract Year, Ticket Agent shall pay the Commission the royalty amounts shown in the table below.

Ticket Price	Outlet/Phone/Internet Customer Convenience Charge	Outlet/Phone/Internet Royalty Payable To The Commission
\$0-\$10.00	\$2.00	\$0.00
\$10.01-\$14.99	\$3.00	\$0.75
\$15.00-\$19.99	\$3.75	\$0.94
\$20.00-\$24.99	\$4.00	\$1.00
\$25.00-\$29.99	\$4.75	\$1.19
\$30.00-\$34.99	\$5.00	\$1.25
\$35.00-\$39.99	\$5.50	\$1.38
\$40.00-\$49.99	\$6.00	\$1.50
\$50.00-\$59.99	\$6.50	\$1.63
\$60.00-\$69.99	\$7.00	\$1.75
\$70.00-\$79.99	\$7.50	\$1.88
\$80.00-\$89.99	\$8.00	\$2.00
\$90.00-\$99.99	\$8.50	\$2.13
\$100.00 & Over	Mutually Agreed Upon By Both Parties	Mutually Agreed Upon By Both Parties

The convenience charges at outlets set forth above reflect a cash discount currently in effect for cash purchases at outlets. With respect to credit card purchases at outlets, the convenience charge set forth above shall be increased by 2.75% of the face value of the ticket (with the explicit understanding that this formula for credit card convenience charges at outlets is being used solely for purposes of

simplifying the calculation of the applicable charges, however, and that the amounts charged to Ticket purchasers are intended to reflect a discount for cash paid at outlets; accordingly, Ticket purchasers first will be informed of the applicable credit card convenience charge at outlets and then of the discount for cash payment, if applicable).

On June 1 of the second Contract Year and each subsequent Contract Year, the per-ticket customer convenience charges shall be increased by \$0.25.

On June 1 of the second Contract Year and each subsequent Contract Year, the royalty amounts payable to the Commission shall be increased by \$0.05.

The parties may, from time to time, increase the convenience charge upon mutual agreement, provided, however, in such case, the increased portion of such convenience charge shall be split 50/50.

B. Per-Order Processing Fee And Royalties

Ticket Agent may assess a per-order processing fee of up to a maximum allowable charge of \$4.25 per order on each order for tickets purchased by telephone or through the internet. Ticket Agent shall pay the Commission fifty percent (50%) of each per-order processing fee that results in will-call tickets.

5. Volume Ticket Rebate

Ticket Agent shall pay the Commission an annual volume ticket rebate in the amount set forth in this paragraph. Ticket Agent shall pay the Commission any volume rebate due no later than June 15 for tickets sold during the preceding Contract Year.

When Ticket Agent sells more than 225,000 tickets through Ticket Agent distribution channels (outlets, telephone sales and internet sales) in a Contract Year, Ticket Agent shall pay the Commission a rebate of \$0.15 per-ticket for every ticket sold by Ticket Agent during that Contract Year and for which a convenience charge was received and not refunded. When Ticket Agent sells more than 250,000 tickets in a Contract Year, Ticket Agent shall pay the Commission a rebate of \$0.25 per-ticket for every ticket sold by Ticket Agent during that Contract Year and for which a convenience charge was received and not refunded.

6. Inside Charges

Ticket Agent will charge for an additional credit card fee of 2.75% of the ticket(s) price for all ticket purchases made by credit card.

7. Print At Home Tickets

Ticket Agent shall pay the Commission at show settlement a \$0.75 rebate per order for each account ticketfast order where the fee is actually received and not refunded by Ticket Agent.

EXHIBIT C
AUTOMATED TICKETING SERVICES AGREEMENT

A. TRAINING

1. All Ticket Agent sales personnel shall be well trained and thoroughly knowledgeable regarding the ticketing system and all PCPA Facility seating manifests for major events. Training shall include telephone etiquette and customer service. Ticket Agent shall supply a copy of training program upon request.

2. Ticket Agent shall regularly provide all applicable sales personnel information about PCPA Facility events and shall provide such information to patrons, upon request. Information will be conveyed to patrons in a helpful manner to enable patrons to purchase the seat which best meets his/her needs.

