

**NUECES COUNTY REGIONAL FAIRGROUNDS
MANAGEMENT AGREEMENT**

This Management Agreement (this "**Agreement**") is made by and between NUECES COUNTY, TEXAS (the "**County**"), and GLOBAL SPECTRUM, L.P., D/B/A SPECTRA VENUE MANAGEMENT, a Delaware limited partnership ("**Manager**").

RECITALS

WHEREAS, County owns the Richard M. Borchard Regional Fairgrounds (formerly known as the Nueces County Regional Fairgrounds) (the "**Fairgrounds**") in Nueces County, Texas, consisting of a baseball stadium known as Fairgrounds Field (the "**Stadium**"), a central pavilion arena, two exhibition halls, horse barn, covered equestrian arena, 154 RV Hook up parking sites, and a conference/banquet facility (the central pavilion arena, two exhibition halls, horse barn, covered equestrian arena, 154 RV Hook up parking sites, and conference/banquet facility, excluding the Stadium, is referred to herein as the "**Facilities**");

WHEREAS, County desires to engage Manager to manage the Facilities for a term to be effective as of the latest date of the signatories below ("**Effective Date**");

WHEREAS, Manager desires to accept such engagement, and perform the services described herein, pursuant to the terms and conditions contained herein; and

WHEREAS, all references to the "**Facilities**" in this Agreement shall be deemed to include, and Manager's duties hereunder shall cover, the entire Facilities complex, including but not limited to the locker rooms, meeting rooms, box office, exhibition rooms, banquet facilities, common areas, lobby areas, executive and other offices, storage and utility facilities, and the entrances, grounds, and parking areas within the Facilities and adjacent thereto, but not to include the Stadium except as specifically described herein.

NOW THEREFORE, for and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**ARTICLE 1
SCOPE OF SERVICES**

Section 1.1. Engagement.

(a) County hereby engages Manager to act as the sole and exclusive manager of the Facilities, subject to and as more fully described in this Agreement, and, in connection therewith, to perform the services described in Exhibit A attached hereto.

(b) Manager hereby accepts such engagement, and shall perform the services described herein, subject to the limitations expressly set forth in this Agreement and in the Operations Manual (as defined in Exhibit A), and subject further to the rights and obligations of any third parties under any existing contracts for use of the Facilities, or otherwise relating to the day-to-day operation of the Facilities.

Section 1.2 Contingency. Manager's obligations under this Agreement are contingent upon and subject to County making available, in a timely fashion, the funds budgeted for and/or reasonably required by Manager to carry out such obligations during the Term. Manager shall not be considered to be in breach or default of this Agreement, and shall have no liability to County or any other party, in the event Manager does not perform any of its obligations hereunder due to failure by County to timely provide such funds in the manner provided herein. County shall have no obligation to make funds available to Manager except as contained in the Operating Budget and as provided in Section 7.3 below, and County shall not be considered to be in breach or default of this Agreement, and shall have no liability to Manager or any other party, in the event County does not timely provide funds in excess of those contained in the Operating Budget and as provided in Section 7.3.

ARTICLE 2 COMPENSATION

Section 2.1 Fixed Management Fee. As consideration for the performance of Manager's obligations hereunder, County shall pay Manager a fixed management fee ("**Fixed Management Fee**") from the Effective Date through September 30, 2022, which shall be One Hundred Forty-Five Thousand Dollars (\$145,000) or \$12,083.33 per month. Beginning on October 1, 2022, the Fixed Management Fee for each Operating Year shall be increased over the Fixed Management Fee from the preceding Operating Year based on the percentage increase in the Consumer Price Index for the local Nueces County area, as published by the United States Department of Labor, Bureau of Labor Statistics or such other successor or similar index. The Fixed Management Fee shall become effective on the Effective Date with the first payment payable to Manager on October 31, 2021 and shall thereafter be payable on the last day of each month (prorated as necessary for any partial months). Manager shall be entitled to pay itself the Fixed Management Fee first from the Alcohol Account (as defined in Section 9.2) and, if amounts in the Alcohol Account are not sufficient to pay the entire Fixed Management Fee, then next from the Facility Operating Account.

Section 2.3 Incentive Fee. Beginning on the Effective Date, in addition to the Fixed Management Fee, Manager shall be entitled to receive an incentive fee ("**Incentive Fee**") each Operating Year of the Term (pro-rated for any partial years), as set forth in Exhibit B hereto.

Section 2.4 Total Compensation. Except as pursuant to any separate contract specifically entered into with the County, all compensation to Manager and its subsidiaries and affiliates, including but not limited to GS of Texas (as defined in Section 15.6(b)), is provided for in this Agreement.

Section 2.5 Ratification. Upon execution of this Agreement by both parties, Manager's compensation and fees for any services provided by Manager to County after October 1, 2021 shall be calculated pursuant to the terms of this Agreement, and are herein ratified. All terms and conditions as set out in this agreement apply to such ratified compensation, fees, and services.

ARTICLE 3 TERM; TERMINATION

Section 3.1 Term. The initial term of this Agreement shall begin on the Effective Date, and, unless sooner terminated pursuant to the provisions of Section 3.2 below, shall expire at 11:59 p.m. on September 30, 2026 (the "**Initial Term**"). County may, in its sole discretion, extend the Initial Term for two (2) additional one (1) year terms, by providing written notice of extension to Manager no later than June 1, 2026 for the first extension and no later than June 1, 2027 for the second extension (the Initial Term, plus any such extension periods, shall be referred to herein as the "**Term**"). Each operating year shall run concurrently with the County's fiscal year beginning on October 1 and ending September 30th referred to herein as "**Operating Year**". In the event that this Agreement expires before another contract is awarded, Manager shall extend this Agreement on a month-to-month basis by mutual agreement.

Section 3.2 Termination. This Agreement may be terminated (i) by either party upon thirty (30) days written notice, if the other party fails to perform or comply with any of the material terms, covenants, agreements or conditions hereof, and such failure is not cured during such thirty (30) day notification period; (ii) by either party immediately by written notice upon the other party being judged bankrupt or insolvent, or if any receiver or trustee of all or any part of the business property of the other party shall be appointed and shall not be discharged within one hundred twenty (120) days after appointment, or if either party shall make an assignment of its property for the benefit of creditors or shall file a voluntary petition in bankruptcy or insolvency, or shall apply for bankruptcy under the bankruptcy or insolvency laws now in force or hereinafter enacted, Federal, State or otherwise, or if such petition shall be filed against either party and shall not be dismissed within one hundred twenty (120) days after such filing; (iii) automatically if the Facilities are significantly damaged by fire or other casualty and County elects not to reconstruct or rebuild the Facilities; (iv) pursuant to Article 17; (v) if the Manager fails to achieve ninety five percent (95%) of the net "bottom line" number in the approved Operating Budget (as hereinunder defined) in each of any two (2) consecutive Operating Years, provided that such failure is not due to events outside of Manager's control, or (vi) by either party upon at least sixty (60) days' prior written notice to the other in the event the County fails to appropriate sufficient funds to permit performance of this Agreement, and such failure is certified to Manager by the County in writing. In the event of a termination of this Agreement pursuant to subsections (iii), (iv), or (vi) above, the County shall pay Manager all fees and other sums due to Manager hereunder through and including the date of termination; otherwise termination by County under such subsections shall be without penalty or liability except as set out in subsection (b) below.

(a) In the event this Agreement expires or is terminated prior to the end of the Initial Term for any reason other than an uncured breach by Manager pursuant to Section 3.2(a)(i), a bankruptcy event affecting Manager pursuant to Section 3.2(a)(ii), or a failure by Manager to achieve the "bottom line" budget number pursuant to the terms of Section 3.2(a)(v), in addition to the other amounts due Manager hereunder, County shall reimburse Manager for (i) severance pay not to exceed four (4) months each for the Manager's General Manager, and Directors of Finance, Operations and Marketing, but only for those individuals that are not

retained by Manager or a Manager affiliate following termination of this Agreement; (ii) reasonable household relocation expenses for Manager's General Manager, and Directors of Finance, Operations and Marketing, to the extent they have previously relocated to the Nueces County area in connection with this Agreement; and (iii) expenses incurred by Manager, if any, in connection with the termination and/or assignment of contracts or leases entered into by Manager in furtherance of its duties under this Agreement; provided, however, that the expenses to be reimbursed under subsections (i) and (ii) of this Section 3.2(b) shall not exceed One Hundred Thousand Dollars (\$100,000). Manager represents that the General Manager, and its directors of departments are not part of Manager's executive staff.

(b) Upon termination or expiration of this Agreement for any reason, Manager shall (i) promptly discontinue the performance of all services hereunder; (ii) deliver or otherwise make available to County all data, electronic files, documents, procedures, reports, estimates, summaries, and other such information and materials with respect to the Facilities as may have been accumulated by Manager in performing its obligations hereunder, whether completed or in process; (iii) promptly transfer any and all monies in the Facility Operating Account, and Event Revenue Account (as further defined herein) to County; and (iv) assign to County all contracts and/or leases with third parties entered into by Manager in furtherance of its duties hereunder; County shall accept such contracts and/or leases and agree to perform all obligations thereunder following the expiration or termination date of this Agreement.

(c) The remedies described in this Section 3.2 shall be in addition to any other remedies the parties may be entitled to, either by virtue of the terms of this Agreement, at law or in equity, as a result of a breach or termination of this Agreement.

ARTICLE 4 OWNERSHIP; USE OF THE FACILITIES

Section 4.1 Ownership of Facilities, Data, Equipment and Materials. County will at all times retain ownership and control of the Facilities, including but not limited to the real estate, equipment, technical equipment, furniture, displays, automobiles (all trucks, cars and motorized cars), fixtures and similar property, including any improvements made to the Facilities during the Term. Any data, equipment or materials, both hardware and software, furnished by County to Manager or acquired by Manager as an Operating Expense (as defined in Section 7.1(b)) to be used at the Facilities, shall remain the property of County, and shall be returned to County upon termination of this Agreement or when no longer needed by Manager to perform under this Agreement. Notwithstanding the above, County shall not have the right to use any third party software license obtained by Manager for general use by Manager at the Facilities and other facilities managed by Manager, the licensing fee for which is proportionately allocated and charged to the Facilities as an Operating Expense; such software license may be retained by Manager upon expiration or termination hereof.

