

THE STATE OF TEXAS

BIDS AND PROPOSALS
AWARD
MANAGEMENT SERVICES
OUTDOOR EDUCATION & RECREATION CAMP
ADMINISTRATIVE SERVICES

COUNTY OF COLLIN

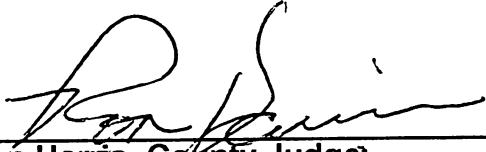
On June 12, 2000, the Commissioners' Court of Collin County, Texas, met in **regular session** with the following members present and participating, to wit:

Ron Harris
Phyllis Cole
Jerry Hoagland
Joe Jaynes
Jack Hatchell

County Judge, Presiding
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4

During such session the court considered a request for approval of the award of bid for Management Services: Outdoor Education & Recreation Camp (RFP no. 2000-04-081).

Thereupon, a motion was made, seconded and carried with a majority vote of the courts approval of the award of bid for Management Services for Outdoor Education and Recreation Camp (RFP no. 2000-04-081) to YMCA Camp Grady Spruce, of Dallas, Texas. Same is hereby approved in accordance with the attached documentation.



Ron Harris, County Judge




Phyllis Cole, Commissioner, Pct. 1



Jerry Hoagland, Commissioner, Pct. 2




Joe Jaynes, Commissioner, Pct. 3



Jack Hatchell, Commissioner, Pct. 4

ATTEST:



Helen Starnes, Ex-Officio Clerk
Commissioners' Court
Collin County, T E X A S

00 JUN 20 PM 1:51

MANAGEMENT AGREEMENT

Between

COLLIN COUNTY, TEXAS

and

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN DALLAS

Pertaining to

Collin County Outdoor Youth Camp

Dated as of _____, 2002

Court Order 2003-816-10-07

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT dated as of _____, 2002 (as it may be amended or supplemented, the "**Agreement**"), is entered into by and between COLLIN COUNTY, TEXAS (the "**County**"), and YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN DALLAS, a Texas non-profit corporation (the "**Operator**").

WITNESSETH:

WHEREAS, the voters of the County approved the issuance of \$26,000,000 Ad Valorem Tax Park Bonds for Youth Camping and Related Outdoor Recreation and Education Facilities on November 6, 2001; and

WHEREAS, the County has the authority to construct and operate the Collin County Outdoor Youth Camp (the "**Youth Camp**"), to be located on approximately 420 acres of County-owned land in Northeast Collin County near Westminster (the "**Property**"); and

WHEREAS, the County desires that the Operator manage the Youth Camp and institute programs consistent with this Agreement, and the Operator, who is experienced in such management, desires to do so;

NOW, THEREFORE, for and in consideration of the mutual agreements and undertakings of the parties set out in this Agreement, the County and the Operator agree as follows:

1. Operator's Undertaking; Duty of Care. Operator agrees to operate the Youth Camp in a manner consistent with the Permitted Uses set forth in paragraph 5 below, in accordance with such management and operational standards as are customarily employed by similar operators managing similar facilities and on a not-for-profit basis, and the County agrees to such operation by Operator under the terms and conditions of this Agreement.

2. Services. Operator shall have the exclusive right to operate the Youth Camp in accordance with this Agreement and the standards set forth in paragraph 1. Without limiting the generality of the foregoing, Operator will provide the following services in connection with the Youth Camp:

(a) **Initial Plan.** On September 1 of the calendar year prior to the first school year during which the Youth Camp is anticipated to be in operation, Operator shall submit to the Collin County Commissioners Court (the "**Commissioners Court**") and the Collin County Youth Camp Advisory Board (the "**Board**") a draft plan (the "**Draft Initial Plan**") for the management of the Youth Camp, which shall include, without limitation, the items set forth on Exhibit A to this Agreement and shall cover the period from the Estimated Occupancy Date (defined below) through August 31 of the second school year (based on the current Estimated Occupancy Date of June 1, 2005, the Initial Plan will be due September 1, 2004 and will cover the period from June 1, 2005 through August 31, 2006). The Commissioners Court, after consulting with the Board, will provide its comments and recommendations to the Draft Initial Plan to the Operator within 30 days after its receipt of the Draft Initial Plan. Within 60 days of Operator's submission of the Draft Initial Plan, the Operator will begin implementing the Draft

Initial Plan, taking into account all of the Commissioners Court's timely comments and recommendations that do not unreasonably interfere, in Operator's reasonable judgment (taking into account the average operating standards for similar facilities in the Southwestern United States of America and the Operator's then current financial and staff resources), with the Operator's ability to operate the Youth Camp in accordance with the terms of this Agreement or in an efficient and cost effective manner (the "Initial Plan"). Until such time as the Initial Plan is implemented, Operator shall perform its services under this Agreement in a manner reasonably consistent with Operator's management duties in connection with other facilities similar to the Youth Camp.

(b) Annual Plans; Approval. For each September 1 through August 31 of the following calendar year (a "Plan Year"), commencing with the Plan Year beginning on September 1 of the second school year (which would be September 1, 2006, based on the current Estimated Occupancy Date), Operator shall prepare a draft annual operating plan (the "Draft Annual Plan") and, together with the Draft Initial Plan, the "Draft Plans") with respect to the management of the Youth Camp, which shall include, without limitation, the items set forth on Exhibit A attached to this Agreement and incorporated herein by reference. Operator shall submit the Draft Annual Plan to the Commissioners Court and the Board no later than the March 1 prior to the Plan Year in question for review by the Commissioners Court and the Board (which would be March 1, 2006 for the Plan Year beginning September 1, 2006). The Commissioners Court, after consulting with the Board, will provide its comments and recommendations to the Draft Annual Plan to the Operator within 30 days after its receipt of the Annual Plan. Beginning with the applicable Plan Year, the Operator will implement such Draft Annual Plan, taking into account all of the Commissioners Court's timely comments and recommendations that do not unreasonably interfere, in Operator's reasonable judgment (taking into account the average operating standards for similar facilities in the Southwestern United States of America and the Operator's then current financial and staff resources), with the Operator's ability to operate the Youth Camp in accordance with the terms of this Agreement or in an efficient and cost effective manner (the "Annual Plan" and, together with the Initial Plan, the "Plans"). Until such Annual Plan is implemented, Operator shall continue to act in accordance with the prior year's Annual Plan or, in the event no such Annual Plan has yet been implemented, the Initial Plan.

(c) Implementation. Operator shall work diligently to implement the Plans, including any Update in accordance with paragraph 2(d), and shall have sole authority (together with the obligation and responsibility) to manage the Youth Camp in accordance with such Plans. Operator may implement or incur, as the case may be, any specific action or cost enumerated in any Plan without further approval or participation of the County or the Board.

(d) Updates. Operator will update the applicable Plan to reflect any changes that Operator, in its reasonable judgment, determines are required by changes in circumstances, operations or management requirements as revealed by a comparison of the actual results of operations and the budgeted results of operations (an "Update"). An Update will neither revise the particular line items of the originally implemented Plan nor constitute a new, revised Plan, but will only track the amount of variance of the particular line items of the implemented Plan from the actual results of such budgeted line items on a quarterly and year-to-date basis. The parties may take any such Updates into consideration in drafting, submitting or reviewing, as the

case may be, the Draft Annual Plan and Annual Plan for the Plan Year following that in which the Updates occurred.