3. Ticket Agent shall provide Commission personnel all training deemed necessary by the Commission, including, but not limited to, ticket sale procedures, accounting use of MailManager, and operation of bar code equipment.

B. SERVICE

1. Ticket Agent may purchase and use a telephone call sequencing device to monitor incoming phone calls and correctly handle the calls waiting for service (hold and answered in order received).

2. Ticket Agent will use commercially reasonable efforts to maintain sufficient staff so that Commission patrons have no longer than a three (3) minute wait prior to commencing of service for ticket information, event information or actual sale for a particular event. Commission shall periodically verify waiting times and may require written confirmation of corrective action if maximum waiting times are exceeded.

3. A supervisor must be on duty to handle questions and difficult patrons when large events begin selling or multiple events are on sale. Monthly reports shall be submitted to Commission on compliance with regard to this requirement. The primary duty of the supervisor is to help sales clerks as well as answer consumer questions and complaints.

4. Ticket Agent will respond promptly to all complaints. Ticket Agent shall maintain a log of such complaints, which includes information on how the complaint was resolved. The complaint log shall be available to Commission upon request.

5. Ticket Agent shall supply twenty-four (24) hour, seven (7) days a week emergency service as necessary to all ticketing operations to insure that equipment and software will be operational during normal business hours and for PCPA Facility events.

6. Ticket Agent shall use its reasonable best efforts to obtain software capability to tie into the Commission's computerized facility management system, including report capability as well as general information pertaining to event-related sales.

7. Ticket Agent shall maintain uniform advertising practices to provide quality information to the buying public. This information includes but is not limited to, date, time, location of outlets and PCPA ticket centers, telephone numbers for ticket sales, web-site address for internet sales, facility where event is to be held, event information and disclaimer stating "all tickets subject to service charges."

8. Ticket Agent will provide the Commission a system that captures single ticket buyer information (name, address, etc.) coded by event and maintained on a mailing list for marketing purposes at the request of the Commission General Manager or his or her designee. This list shall apply to ticket buyers purchasing tickets by telephone and internet only.

EXHIBIT D
BLANK TICKET STOCK DELIVERY RECEIPT

Location
Name: _____

Operator
Code: _____
(if applicable)

City or
Market: _____

- Delivery of Ticket Stock
 Retrieval of Ticket Stock (ticket stock returned to Ticketmaster)

<input type="checkbox"/> TM Representative Name: _____ (Signature required) Title: _____ Delivery Date: _____	<input type="checkbox"/> Commercial Shipment Via/Method: _____ Date Shipped: _____ Delivery Due Date: _____
---	--

Received By:

Signature: _____ Date Received: _____
 Print Name: _____ Title: _____

**Ticket stock MUST be signed for by a member of management; verify ticket stock control numbers before signing.
 *Ticket stock is to be stored in a locked, secure area at all times.
 If stock was shipped, please sign, keep pink copy and return all other copies to Ticketmaster immediately.*

Ticket Stock Information:

Sponsor _____	Prefix _____	From _____	To _____	Total _____
Sponsor _____	Prefix _____	From _____	To _____	Total _____
Sponsor _____	Prefix _____	From _____	To _____	Total _____
Sponsor _____	Prefix _____	From _____	To _____	Total _____

Total Number of Tickets: _____

Internal Use Only

Received
 Issued
 Returned/Re-Stocked
 Destroyed

By: _____ Date _____

Expo Ct Event Analysis

April 2004

	Consumer	Trade	Misc.	Conv.	# of Events	Event Days	I/O Days	Use %	Attendance	Rental	Equipment	Concessions	Catering	Utilities	Parking	Total
Swap Meet		1			1	3	4		28,658	84,388		253,809	727	4,090		343,014
Model A Group			1		1	1			24	105						105
TriMet-Alberta mtg.			1		1	1			12	300						300
TriMet IMAX Preview			1		1	1			200							
Expo IMAX Preview			1		1	1			45							
Log Home Show	1				1	3	3		5,247	11,800		10,487	4,031	2,573	20,034	48,925
Pet Show	1				1	2	2		5,480	11,870	500	10,598		1,995	20,070	45,033
Fly Fishing Show	1				1	2	2		1,096	4,800	50	2,520		900	3,707	11,977
MPI			1		1	1			98				1,926			1,926
SAE Mini Baja			1		1	1	1		600	4,617	50	1,845	301	60	906	7,779
Gun Show	1				1	3	2		3,658	11,550	200	8,099		695	16,576	37,120
Swap Meet Banquet			1		1	1			154	1,218	1,754		3,250		678	6,900
City Fleet Auction	1				1	1	2		648	5,250		481		97	1,474	7,302
TriMet-Cotton Club			1		1	1	4		460		35,456		41,783	760		77,999
Total	6	-	8	-	14	22	20	40%	46,380	135,898	38,010	287,839	52,018	11,170	63,445	588,380

