

Ledge Creek Horse Park

Feasibility Analysis
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Idaho State
UNIVERSITY

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Executive Summary

Ledge Creek Horse Park Steering Committee (LCHP) is a group of horse enthusiasts located in southeastern Idaho. The committee would like to build a horse arena in Caribou County, Idaho that would service the surrounding area with a focus on residents in Caribou, Bear Lake, and Franklin counties. LCHP sought out Bengal Solutions and our MBA Team to provide them with a complete feasibility study to aid in the decision-making process. The feasibility study includes the following: Market Analysis, Concept Plan, Management Plan, Risk Assessment, and Financial Viability Report.

The Market Analysis includes an industry analysis, market size analysis, demographic analysis, market profitability analysis, market opportunity analysis, competitive analysis, survey analysis (including results), and provides valuable data to ensure that the market can sustain the operations of the facility. The Concept Plan includes three arena options showing a rough order of magnitude and services to be offered. The Management Plan describes the recommended governance structure and important operational aspects to be considered. The Risk Assessment points out the potential risks of the operation along with ways to mitigate those risks. The Financial Viability Report shows the potential for the recommended facility to generate revenues sufficient to operate, maintain, and continue to expand the facility over time.

Section 1 - Market Analysis

For the market analysis, our team researched the horse industry. We reviewed the horse industry at the national level as well as researched the current industry in Idaho. Our team used this data in conjunction with a survey that we developed and distributed to horse enthusiasts in the area to help us determine the market size. Once we established the market size, we reviewed the demographics of Caribou, Franklin, and Bear Lake counties to see how the area aligned with the research and segmentation figures. Finally, we completed a Porter's Five Forces model, a SWOT analysis, and a competitive analysis.

United States Horse Industry

In 2004, the American Horse Council Foundation (AHCf) commissioned a study to estimate the economic impacts of the United States horse industry. The study was performed by Deloitte Consulting LLP in 2005. The study reviewed a number of elements which were factored into the report including: direct effects (purchases made by individuals directly involved in the horse industry on goods and services required specifically for the industry), indirect effects (purchases made by industry suppliers and their suppliers to support the manufacturing and delivery of their respective products), induced effects (purchases made by individuals employed by the U.S. horse industry or the industry's suppliers), horse ownership, segmentation, income levels and ages of owners, etc. We have incorporated highlights from this study into our report to help determine the economic impact of the horse industry in southeastern Idaho.

Listed below are a number of impacts from this report:

- The horse industry contributes approximately \$39 billion in direct economic impacts to the U.S. economy on an annual basis
- The racing, showing, and recreation segments of the industry all generate between \$10 billion and \$12 billion in annual direct impacts
- When considering indirect and induced spending, the horse industry generates approximately \$102 billion for the U.S. economy each year
- Of the \$102 billion in economic impacts reported, approximately \$32 billion is generated from the recreation segment, \$28.8 billion from the showing segment, \$26.1 billion from the racing segment, and \$14.7 billion from other industry segments
- Approximately 1.96 million people own horses
- The horse industry sustains approximately 1.4 million full-time equivalent jobs on an annual basis
- There are approximately 9.2 million horses in the U.S. with approximately 3.9 million horses involved in recreation and another 2.7 million horses participating in horse shows or other competition
- The median household income of those individuals and families owning horses is approximately \$60,000 with approximately 34% of the industry having a median household income of less than \$50,000 and 28% of the horse-owning population having an annual income of over \$100,000
- The horse industry pays approximately \$1.9 billion in taxes on an annual basis to all levels of government
- Link to horse study:
 - http://www.manesandtailsorganization.org/American_Horse_Council_2005_Report.pdf

The U.S. economic impact study provides valuable insights into the horse market that we have integrated into our study of the horse market in southeastern Idaho. The study shows that the horse industry is a significant contributor to the U.S economy. The market was segmented through surveyed responses using the following four classifications: racing, showing, recreation (other competitive events, recreation, and work), and other (breeding activities are included in both the racing and showing segments).

Economic impacts and number of horses from each of these segments have been extracted from the study, incorporated into this report, and are shown in Table 1-1. This data dispels the myth that horse ownership, in addition to top GDP impacts, come from the racing and showing segments. The recreation segment has the highest percentage of ownership, creates the most jobs, and generates the largest economic impact on the economic aspects of this study.

Table 1-1 (Statistics by Industry Segmentation)

Horse Industry Segmentation	Number of Horses (thousands)	Economic Effect on FTE's (thousands)	Economic Effect on GDP (billions)
Racing	844,531	383,826	26,124
Showing	2,718,954	380,416	28,788
Recreation	3,906,923	435,082	31,975
Other	1,752,439	212,010	14,651
Total	9,222,847	1,411,334	101,538

Another data set pulled from the study shows distribution of horse ownership by household income level. The data in Table 1-2 shows ownership is not contingent upon household income. The research presents horse ownership by income levels and shows that 33.9% of horse owners make below \$50,000 per year, 56.2% make under \$75,000 per year, and 71.9% of horse owners make below \$100,000. This information is representative of horse ownership at the national level and illustrates the income diversity of the owner population.

Table 1-2 (Horse Ownership by Household Income)

Household Income	Count	Percentage
\$0 to \$24,999	209,879	10.73%
\$25,000 to \$49,999	453,511	23.19%
\$50,000 to \$74,999	435,930	22.29%
\$75,000 to \$99,999	306,797	15.69%
\$100,000 to \$124,999	199,646	10.21%
\$125,000 to \$149,999	94,672	4.84%
\$150,000 +	179,268	9.17%
Not Reported	76,124	3.89%
Total	1,955,827	100.00%

We also incorporated information on horse ownership by community size. Table 1-3 highlights the fact that this population segment supports the expectation that the industry is supported by a diverse population. In fact, the study shows that 35.4% of horse ownership is from community sizes of less than

5,000 people, 57.3% from community sizes of less than 20,000 people, and 73.1% from communities of less than 50,000 people. The data shows that small communities play a significant role in the horse industry. This is important because the community sizes of the counties under consideration are smaller but have characteristics and prospects (horse owners) that fall under the recreation segment.

Table 1-3 (Horse Ownership by Community Size)

Size of Community	Count	Percentage
Less than 1,000 people	301,529	15.42%
1,000 to 4,999	390,640	19.97%
5,000 to 19,999	427,525	21.86%
20,000 to 49,999	310,510	15.88%
50,000 to 99,999	171,458	8.77%
100,000 to 499,999	188,151	9.62%
500,000 +	139,942	7.16%
Not Reported	26,072	1.33%
Total	1,955,827	100.00%

Idaho Horse Industry

In 1988, the Idaho Horse Council (IHC) commissioned the University of Idaho to conduct and publish a horse census and economic impact statement. The IHC has made a commitment to update the census every five years, and the latest study from 2005 provides the following statistics for the horse industry in the state of Idaho:

- There were over 206,000 equine in Idaho
- In the year 2005, the Northern region had 21% of all equine, Southwestern region 28%, South-central region 23%, and the southeastern region had 28%
- Primary use of equine in Idaho: 40% Pleasure, 13% Breeding, 12% Farm and Ranch, and 11% Packing
- Proportion of Horses by Breed: 53.3% American Quarter horses, 13.9% Paints, 6.3% Arabian, 5.2% Appaloosa, and 4.2% Thoroughbred
- Percentage of Different Types of Equine in Idaho: 81% Riding Horses, 5% Ponies, 3% Race Horses, 3% Mules, 2% Donkeys, 1% Wild Horses, and 1% Draft Horses
- Link to horse census data:
 - http://idahohorsecouncil.com/?page_id=41

Southeastern Idaho is home to many horse enthusiasts with concerns and interests ranging from breeding to participation in competitive events to casual riders. There is a horse market in the area with prospects that are willing to pay to use an indoor arena. Currently there are other indoor arenas in southeastern Idaho, but none in Caribou County.

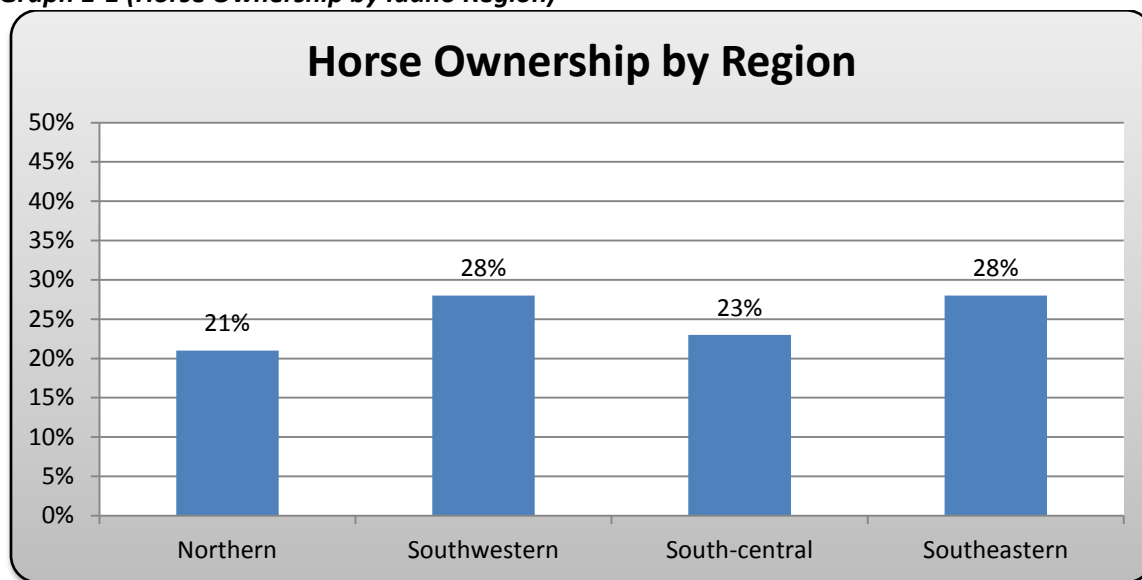
Market Size

The Idaho Horse Census, although smaller in scope, provides valuable information when incorporated with the U.S. Economic Impact Study discussed earlier. In looking at the ownership by region and the primary use of equine graphically represented (shown in Graph 1-1 and Graph 2-1), and compare it to the data from the U.S. study, we begin to quantify the impacts to southeastern Idaho. There are

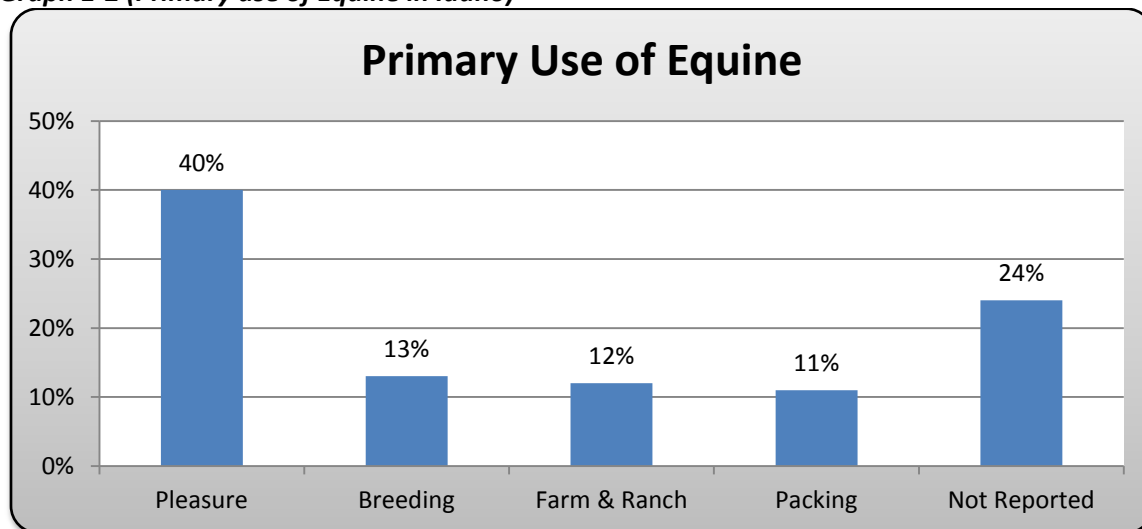
approximately 57,680 horses in the area ($206,000 * 28\%$), and we can distribute the horse numbers between the identified uses as follows: 22,960 horses used for pleasure, 7,462 horses used for breeding, 6,888 horses used for farm and ranch activities, 6,314 horses used for packing, and 13,776 horses not reported.

Based on this analysis, our research shows that southeastern Idaho horse owners would fall primarily into the recreation segment of the U.S. study. We recognize that horse owners in southeastern Idaho have concerns and interests that will span a number of the segmentation groups identified in the study. As a result, LCHP should be able to pull in prospects from multiple segments, although we recommend the primary focus be in the recreation segment. Our team did not re-segment the market as we felt the segmentation provided in the U.S. study accurately captured the concerns and interests of the prospect market. As such, we used the segmentation in that study.

Graph 1-1 (Horse Ownership by Idaho Region)



Graph 1-2 (Primary use of Equine in Idaho)



Survey

Our team developed a ten question survey designed to help us determine the demand for an indoor riding arena in the Caribou County area. This survey was distributed to “horse enthusiasts” through both the Ledge Creek Committee and the Eastern Idaho Paint Horse Club e-mail contacts with a request to forward on to others who may be interested. We understand that this survey is not representative of the entire community, but it is representative of horse enthusiasts in the area and it provides an insight into the concerns and interests of prospects of the proposed facility. The information provided in the survey results has also been incorporated into the Concept Plan section as well as the Financial Viability section when forecasting revenue assumptions.

Survey Results

- 74% of respondents were very likely to use an indoor arena if built
- 79% of respondents said that they would use the indoor arena more than 3 times per month
 - 27% - 3 to 4 times per month
 - 25% - 5 to 7 times per month
 - 27% - Over 8 times per month
- Respondents were interested in using the facility for a diverse number of events including: community events, riding club practice, 4-H events, schooling, training, clinics, casual riding, roping, sorting, penning, barrel racing, etc.
- 46% of respondents prefer a per occurrence fee structure, 31% prefer annual payment, and 23% prefer monthly payment
- A small group of respondents were interested in stalling (highest demand during winter months)
- 79% of respondents were interested in renting cattle from the facility
- 39% of respondents said that they would consider paying for advertising space in the facility
- Link to survey:
 - <http://www.surveymonkey.com/home/>
 - User name: LedgeCreekSurvey
 - Password: LedgeCreek

The survey was a tool that provided information to help our team assess the demand for the facility and potential services to be recommended for the facility. This has allowed us to develop scenarios with different building dimensions and capabilities that will facilitate the demanded services.