(e) Semi-Annual Financial Reports. Operator shall prepare and submit to the County, by no later than sixty (60) days after May 1 and November 1 of each Plan Year, an unaudited financial report showing cumulative operating results (for the semi-annual period and year-to-date) for the Youth Camp and a comparison against the budget contained in the Annual Plan. The report shall include the sources and uses of funds, net operating cash flow, net profits and losses, and a balance sheet as of the end of the applicable period.

(f) Summary of Activities. Operator shall prepare and submit to the County, by no later than ninety (90) days after the end of the Plan Year a narrative summary of the programs, classes and development and other activities taking place at the Youth Camp during such Plan Year.

(g) Subcontracts. Operator may contract with one or more of its Affiliates to perform all or any portion of the services set forth in this Agreement. "Affiliate" means any person or entity which, directly or indirectly, or through one or more intermediaries, controls, is controlled by, or is under common control with the party in question. Operator shall have full authority to engage in any contracts described in the Initial Plan or Annual Plans, to engage any persons to perform repairs and maintenance as contemplated herein, and enter into vendor service contracts for services to be performed at the Youth Camp provided such contracts grant Operator the right to terminate such contract on not less than 30 days prior written notice. Notwithstanding the foregoing, Operator shall not contract with any party for any work at the Property that materially affects the structure of any improvement at the Property without the County's written consent, which consent will not be unreasonably withheld. Each party with which Operator contracts to perform services at the Property must maintain Commercial General Liability insurance policies equal to or greater than \$1,000,000 per occurrence with respect to its performance of such services.

3. Term and Termination. This Agreement is effective as of the date hereof (the "Effective Date"), and unless earlier terminated in accordance with the applicable provisions of this Agreement, shall terminate at 11:59 p.m. on the last day of the 240th full calendar month following the date upon which (i) the Youth Camp Facility Construction is completed, except for punch list items, in accordance with the Final Plans (defined below), which makes the Youth Camp available for its Permitted Uses and (ii) a certificate of occupancy, if applicable, is issued for the Youth Camp (the "Occupancy Date"). Notwithstanding the foregoing or anything to the contrary contained elsewhere in this Agreement, this Agreement may be earlier terminated for any reason or no reason if the Operator or the County gives written notice to the other party of its intention to terminate this Agreement on or before May 1 of any calendar year after the fifth anniversary of the Occupancy Date, each such termination to be effective on May 31 of the following calendar year.

4. Construction of the Youth Camp. Approval of Plans and Specifications. The County hereby covenants and agrees to construct on the Property certain youth camp facilities (the "Youth Camp Facility Construction") in a good and workmanlike manner and according to plans and specifications prepared by the County, a preliminary list of improvements to be

included is attached hereto as Exhibit B, which plans and specifications shall be submitted by the County to the Operator for consideration in accordance with this paragraph 4. The County and the Operator shall negotiate in good faith the contents of the plans and specification for the Youth Camp Facility Construction. Before proceeding to the final plans and specifications for the Youth Camp Facility Construction (the "Final Plans"), the County shall submit to the Operator plans and specifications for the Youth Camp Facility Construction for the Operator's final review, which the County shall clearly identify in its transmission as the "Final Review Plans." Within thirty (30) days after the Operator's receipt of such Final Review Plans, the Operator shall deliver to the County either (i) its written acceptance and approval of such Final Review Plans, in which event such plans shall be deemed the Final Plans (the "Acceptance of Final Plans"), or (ii) its specific objections to the Final Plans ("Disagreement Notice"). In the event the Operator submits a Disagreement Notice, the County shall thereafter submit to the Operator its final determination of the Final Plans, which shall be clearly identified as such in the County's transmission of such Final Plans, and in the County's sole discretion, may or may not address the objections made by the Operator in the Disagreement Notice. The Operator understands that the County intends to solicit bids for the Youth Camp Facility Construction based on the Final Plans, and therefore agrees, within twenty (20) days after receipt of the Final Plans from the County, (A) to provide its Acceptance of Final Plans to the County or (B) if the Operator has submitted a timely Disagreement Notice as provided above, terminate this Agreement by written notice to the County if the Operator determines, in its reasonable judgment, that it is unable to operate the Youth Camp in accordance with the terms of this Agreement or in an efficient and cost effective manner. The County may, but shall not be required to, commence the Youth Camp Facility Construction without receipt of the Operator's Acceptance of Final Plans, provided that such commencement occurs after fifteen (15) days following the Operator's receipt of the Final Plans from the County.

(b) Cost of the Work: Completion. The County shall be responsible for the payment of the actual Cost of the Work (as defined herein). The Operator shall be responsible for paying the costs associated with improvements not described in the Approved Plans. The County shall give the Operator at least one hundred eighty (180) days' prior written notice of the County's reasonable estimate of the Occupancy Date and shall thereafter give notice to the Operator regarding any material change in such estimated date (the most current estimate of such date, the "Estimated Occupancy Date"). In this Agreement, "Cost of the Work" means the aggregate costs incurred by the County for the Youth Camp Facility Construction and the design and development of the site, including, but not limited to, (i) all architectural and engineering fees, (ii) all contract charges for labor, material and services furnished by contractors and subcontractors, (iii) all other costs of labor and materials, (iv) all costs of site clearing, soil tests, site preparation, surveys and engineering, (v) all closing costs and settlement charges, (vi) the costs of insurance to the extent set forth in Sections 19 and 20 herein, governmental permits, zoning and platting, and (vii) all other direct and indirect costs incurred by the County in the design, development and construction of Youth Camp Facility Construction.

5. License; Permitted Uses for the Youth Camp. The County grants an exclusive license to the Operator to occupy the Property for the primary purpose of providing outdoor education, recreation, camping and related activities for the schoolchildren of Collin County during the months of September through May, together with outdoor education classes, continuing education, recreation, camping and related activities to citizens of Collin County

during such times as the Youth Camp is not being used by such schoolchildren (the "**Primary Purpose**"). The Operator may also provide group outdoor education classes, continuing education, recreation, camping and related activities to other individuals and groups (the "**Secondary Purpose**"), provided that the Secondary Purpose shall in no way interfere with the Primary Purpose. Uses consistent with the Primary Purpose and the Secondary Purpose shall be referred to herein each individually as a "**Permitted Use**" and collectively as the "**Permitted Uses**". The Operator will not use or occupy or, to the extent within Operator's reasonable control, allow the Property or any part thereof to be used or occupied, for any illegal, unlawful, disreputable or hazardous purpose or use or in violation of any certificate of occupancy or certificate of compliance or certificate of need covering or affecting the use of the Property or any part thereof or in any manner which would cause structural injury to the Property, or any part thereof, or cause the value or usefulness of the Property, or any part thereof, to diminish, and the Operator will not, to the extent within Operator's reasonable control, suffer any act to be done or any condition to exist on the Property, or any part thereof, or any action to be brought thereon, which may be dangerous, or which may constitute a nuisance, public or private, or waste, or which may make it impossible to obtain the insurance provided for herein or which may increase the cost of such insurance or render the insurance void. The Operator shall not, to the extent within Operator's reasonable control, use, suffer or permit the Property, or any part thereof, to be used by the Operator, any third party or the public, as such, without restriction or in such manner as might impair the County's title to the Property, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or third parties, or of implied dedication of the Property, or any part thereof. Nothing contained in this Agreement and no action by the County shall be construed to mean that the County has granted to the Operator (i) any authority to do any act or make any agreement that may create any such third party or public right, title, interest, lien, charge or other encumbrance upon the estate of the County in the Property or (ii) a leasehold interest in the Property. THIS AGREEMENT IS NOT INTENDED TO BE, NOR SHALL IT BE CONSTRUED AS, A LEASE.

