

EXECUTION

EVENTS CENTER
BALL PARK LICENSE AGREEMENT

By and Between

THE CITY OF STOCKTON

and

7TH INNING STRETCH, LLC

Dated as of March 2, 2004

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**EVENTS CENTER
BALL PARK LICENSE AGREEMENT**

This Events Center Ball Park License Agreement (the "License Agreement") is made and entered into on March 2, 2004 by and between the City of Stockton, a municipal corporation (the "City"), and 7th Inning Stretch, LLC, a California limited liability company ("Licensee"), with reference to the following facts and purposes.

RECITALS

A. Capitalized terms used in this License Agreement have the meanings set forth in the Glossary of Defined Terms attached as Exhibit A.

B. The Licensee is the owner of a professional baseball team which is commonly known as the "Stockton Ports" that plays in the California League and shall be referred to in this License Agreement as the "Ports".

C. The City and the Licensee have entered into the Billy Hebert Field Lease providing for the Licensee to lease and use the City's Billy Hebert Field for the Port's Home Games and related activities.

D. The City has taken a series of actions and entered into a series of agreements leading toward design development and construction of a high-quality, City-owned, new Ball Park containing capacity for approximately five thousand (5,000) attendees (with hard seats and berm seating) to be located on the Ball Park Parcel within the City's Events Center Project. These actions and agreements include:

- 1) Preparation and certification of the EIR for the Events Center Project, including the Ball Park.
- 2) Execution and funding of the Ball Park Design Consultant Agreement with the Ball Park Design Consultant to design the Ball Park.
- 3) Execution and funding of pre-construction activities under the Construction Contract with the Contractor for construction of the Designated Public Improvements within the Events Center Project including the Ball Park.
- 4) Execution and funding of a Development Coordination Agreement with the Authorized Representative to serve as the City's authorized representative for the design and development of the Designated Public Improvements, including the Ball Park.
- 5) Commencement of acquisition of the land for and relocation of the occupants from the Events Center Site, although the City is still in the process of

acquiring all the land necessary for the Events Center, including the land for the Ball Park Parcel.

E. The Licensee has participated with the City, the Authorized Representative, the Ball Park Design Consultant, and the Contractor in the design of the Ball Park and the integration of the Ball Park into the surrounding Events Center Project.

F. The City is prepared to fund and construct the Designated Public Improvements within the Events Center Project upon and subject to satisfaction of a series of Early Termination Conditions, as further defined and described in Section 2.2(b).

G. If the Early Termination Conditions are satisfied and the City authorizes construction of the Designated Public Improvements, the Development Coordination Agreement and the Construction Contract then provide for completion of the Ball Park by the beginning of the 2005 Baseball Season.

H. The location and configuration of the Ball Park is shown in the attached Exhibit B, which the parties agree may change from time to time and the improvements to be constructed which will constitute the Ball Park are as substantially set forth in the attached Exhibit C.

I. Through this License Agreement, the City and the Licensee desire to cause the Licensee to obtain a license for the use of the Ball Park to enable the Ports to play its Home Games and conduct all Ports Events in the Ball Park throughout the Term of this License Agreement.

J. Upon the Start Date under this License Agreement, the Billy Hebert Field Lease shall be terminated and shall be of no further force and effect, subject to any remaining lease payments due, as further provided herein.

NOW, THEREFORE, the City and the Licensee agree as follows:

ARTICLE 1. DEFINITIONS AND EXHIBITS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this License Agreement, capitalized terms used in this License Agreement shall have the meaning set forth in Exhibit A attached hereto and incorporated herein.

Section 1.2 Exhibits. The following exhibits are attached to and incorporated in this License Agreement by this reference:

Exhibit A	Glossary of Defined Terms
Exhibit B	Master Site Plan

Exhibit C	Ball Park Scope of Development
Exhibit D	Public Parking Facilities Plan
Exhibit E	Insurance Requirements
Exhibit F	Ball Park Site Plan
Exhibit G	Ports Special Programs

ARTICLE 2.

AGREEMENT TO PROVIDE LICENSE; TERM OF LICENSE; FEES

Section 2.1 Use of Ball Park.

(a) Ball Park. The Ball Park is described as substantially set forth in the attached Exhibit C, which the parties agree may change from time to time. The City hereby provides the Licensee a license for the use of the Ball Park (subject to use of the Ball Park by the UOP baseball team for UOP Home Games as described in Section 4.9) for Ports Events and the Licensee hereby accepts such license for the use of the Ball Park for Ports Events from the City (subject to use of the Ball Park by the UOP baseball team for UOP Home Games as described in Section 4.9). Upon the completion of each annual Baseball Season, during the Term, the Licensee's use of the Ball Park (except as provided in subsection (b) and except for the dates and times of the Ten Events) shall cease until the date which is three (3) days prior to the commencement of the subsequent year's Baseball Season. The City may hold events at the Ball Park during the annual Baseball Season with the prior written consent of Licensee that shall not be unreasonably withheld or delayed.

(b) Exclusive Use Areas. Commencing on the Start Date, the Licensee shall have the exclusive use of the Ports administrative office and connected party deck, team store and auxiliary store, the administrative office in the commissary, the Ports Home radio booth in the press room, designated warehouse and storage areas, and the Ports locker room within the Ball Park, substantially as shown on the attached Exhibit F which exhibit the parties agree may change from time to time, for the entire calendar year of each year of the Term.

(c) Shared Use Areas. All areas of the Ball Park, other than those listed in subsection (b) above, shall be exclusive use areas for the Ports during the Baseball Season and the Ten Events, unless otherwise consented to in writing by Licensee, which consent shall not be unreasonably withheld or delayed, and such areas shall be shared use areas available to other users of the Ball Park during Non-Ports Events.

(d) City Control of Ball Park. The City reserves the exclusive right to use the Ball Park for any other purpose, as determined in the City's sole and absolute discretion, so long as such Non-Ports Events do not materially interfere with or prohibit the Licensee's ability to conduct Ports Events at the Ball Park, in accordance with the National Association standards. The Licensee acknowledges that the City may engage the Ball Park Operator to operate and manage the Ball Park on behalf of the City. The

Ball Park Fund shall not be used to make any payments towards the Ball Park Operator's fees and compensation. The City, the Licensee, and the Ball Park Operator shall cooperate in good faith for the harmonious use of the Ball Park. The City agrees to not lease the Ball Park, or provide a license of any kind for the use of the Ball Park, to another professional or semi-professional sports team.

Section 2.2 Term and Early Termination.

(a) Term. Section 2.4(a) of this License Agreement shall be deemed effective immediately upon execution of this License Agreement by the City and the Licensee. The term of this License Agreement (the "Term") shall commence, and all other remaining provisions of this License Agreement shall become effective, on the Start Date and shall continue, unless earlier terminated or unless extended pursuant to Section 2.3 of this License Agreement, through the twenty-fifth (25th) full Baseball Season after the Start Date of this License Agreement (the "Expiration Date"). Upon the Start Date, the Billy Herbert Field Lease shall automatically terminate and shall no longer have any force or effect, subject to any remaining lease payments due. If the Ball Park is not available by the date of Substantial Completion as defined in Section 3.2.1 of the Construction Contract to be "30 days prior to the Opening Day for the 2005 baseball season, which opening day is estimated to be the first weekend in April, 2005," the City shall (A) make good faith efforts to collect from the Contractor all liquidated damages for late completion the Contractor owes the City pursuant to Sections 3.5.1.1 of the Construction Contract, namely, Fifteen Thousand Dollars (\$15,000.00) for each day that expires after the date specified to achieve Substantial Completion, (B) pay to the Licensee any such damages to the extent actually collected by the City from the Contractor, less the costs of City's costs to collect such damages, within ten (10) days of City's receipt of such damages, and (C) at Licensee's request, assign to the Licensee the City's right to collect liquidated damages under Section 3.5.1.1 of the Construction Contract. In such event, the Licensee will continue to use Billy Hebert Field pursuant to the Billy Hebert Field Lease until such time as the Ball Park is deemed to be Substantially Complete as defined in Section 90 of the Construction Contract. For whatever portion of the 2005 Baseball Season that the Licensee is required to play at Billy Hebert Field, the City will maintain the facility and field to fully comply with the facilities standards as set forth in the Baseball Documents. If the date of Substantial Completion is after May 1, 2005, the Licensee will be given at least three (3) weeks advance notice of the date of Substantial Completion in order for the Ports to do advance marketing. Notwithstanding the forgoing, if the Ball Park is not available by June 30, 2005, the Licensee will continue to use Billy Hebert Field for the remainder of the 2005 Baseball Season. The Licensee will then start its 2006 Baseball Season at the new Ball Park on or about March 1, 2006. If the Ball Park is not available by the anticipated Start Date, the commencement of the Term shall be delayed until the actual Start Date, City shall not be in default of this License Agreement and no refund of pre-paid Fees or damages shall be owed to the Licensee except as provided in this Section 2.2(a). In the event of such delay, City also agrees to pay any incremental cost to keep the letter of credit (or replacement thereof) required in Section 2.4(a) in place beyond the initial fifteen (15) month term of the letter of credit.