Demographics

We researched the demographics of Caribou, Bear Lake, and Franklin counties. These three counties are located in the southeast corner of Idaho and are generally made up of communities that are small in nature and have a “small town feel”. The area is home to many farmers and ranchers as well as to residents who like the outdoors. The mountains close by provide a haven for hunters, packers, and casual riders who enjoy spending time on the trails with their horses. There are also many horse enthusiasts who are involved in barrel racing, reining, competitive events, and casual riding who have expressed interest in an indoor facility which would allow them to train and practice year round. This area is home to cold winters where riders remove the shoes from their horses and riding only occurs indoors.

Caribou County

Caribou County has a population of 6,997 (2010 census) and includes a labor force of 3,277. The job growth rate has grown by 3.53% from 2010 to 2011. The county has experienced an unemployment

rate of 7.4% with 8.4% of the population living below the poverty level. The average household expenditures are \$46,013 with the median household income of \$45,851.

Caribou County's latest report shows that there are 311 small businesses' (driving force behind the nation's economy) with 14 start-ups (gives a good sense of the suitability of the community as a place to start a new business). There are also 440 Sole Proprietorships (presence of entrepreneurial spirit and suitable capacity for risk-taking necessary for one to go into business for oneself). Caribou County has experienced a 4.77% population decline over the last ten years, but looks to be economically stable given the job growth and below average unemployment rate. Manufacturing, mining, and government jobs play a major role in the economy of the county providing the most jobs and the largest salaries.

Franklin County

Franklin County has a population of 13,019 (2010 census) and includes a labor force of 6,182. The job growth rate has grown by an impressive 18.9% from 2010 to 2011. The county has experienced an unemployment rate of 6.0% with 13.7% of the population living below the poverty level. The average household expenditures are \$47,933 with a median household income of \$45,404.

Franklin County's latest report shows that there are 365 small businesses' with 27 start-ups. There are also 849 Sole Proprietorships. Franklin County is the largest county under consideration, and the one that has seen the most growth over the last ten years. Franklin County looks to be economically stable and growing at a nice rate. Government, construction, and retail trade jobs play a major role in the economy of the county providing the most jobs.

Bear Lake County

Bear Lake County has a population of 6,044 (2010 census) and includes a labor force of 2,659. The job growth rate has grown by 1.1% from 2010 to 2011. The county has experienced an unemployment rate of 5.0% with 13.9% of the population living below the poverty level. The average household expenditures are \$46,014 with a median household income of \$46,324.

Bear Lake County's latest report shows that there are 238 small businesses' with 10 start-ups. There are also 420 Sole Proprietorships. Bear Lake County seems to have the weakest economy of the three under consideration with the smallest workforce. Government, construction, and retail trade jobs play a major role in the economy of the county providing the most jobs and the highest salaries.

Although the communities are small and median income levels are below \$50,000, these are valid communities for horse owners to call home. 57.3% of horse owners live in communities with less than 20,000 residents and 33.9% of horse owner incomes are below \$50,000. As discussed earlier, many farmers and ranchers that call these counties home use horses for work and for pleasure.

Market Profitability

We analyzed the market profitability using Porter's Five Forces model which helped us identify the five factors that have the greatest influence on the probability of the market. This model draws upon industrial organization economics to derive five forces that determine the competitive intensity and, therefore, the attractiveness of a market. Attractiveness in this context refers to the overall industry profitability. An "unattractive" industry is one in which the combination of these five forces acts to drive down overall profitability. A very unattractive industry would be one approaching "pure competition", in which available profits for all firms are driven to normal profit.

Porters Five Forces

- *Threat of new competition* - profitable markets that yield high returns will attract new firms. This results in many new entrants, which eventually will decrease profitability for all firms in the industry. Unless the entry of new firms can be blocked by incumbents, the abnormal profit rate will tend towards zero (perfect competition)
- *Threat of substitute products or services* – the existence of products outside of the realm of the common product boundaries increases the propensity of customers to switch to alternatives.
- *Bargaining power of customers (buyers)* – also described as the market of outputs: the ability of customers to put the firm under pressure, which also affects the customer's sensitivity to price changes
- *Bargaining power of suppliers* – also described as the market of inputs. Suppliers of raw materials, components, labor, and services (such as expertise) to the firm can be a source of power over the firm, when there are few substitutes. Suppliers may refuse to work with the firm, or, i.e., charge excessively high prices for unique resources
- *Intensity of competitive rivalry* – for most industries, the intensity of competitive rivalry is the major determinant of the competitiveness of the industry

Five Forces Assessment for Ledge Creek

Threat of new competition - Low

- Barriers to entry are high due to licensing, capital expenditures, building codes, etc.
- Switching costs (sunk costs) are high as it is expensive to leave an arena to exit the market
- Prospects may be loyal to established brands (other arena's in the area and bordering states)

Threat of substitute products or services - Medium

- Buyer propensity to substitute – low as prospects are horse enthusiasts who are born, raised, and carry-on this culture
- Buyers can choose to ride outdoors and not pay to ride in an arena (this is particularly true for many of the prospects in the recreation segment) – medium/high
- Relative price performance of substitute – it may be cheaper to participate in other activities such as riding motorcycles, gambling at horse races, going fishing, etc.
- Buyer switching costs – can be high (motorcycles) or low (fishing)
- Perceived level of product differentiation – high level of differentiation
- Number of substitute products available in the market - numerous

Bargaining power of customers (buyers) - Medium

- High buyer concentration to firm concentration ratio
- Relatively low buyer volume
- Low buyer switching costs relative to firm switching costs
- Minimal buyer information availability
- High availability of existing substitute products
- Buyers are not (generally speaking) price sensitive
- Differential advantage (uniqueness) of industry products – offering is not unique

Bargaining power of suppliers - Low

- Low supplier switching costs relative to firm switching costs
- Low degree of differentiation of inputs
- High supplier concentration to firm concentration ratio
- Supplier competition – no ability to forward integrate

Intensity of competitive rivalry – Low

- No sustainable competitive advantage through innovation
- No competition between online and offline companies

- Low level of advertising expense
- Rivalry will be low as competition will be driven more by location

Market Opportunity

Our team used a SWOT analysis to help us evaluate the strengths, weaknesses, opportunities, and threats associated with the indoor arena proposal. The opportunities and threats section looks at the external factors in the market that provide advantages for the organization or place it at a disadvantage. The strengths and weaknesses section focuses on the internal factors that give the organization an advantage or put it at a disadvantage in relation to other organizations. This analysis can be subjective, but it does highlight important factors to be considered.

LCHP SWOT Analysis

External Analysis		
Environmental Factors	Opportunities	Threats
Economic	<ul style="list-style-type: none"> • Consumer spending is high (close to income) in counties • Prospects have access to credit • Typically, prospects in the horse market have disposable income to spend on horse arena activities 	<ul style="list-style-type: none"> • Currently experiencing an economic slowdown • Modest growth outlook for the future • As unemployment increases, prospects may be willing to spend less on horses and activities
Competition	<ul style="list-style-type: none"> • No competitors in counties under consideration • Opportunity to pull market share from competitors (based on location) • Offering aligns with concerns and interests of prospects 	<ul style="list-style-type: none"> • Ledge Creek will be going up against established competitors • Competitors have current customer base • Competitors have established events • Recent article shows plans to build a large scale arena in Franklin County
Consumer Trends	<ul style="list-style-type: none"> • Horse enthusiasts have a love for their animals and are willing to spend money on them • Competitive events involve “big money” - participants are willing and able to spend on these events • Recreational riders desire to ride in the cold, winter months 	<ul style="list-style-type: none"> • Horse enthusiasts are already involved in teams and events elsewhere
Technology	<ul style="list-style-type: none"> • Enhance the ability to market offering • Prospects can find offering and research more easily 	<ul style="list-style-type: none"> • Competitors can use technology as well – no technological advantage

Legal/Regulatory	<ul style="list-style-type: none"> Chairman has good rapport with county officials and is involved in insurance sales Chairman is working with potential donors to ensure that regulatory requirements are met Ledge Creek can establish an entity that is best suited to the situation 	<ul style="list-style-type: none"> Regulations around gifting land Restrictions on available land County/City requirements and regulations
Industry/Market Structure	<ul style="list-style-type: none"> U.S. Horse Industry is healthy and growing 	<ul style="list-style-type: none"> Entry barriers could pose a problem for Ledge Creek

Internal Analysis		
Internal Factors	Strengths	Weaknesses
Management/Committee Members	<ul style="list-style-type: none"> Ledge Creek members are knowledgeable and understand the horse market Committee members have resources and are willing to assist with planning & construction Have passion for the idea and commitment to see it through 	<ul style="list-style-type: none"> Inexperienced in horse arena operations Need to develop a strategy for the future
Marketing	<ul style="list-style-type: none"> Have access to horse enthusiasts in area through contacts / committee members Access to proposed market 	<ul style="list-style-type: none"> Lack of solid market analysis and marketing plan No budget for advertising
Community	<ul style="list-style-type: none"> "Small town" People all know each other Community is supportive of the idea and the members of the committee Have local companies/individuals who have offered up land for the site 	<ul style="list-style-type: none"> "Small town" Both Ledge Creek and the proposed location is off the beaten path No tourist attractions
Research and Planning	<ul style="list-style-type: none"> Needs analysis is complete Feasibility study will be complete detailing options and path forward 	<ul style="list-style-type: none"> Plans are in place, but no concrete research and planning has taken place to-date
Culture / Image	<ul style="list-style-type: none"> Proposal has received 	<ul style="list-style-type: none"> Committee is relatively new

	positive feedback in the community <ul style="list-style-type: none"> • Committee chair and members have positive rapport from the community 	and hasn't had the chance to build reputable image
Finance	<ul style="list-style-type: none"> • Experience with grants and non-profit entities as options for funding • A number of donors have expressed interest • Chairman has been in discussions with Agrium (and others), regarding land donations 	<ul style="list-style-type: none"> • No capital/financing currently in place • Could be difficult to secure financing in the current economy with no established financial history • Idea is based on the fact that land, building costs, etc. will be donated/gifted
Services / Offerings	<ul style="list-style-type: none"> • Have ideas and committee members who know the industry and who can help develop services 	<ul style="list-style-type: none"> • Do not currently know what services will be in high demand based on concerns and interests

Competition

On October 14, 2011, a story came out on KSL that a Utah company is planning to build an \$80 million horse-complex (The Horse Station) in a small town on the Utah-Idaho border in Franklin, ID. It states that the firm recently acquired 167 acres of property and plans to build a sports and commercial complex centered around equestrian activities. The facility would include a hotel, upscale condominiums, retail sites, two indoor arenas, a cultural element such as a museum, and an equine hospital.

At that time, the developer was in talks with potential institutional partners including Utah State to provide an equine hospital with more offerings than a private one could afford. Although at the time of the story, it was still in the developing stages, the article stated the work is expected to be complete within the next three to five years. However, various parts of the complex will open as they are completed. From what we can tell, if this project moves forward, it would be direct competition with Ledge Creek Horse Park.

On April 7, 2012, the Idaho State Journal posted an article on this same arena. See below for an excerpt from the article:

Idaho State Journal Article:

The Horse Station at Cache Valley took a big step toward becoming reality on Thursday evening, as the Franklin City Planning and Zoning Commission voted unanimously to approve a rezone application and preliminary plat for the project, according to a press release from Strategy 5 LLC - Master Developer for the project.

The horse-sports and commercial mixed-use project planned for 167 acres in Franklin, Idaho, will host training and boarding facilities, retail and commercial businesses, an equine veterinary center, indoor and outdoor arenas, a hotel, condominiums, and cultural and educational elements.

“We are gratified with the continuing expressions of support from the community, and we are looking forward to the next step in the approval process which will be a presentation before the Franklin City Council next Wednesday,” said Ernest Bleinberger, principal of Strategy 5 LLC.

The Horse Station is located on the southern border of Idaho in Franklin City and is bounded on the east by Rt. 91 which is a major tourism route linking southern Utah, Colorado, Nevada, and points south, with Yellowstone National Park, The Grand Teton National Park, Jackson, Wyoming, and points north.

The Horse Station at Cache Valley is a potential threat to LCHP. Construction hasn’t begun but the land in Franklin County has been re-zoned and it appears that the plan is to move forward with the project. This facility would pose a competitive risk because it is a bigger facility than the LCHP proposal, it offers more options and amenities, and it will be built in Franklin County which will pull prospects from the identified target segment.

If LCHP decides to move forward with the project, it is recommended that more research be done to identify the effects on the proposed market share potential provided in this report. Our concern is that this facility will be a direct competitor to LCHP. This facility will need to be monitored and assessed as decisions are made to move forward with the LCHP project in Caribou County in order to understand what services they are offering and what market share will be pulled from the target segment within the surrounding area. Our team did not have the information necessary to incorporate the market share effects of the Horse Station facility into this feasibility report.

Southeastern Idaho is home to a number of indoor arenas which poses a competitive threat to LCHP. However, we recommend that LCHP price competitively for the services they plan to provide. In addition, the indoor arenas (with the exception of The Horse Station) are located outside of Caribou, Franklin, and Bear Lake counties. This is an opportunity for LCHP to capture prospects that would otherwise travel to Bannock, Bonneville, and other counties to utilize an indoor arena. Therefore, we recognize that there will be competitive pressures for LCHP, but these pressures will be minimal given the locations of the potential competitors.

Section 2 - Concept Plan

The concept plan presents three scenarios that could be pursued by LCHP. At this point in time, a site location has not been selected and could significantly impact scenario options. The stage of the project is before a pre-design phase. Thus, in order to accommodate variation that will happen, the concept plan is broad in nature and does not outline every detail.

The pre-design phase will occur after some form of funding is available, but before architectural design begins. The pre-design phase will include a site analysis and land surveys, a needs definition, rough-order-magnitude (ROM) cost estimate (based on average price per square foot or historical costs to build similar buildings), and value engineering which scrutinizes areas of the project. **The intent of this feasibility study is not to complete the pre-design phase.** The pre-design phase should be completed by a professional engineering firm.

However, as part of the feasibility study, three options are being provided that could be presented to an engineering firm as avenues to pursue. Along with each option, a ROM estimate has been prepared to give a general level of funding that would be required for construction. Likewise, the estimates are ROM in nature (more so than ROM estimates that occur in the pre-design phase) and do not outline every detail. The ROM estimate details can be found in Exhibit 2-1.

Outline of Three Options

The three arena options below apply a graded approach that can be utilized depending on the level of funding that is obtained for construction. The options stretch from the most basic riding arena to the arena identified by LCHP in their Needs Assessment.