Section 4.2 Right of Use. Subject to County's own use of Facilities pursuant to Section 4.4, County hereby gives Manager the right and license to manage the Facilities, and Manager accepts such right and license, for the purpose of performing the services herein specified, including the operation and maintenance of all physical and mechanical facilities necessary for, and related to, the operation, management and maintenance

of the Facilities, including janitorial services. County shall provide Manager with a sufficient amount of suitable office space in the Facilities and with such office equipment as is reasonably necessary to enable Manager to perform its obligations under this Agreement. In addition, County shall make available to Manager, at no cost, parking spaces adjacent to the Facilities for all of Manager's full-time employees and for the Facilities' event staff.

Section 4.3 Observance of Agreements. County agrees to pay, keep, observe and perform all payments, terms, covenants, conditions and obligations under any leases, bonds, debentures, loans and other financing and security agreements to which County is bound in connection with its ownership of the Facilities

Section 4.4 Use by County.

a) County Fair/Rodeo and Junior Livestock Show: County reserves the right to hold certain dates open each Operating Year for the county fair/rodeo and the junior livestock show and such dates will be identified at the time of submission of the Operating Budget for the Operating Year, or as soon thereafter as reasonably possible. County and Manager shall mutually agree on other dates during the year for any other County events.

b) Short Term Use by County: Subject to availability, County shall have the right of short-term use the Facilities or any part thereof for a non-commercial "County special events," including, but not limited to, any "grand openings," health fairs and employee appreciation events. County short-term uses of the Facilities shall not exceed one (1) calendar day and shall not compete with, nor conflict with, paying events previously booked by Manager, and shall be booked in advance upon reasonable notice by County to Manager. Upon request of County, Manager shall provide to County a list of available dates for County short-term use of the Facilities. Qualifying short-term use events for purposes of this Section 4.4 are non-ticketed events conducted under County short-term use and shall not include community events conducted by third parties that are open to the public (which events are addressed in Section 4.5 below).

i) Rental Fee: Manager shall waive the rental fee for qualifying short-term use events, and Manager shall not be entitled to a "paper" credit for such rental fee.

ii) Operating Expenses: For purposes of calculating the Incentive Fee, Manager shall receive a "paper" credit for all Operating Expenses incurred by the Facilities in connection with any qualifying short-term use events.

c) Long Term Use by County to Respond to Public Emergencies and Disasters: Subject to availability, County shall have the right of long-term use of the Facilities or any part thereof for non-commercial public emergency and disaster response. Manager's compensation during County's long-term use of the Facilities to respond to public emergencies and disasters may be pursuant to the terms of separate Supplemental Agreement hereto mutually agreed by the parties. Otherwise, Manager's compensation during County's long-term use of the Facilities to respond to public emergencies and disasters will be as set forth in this Agreement, including as pursuant to Section 4.4 d).

d) Long Term Use by County: Subject to availability, County shall have the right of long-term use of the Facilities or any part thereof, for a non-commercial "County special event," including, but not limited to:

1) Closure of the Facilities, or parts thereof, due to County-initiated facilities maintenance,

- repair, or improvements; and
- 2) Closure of the Facilities, or parts thereof, due to County-hosted Innovative Readiness Training events.

To the extent possible, County long-term uses of the Facilities under this subsection shall not compete with, nor conflict with, paying events previously booked by Manager, and, if possible, shall be booked in advance upon reasonable notice by County to Manager. Upon request of County, Manager shall provide to County a list of available dates for County long-term use of the Facilities.

i) Rental Fee: For purposes of calculating the Incentive Fee, Manager shall be entitled to a "paper" credit for the rental fees of the Facilities, or parts thereof, utilized by County under this subsection at a rate of seventy five percent (75%) of the published Facilities rental fee rate for those Facilities.

ii) Operating Expenses: For purposes of calculating the Incentive Fee, Manager shall receive a "paper" credit for all Operating Expenses ordinarily incurred by the Facilities in connection with any qualifying long-term use events. Manager shall invoice County, separately, for all Operating Expenses reasonably incurred by the Facilities in connection with any qualifying long-term event that are above and beyond those Operating Expense ordinarily incurred by Facilities, and which amounts shall not be factored into the calculation of the Incentive Fee.

Section 4.5 Use by the Public. Manager may schedule events that may not generate substantial direct revenue to the Facilities, but that generate either a significant economic, cultural, or other benefit to County or otherwise serve a public interest of County, and County may, subject to availability of the Facilities, direct Manager to schedule such an event to be conducted by a third party (provided that such event does not compete with, nor conflict with, paying events previously booked by Manager). Use of the Facilities in these circumstances may be at a discounted rate; provided that the licensee shall be required, at a minimum, to reimburse the Facility for all costs associated with such event. Certain events designated by County as providing an economic, cultural, or other benefit for County shall be set out in the Operations Manual. These events may be booked by Manager at a discounted rate. For purposes of calculating the Incentive Fee, Manager shall receive a "paper" credit in connection with any event booked at a discounted rate as per this paragraph in an amount equal to the difference between the published Facilities rate and the discounted rate charged.

ARTICLE 5 PERSONNEL

Section 5.1 Generally. All Facilities staff and other personnel shall be engaged or hired by Manager, and shall be employees, agents or independent contractors of Manager (or a subsidiary or affiliate thereof), and not of County. Manager shall select, in its sole discretion but subject to County's right to approve the Operating Budget, the number, function, qualifications, and compensation, including salary and benefits, of its employees and shall control the terms and conditions of employment (including without limitation termination thereof) relating to such employees. Manager agrees to use reasonable and prudent judgment in the selection and supervision of such personnel. County specifically agrees that Manager shall be entitled to pay its employees, as an Operating Expense, bonuses and benefits in accordance with Manager's then current employee manual, which may be modified by Manager from time to time in its sole discretion. A copy of Manager's current employee manual shall be provided to County upon

request.

Section 5.2 General Manager. Personnel engaged by Manager will include an individual with managerial experience in similar facilities to serve as a full-time on-site general manager of the Facilities (the "**General Manager**"). Hiring of the General Manager by Manager shall require the prior approval of County, which approval shall not be unreasonably withheld or delayed; provided that, in the event of a vacancy in the General Manager position, Manager may, upon notice to the County, temporarily fill such position with an interim General Manager for up to sixty (60) days without the necessity of obtaining County's approval. The General Manager will have general supervisory responsibility for Manager and will be responsible for day-to-day operations of the Facilities, supervision of employees, and management and coordination of all activities associated with events taking place at the Facilities.

Section 5.3 Non-Solicitation/Non-Hire. During the Term and for a period of ten (10) months after the end of the Term, neither County nor its affiliates shall solicit for employment, nor hire, any management-level employee of Manager with whom County has had dealings by virtue of the engagement of Manager hereunder, including the General Manager, Assistant General Manager, Business Manager or any department head. County acknowledges that Manager has or will spend a considerable amount of time identifying, hiring and training individuals to work in such positions, and that Manager will suffer substantial damages, the exact of which would be difficult to quantify, if County were to breach the terms of this Section 5.3 by hiring, or soliciting for employment, any of such individuals. Therefore, in the event County breaches this Section 5.3 with respect to any such employee of Manager, County shall pay Manager as liquidated damages an amount equal to four (4) months' salary and benefits for such employee or agent. The parties agree that such amount is an estimate of the actual damages Manager will suffer as a result of a breach of this Section 5.3, and shall be deemed to constitute liquidated damages and not a penalty of any kind.

ARTICLE 6 STADIUM SERVICES

Section 6.1 Stadium Services. The parties agree that Manager shall have no duties, rights or obligations with respect to the Stadium, except as specifically set forth in this Section

6.1. If requested by the County, Manager shall, for no additional Fixed Management Fee, provide event booking and scheduling services for the Stadium (i.e. keep the master calendar for the Stadium). The County shall keep Manager advised at all times of any events at the Stadium so as to allow Manager to keep an accurate calendar of event at the Stadium. Manager further agrees, at the County's request and for no additional Fixed Management Fee, to provide event staffing, ticketing and box office, and food and beverage services at any single event booked at the Stadium (not including games or events held by tenants of the Stadium such as soccer or baseball games), provided that all costs incurred by Manager in connection therewith are to be paid from the Operating Account, and shall be reimbursed to the Operating Account by the event promoter (or otherwise by the County as a cost not allocated to the Operating Budget). All revenues generated by Manager's performance of services at the Stadium shall be included in Revenues for purposes of calculating Manager's Incentive Fees.

ARTICLE 7 OPERATING BUDGET

Section 7.1 Establishment of Operating Budget.

(a) Prior to each Operating Year, Manager shall submit to County for its approval a line item operating budget ("**Operating Budget**") for such Operating Year. The Operating Budget for the 2021-22 Operating Year is attached hereto as Exhibit C and is deemed to be approved by County by virtue of its execution hereof. The Operating Budget for each succeeding Operating Year shall run concurrently with County's fiscal year, October 1 to September 30. Each annual Operating Budget shall be submitted to County no later than ninety (90) days prior to the commencement of such Operating Year, and shall include a projection of gross revenues and Operating Expenses, presented on a monthly and annual basis. The Operating Budget shall serve as an estimate of expected revenue and expenses for the Facilities. County agrees to provide Manager with all information in its possession necessary to enable Manager to prepare the Operating Budget.

(b) The projected expenses in each annual Operating Budget shall include all expenses expected to be incurred by Manager in connection with its operation of the Facilities, including but not limited to, the following expenses on a line item basis, all of which shall be deemed to be "**Operating Expenses**" and shall be payable by Manager with funds from the Facilities Operating Account (as hereinafter defined), or otherwise provided by County, pursuant to the terms hereof: (i) employee payroll, benefits, relocation costs, bonus and related costs, (ii) cost of operating supplies (including general office supplies), (iii) advertising, marketing, group sales, and public relations costs, (iv) cleaning expenses, (v) data processing costs, (vi) dues, subscriptions and membership costs, (vii) the Fixed Management Fee, (viii) printing and stationary costs, (ix) postage and freight costs, (x) equipment rental costs, (xi) minor repairs, maintenance, and equipment servicing, not including expenses relating to performing capital improvements, (xii) security expenses, (xiii) telephone and communication charges, (xiv) travel expenses of Manager's employees, (xv) cost of employee uniforms and identification, (xvi) exterminator, snow and trash removal costs, if applicable, (xvii) computer, software, hardware and training costs, (xviii) utility expenses, (xix) office expenses, (xx) audit, accounting and legal fees, (xxi) all bond and insurance costs, including but not limited to workers' compensation insurance, professional liability, and crime bonds, (xxii) commissions and all other fees payable to third parties (e.g. commissions relating to food and beverage and merchandise concessions services), if applicable, (xxiii) expenses relating to the operation by Manager of food and beverage concessions, if applicable, (xxiv) Taxes (as defined in Exhibit A) and (xxv) permits and licenses, including liquor licenses, and letter of credit described in Section 14.4. The term "Operating Expenses" does not include debt service on the Facilities or the Incentive Fee (which shall be a "below-the-line" expense). Operating Expenses shall not include those set out in Exhibit D, herein attached and incorporated in its entirety.