(b) Early Termination Conditions. The City's obligation to fund and construct the Designated Public Improvements, including the Ball Park, shall be subject to early termination if one or more of the following conditions occur prior to the Start Date (collectively, the "Early Termination Conditions"):

(i) City is unable to procure actual legal possession of the Order of Possession Parcels (as defined in the Development Coordination Agreement) as described in Section 2.1(b) of the Development Coordination Agreement;

(ii) City Council does not approve, in its policy discretion, of the guaranteed maximum price for the DPI Project, including the Ball Park, pursuant to the Construction Contract;

(iii) City Council and Agency do not approve, in their policy discretion, of all findings and determinations required pursuant to CEQA, the Community Redevelopment Law, and any other applicable legal requirement with respect to issuance of the Bonds (as defined in the Development Coordination Agreement) and funding of the DPI Project;

(iv) City is unable to procure all governmental and utility permits and approvals necessary to commence construction of the DPI Project;

(v) Regent has not procured, or caused the procurement of, a commitment from the Major Indoor Soccer League, in a form that the City has accepted, indicating the Major Indoor Soccer League's intention to admit the Regent or its affiliate as a member and to convey a full membership interest in the Major Indoor Soccer League to Regent or its affiliate and/or has not approved and executed City approval and full execution of a full license or other agreement for use of the Arena by the indoor soccer team in accordance with the provisions of Section 6.2 of the Development Coordination Agreement;

(vi) IFG or its affiliates have not procured a professional hockey team and a professional arena football team, and/or City has not approved and executed leases, licenses or other agreements for use of the Arena by such hockey team and arena football team in accordance with the provisions of the Facilities Management Agreement between the City and an affiliate of IFG.

(vii) The Bonds are not issued for the DPI Project in the amount and manner set forth in Section 3.3(b) of the Development Coordination Agreement.

(viii) In the course of predevelopment and construction of the Designated Public Improvements, the City discovers any previously unknown Hazardous Materials or discovers volumes or quantities of previously known Hazardous Materials in excess of anticipated volumes or quantities, such that the cost of such remediation would materially exceed the amount the City had budgeted for such

remediation and/or the time for completion of such remediation would materially exceed the time for such remediation set forth in the Development Schedule as defined in the Development Coordination Agreement (an "Unanticipated Remediation Event").

If one or more of the Early Termination Conditions listed as (i) –(vii) occur by April 20, 2004 or such later date as the City may determine in its discretion, then the City shall have no obligation to fund and construct the Designated Public Improvements, including the Ball Park, and this License Agreement may thereafter be terminated by either party by written notice to the other party. Upon the occurrence of an Unanticipated Remediation Event as described in viii above, the City shall immediately notify the Licensee and this License Agreement may thereafter be terminated by either party upon written notice to the other party. Upon any such termination, neither party shall have any further rights or obligations under this License Agreement, including any rights to damages from the other party, except that the City shall reimburse the Licensee for the cost of putting the letter of credit required in Section 2.4(a) in place, including fees paid to the date of early termination, and the provisions of Section 12.4 shall survive such termination.

Section 2.3 Option to Extend Term.

(a) Two Options to Extend. Subject to the City and Licensee's negotiation and determination of new Fees, the Licensee may exercise two (2) options to renew this License Agreement, each for a term of seven (7) years. In no event shall Licensee be entitled to exercise the option for the second seven (7) year term if Licensee fails to exercise the option for the first seven (7) year term.

(b) No Default. To exercise any option the Licensee shall not be in material breach of any term of this License Agreement. In the event that the Licensee is in material breach of any term of this License Agreement at the time the Licensee attempts to exercise any option such option shall be void and without any legal effect.

(c) Exercise of Option and Fees Determination. To exercise the option to renew this License Agreement for an additional seven (7) years, the Licensee shall advise City in writing, no less than one hundred eighty (180) days prior to the expiration of the then current Term of this License Agreement, of the Licensee's intention to renew the License Agreement and request negotiations for the City and Licensee regarding the Fees during the option term. If the parties are unable to mutually agree on the Fees within sixty (60) days following the date of the Licensee's written notice to exercise the option, then the Term of this License Agreement shall not be extended.

Section 2.4 Fees.

(a) Prepaid Fees. The Licensee shall pay to the City, as prepaid Fees for the initial Term, the sum of One Million Two Hundred Thousand Dollars (\$1,200,000). The parties agree that the Licensee shall pay the pre-paid Fees to City no later than the Start Date. To secure the Licensee's obligation to pay the prepaid

Fees due pursuant to this Section 2.4(a), no later than April 4, 2004, the Licensee shall deliver to the City an unconditional irrevocable stand-by letter of credit in the amount of the prepaid fees. Upon the Licensee's payment of the pre-paid Fees to the City, the pre-paid Fees shall constitute the property of the City and shall not be refundable to the Licensee except as provided herein.

(b) Option. Payment of Fees during any option period shall be determined pursuant to Section 2.3(c), and shall be paid by the Licensee to the City as determined through a negotiated payment schedule for the extended term, if any, mutually acceptable to both the City and the Licensee.

Section 2.5 "As Is"; Acceptance of Ball Park. By commencing use of the Ball Park on the Start Date, Licensee acknowledges that the Ball Park is Substantially Complete as defined in Section 90 of the Construction Contract between the City and the Contractor. Such definition states that "the Work can be utilized for the purposes for which it is intended." In the case of the Ball Park, this shall also mean that the Ball Park has been inspected and approved by the National Association or related professional baseball authority, that the City has finished its final inspection of the Ball Park, and that the Licensee has previously inspected the Ball Park and accepts the Ball Park "as is", subject to punch list items mutually agreed to by City and Licensee in writing, and that the Ball Park is free of patently obvious conditions that violate this License Agreement. The parties agree that the punch list items may not include items of a health and safety nature for the baseball players, baseball fans in attendance and Ports' employees, or of a nature that would not allow Ports games to be played in the Ball Park. City shall use its best efforts to cause the Authorized Representative and Contractor to correct the mutually agreed to punch list items as expeditiously as possible.

ARTICLE 3. PRE-USE AND USE OBLIGATIONS

Section 3.1 Overview of Design and Construction. As described in Recital D, the City has entered into the Development Coordination Agreement, the Ball Park Design Consultant Agreement, and the Construction Contract for the design and development of the Ball Park and other public facilities in the Events Center Project. As more fully set forth in the Development Coordination Agreement, the Authorized Representative as the City's authorized representative will oversee the preparation by the Ball Park Design Consultant and the Contractor, at the City's cost, of complete plans and specifications for the construction of the Ball Park which comply with applicable Major League Baseball standards as set forth in the Baseball Documents, and subject to the reasonable review and approval of the City and the Licensee. Upon the City and the Licensee's approval of the Ball Park plans and specifications, the Contractor pursuant to the Construction Contract shall thereafter complete the development

of the Ball Park, subject to reasonable inspection and acceptance by the City and the Licensee, for a price not to exceed the Guaranteed Maximum Price. The Construction Contract will provide for limited situations in which the City shall be obligated to pay for development costs in excess of the Guaranteed Maximum Price (the "Extra Costs").

Section 3.2 Extra Costs. In the event that the costs of the Ball Park exceed the Guaranteed Maximum Price, the City shall execute change orders, and such other documents and agreements set forth in the Construction Contract, necessary for the payment of the Extra Costs. If the Licensee and the City mutually agree to a change order, then the parties shall each pay one-half (1/2) of the Extra Costs related to such change order. If the Licensee and the City do not mutually agree to a change order, then the party desiring the change shall bear the Extra Costs related to such change order. The City shall bear the Extra Costs of any change order required by the Uniform Building Code or good construction practices. Any amounts provided by Licensee under this Section 3.2 shall be considered additional prepaid Fees pursuant to Section 2.4(a).

ARTICLE 4. PARTICULAR LICENSEE COVENANTS

Section 4.1 Use of Ball Park. The Licensee shall use the Ball Park in accordance with all Applicable Laws and the terms of the Reciprocal Easement Agreement for: (a) all of the Ports California League Home Games during the Baseball Season, other than a maximum of two Home Games that, at the Licensee's discretion and with prior written notice to the City may be played outside of San Joaquin County except as may be set forth herein, and (b) the Ten Events. By March 1 of each year, or at least thirty (30) days prior to the commencement of each California League Baseball Season during the Term of this License Agreement, whichever is earlier, the Licensee shall provide the City the Licensee's schedule for the upcoming Baseball Season, including all home and away games, proposed Ports and visiting team practices at the Ball Park, and the Ten Events (to the extent then known).

