

1. Whereby Ocean City agrees to market, promote, and operate the Ocean City Convention Center facility in a manner which maximizes the Ocean City Convention Center's economic return (which shall not be construed to require gambling activities in the Ocean City Convention Center), and to maintain and repair the Ocean City Convention Center facility so as to keep the Ocean City Convention Center facility in first class operating condition; and

2. That includes provisions that:

A. Protect the Authority's and Ocean City's respective investment in the Ocean City Convention Center facility;

B. Require the Authority and Ocean City to each contribute to operating deficits and a capital improvement reserve fund, for the period beginning upon the completion of the expanded and renovated Ocean City Convention Center facility and continuing during the period that the Authority's Ocean City Convention Center facility bonds are outstanding, as follows:

I. The Authority shall contribute one-half and Ocean City shall contribute one-half to annual operating deficits;

II. The Authority and Ocean City shall each annually contribute \$50,000 to an appropriate Capital Improvement Reserve Fund; and

III. Ocean City shall be solely responsible for all operating deficits and capital improvements prior to the completion of the expanded and renovated Ocean City Convention Center facility and after the repayment of the Authority's Ocean City Convention Center facility bonds; and

C. Provide for remedies upon default which include the right of the Authority, in the event of a material default by Ocean City which has not been corrected after a reasonable notice and cure period, to immediately assume responsibility for maintenance and repairs of the Ocean City Convention Center facility and offset the costs of such maintenance and repairs against other amounts owed by the Authority to Ocean City, whether under the operating agreement with Ocean City or otherwise;

(7) With respect to site acquisition and construction of the Montgomery County Conference Center facility, has secured, as approved by the Board of Public Works:

(i) A lease or other written agreement with Montgomery County pursuant to which:

1. Montgomery County agrees to contribute \$13,196,000 for the capital costs of construction of the Montgomery County Conference Center not later than the date of the Authority's bond issuance as authorized under § 13-712 (a)(1) of this subtitle;