Section 7.2 Approval of Operating Budget. Each annual Operating Budget shall be subject to the review and approval of County. In order for County to fully evaluate and analyze such budgets or any other request by Manager relating to income and expenses, Manager agrees to promptly provide to County such reasonable financial information relating to the Facilities as may be requested by County from time to time. Once approved by County, the Operating Budget will be deemed to contain the mutually agreed upon "bottom line" projection for the Operating Year. If extraordinary events occur during any Operating Year which could not reasonably be contemplated at the time the corresponding Operating Budget was prepared, Manager may submit an amendment to such budget for review and approval by County (which approval shall not be unreasonably withheld or delayed). If County fails to approve any annual

Operating Budget (or any proposed amendment thereto), County shall promptly provide Manager the specific reasons therefor and its suggested modifications to Manager's proposed Operating Budget or amendment in order to make it acceptable. The parties shall then engage in good faith discussions and use reasonable commercial efforts to attempt to resolve the matter to the mutual satisfaction of the parties, including, if applicable, negotiation of a mutually acceptable modification to the economic terms of this Agreement to achieve economic goals of County and Manager. In the event that, despite such good faith efforts, the parties are unable to agree on an Operating Budget (or amendments thereto) for any Operating Year, the Operating Budget shall be the same budget from the prior Operating Year, except that all items of income and expense shall be increased by five percent (5%). Notwithstanding the above, County reserves the right to amend the Operating Budget at any time, subject to the terms in this Section 7.2.

Section 7.3 Adherence to Operating Budget. Manager shall use all reasonable efforts to manage and operate the Facilities in accordance with the Operating Budget. Without the prior consent of County, Manager shall not exceed, commit or contract to expend any sums in excess of ten percent (10%) of the aggregate amounts allowed for each major category of expense set forth on the summary page (first page) of the Operating Budget (such as personnel costs, operations costs, marketing and sales costs, etc.) or otherwise approved by County. In order for County to plan for certain costs which may be unanticipated, but which may be necessary or desirable to incur, Manager shall include a three percent (3%) contingency of Operating Expenses, as a line item within each Operating Budget. Such contingency may be used for the following types of expenditures: (i) Emergency Repairs (as defined in Section 10.2 below), in which event Manager shall notify County prior to making such repair, (ii) for increased costs attributable to the scheduling by Manager of additional revenue producing events or activities at the Facility beyond those projected in the Operating Budget; (iii) for expenses for services provided to the Facilities by unaffiliated third parties, the cost of which is not within the reasonable control of Manager, such as the costs of utilities and insurance; and (iv) for increased costs resulting from events scheduled pursuant to Section 4.4 and Section 4.5. Manager agrees to report in writing to County, as promptly as practicable after becoming aware of such, any significant change or variance in the bottom line number in the Operating Budget, and any material increase in the total costs (as opposed to any particular line item cost) from that provided for in the Operating Budget (unless such change, variance or increase is a result of, or offset by, a corresponding increase in Revenue).

ARTICLE 8 FUNDING

Section 8.1 Source of Funding. Manager shall pay all items of expense for the operation, maintenance, supervision and management of the Facilities from the funds in the Facility Operating Account, which Manager will access periodically for this purpose. The Facility Operating Account shall be funded with amounts generated by operation of the Facilities (as described in Article 9 below), or otherwise made available by County. Prior to the Effective Date, County will transfer to the Facility Operating Account an amount equal to the budgeted expenses for the first two (2) months of the 2021-22 Operating Year. Following such initial deposit, to ensure sufficient funds are available in the Facility Operating Account (as hereinafter defined), County will transfer to the Facility Operating Account, on the first (1st) business day of each month starting with November 2021, the budgeted or otherwise approved expenses for such month, less the current uncommitted balance of the Facility Operating Account on the date of the deposit. At least five (5) business days before any such deposit (other than the initial 2-month deposit) is due, the Manager shall provide County with a calculation of the deposit amount.

Manager shall have no liability to County or any third party in the event Manager is unable to perform its obligations hereunder, or under any third party contract entered into pursuant to the terms hereof, due to the fact that the budgeted funds were not transferred into the Facility Operating Account by County in a timely manner.

Section 8.2 Advancement of Funds. Under no circumstances shall Manager be required to pay for or advance any of its own funds to pay for any Operating Expenses. In the event that, notwithstanding the foregoing, Manager agrees to advance its own funds to pay Operating Expenses, County shall promptly reimburse Manager for the full amount of such advanced funds, plus interest at a rate to be determined by the parties.

ARTICLE 9 PROCEDURE FOR HANDLING INCOME

Section 9.1 Event Revenue Account. Manager shall deposit as soon as practicable following receipt, in an interest-bearing account in a local qualified public depository ("**Event Revenue Account**"), all revenue received from ticket sales and similar event-related revenues (excepting only revenue from the sale of alcohol) which Manager receives in contemplation of, or arising from, an event, pending completion of the event ("**Event Revenue**"). Event Revenue will be held in escrow for the protection of ticket purchasers, County and Manager, to provide a source of funds as required for payments to performers and for payments of direct incidental expenses in connection with the presentation of events that must be paid prior to or contemporaneously with such events. Promptly following completion of such events, Manager shall transfer all funds in the Event Revenue Account into the Facility Operating Account. Interest accrued on amounts in the Event Revenue Account shall be part of the operating income for the Facilities and shall be transferred to the Facility Operating Account, unless Manager is required to pay such interest to the promoter of an event pursuant to its respective license agreement with the promoter. Bank service charges, if any, on such account(s) shall be deducted from interest earned. The Event Revenue Account shall be established by Manager in the name of Manager, and under Manager's federal identification number. The Event Revenue Account shall be used for the sole purposes described in this Section 9.1. No other monies shall be commingled in the Event Revenue Account.

Section 9.2 Alcohol Account. Manager shall deposit as soon as practicable following receipt, in an account in a local qualified public depository ("**Alcohol Account**"), all revenue received by Manager or its affiliates or subsidiaries from the sale of alcoholic beverages at the Facility. Such revenue may be used by Manager to pay applicable tax on the sale of alcohol, expenses associated with obtaining the alcohol product to be sold at the Facility and the Fixed Management Fee (as described in Section 2.2). Revenue remaining in such account after withdrawals for such purposes shall be transferred to the Facility Operating Account on a monthly basis. The Alcohol Account shall be established under the name and federal identification number of GS of Texas (as defined in Section 15.6(b)).

Section 9.3 Facility Operating Account. Except as provided in Sections 9.1 and 9.2, all Revenue derived from operation of the Facilities shall be deposited by Manager into an interest-bearing account in a local qualified public depository ("**Facility Operating Account**") as soon as practicable upon receipt (but not less often than once each business day). The Facility Operating Account shall be established by the Manager prior to the Effective Date, in the name of the Manager and under the Manager's federal identification number. As provided in Section 8.1, Manager will use the funds in the Facility Operating Account to pay the Operating Expenses. The specific procedures (and authorized individuals) for making deposits to and withdrawals from such account shall be set forth in the Operations Manual. "**Revenue**" shall mean all

revenues generated by the Facilities including but not limited to Event Revenue, rental income, merchandise income, gross food and beverage income, income from any sale of Commercial Rights, advertising sales income, sponsorship income, equipment rental fees, box office income, miscellaneous operating income, parking income and any interest derived from these sources, but shall not include Revenues from the sale or exchange of a capital asset, such as equipment, or monies collected (or to be collected) for the benefit of and paid to third parties (for example, event promoters). No other funds of Manager will be commingled in the Facility Operating Account. This account, under Manager's name and direction, will be used solely for matters concerning the Facilities and no other. Sources of funding for account and expenses paid from the Facility Operating Account shall be limited as per this Agreement. At any time the Facility Operating Account becomes self-funding through Event Revenue, any amounts that exceed the monthly operating budget will be forwarded to County on a quarterly basis.

ARTICLE IO

FISCAL RESPONSIBILITY; REPORTING

Section 10.1 Records. Manager agrees to keep and maintain, at its office in the Facilities, separate and independent records, in accordance with generally accepted accounting principles, devoted exclusively to its operations in connection with its management of the Facilities. Such records (including books, ledgers, journals, and accounts) shall contain all entries reflecting the business operations of Manager under this Agreement. County or its authorized agent shall have the right to audit and inspect such records from time to time during the Term. Manager agrees to allow inspection and audit of all records under this Agreement during Manager's ordinary business hours.

Section 10.2 Monthly Financial Reports. Manager agrees to provide to County, within thirty (30) days after the end of each month during the Term, unaudited financial reports for the Facilities including a balance sheet, aging report on accounts receivable, and statement of revenues and expenditures (budget to actual) for the month and year to date in accordance with generally accepted accounting principles. In addition, Manager agrees to provide to County within thirty (30) days after the end of each month a summary of bookings for each month, and separate cash receipts and disbursements reports for each event held in each building at the Facilities during each month. Additionally, Manager shall submit to County, or shall cause the applicable public depository utilized by Manager to submit to County, on a monthly basis, copies of all bank statements concerning the Event Revenue Account, the Facility Operating Account and the Alcohol Account.

Section 10.3 Audit. Manager agrees to provide to County, within one hundred twenty (120) days following the end of each Operating Year, a certified audit report on the accounts and records as kept by Manager for the Facilities. Costs associated with obtaining such certified audit report shall be an Operating Expense of the Facilities, payable from the Facility Operating Account. Such audit shall be performed by an external auditor approved by County and shall be conducted in accordance with generally accepted auditing standards. County may request, and Manager consents to, additional audits to be conducted at County's expense.

ARTICLE 11

CAPITAL IMPROVEMENTS; CAPITAL INVESTMENT

Section 11.1 Schedule of Capital Expenditures. Manager shall annually, at the time of submission of the annual Operating Budget to County, provide to County a schedule of capital improvements necessary at the Facilities and requiring a Capital Expenditure (as defined below), for the purpose of allowing the County to consider for inclusion such projects in its budget for the ensuing year and to prepare and update a long-range capital expenditure budget. For

purposes of this paragraph, "**Capital Expenditures**" shall mean all expenditures for building additions, alterations or improvements and for purchases of additional or replacement furniture, machinery or equipment, where the cost of such expenditure is greater than \$5,000 and the depreciable life of the applicable item is, according to generally accepted accounting principles, is in excess of one (1) year.