Bengal Solutions				
Ledge Creek Horse Park				
Concept Plan Options Summary				
Item	Unit	Option 1	Option 2	Option 3
Base Arena		120' X 200" 24,000 SF	150' X 250' 37,500 SF	175' X 300' 52,500 SF
Sand Base		✓	✓	✓
Well, Sewer, Power		✓	✓	✓
	<u>Square Foot</u>			
Outdoor Covered Space	5,000	✓	✓	✓
Management Office	225	✓	✓	✓
Storage Room	200	✓	✓	✓
Tack Room	600	✓	✓	✓
Bleacher Area	1,250		✓	✓
Wash Bay/Grooming Area	400		✓	✓
Horse Stalls (25)	2,500		✓	✓
Concession Area	900			✓
Classroom	900			✓
Restrooms		✓	✓	✓
	<u>Linear Foot</u>			
Outdoor Arena 1	1,060			✓
Outdoor Arena 2	720		✓	✓
Outdoor Stalls (10)	310		✓	✓
Livestock Pen	300		✓	✓
Round Pen		✓	✓	✓
Small Tractor		✓	✓	✓
Initial Cattle Investment (20 head)			✓	✓

Option 1

This option represents a basic riding arena with only the necessities. The facility would accommodate casual riding, club practice sessions, reining, and some other miscellaneous activities. The arena could also accommodate other activities with some limitations. For example, sorting and penning could be done on a limited basis, but would require customers to bring their own cattle. It would also be possible to use the facility for training, but it is unlikely that a facility without stalls would attract a professional trainer.

Option 2

This option represents an arena that is slightly larger than Option 1. The facility would accommodate casual riding, club practice sessions, reining, training classes, and activities that require cattle such as roping and sorting and penning. In addition, the facility would be able to stall up to 25 horses indoors and a small number of cattle outdoors.

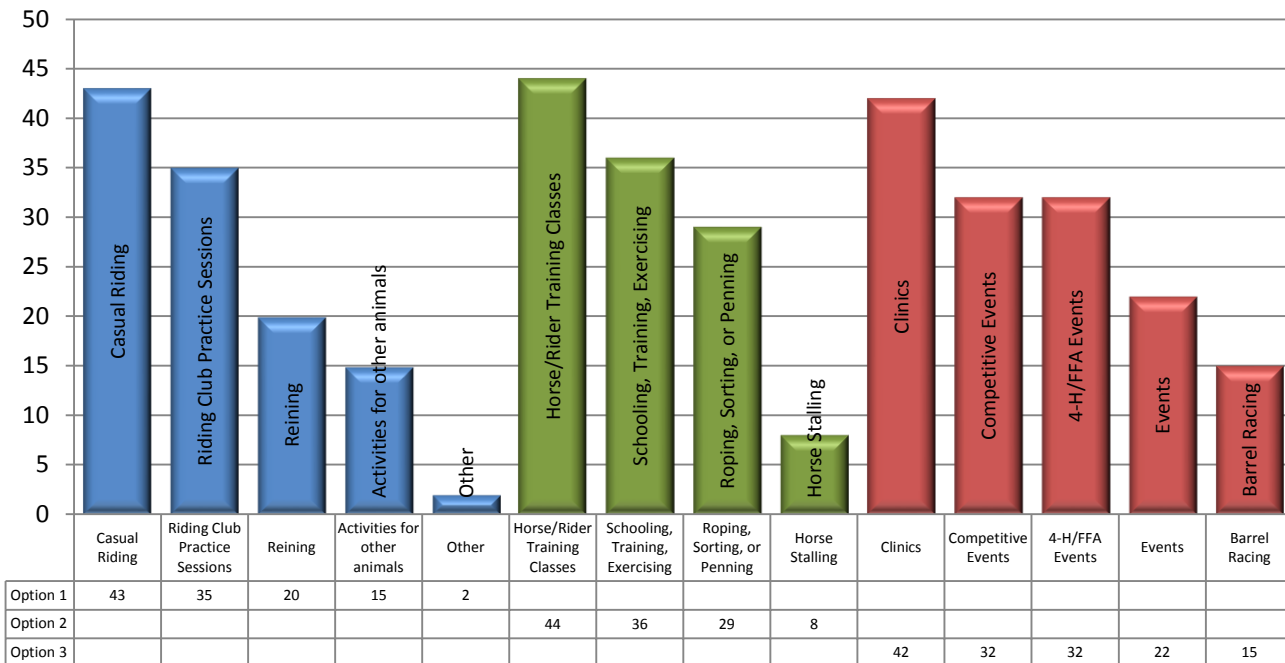
Option 3

This option represents an arena similar to the one identified by the LCHP's Needs Assessment. The facility would accommodate casual riding, club practice sessions, reining, training classes, cattle work, barrel racing, etc. Like Option 2, the facility would be able to stall up to 25 horses indoors and a small number of cattle outdoors. The facility would include 2 outdoor arenas. The defining feature of Option 3, however, is the ability to accommodate competitive events.

Survey Integration

The chart below illustrates the activities that each facility option would accommodate and the number of survey respondents that were interested in participating in those activities. As a graded approach was used in developing the concepts, activities accommodated by Option 1 are blue; Option 2 are blue and green; and Option 3 are blue, green, and red.

Activity Interest by Facility Option



Capital Funding Requirements

The table below illustrates the general magnitude of funding that would be required for construction of each arena option. An itemized breakout of each option can be found in Exhibit 2-1.

Option	Description	ROM Estimate
Option 1	Basic riding Arena	\$616,670
Option 2	Arena with stalls and can accommodate activities such as working cattle	\$972,958
Option 3	Arena that can accommodate events (based on the LCHP's Needs Assessment input)	\$1,296,558

The following assumptions were used to develop the ROM estimates:

- Land and land improvements are not included in the estimates. The committee believes that land will be donated rather than purchased. Land improvements have also been excluded because the amount of investment required for land improvements will vary greatly depending on the selection of land.
- General Price per Square Foot: \$17.35



- Price per Square Foot of Finished Areas: \$20.00
- Price per Linear Foot of Paneling: \$10.00

Exhibit 2-1 - Concept Plan ROM (Rough Order of Magnitude)

Bengal Solutions				
Ledge Creek Horse Park				
Concept Plan ROM (Rough Order Magnitude) Capital Expenditure				
	Unit	Option 1	Option 2	Option 3
Engineering Allowance		\$ 40,000	\$ 40,000	\$ 40,000
Base Arena	<i>Square Feet</i>			
120 ft X 200 ft	24,000	\$ 416,400		
150 ft X 250 ft	37,500		\$ 650,625	
175 ft X 300 ft	52,500			\$ 910,875
Sand		\$ 10,800	\$ 16,875	\$ 23,625
Outdoor Covered Space	5,000	\$ 72,500	\$ 72,500	\$ 72,500
Management Office	225	\$ 4,500	\$ 4,500	\$ 4,500
Storage Room	200	\$ 3,470	\$ 3,470	\$ 3,470
Tack Room	600	\$ 12,000	\$ 12,000	\$ 12,000
Bleacher Area	1,250		\$ 21,688	\$ 21,688
Wash Bay/Grooming Area	400		\$ 8,000	\$ 8,000
Horse Stalls (25)	2,500		\$ 50,000	\$ 50,000
Concession Area	900			\$ 18,000
Classroom	900			\$ 18,000
Restrooms		\$ 5,000	\$ 10,000	\$ 20,000
Allowance for Well, Sewer, Power		\$ 20,000	\$ 20,000	\$ 20,000
	<i>Linear Foot</i>			
Outdoor Arena 1	1060			\$ 10,600
Outdoor Arena 2	720		\$ 7,200	\$ 7,200
Outdoor Stalls (10)	310		\$ 3,100	\$ 3,100
Livestock Pen	300		\$ 3,000	\$ 3,000
Round Pen		\$ 2,000	\$ 2,000	\$ 2,000
Small Tractor		\$ 30,000	\$ 30,000	\$ 30,000
Initial Cattle Investment (20 head)			\$ 18,000	\$ 18,000
Total Capital Expenditure		\$ 616,670	\$ 972,958	\$ 1,296,558
		1.00	1.58	2.10

Section 3 - Risk Assessment

A risk assessment is a careful examination of what, in your operation, could cause harm to people. This type of assessment is necessary to determine whether or not you have taken enough precautions to prevent harm. The law does not expect anyone to eliminate all risk, but you are required to protect people as far as is 'reasonably practicable'. It is important that all of LCHP's members, spectators, supporters, and others maintain the highest level of health and safety. In addition to creating a safe environment for everyone to enjoy, minimizing risk will also increase the options available to LCHP with regard to insurance and the associated premiums.

There are five (5) steps to a risk assessment:

- Identify potential hazards (A hazard is anything that may cause harm.)
- Identify the parties that may be exposed to the hazards and how (i.e. members, spectators, supporters, and others)
- Evaluate the significant risks and select control measures to minimize the risks
- Record findings and implement them
- Review the assessment and updating if necessary

Risk assessments should be carried out as part of LCHP's safety management routine. They should be completed by a person who is experienced and competent to do so. Competence can be expressed as a combination of knowledge, awareness, training, and experience. A risk assessment should be done prior to a special event taking place. Aside from specific events, a risk assessment should be completed on a regular basis examining everyday operations. In addition to the on-going activities that take place in the arena, the assessments will include examining all equipment as well as the facility itself.

Step 1: Identify Potential Hazards

Some of the potential hazards that should be considered with regard to LCHP are:

- Upset horse when ridden
- Upset horse when led
- Handling horses
- Collision with another horse
- Incorrect tack
- Ill Fitting Kit
- Unsuitability of horse
- Unfit horse
- Malfunction of equipment
- Other animals
- Motor vehicles
- Poor lighting
- Loose horse
- Cattle
- Fire

Other things to consider:

- How are people going to get in and out of the arena? Will it be possible to separate traffic, pedestrians and riders, or if not do you need to put staff in place to ensure there is not an incident?
- Will there be a large enough space as a collecting ring so that horses do not barge into each other in a situation where there are many horses getting ready for a competition?
- Will there be enough helpers/employees to lift heavy objects (i.e. barrels, etc.) so that no one gets hurt lifting?
- Will there be enough helpers/employees to act as stewards to ensure safety? All stewards and officials must be equipped with the means to warn people of dangers.
- Will there be safe fencing to keep spectators away from a course or a ring?
- Will your course be safe?
- In case of a situation, who should be contacted to mitigate that situation?
- If volunteers are used in the arena in place of actual employees, what kind of additional risks are associated with that?

Once you have identified potential hazards, it is important to score those hazards. You will start by determining the likelihood of that hazard actually occurring. This should be assessed on a scale of 1 - 3 as follows:

- 1 = Unlikely
- 2 = Likely
- 3 = Certain

After assessing the likelihood of the hazards, you then want to assess the potential severity of an occurrence. This should also be assessed on a scale of 1 – 3 as follows:

- 1 = Minor injury / lost time / illness
- 2 = Serious injury / disablement
- 3 = Death / fire / explosion

The final calculation of risk is to multiply the likelihood (L) by the severity (S) to get the risk rating. If the risk rating falls between 1 and 3, it is considered a low risk. If the risk rating falls between 4 and 6, it is considered a moderate risk. If the risk rating falls between 7 and 9, it is considered a high risk.

Step 2: Identify Who Might Be Exposed to the Hazards and How

- Rider: Falling off horse
- Handler & Others: Letting go of horse
- Handler: Bitten or kicked
- Horse & Rider: Injury
- Horse & Rider: Injury through tack breaking or hurting horse
- Rider: Injury/Fall
- Rider: Falling off horse
- Horse & Rider: Horse falling/horse illness
- Horse & Rider: Injury
- Horse & Rider: Horse tripping/falling

- Horse & Rider: Horse spooking
- Horse & Rider: Collision or horse spooking
- Horse & Rider: Horse and rider unable to see
- Anyone present: Injury, possibility of getting on road
- Anyone present/Cattle/Horse: Injury
- Anyone present/Cattle/Horses: Injury

Step 3: Evaluate Significant Risks and Select Control Measures

The control measures are the actions performed to reduce either the probability of the hazard occurring or the severity of the outcome - where possible, both. When considering what measures to put in place, it is important to consider both the severity and the likelihood, in order to minimize the overall risk. The measures will vary widely depending on the hazard.

When deciding on what new control measures will be required, it may be helpful to work through the hierarchy of controls. The hierarchy is as follows:

- Elimination – get rid of the risk all together
- Substitution – exchange one risk for something less likely or severe
- Physical Controls – separation/isolation, eliminate contact with the hazard
- Administrative Controls – safe systems of work, rules in place to ensure safe use/contact with hazard
- Information, instruction, training, & supervision – warn people of hazard and tell/show/help them how to deal with it
- Personal Protective Equipment – dress them appropriately to reduce severity of accident

Control measures should be practical and easy to understand, applicable to the hazard, able to reduce the risk to acceptable levels, acceptable to those they are imposed upon, and easy to implement.

After the new control procedures are implemented, it is important to re-score the risks as you did in Step 1. However, you are now ranking them as residual risks. The initial ranking was the likelihood and severity of the hazard occurring with no controls. Now, assuming the newly implemented controls would be in place and adhered to, what would be the new likelihood and severity of that hazard? Again, the likelihood should be assessed on a scale of 1 - 3 as follows:

- | | |
|--------------|--|
| 1 = Unlikely | If control measures do not break down |
| 2 = Likely | If the control measures depend on an individual using them or adjusting them |
| 3 = Certain | Exposure to the hazard is continuous |

After assessing the likelihood of the hazards, you then want to assess the severity of an occurrence once the new control measures in place. This should also be assessed on a scale of 1 – 3 as follows:

- | |
|--|
| 1 = Minor injury / lost time / illness |
| 2 = Serious injury / disablement |
| 3 = Death / fire / explosion |

The final calculation of risk is to multiply the likelihood (L) by the severity (S) to get the risk rating. If the risk rating falls between 1 and 3, it is considered a low risk. If the risk rating falls between 4 and 6, it is considered a moderate risk. If the risk rating falls between 7 and 9, it is considered a high risk. It is important to get the risk as low as reasonably practicable until it is at a tolerable level.

Step 4: Record Findings and Enforce Implemented Controls

It is necessary to record all findings. Be specific on what actions you plan to take to ensure those control measures are followed.

Keep copies of the assessments for your records and for inspection by others. (i.e. insurance companies)

Step 5: Review Assessment

To ensure the control measures put in place are achieving the desired level of control, you must review the assessment on a regular basis (i.e. monthly, bi-monthly, annually, bi-annually) or if anything changes (i.e. new staff, change in machinery, change in process, etc.).

It is essential that you communicate the findings in the assessment with all that are affected. Whenever there are new control measures implemented, it is also important those be communicated to the affected individuals. If this information is not communicated, there is a good chance that the measures will not be followed and the risk will not be mitigated.

In Exhibit 3-1, you will find a sample spreadsheet that will aid you in assessing your risk.