Section 4.2 Additional Baseball Events. The Licensee shall use diligent good faith best efforts to procure the following Ports Events to occur at the Ball Park:

- (a) An exhibition game at the Ball Park between the Ports and the Ports Major League Baseball affiliate as often as feasible under the applicable Baseball Documents; and
- (b) The California League "all-star game" as often as feasible under the applicable Baseball Documents.

Within thirty (30) days following the date of the City's written request for a status report, the Licensee shall prepare and deliver to the City a written status report detailing the Licensee's efforts to procure the above referenced events (the "Status Report"). The City shall approve or disapprove the Status Report in writing within fifteen (15) calendar days of the City's receipt of the Status Report. If the Status Report is disapproved by the City, the Licensee shall have fifteen (15) calendar days from the date of the Licensee's receipt of the City's written disapproval to submit a revised Status Report documenting the Licensee's increased efforts to procure the above referenced events. The provisions of this Section relating to time periods for approval, disapproval and resubmission of a new Status Report shall continue to apply until the Status Report has been approved by the City. The City shall cooperate with the Licensee in the Licensee's efforts to procure the above referenced events. The City's disapproval of a Status Report shall not be deemed a default under this License Agreement unless the Licensee has not used diligent good faith efforts to secure such events.

Section 4.3 Licensee's Obligations During and After Ports Events.

(a) Security. The Licensee shall be solely responsible, at its cost, for providing all security within the Ball Park during each Ports Event. The City shall provide appropriate security and parking control personnel for parking areas and ingress and egress from the parking facilities at City's sole expense. The Licensee shall provide a minimum of two (2) uniformed security officers for each Ports Event at Licensee's sole expense; however, the Licensee agrees to provide additional uniformed security officers during each Ports Event as determined necessary or desirable by the City's Chief of Police. Not later than October 1 prior to the anticipated Start Date and by every October 1st for each year of the Term thereafter, the Licensee shall provide a proposed security plan for Ports Events at the Ball Park for the upcoming year, which must be coordinated with the security plans for the entire Events Center (also to be submitted in the same time frame) for the City's review and approval (the "Security Plan"). The City shall approve or disapprove the proposed Security Plan in writing within fifteen (15) calendar days of the City's receipt of the Security Plan. If the proposed Security Plan is disapproved by the City, the Licensee shall have fifteen (15) calendar days from the date of the Licensee's receipt of the City's written disapproval to submit a revised Security Plan. The provisions of this Section relating to time periods for approval, disapproval and resubmission of a new Security Plan shall continue to apply until the Security Plan has been approved by the City; provided, however, that City approval of the Security Plan must be obtained prior to the Licensee's use of the Ball Park during the Baseball Season for each year during the Term.

(b) Emergency Response Plan. Not later than March 1 of each year of the Term, the Ball Park Operator shall provide a proposed emergency response plan for Ports Events at the Ball Park, which must be coordinated with the emergency response plans for the entire Events Center, for the Licensee's and City's review and approval (the "Emergency Response Plan"). The City and Licensee shall approve or disapprove the proposed Emergency Response Plan in writing within fifteen (15) calendar days of the receipt of the Emergency Response Plan. If the proposed Emergency Response

Plan is disapproved by the City or the Licensee, the Ball Park Operator shall have fifteen (15) calendar days from the date of the receipt of the written disapproval to submit a revised Emergency Response Plan. The provisions of this Section relating to time periods for approval, disapproval and resubmission of a new Emergency Response Plan shall continue to apply until the Emergency Response Plan has been approved by the City and Licensee; provided, however, that City approval of the Emergency Response Plan must be obtained prior to the Licensee's use of the Ball Park during the Baseball Season for each year during the Term.

(c) Clean-Up. The Licensee shall be solely responsible, at its sole cost, for the clean-up of the Ball Park after each Ports Event, including, but not limited to the removal of all trash from the Ball Park, cleanup and sanitization of all public restrooms, and returning the Ball Park to "broom clean" condition after each Ports Event. The City agrees to provide all paper products and hygiene materials for use in the public restrooms. Not later than March 1 of each year of the Term, the Licensee shall provide a proposed clean-up plan for Ports Events at the Ball Park for the City's review and approval (the "Clean-Up Plan"). The City shall approve or disapprove the proposed Clean-Up Plan in writing within fifteen (15) calendar days of the City's receipt of the Clean-Up Plan. If the proposed Clean-Up Plan is disapproved by the City, the Licensee shall have fifteen (15) calendar days from the date of the Licensee's receipt of the City's written disapproval to submit a revised Clean-Up Plan. The provisions of this Section relating to time periods for approval, disapproval and resubmission of a new Clean-Up Plan shall continue to apply until the Clean-Up Plan has been approved by the City; provided, however, that City approval of the Clean-Up Plan must be obtained prior to the Licensee's use of the Ball Park for the Baseball Season for each year during the Term.

(d) Noise and Glare. During Ports Events, the Licensee agrees to operate the Ball Park to conform with the mitigation measures related to noise and glare issues adopted as part of the City's approval of the Events Center Project and as more fully set forth in the CEQA Findings Resolution and the use permit for the Ball Park to the extent such mitigation measures relate to operational issues and not to design and construction of the Ball Park.

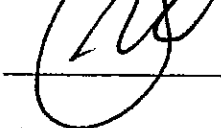
Section 4.4 Team Name Change. The Licensee agrees not to change, amend, or modify the Licensee's team name from the "Stockton Ports" during the first ten (10) years of the Term, except if it is determined the Ball Park can no longer be used pursuant to Section 8.2 or Section 8.4. Following the tenth (10th) year of the Term, the Licensee may change its team name with any necessary approvals from the California League, the National Association and Major League Baseball and with the City's reasonable written consent which shall not be unreasonably withheld.

Section 4.5 Relocation and Liquidated Damages.

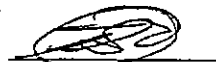
(a) The Licensee shall continually operate or cause the operation of the Ball Park, provided the City shall maintain the Ball Park pursuant to Section 5.4, for all of the Ports Events during the Baseball Season and the Ten Events throughout the Term, and the Licensee shall use its best efforts not to take or cause to be taken any actions that may result in the failure of the Ports Events or the Ten Events to occur at the Ball Park throughout the Term.

(b) IN THE EVENT THAT THE LICENSEE RELOCATES THE PORTS AND THE LICENSEE HAS NOT PROVIDED AN EQUIVALENT AFFILIATED PROFESSIONAL BASEBALL TEAM, REASONABLY ACCEPTABLE TO THE CITY, TO PLAY ITS HOME GAMES AT THE BALL PARK, THE LICENSEE AND THE CITY AGREE THAT THE CITY WILL SUSTAIN DAMAGES, AND THAT THE CITY'S ACTUAL DAMAGES WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO DETERMINE. THE CITY AND THE LICENSEE THEREFORE AGREE THAT IN THE EVENT THAT THE LICENSEE RELOCATES THE PORTS OR THE PORTS FAIL TO PLAY THE PORTS HOME GAMES AT THE BALL PARK AS REQUIRED IN THIS LICENSE AGREEMENT AS A RESULT OF A PORTS' DEFAULT AND THE LICENSEE HAS NOT PROVIDED AN EQUIVALENT AFFILIATED PROFESSIONAL BASEBALL TEAM, REASONABLY ACCEPTABLE TO THE CITY, TO ASSUME THE TERMS OF THIS LICENSE AGREEMENT AND TO PLAY ITS HOME GAMES AT THE BALL PARK, THE CITY, AS THE CITY'S SOLE AND EXCLUSIVE REMEDY, SHALL BE ENTITLED TO THE AMOUNT OF THREE HUNDRED THOUSAND DOLLARS (\$300,000) AND ALL PRE-PAID FEES AS LIQUIDATED DAMAGES AND AS CONSIDERATION FOR ENTERING INTO THIS LICENSE AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THE RESULTING DAMAGES TO THE CITY WILL BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN, AND, THEREFORE, THE PARTIES AGREE AFTER NEGOTIATION BETWEEN THEM THAT THREE HUNDRED THOUSAND DOLLARS (\$300,000) AND THE PRE-PAID FEES, AS LIQUIDATED DAMAGES, WILL BE AN APPROPRIATE FORM OF COMPENSATION TO THE CITY. BY PLACING THEIR INITIALS IN THE SPACES BELOW, BOTH THE CITY AND THE LICENSEE AGREE TO THE LIQUIDATED DAMAGES AS SET FORTH ABOVE. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CITY. CITY HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. CITY AND LICENSEE ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 4.5, AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

CITY'S INITIALS:



LICENSEE'S INITIALS



Section 4.6 Taxes. The Licensee agrees and acknowledges that this License Agreement may create a possessory interest in the Ball Park subject to applicable possessory interest taxes or property taxes levied or assessed on such interest. The Licensee and the City agree that it is their understanding that this License Agreement does not create a possessory interest subject to possessory interest or property taxes levied or assessed on such interest. Either party shall have the right to contest in good faith, any such taxes or assessments. In the event it is determined by the appropriate body that such taxes are due, the City shall immediately pay such taxes and hold Licensee harmless therefrom, including any costs and attorney fees. Licensee may have incurred in contesting such tax.