6. Non-Discrimination. Operator represents that it does not engage and warrants that, except as expressly permitted in this Section 6, it will not engage, during the term of this Agreement, in discriminatory practices of any kind, and hereby covenants and agrees that the Youth Camp will be open for participation in the Permitted Uses by all persons, regardless of race, color, gender, age, creed, physical impairment or national origin. Notwithstanding the foregoing, Operator shall have full discretion to prohibit participation by any individual or group that Operator believes may create a risk of harm to other participants in the Permitted Uses of the Youth Camp.

7. Compliance with Law. Operator shall comply with all applicable laws, ordinances and regulations, covenants and restrictions applicable to the Youth Camp, the Property and the Permitted Uses, and shall promptly comply with all governmental orders and directives issued prior to or during the term of this Agreement regarding the operation of the Property, the Youth Camp, the Permitted Uses and, if applicable and within Operator's reasonable control, the prevention, correction and abatement of nuisances in or upon the Youth Camp, all at Operator's sole expense (collectively, "**Laws**").

8. Licenses and Permits. Operator shall at its own expense obtain and maintain any and all governmental licenses, permits, certificates, consents and other approvals and

documentation necessary to operate the Youth Camp for the Permitted Uses or as otherwise set forth in the applicable terms of this Agreement (collectively, the "Licenses"); provided, however, the County shall obtain and maintain all governmental licenses, permits, certificates, consents and other approvals and documentation necessary to operate the wastewater treatment facilities on the Property (the "Wastewater Licenses"). Notwithstanding the foregoing, Operator shall reimburse County for all reasonable direct costs related to maintaining the Wastewater License, provided that the County delivers to Operator paid receipts or other evidence reasonably acceptable to Operator that such disbursements have been made.

9. Operator's Revenues. The Operator shall charge reasonable rates, in Operator's sole discretion, to persons utilizing the Youth Camp during the term of this Agreement. The Operator and the County acknowledge and agree that the County will not directly pay a management fee to the Operator in consideration of the services.

10. Operation, Repairs and MaintenanceFinal Completion. Prior to delivery of the Youth Camp to Operator, the County's architect shall prepare a preliminary punch list in writing for the County's and the Operator's review and the County and the Operator shall examine the Youth Camp and shall agree on a final "Punch List," which shall specify the items of work that require correction, repair or replacement. In the event the County and the Operator are unable to agree on the final Punch List, the County's architect's determination on any disputed Punch List item shall be final. The County and the Operator shall each approve, or provide comments to, as the case may be, such Punch List in writing within two (2) working days of the walk-through. The County agrees to correct and complete, at its sole cost and expense, and as soon as practicable any items outlined in the agreed upon Punch List. The County shall grant a non-exclusive license to Operator to all warranties obtained by the County in connection with the Youth Camp Facility Construction; provided that such license shall immediately terminate without notice upon the termination of this Agreement.

(b) County Repair Obligations. Upon receipt of notice from the Operator, the County shall, at its own cost and expense correct any latent or other defects in the construction of the Youth Camp, including any structural repairs (as opposed to ordinary repair, maintenance, and replacement expected with the construction materials and equipment installed in the Youth Camp in light of their specification).

(c) Operation; Good Repair. Operator shall at its own cost and expense,:

(i) operate the Youth Camp consistent with the operation of similar youth camp grounds in the State of Texas and only in accordance with the Permitted Uses;

(ii) except to the extent of the County's repair obligations as set forth herein, keep and maintain the Youth Camp in good repair, condition and working order in conformity with the Laws and such standards as are customarily employed by similar operators managing similar facilities, and make or cause to be made all necessary repairs thereto, ordinary and extraordinary, and shall suffer no waste or nuisance, it being the express intent of the County and Operator that
(A) Operator shall maintain the Youth Camp in a clean, orderly and safe condition

as an operating expense of Operator, and (B) except as set forth herein, the County is not obligated under this Agreement or otherwise to make any repairs to or maintain the Youth Camp and is not responsible for the cost of any related expenses; and

(iii) maintain the grounds of Youth Camp, including, without limitation, ensuring the regular mowing of grass and maintenance of the landscape and wastewater facilities.

Prior to the Occupancy Date, the County shall provide to the Operator any equipment and supplies that the County and Operator have in good faith agreed will be needed in connection with items (i) – (iii) above, and the Operator shall have the right to use such equipment and supplies during the term of this Agreement, provided that to the extent the County has licensed all warranties applicable to such equipment and supplies, the Operator shall maintain such equipment in good working order, and shall use such supplies in a manner that is not wasteful. The Operator shall replace, at the Operator's cost, such equipment and supplies as are reasonably necessary, and each item so replaced shall be delivered to the County within ten days after any such replacement. The Operator may also purchase, at the Operator's cost, such other equipment and supplies as Operator determines in its reasonable discretion are necessary in connection with items (i) – (iii) above. Upon the expiration or earlier termination of this Agreement, all supplies and equipment provided by the Operator (not including Improvements) shall, at the County's written election delivered to Operator within thirty (30) days after the expiration or termination of the Agreement, (i) be removed by the Operator at the Operator's cost within thirty (30) days after the County's written election, and the Operator shall repair all damage caused by such removal, or (ii) be purchased by the County at a price (the "Market Price") determined by the County and the Operator, or independent appraisers as hereinafter described. If the County gives the Operator written notice of the County's election under (ii) above, then the County shall deliver its determination of the Market Price to the Operator. If the Operator delivers written notice to the County of its approval of the County's determination of Market Price or if the Operator fails to deliver any written notice to the County within ten (10) days after its receipt of the County's determination of Market Price, then the County's determination of Market Price shall govern. If the Operator delivers written notice to the County of its disapproval of the County's determination of Market Price, then within ten (10) days after such notice, each party shall select a qualified property appraiser with at least ten years experience in appraising equipment and supplies in the city or submarket in which the Youth Camp is located. The two appraisers shall immediately and jointly appoint a third appraiser with the qualifications specified above. The third appraiser shall immediately (within five days) make a determination of the Market Price. The parties shall equally share the costs of any third appraiser. The forgoing rights and obligations as to supplies and equipment provided by the Operator shall survive the term of this Agreement.

(d) Emergency Conditions. In the event any condition may arise in, on or in the vicinity of the Youth Camp of an emergency nature which presents a risk to persons using, employed in connection with or otherwise present at the Youth Camp (each such condition, an "Emergency Condition"), Operator will immediately take all steps and make all expenditures necessary to protect such persons and correct the Emergency Condition as soon as possible. All expenditures the Operator makes in connection with any Emergency Condition shall be expenses

of the Operator. In the event the County reasonably determines that Operator has failed to correct an Emergency Condition, then the County shall have the right (but not the obligation) to correct such Emergency Condition and to require Operator to pay the costs thereof upon the County's written demand. If necessary, the Plan then in place shall be Updated to reflect such expenditures in accordance with paragraph 1(d).

(e) County may Repair. Except with regard to correcting an Emergency Condition, in the event Operator fails to maintain the Youth Camp or its grounds or otherwise comply with this paragraph 10, and this failure continues for thirty (30) days after written notice from the County (except that if Operator begins to cure its failure within the thirty (30) day period but cannot reasonably complete its cure within such period, then, so long as Operator continues to diligently attempt to cure its failure, the thirty (30) day period shall be extended as is reasonably necessary to complete the cure), then the County shall have the right (but not the obligation) to cause all necessary repairs and other maintenance to be made and to require Operator to pay the costs thereof upon the County's written demand.