Section 11.2 Responsibility for Capital Expenditures. County shall be solely responsible for all Capital Expenditures at the Facilities; provided, however, County shall be under no obligation to make such Capital Expenditures. Notwithstanding the foregoing, Manager shall have the right to make Capital Expenditures at the Facilities for "**Emergency Repairs**" (defined as the repair of a condition which, if not performed immediately, creates an imminent danger to persons or property and/or an unsafe condition at the Facilities threatening persons or property), and shall be promptly reimbursed by County for any such expenditures.

Section 11.3 Capital Investment. Manager will pay to the County the amount of one hundred thousand dollars (\$100,000) in full within thirty (30) days of the Effective Date and an additional seventy-five thousand dollars (\$75,000) in full within thirty (30) days of October 1, 2022 (the total of \$175,000 to be contributed by Manager hereunder is referred to herein as the "Financial Commitment"), which funds shall be used by the County for purchasing improvements to the Facilities as agreed upon by both County and Manager. The Financial Commitment shall be amortized on a straight-line, monthly, non-cash basis over a period of five years, commencing upon the Effective Date. In the event of expiration or termination of this Agreement for any reason whatsoever (including without limitation if due to a breach or default by Manager or for any other reason) prior to full amortization of the Financial Commitment, the County shall pay to Manager, unconditionally and without set-off, the unamortized balance of the Financial Commitment as of the date of the expiration or termination. The payment of any such amount shall be made to Manager no later than thirty (30) days after the effective date of expiration or termination of this Agreement.

ARTICLE 12 AGREEMENT MONITORING AND GENERAL MANAGER

Section 12.1 Contract Administrator. Each party shall appoint a contract administrator who shall monitor such party's compliance with the terms of this Agreement. Each party shall notify the other of the name of its contract administrator within thirty (30) days of the Effective Date. Any and all references in this Agreement requiring Manager or County participation or approval shall mean the participation or approval of such party's contract administrator.

ARTICLE 13 INDEMNIFICATION

Section 13.1 Indemnification by Manager. Manager agrees to defend, indemnify and hold harmless County and its directors, officers, employees, agents, successors and assigns against any claims, causes of action, costs, expenses (including reasonable attorneys' fees) liabilities, or damages (collectively, "**Losses**") suffered by such parties arising out of or in connection with any (a) negligent act or omission, or intentional misconduct, on the part of Manager or any of its employees or agents in the performance of its obligations under this Agreement, or (b) breach by Manager of any of its representations, covenants or agreements made herein.

Section 13.2 Indemnification by the County. County agrees to defend, indemnify and hold harmless Manager, its parent, subsidiary and affiliate companies and each of their respective directors, officers, employees, agents, successors and assigns, to the extent allowed by law without establishing a sinking fund, against any Losses suffered by such parties, arising out of or in connection with (a) any negligent act or omission, or intentional misconduct, on the part of County or any of its employees or agents in the performance of its obligations under this Agreement, (b) a breach by County of any of its representations, covenants or agreements made herein, including without limitation County's obligation to pay any budgeted or otherwise approved expenses in a timely manner, (c) any environmental condition at the Facilities or on or under the premises on which the Facilities are located not caused by Manager, its employees or agents, (d) any structural defect with respect to the Facilities not caused by Manager, its employees or agents, and (e) any act or omission carried out by Manager at or pursuant to the express written direction or instruction of County. This Agreement shall not be considered "express written direction or instruction" for purposes of this Section 13.2. Nothing herein shall be construed as a waiver of any immunities to which County may be entitled under law.

Section 13.3 Conditions to Indemnification. With respect to each separate matter brought by any third party against which a party hereto ("Indemnitee") is indemnified by the other party ("Indemnitor") under this Article 13, the Indemnitor shall be responsible, at its sole cost and expense, for controlling, litigating, defending and/or otherwise attempting to resolve any proceeding, claim, or cause of action underlying such matter, except that (a) the Indemnitee may, at its option, participate in such defense or resolution at its expense and through counsel of its choice; (b) the Indemnitee may, at its option, assume control of such defense or resolution if the Indemnitor has a conflict in the representation of Indemnitee or does not promptly and diligently pursue such defense or resolution, provided that the Indemnitor shall continue to be obligated to indemnify the Indemnitee hereunder in connection therewith; and (c) neither Indemnitor nor Indemnitee shall agree to any settlement without the other's prior written consent (which shall not be unreasonably withheld, conditioned or delayed). In any event, Indemnitor and Indemnitee shall in good faith cooperate with each other and their respective counsel with respect to all such actions or proceedings, at the Indemnitor's expense. With respect to each and every matter with respect to which any indemnification may be sought hereunder, upon receiving notice pertaining to such matter, Indemnitee shall promptly (and in no event more than twenty (20) days after any third-party litigation is commenced asserting such claim) give reasonably detailed written notice to the Indemnitor of the nature of such matter and the amount demanded or claimed in connection therewith.

Section 13.4 Survival. The obligations of the parties contained in this Article 13 shall survive the expiration or earlier termination of this Agreement.

ARTICLE 14 INSURANCE; BONDS

Section 14.1 Types and Amount of Coverage. Manager agrees to obtain insurance coverage in the manner and amounts as set forth in Exhibit E, attached hereto, and shall provide to County promptly following the Effective Date a certificate or certificates of insurance evidencing such coverage. Manager shall maintain such referenced insurance coverage at all times during the Term, and shall not make any material modification or change from these

specifications without the prior approval of County. Each insurance policy shall include a requirement that the insurer provide Manager and County at least thirty (30) days written notice of cancellation or material change in the terms and provisions of the applicable policy. The cost of all such insurance shall be an operating expense of the Facilities.

Section 14.2 Rating; Additional Insureds. All insurance policies shall be issued by insurance companies rated no less than A VIII in the most recent "Bests" insurance guide and licensed in the State of Texas or as otherwise agreed by the parties. All such policies shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved. The commercial general liability policy, automobile liability insurance policy and umbrella or excess liability policy to be obtained by Manager hereunder shall name County as an additional insured. The workers' compensation policy to be obtained by Manager hereunder shall contain a waiver of all rights of subrogation against County. Manager shall require that all users of the Facilities, including without limitation licensees and any third party ushers, security personnel and/or concessionaires, provide to County and to Manager certificates of insurance evidencing insurance appropriate for the types of activities such user is engaged in. If Manager subcontracts any of its obligations under this Agreement, Manager shall either: (a) cover all subcontractors under its policies of insurance, or (b) require each subcontractor not so covered to secure insurance that will protect against applicable hazards or risks of loss as and in the minimum amounts designated herein, and name Manager and County as additional insureds.

Section 14.3 Crime Insurance. Manager shall maintain crime insurance in the amount set forth on Exhibit E to cover any theft by those employees of Manager who have access to or are responsible for the funds generated under this Agreement (as well as others).

Section 14.4 Letter of Credit. Manager will obtain a letter of credit in a form acceptable to County in an amount, adjusted each year equal to the monthly average of Fairgrounds' Operating, Event, and Alcohol accounts. The Letter of Credit shall be for \$150,000 for the first year under this term. Such letter of credit will secure Manager's obligation to release any monies in the Facility Operating Account, Alcohol Account and/or Event Revenue Account to County upon termination or expiration of this Agreement and shall be available to County only after Manager's failure, following written notice to Manager and at least five (5) days in which to respond, to release such monies. The letter of credit will be direct pay letter of credit which may be drawn upon by the County at any time in accordance with the terms of this Agreement upon the County submitting to the issuer of the letter of credit a certificate stating that the amount of the draw is owed to the County by Manager. All costs associated with obtaining the letter of credit shall be deemed to be Operating Expenses.

ARTICLE 15 MISCELLANEOUS

Section 15.1 Confidentiality. This Agreement and its terms, conditions, provisions and contents shall be public as permitted by law. If any Person requests the County to disclose any information with respect to Manager's Request for Proposal Response, RFP No. 3159-21 under the Texas Public Information Act (Tex. Gov't Code Ann. § 552.001 *et seq.*) or equivalent or successor statute (the "Public Information Act"), prior to making such disclosure, the County

shall notify Manager of such request, in which case Manager shall promptly and timely inform the County if any of the requested materials constitute confidential, proprietary or trade secret information of Manager which may be exempted from disclosure under the Public Information Act. In that event, Manager may, at its expense, use reasonable efforts to prepare appropriate responses and/or filings to the Texas Attorney General and to any such person with respect to such request, including any appeals involved therein, to prevent a disclosure of such information. In such event, each party shall further cooperate with the other and use reasonable efforts to promptly identify any possible third party whose privacy or property interests may be implicated by any such request to disclose information in order to enable Manager to timely furnish to any such third party any statutory notice required by the Public Information Act and seek any applicable exemptions from disclosure under the Public Information Act.

Section 15.2 No Discrimination. Manager agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement because of race, religion, color, sex, disability, national origin, ancestry, physical handicap or age, and will take affirmative steps to ensure that applicants are employed, and employees are treated during employment, without regard to race, religion, color, sex, disability, national origin, ancestry, physical handicap or age.

Section 15.3 Use of Facilities Names and Logos. Except as set forth in any Commercial Rights agreements hereafter negotiated, Manager shall have the right to use throughout the Term (and permit others to use in furtherance of Manager's obligations hereunder), for no charge, the names of the Facilities and all logos of the Facilities on Manager's stationary, in its advertising of the Facilities or events at the Facilities, and whenever conducting the business of the Facilities; provided that Manager shall take all prudent and appropriate measures to protect the intellectual property rights of County relating to such name and logos and that County reserves its rights to continued use of the names of the Facilities and all logos of the Facilities. All intellectual property rights in any Facilities logos developed by Manager or County shall be and at all times remain the sole and exclusive property of County. Manager agrees to execute any documentation requested by County from time to time to establish, protect or convey any such intellectual property rights. Additionally, Manager shall be permitted to include Manager's name and/or logo on the Facilities' stationary, in Facilities (or event) advertisements placed by Manager, on employee uniforms and business cards, and on other Facilities materials.

