

June 6, 2025

**Via Federal Express Overnight & Email**

CP Event Center Operations, LLC  
c/o Viking Companies, LLC  
2579 SW 87th Drive  
Gainesville, FL 32608  
Attn: Svein Dyrkolbotn  
Email: [svein@vikingcompanies.org](mailto:svein@vikingcompanies.org)

**Re: NOTICE OF DEFAULT  
Operations and Maintenance Agreement Between Alachua County, FL  
and CP Event Center Operations, LLC, Alachua County Multi-Purpose  
Sports Center, effective July 23, 2021 (“Agreement”)**

Dear Mr. Dyrkolbotn:

My firm serves as legal counsel to Alachua County, Florida (“County”), in connection with the above-referenced Agreement between the County and CP Event Center Operations, LLC (“Operator”). This letter serves as the County’s notice of Monetary Default and Non-Monetary Default to the Operator pursuant to Sections 23.1.1 and 23.1.5 of the Agreement, respectively. Any capitalized terms used but not specifically defined in this letter have the meanings ascribed to such terms in the Agreement.

Section 6.6.2 of the Agreement, “Fees and Charges,” in relevant part provides:

**6.6.2 Fees and Charges.** All fees, charges and prices for sports activities or other activities or services at the Sports Center shall be set by the Operator. All Sports Center Gross Revenues collected with respect to use of the Sports Center shall be deposited into an Operating Account established and held by the Operator and applied in the following order and priority:

(i) An amount equal to one twelfth of the annual total of Sports Center Expenses that constitute special assessments as described in Section 6.17 levied by the CDD shall be transferred monthly as directed by the CDD in writing to the Bond Trustee;

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Section 6.17, in turn, states in relevant part:

6.17 Acknowledgement of CDD. The County acknowledges the formation and existence of Celebration Pointe Community Development District No. 1 (the "CDD"). The CDD was formed in accordance with Chapter 190, Florida Statutes, in coordination with the County, to provide financing for certain infrastructure improvements related to the Celebration Pointe project. The CDD has imposed and will impose upon lands located within its boundaries, including the Sports Center Site, certain special assessments to secure the repayment of the CDD's Special Assessment Revenue Bonds, Series 2014 and Special Assessment Revenue Bonds, Series 2017 (the "Outstanding CDD Bonds") and the 2021 Bonds (hereafter defined) the proceeds of which were used and will be used to fund the financing of such infrastructure improvements, including parking improvements. The special assessments related to the Outstanding CDD Bonds, the 2021 Bonds and any revenue bonds hereafter issued by the CDD to refund such bonds will be paid as a Sports Center Expenses. Other than special assessments to be levied by the CDD to secure the repayment of a proposed series of Special Assessment Revenue Bonds, Series 2021 (the "2021 Bonds") the proceeds of which will be used to finance certain structured parking improvements related to the Sports Center, the parties acknowledge that no other special assessment will be levied on the Sports Center Site.

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Under these provisions, in applying the Sports Center Gross Revenues collected from the use of the Sports Center, the Operator is required to give first priority to payment of special assessments levied by the CDD. Based on an Estoppel Letter received from the CDD's management company on June 5, 2025, for fiscal year 2024, the CDD levied special assessments in the amount of \$312,409.96 on the Sports Center property (Parcel ID 06820 002 024), which were past due as of September 30, 2024. In addition, for fiscal year 2025 special assessments accrue at the rate of \$29,659.11 per month, and, as of May 31, 2025, \$207,613.77 remain unpaid. The Sports Center Gross Revenues that the Operator has collected from the use of the Sports Center are required to be applied first for payment of the CDD special assessments. The Operator has failed to do so. In fact, the Operator has not applied the revenue toward payment of any portion of the CDD special assessment for fiscal year 2024 or 2025. The Operator's failure to pay the CDD special assessment constitutes a material breach of its obligations under the Agreement.