(f) Delivery in Good Condition. Upon the expiration or other termination of this Agreement, Operator shall deliver the Youth Camp with all improvements (including, without limitation, any Improvements (as defined in paragraph 11)) thereon and all equipment and supplies not previously replaced by Operator in accordance with paragraph 10(b), in good repair and clean condition, reasonable wear and tear, fire and other casualty excepted. Operator may not, without the County's prior written consent, remove wiring, cabling, irrigation systems, drainage systems or similar improvements.

11. Improvements. The following provisions shall apply to alterations, additions and improvements (collectively, "Improvements") that Operator may make during the term of this Agreement:

(a) Submission to County. From time to time, Operator may design, develop, fund and construct certain Improvements to the Youth Camp; provided, that Operator may make only those Improvements to the Youth Camp which the Commissioners Court has approved in writing following Operator's submission to the Commissioners Court and Board of written plans and specifications for such Improvements. Any such Improvements may (but need not) be submitted as part of a Plan for a particular Plan Year. Notwithstanding the foregoing, Operator may, without the Commissioners Court's consent, make such minor Improvements as are reasonable and necessary to enable it to operate the Youth Camp for the Permitted Uses; provided that such Improvements (i) do not affect the structure of any building at the Youth Camp or any other Improvement and (ii) have a total cost of less than \$10,000, as increased by the increase in the Consumer Price Index for "All Urban Consumers, U.S. City Average, All Items," issued by the Bureau of Labor Statistics of the United States Department of Labor.

(b) Improvements; Expense of Operator; Ownership; Removal. Operator shall pay for all costs incurred or arising out of Improvements in or to the Youth Camp, including, without limitation, any capital Improvements to the Youth Camp, and shall not permit the filing or assertion of any mechanic's or materialman's lien (each, a "Lien" and collectively, "Liens") against the Youth Camp; provided, however, Operator may, in good faith, contest the filing of any Lien by appropriate legal proceedings upon presenting to the County security in an amount

Not less than 100% of the amount of the claim stated in the affidavit relating to any such contested Lien, the form of such security to be a surety or indemnity bond or other security acceptable to the County in its reasonable discretion. Following the initiation of such contest, Operator shall thereafter diligently proceed to cause the removal and discharge of such Lien within a reasonable period of time which in no event shall exceed sixty (60) days after the date such Lien was filed. Upon request by the County, Operator shall deliver to the County proof of payment reasonably satisfactory to the County of all costs incurred or arising out of any Improvements. At the time the Improvements are constructed on the Property, the Operator, without a requirement of any further action by the County or the Operator, shall be deemed to have donated such Improvements to the County. All Improvements in or to the Youth Camp or on the Property at all times remain the property of the County, however, with respect to any Improvements, at the expiration or termination of this Agreement, the County may either: (1) require the Operator to remove such Improvements at Operator's own expense by giving written notice (a "**Removal Notice**") that such removal is required in conjunction with and at the same time the Commissioners Court approves Operator's submission of written plans and specifications for such Improvements, in which event Operator shall promptly after termination of this Agreement, remove all such Improvements as are set forth in the Removal Notice, and shall repair in a good and workmanlike manner any damage caused by such removal; or (2) retain any Improvement; provided, that in the event of an early termination by the County in accordance with paragraph 3 of this Agreement (but not a termination by the County in accordance with paragraph 21(a) of this Agreement), the County shall, within thirty days of such early termination, pay to the Operator, with respect to each Improvement retained, an amount (the "**Unamortized Improvement Cost**") equal to (i) the total cost of such Improvement (as evidenced by receipts for payment provided to the County), divided by (ii) the number of whole calendar years remaining in the term of this Agreement (assuming no early termination) after completion of construction of the Improvement, (iii) multiplied by the number of years that would be remaining in the term of this Agreement (assuming no early termination) after the effective date of the termination. In the event Operator fails to remove any one or more Improvements listed in the Removal Notice or to make any related repairs as set forth in this paragraph 10(c), the County shall have the right (but not the obligation) to remove such Improvements and make such repairs and to require Operator to pay the costs thereof upon the County's written demand.

12. Signs. Signs (approved in accordance with paragraph 4(a)) which identify the purposes for which the Youth Camp is being used and the Operator as operator of the Youth Camp shall be included in the Final Plans and as part of the Youth Camp Facility Construction. The County shall establish standards and regulations for other signage at the Youth Camp (the "**Sign Standards**"). Operator may erect or fix other signs on or about the Youth Camp which identify the purposes for which the Youth Camp is being used and the Operator as operator of the Youth Camp, provided that such signs comply with the Sign Standards and are approved by the County, which approval shall not be unreasonably withheld. Operator will keep all such signs painted, repaired, and in proper condition at all times. The County has the right to remove any sign placed on the Youth Camp without its prior approval and any sign that is not otherwise in compliance with this paragraph 12.

13. County Access to the Youth Camp. The County and its authorized agents (including, without limitation, the members of the Board) shall have the right to enter the Youth

Camp (a) to inspect the general condition and state of repair thereof, (b) to make repairs and remove Improvements as set forth in paragraphs 10 and 11, or otherwise as required or permitted under this Agreement, or (c) for any other reasonable purpose that does not unreasonably interfere with Operator's Permitted Use of the Youth Camp.

14. Operating Expenses. Except as otherwise provided in this paragraph 14, all expenses incurred in connection with operating and maintaining the Youth Camp shall be expenses of the Operator (and the County shall be reimbursed therefor by the Operator, as provided herein, if applicable) including, without limitation, the cost of (a) operating supplies and equipment, (b) wages, salaries, employee benefits, payroll taxes, training costs and related employee expenses set forth in paragraph 16, (c) advertising and promotional expenses, (d) the cost of all utility services, including, without limitation, initial deposits and connection charges, all charges for sanitary sewer, waste disposal, water and electricity, (e) grounds and landscaping service costs, (f) costs, including premiums and deductibles, for Insurance (to the extent set forth in Sections 19 and 20 below), (g) applicable expenditures for maintenance and repair, (h) Impositions (defined below), and (i) any and all other costs, fees, expenses or payments paid or payable in connection with Operator's operation of the Youth Camp or the Permitted Uses. With respect to any amount paid by the County under this paragraph 14, the Operator shall reimburse the County therefor within ten (10) days of the County's written demand and delivery of receipted invoices or other evidence reasonably acceptable to Operator demonstrating that such disbursements have been made. "Impositions" shall mean (1) personal property taxes, (2) occupancy and rent taxes, (3) water and sewer rents, rates and charges, and vault taxes, (4) charges for public utilities, (5) license and permit fees, (8) any taxes, assessments or governmental levies, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, except those imposed on real estate, which at any time prior to or during or applicable to the term of this Agreement or any part thereof may be assessed, levied, confirmed, imposed upon, or grow or accrue or become due and payable out of, or charged with respect to, or become a lien on, the Property or any part thereof, or the sidewalks or streets in front of or adjoining the Property, or any vault, passageway or space in, over or under such sidewalk or street, or any other appurtenances to the Property, or any personal property, equipment or other facility used in the operation thereof, or the rent or income received therefrom, or any use or occupation of the Property, or any document to which Operator is a party creating or transferring an interest or estate in the Property. Impositions shall not include and Operator shall not be liable for any fines, penalties, interest, or similar governmental charges assessed against the County and applicable with respect to any of the foregoing or any related court costs unless the same results from the Operator's failure to comply with the terms of this Agreement or with Laws.