Section 15.4 Facilities Advertisements. County agrees that all advertisements placed by County for the Facilities, whether such advertisements are in print, on radio, television, the internet or otherwise, shall include a designation that the Facilities are "Global Spectrum managed facilities".

Section 15.5 Force Majeure. Except as otherwise provided herein, neither party shall be obligated to perform, and neither party shall be deemed to be in default of its performance, if prevented by occurrences outside its reasonable control, including without limitation: (a) fire, earthquake, hurricane, wind, flood, act of God, pandemic, riot, insurrection, or civil commotion occurring at the Facilities, or (b) any law, ordinance, rule, regulation, or order of any public or military authority stemming from the existence of economic or energy controls, hostilities, war, or governmental

law and regulation, or (c) labor dispute which results in a strike or work stoppage affecting the Facilities or services described in this Agreement. Notwithstanding the foregoing, a party's failure to make payments due hereunder shall not be considered to be a force majeure.

Section 15.6 Assignment; Delegation of Alcohol-Related Duties.

(a) Neither party may assign this Agreement without the prior written consent of the other. Any purported assignment in contravention of this Section 15.6(a) shall be void; however, Manager may assign this Agreement to a company which acquires all or substantially all of the equity interests in, or assets of, Manager ("Assignee") with prior notice to County but without County's written consent, provided that Assignee agrees to enter into an amendment to this Agreement with County for the purpose of identifying Assignee as the new Manager.

(b) The parties acknowledge that, for purposes of complying with applicable liquor law, Manager may delegate its obligations hereunder relating to the sale of alcohol at the Facilities to its subsidiary, Global Spectrum of Texas, LLC ("GS of Texas"). Without limiting the foregoing, the parties acknowledge and agree that GS of Texas shall be authorized to perform the sale of alcohol at the Facilities on behalf of Manager, collect all revenue from the sale of alcohol, handle such revenues as described in Section 9.2, and pay the related costs and taxes associated with alcohol sales as an Operating Expense of the Facility. Manager agrees that County shall have approval authority over any agreement between Manager and GS of Texas before such agreement may take effect.

Section 15.7 Notices. All notices required or permitted to be given pursuant to this Agreement shall be in writing and delivered personally or sent by registered or certified mail, return receipt requested, or by generally recognized, prepaid, overnight air courier services, to the address and individual set forth below. All such notices to either party shall be deemed to have been provided when delivered, if delivered personally, three (3) days after mailed, if sent by registered or certified mail, or the next business day, if sent by generally recognized, prepaid, overnight air courier services.

If to County:

County Judge
901 Leopard, Room 303
Corpus Christi, Texas 78401

With a copy to:

County Attorney
901 Leopard, Room 207
Corpus Christi, Texas 78401

If to Manager:

SPECTRA VENUE MANAGEMENT
150 Rouse Blvd.
Philadelphia, PA 19112 Attn:
Chief Operating Officer

With a copy to:

Brian Rothenberg, Esquire
Spectra
150 Rouse Blvd.
Philadelphia, Pennsylvania 19112

The designation of the individuals to be so notified and the addresses of such parties set forth above may be changed from time to time by written notice to the other party in the manner set forth above.

Section 15.8 Severability. If a court of competent jurisdiction determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

Section 15.9 Entire Agreement. This Agreement (including the Operations Manual and the exhibits and schedules referenced herein) contains the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior or contemporaneous negotiations, correspondence, conversations, agreements, and understandings concerning the subject matter hereof, including without limitation the Original Agreement, except that any liabilities accrued under the Original Agreement and not previously satisfied shall survive termination thereof. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations, agreements or understandings, whether oral or written.

Section 15.10 Governing Law and Venue. This Agreement is entered into under and pursuant to and is to be construed and enforceable in accordance with, the laws of the State of Texas, without regard to its conflict of laws principles. Venue shall be in a court of competent jurisdiction in Nueces County, Texas.

Section 15.11 Amendments. Neither this Agreement nor any of its terms may be changed, modified or otherwise amended except by an instrument in writing signed by each of the parties hereto.

Section 15.12 Waiver; Remedies. No failure or delay by a party hereto to insist on the strict performance of any term of this Agreement, or to exercise any right or remedy subsequent to a breach thereof, shall constitute a waiver of any breach or any subsequent breach of such term. No waiver of any breach hereunder shall affect or alter the remaining terms of this Agreement, but each and every term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. The remedies provided in this Agreement are cumulative and not exclusive of the remedies provided by law or in equity.

Section 15.13 Relationship of Parties. Manager and County acknowledge and agree that they are not joint venturers, partners, or joint owners with respect to the Facilities, and nothing contained in this Agreement shall be construed as creating a partnership, joint venture or similar relationship between County and Manager. County and Manager agree that the only relationship created by this Agreement is that between the County, as Owner, and Manager, as an independent contractor, for management services and that manager is an independent contractor and not an agent. It is the clear intent of the parties to form an independent contractor relationship; however, should a court of competent jurisdiction find Manager and County to have an agency relationship in execution of certain functions, it is the intent of the parties to maintain their independent contract relationship with respect to the remainder Agreement.

Section 15.14 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same document.

Section 15.15 Verifications of No Boycotts and No Discrimination. Manager's verification under Government Code Chapter 2270 of No Boycott of Israel, Manager's verifications of No Boycott of Energy Companies and No Discrimination Against Firearm and Ammunition Industries under Government Code Chapter 2274, which are attached hereto as Exhibit F, are thereby fully incorporated herein and are a part of this Agreement.

ARTICLE 16 CONTRACTING AUTHORITY

16.1 All contracts entered into by Manager for provision of goods or services under this Agreement shall, absent approval of County (which shall not be unreasonably withheld) have a term of no greater than one (1) year, unless such contract can be terminated by Manager or the County, without penalty, at (or any time after) the end of such one (1) year period. Manager shall use reasonable commercial efforts to include in each such agreement a provision permitting termination of such agreement in the event the County fails to appropriate sufficient funds for performance of such agreement in future County fiscal years. Additionally, such contracts shall be assignable to County and upon termination or expiration of this Agreement for any reason Manager shall assign to County in writing, all then outstanding contracts affecting the Facilities entered into by Manager in accordance with the authority granted Manager hereunder, and County shall accept each such assignment and perform all obligations thereunder following such assignment, provided however, County shall not be obligated to assume any contracts entered into by Manager in violation of this Agreement. Furthermore, notwithstanding the foregoing, County shall not assume and shall not have responsibility for any negligent acts or omissions of Manager with regard to such contracts prior to termination of this Agreement.

ARTICLE 17 CERTIFICATES OF OBLIGATION FINANCING

17.1 Manager acknowledges that Facilities are financed primarily with Certificates of Obligation. Manager agrees to assist County in maintaining the tax-exempt status of such Certificates. Manager further agrees to re-negotiate any term within this Agreement that may be subsequently discovered to jeopardize the financing of the Facilities through the Certificates of Obligation or their tax-exempt status. Manager also agrees to any additional terms necessary in order to prevent jeopardizing the financing of the Facilities through the Certificates of Obligation (the "Required Financing Terms"), provided that in the event any such additional terms increase Manager's obligations hereunder or decrease Manager's rights or economic benefits hereunder, Manager and County will cooperate with each other in good faith for a period of thirty (30) days in an effort to amend the Agreement and preserve the economic benefits of both parties hereunder in a manner that is satisfactory to Manager and County, each acting in their sole discretion. If the parties do not agree on such amendments within such thirty (30) day period, Manager will either accept the Required Financing Terms or, if Manager fails to do so, the County shall have the right to terminate this Agreement upon ninety (90) days written notice to Manager.

Exhibits

- A Duties
- B Incentive Fee
- C Operating Budget for 2021-22 Operating Year
- D Non-Operating Expenses
- E Insurance Requirements
- F Verifications (3)

[Signatures of parties on next page]

IN WITNESS WHEREOF, each party hereto has caused this Management Agreement to be executed on behalf of such party by an authorized representative as of the date first set forth above.

COUNTY
NUECES COUNTY

MANAGER
GLOBAL SPECTRUM, L.P., d/b/a
SPECTRA VENUE MANAGEMENT,
a Delaware limited partnership

By: _____
Barbara Canales

County Judge

By: _____

Title: _____

ATTEST FOR COUNTY:

ATTEST FOR MANAGER:

By: _____
Kara Sands

Nueces County Clerk

By: _____
Name: _____

Title: _____

EXHIBIT A

DUTIES TO BE PERFORMED BY THE MANAGER

During the Term, Manager shall perform the following duties with respect to the Facilities, all of which are subject to the terms hereof and the controls and restrictions in the Operations Manual:

(a) Manage all aspects of the Facilities in accordance with the Operations Manual and the terms of this Agreement, including but not limited to managing the food and beverage service, purchasing, payroll, fire prevention, security, crowd control, routine repairs, preventative maintenance, janitorial services, promotions, advertising, energy conservation, security, box office, admission procedures, parking, and general user services. Notwithstanding anything to the contrary contained herein, Manager shall not be responsible for, and shall have no duties with respect to, any lawn cutting or landscape maintenance at the Facilities or at any other outdoor areas of the Fairgrounds.

(b) Manage, perform and be responsible for all aspects of the food and beverage concession and catering service in the Facilities. Manager's right and obligation to perform such function shall be exclusive. Manager shall be the only party entitled to provide food and beverage services at the Facilities. However, the County reserves the right to have outside food & beverage/concession vendors at an event under Section 4.4 and if directed by County under Section 4.5 of this Agreement. In such event, Manager shall receive a paper credit for lost profits for food & beverage/concessions towards the Incentive Fee.

(c) Establish and adjust prices, rates and rate schedules for user, license, concessions, occupancy, and advertising agreements, and booking commitments. The parties acknowledge that the rate schedules for user, license and occupancy agreements shall be ranges (as opposed to static numbers), and Manager may deviate from such ranges using its prudent business judgment based on its evaluation of "yield management" factors, such as: overall economic impact, room-night generation, amount of exhibition and meeting space required, revenue generation, time, day and month of event, historical performance of the Facilities, degree of cost sensitivity, potential for repeat/referral business, prestige factor, attendance and lead-time of booking, among others.

(d) Procure, negotiate, execute on behalf of the Facilities, administer and assure compliance with service contracts with respect to the Facilities, including without limitation contracts for ticketing, web development and maintenance, computer support services, engineering services, electricity, steam, gas, fuel, maintenance, telephone, staffing personnel including guards and ushers, extermination and other services which are deemed by Manager to be either necessary or useful in operating the Facilities.

