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<td>ACHIEVING SUCCESS</td>
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<td>TOURISM</td>
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DEAR VALUED PARTNER:

In the 2017-18 fiscal year, with more than a full year of the Absolutely Scottsdale brand under our belt, Experience Scottsdale pushed the envelope with new strategies to bring additional business to the Scottsdale area and advance the region’s reputation as a world-class vacation and meetings destination.

Your team at Experience Scottsdale is always working to exceed our goals to provide the greatest benefit to our community.

Here are a few of our most significant results from the year:

› Generated 103.5 million advertising impressions by deploying out-of-home campaigns in highly-trafficked areas of Scottsdale’s top feeder markets.
› Assisted with editorials worth $35.8 million in equivalent advertising value to tell Scottsdale’s story around the world.
› Booked 205 meetings, conferences and events during Scottsdale’s need periods in the summer and fall, resulting in more than 83,000 incremental room nights for the destination.
› Educated 3,682 travel professionals during trade shows, sales missions and product training seminars.

It is our privilege to share with you our accomplishments from the past year that have helped ensure Scottsdale’s standing as a premier destination.

Best regards,

RACHEL SACCO
President & CEO

JACK MILLER
Board Chairman

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Source: STR, Inc. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.
Experience Scottsdale uses resources efficiently for the benefit of the Scottsdale area and our members. A combination of public and private investments allows us to leverage our revenue for maximum impact to the community.

### REVENUE SOURCES
- **City of Scottsdale Bed Tax**: 67%
- **State of Arizona Prop 302**: 13%
- **Town of Paradise Valley Bed Tax**: 9%
- **Private Sector**: 9%
- **Other**: 2%

### 2017-18 REVENUE & EXPENSES
For the year ending June 30, 2018 (un-audited)

#### REVENUE

**Public Sources**
- City of Scottsdale: $9,839,054
- City of Scottsdale – Event Funding*: $161,643
- Town of Paradise Valley: $1,311,919
- Salt River Pima-Maricopa Indian Community: $100,000
- State of Arizona – Prop 302: $1,923,217
- Subtotal, Public Sources: $13,335,833

**Private Sources**
- Private Sector**: $1,357,616
- Subtotal, Private Sources: $1,357,616
- Revenue Total: $14,693,449

*Pass-through dollars from the City of Scottsdale for the Fiesta Bowl.

**Includes money received from members for membership dues and for participation in Experience Scottsdale cooperative ads, emails and other programs. With this investment from our members, we extended the destination’s exposure and funded additional projects.

#### EXPENSES

- **Personnel**: $4,998,225
- **Operations/Administration/Membership**: $1,087,150
- **Community & Government Affairs**: $215,000
- **Marketing**: $6,492,899
- **Communications**: $515,000
- **Convention Sales & Services**: $767,900
- **Tourism**: $367,900
- **Expenses Total**: $14,444,074

> Any amount not expended was carried over toward marketing programs in the subsequent year.

> The audited 2017-18 financials will be available Sept. 30, 2018.

#### ANNUAL AUDIT
We received the **best report possible** during our annual financial audit conducted by an independent CPA firm. The audit highlighted our extensive internal control policies and prudent use of funds.

#### MEMBER CONTRIBUTIONS GO A LONG WAY
Our members provided **$1,052,366** worth of free rooms, meals and activities, all of which allowed us to host more clients to experience Scottsdale firsthand.

#### BED TAX RISING
- **2015-16**: $17,380,084
- **2016-17**: $18,942,068
- **2017-18**: $19,834,320

> Total bed-tax collections increased **5%** from 2016-17 to 2017-18.
Experience Scottsdale brands the area as a world-class vacation and meetings destination and sells Scottsdale’s unique experience with multi-layered campaigns, including print, out-of-home, television and digital ads.