15. Delegation of Duties. Operator acknowledges that its selection by the County to operate the Youth Camp was based primarily on its special expertise and capability in operating facilities consistent with the purpose and uses specified in this Agreement. Operator's unique capability shall not be substituted or assigned unless the replacement operator meets a similar standard, in the County's sole and absolute discretion; therefore, except as otherwise provided herein, Operator may not delegate the duties and obligations of this Agreement or any portion thereof without the County's express prior written consent.

16. Employees of Operator. Operator shall use reasonable care in selecting employees and independent contractors for the Youth Camp, including without limitation, background checks and drug screening in accordance with the Operator's employment policy in effect at the applicable time. Operator shall employ all such employees and independent contractors, and shall be solely responsible for all matters related to such employment. Without limiting the generality of the foregoing, Operator shall have absolute discretion to hire, fire, promote, direct and train all employees or independent contractors, to fix their compensation and benefits and generally to establish and maintain policies relating to employment, employment benefits, and contract terms. All costs and expenses of every kind and nature pertaining to the employees or independent contractors of Operator or arising out of the employer-employee or contractual relationship, including, without limitation, fees, wages, salaries, employee benefits, payroll taxes, training costs and related employee expenses shall be payable solely by Operator as an operating cost, and Operator shall reimburse, indemnify, protect and defend and hold harmless the County and its commissioners, board members, directors, agents, affiliates (including, without limitation, the Board) and employees, from and against all claims, demands, liabilities, causes of action, suits, proceedings, inquiries, judgments, penalties, fines, damages, fees and expenses (including attorney's fees) for any loss arising out of or incident to or in connection therewith. **No Partnership or General Agency.** The relationship between Operator and the County is that of independent contractors solely as set forth herein, and each party shall be responsible for its obligations as enumerated in this Agreement. It is not the intention of the parties to render themselves or each other liable as partners, associates or joint venturers or to create a partnership, joint venture or other association. The liability of the parties to third parties shall be several and not joint or collective. Except as may be specifically otherwise provided in this Agreement, Operator (a) is not an agent or representative of the County, and (b) shall not have, and shall not represent itself as having, or allow any of its employees, officers, directors, agents, independent contractors or representatives to represent that it, or any of them, has authority to commit the County by negotiation or otherwise to any contract, agreement or other legal commitment in the name of, or otherwise binding on, the County, or to pledge or extend its credit.

18. Indemnification. Operator shall fully indemnify, protect and defend and hold harmless the County and its commissioners, board members, directors, agents, affiliates (including, without limitation, the Board) and employees, from and against any and all claims, demands, liabilities, causes of action, suits, proceedings, inquiries, judgments, penalties, fines, damages, fees and expenses (including attorney's fees) for any loss arising out of or incident to or in connection with the Youth Camp and resulting from Operator's negligence, other wrongful act or failure to perform its obligations under this Agreement. Notwithstanding anything herein to the contrary, Operator shall have no liability for any claim, demand, liability, cause of action, suit, proceeding, inquiry, judgment, penalty, fine, damage, fee or expense (including attorney's fees) arising out of any gross negligence or willful misconduct by the County, its commissioners, board members, directors, agents, affiliates (including, without limitation, the Board) or employees.

19. Operator's Insurance Obligations. At all times during the term of this Agreement, Operator, at its own cost and expense, shall carry and maintain (or cause one or more of its Affiliates to carry and maintain), the insurance policies set forth below (collectively, the "**Insurance**").

(a) Property Insurance. Insurance on all personal property located on the Property and owned by the Operator, under an "All Risks of Physical Loss" or Special Causes of Loss form of policy (hereinafter referred to as "All Risks"), with such insurance to be written with full replacement coverage (the "Replacement Value").

(b) Liability Insurance. Commercial General Liability insurance in amounts of \$5,000,000 per occurrence, combined single limit, with respect to the Property and the operations related thereto, whether conducted on or off the Property, against liability for personal injury, including bodily injury and death, and property damage. An increased coverage excess or umbrella policy may be provided and utilized by Operator to increase the coverage provided by individual or blanket policies in lower amounts to achieve the required aggregate coverage, provided that such policies otherwise comply with the provisions of this Section 19.

(c) Worker's Compensation Insurance. All necessary Worker's Compensation insurance covering all persons employed by the Operator in and about the Property.

(d) Contractor's Insurance. During the course of any alteration or repair work undertaken by a contractor hired by or for the Operator, the Operator shall require such contractor to carry Commercial General Liability insurance in limits of not less \$1,000,000 per occurrence.

All such Insurance shall be in such form and shall be issued by such responsible insurance companies licensed to do business in the State of Texas as are reasonably approved by the County. Any insurance company rated by Best's Insurance Guide (or any successor publication of comparable standing) as "A-VII" or better (or the equivalent of such rating) shall be deemed a responsible company and acceptable to the County. Upon the execution of this Agreement, and, thereafter, prior to the expiration dates of the expiring policies, certificates of insurance or renewal certificates, as the case may be, bearing notations evidencing the payment in full of premiums or accompanied by other evidence reasonably satisfactory to the County of such payment, shall be delivered by the Operator to the County. All such policies of insurance shall name the Operator as the insured and the County as an additional insured (except on Worker's Compensation Insurance) as their respective interests may appear. Each policy of insurance required to be carried pursuant to Sections 19(a) through (d) shall contain (1) a provision, subject to policy limitations, that no act or omission of the County or the Operator shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (2) an agreement by the insurer that such policy shall not be canceled, modified or denied renewal without at least 30 days prior written notice to the County, (3) an agreement that if cancellation is due to nonpayment of premiums, the insurer will so specify in the notice given in (2) above and will reinstate the policy upon payment of the premiums by the County, and (4) a waiver of subrogation by the insurer. In the event the Operator fails to maintain, or cause to be maintained, or deliver and furnish to the County copies of certificates of insurance required by this Agreement and such failure continues for ten days following written notice thereof to the Operator, the County may procure such insurance for the benefit only of the County for such risks covering the County's interests, and the Operator will pay all premiums thereon within 30 days after demand by the County. In the event the Operator fails to pay such premiums (or reimburse the County) upon demand the amount of all such premiums shall bear interest at the maximum lawful rate from the date paid by the County until reimbursed by the Operator.

20. The County's Insurance Obligations.All Builder's Risk Insurance. At all times during construction through final completion of the Youth Camp Facility Construction, the County shall carry and maintain, or cause its construction contractors to carry and maintain, Builder's All Risk Insurance covering all direct physical loss or damages. Such insurance shall provide coverage for the interests of County and its contractors for materials, equipment and supplies owned by the County and/or its contractors which may be stored on or off site.

(b) Other Insurance. At all times during the term of this Agreement, the County shall carry and maintain, the Insurance policies set forth below:

1. Property Insurance. Insurance on all improvements located on the Property, and all fixtures, equipment and personal property owned by the County at the Property, including all Youth Camp Facility Construction under an All Risks or Special Causes of Loss policy, including, without limitation, coverage for loss or damage by water, flood, subsidence and sprinkler damage, such insurance to be written with full Replacement Value coverage.

2. Boiler and Machinery Insurance. Boiler and machinery insurance with limits as from time to time customary for like property of the same type of installation as the Property and appropriate in the light of the cost of repairing potential damage.