Possible Measures of Control

Below are some control measures that could be easily incorporated to minimize the risk of LCHP:

- Include a claims and liability waiver as part of the membership applications or forms for one-time rides. This waiver would state that the undersigned acknowledges that they are participating at their own free will, that they acknowledge the risk involved in the activities they are participating in, and that they assume full responsibility for those risks. It would be essential that every person that enters the arena sign this form. A sample membership application form is provided in Exhibit 3-2 for your reference.
- Enforce a rule of no dogs in the arena (or at least no dogs that are not on a leash). That would cut down on the possibility of a horse getting spooked.
- Enforce rules with regard to children under the age of 12. If riding, they must wear helmets. If not riding, they must stay in a certain area (i.e. fenced bleacher area). If that is not feasible, you may want to charge a higher price for those that choose not to wear helmets.
- Enforce a rule of no one under the age of 18 riding bareback.
- Enforce a rule of no green and unbroken horses on the property.

In many businesses, control systems are put in place to meet the information and control needs of individual managers and their organization. Because this is a small start-up operation, there is little demand for formal control systems. The primary reason for incorporating control measures (such as those shown above) is to minimize the potential risk of injury. However, based on the nature of the

operation, there are some control systems that LCHP could easily integrate that would help enforce the environment it strives to maintain.

For example, a Beliefs System could be put in place. This is a set of organizational definitions that the organization would formally communicate and reinforce to all members and arena users to provide basic values, purpose, and direction for the organization. These core values are linked to the business strategy of the organization. This can be done by the Committee working together to create a mission/vision statement or a statement of purpose. This statement might include something about the LCHP striving for utmost safety in all hosted activities to ensure every participant leaves with a positive, energized experience. Whatever the statement is that LCHP plans to operate by, it should be visibly posted and communicated to everyone who uses the arena.

Another example of a control system that could be put in place at LCHP is a Boundary System. This system establishes limits, based on defined business risks. This would tie in with the control measures that are enforced. The Boundary System would be made up of formally stated rules and limits. There should also be a credible threat of punishment if those rules and/or limits are not followed or broken. The Committee would work together to determine the rules and limits as well as the associated punishments. The Committee and the LCHP staff would work to monitor the compliance. The rules and/or limits that are determined should be all encompassing to anyone that may enter the arena for any reason. It would not only include the riders but the trainers, spectators, etc. as well.

Property and Casualty Insurance

With regard to obtaining insurance for the arena and its operations, the premium will be based on gross sales. Therefore, the amount of money that is brought in via memberships, single usage fees, competitions, etc. will determine the amount of premium paid for the insurance. In most cases, the rate applied to those gross sales will be reasonable. For gross sales on boarding horses and other services that hold a higher risk, the rate applied to those gross sales will be elevated. When obtaining quotes for a liability insurance policy for LCHP, an insurance company will need an estimation of the expected gross receipts for each service provided.

If the facility is rented out for concerts, or other similar events, that brings with it a higher risk. However, in those instances, the risk can be transferred to the person(s) renting the facility. They can purchase special insurance coverage for that particular event. In doing so, it will not affect the insurance and premium paid by LCHP.

Per Travelers Insurance Company, the base rate for boarded horses is \$48/horse. The base rate for an event with at least one hundred (100) participants is \$160/event. There will also be a charge for how many acres you have on the property, the number of dwellings on the property, the number of ATV's, etc. There will also be some Care, Custody & Control factors taken into consideration. An estimate of \$2,000 to \$3,000 annually for a liability policy is a rough estimate.

In Exhibit 3-3, you will find an application for Commercial Equine Liability from a company that provides a nice package for this coverage. Even if you chose to pursue the same coverage from another company, this application will provide you with the information that insurance companies look for and the factors that drive the rates.

Exhibit 3-1 – Risk Assessment Worksheet

[illegible]

Exhibit 3-2 - Sample Membership Application

LEDGE CREEK HORSE PARK

MEMBERSHIP APPLICATION

JANUARY 1ST, 2013 – DECEMBER 31ST, 2013

\$25.00 EACH PARTICIPANT

\$10.00 PEE WEES

PLEASE PRINT:

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE: ____/____ E-MAIL: _____

PARTICIPANT NAME: _____

HORSE: _____ AGE: _____

GENERAL RELEASE OF CLAIMS AND LIABILITY WAIVER

I, the undersigned do hereby acknowledge at my free and voluntary will, that I have selected to participate in equine activities and acknowledge, understand and appreciate the risks and hazards as a participant in such equine activities, and understand that there is a possibility of personal injury.

In consideration I agree to hold Ledge Creek Horse Park and/or any subsidiaries or associates of any and all including employees, agents, servants, and guests thereof, from any and all legal claims, including, but not limited to actions found in negligence, tort, or contract for any injuries suffered by me, my family and/or companions, my horse, or my equipment during any and all participation at the Ledge Creek Horse Park, whether such injuries be due to the negligence or fault of Ledge Creek Horse Park, any participant, and other person present, ground conditions or any condition existing on the property or for any other reason.

I understand the horse activities and barrel racing competition are high risk and I assume all risks therein. I agree to be responsible for my own safety and the safety of others.

The below signed entrant hereby certifies that as a participant in Ledge Creek Horse Park, I accept all responsibility. Under Idaho Equine Law, an equine professional is not liable for an injury or the death of a participant in equine activities resulting from the inherent risk of equine activities, pursuant to Idaho Equine Act, Idaho Code Title 6, Chapter 18.

SIGNING THIS PAPER SETTLES AND ENDS EVERY RIGHT OR CLAIM FOR DAMAGES WHICH YOU, YOUR FAMILY, STATE, HERIS OR ASSIGNS MIGHT EVER HAVE AGAINST LEDGE CREEK HORSE PARK COMMITTEE, LEDGE CREEK HORSE PARK OR THEIR ASSOCIATES, FOR PARTICIPATION IN EQUINE ACTIVITIES THROUGH THEIR PROVISION OF A HORSE/HORSES AND/OR TACK, AND LEDGE CREEK HORSE PARK ARENA.

PLEASE DO NOT SIGN IF YOU DO NOT AGREE.

Participant Name: _____ Printed Guardian Signature: _____

Date: _____ Signature: _____

(Guardian if under 18 years old)



APPLICATION FOR COMMERCIAL EQUINE LIABILITY

(A Special Program Limited to Horse-Related Exposures Only)

THIS IS NOT A BINDER

AGENCY NAME	CODE
ADDRESS	
PHONE NUMBER	FAX NUMBER

IMPORTANT: INCOMPLETE AND UNSIGNED APPLICATIONS WILL BE RETURNED FOR COMPLETION. ALL OPERATIONS MUST BE DECLARED. ALL HORSE-RELATED EXPOSURES MUST BE INSURED.

☐ NEW BUSINESS - DESIRED EFFECTIVE DATE☐ RENEWAL - EXPIRATION DATE

NAME OF APPLICANT		BUSINESS/STABLE NAME													
MAILING ADDRESS/CITY/STATE/ZIP CODE															
TELEPHONE NUMBER		PERSON TO CONTACT FOR INSPECTION													
NOTICE - WHEN MORE THAN ONE APPLICANT (HUSBAND AND WIFE EXPECTED), EXPLAIN INTEREST OF EACH															
LOCATION(S) OF ACTUAL OPERATIONS - INDICATE IF APPLICANT OWNS OR LEASES PREMISES Address (including county) <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 80%;"></td> <td style="width: 10%; text-align: center;">Premises</td> <td style="width: 10%;"></td> </tr> <tr> <td>1. _____</td> <td style="text-align: center;"><input type="checkbox"/> Own</td> <td style="text-align: center;"><input type="checkbox"/> Lease</td> </tr> <tr> <td>2. _____</td> <td style="text-align: center;"><input type="checkbox"/> Own</td> <td style="text-align: center;"><input type="checkbox"/> Lease</td> </tr> <tr> <td>3. _____</td> <td style="text-align: center;"><input type="checkbox"/> Own</td> <td style="text-align: center;"><input type="checkbox"/> Lease</td> </tr> </table>					Premises		1. _____	<input type="checkbox"/> Own	<input type="checkbox"/> Lease	2. _____	<input type="checkbox"/> Own	<input type="checkbox"/> Lease	3. _____	<input type="checkbox"/> Own	<input type="checkbox"/> Lease
	Premises														
1. _____	<input type="checkbox"/> Own	<input type="checkbox"/> Lease													
2. _____	<input type="checkbox"/> Own	<input type="checkbox"/> Lease													
3. _____	<input type="checkbox"/> Own	<input type="checkbox"/> Lease													
PLEASE GIVE TOTAL NUMBER OF ACRES OWNED OR LEASED BY THE APPLICANT															
APPLICANT IS <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Organization/Corporation <input type="checkbox"/> Owner Operator <input type="checkbox"/> Other (specify)															
NAMES OF ALL PARTNERS OR OFFICERS OF CORPORATION															
ADDITIONAL INSURED TO BE ADDED TO THIS POLICY (LIABILITY ONLY) <input type="checkbox"/> Owner of Premises: Name Address <input type="checkbox"/> Other - Describe Interest: Name and Address															
LIMITS OF LIABILITY - PLEASE CHECK ONLY ONE SET OF DESIRED LIMITS <input type="checkbox"/> \$300,000 CSL/Occ. <input type="checkbox"/> \$500,000 CSL/Occ. <input type="checkbox"/> \$1,000,000 CSL/Occ. <input type="checkbox"/> \$ _____ CSL/Occ. \$600,000 Agg. \$1,000,000 Agg. \$2,000,000 Agg. <input type="checkbox"/> Other															
DO YOU DESIRE COVERAGE FOR CARE, CUSTODY, OR CONTROL FOR NON-OWNED HORSES (IF YES, PLEASE COMPLETE A SEPARATE APPLICATION - IF NO, PLEASE SIGN HERE AS HAVING REJECTED COVERAGE)															
APPLICANT		<input type="checkbox"/> Yes <input type="checkbox"/> No													
DATE															

CP-4647 12 97

ORIGINAL APPLICATION MUST BE RETURNED

Page 1

GENERAL INFORMATION & UNDERWRITING QUESTIONNAIRE

1.	DESCRIBE ALL FARMING OR HORSE-RELATED OPERATIONS		
2.	NUMBER OF YEARS AT THIS LOCATION	NUMBER OF YEARS EXPERIENCE IN THESE OPERATIONS	
3.	IF LESS THAN FIVE (5) YEARS, GIVE BRIEF DESCRIPTION OF EXPERIENCE AND BACKGROUND IN HORSE BUSINESS		
4.	DO YOU HAVE WORKERS' COMPENSATION INSURANCE <input type="checkbox"/> Yes <input type="checkbox"/> No	Note: Workers' Compensation and Employer's Liability is <u>not</u> covered under this policy.	PAYROLL FOR HORSE OPERATIONS \$
5.	IS THIS YOUR PRINCIPLE OCCUPATION - IF NO, DESCRIBE OCCUPATION OR BUSINESS YOU ARE ENGAGED IN <input type="checkbox"/> Yes <input type="checkbox"/> No		
6.	ARE THERE ANY BUSINESS ENTERPRISES OR PROFESSIONAL OFFICES ON ANY OF THE DESCRIBED PREMISES - IF YES, PLEASE EXPLAIN <input type="checkbox"/> Yes <input type="checkbox"/> No		
7.	DO YOU LEASE ANY PART OF THE LAND, BUILDINGS, STABLES, STALL SPACE, OPERATIONS TO OTHERS - IF YES, PLEASE EXPLAIN <input type="checkbox"/> Yes <input type="checkbox"/> No		
8.	IS THERE 24-HOUR SUPERVISION OF THE FACILITY - IF YES, PLEASE DESCRIBE <input type="checkbox"/> Yes <input type="checkbox"/> No		
9.	ARE ALL PASTURES TOTALLY FENCED - DESCRIBE TYPE OF ALL FENCING <input type="checkbox"/> Yes <input type="checkbox"/> No		
10.	DESCRIBE CONDITION <input type="checkbox"/> Excellent <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	HOW OFTEN IS FENCING CHECKED	
11.	WHO IS RESPONSIBLE FOR FENCE REPAIR <input type="checkbox"/> Owner <input type="checkbox"/> Lessee	RIDING FACILITIES Arena: <input type="checkbox"/> Indoor <input type="checkbox"/> Outdoor <input type="checkbox"/> Open Fields <input type="checkbox"/> Trails	
12.	DO YOU HAVE OPERABLE FIRE EXTINGUISHERS VISIBLE AND READILY ACCESSIBLE IN YOUR STABLES <input type="checkbox"/> Yes <input type="checkbox"/> No	IN OTHER OUTBUILDINGS/BARNs <input type="checkbox"/> Yes <input type="checkbox"/> No	
13.	DO YOU OBTAIN A RELEASE SIGNED BY BOARDERS AND STUDENTS RELIEVING YOU OF CLAIMS FOR BI & PD - IF YES, PLEASE <u>ATTACH A COPY TO THIS APPLICATION</u> <input type="checkbox"/> Yes <input type="checkbox"/> No		
14.	DO YOU POST RULES <input type="checkbox"/> Yes <input type="checkbox"/> No	DO YOU POST WARNING SIGNS <input type="checkbox"/> Yes <input type="checkbox"/> No	DESCRIBE ANY SAFETY PROGRAM OR ATTACH INFORMATION
15.	DO YOU OWN/MAINTAIN DOGS ON THE DESCRIBED PREMISES - IF YES, HOW MANY WHAT BREED <input type="checkbox"/> Yes <input type="checkbox"/> No		
16.	HAS ANY DOG BITTEN OR CAUSED INJURY TO ANYONE - IF YES, PROVIDE DETAILS <input type="checkbox"/> Yes <input type="checkbox"/> No		
17.	DO YOU OWN/MAINTAIN ANY OTHER ANIMALS, OSTRICHES, EMUS, ETC. - IF YES, HOW MANY WHAT TYPE <input type="checkbox"/> Yes <input type="checkbox"/> No		
18.	IS THERE A SWIMMING POOL ON THE PROPERTY <input type="checkbox"/> Yes <input type="checkbox"/> No	IF YES, IS IT RESTRICTED TO PRIVATE USE <input type="checkbox"/> Yes <input type="checkbox"/> No	
19.	IS HUNTING/FISHING PERMITTED ON THE PROPERTY - IF YES, PLEASE EXPLAIN <input type="checkbox"/> Yes <input type="checkbox"/> No		
20.	DO YOU OPERATE A BED AND BREAKFAST - IF YES, PLEASE DESCRIBE <input type="checkbox"/> Yes <input type="checkbox"/> No		