**ADVERTISING IMPRESSIONS**

<table>
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<tr>
<th>345.6 MILLION</th>
<th>119.7 MILLION</th>
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<tbody>
<tr>
<td>traditional advertising impressions</td>
<td>digital advertising impressions</td>
</tr>
</tbody>
</table>

824,446 total brand engagements: guide and collateral downloads, email opens and social media followers

**DEPLOYING HIGH-IMPACT ADVERTISING IN TOP FEEDER MARKETS**

**NO. 1: NEW YORK**
- Penn Station and Penn Plaza
- Broadcast and Cable TV
- **46.3 million** impressions

**NO. 2: CHICAGO**
- Ogilvie Station, Jackson Tunnel and Lake Tunnel
- Broadcast and Cable TV
- **42.7 million** impressions

**NO. 3: LOS ANGELES**
- Santa Monica Place, Sunset Boulevard and Hollywood Boulevard
- Broadcast and Cable TV
- **14.5 million** impressions

**PROMOTING THE 2ND ANNUAL SCOTTSDALE GOLF WEEK**

- **2.1 MILLION** advertising impressions
- 61% year-over-year increase in page views to ScottsdaleGolfWeek.com
- Nearly **17,000** rounds played at Experience Scottsdale member courses

“As a New Yorker who travels through Penn Station on a weekly basis, I’ve never once stopped to notice an ad nor have I been as impressed as I was when I saw Experience Scottsdale’s take-over. As I stood there waiting for my train in the dead of February winter – in my long coat, gloves and hat – all I really wanted to do was come visit. I have never noticed nor been affected in all my years traveling in and out of Penn Station by an ad campaign, but I was with this one. It’s not likely something I’ll forget.”

– Freelance writer, New York
Experience Scottsdale develops deeper, more personal connections with potential visitors and customers and captures their attention through digital marketing. We provide the information they need before they arrive and once they are here.

**DIGITAL MARKETING**

ExperienceScottsdale.com

- **4.2 MILLION** (27% YEAR-OVER-YEAR INCREASE) page views from
- **2.1 MILLION** (19% YEAR-OVER-YEAR INCREASE) visitors

- 76% new visitor traffic
- 56% web traffic accessed on mobile devices

- **495,477** page views for member listings
- **91,708** page views for member packages, promotions and coupons
- **125,204** click-thrus to member sites

**ONLINE CONTESTS**

- More than **15,500** consumers entered to win trips to Scottsdale via the Signature Scottsdale Getaway, Scottsdale Golf Week and Spring Training Getaway contests promoted via email, pay-per-click advertising and social media

**EMAIL MARKETING**

- 133,549 people opened emails from Experience Scottsdale to learn more about the destination (37% YEAR-OVER-YEAR INCREASE)

**SOCIAL MEDIA**

- **238,894** Facebook likes @ExperienceScottsdale
- **16,505** Instagram followers @ScottsdaleAriz (50% YEAR-OVER-YEAR INCREASE)
- **95,982** Twitter followers @ScottsdaleAZ
- **218,351** Youtube views @ExperienceScottsdaleAZ
- **34,943** Pinterest views @ScottsdaleAriz
**VISITOR SERVICES**

Experience Scottsdale services both potential and current visitors. Our visitor center concierges serve as destination experts – greeting guests and offering insight into our destination’s depth and breadth of amenities to ensure a memorable visit.

- **38,762** electronic guides downloaded

**OFFERING OLD TOWN GUIDES AND MAPS**

New maps and guides share offerings throughout Old Town Scottsdale

**HIKING, BIKING & TRAIL GUIDE**

One of Experience Scottsdale’s most popular guides was redesigned

**SCOTTSDALE TOURIST INFORMATION CENTER**

- **28,076** walk-in visitors greeted by concierges
- **132,073** visitor guides distributed

**MEMBERSHIP**

Experience Scottsdale works with our members to help them tap into the lucrative tourism market. One of our primary goals is to ensure that all members receive a return on their membership investment that exceeds expectations.

