

Monarch Bay**July 2024 - June 2025 Fiscal Year****AGC Management Incentive fees**

Course EBITDA (July 2024-June 2025)	\$1,297,595.48
Incentive accrual reversal	\$136,898.87
Total NOI Exclusions	\$136,898.87
Adjusted NOI	\$1,434,494.35

Baseline	\$750,000.00
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NOI over Baseline	\$684,494.35
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Incentive Fee %	20%
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Total Incentive Earned	\$136,898.87
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ARTICLE 4 - MANAGEMENT FEE

5.1 Base Management Fee. In consideration of Manager's services during the Term, Owner shall pay to Manager a "Base Management Fee" equal to One Hundred Fifty Thousand Dollars (\$150,000) per year, payable in twelve (12) monthly installments of \$12,500. With the first year of this Agreement beginning prior to July 1, the additional months shall be pro-rated at \$12,500 per month and paid to Manager in monthly installments. The Base Management Fee shall be paid to Manager in accordance with Section 5.3 of this Agreement.

5.2 Incentive Management Fee. In addition to the Base Management Fee, Owner shall further pay to Manager an "Incentive Management Fee" equal to twenty percent (20%) of the amount by which Net Operating Income for a given Operating Year exceeds \$750,000. For purposes of this provision, Net Operating Income shall mean Gross Revenues minus Operating Expenses.

5.3 Payment Schedule. Owner shall pay Manager the Base Management Fee in advance, no later than ten (10) days following the first day of each month during the Term. Owner shall pay the Incentive Management Fee, if any, to Manager within forty-five (45) days following the final calculation of financial results for the Facility for the preceding Operating Year (based on Owner's July 1 – June 30 fiscal year). The Base Management Fee and Incentive Management Fee are sometimes referred to herein as "Fees".

Operating Expenses means utilities; costs of purchasing Operating Inventory; Compensation and expenses of the management staff and other employees directly employed at the Facility; advertising and promotion; repairs; the rent payments for any leased maintenance equipment and golf carts; insurance premiums; the Base Management Fee, and all other expenses relating to the operation of the Facility and/or payable under the Annual Plan that would be expensed in accordance with GAAP, except as provided in the next paragraph. Operating Expenses shall not include principal and interest payments on any promissory note or other debt instrument and payments under a deed of trust or mortgage (if any); depreciation; amortization; costs incurred as a result of any assignment of this Agreement or sale of the Facility; income taxes paid or payable by Owner on the income from the Facility.

Net Operating Income means Gross Revenues minus Operating Expenses.