



Central Texas Regional
Mobility Authority

AGENDA ITEM #4 SUMMARY

Approve a sponsorship and advertising agreement with Hicks Cedar Park LLC relating to events at the Cedar Park Center.

Approve a sponsorship and advertising agreement with Hicks Cedar Park LLC relating to events at the Cedar Park Center.

Department: Communications

Associated Costs: \$30,000

Funding Source: Operating Budget

Board Action Required: YES

Description of Matter:

The Mobility Authority's 2012 Communications Advertising Budget includes funding for a sponsorship of the Texas Stars Hockey Team at the Cedar Park Event Center. Staff believes it is important to support the Texas Stars and the Event Center because the Event Center is a major revenue generator for the Mobility Authority. For example, daily revenue increased approximately 8.4% or \$6,000.00 on October 7, 2011 when Dolly Parton appeared at the Center.

The sponsorship is for a one year period and includes advertising on the center's LED display boards at all events. In addition, the Mobility Authority will be the sponsor of an individual hockey game and will have its logo printed on t-shirts that will be distributed for free at the game. Advertising for the game will recognize the Mobility Authority as a sponsor. The Texas Stars will also be supporting the Mobility Authority's participation in the Blockhouse Creek neighborhood Fall Festival.

The Mobility Authority participated in a similar sponsorship package last year through our contract with Hahn Texas. This year staff is recommending we contract directly with the Texas Stars.

Attached documentation for reference:

Draft Resolution

Proposed Sponsorship Agreement

Contact for further information:

Steve Pustelnyk, Director of Communications

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 11-__

**APPROVING A SPONSORSHIP AND ADVERTISING AGREEMENT WITH HICKS
CEDAR PARK LLC RELATING TO EVENTS AT THE CEDAR PARK CENTER**

WHEREAS, because of the proximity of the Cedar Park Center to the 183A Expressway, events at the Cedar Park Center such as the home games of the *Texas Stars Hockey Club* and the *Austin Toros* basketball team generate significant traffic and toll revenue from customers who travel to the event using the 183A Expressway; and

WHEREAS, some drivers who attend events at the Cedar Park Center may be unaware of the benefits of using the 183A Expressway to travel to and from the Cedar Park Center; and

WHEREAS, being a sponsor of the *Texas Stars* games and other events at the Cedar Park Center benefits the Central Texas Regional Mobility Authority by providing advertising and goodwill for the 183A Expressway.

NOW THEREFORE, BE IT RESOLVED that the proposed Sponsorship Agreement with Hicks Cedar Park LLC, is approved, in the form or substantially the form attached as Attachment A to this resolution; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to finalize and execute the Sponsorship Agreement on behalf of CTRMA in the form or substantially the same form as Attachment A to this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26th day of October, 2011.

Submitted and reviewed by:

Approved:

Andrew Martin
General Counsel for the
Central Texas Regional Mobility Authority

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 11-__
Date Passed: 10/26/11

ATTACHMENT "A" TO RESOLUTION 11-
SPONSORSHIP AGREEMENT WITH HICKS CEDAR PARK LLC

[on the following 6 pages]



SPONSORSHIP AGREEMENT

THIS SPONSORSHIP AGREEMENT (the "Agreement") is entered into as of November 1, 2011 (the "Effective Date") between **Hicks Cedar Park LLC** ("HCP") and **Central Texas Regional Mobility Authority** ("Sponsor").

RECITALS

- A. HCP has the right to market certain promotional opportunities for the Dallas Stars' minor league hockey team affiliate, the Texas Stars Hockey Club (the "Texas Stars"), which plays its home games ("Games") in the arena known as Cedar Park Center ("CPC"); and
- B. HCP has the right to market certain promotional opportunities for all events (the "Events") to be held at CPC, which shall include all Austin Toros home games and all third party events (e.g., concerts) open to the public, excluding the Games; and
- C. Sponsor desires to purchase from HCP the right to display certain advertising and to participate in certain promotions in conjunction with the Games and Events.