Furthermore, Section 8.1 of the Agreement requires the Operator to pay all Sports Center Expenses:

8.1 Operator to Pay All Sports Center Expenses. Operator shall pay all Sports Center Expenses, regardless of the amount of Sports Center Gross Revenues or whether or not there are any Sports Center Gross Revenues at all. Except where this Agreement provides otherwise, the Operator shall pay all Sports Center Expenses within thirty (30) days or other reasonable deferral period after receipt of an invoice and, if appropriate, receipt of reasonable backup documentation. The Operator shall pay and discharge, before failure to pay creates a risk of forfeiture or penalty, each and every item of

expense, of every kind and nature whatsoever, related to or arising from the Sports Center, or by reason of or in any manner connected with or arising from the operation, management, maintenance, repair, use or any other matter affecting the Sports Center attributable to or incurred during the Term of this Agreement. Amounts advanced by Operator to fund Capital Expense Advances shall bear interest at an annual rate of interest equal to 5.0 percent.

The Operator's failure to pay the CDD special assessment as described above also constitutes a default of its obligations under Section 8.1 of the Agreement.

Additionally, the Operator is in default of its obligations to the County under multiple provisions of the Agreement providing for financial reporting, recordkeeping, oversight, and accountability.

First, Section 9.1 of the Agreement, "Sales Recording and Records," imposes the following requirements on the Operator:

9.1 Sales Recording and Records. The Operator shall record at the time of sale, in the presence of the customer, receipts from sales or other transactions, whether cash or credit, in a cash register or registers, or a point of sale terminal or terminals, or device meeting same objective that accumulates and consecutively numbers all transactions. A receipt or record from any transaction showing the correct amount of purchase shall be made at the time of any transaction, including any cash sale. Transactions not ordinarily recorded in a cash register or point of sale terminal shall be noted on and kept in a ledger format. The Operator shall keep:

9.1.1 full and accurate books of account and records including, without limitation, a sales journal, general ledger and all bank account statements showing deposits and withdrawals of Sports Center Gross Revenues;

9.1.2 develop written policies and controls over receipts to ensure complete and intact deposit of funds and ensure proper accountability of Gross Revenues;

9.1.3 all cash register or point of sale terminal records with regard to the Sports Center Gross Revenues, credits, refunds and other pertinent transactions made from or regarding the Sports Center; and

9.1.4 detailed original records of any Sports Center Gross Revenues Exclusions.

Furthermore, Section 9.2.1, "Monthly Gross Revenues and Expense Statement," and Section 9.2.3, "Accounting and Bookkeeping," require the Operator to comply with specific financial reporting and recordkeeping obligations:

9.2.1 Monthly Gross Revenues and Expense Statement. Within twenty (20) calendar days after the end of each month during the Term, the Operator shall furnish the County with a Monthly Gross Revenues and Expense Statement showing Sports Center Gross Revenues and Expenses and Sports Center Gross Revenues Exclusions for the just concluded month on a modified cash accrual basis that has been agreed by the Parties. Such statements shall present fairly the financial position (Balance Sheet) and results of the operations (Profit/Loss Statement) of the Sports Center and shall be reasonably detailed, including *cash flow statements*, cash balances, reserve account balances and statements, operating results, supporting schedules of revenues and expenditures, a balance sheet showing Operator's cash position at the end of such month and a budget reconciliation statement and an explanation of the basis for any material deviation from the Annual Budget and Operator's plan to address such circumstance. These Statements shall be prepared by Operator's Controller, Finance Director, Chief Financial Officer or similar person and signed by an authorized officer of the Operator. The Monthly Statements will include distinctively all flow of funds outlined in Section 6.6.2 (i) through (iii).

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9.2.3 Accounting and Bookkeeping. The Operator agrees to maintain separate accounting and bookkeeping records for the operations of the Sports Center pursuant to this Agreement and to utilize generally accepted accounting principles and practices in such accounting records. The Operator shall, at reasonable times and upon request, permit the County's auditors to inspect, examine and copy any and all of the Operator's books, papers, reports, correspondence, sales tax returns, federal and state tax returns memoranda, cash register records and other records of the Operator which are pertinent to this Agreement. The Operator shall perform a physical inventory of FF&E items with a value over \$1,000 on an annual basis and shall provide the County a copy of same upon completion.

