

EVENT MANAGEMENT AGREEMENT

**CITY OF ABERDEEN
&
HUNTLEY SPORTS GROUP, LLC**

Preface

The attached "Event Management Agreement" between the City of Aberdeen and Huntley Sports Group, LLC., was created and agreed to for the primary purpose to secure a professional organization to assist the City in identifying, promoting and conducting events at Aberdeen's Ripken Stadium. Consistent with the terms and specifications of the attached, the intended spirit of this relationship is one where Huntley Sports Group will make every reasonable effort within the parameters established by the 7 December 2000 Concessions Agreement to mutually work with the City, and Tufton Professional Baseball LLC, who own and manage the Aberdeen Ironbirds Minor League Baseball Team. Instrumental to this relationship is expanding the uses of and potential revenue opportunities at Aberdeen's Ripken Stadium while concurrently recognizing the roles and responsibilities afforded to Tufton and the Ironbirds under the Concessions Agreement. This framework is intended to afford the citizens of Aberdeen and the region with new recreational and/or community-type events while enhancing Tufton's ability to concentrate its business operations on Ironbird Baseball. Through a balance of open, collegial communication, encouragement to pursue new opportunities and mutually agreeable relations, the goal is to enhance Ironbird baseball while additional community events take place at Ripken Stadium.

EVENT MANAGEMENT AGREEMENT

THIS EVENT MANAGEMENT AGREEMENT (this "Agreement") is entered into by and between City of Aberdeen ("the City" or "City") and Huntley Sports Group, LLC ("HSG"), effective as of the later date indicated on the signature page to this Agreement. As used in this Agreement, City and HSG individually are referred to as a "party" and collectively as the "parties."

WITNESSETH, that for and in consideration of the mutual rights and obligations in this Agreement, and other good and valuable considerations, the receipt and adequacy of which is acknowledged, the City and HSG agree as follows:

1. Term of Agreement. This Agreement shall run for a term beginning on the later date on which a party fully executes this Agreement as indicated on the signature page hereto and ending at 11:59 P.M. on December 31, 2018 (the "Term"). In the event this Agreement is terminated in accordance with Section 11 hereof, the Term shall be deemed to have ended on such earlier termination date. The City shall remain liable for paying HSG the management fee determined in accordance with Section 5 hereof through the applicable date of termination of the Term notwithstanding the expiration or termination of this Agreement.

2. Assignment of Rights and Responsibilities.

a. Subject to the terms and conditions of the Concession Agreement dated December 7, 2000, by and between the City and Tufton Professional Baseball LLC ("TPB", which is referred to as the "Franchisor" under the Concession Agreement identified below), as amended to date and as attached hereto as Exhibit "A" (the "Concession Agreement"), the City hereby assigns to HSG the exclusive right (except as otherwise expressly provided herein) to schedule, program, manage and execute all events at the Stadium (as defined in the Concession Agreement) and the Stadium's appurtenances (meaning the "Site", as defined in the Concession Agreement, which definition of the Site includes the Stadium and parking facilities at the Site), identified in the Concession Agreement as the "City Events" and "Community Activities", on dates the Site is available for such City Events and Community Activities. Such assignment shall be limited to the City's rights and responsibilities with respect to City Events and Community Activities under the Concession Agreement, except as expressly provided otherwise in this Agreement.

b. Any City Event or Community Activity that HSG schedules, programs, manages and/or executes under the terms of this Agreement is referred to in this Agreement as an "Event". HSG expressly acknowledges and agrees that its rights and obligations with respect to the Events are subject to the same limitations and obligations placed upon the City under the Concession Agreement with respect to City Events and Community Activities, including (without limitation), (i) any limitation on the number of City Events or Community Activities to be held during the Term under the provisions of the Concession Agreement, (ii) the obligation to obtain TPB's approval of the purposes of Events, (iii) the obligation not to conflict with any Franchisor Event (as defined in the Concession Agreement), (iv) the obligation to provide security for Events (to the extent not provided by a User (as defined in subsection f. below), so long as such provision