Section 4.7 Insurance. The Licensee shall comply with the insurance requirements set forth in Exhibit E.

Section 4.8 Alterations and Improvements.

(a) Without the prior written consent of the City, the Licensee shall not make any modifications or alterations to the Ball Park that modify the Ball Park so it is no longer consistent with the Ball Park as initially built and existing on the Start Date. In the event the Licensee desires to alter or modify the Ball Park, the Licensee shall submit complete plans and specifications for the alteration of the Ball Park, subject to the reasonable review and approval of City. Upon the City's approval of the Licensee's proposed alteration to the Ball Park, the Licensee shall construct, or shall cause the construction of, the alteration to the Ball Park in accordance with the requirements of this Section. The Licensee shall coordinate the construction of the approved alteration with the City to avoid construction activity or disturbances during Non-Ports Events or to other portions of the Events Center Project.

(b) Upon obtaining the City's approval of the proposed alteration, all work performed or caused to be performed by the Licensee relating to any modifications of the Ball Park pursuant to this Section 4.8 shall be done in a good and workmanlike manner, using new materials at least equivalent in quality to those used in the construction of the initial construction of the Ball Park. All such work shall be diligently prosecuted to completion. Prior to the commencement of construction of any alteration pursuant to this Section 4.8, the Licensee shall obtain any building and other permits that may be required by Governmental Authorities or applicable law and comply with any other applicable requirements of law, including without limitation, Hazardous Materials Laws

(c) The Licensee shall promptly pay all charges and costs incurred in connection with any modifications to the Ball Park pursuant to this Section 4.8, as and when required by the terms of any agreements with contractors, designers or suppliers. At least thirty (30) business days before beginning construction of any modification to the Ball Park pursuant to this Section 4.8, the Licensee shall give the City written notice of the expected commencement date of that construction to permit the City to post and

record a notice of non-responsibility, and to provide for the harmonious use of the Ball Park.

(d) The Licensee shall not suffer or permit any lien of mechanics or material suppliers to be placed against the Ball Park or the Ball Park Parcel with respect to work or services performed or claimed to have been performed for the Licensee or materials furnished or claimed to have been furnished to the Licensee or to the Ball Park on behalf of or for the benefit of the Licensee pursuant to this Section 4.8. The City has the right at all times to post and keep posted on the Ball Park any notice that City considers necessary for protection from such liens for construction work conducted pursuant to this Section 4.8. If any such lien attaches or the Licensee receives notice of any such lien for construction work conducted pursuant to this Section 4.8, the Licensee shall cause the lien to be released and removed from record within ten (10) days after receipt of the written demand of the City.

(e) The Licensee acknowledges that any permanent improvements or any permanent modifications to the Ball Park pursuant to this Section 4.8 shall be owned by the City. If the Licensee improvements cost Fifty Thousand Dollars (\$50,000) or more to construct, the City and Licensee agree to engage in good faith negotiations regarding a one-year extension of the initial Term of this License Agreement at no additional fee.

(f) The Licensee shall provide the City with copies of the "as built" plans for any improvements or modifications Licensee makes to the Ball Park pursuant to this Section 4.8 within sixty (60) days after the completion of such modifications and improvements.

(g) If City desires to alter or modify the Ball Park, the City shall submit complete plans and specifications for such alteration to Licensee, for Licensee's reasonable review and approval. Any alteration must meet the standards set forth in the Baseball Documents. Any alteration must be initiated and completed in the off-season so as not to interfere with the Ports baseball season and the Ten Events.

Section 4.9 Cooperation with UOP. The Licensee agrees and acknowledges that the City intends to use the Ball Park for Non-Ports Events, including but not limited to, UOP Home Games. The Licensee shall cooperate with the City in the scheduling the use of the Ball Park to accommodate UOP Home Games; provided however, that the Ports Events shall take precedence over any UOP Home Games, and in the event of any scheduling conflicts between a Ports Event and UOP Home Game, the Ports Event schedule shall prevail. The Licensee further agrees and acknowledges that the City may schedule a UOP Home Game at the Ball Park on the same day as a Ports Event so long as the UOP Home Game, is scheduled to commence no later than 12:00 p.m. on days that a Ports Event is scheduled to commence at 7:05 p.m. and no later than 11:00 a.m. on days that a Ports Event is scheduled to commence at 5:00 p.m. and that the condition of the Ball Park including the playing surface of

the ball field, after the completion of the UOP Home Game, complies with National Association facilities standards as set forth in the Baseball Documents. In the event that Ports Events are scheduled to occur at different times, then the City and the Licensee shall meet to determine mutually acceptable times for the commencement of UOP Home Games scheduled for the same day as a Ports Event. The Ball Park will not be available for UOP practices. The UOP agreement with the City regarding the use of the Ball Park shall be subject to review and collaborative input from the Ports prior to execution of any such agreement.

ARTICLE 5.
PARTICULAR CITY COVENANTS

Section 5.1 Uninterrupted Use.

(a) During Construction of Events Center Project. The City agrees and acknowledges that the Ball Park shall be developed and the Licensee's use of the Ball Park shall commence prior to the completion of the development of the remainder of the Events Center Project. The City shall provide the Licensee with uninterrupted use of the Ball Park to the extent possible during the course of construction of the Events Center Project, by ending outdoor construction activities for the day prior to gate opening times for night games and by providing easy and unencumbered access to the Ball Park, subject to the City's other contractual obligations regarding construction of the remainder of the Events Center Project. The City shall use commercially reasonable efforts to coordinate the construction of the Events Center Project with the Licensee's uninterrupted use of the Ball Park for Ports Events. The Licensee agrees to cooperate with the City in coordinating game times to the extent possible to facilitate the completion of the construction of the Events Center Project.

(b) Rest of Term. During the Term of this License Agreement and so long as no Licensee Event of Default has occurred and is continuing, the City shall provide the Licensee with uninterrupted use of the Ball Park, and the Licensee shall, during such Term, peaceably use the Ball Park for Ports Events, without suit, trouble or hindrance from the City, except as expressly set forth herein. The City will, at the request of Licensee, join in any legal action in which the Licensee will assert its right to such use and enjoyment to the extent the City may lawfully do so.

(c) Locker Rooms. The Licensee shall have exclusive use of the Ports Locker Room, as substantially described in the Ball Park Scope of Development attached as Exhibit C for the entire calendar year during each year of the Term. In the event that the City uses the Ball Park for a Non-Ports Event, the City shall take such commercially reasonable efforts to prevent access to, and the use of, the Ports Locker Room by the City or any third-party. Pursuant to the provisions of Section 2.1(c), the Licensee shall have exclusive use of the visitors locker room in the Ball Park during the

Baseball Season and the Ten Events, unless otherwise consented to in writing by the Licensee, which consent shall not be unreasonably withheld or delayed.

Section 5.2 Non-Ports Events.

(a) Facility Fee. For all Non-Ports Events conducted at the Ball Park, the City or the Ball Park Operator shall deposit the amount of the Facility Fee per ticket sold for such event into the Ball Park Fund within ten (10) days after the end of each month for which any Non-Ports Event is held.

(b) Clean-Up. The City or its agent shall be responsible for the clean-up of the Ball Park after each Non-Ports Event, including, but not limited to the removal of all trash, cleanup and sanitization of all public restrooms, and returning the Ball Park to "broom clean" condition after each non-Ports Event. The City, its agent or its licensee shall follow the Clean-Up Plan approved by the City pursuant to Section 4.3(c). The City, its agent or its licensee shall be responsible to ensure that the condition of the Ball Park, including the playing surface of the ball field, complies with National Association facilities standards as set forth in the Baseball Documents after each Non-Ports Event, and prior to the commencement of any Ports Event.