(e) Procure, negotiate, execute on behalf of the Facilities, administer and assure compliance with vendor, merchandising agreements, user/rental agreements, booking commitments, licenses, and all other contracts or agreements required in the ordinary course of business in operating the Facilities. Manager shall obtain the prior approval of County (which approval shall not be unreasonably withheld or delayed) before entering into any such contract

with a term greater than one (1) year, unless such contract can be terminated by Manager or the County, without penalty, at (or anytime after) the end of such one (1) year period.

(f) Require that all material vendors and licensees of the Facilities execute vendor/license agreements containing standard indemnification and insurance obligations on the part of each such vendor/licensee, and provide County with a copy of all such agreements within thirty (30) business days of their date of execution.

(g) Utilize the previously approved standard form advertising and sponsorship contracts, user/rental agreements and license agreements for use at or with respect to the Facilities. Manager shall not materially deviate from the terms contained in such forms without obtaining the prior approval of County (which shall not be unreasonably withheld). Manager's sole responsibility with regard to providing assistance hereunder shall be to provide such standard form contracts, and Manager shall not be obligated to provide any legal advice or assistance to the County under this Agreement.

(h) Operate and maintain the Facilities, including the equipment utilized in connection with its operation and any improvements made during the Term, in the condition received, normal wear and tear excepted.

(i) Arrange for and otherwise book events at the Facilities in accordance with the booking schedule previously developed by Manager (which may be updated by Manager from time to time).

(j) Hire or otherwise engage, pay, supervise, and direct all personnel Manager deems necessary for the operation of the Facilities in accordance with Article 5, and conduct staff planning, retention and training programs as determined to be necessary by Manager in its sole discretion.

(k) Maintain detailed, accurate and complete financial and other records of all its activities under this Agreement in accordance with generally accepted accounting principles, which records shall be made available to County upon request, in accordance with Section 10.1.

(l) Submit to County in a timely manner financial and other reports detailing Manager's activities in connection with the Facilities, as set forth in Section 10.2.

(m) Prepare a proposed annual operating budget and submit such proposed budget to County, both in accordance with Article 7.

(n) Pay all Operating Expenses and other expenses incurred in connection with the operation, maintenance, supervision and management of the Facilities from the Facility Operating Account.

(o) Secure (or maintain, as applicable), or assist County (or any other third party, as applicable) to secure (or maintain, as applicable), all licenses and permits necessary for the operation and use of the Facilities for the specific events to be held therein, and for the general occupancy of the Facilities, including without limitation all necessary food and liquor licenses,

and renewals thereof. County shall cooperate in this process to the extent reasonably required, and any costs associated with this process shall be an operating expense of the Facilities, payable by funds from the Facility Operating Account. The parties mutually recognize the potential challenges in maintaining the appropriate liquor licenses in light of the manner in which the Facilities are financed and the Agreement (and the parties relationship created hereunder) is structured. In the event Manager is unable to maintain the required liquor licenses at the Facility under the terms and conditions of this Agreement or the relationship of the parties created hereunder, Manager shall not be, or be deemed to be, in breach of this Agreement and shall have no liability therefor. In such event, the parties shall in good faith renegotiate the terms of this Agreement in a manner that is satisfactory to each of the County and Manager so that the license may be maintained, provided that any changes to this Agreement shall not jeopardize the financing of the Facilities through the Certificates of Obligation (as determined by the County in its sole discretion).

(p) Collect, deposit and hold in escrow in the Event Revenue Account any ticket sale revenues which it receives in the contemplation of or arising from an event pending the completion of the event, as more fully described in Section 9.1.

(q) Collect and deposit in the Alcohol Account any revenue from the sale of alcohol at the Facility, as more fully described in Section 9.2

(r) Collect in a timely manner and deposit in the Facility Operating Account all Revenue (as defined in Section 9.3).

(s) Subject to County making available sufficient funds in a timely manner, pay, with County funds, any and all governmental assessments, franchise fees, excises, license and permit fees, levies, charges and taxes, of every kind and nature whatsoever, which at any time during the Term may be assessed, levied, or imposed on, or become due and payable out of or in respect of, (i) activities conducted on behalf of County at the Facilities, including without limitation the sale of concessions, the sale of tickets, and the performance of events (such as any applicable sales and/or admissions taxes, use taxes, excise taxes, occupancy taxes, employment taxes, and withholding taxes), or (ii) any payments received from any holders of a leasehold interest or license in or to the Facilities, from any guests, or from any others using or occupying all or any part of the Facilities (collectively, "**Taxes**").

(t) Establish and maintain an ongoing relationship and cooperate and coordinate with various local boards and committees and departments of County and of the local Convention and Visitors Bureau, as reasonably requested by County from time to time.

(u) Plan, prepare, implement, coordinate and supervise all public relations and other promotional programs for the Facilities.

(v) Prepare, maintain and implement on a regular basis, subject to County's approval, a marketing plan for the advertising and promotion of the Facilities and Facilities events, which may contain but not be limited to the following elements: (i) market research, (ii) market position, (iii) marketing objectives, (iv) marketing strategies, (v) booking priorities, (vi) targeted events (local, regional, national and international), (vii) targeted meetings, conventions and trade

shows, (viii) industry advertising campaign, (ix) internal and external support staff, (x) advertising opportunities at the local, regional and national level, (xi) attendance at various trade shows, conventions and seminars, (x) incentive formulas for multiple event presenters, (xi) premium seating sales, (xii) merchandising and retail, (xiii) food and beverage, (xiv) a plan for the sale of Commercial Rights (as defined below), (xv) a plan regarding national, regional and local public relations and media relations, (xvi) development of an in-house advertising agency, and (xvii) policies regarding the use of trade/barter.

(w) Manage and oversee the sale of commercial rights at or in connection with the Facilities, including but not limited to naming rights, pouring rights, advertising signage, premium seating (including suites, club seats and party suites), sponsorships (including event sponsorships), the branding of food and beverage products for resale and memorial gifts (collectively, the "**Commercial Rights**"). Any contracts for the sale of Commercial Rights which include payments from the sponsor in excess of \$15,000 per year, or which grant any naming rights or pouring rights at or to the Facilities or any parts thereof, shall require prior approval from County. Costs incurred in connection with the sale of Commercial Rights shall be deemed to be Operating Expenses

(x) Cause an annual written inventory to be taken of all furniture, fixtures, office equipment, supplies, tools and vehicles at the Facilities, and deliver a written report of the foregoing to County. Manager shall document all major damage to, or loss in, such inventory during the Term as soon as such damage or loss is discovered by Manager, and Manager shall promptly notify County of such damage or loss.

(y) Purchase, on behalf of County and with County funds, and maintain during the Term all materials, tools, machinery, equipment and supplies necessary for the operation of the Facilities.

(z) Manage risk management and Facilities insurance needs, as more fully described in Article 14.

(aa) Make and be responsible for all routine and minor repairs, maintenance, preventative maintenance, and equipment servicing. Manager shall be responsible for ensuring that all repairs, replacements, and maintenance shall be of a quality and class at least equal to that of the item being repaired, replaced or maintained. Any replacement of an item in inventory, or any new item added to the inventory, which is paid for by County, shall be deemed the property of County.

(bb) Cause such other acts and things to be done with respect to the Facilities, as determined by Manager in its reasonable discretion to be necessary for the management and operation of the Facilities.

(cc) Be reasonably available for press conferences and other public appearances.

EXHIBIT B

INCENTIVE FEE

Manager shall be entitled to incentive income (an "Incentive Fee") each Operating Year, beginning October 1, 2021. The Incentive Fee shall be comprised of two (2) components: a quantitative component ("**Quantitative Component**") and a qualitative component ("**Qualitative Component**"), as described below.

I. The Quantitative Component of the Incentive Fee shall be equal to twenty percent (20%) of Revenue in excess of an initial Revenue Benchmark of \$1,300,000 to \$1,449,000, or twenty two and one half percent (22.5%) of Revenue in excess of Revenue Benchmark of \$1,450,000 to \$1,599,999, or twenty five percent (25%) of Revenue in excess of Revenue Benchmark greater than \$1,600,000 per Operating Year. The Revenue benchmark shall be prorated for any Operating Years of less than 12 months, based on the actual number of days elapsed in such Operating Years prior to termination out of a total of 365.

II. The Qualitative Component of the Incentive Fee shall be capped at forty thousand dollars (\$40,000) for each Operating Year ("**Qualitative Incentive Potential**"), and its calculation shall be based on the score derived by the County's reasonable and good faith evaluation of Manager's performance during each Operating Year in the five following qualitative categories:

- a. Customer service and satisfaction, based on survey data ("**Customer Satisfaction**")
- b. General maintenance and upkeep of Facilities ("**Maintenance/Upkeep**")
- c. Overall Financial Performance ("**Financial Performance**")
- d. New Event Creation ("**Event Creation**")
- e. Effective Sales and Marketing Strategies ("**Sales and Marketing**")

County shall determine a performance rating for each category, as rated on a scale of 1 to 5 with 5 being the highest (for a total possible score of 25). Once the total score is determined, it shall be divided by 25 to determine the percentage of the Qualitative Incentive Potential Manager shall earn.

By way of example, assume that Manager scored 5 points on Customer Satisfaction, 5 points on Maintenance/Upkeep, 4 points on Financial Performance, 4 points on Event Creation, and 5 points on Sales and Marketing. The total points would be 23, which, when divided by 25 equals 92%. The Qualitative Incentive Potential for 2021-22 Operating Year is \$40,000 multiplied by performance rating percentage of 92% resulting in Qualitative Component of Incentive Fee of \$36,800 due to Manager for that year (computed as 92% x \$40,000 = \$36,800).

Notwithstanding anything to the contrary contained herein, in no event shall the Incentive Fee in any Operating Year exceed thirty-five percent (35%) of the Fixed Management Fee for that year.

The Incentive Fee for each Operating Year shall be paid to Manager within thirty (30) days following completion of the year-end audit for such Operating Year.