SECTION I. SUMMARY OF HORSES - AT PEAK SEASON				
ACCOUNT FOR EACH ANIMAL BELOW ONLY ONCE, BASED ON ITS PRIMARY USE				
Owned/Leased/Used By Insured		Number	Non-Owned By Insured	
			Number	
1. Rentals/Trail/Pack Trips			1. Boarding/pasturing	
2. Pony rides			2. Breeding only (Stallions ; Mares) 0	
3. Used for instruction to others			3. Show training (Breed:)	
4. Boarded horses <u>used</u> by applicant for instruction to others			4. Racing and/or training (Breed:)	
5. Furnished by independent instructors for lessons to others			5. Lay ups	
			6. On consignment for sale (Breed:)	
			7. Other (Describe:)	
All Owned Horses Not Included Above 6. Breeding ; Racing ; Training ; 0 Show ; Pleasure ; Foals/Weanlings ; 0 For Sale ; (Breed:); Retired ; 0 Other			Total 0	
All Owned Horses must be declared <div style="text-align: right;">Total: (Lines 1 - 6) 0</div> 7. Number of wagons/sleds/carriages/carts/buggies, etc. ; Describe use:			What is the maximum number of horses (owned and non-owned) that can be kept on your premises:	
SECTION II. HORSES NON-OWNED BOARDING, BREEDING, TRAINING, RACING <input type="checkbox"/> CHECK IF NO EXPOSURE AND INITIAL				
1.	TOTAL NUMBER OF STALLS	MAXIMUM NUMBER BOARDED	PASTURED	MONTHLY BOARDING RATE \$
2.	TRAINING PLEASURE & SHOW: MAXIMUM NUMBER OF NON-OWNED HORSES IN TRAINING			MONTHLY TRAINING RATE \$
3.	DO YOU ATTEND OFF-PREMISE SHOWS WITH HORSES IN TRAINING <input type="checkbox"/> Yes <input type="checkbox"/> No			
4.	BREEDING: NUMBER OF NON-OWNED STALLIONS	BREED	MAXIMUM NUMBER OF OUTSIDE MARES	ARE MARES KEPT ON PREMISE TIL FOALING <input type="checkbox"/> Yes <input type="checkbox"/> No
5.	RACE HORSES: WHAT BREEDS	HOW MANY DO YOU TRAIN FOR OTHERS	PAYROLL \$	WHAT STATES DO YOU RACE IN
ARE YOU ACTIVELY INVOLVED IN THE RACING/TRAINING OF YOUR OWN RACE HORSES <input type="checkbox"/> Yes <input type="checkbox"/> No				
SECTION III. EQUESTRIAN SCHOOLS - RIDING INSTRUCTION - CLINICS <input type="checkbox"/> CHECK IF NO EXPOSURE AND INITIAL				
1.	IS INSTRUCTION PROVIDED BY <input type="checkbox"/> You <input type="checkbox"/> An Independent Instructor		ARE YOU A CERTIFIED INSTRUCTOR <input type="checkbox"/> Yes <input type="checkbox"/> No	
2.	DESCRIBE TYPE OF SAFETY GEAR REQUIRED			
3.	DO YOU PROVIDE RIDING FOR THE HANDICAPPED <input type="checkbox"/> Yes <input type="checkbox"/> No	IF SO, ADVISE GROSS ANNUAL RECEIPTS \$	NUMBER OF HORSES AVAILABLE FOR HANDICAPPED	
	RATIO OF INSTRUCTORS TO STUDENTS	ARE SIDEWALKERS USED <input type="checkbox"/> Yes <input type="checkbox"/> No		
4.	MAXIMUM NUMBER OF SCHOOL HORSES AVAILABLE	MAXIMUM NUMBER USED AT ANY ONE TIME	GROSS ANNUAL RECEIPTS \$	
5.	ARE STALLIONS USED FOR INSTRUCTION <input type="checkbox"/> Yes <input type="checkbox"/> No	IF SO, INDICATE THE LEVEL OF THE RIDER AND AGE		
6.	DO YOU GIVE INSTRUCTION TO STUDENTS ON THEIR OWN HORSES <input type="checkbox"/> Yes <input type="checkbox"/> No	IF SO, ADVISE AVERAGE NUMBER OF STUDENTS PER WEEK	ANNUAL GROSS RECEIPTS \$	
7.	DO YOU TEACH <input type="checkbox"/> English <input type="checkbox"/> Jumping <input type="checkbox"/> Saddle Seat <input type="checkbox"/> Western <input type="checkbox"/> Dressage <input type="checkbox"/> Other:			
8.	IS THERE ANY PERIOD OF THE YEAR DURING WHICH YOU DO NOT GIVE INSTRUCTIONS - IF SO, GIVE DATES CLOSED <input type="checkbox"/> Yes <input type="checkbox"/> No			
9.	DO YOU ATTEND OFF-PREMISES SHOWS WITH YOUR STUDENTS <input type="checkbox"/> Yes <input type="checkbox"/> No	HOW MANY TIMES PER YEAR	GROSS RECEIPTS \$	

SECTION III. continued				<input type="checkbox"/> CHECK IF NO EXPOSURE AND INITIAL	
10.	DO YOU HOLD CLINICS FOR NON-STUDENTS <input type="checkbox"/> Yes <input type="checkbox"/> No	HOW MANY	AVERAGE ATTENDANCE	RECEIPTS EARNED \$	
11.	DO YOU OPERATE A DAY CAMP <input type="checkbox"/> Yes <input type="checkbox"/> No	OVERNIGHT CAMP <input type="checkbox"/> Yes <input type="checkbox"/> No	DO YOU PROVIDE FOOD <input type="checkbox"/> Yes <input type="checkbox"/> No		
12.	DESCRIBE ALL ACTIVITIES OFFERED AT CAMPS OTHER THAN RIDING INSTRUCTIONS				
SECTION IV. INDEPENDENT INSTRUCTORS/TRAINERS					
CHECK IF NO EXPOSURE AND INITIAL					
1.	DO INDEPENDENT TRAINERS OR INSTRUCTORS OPERATE ON YOUR PREMISES - IF SO, HOW MANY <input type="checkbox"/> Yes <input type="checkbox"/> No			DO THEY CARRY THEIR OWN INSURANCE ++ <input type="checkbox"/> Yes <input type="checkbox"/> No	
++ If so, we will require a copy of a Certificate of Insurance for each insured for coverage with limits equal to those you carry. We will also require that they name you as an additional insured under their policy. If the independent instructors or trainers DO NOT carry their own insurance, they will be added as an insured for an additional charge. Coverage is limited to on-premises only and to off-premise shows with horses and/or riders in training.					
PROVIDE NAMES OF INDEPENDENT INSTRUCTORS OR TRAINERS AND ADDRESSES					
2.	HOW MANY HORSES ARE PROVIDED FOR LESSONS BY INDEPENDENT INSTRUCTORS		GROSS RECEIPTS \$	GROSS RECEIPTS FOR INSTRUCTION TO STUDENTS ON THEIR OWN HORSES \$	
3.	HOW MANY OF YOUR BOARDED HORSES ARE BEING TRAINED BY INDEPENDENT TRAINERS			OR TRAINED UNDER YOUR NAME	
SECTION V. PONY RIDES / SADDLE ANIMALS FOR HIRE / HOURLY OR DAILY RENTALS / TRAIL RIDES / LEASING / PACK TRIPS					
CHECK IF NO EXPOSURE AND INITIAL					
1.	NUMBER OF ANIMALS AVAILABLE FOR RENTAL OR TRAIL RIDES		GROSS RECEIPTS FOR RENTALS \$	GROSS RECEIPTS FOR TRAIL RIDES \$	DO YOU CONDUCT PACK TRIPS <input type="checkbox"/> Yes <input type="checkbox"/> No
2.	PONY RIDES/PARTIES: NUMBER OF PONIES	GROSS RECEIPTS \$	DO YOU USE SIDEWALKERS <input type="checkbox"/> Yes <input type="checkbox"/> No		
3.	DO YOU RENT OR LEASE HORSES OR PONIES TO CAMPS/RESORTS OR INDIVIDUALS - IF SO, HOW MANY - PLEASE EXPLAIN <input type="checkbox"/> Yes <input type="checkbox"/> No				
SECTION VI. SALES - HORSE, FOOD, CLOTHING, TACK, FEED, HORSESHOEING					
CHECK IF NO EXPOSURE AND INITIAL					
1.	DO YOU SELL HORSES <input type="checkbox"/> Yes <input type="checkbox"/> No	WHAT BREEDS	HOW MANY PER YEAR	GROSS ANNUAL RECEIPTS \$	
2.	IS BUYER ALLOWED TO TEST RIDE <input type="checkbox"/> Yes <input type="checkbox"/> No	IF YES <input type="checkbox"/> In arena <input type="checkbox"/> In open field	DO YOU SELL FROM YOUR OWN PREMISES <input type="checkbox"/> Yes <input type="checkbox"/> No		
3.	EXPLAIN ANY OTHER METHOD OF SALES				
4.	DO YOU SELL FOOD OR HAVE A SNACK BAR <input type="checkbox"/> Yes <input type="checkbox"/> No		Liquor liability not covered.		GROSS RECEIPTS \$
5.	DO YOU SELL TACK AND/OR CLOTHING - IF YES, USED OR NEW <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Used <input type="checkbox"/> New		GROSS RECEIPTS \$		
6.	DO YOU SELL HAY OR FEED <input type="checkbox"/> Yes <input type="checkbox"/> No		GROSS RECEIPTS \$		
7.	DO YOU MIX FEED FOR SALE/CONSUMPTION <input type="checkbox"/> Yes <input type="checkbox"/> No				
8.	DO YOU REPAIR RIDING EQUIPMENT FOR OTHERS <input type="checkbox"/> Yes <input type="checkbox"/> No				
9.	DO YOU PERFORM ANY TYPE OF FARRIER SERVICES <input type="checkbox"/> Yes <input type="checkbox"/> No		Injury to horse not covered.		ARE SERVICES ON PREMISE ONLY <input type="checkbox"/> Yes <input type="checkbox"/> No GROSS RECEIPTS \$ If on premises only, this coverage can be added to this policy.
NOTE: Products liability for any and all exposures involving sale of horses or other livestock, repair of tack, sale of feed if mixed or prepared by the insured is excluded from coverage..					

SECTION VII. RIDES, HORSE SHOWS AND MISCELLANEOUS ACTIVITIES							<input type="checkbox"/> CHECK IF NO EXPOSURE AND INITIAL
1. RIDES <input type="checkbox"/> HAY <input type="checkbox"/> SLEIGH <input type="checkbox"/> CARRIAGE	NUMBER OF PASSENGERS	GROSS RECEIPTS	NUMBER OF WAGONS	NUMBER OF HORSES	NUMBER OF MOTOR VEH	NUMBER OF TRIPS	ON OR OFF PREMISES
		\$					
2. SHOWS <small>Independent vendors are not covered.</small>	DO YOU MANAGE ANY SHOWS OPEN TO BOARDERS OR NON-STUDENTS <input type="checkbox"/> Yes <input type="checkbox"/> No			ARE THESE SHOWS RECOGNIZED BY THE AMERICAN HORSE SHOW ASSOC. <input type="checkbox"/> Yes <input type="checkbox"/> No			
	NUMBER OF PARTICIPANTS	GROSS RECEIPTS (ALL SHOWS)	MAXIMUM NUMBER OF SPECTATORS PER DAY	TOTAL NUMBER OF SHOW DAYS		SHOW DATES	
SHOWS ON PREMISES		\$					
RODEOS ON PREMISES		\$					
3. DO YOU SECURE RELEASES FROM ALL ENTRANTS - ATTACH A SAMPLE <input type="checkbox"/> Yes <input type="checkbox"/> No				DOES NUMBER OF SPECTATORS EVER EXCEED 500 PER DAY <input type="checkbox"/> Yes <input type="checkbox"/> No			
IF YES, EXPLAIN SEATING AND SAFETY MEASURES							
4. DO YOU HAVE BLEACHERS OR GRANDSTANDS <input type="checkbox"/> Yes <input type="checkbox"/> No		CONSTRUCTION		YEAR BUILT		SEATING CAPACITY - NUMBER	
5. DO YOU MANAGE ANY HUNTS OR RACING EVENTS <input type="checkbox"/> Yes <input type="checkbox"/> No		IF YES, WHAT TYPE		DO YOU OWN/LEASE ANY HOUNDS FOR HUNTS <input type="checkbox"/> Yes <input type="checkbox"/> No		HOW MANY HOUNDS	
6. IF RODEOS ON PREMISE, DESCRIBE TYPE OF EVENTS							
7. ALL OPERATIONS MUST BE DECLARED - DESCRIBE FULLY ANY OTHER EVENTS OR OPERATIONS NOT ALREADY MENTIONED IN THIS APPLICATION							
NOTE: Coverage is not provided for injury to participants in horse races, rodeos, rodeo-type events, hunts, vaulting, and polo matches/ practice.							
PREVIOUS 3 YEARS CARRIER INFORMATION REQUIRED (IF NO PREVIOUS CARRIER, STATE NONE)							
COMPANY	POLICY NUMBER	POLICY PERIOD	PREMIUM	NUMBER OF CLAIMS	LOSSES AND RESERVES		
1. HAVE YOU HAD ANY LOSSES IN THE PAST FIVE (5) YEARS - IF YES, GIVE APPROXIMATE DATES AND EXPLANATIONS INCLUDING MEDICAL PAYMENTS MADE FOR YOU <input type="checkbox"/> Yes <input type="checkbox"/> No							
2. HAVE YOU BEEN CANCELLED OR DENIED COVERAGE IN THE LAST THREE (3) YEARS - IF YES, PLEASE EXPLAIN <input type="checkbox"/> Yes <input type="checkbox"/> No							
3. IS THIS BUSINESS BROKERED - IF YES, BROKER IS TO PROVIDE NAME, ADDRESS, CITY, STATE, ZIP CODE, AND TELEPHONE NUMBER <input type="checkbox"/> Yes <input type="checkbox"/> No							

FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act which is a crime.

The undersigned hereby applies for insurance coverage as set forth in the application and affirms that the statements and representations made are to the best of his/her knowledge true.

APPLICANT'S SIGNATURE REQUIRED	DATE	AGENT'S/BROKER'S SIGNATURE	DATE
x	/ /	x	/ /

**IMPORTANT - ORIGINAL APPLICATION MUST BE RETURNED
A FIRM QUOTE CANNOT BE PROVIDED WITHOUT APPLICANT'S SIGNATURE
COVERAGE CANNOT BE BOUND WITHOUT APPLICANT'S SIGNATURE**

You may use this page to supplement your application with any additional information.

THANK YOU !