Operator shall reimburse the County for the Insurance premiums associated with the Insurance described only in Section 20(b) above (provided that the Operator has had an opportunity to choose the insurance plan offered by the County's applicable insurer having the premium and deductible combinations most satisfactory to the Operator, as determined in its sole discretion), in an amount that is the lesser of (i) the actual premiums paid by the County or (ii) the premium the Operator would pay in the event the Operator were carrying the same or equivalent Insurance, provided that the County delivers to Operator paid receipts or other evidence reasonably acceptable to Operator that payments of such premiums have been made. In the event the Operator fails to reimburse the County in accordance with this Section, the amount of all such premiums shall bear interest at the maximum lawful rate from the date paid by the County until reimbursed by the Operator. Provided that the Operator has had an opportunity to choose the insurance plan offered by the County's applicable insurer having the premium and deductible combinations most satisfactory to the Operator, as determined in its sole discretion, Operator shall reimburse the County for the Insurance deductible associated with the Insurance described only in Section 20(b) above, provided that the County delivers to Operator paid receipts or other evidence reasonably acceptable to Operator that payments of such deductibles have been made.. The County shall be responsible, at its sole cost and expense, for all premiums applicable to the Insurance described in Section 20(a). All such insurance shall be in such form and shall be issued by such responsible insurance companies licensed to do business in the State of Texas as are reasonably approved by the Operator. Any insurance company rated by Best's Insurance Guide (or any successor publication of comparable standing) as "A-VII" or better (or the equivalent of such rating) shall be deemed a responsible company and acceptable to the Operator. Upon the execution of this Agreement, and, thereafter, prior to the expiration dates of the expiring policies, certificates of insurance or renewal certificates, as the case may be, bearing notations evidencing the payment in full of premiums or accompanied by other evidence reasonably satisfactory to the Operator of such payment, shall be delivered by the County to the Operator. All such policies of insurance shall name the County as the insured and the Operator

as an additional insured, as their respective interests may appear. Each policy of insurance required to be carried pursuant to paragraph 20(a) and (b) shall contain (1) a provision, subject to policy limitations, that no act or omission of the County or the Operator shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (2) an agreement by the insurer that such policy shall not be canceled, modified or denied renewal without at least 30 days prior written notice to the Operator, (3) an agreement that if cancellation is due to nonpayment of premiums, the insurer will so specify in the notice given in (2) above and will reinstate the policy upon payment of the premiums by the Operator, and (4) a waiver of subrogation by the insurer. In the event the County fails to maintain, or cause to be maintained, or deliver and furnish to the Operator copies of certificates of insurance required by this Agreement and such failure continues for ten days following written notice thereof to the County, the Operator may procure such insurance for the benefit only of the Operator for such risks.

21. Default by Operator.. The following events shall be deemed to be events of default under this Agreement:

(a) Operator fails to comply with any term, condition or covenant of this Agreement, and such failure continues for a period of ten (10) days (in the case of a monetary default) or thirty (30) days after written notice thereof to Operator (in the case of a non-monetary default), except that if Operator begins to cure its failure within such (30) day period but cannot reasonably complete its cure within such period, then, so long as Operator continues to diligently attempt to cure its failure, the thirty (30) day period shall be extended as is reasonably necessary to complete the cure;

(b) Operator commits any act or omission that constitutes fraud, willful misconduct, bad faith or gross negligence in connection with the Youth Camp;

(c) Operator violates the provisions of paragraph 5 governing the Permitted Uses and such failure continues for a period of ten (10) days after Operator receives written notice from the County of such violation;

(d) Operator abandons any substantial portion of the Youth Camp or ceases to use the Youth Camp for the Permitted Uses and other purposes contained in this Agreement; or

(e) Operator is the subject of any voluntary or involuntary bankruptcy, reorganization, insolvency, reorganization or other relief of debts.

22. Remedies of the County. Under the occurrence of any of the events of default listed in paragraph 21, the County shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this Agreement by giving Operator written notice thereof, in which event Operator shall immediately cease to operate the Youth Camp and remove itself and all of Operator's personal property from the Property. If Operator fails to do so, the County may, without prejudice to any other remedy which it may have for possession of the Youth Camp, enter upon and take possession of the Youth Camp and expel or remove Operator and any other person who may be occupying the Youth Camp or any part thereof and all of Operator's property

from the Property, by force, if necessary, without being liable for prosecution or any claim for damages therefor. Operator shall pay to the County on demand the amount of all reasonable loss and damage which the County may suffer by reason of such removal, including without limitation the reasonable expenses which the County incurs in obtaining a replacement operator, divided by the number of years (or portions thereof) in the entire term of this Agreement, multiplied by the number of years (or portions thereof) remaining in the term of this Agreement as of the date that the County terminates this Agreement; or

(b) Enter upon the Youth Camp by any lawful means, without terminating this Agreement and without being liable for any prosecution or for any claim for damages therefor, and do whatever Operator is obligated to do under the terms of this Agreement. Operator agrees to pay the County on demand for the reasonable expenses which the County may incur in effecting compliance with Operator's obligations under this Agreement, together with interest thereon at the highest lawful rate from the date expended until paid.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any damages accruing to the County by reason of the violation of any of the terms, conditions and covenants herein contained.

23. Representations and Warranties. Operator represents and warrants to the County that:

(a) Operator is a duly organized and validly existing corporation in good standing under the laws of the State of Texas.

(b) Operator has full power and authority, and has taken all actions necessary, to enter into this Agreement. The execution and delivery of, and the performance by Operator of its obligations under, this Agreement have been duly authorized by all requisite corporate action on the part of Operator, and does not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award, violate or conflict with, result in a breach of, any of the provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien upon any of the property or assets of Operator pursuant to the terms of, any indenture, loan agreement or other agreement or instrument to which Operator is a party, or by which it or any of its property is bound or to which it may be subject, or violate any provision of any document or instrument (including articles of incorporation and bylaws) relating to the due organization and formation of Operator or to which it may be subject.

(c) This Agreement has been duly executed by or on behalf of Operator and constitutes the legal, valid and binding obligation of Operator, enforceable against Operator in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(d) No authorization, consent, approval, license, or formal exemption from, nor any filing, recording, declaration or registration with, any federal, state, local or foreign court, governmental agency or regulatory authority is required in connection with the execution,

delivery and performance of this Agreement, or the legality, validity, binding effect or enforceability of this Agreement.

(e) To the best current actual knowledge of Operator, Operator is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls), except such noncompliance as would not, in the aggregate, have a material adverse effect on the business, operations, assets or financial condition of Operator.

24. The County represents and warrants to Operator that: The County has full power and authority, and has taken all actions necessary, to enter into this Agreement. The execution and delivery of, and the performance by the County of its obligations under, this Agreement have been duly authorized by all requisite action on the part of the County, and does not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award, violate or conflict with, result in a breach of, any of the provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien upon any of the property or assets of the County pursuant to the terms of, any indenture, loan agreement or other agreement or instrument to which the County is a party, or by which it or any of its property is bound or to which it may be subject, or violate any provision of any document or instrument (including articles of incorporation and bylaws) relating to the due organization and formation of the County or to which it may be subject.

(b) This Agreement has been duly executed by or on behalf of the County and constitutes the legal, valid and binding obligation of the County, enforceable against the County in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(c) No authorization, consent, approval, license, or formal exemption from, nor any filing, recording, declaration or registration with, any federal, state, local or foreign court, governmental agency or regulatory authority is required in connection with the execution, delivery and performance of this Agreement, or the legality, validity, binding effect or enforceability of this Agreement.