EXHIBIT C

**OPERATING BUDGET FOR 2021-22 OPERATING YEAR
(ENDING SEPTEMBER 30, 2022)**

[ATTACHED]

RMB Regional Fairgrounds
Spectra
Fiscal Year 2022 (October 1-September 30)
Income Statement
Budget

Exhibit C

	BUDGET
YEAR	2022
# OF EVENTS	205
ATTENDANCE	143,500
DIRECT EVENT REVENUE	
RENTAL REVENUE	402,000.00
SERVICE REVENUE	102,275.00
SURCHARGE	
TOTAL DIRECT EVENT REVENUE	504,275.00
ANCILLARY REVENUE	
FOOD AND BEVERAGE REVENUE	758,460.00
AUDIO-VISUAL REVENUE	4,400.00
PARKING REVENUE	7,250.00
DECORATOR SERVICES REVENUE	14,300.00
RV RENTAL REVENUE	14,500.00
HORSE STALL RENTAL	14,000.00
TOTAL ANCILLARY REVENUE	812,910.00
TOTAL EVENT REVENUE	1,317,185.00
OTHER REVENUE	18,000.00
TOTAL GROSS REVENUE	1,335,185.00
EVENT EXPENSE	
SERVICE EXPENSE	-190,220.00
FOOD & BEVERAGE EXPENSE	-354,757.00
AUDIO-VISUAL EXPENSE	-1,300.00
PARKING EXPENSE	-1,450.00
DECORATOR SERVICES EXPENSE	-7,150.00
RV EXPENSE	0.00
HORSE STALL EXPENSE	0.00
TOTAL EVENT EXPENSE	-554,877.00
TOTAL EVENT INCOME	762,308.00
TOTAL INCOME WITH OTHER REVENUE	780,308.00
INDIRECT EXPENSES	
EXECUTIVE	170,652.36
FINANCE	152,820.01
MARKETING & SALES	152,026.92
EVENTS	57,282.29
OPERATIONS	366,303.70
OVERHEAD	583,780.00
FOOD & BEVERAGE	165,145.09
TOTAL INDIRECT EXPENSES	1,648,010.37
NET INCOME	-867,702.37
CAPITAL EXPENSE	
SURPLUS/(SUBSIDY)	-867,702.37

RMB Regional Fairgrounds
Spectra
Fiscal Year 2024 (October 1-September 30)
Income Statement
Budget

YEAR OF EVENTS	BUDGET												
	2023	October 26	November 19	December 18	January 9	February 20	March 19	April 23	May 18	June 14	July 8	August 19	September 12
GENERAL ATTENDANCE	143500	17975	18975	8950	11150	19050	10725	11025	14950	4400	1150	19250	5900
TOTAL EVENT REVENUE													
Banquets	78,750.00	10,400.00	5,550.00	9,500.00	2,950.00	7,100.00	5,450.00	9,900.00	5,950.00	4,650.00	3,500.00	7,200.00	6,500.00
Meetings/Conferences	63,900.00	24,530.00	4,930.00	3,400.00	2,630.00	5,130.00	4,830.00	4,830.00	3,230.00	2,430.00	2,430.00	3,230.00	2,400.00
Special Events	139,625.00	12,800.00	12,300.00	4,100.00	27,600.00	11,800.00	22,000.00	6,800.00	10,900.00	12,300.00	3,100.00	10,825.00	5,100.00
Consumer Shows	140,500.00	14,000.00	17,000.00	11,000.00	0.00	27,500.00	13,000.00	11,000.00	19,500.00	3,500.00	0.00	22,000.00	0.00
Trade Shows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sporting Events	55,000.00	4,100.00	8,400.00	9,700.00	0.00	5,100.00	3,700.00	8,200.00	3,500.00	4,100.00	0.00	4,100.00	4,100.00
Equestrian Events	26,500.00	3,000.00	5,500.00	1,000.00	1,000.00	2,000.00	2,000.00	2,000.00	3,000.00	2,000.00	1,000.00	3,000.00	1,000.00
TOTAL DIRECT EVENT REVENUE	504,275.00	68,830.00	53,580.00	38,800.00	34,180.00	58,630.00	52,980.00	42,730.00	46,080.00	28,980.00	10,030.00	50,355.00	19,100.00
ANCILLARY REVENUE													
Food & Beverage Revenue	758,460.00	82,800.00	83,400.00	73,600.00	53,400.00	75,400.00	50,600.00	64,600.00	105,860.00	40,700.00	17,400.00	53,600.00	57,100.00
Audio-Visual Revenue	4,400.00	3,000.00	0.00	1,000.00	0.00	0.00	0.00	200.00	500.00	100.00	100.00	200.00	200.00
Parking Revenue	7,250.00	0.00	0.00	750.00	5,000.00	0.00	0.00	750.00	0.00	0.00	750.00	0.00	0.00
Decorating Revenue	14,300.00	1,500.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	2,000.00
RV Rental Revenue	14,500.00	900.00	1,600.00	400.00	500.00	2,100.00	2,300.00	600.00	700.00	1,300.00	0.00	2,600.00	1,500.00
Horse Stall Revenue	4,000.00	500.00	4,000.00	500.00	0.00	1,000.00	500.00	1,000.00	1,000.00	500.00	0.00	4,000.00	4,000.00
TOTAL ANCILLARY REVENUE	812,910.00	88,700.00	90,200.00	76,550.00	60,100.00	79,700.00	54,600.00	67,150.00	109,260.00	43,800.00	19,450.00	58,600.00	64,800.00
TOTAL EVENT REVENUE	1,317,185.00	157,530.00	143,780.00	115,350.00	94,280.00	138,330.00	107,580.00	109,880.00	155,340.00	72,780.00	29,480.00	108,955.00	83,900.00
OTHER REVENUE													
Advertising & Sponsorship	8,000.00	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67
Cancellation Fees	4,000.00	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33
Interest and Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F&B Vending	2,500.00	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33
Other Miscellaneous Revenue	3,000.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Miscellaneous RV Revenue	500.00	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67
TOTAL OTHER REVENUE	18,000.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
TOTAL GROSS REVENUE	1,335,185.00	159,030.00	145,280.00	116,850.00	95,780.00	139,830.00	109,080.00	111,380.00	156,840.00	74,280.00	30,980.00	110,455.00	85,400.00
EVENT EXPENSE													
Service Expense	-190,220.00	-22,486.00	-19,986.00	-13,960.00	-18,656.00	-20,656.00	-17,136.00	-16,076.00	-19,996.00	-10,626.00	-4,216.00	-18,646.00	-7,790.00
Food & Beverage Expense	-354,757.00	-39,085.00	-39,755.00	-33,870.00	-25,880.00	-35,390.00	-23,620.00	-30,120.00	-48,887.00	-18,440.00	-7,880.00	-25,320.00	-26,520.00
Audio-Visual Expense	-1,300.00	-1,020.00	0.00	-20.00	0.00	0.00	0.00	-40.00	-100.00	-20.00	-20.00	-40.00	-40.00
Parking Expense	-1,450.00	0.00	0.00	-150.00	-1,000.00	0.00	0.00	-150.00	0.00	0.00	-150.00	0.00	0.00
Decorator Services Expense	-7,150.00	-750.00	-600.00	-600.00	-600.00	-600.00	-600.00	-600.00	-600.00	-600.00	-600.00	-600.00	-1,000.00
RV Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Horse Stall Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EVENT EXPENSE	-554,877.00	-63,341.00	-60,341.00	-48,600.00	-46,196.00	-56,636.00	-41,356.00	-46,386.00	-69,583.00	-29,686.00	-12,866.00	-44,606.00	-35,340.00
NET EVENT INCOME	782,308.00	94,189.00	83,439.00	66,750.00	48,144.00	81,694.00	66,224.00	63,494.00	85,757.00	43,094.00	16,614.00	64,345.00	48,560.00
NET INCOME W/OTH REVENUE	780,308.00	95,689.00	84,939.00	66,250.00	48,644.00	83,194.00	67,724.00	64,994.00	87,257.00	44,594.00	18,114.00	65,849.00	50,060.00

QMB Regional Fairgrounds
Spectra
Fiscal Year 2024 (October 1-September 30)
Income Statement
Budget

YEAR	INDIRECT EXPENSES	BUDGET												
		2022	October	November	December	January	February	March	April	May	June	July	August	September
PERSONNEL EXPENSE														
	Salaries	464,709.89	35,746.91	35,746.91	35,746.91	53,620.37	35,746.91	35,746.91	35,746.91	35,746.91	35,746.91	35,746.91	35,746.91	35,746.91
	Payroll Taxes	76,336.20	5,872.02	5,872.02	5,872.02	8,808.02	5,872.02	5,872.02	5,872.02	5,872.02	5,872.02	5,872.02	5,872.02	5,872.02
	Employee Benefits	180,761.27	14,916.54	14,916.54	14,916.54	15,797.93	14,916.54	14,916.54	14,916.54	14,916.54	14,916.54	14,916.54	14,916.54	14,916.54
	Part-time Wages	417,000.00	32,076.92	32,076.92	32,076.92	46,115.38	32,076.92	32,076.92	32,076.92	32,076.92	32,076.92	32,076.92	32,076.92	32,076.92
	Allocation of Event Labor	-397,500.00	-30,576.92	-30,576.92	-30,576.92	-45,865.38	-30,576.92	-30,576.92	-30,576.92	-30,576.92	-30,576.92	-30,576.92	-30,576.92	-30,576.92
	Contract Labor	15,600.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
	Temporary Labor	24,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
	TOTAL PERSONNEL EXPENSE	780,907.37	61,335.47	61,335.47	61,335.47	83,776.32	61,335.47	61,335.47	61,335.47	61,335.47	61,335.47	61,335.47	61,335.47	61,335.47
OTHER OPERATING EXPENSE														
	Advertising	15,300.00	1,275.00	1,275.00	1,275.00	0.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00
	Automobile Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Bad Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Building Supplies	60,900.00	5,075.00	5,075.00	5,075.00	0.00	5,075.00	5,075.00	5,075.00	5,075.00	5,075.00	5,075.00	5,075.00	5,075.00
	Computer Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Consulting & Professional Fees	7,000.00	700.00	700.00	700.00	0.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
	Contracted Services	8,400.00	2,940.25	2,940.25	2,940.25	2,940.25	2,940.25	2,940.25	2,940.25	2,940.25	2,940.25	2,940.25	2,940.25	2,940.25
	Data Processing Fees	35,283.00	1,310.00	1,091.17	1,091.17	1,091.17	1,091.17	1,091.17	1,091.17	1,091.17	1,091.17	1,091.17	1,091.17	1,091.17
	Dues & Subscriptions	1,310.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00
	Equipment & Supply Rental	3,900.00	1,975.00	1,975.00	1,975.00	0.00	1,975.00	1,975.00	1,975.00	1,975.00	1,975.00	1,975.00	1,975.00	1,975.00
	Equipment Maintenance Agreement	23,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	F&B Management Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Good & Welfare	600.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	Insurance	54,000.00	4,500.00	4,500.00	4,500.00	2,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
	Internet	30,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
	Licenses and Permits	10,200.00	500.00	500.00	500.00	3,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
	Men Expense	2,400.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
	Management Fee	178,000.00	14,833.33	14,833.33	14,833.33	14,833.33	14,833.33	14,833.33	14,833.33	14,833.33	14,833.33	14,833.33	14,833.33	14,833.33
	Meetings/Conferences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Office Supplies	6,000.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
	Other	12,030.00	1,002.50	1,002.50	1,002.50	1,002.50	1,002.50	1,002.50	1,002.50	1,002.50	1,002.50	1,002.50	1,002.50	1,002.50
	Postage	480.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
	Printing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Promotions	3,600.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
	Recruitment/Relocation	2,400.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
	Reprints/Maintenance	90,000.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
	Telephone	9,600.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00
	Training	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Trash Hauling	9,000.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00
	Travel & Entertainment	3,000.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
	Uniforms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Utilities	300,000.00	26,000.00	15,000.00	20,000.00	27,000.00	27,000.00	23,000.00	28,000.00	27,000.00	28,000.00	23,000.00	28,000.00	28,000.00
	Allocation of Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL OPERATING EXPENSES	867,103.00	72,325.25	61,325.25	66,325.25	76,125.25	74,125.25	69,325.25	72,325.25	73,325.25	74,325.25	69,325.25	75,325.25	82,925.25
	TOTAL INDIRECT EXPENSES	1,648,010.37	133,660.72	122,660.72	127,660.72	159,901.57	135,460.72	130,660.72	133,660.72	134,660.72	135,660.72	153,101.57	136,660.72	144,260.72
	NET INCOME	-867,702.37	-37,971.72	-37,721.72	-59,410.72	-110,257.57	-52,266.72	-62,936.72	-68,666.72	-47,403.72	-91,086.72	-134,987.57	-70,811.72	-94,200.72