of security by a User is not in violation of the Concession Agreement), (v) the obligation to timely make arrangements with TBP if TBP is to provide concession services for a City Event in accordance with Section 6.01 of the Concession Agreement, (vi) the obligation to restore the Site if disrupted or damaged as contemplated by Section 4.01 of the Concession Agreement (which restoration of the Site shall be at the sole cost of HSG, without reimbursement from the City as part of the compensation provided for in Section 5 of this Agreement, except as otherwise agreed in writing), (vii) providing all necessary operation and maintenance services for any City Event that is not a Community Activity, as contemplated by Section 4.05 of the Concession Agreement or coordinating with the City to timely request that TBP provide such operation and maintenance services in accordance with Section 4.05 of the Concession Agreement, (viii) that neither HSG nor the Users shall have any right to use the Boxes pursuant to Section 6.03 of the Concession Agreement, and (ix) the priority for scheduling rain dates as contemplated by Section 4.04 of the Concession Agreement. References in this Agreement to the Site or to any "available portion" of the Site are similar terms are intended to refer to the portions of the Site that are not prohibited for use by the City for City Events under the Concession Agreement.

c. HSG acknowledges that on October 31, 2011, the City issued its City of Aberdeen (Maryland) Refunding Bonds, Series 2011 (Tax Exempt) in the original aggregate principal amount of \$8,525,000 (the "2011 Bonds") with the expectation that interest on the 2011 Bonds will be excludable from gross income for federal income tax purposes. Proceeds of the 2011 Bonds were applied in part to refund certain prior tax-exempt obligations of the City. Because the 2011 Bonds will be outstanding during the Term, the parties acknowledge that their intention is that this Agreement is structured to meet the requirements of an "eligible expense reimbursement arrangement" as defined in Revenue Procedure 2017-13.

d. Except as otherwise expressly provided in subsection e. below, HSG may schedule the Site or any available portion thereof for use for Events on any date during the Term that the Site or such available portion thereof is available for use under the Concession Agreement (distinguishing as applicable under the Concession Agreement between use for City Events and use for Community Activities), without payment by HSG of any cost, fee or charge to City except as otherwise expressly provided in this Agreement.

e. The parties acknowledge and agree that prior to the effective date of this Agreement, the City scheduled and contracted for the City Events identified on Exhibit "B" attached hereto for occurrence during the Term (the "Previously Scheduled Events") and that such Previously Scheduled Events may reduce in accordance with the Concession Agreement the number of Event days available for scheduling, programing, management and execution by HSG during the Term. HSG agrees to assume responsibility for managing and executing the Previously Scheduled Events.

f. Due to the issuance of the 2011 Bonds as tax-exempt obligations, HSG agrees to arrange for or contract with users of all or any portion of the Site available pursuant to the Concession Agreement for Events in accordance with U.S. Treasury Regulation Sections 1.141-3(c)(3) or 1.141(3)(d)(3)(ii), as applicable, in order that such use is not treated as private business use for purposes of U.S Treasury Regulation Section 1.141. The parties with which HSG contracts for use of all or any available portion of the Site pursuant to this susbsection f are referred

to herein as the "Users". The potential Users of the Site, shall include, but not be limited to, event operators, organizations, individuals, performers, and general businesses interested in using the available portion of the Site in whole or in part for Events. With respect to Users contracted for by HSG pursuant to U.S. Treasury Regulation Section 1.141-3(c), the City agrees to promptly establish a schedule of rates for such use pursuant to U.S. Treasury Regulation Section 1.141-3(c)(2). The City may consult with HSG in establishing such rate schedule, but the determination of the rate schedule shall be in the City's sole and absolute discretion. In no event may any agreement for use entered into between HSG and a User allow for use beyond December 31, 2018.

g. The City may reject HSG's scheduling of any Event, the proposed charges for any Event or the use of all of any part of the available Site for any Event if the City reasonably believes such use is likely to cause a clear and identifiable harm to the Site or other parts of the Site, if a particular event (excluding seasonal leagues, tournaments, and festivals) will occur over three (3) or more consecutive days, or if, in the City's reasonable judgment, the adverse impact on the Site will be disproportionate to the amount of revenue to be derived from the proposed user or the Event will be harmful to the reputation of the City.