Page 6



CARE, CUSTODY & CONTROL QUESTIONNAIRE
(Horse Liability Questionnaire Must Also Be Complete)

INSURED'S NAME	POLICY NUMBER
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Business:
<input type="checkbox"/> Stable Owner <input type="checkbox"/> Boarding <input type="checkbox"/> Breeding Farm <input type="checkbox"/> Trainer <input type="checkbox"/> Other

How long in business?	Do you <input type="checkbox"/> own or <input type="checkbox"/> lease stable?	If leasing premises, who is responsible for building and fence repair?
-----------------------	--	--

Stable	Const?	# of Stalls	Sprinklered	Lighting Rods?	Fire Ext.?	Smoke/Fire Alarms	24 Hr Security	Describe Security	Secondary Egress?	If over 25 yrs. When Last updated
1										
2										
3										
4										

Breed of Horses:	Use of Horses:
------------------	----------------

Minimum number of non-owned horses in your care
Maximum number of non-owned horses in your care
Minimum value of non-owned horses in your care
Maximum values of non-owned horses in your care
Average number of non-owned horses in your care
Average value of non-owned horses in your care
Fire protection class
What type of fencing is used in run, pastures and paddocks?
Is wire utilized in the construction of pasture fences, paddocks or any area that non-owned horses will have access? if yes, please explain the type and the extent of use (make specific reference to any use of barbed wire).
Are shelters provided in runs of pastures? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, describe
Where are non-owned horses kept at night (stable, pasture, etc.)?
Is smoking allowed within structures? <input type="checkbox"/> Yes <input type="checkbox"/> No Strickly Enforced? <input type="checkbox"/> Yes <input type="checkbox"/> No
Are stallions housed, pastured and exercised in separate pastures, paddocks and runs, away from mares <input type="checkbox"/> Yes <input type="checkbox"/> No

Do all electrical lights have explosion proof covers? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Are electrical outlets inaccessible to horses? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Does applicant mix own concentrate feed rations on the premises? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Is feed stored in the stabling area? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, explain the type of feed and the location of the storage area.	
Is the feed room secured with horse proof latches? <input type="checkbox"/> Yes <input type="checkbox"/> No	
What is construction of the stalls?	Type of stalls (box, slip)?
Size of stalls (sq. ft. & height)?	
Are health certificates required to be provided by the owner(s) prior to accepting the non-owned horses? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how often are they required to be updated?	
Are all non-owned horses required to have permanent methods of identification, i.e. tags, brands, tattoos, registration records? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, explain	
Are non-owned horses transported for others? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide the following: Maximum number of trips per year? _____ Maximum number of animals per trip? _____ Radius of operation? _____ Do at least two people go on each trip <input type="checkbox"/> Yes <input type="checkbox"/> No How often are trailer(s) or van(s) floor boards checked? _____ Are fire extinguishers carried on the truck or van? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Are there therapeutic pools for horses? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, were they installed by the manufacturer? <input type="checkbox"/> Yes <input type="checkbox"/> No Electrician?	
Do employees (if any) have written instructions on their responsibility in case of a stable fire? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide a copy of those instructions.	
Name/Address of regular Veterinarian: How often is he/she on premises? <input type="checkbox"/> Daily <input type="checkbox"/> Twice a week <input type="checkbox"/> Weekly <input type="checkbox"/> Other	
Describe any losses or potential claims in the past three years. Include any deaths of any animal(s) in your custody, even if a claim was not presented:	
Requested Limits of Insurance: Please place and X beside limits desired!	
<u>Limit per Horse</u>	<u>Limit per Occurrence</u>
<input type="checkbox"/> \$ 500	\$ 5,000
<input type="checkbox"/> \$ 1,000	\$ 10,000
<input type="checkbox"/> \$ 2,500	\$ 25,000
<input type="checkbox"/> \$ 5,000	\$ 25,000
<input type="checkbox"/> \$ 5,000	\$ 50,000
<input type="checkbox"/> \$ 10,000	\$ 50,000
<input type="checkbox"/> \$ 10,000	\$ 100,000
<input type="checkbox"/> \$ 25,000	\$ 250,000
<input type="checkbox"/> \$ 50,000	\$ 250,000
<input type="checkbox"/> \$ 100,000	\$ 300,000
<input type="checkbox"/> \$ 200,000	\$ 500,000
<u>Aggregate</u>	
	\$ 5,000
	\$ 10,000
	\$ 25,000
	\$ 25,000
	\$ 50,000
	\$ 50,000
	\$ 100,000
	\$ 250,000
	\$ 250,000
	\$ 300,000
	\$ 500,000

Insured Signature _____ Date _____

Agent Signature _____ Date _____

Section 4 – Financial Feasibility Report

Based on the market analysis, there are 57,680 horses in Southeast Idaho. Of those, we estimate 36,162 horses (pleasure, farm/ranch activities, and packing from the market analysis) are in the recreation market segment - LCHP's target segment. In addition, we also believe LCHP can draw from the breeding and not reported areas to find additional customers.

Assumptions

In order to complete the financial analysis, several assumptions had to be made. First, as stated in the Concept Plan, it is assumed LCHP will be able to secure land and construct the indoor arena without incurring debt - by using fundraising and donations. Second, it is assumed the improvements to the land (i.e. parking lot) will be paid for through fundraising or donations. Third, the size of the arena may restrict the types of activities LCHP can offer depending on the option selected. For example, while competitive events, barrel racing, and clinics can be offered in the 2nd option, they are offered to a lesser degree than in the 3rd option. Finally, there are several assumptions used to calculate the potential revenue and costs. See Exhibits 4-1, 4-2, and 4-3 for details on how the revenue and costs have been calculated for each option. These assumptions are based on research, the survey, competitive analysis, and the market analysis; however, some assumptions still had to be made.

Payment Options

The financial analysis was completed assuming customers will pay for activities per occurrence. In addition, LCHP could also have a membership option where the members would pay an annual fee to have either a lower price per occurrence or have unlimited access to activities. This would allow for a steady, dependable stream of revenue.

Option 1 – Basic Arena

As shown in Table 4-1, the estimated net loss for Option 1 is \$5,101. Based on a 10% sensitivity analysis, the net income could vary from a gain of \$8,269 to a loss of \$18,471.

Table 4-1

Option 1 - Basic Arena					
Annual Revenue	\$	64,300	Percentage Change		
Annual Costs	\$	69,401	Increase		10%
Net Income	\$	(5,101)	Decrease		10%
Sensitivity					
Worst Case					
Revenue Decrease		Costs Increase		Revenue Decrease and Cost Increase	
Annual Revenue	\$	57,870	Annual Revenue	\$	57,870
Annual Costs	\$	69,401	Annual Costs	\$	76,341
Net Income	\$	(11,531)	Net Income	\$	(18,471)
Best Case					
Revenue Increase		Cost Decrease		Revenue Increase and Cost Decrease	
Annual Revenue	\$	70,730	Annual Revenue	\$	70,730
Annual Costs	\$	69,401	Annual Costs	\$	62,461
Net Income	\$	1,329	Net Income	\$	8,269

Option 2 – Medium Arena

As shown in Table 4-2, the estimated net income for Option 2 is \$64,198. Based on a 10% sensitivity analysis, the net income could vary from \$95,983 to \$32,414.

Table 4-2

Option 2 - Medium Arena					
Annual Revenue	\$	191,020	Percentage Change		
Annual Costs	\$	126,822	Increase		10%
Net Income	\$	64,198	Decrease		10%
Sensitivity					
Worst Case					
Revenue Decrease		Costs Increase		Revenue Decrease and Cost Increase	
Annual Revenue	\$	171,918	Annual Revenue	\$	191,020
Annual Costs	\$	126,822	Annual Costs	\$	139,504
Net Income	\$	45,096	Net Income	\$	51,516
Best Case					
Revenue Increase		Cost Decrease		Revenue Increase and Cost Decrease	
Annual Revenue	\$	210,122	Annual Revenue	\$	191,020
Annual Costs	\$	126,822	Annual Costs	\$	114,139
Net Income	\$	83,300	Net Income	\$	76,881
			Net Income	\$	95,983

Option 3 – Large Arena

As shown in Table 3, the estimated net income for Option 3 is \$57,243. Based on a 10% sensitivity analysis, the net income could vary from \$90,919 to \$23,567.

Table 4-3

Option 3 - Large Arena					
Annual Revenue	\$	197,000	Percentage Change		
Annual Costs	\$	139,757	Increase		10%
Net Income	\$	57,243	Decrease		10%
Sensitivity					
Worst Case					
Revenue Decrease		Costs Increase		Revenue Decrease and Cost Increase	
Annual Revenue	\$	177,300	Annual Revenue	\$	197,000
Annual Costs	\$	139,757	Annual Costs	\$	153,733
Net Income	\$	37,543	Net Income	\$	43,267
			Net Income	\$	23,567
Best Case					
Revenue Increase		Cost Decrease		Revenue Increase and Cost Decrease	
Annual Revenue	\$	216,700	Annual Revenue	\$	197,000
Annual Costs	\$	139,757	Annual Costs	\$	125,781
Net Income	\$	76,943	Net Income	\$	71,219
			Net Income	\$	90,919

As you can see in Table 3, there are no estimated costs or revenues for concessions. At this time, it is unclear how often the concessions would be used and, therefore, could not provide a credible estimate for sales volume and costs.

Recommendation

Based on the financial analysis of the three options, we recommend Option 2 for the following reasons:

1. Option 2 offers the most income. This income can be reinvested into the arena.
2. It will be easier to obtain donations and funding for Option 2 versus Option 3 because of the initial investment needed.
3. It will be easier to generate revenue to keep the smaller arena open and operating versus a large arena like Option 3.
4. Option 2 allows LCHP to offer horse stalling and cattle activities like sorting and penning. This increases the potential for the arena to raise revenue.

Horse Stalling Break-even Analysis

In order to offer horse stalling, LCHP will need to employ a part-time employee to clean the stalls and feed the horses. In addition, feed will need to be included in the monthly cost of stalling a horse. Based on competitors in the area, \$300 is a competitive price to charge for this service; however, Table 4-4 offers the average number of horses needed to break-even given a variety of prices. This break-even analysis was done using an estimated price of hay of \$200 per ton and the average feed per horse per day of 20 pounds.

Table 4-4

Stalling Break-even Analysis	
Price	Horses
\$150	11
\$175	9
\$200	7
\$225	6
\$250	5
\$275	5
\$300	4
\$325	4
\$350	4

Conclusion

We believe constructing an indoor riding arena is feasible in Caribou County. Options 2 and 3 offer a positive net income that can be reinvested into the facility for future growth and maintenance. New information and updated assumptions will need to be taken into account as the committee progresses forward.

Exhibit 4-1

Option 1: Financial Feasibility

Revenue Generation Breakdown			
Open Riding*		Barrel Racing	
# of events per month	25	# of events per month	0
Average # attendees per event	10	Average # attendees per event	0
Per Occurrence Cost	\$15	Per Occurrence Cost	\$0
Monthly Revenue	\$3,750	Monthly Revenue	\$0
Annual Revenue	\$45,000	Annual Revenue	\$0
Riding Club Practice Sessions		Roping, Sorting, or Penning	
# of events per month	8	# of events per month	0
Average # attendees per event	10	Average # attendees per event	0
Per Occurrence Cost	\$5	Per Occurrence Cost	\$0
Monthly Revenue	\$400	Monthly Revenue	\$0
Annual Revenue	\$4,800	Annual Revenue	\$0
Community Events**		Horse Stalling	
# of events per year	0	Average horses boarded	0
Average # attendees per event	0	Monthly cost per horse	\$0
Per Occurrence Cost	\$0	Monthly Boarding Revenue	\$0
Annual Revenue	\$0	Annual Boarding Revenue	\$0
Competitive Events		Clinics	
# of events per year	0	# of events per year	0
Average # attendees per event	0	Average # attendees per event	0
Per Occurrence Cost	\$0	Per Occurrence Cost	\$0
Annual Revenue	\$0	Cost of Clinic	\$0
		Monthly Revenue	\$0
		Annual Revenue	\$0
Horse/Rider Training Classes		Arena Advertising	
# of rides per class	5	Number of clients	15
# of class attendees per year	20	Monthly advertising charge	\$75
Per Occurrence Cost	\$10	Monthly Advertising Revenue	\$1,125
Monthly Revenue	\$83	Annual Advertising Revenue	\$13,500
Annual Revenue	\$1,000		
Total Monthly Revenue		\$5,358	
Total Annual Revenue		\$64,300	

*Open Riding includes casual riding, schooling, training, exercising, barrel racing, etc.

**Includes renting out the facility for concerts, family reunions, etc.

Cost Breakdown			
General and Administrative Expenses		Operating Expenses	
Employee Labor Expenses		Property Taxes	
Salary Employee	1	Acres	10
Monthly Salary	\$2,500	Value per Acre	\$2,050
Total Salary Expense	\$2,500	Value of Arena	\$616,670
		Annual Property Tax Rate	1.42%
# of hourly employees	0	Monthly Property Taxes	\$754
Average hours per week	20	Annual Property Taxes	\$9,048
Average hourly rate	\$10		
Total Hourly Employee Expense	\$0	Utilities	
		Monthly Water Expense	\$0
Monthly Employee Wages	\$2,500	Monthly Sewer Expense	\$0
Employer Social Security Taxes	\$155	Monthly Power Expense	\$300
Employer Medicare Taxes	\$36	Monthly Phone Expense	\$50
Employer Fed Unemployment	\$0	Monthly Garbage Expense	\$50
Employer State Unemployment	\$84	Monthly Utilities Expense	\$400
Monthly Cost	\$2,775	Annual Utilities Expense	\$4,800
Annual Cost	\$33,303		
		Horse Feed	
Employee Benefits		Hay Price per Ton	\$200
Monthly Vacation	\$0	# of Horses	-
Monthly Medical, Dental	\$0	Average Daily Feed per Horse	20
Monthly Retirement	\$0	Total Feed per Month	-
Monthly Other	\$0	Monthly Feed Expense	\$0
Monthly Cost	\$0	Annual Feed Expense	\$0
Annual Cost	\$0		
		Cow Feed	
Accounting Expense		Hay Price per Ton	\$200
Monthly Accounting Expense	\$167	# of Cattle	-
Annual Accounting Expense	\$2,000	Average Dailey Feed per Cow	24
		Total Feed per Month	-
Insurance Expense		Monthly Feed Expense	\$0
Monthly Insurance Expense	\$167	Annual Feed Expense	\$0
Annual Insurance Expense	\$2,000		
		Other Expenses per Month	
Attorney Expense		Gasoline (tractor, etc.)	\$200
Monthly Attorney Expense	\$0	Sand/Gravel	\$100
Annual Attorney Expense	\$0	Waste Removal	\$0
		Routine Maintenance	\$771
Advertising Expense		Janitorial Supplies	\$100
Monthly Advertising Expense	\$250	Office Supplies	\$100
Annual Advertising Expense	\$3,000	Monthly Other Expenses	\$1,271
		Annual Other Expenses	\$15,250
Total Monthly G&A Expenses	\$3,359	Total Monthly Operating Expenses	\$2,425
Total Annual G&A Expenses	\$40,303	Total Annual Operating Expenses	\$29,098
		Total Monthly Costs	\$5,783
		Total Annual Costs	\$69,401

Exhibit 4-2

Option 2: Financial Feasibility

Revenue Generation Breakdown

Open Riding*		Barrel Racing	
# of events per month	25	# of events per month	1
Average # attendees per event	10	Average # attendees per event	8
Per Occurrence Cost	\$15	Per Occurrence Cost	\$20
Monthly Revenue	\$3,750	Monthly Revenue	\$160
Annual Revenue	\$45,000	Annual Revenue	\$1,920
Riding Club Practice Sessions		Roping, Sorting, or Penning	
# of events per month	8	# of events per month	4
Average # attendees per event	10	Average # attendees per event	15
Per Occurrence Cost	\$5	Per Occurrence Cost	\$30
Monthly Revenue	\$400	Monthly Revenue	\$1,800
Annual Revenue	\$4,800	Annual Revenue	\$21,600
Community Events**		Horse Stalling	
# of events per year	0	Average horses boarded	22
Average # attendees per event	0	Monthly cost per horse	\$300
Per Occurrence Cost	\$0	Monthly Boarding Revenue	\$6,600
Annual Revenue	\$0	Annual Boarding Revenue	\$79,200
Competitive Events		Clinics	
# of events per year	9	# of events per year	2
Average # attendees per event	50	Average # attendees per event	150
Per Occurrence Cost	\$10	Per Occurrence Cost	\$20
Annual Revenue	\$4,500	Cost of Clinic	\$3,000
		Monthly Revenue	\$250
		Annual Revenue	\$3,000
Horse/Rider Training Classes		Arena Advertising	
# of rides per class	5	Number of clients	25
# of class attendees per year	20	Monthly advertising charge	\$100
Per Occurrence Cost	\$10	Monthly Advertising Revenue	\$2,500
Monthly Revenue	\$83	Annual Advertising Revenue	\$30,000
Annual Revenue	\$1,000		
Total Monthly Revenue		\$15,918	
Total Annual Revenue		\$191,020	

*Open Riding includes casual riding, schooling, training, exercising, barrel racing, etc.

