

STATE OF NORTH CAROLINA
COUNTY OF WAKE

**SECOND AMENDMENT TO
TRI-PARTY AGREEMENT**

THIS SECOND AMENDMENT TO THE TRI-PARTY AGREEMENT, effective this 5th day of April, 2001, ("Second Amendment"), between the COUNTY OF WAKE, a political subdivision of the State of North Carolina (the "County"), acting by and through its board of County Commissioners (the "County Board"); the CITY OF RALEIGH, a municipal corporation of the State of North Carolina (the "City"), acting by and through its City Council (the "City Council"); and the CENTENNIAL AUTHORITY, a public agency of the State of North Carolina created pursuant to North Carolina General Statute 160A-480.1, et seq., (the "Authority"), acting by and through its appointed membership.

WITNESSETH

WHEREAS, the Authority has constructed and operates a multi-purpose regional sports, entertainment and convocation arena complex (the "Arena") in Wake County, North Carolina, pursuant to authority and direction of the North Carolina General Assembly; and

WHEREAS, the County and the City has allocated funds, from the proceeds of a prepared foods and beverage tax and a room occupancy tax, to provide for debt service required for repayment of bonds issued for construction of the Arena Project; and

WHEREAS, the County and City consented to said allocation of funds upon conditions set forth in the Arena Project Tri-Party Agreement dated June 20, 1997, as amended by the First Amendment to Tri-Party Agreement dated February 1, 1999 (the "Amended Tri-Party Agreement"); and

WHEREAS, all of the pre-conditions imposed upon the transfer of debt service reserve funds to the Authority have been met and the debt service reserve funds have been paid to the Authority; and

WHEREAS, the Parties have now agreed to amend the provisions of the Amended Tri-Party Agreement which 1) provide for distributions of Excess Operating Funds, to the County and City, 2) provide for repayment of excess construction funds generated from the transfer of debt service reserve funds, and 3) describe the distribution of revenues received by the Authority from naming the building;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the County, the City, and the Authority agree that the Amended Tri-Party Agreement be and is hereby further amended as hereinafter set forth.

SECTION 1. Subsection "a." of the Paragraph entitled "Return of Excess Operating Funds." found in the June 20, 1997, Tri-Party Agreement is amended by deleting the first sentence thereof and substituting therefore the following:

"The Authority shall, within thirty (30) days of filing of its annual audit with the North Carolina Local Government Commission as required by State law, transfer to the Authority Building Enhancement Fund excess operating funds generated by the Arena."

SECTION 2. The paragraph entitled "Transfer of Debt Service Reserve." found in the February 1, 1999, amendment to the Tri-Party Agreement is hereby deleted, and substituted therefore is the following:

"Authority Naming Rights Revenue. The Authority shall cause previously existing agreements between the Authority, Gale Force Limited Partnership (Carolina Hurricanes), and North Carolina State University (NCSU) to be amended to require Authority approval of the initial agreement to name the Arena and any subsequent agreement, and that the revenues derived from any approved agreement shall be in substantial compliance with the spreadsheet attached hereto as Exhibit #1, and incorporated herein by reference. The Authority share of revenues derived from naming the Arena shall be maintained in the "Authority Building Enhancement Fund" described hereinafter."

SECTION 3. The third sentence of the Paragraph entitled "Revenues" found in the February 1, 1999, amendment to the Tri-Party Agreement is hereby deleted.

SECTION 4. The paragraph entitled "Special Reserve Account" found in the February 1, 1999, amendment to the Tri-Party Agreement is amended by deleting all after the first three (3) sentences, and by adding the following sentence:

"Any unused funds in this account upon the completion of the Arena construction shall be deposited by the Authority into the authority Building Enhancement Fund."

SECTION 5. There is hereby added a new section as follows:

"Authority Building Enhancement Fund. The Authority shall establish a fund which shall be known as the Authority Building Enhancement Fund. Revenues deposited in said fund shall be used exclusively for Arena expansion and facility upgrades. It shall be a reserve fund maintained by the Authority separate and apart from any other capital reserve fund. Any expenditures from the fund shall be used for capital enhancement, improvements, extraordinary repairs, and replacements

associated with maintaining the Arena and adjacent parking areas as a first class facility. Any expenditures from the fund shall require a 2/3 majority vote of the Authority membership, and no funds may be expended from the Authority Building Enhancement Fund until at least ten (10) years from the completion of the building."

