

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made by and between the Old Tucson Company, an Arizona corporation ("Company"), and Arizona Sonora Western Heritage Foundation, a 501(c) 3 public charity and Arizona corporation ("Foundation"). The purpose of this Memorandum of Understanding is to record a commitment by and between the Company and the Foundation, and Pima County in order for the parties to take the necessary steps which will result in the Foundation entering into an Agreement with Pima County for control and operation of the approximately 360 Old Tucson acres ("Premises") owned by the County, which is currently leased to the Company.

Recitals

- A. Old Tucson is an important community asset providing local employment and purchases, economic benefits and community amenities for the County's residents, businesses and visitors as well as serving as an important regional, state and international tourism attraction. Located adjacent and in close proximity to each other; Old Tucson, Tucson Mountain Park and Arizona Sonoran Desert Museum form the core of Pima County's northwest area tourism attractions.
- B. Tourism is an important industry in Pima County and a strong contributor to our regional economy. Numerous community partners are collaborating with the Foundation and are members of the Foundation's Advisory Committee which serves to assist the Foundation in the development of culturally diverse and authentic programs of Southern Arizona and Sonora's settlement history. Some of these include: Arizona State Museum, University of Arizona, College of Social and Behavioral Science, Arizona Historical Society, Tohono O'odham Cultural Center and Museum, Chinese Cultural Center, National Association for the Advancement of Colored People, Ha:San Preparatory and Leadership School, The Tucson Mormon Battalion Monument Foundation, Sunnyside Unified School District, Readwest Foundation, Inc., Southern Arizona Attractions Alliance, John E. White Elementary School and Vail School District.
- C. Since 1973, Old Tucson Company and its predecessors have leased land from Pima County and operated Old Tucson as a tourist destination, western movie venue and western frontier-themed recreational area for the benefit of residents and guests of Pima County. The Company has developed a portion of the Premises with historic themed buildings and improvements consistent with the settlement period of the region and has provided ongoing resources necessary to ensure that Old Tucson remained available as a community asset.
- D. The Foundation received approval of its statement of purpose and tax-exempt status in July of 2014. The purpose of the Foundation is to: provide place-based learning, interactive educational programs and experiences specific to the early settlement of southern Arizona and northern Mexico; to promote geo-tourism and an appreciation for the cultural heritage and history of the settlement of Pima

County and establishment of Tucson; foster an appreciation for the contributions made by the diversity of cultures and present differing perspectives of distinct communities; integrate social and behavioral science education with the study of the rich natural environment of the Sonoran desert. The Pima County property and the Old Tucson constructed improvements are the primary venue for the Foundation.

- E. Old Tucson represents an established high quality location for the future activities and programs of the Foundation. The Company and Foundation desire to outline their mutual points of understanding, including the Foundation becoming the tenant of the County. The parties want to coordinate efforts with the County and collaborate with the community partners in order to increase the living history programs available at Old Tucson. The emphasis will be on authentic demonstrations and opportunities for interaction and participation.

- E. The goal of the affiliation of the Company, Foundation and County is to grow the economy and increase understanding of the richness of diverse cultural contributions which established the Arizona Sonora region.

Non-Binding Memorandum of Understanding

This MOU is not binding or legally enforceable, imposes no enforceable obligations upon the Parties and does not grant any rights. However, the Parties shall utilize this MOU as the framework for an agreement or agreements (which may include a development agreement, lease agreement, management agreement and/or other agreements), which will be collectively referred to herein as the "Agreement." The Foundation and the Company acknowledge the Agreement must be consistent with applicable Federal, State and County law and be approved by the Board of Directors of Old Tucson Company, and the Arizona Sonora Western Heritage Foundation Board.

Mutual Points of Understanding

1. The Parties are committed to the successful implementation of the Foundation programs and activities at Old Tucson. The Foundation acknowledges that at present, Old Tucson Company has the knowledge and expertise to operate Old Tucson. The Foundation, at its election, may contract with Old Tucson Company or any other manager for the day-to-day management and operation of the Premises. Initial operations of the Foundation will be supported by in-kind and monetary contributions made by Old Tucson Company and others who are interested in the operation and preservation of Old Tucson. The Foundation intends to be self-sustaining in the future through operational revenues as well as by acquiring private and public grants and donations from individuals and entities which support its mission and purpose.
2. In order to better establish and ensure the success of the Foundation's programs,

the Foundation desires to lease Old Tucson from Pima County for an initial term of twenty-five years consistent with provisions in ARS 11-265.01. The Company's current lease terminates December 31, 2023.

3. The Foundation and Company agree to work on mutually acceptable terms of an agreement resulting in the Foundation's control the assets and operation of Old Tucson. Both the Foundation and Company commit to expedite this process consistent with Pima County legal requirements and industry best practices.
4. Both the Foundation and Company acknowledge that Pima County Bond Funds that may be approved for living history capital improvements on the Premises can only be awarded to the Foundation, and will not be expended on the Premises until the Arizona Sonora Western Heritage Foundation has leased the Premises from Pima County. Bond funds are proposed only for capital improvements on Pima County property and will not be used for operations or debt.
5. Old Tucson Company and the Arizona Sonora Western Heritage Foundation have established a goal to complete the necessary Agreements and obtain or be in the process of obtaining the necessary approvals, including Pima County approval prior to January 1, 2016.

AGREED:

OLD TUCSON COMPANY

Signed:

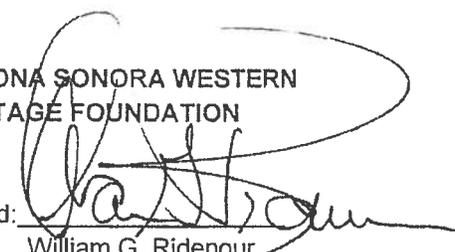

Brian Deatherage

Date:

10/22/2014
October 2014

ARIZONA SONORA WESTERN
HERITAGE FOUNDATION

Signed:


William G. Ridenour

Date:

10/21/14
October 2014