**KEEPING OUR MEMBERS ENGAGED**

- **422** members
- **70** new members
- **90%** retention

**OUR DIVERSE MEMBERSHIP**

- Accommodations 15%
- Dining 16%
- Activities 14%
- Meeting Services 13%
- Spa + Wellness 1%
- Moving to Scottsdale 1%
- Nightlife 2%
- Events 3%
- Transportation 4%
- Shopping 6%
- Outdoor Adventure 6%
- Golf 6%
- Art + Culture 6%
- Allied 7%

**“The best business decision we made after locating in Scottsdale was becoming a member of Experience Scottsdale… The exposure Experience Scottsdale has brought to Scottsdale, and ultimately our business, has been extraordinary. No other organization has or can provide the exposure that Experience Scottsdale does… Quite frankly, we don’t know what we would do if we did not have this collaborative partner.”**

– Old Town member
Experience Scottsdale garners positive publicity for the community by telling the stories of our destination and promoting the amenities of our members. Targeted, positive media exposure helps generate consumer interest.

PUBLIC RELATIONS

Experience Scottsdale built a robust influencer program that recruited 45 influencers from key markets including Los Angeles, San Francisco, Chicago and New York to share their Scottsdale experiences with more than 7.7 million combined followers.

GETTING SOCIAL

BUILDING RELATIONSHIPS WITH MEDIA

Assisted 2,106 media with Scottsdale coverage

Hosted 243 journalists and influencers in Scottsdale

Met with 324 journalists during 13 media missions to the U.S., Canada, Germany and Mexico

PUBLIC RELATIONS

1,078
Scottsdale editorial stories

3.7 BILLION
readers/viewers reached

$35.8 MILLION
in advertising value

DOLCE VITA (SWITZERLAND)

INSPIRATO

RHAPSODY

TELLING UNIQUE STORIES

Experience Scottsdale represents a variety of partners and interests to media around the globe. Coverage includes hotels, restaurants, attractions and amenities that span the city. Topics that topped the charts this year included:

OLD TOWN: 48% of all stories

CULINARY: 27% of all stories

GOLF: 17% of all stories

Following Experience Scottsdale’s arts-focused press trip, Thrillist.com (11.5 million unique monthly visitors) named Scottsdale one of the “Best places to take a trip for the rest of 2018” because of its arts and culture offerings.

OLD TOWN:

CULINARY:

GOLF:

@ASIDE OF SWEET
23,500 FOLLOWERS

@JOHNPHILP3
92,900 FOLLOWERS

@DOLCE VITA

@RHAPSODY

@INSPIRATO

INNOVATIVE INFLUENCER PROGRAM

Experience Scottsdale built a robust influencer program that recruited 45 influencers from key markets including Los Angeles, San Francisco, Chicago and New York to share their Scottsdale experiences with more than 7.7 million combined followers.

GETTING SOCIAL

DIE SCHÖNHEIT DER WÜSTE

SPA-ING AROUND

EXPLORE SCOTTSDALE
CONVENTION SALES

Experience Scottsdale generates incremental meetings business for our community by exposing meeting planners to the area and educating them on Scottsdale’s myriad destination services and amenities to meet their programs’ needs.

$92 MILLION
in future economic impact

26%
new business – new to Scottsdale and/or Experience Scottsdale

SALES BY THE NUMBERS

1,779
hotel leads
(11% year-over-year increase)

589
meetings booked into area hotels and resorts (33% conversion)

193,041
room nights generated
(15% year-over-year increase)

388
convention services leads
(19% year-over-year increase)

Experience Scottsdale secured Penn State’s Fiesta Bowl pep rally at Scottsdale Stadium. More than 6,000 fans attended the event.

2017-18 EXPERIENCE SCOTTSDALE BOOKINGS BY MARKET

<table>
<thead>
<tr>
<th>Market</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Texas</td>
<td>6%</td>
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<tr>
<td>Arizona</td>
<td>17%</td>
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<tr>
<td>California</td>
<td>12%</td>
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<tr>
<td>Greater D.C.</td>
<td>10%</td>
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<tr>
<td>New York/New Jersey</td>
<td>5%</td>
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<tr>
<td>Minnesota</td>
<td>6%</td>
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<tr>
<td>Illinois</td>
<td>6%</td>
</tr>
<tr>
<td>New York/Pharma</td>
<td>18%</td>
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<tr>
<td>Corporate</td>
<td>19%</td>
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<tr>
<td>Association Misc.</td>
<td>4%</td>
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<tr>
<td>Association</td>
<td>10%</td>
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<tr>
<td>SMERF and Government</td>
<td>7%</td>
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<tr>
<td>Corporate Retail</td>
<td>3%</td>
</tr>
<tr>
<td>Independent</td>
<td>11%</td>
</tr>
<tr>
<td>Corporate High Tech</td>
<td>9%</td>
</tr>
<tr>
<td>Corporate Financial</td>
<td>11%</td>
</tr>
<tr>
<td>Corporate Insurance</td>
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2017-18 EXPERIENCE SCOTTSDALE BOOKINGS BY STATE