25. Alcoholic Beverages. Use, distribution, consumption and possession of alcoholic beverages on the Youth Camp are expressly prohibited. Operator shall implement rules prohibiting the consumption, distribution, storage or presence of alcoholic beverages at the Youth Camp facilities or in the possession of any person at the Youth Camp; provided, however, any such consumption, distribution, storage or presence of alcoholic beverages caused by any individual without the Operator's actual or implied permission, authorization or consent, or in connection with the residences at the Youth Camp, shall not be a default under this Agreement or a breach of any term hereof.

26. Attorney's Fees. If, on account of any breach or default by the County or Operator of their respective obligations under this Agreement, it shall become necessary for the other to

employ an attorney to enforce or defend any of its rights or remedies hereunder, and should such party prevail, it shall be entitled to any reasonable attorney's fees incurred in such connection.

27. Waiver of Default. No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

28. Force Majeure. In the event performance by either party of any term, condition or covenant in this Agreement is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor restriction by any governmental authority, civil riot, flood, and any other cause not within the control of such party, the period for performance of such term, condition or covenant shall be extended for a period equal to the period such party is so delayed or hindered.

29. Governing Law. This Agreement shall be governed by the laws of the State of Texas in all respects including, without limitation, the validity, construction and performance of its terms. Notwithstanding the foregoing, this Agreement shall be construed without regard to any presumption or other rule requiring construction against the drafter.

30. Exhibits. All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied at full length herein.

31. Use of Language. Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular shall be held to include the plural, unless the context otherwise requires. This document shall be construed according to its fair meaning and not against any party responsible for drafting the Agreement.

32. Captions. The captions or headings of paragraphs in this Agreement are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

33. Successors. The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of the County under this Agreement, including, without limitation, any notices required or permitted to be delivered by the County to Operator hereunder, may, at the County's option, be exercised or performed by the County's agent or attorney. Nothing contained in this paragraph shall give Operator any right of assignment or delegation of duties.

34. Survival. Any covenant, term or provision of this Agreement which, in order to be effective, must survive the termination of this Agreement shall survive such termination.

35. Severability. If any provision in this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

36. Records and Books of Account; Audit Right. Operator shall at all times maintain full and correct records and books of account of the operations of the Youth Camp in accordance with generally accepted accounting principles consistently applied and shall accurately record and preserve the records of such operations. Upon termination of this Agreement, Operator shall deliver all such books and records to the County. Within 15 days after the County's request, the Operator will furnish the Operator's most recent audited financial statements relating to the Youth Camp (including any notes thereto) to the County, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, the Operator's internally prepared financial statements.

37. Notices. Any notice, request, or other communication (hereinafter severally and collectively called "notice") in this Agreement provided for or permitted to be given, made or accepted by either party to the other must be in writing, and shall be given or be served by (a) depositing the same in the United States mail, postpaid and certified and addressed to the party to be notified, with return receipt requested, or (b) sending by commercial overnight delivery service. Notice given in any manner as provided in this paragraph 35 shall be effective only if and when received by the party to be notified. The following shall be prima facie evidence of the date of actual receipt of notice by the addressee: (1) if hand delivered or sent by an overnight delivery service, by a delivery receipt signed by the addressee or the addressee's agent or representative, or (2) written evidence by the carrier of such notice of the date of attempted delivery at the address of the addressee if such delivery is refused.

For purposes of notice, the addresses of the parties shall, until changed as herein provided, be as follows:

The County:

Collin County
210 S. McDonald
McKinney, Texas 75069
Attn: County Judge
Phone: 972-548-4603
Fax: 972-548-4691

with a copy to:

Vinson & Elkins L.L.P.
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975
Attn: Ben A. Brooks, III
Reference: Collin County Youth Camp
Phone: 214-220-7921
Fax: 214-999-7921

The Operator:

Young Men's Christian Association of Metropolitan Dallas
601 N. Akard St.
Dallas, Texas 75201-3303
Attn: Phil DiCasolo
Phone: 972-560-3829
Fax: 972-560-3830



with a copy to:

Carrington, Coleman, Sloman & Blumenthal, LLP
200 Crescent Court, Suite 1500
Dallas, Texas 75201
Attn: Sally A. Longroy
Phone: 214-855-3001
Fax: 214-758-3701

However, the parties hereto and their respective heirs, successors, legal representatives, and assigns shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least ten days written notice to the other party.

38. Third Party Beneficiaries. No third party beneficiaries are intended to be created by this Agreement, and each party hereto expressly disclaims and waives any intention to create same. No third party may assert any claim, benefit or right under this Agreement, including but not limited to individual members of the Operator.

39. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one agreement.

40. Partial Invalidity; Severability. If any provision of the Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way. If, however, the absence of the eliminated provision is contrary to the original intention of the parties hereto, the parties hereto shall negotiate a mutually acceptable substitute provision. If the entire Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable or to have been entered into without proper authorization or due process, the parties hereto agree to negotiate a mutually acceptable substitute agreement. If an acceptable substitute provision or agreement cannot be agreed upon within sixty (60) days of the initiation of such negotiations, the parties hereto shall have the right to terminate the Agreement.

41. Hazardous Materials. Compliance with Environmental Laws. The Operator (a) shall comply, and cause the Property to comply, with all Environmental Laws (as hereinafter defined) applicable to the Property (including, without limitation, the making of all submissions to governmental authorities required by Environmental Laws and the carrying out of any remediation program specified by such authority), (b) shall not use or permit the Property to be used for the generation, manufacture, refinement, production, or processing of any Hazardous Material (as hereinafter defined) or for the storage, handling, transfer or transportation of any Hazardous Material, except for such materials that are used in the ordinary course of the Operator's business provided such materials are properly stored, used and disposed of in a manner and location satisfying all Environmental Laws, (c) shall not permit to remain, install or permit the installation on the Property of any surface impoundments, underground storage tanks, or asbestos or asbestos-containing materials, and (d) shall cause any alterations of the Property to be done in a way so as to not expose in an unsafe manner the persons working on or visiting the Property to Hazardous Materials and in connection with any such alterations shall remove in compliance with Environmental Laws any Hazardous Materials present upon the Property as a result of the use of the Property by Operator, its agents, contractors, employees, licensees, guests

and invitees, which are not in compliance with Environmental Laws or which present a danger to persons working on or visiting the Property, provided that, notwithstanding anything herein to the contrary, Operator shall have no liability or responsibility to remove or otherwise manage any Hazardous Materials that existed on the Property as of the date of this Agreement.

(b) Definitions. "Environmental Laws" means the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §§6901, et. seq. (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§9601 et seq. (CERCLA), the Toxic Substance Control Act, as amended, 15 U.S.C. §§2601 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. §§136 et seq. [Reference specific state statutes], and all applicable federal, state and local environmental laws, ordinances, orders, rules and regulations, as any of the foregoing may have been or may be from time to time amended, supplemented or supplanted, and any other federal, state or local laws, ordinances, orders, rules and regulations, now or hereafter existing relating to regulations or control of Hazardous Material or materials. The term "Hazardous Materials" as used in this Agreement shall mean substances defined as "hazardous substances", "hazardous materials", "hazardous wastes" or "toxic substances" in any applicable federal, state or local statute, rule, regulation or determination, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§1801, et seq.; the Resource, Conservation and Recovery Act of 1976, 42 U.S.C. §§6901, et seq.; and, asbestos, pcb's, radioactive substances, methane, volatile hydrocarbons, petroleum or petroleum-derived substances or wastes, radon, industrial solvents or any other material as may be specified in applicable law or regulations.