In consideration of the foregoing recitals, which are incorporated as substantive provisions of this Agreement, and for other valuable consideration, HCP and Sponsor hereby agree as follows:

1. **Grant of Advertising Rights.** HCP hereby grants to Sponsor, and Sponsor hereby accepts, the non-exclusive rights and obligations set forth in this paragraph 1 during the Term, subject to the terms and conditions of this Agreement. All Advertising Copy to be displayed as provided in this Agreement shall be limited to advertising for the following products or services (the "Products"): Central Texas Regional Mobility Authority services and products.

a) **LED Video Ring.** During Games and Events, Sponsor will receive identification of its Advertising Copy on the following Sign: the LED Video Ring. The Ring will run Advertising Copy during all Games and Events, subject to blackouts at reasonable times (e.g., when all CPC lighting is turned down at the beginning of some Games and Events). All Advertising Copy is subject to HCP's prior approval.

b) **Premium Giveaway.** During one (1) Game during the Term, Sponsor will have the right and obligation to distribute t-shirts as premium giveaway items. The premium items will be distributed to the first TBD number of fans of the mutually-agreed upon game. Sponsor will be responsible for the cost of producing the premium items, which cost is included in the Rights Fee. All premium items are subject to HCP's prior approval and AHL regulations.

c) **Community Event Participation.** During the Term, HCP agrees to have the Texas Stars represented in a TBD manner at the Mobility Authority's Blockhouse Creek community event, subject to player and Ice Girl availability and staffing discretion. HCP will use good faith efforts to mutually-agree with Sponsor on the manner and type of the Texas Stars' participation in the event. For the Community Event, HCP will also provide the following giveaway items:

- i. **Texas Stars Glass Seats.** During one (1) Texas Stars regular-season game during the Term, Sponsor will receive four (4) glass seats at CPC. In addition, Sponsor will receive food vouchers for four (4) hot dogs and four (4) sodas.
- ii. **Authentic Jersey.** Sponsor will receive one (1) team autographed, authentic, Texas Stars hockey jersey. Size and color of jersey are subject to HCP discretion and availability.
- iii. **Promotional Tickets.** During the Term, for Sponsor's promotional use, HCP will provide to Sponsor one-hundred (100) Texas Stars regular season tickets. Dates and seat locations will be at HCP's sole discretion. HCP must prior approve the manner of promotional use.

2. **Term of Agreement.** Subject to Force Majeure and other terms and conditions set forth in this Agreement, this Agreement will begin on November 1, 2011, and continue through June 30, 2012 unless terminated earlier pursuant to the terms of this Agreement (the "Term").

3. **Rights Fee.** Sponsor shall pay to HCP a fee of \$30,000.00 (the "Rights Fee"). The Rights Fee shall be payable within sixty (60) days following Sponsor's receipt of invoices sent to Sponsor by HCP in accordance with the following invoice schedule:

11/15/2011	\$30,000.00
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Rights Fee payment must be made by check or direct funds transfer. Credit card payments are allowed only with HCP's prior approval, in which instance, a 3% credit card fee will be added to the Rights Fee and any other amounts charged. The Rights Fee shall be net of any agency fees or commissions that may be payable by Sponsor to its advertising agencies. All taxes and other charges imposed on Sponsor in connection with this Agreement shall be borne by Sponsor and shall not be deducted from the Rights Fee. Any Rights Fee not paid to HCP by the dates required shall be subject to interest at the annual rate equal to 12%, compounded monthly. Sponsor shall, at all times and in the manner provided in this Agreement, pay the Rights Fee and any other monetary obligation owed to HCP pursuant to this Agreement without offset, abatement, demand, set-off or counter claim. Sponsor hereby irrevocably waives any right to claim offset, abatement, demand, set-off or counter claim other than as may be pursuant to a final judgment.