Pursuant to the provisions of Section 9.3 of the Agreement, the County selected the firm Carr Riggs & Ingram ("Auditor") to perform an audit for the year ended December 31, 2023. According to the Independent Accountant's Report on Applying Agreed-Upon Procedures prepared by the Auditor for that audit ("Report"), procedures could not be performed due to a lack of or inadequate documentation and information on part of the Operator. There is no indication that Operator has taken action to remedy these deficiencies to date.

As reflected by the Auditor's inability to complete the Agreed-Upon Procedures, the Operator has failed to keep full and accurate books of account and records and all bank account statements showing deposits and withdrawals of Sports Center Gross Revenue, and failed to develop and/or adhere to policies and controls to ensure proper accountability of Gross Revenues, as required by Section 9.1. Similarly, the Operator has failed to maintain accounting and bookkeeping records

for the operations of the Sports Center using generally accepted accounting principles and practices, as required by Section 9.2.3.

Further, the Operator is in breach of its monthly reporting obligations under Section 9.2.1. This section requires the Operator's monthly reporting to include "cash flow statements." Under Section 9.2.3, the cash flow statements, and all other accounting papers of the Operator, must be prepared using Generally Accepted Accounting Principles. Because the Operator has failed to provide cash flow statements as part of its monthly reporting, it is default of its obligations under Section 9.2.1.

If the Operator had complied with its obligations under Sections 9.1, 9.2.1, and 9.2.3, the Auditor would have had sufficient records and documentation to complete the audit under Section 9.3. As a result of its failure to maintain and provide adequate records and documentation to the Auditor, the Operator has breached its obligations under Sections 9.2.3 and 9.3.

In addition to the express financial record-keeping and reporting requirements of Sections 9.1 and 9.2, inherent in Section 9.3 is an obligation of the Operator to maintain sufficient financial records and information for an auditor to perform audits, and to make those records and information available to the auditor for that purpose. The Operator has failed on both accounts, thus preventing the Agreed-Upon Procedures from being fully performed for the audit under Section 9.3. This also constitutes a default under Section 9.3.

Pursuant to Sections 23.1.1 and 23.1.5, if any default described above is not cured by the Operator within 30 calendar days of this notice, it shall constitute an Event of Default under the Agreement. In such case, the County intends to avail itself of any and all remedies available under Section 23.2 or any other terms of the Agreement and/or additional remedies available in law or equity, including, but not limited to, the right to terminate this Agreement and seek damages and other relief.

Please note that, especially given the concerns raised by the defaults identified in this letter, the County's review of the Operator's compliance with the Agreement remains ongoing. The County does not waive any rights or remedies with respect to any other default that may exist under the Agreement, or any obligations of Operator under the Agreement. All rights and remedies the County has or may have under the Agreement and applicable law are expressly preserved.

The County expects that the Operator will timely and fully rectify the defaults set forth in this notice. We also emphasize that the County expects the Operator will provide full transparency regarding the collection of all forms of revenues, timely payment of all expenses related to the Sports Center's operation, and fully comply with all terms of the Agreement moving forward.

CP Event Center Operations, LLC, c/o Viking Companies, LLC  
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Per Article XXVI of the Agreement, the County requests that the Operator promptly acknowledge receipt of this notice by email to [kartin@bmolaw.com](mailto:kartin@bmolaw.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Kenneth Artin".

Kenneth Artin

cc (via *FedEx Overnight & Email*): Viking Companies, LLC  
2579 SW 87th Drive  
Gainesville, FL 32608  
Attn: Jim Stockman  
Email: [jim@vikingcompanies.org](mailto:jim@vikingcompanies.org)