**Includes renting out the facility for concerts, family reunions, etc.

Cost Breakdown			
General and Administrative Expenses		Operating Expenses	
Employee Labor Expenses		Property Taxes	
Salary Employee	1	Acres	10
Monthly Salary	\$2,500	Value per Acre	\$2,050
Total Salary Expense	\$2,500	Value of Arena	\$972,958
		Annual Property Tax Rate	1.42%
# of hourly employees	1	Monthly Property Taxes	\$1,176
Average hours per week	20	Annual Property Taxes	\$14,107
Average hourly rate	\$10		
Total Hourly Employee Expense	\$867	Utilities	
		Monthly Water Expense	\$0
Monthly Employee Wages	\$3,367	Monthly Sewer Expense	\$0
Employer Social Security Taxes	\$209	Monthly Power Expense	\$450
Employer Medicare Taxes	\$49	Monthly Phone Expense	\$50
Employer Fed Unemployment	\$0	Monthly Garbage Expense	\$50
Employer State Unemployment	\$113	Monthly Utilities Expense	\$550
Monthly Cost	\$3,737	Annual Utilities Expense	\$6,600
Annual Cost	\$44,848		
		Horse Feed	
Employee Benefits		Hay Price per Ton	\$200
Monthly Vacation	\$0	# of Horses	22
Monthly Medical, Dental	\$0	Average Daily Feed per Horse	20
Monthly Retirement	\$0	Total Feed per Month	13,420
Monthly Other	\$0	Monthly Feed Expense	\$1,342
Monthly Cost	\$0	Annual Feed Expense	\$16,104
Annual Cost	\$0		
		Cow Feed	
Accounting Expense		Hay Price per Ton	\$200
Monthly Accounting Expense	\$167	# of Cattle	20
Annual Accounting Expense	\$2,000	Average Dailey Feed per Cow	24
		Total Feed per Month	14,640
Insurance Expense		Monthly Feed Expense	\$1,464
Monthly Insurance Expense	\$167	Annual Feed Expense	\$17,568
Annual Insurance Expense	\$2,000		
		Other Expenses per Month	
Attorney Expense		Gasoline (tractor, etc.)	\$200
Monthly Attorney Expense	\$0	Sand/Gravel	\$100
Annual Attorney Expense	\$0	Waste Removal	\$0
		Routine Maintenance	\$1,216
Advertising Expense		Janitorial Supplies	\$100
Monthly Advertising Expense	\$250	Office Supplies	\$100
Annual Advertising Expense	\$3,000	Monthly Other Expenses	\$1,716
		Annual Other Expenses	\$20,594
Total Monthly G&A Expenses	\$4,321	Total Monthly Operating Expenses	\$6,248
Total Annual G&A Expenses	\$51,848	Total Annual Operating Expenses	\$74,973
		Total Monthly Costs	\$10,568
		Total Annual Costs	\$126,822

Exhibit 4-3

Option 3: Financial Feasibility

Revenue Generation Breakdown

<i>Open Riding*</i>		<i>Barrel Racing</i>	
# of events per month	25	# of events per month	1
Average # attendees per event	10	Average # attendees per event	10
Per Occurrence Cost	\$15	Per Occurrence Cost	\$20
Monthly Revenue	\$3,750	Monthly Revenue	\$200
Annual Revenue	\$45,000	Annual Revenue	\$2,400
<i>Riding Club Practice Sessions</i>		<i>Roping, Sorting, or Penning</i>	
# of events per month	8	# of events per month	4
Average # attendees per event	10	Average # attendees per event	15
Per Occurrence Cost	\$5	Per Occurrence Cost	\$30
Monthly Revenue	\$400	Monthly Revenue	\$1,800
Annual Revenue	\$4,800	Annual Revenue	\$21,600
<i>Community Events**</i>		<i>Horse Stalling</i>	
# of events per year	0	Average horses boarded	22
Average # attendees per event	0	Monthly cost per horse	\$300
Per Occurrence Cost	\$0	Monthly Boarding Revenue	\$6,600
Annual Revenue	\$0	Annual Boarding Revenue	\$79,200
<i>Competitive Events</i>		<i>Clinics</i>	
# of events per year	12	# of events per year	2
Average # attendees per event	50	Average # attendees per event	300
Per Occurrence Cost	\$10	Per Occurrence Cost	\$20
Annual Revenue	\$6,000	Cost of Clinic	\$5,000
		Monthly Revenue	\$583
		Annual Revenue	\$7,000
<i>Horse/Rider Training Classes</i>		<i>Arena Advertising</i>	
# of rides per class	5	Number of clients	25
# of class attendees per year	20	Monthly advertising charge	\$100
Per Occurrence Cost	\$10	Monthly Advertising Revenue	\$2,500
Monthly Revenue	\$83	Annual Advertising Revenue	\$30,000
Annual Revenue	\$1,000		
Total Monthly Revenue		\$16,417	
Total Annual Revenue		\$197,000	

*Open Riding includes casual riding, schooling, training, exercising, barrel racing, etc.

**Includes renting out the facility for concerts, family reunions, etc.

Cost Breakdown			
General and Administrative Expenses		Operating Expenses	
Employee Labor Expenses		Property Taxes	
Salary Employee	1	Acres	10
Monthly Salary	\$2,500	Value per Acre	\$2,050
Total Salary Expense	\$2,500	Value of Arena	\$1,296,558
		Annual Property Tax Rate	1.42%
# of hourly employees	1	Monthly Property Taxes	\$1,559
Average hours per week	25	Annual Property Taxes	\$18,702
Average hourly rate	\$10		
Total Hourly Employee Expense	\$1,083	Utilities	
		Monthly Water Expense	\$0
Monthly Employee Wages	\$3,583	Monthly Sewer Expense	\$0
Employer Social Security Taxes	\$222	Monthly Power Expense	\$500
Employer Medicare Taxes	\$52	Monthly Phone Expense	\$50
Employer Fed Unemployment	\$0	Monthly Garbage Expense	\$50
Employer State Unemployment	\$120	Monthly Utilities Expense	\$600
Monthly Cost	\$3,978	Annual Utilities Expense	\$7,200
Annual Cost	\$47,734		
		Horse Feed	
Employee Benefits		Hay Price per Ton	\$200
Monthly Vacation	\$0	# of Horses	22
Monthly Medical, Dental	\$0	Average Daily Feed per Horse	20
Monthly Retirement	\$0	Total Feed per Month	13,420
Monthly Other	\$0	Monthly Feed Expense	\$1,342
Monthly Cost	\$0	Annual Feed Expense	\$16,104
Annual Cost	\$0		
		Cow Feed	
Accounting Expense		Hay Price per Ton	\$200
Monthly Accounting Expense	\$167	# of Cattle	20
Annual Accounting Expense	\$2,000	Average Dailey Feed per Cow	24
		Total Feed per Month	14,640
Insurance Expense		Monthly Feed Expense	\$1,464
Monthly Insurance Expense	\$167	Annual Feed Expense	\$17,568
Annual Insurance Expense	\$2,000		
		Other Expenses per Month	
Attorney Expense		Gasoline (tractor, etc.)	\$200
Monthly Attorney Expense	\$0	Sand/Gravel	\$100
Annual Attorney Expense	\$0	Waste Removal	\$0
		Routine Maintenance	\$1,621
Advertising Expense		Janitorial Supplies	\$100
Monthly Advertising Expense	\$250	Office Supplies	\$100
Annual Advertising Expense	\$3,000	Monthly Other Expenses	\$2,121
		Annual Other Expenses	\$25,448
Total Monthly G&A Expenses	\$4,561	Total Monthly Operating Expenses	\$7,085
Total Annual G&A Expenses	\$54,734	Total Annual Operating Expenses	\$85,023
		Total Monthly Costs	\$11,646
		Total Annual Costs	\$139,757

Section 5 – Management Plan

Governance

It is crucial to establish an effective form of governance for the organization. Effective governance will significantly impact the organization's ability to continue as a going concern, fundraise, and take advantage of legal and financial benefiting regulations such as a not-for-profit status. The role of organizational governance can vary significantly depending upon the size and operations of the organization. However, one of the most important benefits of establishing this type of governance is that the organization will be more likely to carry on should a key member find him/herself unable to continue with the organization.

Oversight Board

An oversight board will be critical to the operations of LCHP. The purpose of the oversight board is to ensure integrity and accountability. Oversight boards vary in size, but it is likely that a board of 5-7 people would be appropriate. Board members should be qualified people from the community that have no personal interest in the organization. Thus, board members are volunteers. The main purpose of the oversight board is to select and hold accountable a General Manager that oversees the day-to-day operations. Other board responsibilities may include:

- Determining/Modifying the organization's mission and purpose
- Oversight of financial, legal, and ethical integrity
- Enhancing the organization's public standing
- Assessing the General Manager's performance (and if necessary, firing and replacing)
- Establishing compensation levels for the General Manager
- 2nd signature on all checks

Oversight board members have two basic legal obligations: Duty of Care and Duty of Loyalty. Duty of Care requires board members to exercise all the care, diligence, and skill that an ordinary, prudent person would exhibit in similar circumstances. This includes understanding and paying attention to substantive matters, attending meetings, asking questions, challenging assumptions, following up on unresolved issues, consulting with experts, etc. Duty of Loyalty requires that board members are in pursuit of the organization's best interests. Thus board members should not have personal interest in or the ability to profit financially from the organization. Additionally, board members must be able to maintain confidentiality of organizational matters and be able to abide by the rules established for the board members.

While a "Chairman of the Board" may exist for board organizational purposes, no one person should have additional power or influence over other board members.

Bylaws

The establishment of well written bylaws is essential because they set forth the basic operating rules for the organization. Bylaws should be detailed enough that they provide guidance and establish authority and accountability; but should be brief enough that they do not establish bureaucracy and provide flexibility to operate efficiently. The bylaws should establish:

- Structure and authority of the oversight board
 - Standards and expectations of board members
 - Organizational processes for holding meetings, voting, replacing board members, etc.
- Authority of the General Manager in operational affairs including:

- Expenditure or authority to commit funds
- Ability to hire and fire employees
- Ability to establish pay/compensation for employees
- Other day-to-day authorities (and those things that the board should approve specifically)
- Ability to set prices for services

Operations

The operations of the horse arena can vary quite drastically, which is not to say that it will not have an impact on the revenue generated. However, establishment and communication of policies, processes, roles, responsibilities, and authority, will help the organization operate effectively.

LCHP should establish roles that make sense for the operation and adjust those roles as necessary. The following outlines possible roles that can be assigned to key personnel:

General Manager

The General Manager should be responsible to oversee all day-to-day operations in accordance with the expectations established by the oversight board. The General Manager should have a good understanding of the interdependency of activities. Specific activities may include:

- Establishing revenue forecasts (refer to Financial Analysis)
- Meeting revenue targets through marketing and sales campaigns (refer to Stakeholder Management section)
- Establishing operating budgets (refer to Financial Analysis)
- Establishing and maintaining calendar (see Exhibit 5-1 as an example)
 - Setting up events, competitions, clinics, group services (i.e., Ferrier), etc.
- Accounting responsibilities including revenue collection, accounts payable, cash management, asset management, contract management, etc.
- Establishing and maintaining Risk Assessment (refer to Risk Assessment),
- Ensuring that rules (i.e., risk mitigations) are communicated and enforced,
- Establishing an Emergency Response Plan and ensuring that the arena operations can execute the response plan effectively during an emergency.



Employee(s)

Additional duties that will need to be done (likely by part-time employee(s)):

- Care and feeding of stalled animals
- Cleaning of stalls
- Grounds care
- Minor janitorial activities
- Arena preparation for calendared events/activities

Contracted Support

There are some activities that the arena should contract out to vendors. It is likely that in the following situations, a vendor would be able to perform the work more effectively and efficiently:

- Building maintenance
- Tax preparation
- Horse & Rider Training courses

In addition to roles of key personnel, there are key operational activities that should be considered as part of the management plan of the arena. These activities will likely be the responsibility of several people including the General Manager, Oversight Board, and employees.

Stakeholder Management

Managing relationships with all stakeholders will be a critical activity for LCHP. Stakeholders will include, but are not limited to:

- city and county governments (and associated voters)
- customers
- land owners that neighbor the facility
- suppliers
- animal rights activists
- employees

Each of these groups will somehow be affected by the arena. Likewise, the arena will be affected by each of these groups. It is important to build effective relationships such that stakeholders are advocates for the committee's cause rather than fighting against it. Even frivolous disputes by fringe elements can impede the ability of LCHP to accomplish its goals.

Customers are obviously an important subset of stakeholders. There are some relatively easy and inexpensive ways to improve customer relations.

- Website: Websites are effective ways to attract and maintain customers. Websites should look professional and be easy to navigate. The website should easily display important information such as services, rates, schedules (via online calendar), directions, contact information, etc.
- Social Media: Companies have been able to gain volume and loyalty through social media networks such as Facebook and Twitter. LCHP should establish a social media presence.