SECTION 6. Conflict with Prior Agreement. Except where in conflict herewith, the Arena Project Tri-Party Agreement of June 20, 1997, as amended February 1, 1999, shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement is executed pursuant to resolutions adopted by the governing boards of the County, the City and the Authority.

CITY OF RALEIGH

By: *Davey*
Mayor
Attest: *Paul Smith*
Clerk

Date: 5/21/01

APPROVED AS TO FORM:
Michael K. Jensen
City Attorney

COUNTY OF WAKE

By: *Shirley*
Chairman
Attest: *Gwendolyn P. Reynolds*
Clerk

Date: 5/30/01

APPROVED AS TO FORM:
Michael K. Jensen
County Attorney

CENTENNIAL AUTHORITY

By: *E. Steven*
Chairman
Attest: *Paul Britt*
Secretary

Date: April 9, 2001

APPROVED AS TO FORM:
Waldo Holt III
Authority General Counsel

EXHIBIT #1

NAMING RIGHTS

DRAFT DATED 10/25/2000

YEAR	NOTE 1		NOTE 2		38.00% AUTHORITY PORTION	49.89% CAPITAL RESERVE PORTION	62.00% 38.23% HURRICANE PORTION	11.88% NCSU PORTION	TOTAL NCSU PORTION
	6.75% NCSU PAYMENT	% OF GROSS INVENTORY COST	REIMBURSE HURRICANES FOR VIDEO & PRACTICE	NET					
1	4,000,000	1,318,400	127,500	1,754,100	666,558		1,087,542		1,318,400
2	4,000,000	1,318,400	127,500	1,754,100	666,558		1,087,542		1,318,400
3	4,000,000	1,318,400	127,500	1,754,100	666,558		1,087,542		1,318,400
4	4,000,000	1,318,400	127,500	1,754,100	666,558		1,087,542		1,318,400
5	4,000,000	1,318,400	127,500	1,754,100	666,558		1,087,542		1,318,400
6	4,000,000	1,318,400	131,325	1,760,275	665,105		1,085,171		1,318,400
7	4,000,000	1,318,400	135,265	1,746,335	663,607		1,082,728		1,318,400
8	4,000,000	1,318,400	139,323	1,742,277	662,085		1,080,212		1,318,400
9	4,000,000	1,318,400	143,502	1,738,098	660,477		1,077,621		1,318,400
10	4,000,000	1,318,400	147,807	1,733,793	658,841		1,074,951		1,318,400
11	4,000,000		152,242	3,047,758	0	1,520,344	1,165,249	362,165	362,165
12	4,000,000		156,809	3,043,191	0	1,518,065	1,163,503	361,622	361,622
13	4,000,000		161,513	3,038,487	0	1,515,719	1,161,705	361,063	361,063
14	4,000,000		166,359	3,033,641	0	1,513,302	1,159,852	360,488	360,488
15	4,000,000		171,349	3,028,651	0	1,510,812	1,157,944	359,895	359,895
16	4,000,000		176,480	3,023,510	0	1,508,248	1,155,979	359,284	359,284
17	4,000,000		181,785	3,018,215	0	1,505,607	1,153,954	358,655	358,655
18	4,000,000		187,238	3,012,762	0	1,502,886	1,151,869	358,007	358,007
19	4,000,000		192,855	3,007,145	0	1,500,084	1,149,722	357,339	357,339
20	4,000,000		188,641	3,001,359	0	1,497,198	1,147,510	356,652	356,652
	80,000,000	13,184,000	3,080,002	47,735,998	6,642,886	15,082,284	22,405,679	3,595,168	16,779,168
						21,735,150			

NOTE:1 Inventory capped at 20% of gross naming rights receipts.

NOTE:2 Assumes video cost constant for 5 years, and 25 practices @ \$1500.