(c) Scheduling. The parties shall cooperate and communicate regularly with each other and the Ball Park Operator in the scheduling of events at the Ball Park with the following priorities: The Ports shall have exclusive rights to schedule events during the Baseball Season, provided the Ports may consent in writing to the scheduling of Non-Ports Events during the Baseball Season, which consent shall not be unreasonably withheld or delayed. The Ball Park Operator will be responsible for maintaining the calendar of events at the Ball Park outside the Baseball Season. The Licensee and the Ball Park Operator shall meet at least quarterly to discuss marketing and scheduling issues for the purpose of avoiding duplicate bookings on the same date and time. The priority for events outside the Baseball Season will be established on a first come, first booked basis. Each party shall notify the other party and the Ball Park Operator immediately upon booking an event for the Ball Park. The Ten Events may be booked outside of the Baseball Season.

(d) Operation. During Non-Ports Events, the City shall operate the Ball Park pursuant to all Applicable Laws, the Reciprocal Easement Agreement to be recorded by the City against the Events Center Site, and all mitigation measures related to noise and glare issues adopted as part of the City's approval of the Events Center Project and as more fully set forth in the CEQA Findings Resolution and the use permit for the Ball Park to the extent such mitigation measures relate to operational issues and not to design and construction of the Ball Park.

Section 5.3 Parking Facilities. Except for any period of time in which the Public Parking Facilities are unavailable due to normal repair and maintenance, capital upgrades, damage, destruction or condemnation by any public entity

(collectively, the "Events of Unavailability"), the City shall make available the Public Parking Facilities, as more particularly set forth on the attached Exhibit D.

Section 5.4 Maintenance and Utilities. The City may use the Ball Park Fund to meet the following obligations of the City:

(a) Maintenance and Repair. The City shall maintain and repair, at the sole expense of the City, at no cost to the Licensee, the Ball Park in first-class condition and repair and in compliance with all Applicable Laws and the Baseball Documents and consistent with other similar modern facilities of the same type and use using prudent and commercially reasonable industry practices and standards. The City shall promptly make (or cause others to make) all necessary or appropriate repairs, alterations, renewals and replacements, whether structural or non-structural, interior or exterior, to the Ball Park. In addition, the City shall maintain (or cause others to maintain) the Ball Park, including the field playing surface, in a manner that is consistent with all applicable requirements imposed by the Baseball Documents.

(b) Permits and Approvals. City shall also procure, maintain and comply with all licenses, permits, orders, approvals, consents and other authorizations to the extent required for the construction, use, maintenance and operation of the Ball Park and for the use, operation, maintenance, repair and restoration thereof, except as may be necessary for the Licensee's operation of the Concessions at the Ball Park and for any Licensee repairs and improvements pursuant to Section 4.8.

(c) Utilities. The City shall pay for all electricity, water, sewer, natural gas and other utilities serving the Ball Park.

(d) Trash Disposal. The City shall be solely responsible for the provision and cost of trash disposal services for the Ball Park.

(e) Property Insurance. The City shall procure, at City's sole cost, "all risk" coverage of not less than one hundred percent (100%) of "full replacement value" of the Ball Park. Such policy shall be in the broad form and shall include, but shall not be limited to, coverage for fire, flood, extended coverage, vandalism, malicious mischief and storm. Perils customarily excluded from all risk insurance, e.g., earthquake but not flood, may be excluded. The Stockton Ports, 7th Inning Stretch, LLC, BP&B Concessions, LLC, and the California League are to be named as additional insureds on such policy. The policy provided pursuant to this Section 5.4(e) shall not require a deductible greater than Twenty-Five Thousand Dollar (\$25,000). In no event shall the Stockton Ports, 7th Inning Stretch, LLC or BP&B Concessions, LLC seek recovery from the City for amounts up to this Twenty-Five Thousand Dollar (\$25,000) deductible amount.

ARTICLE 6.
ALLOCATION OF BALL PARK REVENUE SOURCES

Section 6.1 Tickets. The Licensee shall deposit One Dollar (\$1.00), or any increased amount as set forth below (the "Facility Fee"), for each Ports Event ticket sold (whether full price or discounted, including the Park Packers/Buy-Outs (for tickets actually redeemed), Group Sales, Fund Raisers (for tickets actually redeemed), Two-for Tuesdays and Buy One, Get One Free Programs as more completely described on the attached Exhibit G) into the Ball Park Fund. The Licensee shall deposit into the Ball Park Fund one-half of the Facility Fee then in effect for each ticket sold under the Sunday Family Dollar Days promotion described on the attached Exhibit G. The City and the Licensee shall meet once every five (5) years under this License Agreement, prior to the anniversary date of this License Agreement in such year, to confer on any increase to the amount of the Facility Fee for contributions into the Ball Park Fund. Any increases shall reflect increased costs of operating and maintaining the Ball Park and shall also be based on increases to the CPI. Any increase is subject to Licensee's approval, which shall not be unreasonably withheld or delayed. Any increases to the Facility Fee shall become effective on the anniversary date of this License Agreement. The Licensee shall not be required to make deposits for up to one thousand (1,000) non-revenue tickets for each Ports Event (which are actually distributed free of any charge) and for Kids Club tickets as described in the attached Exhibit G. The Ports agree that the free tickets distributed through the Two-for Tuesdays and Buy One, Get One Free programs will be counted against the up to one thousand (1,000) non-revenue tickets per game limit on tickets for which a Facility Fee is not required to be paid. The City agrees and acknowledges that the Licensee may charge an additional amount equal to the then-effective Facility Fee to the base price of each Ports Event ticket to cover the costs of such deposit to the Ball Park Fund. The Licensee shall retain all proceeds from the sale of tickets to Ports Events except as otherwise provided in Section 6.3 and provided that the Facility Fee, as may increase over time, shall be deposited by Licensee into the Ball Park Fund. In addition, the Ports shall provide to the City, without cost to the City, at least ten (10) Suite tickets (or if the Suites are all sold, ten tickets to the next best available seats) and fifteen (15) non-Suite tickets to each Ports Event. The Ports are not required to pay a Facility Fee on the tickets provided to the City without charge.

Section 6.2 Ball Park Naming Rights Agreement. The Licensee agrees and acknowledges that the City shall have the exclusive right to enter into the Ball Park Naming Rights Agreement, subject to any applicable rules and regulations of Major and Minor League Baseball. The proceeds received by the City pursuant to the Ball Park Naming Rights Agreement shall be allocated to the City and the Licensee in the following manner:

(a) The City shall receive eighty percent (80%) of such proceeds (which shall not include revenue from any advertising or Ports inventory rights), which

proceeds shall be deposited into the Ball Park Fund to be used in the manner and in the timeframe set forth in Article 7; and

(b) The Licensee shall receive twenty percent (20%) of such proceeds (which shall not include revenue from any advertising or Ports inventory rights). The City shall provide the Licensee's portion of the proceeds from the Ball Park Naming Rights Agreement within fifteen (15) days of the City's receipt of such funds in the manner and within the timeframe set forth in the Ball Park Naming Rights Agreement.

The Licensee shall fully cooperate with the City in the procurement and implementation of the Ball Park Naming Rights Agreement and Licensee shall use its good faith best efforts to maximize the proceeds for the Ball Park Naming Rights Agreement,

Section 6.3 Suites. The Ball Park Scope of Development, attached as Exhibit C, provides for the development of four (4) Suites to be developed within the Ball Park. The Licensee and the City agree and acknowledge that the Licensee will market and sell the Suites in cooperation with the City. The City and the Licensee will work cooperatively so that the parties mutually agree on a targeted sales price for the Suites as well as a minimum sales price to assure that both parties' needs and expectations are met with regard to sales of the Suites. The City will reimburse the Licensee for documented expenses associated with cost of sales to generate this additional revenue on a fifty percent (50%) basis, not to exceed Five Thousand Dollars (\$5,000) per annum. The gross proceeds, which shall not include revenue from any advertising or Licensee's inventory rights, from the leasing or licensing, or other conveyance, of the Suites or sale of tickets for the seats in the Suites shall be shared fifty percent (50%) to the City and fifty percent (50%) to the Licensee. The Licensee shall provide to the City, without cost to the City, ten (10) Suite tickets (or if all the Suite tickets have been sold, ten tickets to the next best available seats) and fifteen (15) tickets for other seats for each Ports Event for City use for which no revenue will be generated (such tickets shall not be subject to Facility Fee). The City's shares of proceeds from the leasing or licensing, or other conveyance, of the Suites or sale of tickets for the seats in the Suites for both Ports and Non-Ports Events shall be deposited into the Ball Park Fund to be used in the manner and in the timeframe set forth in Article 7. The Licensee agree to cooperate fully with the City and its agents in the leasing, licensing, conveyance, sales and/or ticketing for the Suites, and will serve as the City's agent in such efforts.