4. **Provisions Regarding Advertising Copy.** Sponsor shall produce the Advertising Copy in accordance with the deadlines and specifications established by HCP. Sponsor is solely responsible for the cost and administration of designing, preparing, installing, maintaining and removing the Advertising Copy described in paragraph 1. The design, layout, elevation, configuration and content of all Advertising Copy shall be subject to HCP's prior approval, which may be granted or withheld at HCP's reasonable discretion. HCP shall have the right to disapprove any Advertising Copy if, among other possible reasons for disapproval, HCP determines in good faith that such Advertising Copy (i) is of substandard technical quality; (ii) does not conform to HCP's specifications for the Signs, publications or stated design preferences, (iii) does not comply with applicable government standards or regulations or with applicable hockey league rules, regulations or policies, or (iv) is in bad taste or otherwise reasonably objectionable. Sponsor shall have the right to modify or change any Advertising Copy displayed as provided in this Agreement, subject to HCP's right of approval, at Sponsor's expense. HCP may need to cover certain Advertising Copy and Signs at CPC for certain Games and Events, which shall be at HCP's reasonable discretion.

5. **Trademarks.** Sponsor's trademarks, service marks, brand names, logos, label designs, Products identification, decals and artwork displayed on the Advertising Copy, and all trademark rights or copyrights in such Advertising Copy, shall remain the exclusive property of Sponsor. Notwithstanding the foregoing, HCP may use

Sponsor's corporate or trade names, trademarks, service marks, logos or other proprietary symbols of Sponsor to fulfill this Agreement, subject to Sponsor's approval, which shall not be unreasonably withheld. The Texas Stars' names, logos, trademarks and service marks shall be and remain the exclusive property of HCP. Sponsor shall not have the right to use or reproduce the corporate or trade names, trademarks, service marks, logos or other proprietary symbols of the Texas Stars without HCP's prior written consent, which may be withheld at HCP's discretion. All advertising or promotional materials displayed or distributed by Sponsor in conjunction with the Texas Stars' names, logos, trademarks or service marks shall be subject to HCP's prior written approval. During the Term, if either party becomes aware of any unauthorized use or other infringement of the other party's names, logos, trademarks and/or service marks, then such party shall promptly give written notice thereof to the other party.

6. **Default.** If either party breaches its obligations under this Agreement (other than a delay or interruption in fulfillment of HCP's obligations as a result of a Force Majeure as defined in paragraph 7 below), including without limitation a failure to make any payments as required by this Agreement, the non-defaulting party shall have the option to immediately cease all performance under this Agreement. If such default is the failure by Sponsor to pay the Rights Fee or any other monetary obligations when due under this Agreement, HCP may exercise its right to terminate this Agreement immediately and pursue any available remedies immediately upon written notice to Sponsor. In the case of any other breach under this Agreement, the non-defaulting party shall also have the right to terminate this Agreement by providing the defaulting party with written notice of the alleged default and 30 days within which to cure the default to the reasonable satisfaction of the non-defaulting party. If the defaulting party fails to cure the default to the reasonable satisfaction of the non-defaulting party within 30 days after the date such written notice is given, the non-defaulting party may, in addition to any other remedies which may be available to it under the circumstances, terminate this Agreement effective immediately by providing written notice of such termination to the defaulting party.

Notwithstanding anything to the contrary herein, HCP may terminate this Agreement with no penalty in order to enter into a naming rights agreement for CPC with another sponsor in the same or similar Products category to Sponsor, provided that HCP shall provide ten (10) days written notice to Sponsor and only the portion of the Rights Fees due through the termination date shall be due from Sponsor.

7. **Force Majeure.** For the purposes of this Agreement, a "Force Majeure" shall mean any event or cause beyond HCP's reasonable control (including without limitation, construction delays, fire, flood, or other casualty, explosions, damage by third parties whether negligently or intentionally caused, strikes, work stoppages, picketing, lockouts and/or any other concerted action by any employees or any labor organization, acts of God or other casualties, or the laws or actions of any governmental authority), as a result of which at any time HCP is unable to grant any of the rights described in paragraph 1 of this Agreement or perform any of its obligations hereunder. If a Force Majeure occurs during the Term, HCP and Sponsor shall mutually agree on one of the following alternatives: (i) terminate this Agreement and return all or a pro-rata portion of the Rights Fee, as appropriate, to Sponsor or (ii) provide alternate advertising and promotional rights of substantially equivalent value to Sponsor either during or after the Term.

