

OPERATING AGREEMENT

This Operating Agreement has an effective date of March 1, 2024, and is entered by and between Walton County, Georgia and the Walton County Parks and Recreation Department (collectively, "WCP") and Civic Media Group, LLC ("CMG").

SECTION ONE: AGREEMENT; TERM

This Agreement provides for CMG to build one or more signs on WCP owned or controlled property as shown on Exhibit A hereto which may be amended with the consent of both Parties. After the first sign is installed, CMG shall evaluate sponsor sales and utilize its discretion to determine when, and if, the second and third signs shown on Exhibit A are to be installed. Additional signs may be added hereunder upon approval by WCP. CMG shall operate and maintain the signs (as shown on Exhibit A) as a marketing sign for WCP and as promotional sign for sponsors who enter sponsorship agreements. All of the signs shall be called the "Sponsor Sign" or "Sponsor Signs" hereinafter. During the term of this Agreement, CMG shall be granted the right of ingress and egress to and from the Sponsor Sign and the right to run above or below ground power to them.

This Agreement shall extend for twenty years from the date the last of the signs shown on Exhibit A becomes fully operational and subject to Section Seven below. If, after the conclusion of the term, neither of the Parties has sent a written notice of termination at least six months prior to the end of the term, this Agreement shall renew on the same terms for a five-year renewal term.

SECTION TWO: RENT

CMG shall be the manager of the Sponsor Signs and pay WCP a quarterly payment in the amount of 50% of net Sponsor Sign revenue. Such payments will be made on or before the 15th day of the following calendar month (e.g., payment for January-March quarter to be paid by April 15). Net revenue is the total Sponsor Sign revenue actually received in a given calendar quarter minus all legitimate costs of operating the Sponsor Signs, to include but not be limited to (i) maintenance; (ii) telecommunications connectivity; (iii) creative work by digital designers; (iv) content management for digital copy scheduling; (v) internal and external sales commissions, not to exceed 20%; (vi) travel for meetings requested by WCP; (vii) warranty costs; (viii) insurance; (ix) permits and fees; (x) taxes; and (xi) capital cost recoupment as set out in Section Seven below. The Sponsor Signs shall not be separately metered; power costs will be paid by WCP. Any costs to run or maintain power that are paid by CMG would be deemed legitimate costs. All costs must be direct and documented. CMG shall make its books and records available to WCP with ten days advance notice.

SECTION THREE: MESSAGING AND RESTRICTIONS; USE BY WCP

No adult content, tobacco products, political, shall be shown or promoted. No soft drink company competitors of WCP's soft drink provider, if any, shall be shown or promoted. Despite these limits, CMG may present any proposed sponsor to WCP which may approve the sponsor in writing (email is sufficient).

The Parties agree that CMG shall make the Sponsor Signs available to any governmental law enforcement agency for emergency messaging (such as Amber Alerts, disaster information) without further approval of WCP.

WCP shall be permitted to promote itself and its events on one spot in the ad rotation on each LED display posted on any of the Sponsor Signs. It may also use other spots when and only if such space is not sold to a sponsor. At least one spot in the rotation on each side of the Sponsor Signs may be used to promote sponsor sales and shall be considered occupied for purposes of this paragraph. This provision for WCP use shall not apply to any non-WCP-related content, which should be encouraged to become paying sponsors for the mutual benefit of the Parties.

WCP shall be provided access to the sign management software and shall be empowered to control its own messaging, if it so chooses. It may also use CMG's selected content manager.

WCP agrees not to authorize any competitive sponsor sign to be managed or operated by any third party on property it owns or controls within 2500 feet of any sign operated hereunder.

SECTION FOUR: VISIBILITY; ACCESS

WCP agrees not to erect or construct any signs, buildings, structures, signs, or blockages of any kind or plant vegetation which will obstruct the Sponsor Signs to motorists or obstruct ingress or egress to the Sponsor Signs. WCP agrees to assist CMG in dealing with governmental entities or private landowners in any efforts to clear vegetation that obscures the view of the Sponsor Signs from nearby roadways. In the event that trees or vegetation grow to visually obscure or obstruct access to a Sponsor Sign, CMG is authorized to trim or remove such new growth as a maintenance expense.