Section 6.4 Club Seats. The Ball Park Scope of Development, attached as Exhibit C, provides for the development of approximately two hundred fifty (250) club seats to be developed within the Ball Park. The Licensee and the City agree and acknowledge that the revenue from such club seats for Ports Events shall be allocated one hundred percent (100%) to Licensee, except that Licensee shall deposit the Facility Fee for each Ports Event club seat ticket sold (whether full price or discounted) into the Ball Park Fund, in accordance with Section 6.1.

Section 6.5 Advertising. The Licensee shall have the exclusive right to sell advertising space and keep all advertising revenue at the Ball Park and maintain these signs thereafter during the Term of this License Agreement, provided such advertising does not adversely affect sight lines and views from the Ball Park and the scoreboard in the City's reasonable determination through its design review process, and complies with any applicable rules and regulations of Major League Baseball. The Licensee anticipates advertising space will be sold on the outfield fences, scoreboard, in stadium concourses, in rest rooms and in other areas. City shall, however, have the discretion to remove any sign which the City determines, in the City's reasonable discretion, contains subject matter inappropriate for all ages of the general public anticipated to visit the Ball Park. Message board announcements may be sold by Licensee at Ports Events at the Ball Park and Licensee shall retain all revenue from such sales; and City may sell message board announcements for Non-Ports Events and City shall retain all revenue from such sales.

Section 6.6 Concessions.

(a) Ports Events. The City shall provide, through the Construction Contract, the Concessions as substantially set forth in the Ball Park Scope of Development, attached as Exhibit C. The parties agree that the kitchen and related Concessions equipment from the City's Bill Herbert Field baseball complex will be relocated to the extent possible to the Ball Park. The Licensee shall staff and operate the Concessions in the Ball Park during Ports Events and the Licensee shall retain all revenues from the sale of Concessions during the Ports Event, including all revenue from sale of Concessions in the Suites during Ports Events.

(b) Non-Ports Events. The Ports and the Ball Park Operator shall meet at least every three (3) months, pursuant to Section 5.2(c) and this Section 6.6(b), to discuss scheduling of events at the Ball Park, including the Ten Events and the Non-Ports Events, and to determine whether the Licensee will operate the Concessions for each scheduled Non-Ports Event. No less than thirty (30) days prior to the commencement of a Non-Ports Event not scheduled during the meetings with the Ball Park Operator, the City shall provide the Licensee a right of first refusal to operate the Concessions during such Non-Ports Event by providing the Licensee written notice of the scheduled Non-Ports Event (the "Licensee Right of Refusal"). The Licensee shall exercise such Licensee Right of Refusal by providing the City written notice within five (5) days following the Licensee's receipt of the City's notice. In the event the Licensee exercises the Licensee Right of Refusal, the Licensee shall then operate the Concessions at the Ball Park in the same manner as during a Ports Event. The City shall receive, at the address set forth in Section 12.7, a statement showing, and the payment of, seventeen and one-half percent (17.5%) of the gross sales less taxes from the Concessions (including any sales of Concessions in the Suites) operated by the Licensee during each Non-Ports Event within ten (10) days after the end of each month

during which such Non-Ports Event is held. All City proceeds shall be deposited in Ball Park Fund.

(c) Approval of Concessions Items. Licensee shall serve and provide for sale such items of food or articles as are normally found in such types of concession stands at professional baseball stadiums and as reasonably approved by the City. At least thirty (30) days prior to the commencement of each Baseball Season, the Licensee shall submit to the City a complete list of all items to be sold (including all price ranges) at the Concessions during the upcoming Baseball Season. The parties acknowledge that the Ports are not bound by any City contracts with suppliers of Concessions items for operation of the Concessions at the Ball Park.

(d) Applicable Standards. Licensee shall operate the Concessions pursuant to all Applicable Laws, and local, San Joaquin County, State of California, and other Government Authorities health standards.

(e) City-Operated Concessions. In the event the Licensee fails to exercise the Licensee Right of Refusal, the City may operate, or may cause the operation of the Ball Park's Concessions during a Non-Ports Event and the City shall retain all proceeds from such sales. During such operations, the City shall take all necessary and reasonable steps to ensure the security of the Licensee's Concession items. The City shall use its own products for any City-run Concessions. Upon the completion of the Non-Ports Event, the City shall, or shall cause, the Concessions to be cleaned, with City's own products, in accordance with applicable health standards.

Section 6.7 Novelties and Souvenirs. The Licensee shall have the exclusive right to sell novelties and souvenirs for the Ports and to retain all revenue from such sales through Licensee's own vendors at Ball Park. The City can sell non-Ports related novelties at Non-Ports Events and retain revenue from such sales.

Section 6.8 Parking. Pursuant to Section 5.3, the City shall provide the Public Parking Facilities during Ports Events. The City shall retain all proceeds generated by the parking fees charged to patrons of the Public Parking Facilities and for VIP parking for all Ports Events and Non-Ports Events, except for VIP parking revenues for the stadium parking lot which shall be retained by the Licensee as described in Exhibit D.

ARTICLE 7. BALL PARK FUND

Section 7.1 Overview of Fund. In accordance with Section 5.4, the City shall be solely responsible for the maintenance and repair of the Ball Park, except for the clean-up after of the Ball Park after a Ports Event in accordance with Section 4.3 or damage or destruction to the Ball Park caused by the

Licensee in accordance with Section 8.3. The City shall pay the costs of maintenance and repair of the Ball Park, so that it complies with the facilities standards set forth in the Baseball Documents, from the funds deposited into the Ball Park Fund to be established, and maintained, by the City in accordance with this Article 7.

Section 7.2 Source of Funding for Fund. Proceeds from the following sources shall be deposited into the Ball Park Fund to be used by the City to pay the costs of its obligations pursuant to Section 5.4, including without any limitation, any grounds keeping, lighting, provision of utilities, security, maintenance and repair and capital improvements of the Ball Park:

(a) Facility Fee. As more particularly described in Section 6.1, the Licensee shall deposit the amount of the Facility Fee for each ticket sold for each Ports Event into the Ball Park Fund within ten (10) days after the end of each month for which any Ports Event is held. As more particularly described in Section 5.2, the City shall deposit the amount of the Facility Fee for each ticket sold for a Non-Ports Event into the Ball Park Fund within ten (10) days after the end of each month which any Non Ports Event is held.

(b) Ball Park Naming Rights Agreement. As more particularly described in Section 6.2, the City shall deposit the City's portion of the proceeds from the Ball Park Naming Rights Agreement into the Ball Park Fund.

(c) Suite and Ticket Sales Revenue. As more particularly described in Section 6.3, the City shall deposit the City's portion of the proceeds from the sales of Suites and ticket sales for seats in the Suites into the Ball Park Fund.

(d) Additional City Funds. In the event that insufficient funds are present in the Ball Park Fund, as determined pursuant to Section 7.3, the City shall deposit such additional funds into the Ball Park Fund to provide for the adequate maintenance and repair of the Ball Park if and to the extent such City funds are legally available. If the City is legally unable to do this, the City agrees to reimburse the Licensee, when funds become legally available to the City, for any funds the Licensee advances to maintain the Ball Park so that it meets the minimum standards required by the National Association. If the City is unable to reimburse the Licensee for eighteen (18) months from date of Licensee's advances, such failure will constitute a default under Article 11.

Section 7.3 Fund Expenditure Budget. Not later than January 1 of each year of the Term of this License Agreement, the City shall submit to the Licensee a budget for projected expenditures for such year, if any, from the Ball Park Fund. In addition, the City shall also provide the Licensee a budget for projected expenditures from the Ball Park Fund for the upcoming three (3) years, if any, which budget shall be subject to revision and adjustment in the City's reasonable judgment. The Licensee shall review the City's proposed budget and provide

Licensee's input, if any, to the City no later than January 31 of each year of the Term. Additionally, the City will provide to Licensee a reconciliation statement of actual and budgeted expenditures from the Ball Park Fund for the prior year by January 1 of each year of the Term of this License Agreement. The City shall consider, but shall not be obligated to incorporate, the Licensee's input to the proposed budget, except as it pertains to compliance with the standards set forth in the Baseball Documents, and shall complete a final budget, with any revisions, no later than the date of adoption of the City's annual budget during each year of this License Agreement (the "Expenditure Budget").

For any losses or claims covered by insurance or warranty, the City agrees to use or pursue any applicable warranties, if any, or any available insurance proceeds, if any, to fund expenditures for the Ball Park prior to using the funds in the Ball Park Fund to make such expenditures.