h. For purposes of implementing subsection g., HSG shall provide the City on a weekly basis with HSG's proposed schedule of Events with sufficient detail and sufficiently in advance to afford the City sufficient time to advise HSG whether any proposed Event is objectionable, provided that City's notice to HSG of any objection does not exceed three (3) business days from the date HSG provided City with the pertinent schedule of Events. The City and HSG also may agree, in writing, and may reasonably modify the list from time to time, upon types of activities and events on the Site that HSG may schedule and allow (subject to the limitations of the Concession Agreement) without specific authorization by the City provided that HSG notifies the City of each specific Event in advance; a list of pre-approved Events is attached hereto in Exhibit "C".

i. The City and HSG shall provide each other, in writing, with a point of contact to coordinate City and HSG scheduling of the use of the Site as provided in this Section 2. The City and HSG promptly shall notify the other party in writing of any change in the notifying party's designated point of contact. Until otherwise advised in writing, the point of contact for the City is the City Manager and the point of contact for HSG is Athan Sunderland.

j. HSG shall provide the City by the tenth (10th) calendar day of each month with a report detailing HSG's activities undertaken during the prior calendar month pursuant to this Section 2. At the request of either party, the City and HSG shall meet and confer timely about matters relating to the Site.

k. HSG shall use commercially reasonable efforts to manage the available portions of the Site for use by Users in a safe manner, consistent with stadium and event management standards for comparable types of sites and facilities.

l. HSG shall use commercially reasonable efforts to ensure that Users adhere to and fulfill their duties and responsibilities under their agreements with HSG. HSG shall consult with the City if HSG believes that any User is not fulfilling its duties and responsibilities under an

agreement with HSG. HSG and the City jointly shall develop a plan for addressing HSG's concerns and any User's defaults. Unless HSG and the City agree otherwise, HSG shall implement the joint plan.

m. HSG acknowledges that it shall have no rights or responsibilities with respect to any tickets provided to the City in accordance with Section 5.09 of the Concession Agreement during the Term.

n. HSG acknowledges that it and the Users shall have no right to use the Boxes (as defined in Section 6.03 of the Concession Agreement).

o. HSG acknowledges that the City shall retain the right to determine whether or not a parking fee should be charged for any Events and any amount to be so charged, as contemplated by Section 7.01 of the Concession Agreement.

p. To the extent amusement, admission, sales or other taxes are imposed in connection with Events, HSG shall collect the same and promptly remit all such taxes to the City in accordance with Section 3 of this Agreement.

q. The City agrees to promptly provide to HSG any schedules provided to the City in accordance with Section 4.03 of the Concession Agreement.

r. HSG acknowledges and agrees that HSG shall be responsible for hiring and compensating all employees necessary for the provision of services by HSG under this Agreement. All such employees shall be employees of HSG and not of the City.

s. HSG shall not allow the sale, possession or consumption of alcohol at any Event unless the sale, possession or consumption is allowed at that Event by an alcoholic beverage license issued by the Harford County Board of License Commissioners. The City shall evaluate on a case by case basis any request for the sale, possession or consumption of alcoholic beverages at an Event.

3. Revenues From or Related to Events.

a. The City shall establish a bank account in the name of the City and shall grant HSG the right to make deposits to such account (the "Account"). The City shall have continuous access to the Account, including but not limited to signatory access. HSG shall have no rights with respect to the Account, including signatory access, other than the right to make deposits to the Account.

b. No less frequently than weekly, HSG shall deposit to the Account all revenues (i) payable to HSG under contracts with Users, or (ii) due and owing to the City in connection with Events under the terms of the Concession Agreement that are collected by HSG. Alternatively, HSG may transfer all such revenues on a weekly basis to the City Director of Finance for deposit to the Account by the City. Such revenues shall include any taxes collected by HSG with respect to Events pursuant to Section 2.p. of this Agreement. HSG shall not commingle any of the

revenues referred to in this subsection b. with any other funds of HSG prior to depositing or transferring the same as described in this subsection b.

c. By the tenth (10) day of each calendar month, HSG shall provide to the City a detailed accounting for all deposits or transfers made by HSG in accordance with subsections a. and b. above with respect to the prior calendar month.