(c) Indemnification. The Operator agrees to protect, defend, indemnify and hold harmless the County its commissioners, board members, directors, officers, employees and agents, and any successors to the County's interest in the chain of title to the Property, their direct or indirect partners, directors, officers, employees, and agents, from and against any and all liability, including, without limitation, all foreseeable and all unforeseeable damages including but not limited to attorney's and consultant's fees, fines, penalties and civil or criminal damages, directly or indirectly arising out of Operator's use, generation, storage, treatment, release, threatened release, discharge, spill, disposal of Hazardous Materials from, on, at, to or under the Property during the term of this Agreement, and including, without limitation, the cost of any required or necessary repair, response action, remediation, investigation, cleanup, or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Property. This agreement to indemnify and hold harmless shall be in addition to any other obligations or liabilities the Operator may have to the County at common law under all statutes and ordinances or otherwise, and shall survive the expiration or earlier termination of this Agreement.

42. Casualty; Condemnation Notwithstanding anything to the contrary contained elsewhere in this Agreement, this Agreement may be terminated if the Youth Camp (or a portion thereof the taking or destruction of which renders the Operator, in Operator's sole judgment, incapable of operating the Youth Camp as contemplated by this Agreement) is taken by right of eminent domain (or conveyed in lieu thereof) or destroyed by fire or other casualty, by written

notice by the Operator to the County, such termination to be effective as of the date of such taking or casualty.

(b) If a casualty causes damage to the Youth Camp but this Agreement is not terminated for any reason, then the County shall obtain the applicable insurance proceeds and diligently restore the Youth Camp at the County's sole cost and risk. The County shall commence such restoration or replacement within a reasonable time from the date of such damage or destruction and shall thereafter diligently and continuously prosecute the same to completion; provided, if the County fails to complete such rebuilding or repairs within six (6) months from the occurrence of the damage, then Operator may at its option terminate this Agreement by written notification to the County at any time thereafter, but prior to completion of the repairs or rebuilding, in which event this Agreement shall terminate. In the event of any damage or loss to personal property owned by the County, which would be covered by insurance required to be maintained by the County, the County shall obtain the applicable insurance proceeds and diligently repair or replace such personal property at the County's sole cost and risk. Operator shall, at Operator's sole cost and risk, repair or replace damaged personal property and fixtures owned by Operator as necessary or appropriate for operation of the Youth Camp.

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EXECUTED as of the 7 day of Oct., 2002.

OPERATOR: OWNER:

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN DALLAS
a Texas non-profit corporation

COLLIN COUNTY, TEXAS

By: Collin County Commissioners Court,
Collin County, Texas, a public body, politic
organized under the laws of the State of
Texas 2002-816-10-07

By: _____
Name: _____
Title: _____

By: Ron Harris
Name: Ron Harris
Title: County Judge

EXECUTED as of the 9 day of December, 2002.

OPERATOR: OWNER:

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN DALLAS
a Texas non-profit corporation

COLLIN COUNTY, TEXAS

By: Collin County Commissioners Court,
Collin County, Texas, a public body, politic
organized under the laws of the State of
Texas

By: 

Name: GORDON ECHTENKAMP

Title: PRESIDENT / CEO

By: _____

Name: _____

Title: _____

EXHIBIT "A"

COMPONENTS OF PLANS

The Initial Plan and each Annual Plan shall include, but not be limited to, the following items, in the level of detail and a format approved by the Board:

I. Narrative Section

An overall narrative description of educational, recreational, developmental and other activities proposed to be undertaken at the Youth Camp.

II. Budget & Finance Section

Budget

A proposed annual forecast for the operation of the Youth Camp for the Plan Year containing forecasts of expenses and revenues aligned into cost centers.

Proposed Fees

A schedule of proposed fees Operator intends to charge to persons utilizing the Youth Camp at various levels of usage and assistance, together with a description of the method used to calculate the proposed fees.

III. Operating Plan Section

Education Plan

Proposed curriculum based upon the Texas Education Agency's current Texas Essential Knowledge and Skills, instructional activities and responsibilities for implementing curriculum, and proposed scheduling methodology. Plan should also address levels of instructional assistance identifying resources.

Recreational Plan

Summary plan for proposed secondary purpose usage including marketing and scheduling methodology.

IV. Maintenance and Improvement Section

Capital Improvements

To the extent available for review by the County and the Board in connection with a proposed Plan, a description of all proposed Improvements including any designs, plans, specifications or other documentation related to the facilities or infrastructure for the Plan Year and a projection of capital required to construct or otherwise effectuate such Improvements, together with a summary of the moneys available for such Improvements in the Reserve Fund and any projected deficit.

Maintenance Plan

A proposed five-year forecast of expenditures relating to maintenance of the Youth Camp and the Property, including, without limitation, projected costs of routine maintenance and the cost of any required replacement of improvements, machinery and equipment at the Youth Camp.

V. Review of Annual Plans will be under the direction of the Commissioners Court.

Criteria shall be established to set and review benchmarks used to evaluate each section of the plan according to County educational and recreational needs assessments.

VI. Annual Report Supplement

A separate factual report shall be submitted prior to September 1 of each year denoting Primary Purpose usage in a format prescribed by the Board.

EXHIBIT B

PRELIMINARY LIST OF IMPROVEMENTS

- Education Building With Labs, Internet And Media
- (20) Program Shelters/Covered Picnic Areas
- (2) Amphitheater/Campfire Arenas With Seats
- (3) Restroom Facilities
- Dining Hall With Seating For 600, including all kitchen design
- Infirmary/Nursing Center
- (2) Laundry Facility
- Trading Post
- Administration Building/Offices/Security Office
- (2) Ranger Houses and (1) Camp Manager House
- Maintenance/Shop Building
- Warehouse/Storage Building
- (25) Dormitory Cabins
- (2) Teacher/Staff Cabins
- (2) Seasonal Staff Dormitories
- (10) Rustic Tent Camping
- Swimming Pool, Shower House And Restroom
- Boating Dock/Canoes Dock
- (6) Campfire/ BBQ Grills
- (2) Fishing Pier/Nature Dock
- Trail System With Trailhead Kiosks
- (2) Activity Shelter With Restroom
- (3) Challenge Courses – 2 Low Courses And 1 High Course
- (2) Open Field Sports Area With Irrigation
- Primary Entry Area/Security Gates
- Pedestrian Bridge And Boardwalk
- Accessible Pathway
- Miscellaneous Landscaping and irrigation

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YMCA Operating Agreement

Agreement Principles

The following two principles should be included in the youth camp operating agreement to meet commitments made to the citizens of Collin County during the bond election campaign.

Principle 1

The camp will be available for rent by Collin County citizen groups with goals that align with the operating philosophy of the camp.

Approach

- Rental groups must rent the facility on a revenue neutral basis. In practice this would require that a group rent the entire camp (500 beds) if the Operator could fill that same time slot with another full revenue option. (Example: A church group renting the facility must rent all 500 spaces if the Y could fill that time slot with 500 Guide program participants.)
- Outside rental groups must commit to their time slot during an annually scheduled sign-up window selected by the Operator. This is intended to give the Operator sufficient time to plan it's programs and sell available space.

Principle 2

Surplus operating funds, if any, will be invested in the camp growth or programs.

Approach

- Some portion of revenues, in excess of expenses, shall be reserved for investment in the facility upon the request of the county government or the designated board.
- Reserves are planned with the full understanding that the Operator must have sufficient revenue in surplus years to cover the risk of negative cash flow in other years.
- The facility investment reserve will be reversible to cover unexpected operational costs.
- The Operator will be consulted before investment reserves are expended.