In addition to the expenditures made by the City pursuant to the Expenditure Budget, if City at any time becomes aware of any condition that jeopardizes the structural integrity or operational capability of the Ball Park, or the public safety, the City shall so advise the Licensee by telephone immediately and in writing within seven (7) days, and City shall use the Ball Park Fund to correct such conditions pursuant to the provisions of Section 8.1.

Upon the City's completion of the annual expenditures, if any, in accordance with the Expenditure Budget, the excess funds remaining in the Ball Park Fund after the City's payment of the previous years' expenditures shall remain in the Ball Park Fund for use in upcoming years. The parties acknowledge that the City will retain the funds in the Ball Park Fund, if any, upon termination of this License Agreement.

ARTICLE 8.

DAMAGE OR DESTRUCTION OF BALL PARK; EMINENT DOMAIN

Section 8.1 Damage or Destruction of Ball Park. Except as provided in the last paragraph of Section 8.2, in the event any damage or destruction of the Ball Park renders the Ball Park unusable for the Ports Events, or in case of emergency, which in the City's reasonable discretion prevents the Ball Park from being used for Ports Events, this License Agreement shall be suspended for such time until such damage or destruction has been repaired or until the emergency has passed, and the Term of this License Agreement shall be extended by a full Baseball Season with no additional Fees due from the Licensee. The Licensee shall not be entitled to any refund of prepaid Fees for such period. During such period, the City consents to the Licensee causing the Ports to play Home Games at a site other than the Ball Park.

Section 8.2 Use of Funds to Restore Ball Park; Termination of License Agreement. The City shall first use any available warranty and insurance

proceeds, and then any funds in the Ball Park Fund to restore the Ball Park to the condition prior to the damage or destruction within ninety (90) days of the event of casualty, or such longer time as is reasonably necessary to complete the restoration of the Ball Park, so long as the City has commenced the restoration of the Ball Park within ninety (90) days of the event of casualty and diligently prosecutes the restoration of the Ball Park to completion.

In the event the Ball Park is damaged or destroyed by reason of flood, earthquake, or such other casualty and the damage or destruction is not fully covered by insurance proceeds payable under the existing insurance policies and the City has reasonably determined that it is economically infeasible to restore the Ball Park, then the City shall provide written notice to the Licensee within thirty (30) days following the City's determination. Either party may terminate this License Agreement by written notice to the other party if the circumstances described in the next paragraph apply or within thirty (30) days of the date Licensee receives written notice from the City that the damage is not covered by insurance and it is economically unfeasible to restore the Ball Park. In the event of such termination a pro rata share, based on the number of years or partial years remaining of the Term, of the prepaid Fees previously paid by Licensee shall be returned to Licensee.

Notwithstanding anything to the contrary in this Article, the City shall not have any obligation to repair, reconstruct, or restore the Ball Park when the damage resulting from any casualty which is described under Section 8.1 or this Section 8.2 occurs during the last three (3) years of the Term of this License Agreement or the last three (3) years of any extension thereof. In the event the City elects not to repair, reconstruct or restore the Ball Park as set forth in this paragraph, then a pro rata share, based on the number of years or partial years remaining of the Term, of the prepaid Fees previously paid by Licensee shall be returned to Licensee. City agrees to return such amount within the sooner of the following two occurrences: a) one year from catastrophic event date, or 2) upon City's declaration that City will not repair, reconstruct, or restore, whichever is soonest.

Section 8.3 Damage or Destruction By Licensee. Notwithstanding any other provision of this License Agreement, in the event that Licensee and Licensee's employees and agents damage the Ball Park, the Licensee shall repair or replace any portion of the Ball Park damaged by the Licensee's employees or agents, upon demand by the City and at the Licensee's sole cost and expense.

Section 8.4 Eminent Domain. In the event the Ball Park shall be taken (in whole or part) under the power of eminent domain or sold to a government entity threatening to exercise the power of eminent domain, the City shall provide written notice to the Licensee within thirty (30) days of the commencement of the condemnation proceedings, or sale. Either party may terminate this License Agreement by written notice to the other party within thirty (30) days of the date Licensee receives written notice from the City of the commencement of the

condemnation proceedings, or sale. The City and the Licensee acknowledge and agree that all proceeds from such condemnation action or sale shall constitute the property of the City, except that a pro rata share of the prepaid Fees (based on the number of years or partial years remaining in the Term) shall be returned to the Licensee.

ARTICLE 9. ASSIGNMENT AND TRANSFERS

Section 9.1 Definitions. As used in this Article 9, the term "Transfer" means:

(a) Any total or partial sale, assignment or conveyance, of any trust or power, or any transfer in any other mode or form, of or with respect to this License Agreement or any part thereof or any interest therein or any contract or agreement to do any of the same; or

(b) The sub-licensing, or other conveyance or assignment, of part or all of the Ball Park by the Licensee.

Section 9.2 Prohibited Transfers. The limitations on Transfers set forth in this Article shall apply throughout the Term. Except as expressly permitted in this License Agreement, the Licensee represents and agrees that the Licensee has not made or created, and will not make or create or suffer to be made or created, any Transfer of any nature whatsoever in the Ball Park or this License Agreement, either voluntarily or by operation of law without the prior written approval of the City.

Section 9.3 Transfers with City Consent. The Licensee is permitted to Transfer this License Agreement (except for security financing interests) with the City's prior written consent which shall not be unreasonably withheld or delayed and which shall be given if the transferee's management has been approved pursuant to the applicable rules and regulations of Major League Baseball as outlined in the Baseball Documents. To effectuate an approved Transfer the Licensee shall submit to the City, for the City's review and approval, an instrument in writing reasonably satisfactory to the City executed by the person or entity to which such Transfer is made expressly assuming the obligations of the Licensee under this License Agreement and agreeing to be subject to the conditions and obligations to which the Licensee is subject under this License Agreement, to the fullest extent that such obligations are applicable to the particular portion of or interest in the License Agreement, that the Licensee conveyed in such Transfer. If a requested Transfer is approved by the City, such approval shall be indicated to the Licensee in writing. Such approval shall be granted or denied by the City within thirty (30) days of receipt by the City of Licensee's request for approval of a Transfer.

ARTICLE 10.
REPRESENTATIONS AND WARRANTIES

Section 10.1 Representations and Warranties of Licensee. Licensee hereby represents and warrants to the City as follows:

(a) Due Organization and Existence. Licensee is a duly organized, validly existing California limited liability company and is in good standing under the laws of the State of California and has the power and authority to carry on its business as now being conducted.

(b) Approvals. Except as previously obtained, no consent, approval, order or authorization of, or registration declaration or filing is required in connection with the execution and delivery of this License Agreement except as may be required in the Baseball Documents.

(c) Authority of Licensee. The Licensee has full power and authority to execute and deliver this License Agreement and to accept the property contemplated hereunder, to execute and deliver all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this License Agreement, and to perform and observe the terms and provisions of all of the above.

(d) Authority of Persons Executing Documents. This License Agreement and all other documents or instruments executed and delivered, or to be executed and delivered by the Licensee, pursuant to this License Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Licensee, and all actions required under Licensee's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this License Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this License Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

(e) Valid Binding Agreement. This License Agreement constitutes a legal, valid and binding obligation of Licensee enforceable by and against it in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights of creditors generally and general principles of equity.

(f) No Breach of Law or Agreement. Neither the execution nor delivery of this License Agreement by the Licensee or of any other documents or instruments executed and delivered, or to be executed or delivered by the Licensee, pursuant to this License Agreement, nor the performance by the Licensee of any provision, condition, covenant or other term hereof or thereof, will conflict with or result

in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Licensee, or any provision of the organizational documents of Licensee, or will conflict with or constitute a breach of or a default under any restriction, agreement or instrument to which Licensee is a party.

(g) Pending Proceedings. Licensee is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Licensee, threatened against or affecting Licensee or the Ports at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Licensee, materially and adversely affect Licensee's ability to perform its obligations under this License Agreement.

(h) Ports. The Licensee owns the Ports and the Ports is a member of the California League, which is a member of the National Association.

(i) Baseball Documents. To the best of Licensee's knowledge, the terms and provisions of this License Agreement do not violate any Baseball Documents to which Licensee is a party or subject to.

(j) Hazardous Materials. The Licensee shall not cause or permit the Ball Park to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any Hazardous Materials; and the Licensee shall comply with all Hazardous Materials Laws with respect to the Ball Park.

Section 10.2 Representations and Warranties of City. The City represents covenants and warrants to Licensee as follows:

(a) Due Organization and Existence. The City is a charter city, and has the power to enter into this License Agreement.

(b) Approvals. Except as previously obtained, no consent, approval, order or authorization of, or registration declaration or filing is required in connection with the execution and delivery of this License Agreement.