4. Food and Beverages. Subject to the Concession Agreement, at any Event scheduled by HSG under this Agreement HSG may provide food, beverage and concessions. All revenues from such concessions shall be handled as provided in Section 3 above.

5. Management Fee.

a. In exchange for the rights and obligations that the City grants to HSG, and that HSG assumes, under this Agreement, City shall pay to HSG as its only compensation under this Agreement a management fee comprised of the following components:

(i) Reimbursement of all actual and direct expenses paid by HSG to unrelated parties; and

(ii) Reasonable related administrative overhead expenses of HSG consisting of an amount equal to fifteen percent (15%) of the actual and direct expenses paid by HSG to unrelated parties.

For purposes of clause (i) of this subsection a., "unrelated parties" means (as defined in Revenue Procedure 2017-13) persons *other than*: (A) a "related party" to HSG and (B) HSG's employees. For purposes of the definition of "unrelated" parties set forth in the preceding sentence, "related party" means a person such that (A) the relationship between such person and HSG would result in a disallowance of losses under Section 267 or Section 707(b) of the Internal Revenue Code of 1986, as amended (the "Code"), or (B) such person and HSG are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code), except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears in such Section 1563(a).

b. HSG shall submit statements to the City for the components of HSG's management fee compensation calculated in accordance with subsections a.(i) and (ii) above as follows: (1) by June 15, 2018 for the period from the effective date of this Agreement through May 31, 2018 for which HSG provides services under this Agreement, (2) by September 15, 2018 for the period June 1, 2018 through August 31, 2018 for which HSG provides services under this Agreement (3) by December 15, 2018 for the period September 1, 2018 through November 30, 2018 for which HSG provides services under this Agreement, and (4) by January 15, 2018 for the period December 1, 2018 through December 31, 2018 for which HSG provides services under this Agreement. In the event this Agreement is terminated prior the end of its stated Term, HSG shall submit a statement for its management fee compensation within fifteen (15) days of the date of termination. Each such statement shall include evidence of the actual and direct expenses incurred and paid by HSG pursuant to subsection a.(i) above during the applicable period provided for in the preceding sentences. All requests for reimbursements pursuant to subsection a.(i) above shall

include a representation of HSG that such actual and direct expenses were paid to unrelated parties (as defined in this Agreement). Statements shall be provided to the City in the manner specified for notices in Section 10 or by e-mail addressed to the City Manager. The City shall pay each statement submitted by HSG within thirty (30) days of receipt thereof; provided that, the City shall have the right to dispute any portion of any submitted statement within fifteen (15) days of receipt thereof. In the event the City disputes any portion of a submitted statement, the City and HSG shall meet or confer to resolve the dispute and the City shall pay HSG the resolved upon amount within fifteen (15) days of the date of resolution.

6. HSG Default. If HSG breaches any of its obligations under this Agreement the City shall give HSG written notice of the breach. After receipt of such written notice HSG shall have ten (10) business days to commence a cure of any breach. If the nature of HSG's breach is a non-monetary obligation and additional time after the cure period is reasonably required for its performance, HSG shall not be in breach if it commences performance to cure the default within the cure period and thereafter diligently pursues the cure to completion. The City may terminate this Agreement upon ten (10) written notice if HSG does not timely cure a breach of which the City has given notice to HSG.

7. City Default. If the City breaches any of its obligations under this Agreement, HSG shall give the City written notice of the breach. After receipt of such written notice the City shall have thirty (30) days to cure any breach. If the nature of obligation is such that additional time after the cure period is reasonably required for its performance, the City shall not be in breach if it commences performance to cure the default within the cure period and thereafter diligently pursues the cure to completion.