SECTION FIVE: REPAIRS AND MAINTENANCE

CMG shall at all times during the term of this Agreement keep the Sponsor Signs in good repair and shall maintain them in a clean and attractive condition.

SECTION SIX: INSURANCE

The Sponsor Signs will be covered by standard WCP insurance, which WCP agrees to keep in full force and effect at all times during the term of this Agreement. The liability limits of the policy shall be at least \$1,000,000.

SECTION SEVEN: CAPITAL COST RECOUPMENT

The documented costs of CMG to permit, fabricate, and construct all of the Sponsor Signs shall be repaid in the following manner: beginning six months after the first Sponsor Sign starts operating, repayments of all such documented costs shall begin as if amortized over a 10-year period at an interest rate of the Prime Rate plus 4%. This payment shall be made along with operating costs listed in Section Two above, and before any split of net revenues by the Parties; interest shall begin to accrue when each expense is actually paid by CMG. Any large capital costs that cannot be handled as maintenance items, such as LED display replacements or rebuilding or relocating the Sponsor Signs, shall be paid by CMG and repaid in the same manner. CMG is authorized to complete LED replacements or other capital costs as it deems necessary to keep the Sponsor Signs operating in

first-rate condition. This Agreement shall be extended as necessary to allow such repayments to be concluded.

SECTION EIGHT: TERMINATION

A. By WCP. If CMG defaults in the payment of rent, or breaches any other substantive condition of this Agreement, WCP may, after written notice and 30-day opportunity to cure, declare this Agreement terminated by giving written notice. Alternatively, WCP may pursue other legal options upon breach.

B. By CMG. If WCP breaches any substantive condition of this Agreement, after written notice and 30-day opportunity to cure, CMG must first try to cure the default with the ability to deduct the cost of the cure from the rental payments. If this cannot be done in a practical manner, then CMG may declare this Agreement terminated by giving written notice and may remove the Sponsor Signs and all related equipment. Alternatively, CMG may pursue other legal options upon breach.

SECTION NINE: EFFECT OF CONDEMNATION

If the area of the Sponsor Signs is taken or threatened to be taken by eminent domain, the Sponsor Signs shall be relocated with all costs of such relocation borne by the entity with powers of eminent domain or, failing that, by CMG in accordance with Section Seven above. If the Sponsor Signs cannot be relocated, then each Party shall be entitled to pursue a condemnation award commensurate to its losses. WCP shall not be entitled to terminate this Agreement in any manner that would reduce CMG's condemnation award.

SECTION TEN: ASSIGNMENT AND SUBLETTING

CMG may assign all or part of its interest under this Agreement but any assignee must assume all of its liabilities and obligations under this Agreement. CMG may sublet or subcontract the operations of the Sponsor Signs so long as it continues to be obligated to fulfill its liabilities and obligations under this Agreement.

SECTION ELEVEN: MULTIPLE SIGNS

It is the Parties' intent that at least one Sponsor Sign shall be developed pursuant to this Agreement. If sponsor sales justify the installation of the second and third signs shown on Exhibit A, then they shall be built at CMG's discretion. If CMG and WCP agree in writing, CMG shall be allowed to install a sign or signs at other locations in accordance with a design that must be approved by WCP. Further, if CMG and WCP agree in writing, CMG may take over operational control of existing WCP signs. Such signs may be operated under the same terms and conditions as set out herein. WCP agrees to provide all reasonable assistance in the approvals, permitting, and installation of each sign.

SECTION TWELVE: NOTICES

Except where specifically excepted herein, any notice required hereunder shall be delivered by overnight mail or delivery service, or by certified mail postage prepaid, with copy sent via email. Notice shall be deemed sufficient when delivered. Email notice alone shall be sufficient if confirmation of receipt is received. Any changes in address shall be effective when communicated in writing by the Party whose address is changing.

WHEREFORE, intending to be legally bound hereby, the Parties hereto have set their hand and seal with effect on the date first set forth above.

For CMG

By: _____

Print Name: _____

Title: _____

Date: _____

For WCP

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A

Description of Sponsor Signs

[INSERT SHEET WITH SIGN DETAILS]