FY 2003-04 Year to Date

Jul	1		1		2	4	3	14%	14,474	36,264	100	90,346	528	5,344	43,079	175,715
Aug	2		3		5	5	3	2%	6,233	10,143	1,400	20,933	6,756	1,184	14,225	54,041
Sept	8	2	1		11	21	18	53%	30,611	115,598	2,817	79,072	6,638	24,189	104,931	333,245
Oct	5	1			6	14	14	57%	43,483	107,597	1,000	154,482	9,752	28,950	163,676	465,457
Nov	10		2		12	31	22	63%	58,424	153,335	1,358	77,114	3,744	25,893	191,049	452,493
Dec	3				3	11	17	55%	47,937	64,775	1,200	151,312	3,421	15,552	156,139	392,399
Jan	5		2	1	8	24	23	86%	50,318	276,210	9,318	225,526	33,276	27,584	223,593	795,507
Feb	5		1		6	18	21	80%	128,032	174,890	1,920	517,828	26,044	54,573	367,568	1,143,003
Mar	9		2		11	28	20	73%	51,834	165,430	2,897	124,179	18,657	22,696	166,362	500,221
Apr	6		8		14	22	20	40%	46,380	135,898	38,010	287,839	52,018	11,170	63,455	588,380
May																
June																
Total to Date	54	3	20	1	78	178	161	52%	477,726	1,240,140	60,020	1,728,631	160,834	217,135	1,494,077	4,900,461

Month to Month Comparison

	-	-	7	-	7	9	8	5%	534	22,528	36,160	54,404	50,345	2,951	6,943	173,321
--	---	---	---	---	---	---	---	----	-----	--------	--------	--------	--------	-------	-------	---------

Year to Date Comparison

	(6)	(1)	(4)	1	(10)	(15)	(1)	3%	(38,279)	(46,070)	30,934	(23,767)	21,204	5,364	109,692	96,981
--	-----	-----	-----	---	------	------	-----	----	----------	----------	--------	----------	--------	-------	---------	--------

FY 2002-03

Jul	2		3		5	8	1	16%	17,708	43,070	430	102,424		6,602	39,223	191,749
Aug	3		6		9	9	6	5%	7,837	19,520	2,461	27,525	9,030	1,445	15,255	75,236
Sept	9	1	2		12	21	19	46%	39,508	119,164	2,613	84,043	5,574	21,501	116,330	349,225
Oct	6	2	5		13	30	21	56%	63,942	152,122	2,007	168,597	45,849	34,119	176,521	579,215
Nov	10	1	2		13	33	21	64%	63,714	154,965	1,792	98,712	7,437	24,932	174,127	461,965
Dec	2		2		4	10	12	38%	43,316	57,900	853	154,296	4,804	12,594	128,236	358,683
Jan	6				6	22	21	89%	60,106	271,789	9,180	233,625	17,987	24,301	225,029	781,911
Feb	7		1		8	20	25	90%	122,991	180,210	5,886	508,580	24,980	53,759	301,981	1,075,396
Mar	9		2		11	27	24	59%	51,037	174,100	2,014	141,161	22,296	24,299	151,171	515,041
Apr	6		1		7	13	12	35%	45,846	113,370	1,850	233,435	1,673	8,219	56,512	415,059
May	6				6	9	7	22%	5,498	25,300	2,090	12,581	27,019	4,674	14,310	85,974
June	5		3		8	18	17	27%	12,914	90,801	13,000	41,878	2,938	12,401	46,808	207,826
Total to Date	71	4	27	0	102	220	186	46%	534,417	1,402,311	44,176	1,808,857	169,587	228,846	1,445,503	5,097,280