8. Insurance. HSG shall procure and maintain during this Agreement the same insurance required to be carried by Franchisor under Section 17.02 of the Concession Agreement. Such insurance shall be secondary to the insurance of the City, except that such insurance shall be primary for losses arising from HSG's acts and omissions. HSG shall ensure that such policy or policies of insurance also covers losses arising from HSG's acts and omissions under this Agreement. HSG's cost of insurance to covers losses arising from HSG's acts and omissions shall not be subject to reimbursement as part of the Management Fee provided for in Section 5.a.

9. Indemnification. HSG shall indemnify and save harmless the City and the City's officials, officers, employees and agents for any claims and liabilities whatsoever, for personal or bodily injury, death, or damage to property of any type whatsoever, arising out of HSG's negligence or willful act or omission in connection with HSG's exercise of its rights and obligations under this Agreement. In addition, HSG shall indemnify and save harmless the City and the City's officials, officers, employees and agents for any claims and liabilities whatsoever, based on a determination by the Internal Revenue Service, other applicable administrative body or a court of competent jurisdiction that actions taken by or arrangements made by HSG adversely impact the tax-exempt status of interest payable on the 2011 Bonds. The provisions of this Section shall survive expiration or termination of this Agreement.

10. Notices. Except as otherwise expressly provided in this Agreement, including Section 2.i., any notice, request or demand or other communication required or permitted to be given

pursuant to this Agreement (each, a "Notice") shall be in writing and shall be deemed sufficiently given if delivered by hand (including by a party or by messenger) at the address of the intended recipient (set forth below), with the deliverer obtaining a signed and dated receipt; or sent by FedEx or a comparable guaranteed overnight delivery service that tracks receipt, prepaid, with instructions to deliver on the next business day; and addressed as follows (or to such other address as may have been specified by the addressee party in a written notice previously given to the sender party in accordance with this Section):

If to the City: City Manager
 City of Aberdeen
 60 N. Parke Street
 Aberdeen, Maryland 21001

With a copy to:

Frederick C. Sussman, Esquire
Council, Baradel, Kosmerl & Nolan, P.A.
125 West Street, 4th Floor
Annapolis, Maryland 21401

If to HSG: HSG, LLC
 305 W Chesapeake Ave. #503
 Towson, MD 21204
 Attn: Athan Sunderland

Any Notice given in accordance with this Section shall be deemed to be given and delivered as of (i) the date of actual delivery, as evidenced by the completed receipt if delivered by hand; or (ii) the date of actual delivery, as evidenced by the records of the overnight delivery service, if sent by such overnight delivery service, prepaid, with instructions to deliver on the next business day.

11. Invalidity. If a court of competent jurisdiction provided for in Section 20 of this Agreement determines that any material part of this Agreement, but less than the entire Agreement, is invalid or unenforceable this Agreement shall be deemed terminated without further action of either party at the expiration of any period for appeal or further judicial review. Such termination does not preclude the parties from negotiating a new agreement that is consistent with the determination of the court; provided that the parties agree that any such new agreement shall be structured so as not to adversely affect the tax-exempt status of interest payable on the 2011 Bonds for federal income tax purposes unless the City has obtained the advice of nationally-recognized bond counsel that such tax-exempt status is not a consideration with respect to the new agreement.

12. Relationship of Parties. Each party shall be deemed to be an independent contractor in its performance under this Agreement such that neither party nor any official, officer, employee or agent of either party shall be deemed an agent of the other party, unless otherwise expressly agreed in writing by the parties. The parties acknowledge and agree that by this Agreement the City is not leasing the Site or any portion thereof to HSG, and the City shall at all times retain ownership of applicable portions of the Site in accordance with the provisions of the Concession Agreement.

13. Assignment. HSG shall not assign this Agreement, or any of its rights and obligations hereunder, to any third party without the prior written consent of the City, which consent may not be unreasonably withheld, conditioned or delayed by the City.

14. Attorney Fees. The prevailing party in any judicial proceedings to interpret or enforce this Agreement, or to recover damages for breach of this Agreement, shall be entitled to recover its reasonable attorney fees, court costs and litigation expenses from the non-prevailing party as determined by the court. Where both parties are successful in obtaining affirmative relief in a judicial proceeding neither party shall be entitled to attorney fees or expenses and neither party shall be deemed to have "prevailed."