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CONVENTION SALES

HOSTING FAMILIARIZATION TOURS

74 U.S. and Canadian planners attended familiarization tours
14 bookings for area hotels and resorts
40% conversion
2,816 room nights generated

32% of all FAM attendees had never been to Scottsdale before

SPONSORING THE CONFERENCEDIRECT CEO SUMMIT

50 CEOs from the top U.S associations +
50 ConferenceDirect associates +
50 sponsors

Visited Scottsdale for the two-day summit hosted by one of Experience Scottsdale’s largest industry partners

“Thank you for sponsoring the ConferenceDirect CEO Summit. Scottsdale was the perfect host!”
– ConferenceDirect Global Account Director, Pennsylvania

SITE SEE & FLY FREE PROMOTION

› 50 planners visited Scottsdale
› 22 bookings
› 44% conversion
› 16,264 room nights generated for area hotels and resorts

FILLING NEED PERIODS

› 35% of bookings, representing 83,142 total room nights, will actualize during Scottsdale’s need times: June-September, November-December
› Launched a new Desert Is Hot summer meetings rebate program to entice planners to book 26 participating properties May through September 2018 to 2021

TARGETING CANADIAN MEETING PLANNERS

10% year-over-year increase in bookings
86% year-over-year increase in room nights

“I know personally how challenging it can be to organize events and make everyone happy. Last week’s event was a success, and I appreciate all your hard work and effort in pulling it all together. For me personally, I gained invaluable knowledge about what Scottsdale has to offer and the special Canadian business relationship with the state of Arizona. It was a pleasure meeting you and, again, thank you. Now I have the daunting task of narrowing down my choices.”
– Canadian Meetings FAM attendee, Ontario
TOURISM

Experience Scottsdale ensures the destination has a widespread presence. We provide extensive guidance to travel professionals from around the world so they can best capture the Scottsdale experience for their clients.

3.8 MILLION
tour brochure impressions

1,921
leads and services sent to Experience Scottsdale members

3,682
travel professionals educated during trade shows, sales missions and product training seminars

WORKING WITH TOUR OPERATORS GENERATES SCOTTSDALE PRODUCT IN TOUR BROCHURES

TEE TIMES (United States)

TRAVEL BRANDS (Canada)

FLIGHT CENTRE (UK)

PRODUCING NEW BUSINESS WITH TRADE COOPERATIVE MARKETING CAMPAIGNS

GOLF BREAKS (UK)
95% year-over-year increase in room nights

17
client events

19
trade shows

13
sales missions

ADDITIONAL CAMPAIGNS WITH:

• Bon Voyage (UK)
• Explorer Fernreisen (Germany)
• Price Travel (Mexico)
• Southwest Airlines / Mark Travel (United States)
• Travel Brands (Canada)
• USA Reisen (Germany)
• and more

HOSTING FAMS & SITE VISITS

• Hosted 21 site visits and familiarization tours with travel professionals from Australia, Canada, China, Germany, Ireland, Mexico, Netherlands, Spain, the United Kingdom and United States

REACHING LUXURY TRAVEL ADVISORS

• Participated in 6 additional trade shows attended by domestic luxury travel advisors who serve an affluent audience

• Educated 427 luxury travel advisors – most not previously familiar with Scottsdale – during appointments

“Thank you kindly for organizing our itinerary in Scottsdale... We were blown away by the quality of properties and deciding on which ones to focus on when refining our portfolio will be a very tricky decision! Thank you again, it was an extremely valuable experience so that we can really push Scottsdale as not only part of a multi-center itinerary but also as a standalone destination.”

- Tour operator, United Kingdom