8. **Subservience.** Notwithstanding any other provision of this Agreement, this Agreement shall be subject and subordinate to all Laws, and to all leases, subleases and other agreements under which HCP shall occupy or operate CPC or by which HCP is bound (including, but not limited to, the Lease and Development Agreement between the City of Cedar Park and HCP dated February 20, 2008, as amended from time to time), either presently in existence or as may be enacted, made or enforced from time to time after the effective date of this Agreement, including the regulations and actions of all governmental agencies or commissions. Notwithstanding any other provisions of this Agreement, the promotional licensing rights and all other rights granted by HCP to Sponsor pursuant to this Agreement are subject and subordinate to any and all promotional licensing, advertising and sponsorship agreements entered into by the hockey league and/or any other authorized agent collectively on behalf of the member clubs of the hockey league. If applicable, this Agreement shall terminate prior to the expiration of the Term upon the effective date of any ruling, ordinance, rule or regulation of any local, state or federal governmental

agency or other governmental body having jurisdiction over either party, CPC, or the Products, or of the hockey league, declaring the advertising of the Products, the performance of the promotion or the display of the Advertising Copy as provided in this Agreement to be unlawful or prohibited. If this Agreement is terminated as provided in this paragraph 8, the Rights Fees paid by Sponsor shall be pro-rated and appropriate refunds shall be made by HCP, to be computed on the same basis as provided in paragraph 7.

9. **Release, Indemnification, No Representations, Insurance.** Sponsor assumes full responsibility and liability for the content of the Advertising Copy and for all other work performed or required to be performed by Sponsor under this Agreement, and agrees that all of the foregoing shall be at Sponsor's sole risk. To the extent permitted by law, Sponsor agrees to defend, indemnify, and hold harmless Hicks Cedar Park LLC, Dallas Stars, L.P., HSG Partnership Holdings, LLC, Hicks, Inc., Hicks Sports Group Holdings LLC, Hicks Sports Group LLC and the City of Cedar Park and each of their subsidiaries, affiliates, partners, officers, directors, employees, shareholders, agents, other representatives, successors and assigns, (collectively the "HCP Parties"), from and against any losses, liabilities, damages, and judgments (collectively, "Claims"), including, without limitation, attorneys' fees, arising out of: (i) the use of any trademark, service mark, logo, design and other intellectual property right materials provided by Sponsor; (ii) Sponsor's Advertising Copy and Products; (iii) any work performed by Sponsor or its agents; and (iv) any breach of this Agreement by Sponsor and all costs incurred by the HCP Parties (including but not limited to attorney's fees) as a result of any breach of this Agreement, the enforcement of this Agreement against Sponsor or the collection from Sponsor of any amounts due hereunder. Sponsor fully waives and releases the HCP Parties from any and all Claims arising out of or related to any matter described in clauses (i) through (iv) above, except as provided in Section 17. If requested by HCP, Sponsor shall present to HCP satisfactory proof of insurance (including general liability insurance for bodily injury or death or property damage) adequate by its terms to fully satisfy Sponsor's obligations hereunder, and Sponsor shall, if so requested by HCP, include the HCP Parties as additional insureds. Except as otherwise expressly provided herein, HCP has made no representations or warranties of any kind, either, expressed, implied or statutory, all of which are hereby waived by Sponsor.

10. **Assignment.** HCP may assign any of its rights and duties without Sponsor's approval or notice to Sponsor. Sponsor may not assign this Agreement without HCP's prior written consent, which may be granted or withheld at HCP's reasonable discretion. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

11. **Confidentiality.** Subject to Sponsor's obligations under the Texas Public Information Act, the Texas Open Meetings Act, and other laws, the parties acknowledge and agree that HCP assets that this Agreement and its terms are confidential, and contain proprietary commercial and financial information of HCP. Neither HCP nor Sponsor shall disclose copies of this Agreement or the terms without the prior written consent of the other party, unless the disclosure is made for a legitimate business purpose or compelled by legal process, including without limitation the Texas Public Information Act and Texas Open Meetings Act. Sponsor understands that HCP may provide copies of this Agreement and disclose the terms of this Agreement to the hockey league and consents to such disclosure.

12. **Governing Law & Exclusive Venue.** THIS AGREEMENT IS GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICT-OF-LAWS PRINCIPLES. THE EXCLUSIVE VENUE FOR ANY PROCEEDING IN CONNECTION WITH THIS AGREEMENT SHALL BE IN WILLIAMSON COUNTY, TEXAS.