15. Time of Essence. Time is of the essence with respect to performance of the parties' obligations under this Agreement.

16. Binding Effect. This Agreement is binding upon the parties and their respective officials, officers, employees, agents, successors and permitted assigns.

17. Interpretation of Agreement. This Agreement has been negotiated and prepared jointly by both parties. If any provision of this Agreement is ambiguous the ambiguity shall not be construed against either party as the drafter of this Agreement or that provision.

18. Governing Law. This Agreement is made in the State of Maryland and shall be governed, interpreted and construed according to the laws of Maryland without regard for its principles governing choice or conflicts of laws.

19. No Waiver. The failure of either party to exercise or enforce at any time any of the provisions, rights, or obligations in this Agreement shall not affect the validity of this Agreement and does not alter that party's right to exercise or enforce the provision, right or obligation in the future.

20. Jurisdiction and Venue. Any action to interpret or enforce this Agreement or to recover damages for its breach shall be brought in the Maryland court having appropriate jurisdiction sitting in Harford County, Maryland. To the extent permitted by law, the parties waive their rights to transfer an action to the United States District Court.

21. Waiver of Jury Trial. The City and HSG waive their rights to trial by jury with respect to any dispute or proceeding between the parties arising from this Agreement.

22. Access to Records. At any time during normal business hours with reasonable prior notice from the City, and as often as the City reasonably may deem necessary, HSG shall make available to and allow inspection and copying by the City, its employees or agents, of all books, records, accounts, reports, information and documentation of HSG related to the subject matter of this Agreement. HSG shall maintain all books, records, accounts, reports, information and documentation required under this Agreement for a period of at least three (3) years after the date of expiration or termination of the Term of this Agreement, except in the event of litigation or

settlement of claims arising from the performance of this Agreement, in which case HSG shall do so until three (3) years after final adjudication of such litigation or settlement of claims.

23. Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

24. Appropriation of Funds. The City's financial obligations under this Agreement are subject to and contingent upon appropriation of sufficient funds for such purpose by the City Council.

25. Business Days. For purposes of this Agreement, "business day" shall mean any day other than a Saturday, a Sunday or a day on which the City or banks in the State of Maryland are closed. With respect to any action to be taken by or on a stated date or number of days under the terms of this Agreement, if the applicable date is not a business day, such deadline shall be extended to the next succeeding business day.

26. Complete Agreement. This Agreement is the complete agreement of the parties with respect to the matters addressed in this Agreement. There are no covenants, promises, agreements, conditions or understandings, either written or oral, between the parties other than as are set forth in this Agreement. Any alteration, amendment, change or addition to this Agreement shall be binding on the parties only if reduced to writing and signed by authorized representatives of both parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the City and HSG have executed this Agreement by the signatures of their respective authorized officers or agents on the dates indicated below.

WITNESS/ATTEST:

Miriam A. Cornell
City Clerk

CITY OF ABERDEEN

By: 

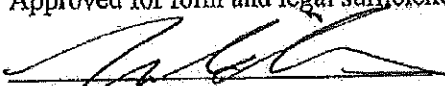
Name:

Title:

(Authorized Signatory)

Date: 2/12/2018

Approved for form and legal sufficiency:


Frederick C. Sussman
City Attorney

WITNESS/ATTEST:

Miriam A. Cornell
City Clerk

HSG, LLC

By: 

Athan Sunderland, HSG CEO
(Authorized Signatory)

Date: 2.12.18

[SIGNATURE PAGE TO EVENT MANAGEMENT AGREEMENT]

EXHIBIT "A"

COPY OF CONCESSION AGREEMENT

[See Attached]

EXHIBIT "B"

PREVIOUSLY SCHEDULED EVENTS

[See Attached]

EXHIBIT "C"

PRE-APPROVED EVENTS

(Including but not limited to)

- Sporting Events
- Markets, Fairs, and Festivals
 - Weddings
 - Corporate Events
- Special Events, Shows, and Concerts
- City, County, and State Requests