EXHIBIT D

NON-OPERATING EXPENSES

1. Any cost that would be in violation or possible violation of a provision of a law, regulation, contract, cooperative agreement, or other agreement or document governing the use of County funds.
2. Costs that are not supported by adequate documentation.
3. Costs of defense and prosecution of criminal or civil proceedings and claims against the County incurred as a result of an illegal act(s) by any employee or agent of Manager.
4. Costs for alcoholic beverages that are not related to Facility concession or catering sales.
5. Contributions or donations, including cash, property, and services, made by Manager regardless of the recipient.
6. Costs of entertainment, including amusement, diversion, and social activities and any cost directly associated with such costs.
7. Costs of goods or services for personal use of employees regardless of whether the cost is reported as taxable income to the employees (not including the cost of employee benefits).
8. Interest and financing costs.
9. Lobbying costs.

EXHIBIT E

INSURANCE REQUIREMENTS

A. At all times during this Agreement, Manager shall maintain:

(1) commercial general liability insurance, including products and completed operations, bodily injury and property damage liability, contractual liability, independent contractors' liability and personal and advertising injury liability against loss, liability, damage or claims occurring on, in, or about the Facilities, or otherwise arising under this Agreement;

(2) umbrella or excess liability insurance;

(3) commercial automobile liability insurance;

(4) appropriate workers' compensation and employer's liability insurance as shall be required by and be in conformance with the laws of the State of Texas; and

(5) professional liability insurance and self-insured employment practices liability coverage.

B. Such liability insurance shall be maintained in the following minimum amounts throughout the Term:

The work shall not be commenced by Manager until after the policy, or policies, evidencing the insurance coverage herein required, or certificates of such insurance, providing that the insurer shall give County thirty (30) days written notice prior to cancelation, material revision or intention not to renew, have been filed with the County.

In the event the Insurer refuses to provide the County with notice as detailed, the Manager agrees to provide notice in writing immediately, and shall suspend all work until insurance is restored and proof, in a form acceptable to the County, is provided.

Manager, as an operating expense, shall purchase and maintain in force at all times during the term of this Contract, until the Project is finally completed and accepted by County, the insurance with limits not less than indicated below. All insurance policies shall be issued by the insurance companies rated no less than A VIII in the most recent "Bests" insurance guide and licensed in the state of Texas or as otherwise agreed by the parties. Manager shall require that all users of the Facilities, including without limitation licensees and any third party users, security personnel and /or concessionaires, provide to County and to Manager certificates of insurance evidencing insurance appropriate for the types of activities such user is engaged in. If the Manager subcontracts any of its obligations, under the contract, Manager shall either (a) cover all subcontractors under its policies or insurance, or (b) require each subcontractor not so covered to secure insurance that will protect against applicable hazards or risks of loss as and in the minimum amounts designated herein, and name the Manager and County as additional insured.

No policy shall contain any exclusion for explosion, collapse, or underground coverage. Identify the project number and name in the Certificate of Liability.

Commercial General Liability

Bodily Injury / Property Damage

Each Occurrence	Annual Aggregate
\$1,000,000	\$2,000,000

\$1,000,000 personal and advertising injury

\$1,000,000 products-completed operations aggregate

A designated Project or Premises Endorsement (CG 25 01 11 85) which applies the general aggregate to the project must be provided. Nueces County is to be named as additional insured and a waiver of subrogation is required for this policy.

Automobile Liability

Owned Automobiles
Non-owned Automobiles including Hired Automobiles
and those of independent contractors. All must be marked on Certificate of Liability Form.

Bodily Injury / Property Damage

Per Occurrence
\$1,000,000

\$1,000,000 uninsured/underinsured motorist

Nueces County is to be named as additional insured and a waiver of subrogation is required for this policy.

Liquor Liability

Insurance to include Assault and Battery Coverage

\$5,000,00 per occurrence
\$5,000,000 aggregate

Umbrella (excess liability policy) or additional limits on foregoing risks

\$5,000,000 per occurrence and aggregate

Policy must be a Commercial General Liability "follow form."

Workers' Compensation

Workers' Compensation: Statutory

Employer's Liability: \$500,000 each accident-bodily injury by accident

\$500,000 policy limit-bodily injury by disease

\$100,000 each employee-bodily injury by disease

All insurance must be written by insurance companies which are rated in the A.M. Best Rating Guide - Property & Casualty with a policyholder's rating of A, and a financial size category of Class VII. A waiver of subrogation is required for this policy.

Professional Liability/Errors & Omissions (Claims Made) Insurance shall protect the Offeror against claims for damages which may arise from operations under this contract, whether such operations be by the Offeror, or the Offerors staff. The minimum acceptable limits of liability to be provided by such professional liability insurance shall be as follows:

\$1,000,000 each occurrence/aggregate

Policy is to include entity coverage

Commercial Crime Coverage, coverage to include:

- A. Form A, Employee Dishonesty - \$1,000,000.
- B. Form B, Forgery - \$1,000,000.
- C. Form C, Theft, Disappearance and Destruction \$1,000,000.

EXHIBIT F
VERIFICATION OF NO BOYCOTT OF ISRAEL REQUIRED BY TEXAS GOVERNMENT CODE CHAPTER 2270

By signing below, the signatory hereby verifies that the firm it represents:

1. Does not boycott Israel; and,
2. Will not boycott Israel during the term of the contract.

SIGNED BY:

Print Name & Title: _____

Firm Name: _____

Date Signed: _____

NOTARIZATION

THE STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned notary public on this day personally appeared _____, on behalf of _____ (Company), who, being duly sworn, stated under oath that he/she has read the foregoing verification required by Texas Government Code Section 2270.002 and said statements contained therein are true and correct.

SWORN TO AND SUBSCRIBED before me on the _____ day of _____, 201__.

NOTARY PUBLIC IN AND FOR THE STATE OF _____

The following definitions apply to Texas Government Code Section 2270.001:

(1) "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and

(2) "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

State law requires any firm entering into an agreement or contract with the Authority to complete the foregoing verification. TEX. GOV'T CODE § 2270.002.

EXHIBIT F

VERIFICATION OF NO BOYCOTT OF ENERGY COMPANIES REQUIRED BY TEXAS GOVERNMENT CODE CHAPTER 2274

I, the undersigned, on behalf of _____
("Company") do hereby, verify, certify, and confirm that the Company:

- 1. Does not boycott energy companies; and
- 2. Will not boycott energy companies during the term of the contract.

SIGNED BY:

Print Name & Title: _____

Firm Name: _____

Date Signed: _____

NOTARIZATION

THE STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned notary public on this day personally appeared _____, on behalf of _____ (Company), who, being duly sworn, stated under oath that he/she has read the foregoing verification required by Texas Government Code Section 2270.002 and said statements contained therein are true and correct.

SWORN TO AND SUBSCRIBED before me on the _____ day of _____, 201__.

NOTARY PUBLIC IN AND FOR THE STATE OF _____

Pursuant to Texas Government Code §809.001:

"Boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking actions that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company:

- (A) *engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal or state law; or*
- (B) *does business with a company described by Paragraph (A).*

**EXHIBIT F
VERIFICATION OF NO DISCRIMINATION AGAINST FIREARM AND AMMUNITION INDUSTRIES
REQUIRED BY TEXAS GOVERNMENT CODE CHAPTER 2274**

By signing below, the signatory hereby verifies that the firm it represents:

- 1) Does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and
- 2) Will not discriminate during the term of this contract against a firearm entity or firearm trade association.

SIGNED BY:

Print Name & Title: _____

Firm Name: _____

Date Signed: _____

NOTARIZATION

THE STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned notary public on this day personally appeared _____, on behalf of _____ (Company), who, being duly sworn, stated under oath that he/she has read the foregoing verification required by Texas Government Code Section 2270.002 and said statements contained therein are true and correct.

SWORN TO AND SUBSCRIBED before me on the _____ day of _____, 201__.

NOTARY PUBLIC IN AND FOR THE STATE OF _____

Pursuant to Texas Government Code §2274.001(3):

"Discriminate against a firearm entity or firearm trade association " means, with respect to the entity or association, to: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association.

Pursuant to Texas Government Code §2274.001(6):

"Firearm entity" means:

- (A) wholesaler, supplier, or retailer; and
- (B) a sport shooting range as defined by Section 250.001, Local Government Code.

Pursuant to Texas Government Code §2274.001(7):

"Firearm trade association" means any person, corporation, unincorporated association, federation, business league, or business organization that:

- (A) is not organized or operated for profit and for which none of its net earnings inures to the benefit of any private shareholder or individual;
- (B) has two or more firearm entities as members; and
- (C) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