13. **Notices.** All notices or other communications which are required or contemplated by this Agreement ("Notices") shall be in writing. All Notices of or concerning default or termination of this Agreement shall be sent by United States certified or registered mail, return receipt requested. All other Notices may be sent by facsimile, hand delivery, e-mail or mail. Mailed notices shall be sent to:

If to HCP: Hicks Cedar Park LLC
2100 Avenue of the Stars
Cedar Park, Texas 78613
Attention: Rebecca Miller, Director – Partnership Fulfillment
With a copy to: David Webster – Legal Department

If to Sponsor: Central Texas Regional Mobile Authority
301 Congress Avenue, Suite 650
Austin, Texas 78701
Attention: Mike Heiligenstein

14. [INTENTIONALLY DELETED]

15. **No Waiver.** No delay of or omission in the exercise of any right, power or remedy accruing to any party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of any future exercise of any right, power or remedy.

16. **Severability.** In case any provision of this Agreement shall be invalid, illegal or unenforceable, such provision shall be severed from this Agreement. The validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

17. **Attorneys' Fees.** Should either party to this Agreement commence legal proceedings against the other to enforce the terms and provisions of this Agreement, the party losing in such legal proceedings shall pay the reasonable attorneys' fees and expenses of the party prevailing in such legal proceedings as determined by the court.

18. **Relationship of Parties.** This Agreement does not create any agency, partnership, joint venture or employment relationship between the parties. The relationship of the parties shall be solely that of independent contractors. Each party shall be solely responsible for the conduct of its respective agents and employees.

19. **Integration Clause & Amendment.** This Agreement is the final and exclusive expression of the agreement among the parties hereto with relation to the subject matter of this Agreement, it being understood that there are no oral representations, understandings or agreements covering the same subject matter. This Agreement supersedes, and cannot be varied, contradicted or supplemented by evidence of any prior or contemporaneous discussions, correspondence, or oral or written agreement. This Agreement may only be amended by a written amendment, signed by both parties.

20. **Sophistication of Parties.** Each party represents that it is a sophisticated commercial party capable of understanding all of the terms of this Agreement, that it has had an opportunity to review this Agreement with its counsel, and that it enters this Agreement with full knowledge of the terms of the Agreement.

21. **Definitions.** For purposes of this Agreement, the terms listed below shall have the following meanings:

a) **Advertising Copy.** "Advertising Copy" means advertising of the Products, including any words, slogans, logos or designs constituting trademarks or service marks of Sponsor, whether or not registered, that are displayed pursuant to this Agreement.

b) **Laws.** "Laws" means any and all federal, state or local laws or governmental rules, regulations, ordinances or orders, and rules, regulations, orders, directives, bulletins, policies or restrictions.

c) **Season.** "Season" means all pre-season and regular hockey season Games played by Texas Stars at CPC.

d) **Post-Season.** "Post-Season" means all playoff Games played by the Texas Stars at CPC.

e) **Signs.** "Signs" means any advertising materials installed in advertising panels, as identified in paragraph 1 of this Agreement.

22. **Representations and Warranties of Sponsor.** Sponsor represents and warrants that (a) the execution of this Agreement has been duly authorized by all necessary parties, (b) this Agreement constitutes the legal and binding obligations of Sponsor and is enforceable against Sponsor in accordance with its terms, (c) Sponsor has the absolute and unrestricted right, power authority and capacity to execute this Agreement and to perform its obligations, (d) Sponsor owns or has the right to use all trademarks, brand logos, label designs, product identification, and artwork displayed in the Advertising Copy and on the Signs, (e) Sponsor is not subject to any restrictive obligations imposed by former clients or any other person that would impair its ability to exercise its best efforts in connection with this Agreement and (f) Sponsor's Advertising Copy and Products comply with all Laws.

Agreed to by:

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

By: _____

Name: _____

Title: _____

Date: _____

**HICKS CEDAR PARK LLC,
a Texas limited liability company**

By: _____

Authorized Representative

Date: _____