Emergency Response Plan

LCHP will need to put together an emergency response plan should an accident occur. The plan should be broad enough to be applicable to various circumstances. Employees should be trained and practiced in the plan so that it can be executed effectively in difficult situations. Employees should understand what their duties are which may include:




- Administering first aid until paramedics arrive
 - Knowing basic first aid and having first aid kits available
- Who to call/notify
 - 911
 - General Manager
 - Should someone be notified if the General Manager cannot be reached?
- What steps should be taken in what order/priorities even in situations where both people and animals are injured.

Exhibit 5-1 – Sample Events Calendar


JUNE 2012

Ledge Creek
Indoor Riding

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4 Open Riding 4H	5 Open Riding	6 Open Riding Riding Club Practice	7 Open Riding	8 Open Riding	9 8am: Open Riding 1pm: Clinic
10	11 Open Riding 4H	12 Open Riding	13 Open Riding Riding Club Practice	14 Open Riding	15 Open Riding	16 8am: Open Riding 1pm: Retiring
17	18 Open Riding 4H	19 Open Riding	20 Open Riding Riding Club Practice	21 Open Riding	22 Open Riding	23 8am: Open Riding 1pm: Penning and Sorting
24	25 Open Riding 4H	26 Open Riding	27 Open Riding Riding Club Practice	28 Open Riding	29 Open Riding	30 8am: Open Riding 1pm: Competitive Event
		NOTES				



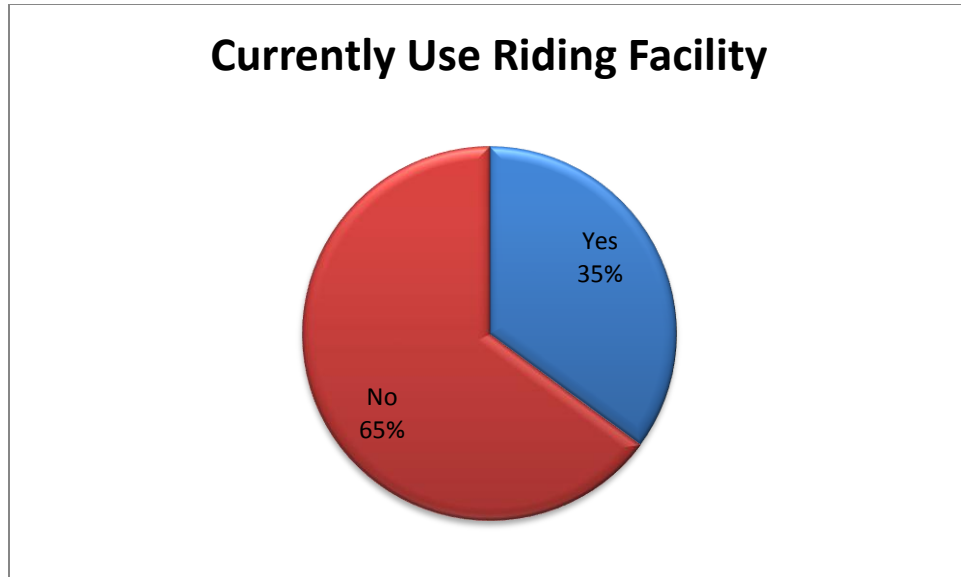
Your address here
City, State Zip
PHONE: 555.555.5555
FAX: 555.555.5555
info@example.com
www.example.com



Appendix A - Complete Survey Results

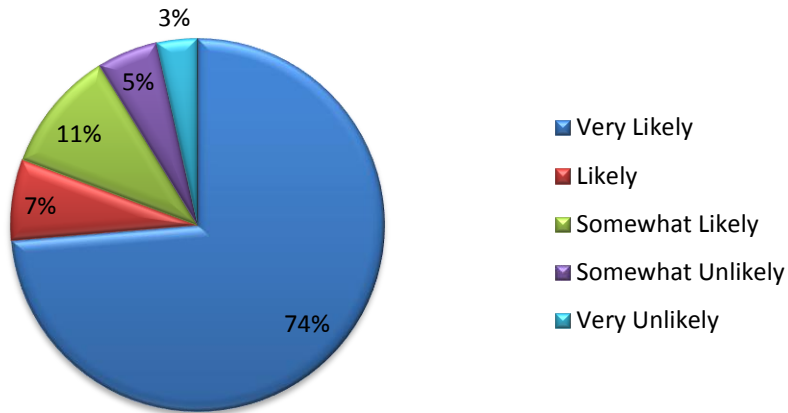
Ledge Creek Horse Park Steering Committee Survey Results

Respondents: 57



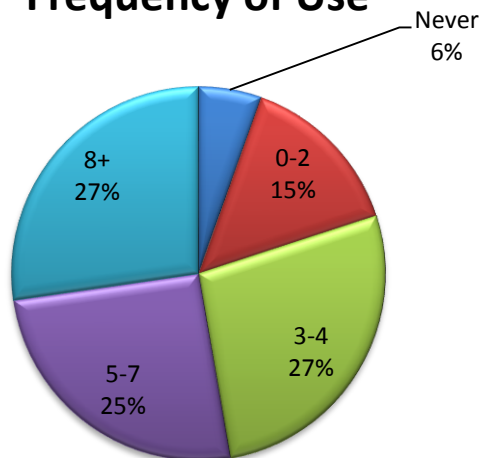
Question: Do you currently use an indoor riding facility?

Utilize Facility in Caribou County

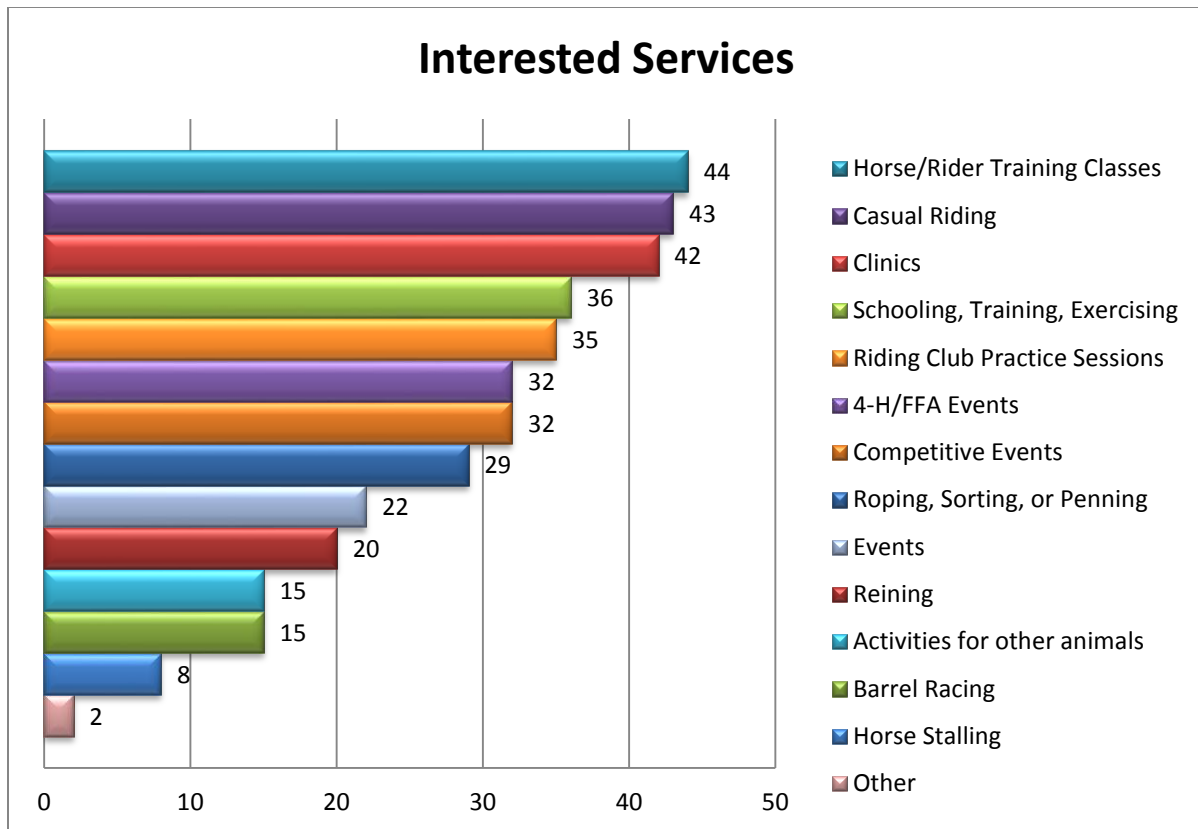


Question: What is the likelihood you would use an indoor riding facility in Caribou County?

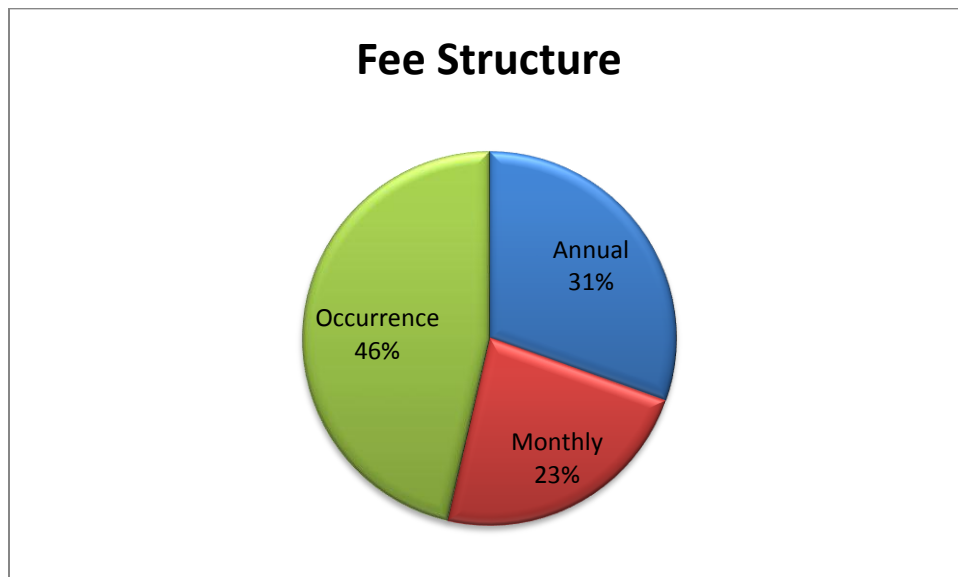
Frequency of Use



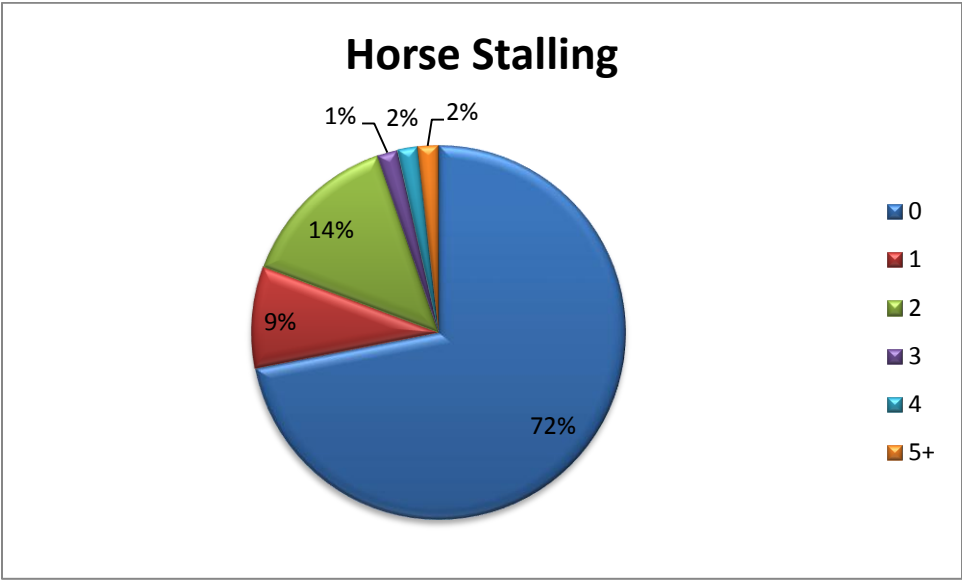
Question: How many times per month would you use the facility?



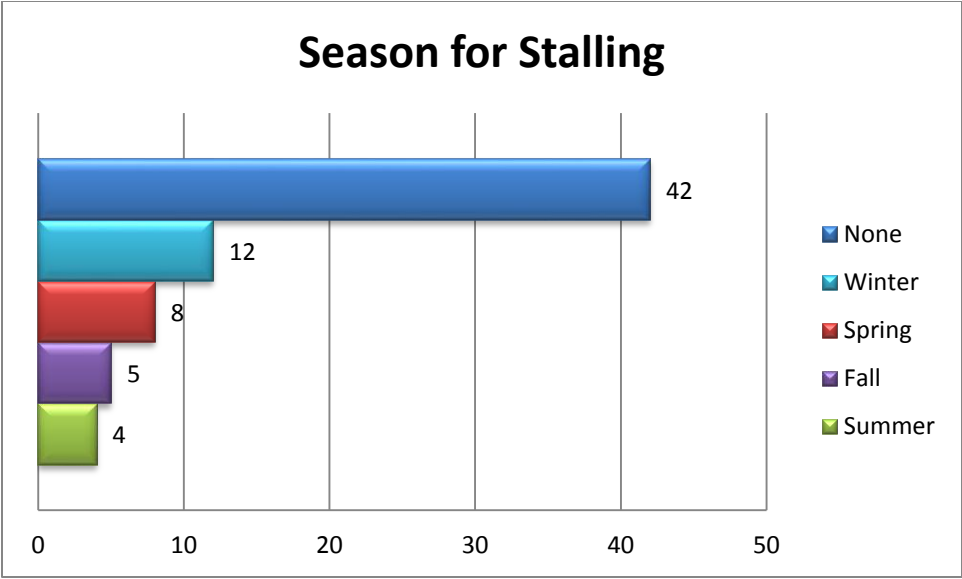
Question: What services/events would you be interested in (mark all that apply)?



Question: What fee structure would you prefer?

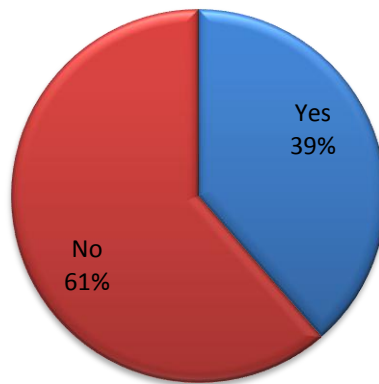


Question: How many horses would you be interested in stalling?



Question: If you are interested in stalling your horses, what season would you stall (mark all that apply)?

Advertising



Question: Would you be interested in purchasing advertising at the indoor riding facility?

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