(c) Authority of City. The City has full power and authority to execute and deliver this License Agreement and to accept the property contemplated hereunder, to execute and deliver all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this License Agreement, and to perform and observe the terms and provisions of all of the above.

(d) Authority of Persons Executing Documents. This License Agreement and all other documents or instruments executed and delivered, or to be executed and delivered by the City, pursuant to this License Agreement have been

executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of City, and all actions required under City's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this License Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this License Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

(e) Valid Binding Agreement. This License Agreement constitutes a legal, valid and binding obligation of the City enforceable by and against it in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights of creditors generally and general principles of equity.

(f) No Breach of Law or Agreement. To the best of City's knowledge, neither the execution nor delivery of this License Agreement by the City or of any other documents or instruments executed and delivered, or to be executed or delivered by the City, pursuant to this License Agreement, nor the performance by the City of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on City, or any provision of the organizational documents of City, or will conflict with or constitute a breach of or a default under any restriction, agreement or instrument to which City is a party.

(g) Pending Proceedings. To the best of Licensee's knowledge, City is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of City, threatened against or affecting City at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to City, materially and adversely affect City's ability to perform its obligations under this License Agreement except for the eminent domain action filed by the City to acquire the Ball Park Parcel.

(h) Title. By the Start Date, the City will hold valid fee title to the Ball Park Parcel, subject to the Reciprocal Easement Agreement to be recorded against the Events Center Site by the City.

(i) Hazardous Materials. The City shall not cause or permit the Ball Park to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any Hazardous Materials; and the City shall comply with all Hazardous Materials Laws with respect to the Ball Park.

ARTICLE 11.
DEFAULT

Section 11.1 Licensee Default. The following events each constitute a "Licensee Event of Default" and a basis for the City to take action against the Licensee:

(a) Dissolution of California League. The dissolution, termination, or disbandment of the California League or other official baseball league which may replace the California League; or

(b) Licensee's Withdrawal from California League. The Licensee causes the withdrawal or removal of the Ports from California League or other official baseball league which may replace the California League; or

(c) Failure to Pay. The failure by the Licensee to make any payment of the Fees(s) when and if due, and the continuance of such failure for a period of ten (10) days after written notice thereof from the City to the Licensee; or

(d) Failure to Use Ball Park for Ports Events. The failure by the Licensee to use the Ball Park for Ports Events as set forth in this License Agreement except as may be otherwise permitted in Section 4.5 or Article 8 of this License Agreement; or

(e) Unauthorized Transfer. A Transfer occurs, either voluntarily or involuntarily, in violation of Article 9; or

(f) Failure to Perform. The failure by the Licensee to observe or perform any material covenant, condition, or provision of this License Agreement not already specifically mentioned in this Section 11.1, where such failure continues for thirty (30) days after written notice from the City notifying the Licensee of such failure, provided, however, that if the nature of the Licensee's failure is such that more than thirty (30) days are reasonably required to cure, then the Licensee shall not be in default if Licensee begins such cure within the thirty (30) day period described above and thereafter diligently prosecutes such cure to completion; or

(g) Misrepresentation. Any representation or warranty contained in this License Agreement proves to have been incorrect in any material and adverse respect when made; or

(h) Suspension; Dissolution. The Licensee, or the Ports, shall have voluntarily suspended its business or, the Licensee shall have been dissolved or terminated; or

(i) Other Defaults. (i) The making by the Licensee of any general assignment or general arrangement for the benefit of creditors; (ii) the filing by or

against the Licensee of a petition to have the Licensee adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against the Licensee, the same is dismissed within sixty (60) days); (iii) the taking of any action at the corporate level by the Licensee to authorize any of the foregoing actions on behalf of the Licensee; or (iv) the appointment of a trustee or receiver to take the Licensee's interest in this License Agreement, where such seizure is not discharged within thirty (30) days.

Section 11.2 City Remedies. If a Licensee Event of Default shall occur, City at any time thereafter may give a written termination notice to Licensee, and on the date specified in such notice (which shall be not less than the time required by applicable law or as otherwise provided in this License Agreement and which may be the day of the notice for defaults under Section 11.1 (a), (b), (d), (e), (g) or (h)), Licensee's right to use the Ball Park shall terminate and this License Agreement shall terminate, unless on or before such date all arrears of Fees and all other sums payable by Licensee under this License Agreement and all costs and expenses incurred by or on behalf of the City hereunder, of which Licensee has been given notice in accordance with Section 11.1, shall have been paid by Licensee and all other breaches of this License Agreement by Licensee at the time existing, of which Licensee has been given notice in accordance with Section 11.1 have been cured. In the event the City terminates this License Agreement pursuant to the provisions of this Section, City may pursue all remedies available by law including (a) terminating the License Agreement, (b) recovering money damages, and/or (c) specific performance. The parties agree that notwithstanding the other provisions of Sections 11.1 and 11.2, the City's sole remedy for the events described in Section 4.5 shall be the remedy provided in that Section 4.5. The remedies provided for in this License Agreement are in addition to any other remedies available to City at law or in equity by statute or otherwise.

Section 11.3 City Default. A "City Event of Default" shall exist if the City fails to observe or perform any material covenant, condition, or provision of this License Agreement, where such failure continues for thirty (30) days after written notice from the Licensee notifying the City of such failure, provided, however, that if the nature of the City's failure is such that more than (30) days are reasonably required to cure, then the City shall not be in default if it begins such cure within the thirty (30)-day period described above and thereafter diligently prosecutes such cure to completion. Notwithstanding the other provisions of this Section 11.3, a "City Event of Default" shall also exist if any representation or warranty contained in this License Agreement proves to have been incorrect in any material and adverse respect when made and Licensee has provided City with a written notice of such default, for which there is no cure period.

Section 11.4 Licensee Remedies. On the occurrence of any City Event of Default, the Licensee shall be entitled to any remedy available by law, including (a) terminating the License Agreement, (b) recovering pro rata share of prepaid

Fees, (c) recovering money damages, and/or (d) specific performance. The remedies provided for in this License Agreement are in addition to any other remedies available to Licensee at law or in equity by statute or otherwise.

ARTICLE 12. MISCELLANEOUS PROVISIONS

Section 12.1 Relationship of Parties. Nothing contained in this License Agreement shall be interpreted or understood by any of the parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, landlord or tenant, limited or general partnership, or joint venture between the City and the Licensee or its agents, employees or contractors. The Licensee has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the License Agreement. The Licensee shall be solely responsible for its own acts and those of its agents and employees.

Section 12.2 No Claims. Nothing contained in this License Agreement shall create or justify any claim against the City by any person that the Licensee may have employed or with whom Licensee may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Licensee's use of the Ball Park.

Section 12.3 Amendments. No alteration or variation of the terms of this License Agreement shall be valid unless made in writing by the City and the Licensee.

Section 12.4 Indemnification.

(a) By Licensee. The Licensee shall indemnify, defend and hold the City, its council members, officers, employees, agents, successors and assigns harmless against all claims made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with the Licensee's use of the Ball Park, except to the extent such claim arises from the grossly negligent or willful misconduct of the City. The provisions of this Section 12.4 shall survive the expiration of the Term and the termination of the License Agreement and shall be limited to the amount of insurance required to be carried by the Licensee.

(b) By City. The City shall indemnify, defend and hold the Licensee, its officers, managers, members, employees, agents, successors and assigns harmless against all claims made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with the City's use of the Ball Park, except to the extent such claim arises from the grossly negligent or willful misconduct of the Licensee. The provisions of this Section 12.4 shall survive the expiration of the Term and the

termination of the License Agreement and shall be limited to the amount of insurance required to be carried by the City.

Section 12.5 Non-Liability of City Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to Licensee in the event of any default or breach by the City or for any amount which may become due to Licensee or its successor or on any obligation under the terms of this License Agreement.

Section 12.6 No Third Party Beneficiaries. There shall be no third party beneficiaries to this Agreement, except the Agency and the City Entity.

Section 12.7 Notices, Demands and Communications. Formal notices, requests for consents, demands, and communications between the City and the Licensee shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the parties as follows:

City:	City of Stockton 405 North El Dorado Street Stockton, California 95202 Attn: City Manager
With a copy to:	City of Stockton Office of City Attorney 405 North El Dorado Street Stockton, California 95202
Licensee:	7 th Inning Stretch, LLC c/o Trilogy Partners 3500 Alameda De Las Pulgas, Suite 200 Menlo Park, California 94025 Attn: Thomas S. Volpe
With a copy to:	General Manager of the Stockton Ports c/o Billy Herbert Field Alpine and Sutter Streets Stockton, California 95204

and at the address of the Ball Park commencing on the Commencement Date

With a copy to: General Manager of the Stockton Ports
P.O. Box 8365
Stockton, California 95208

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 12.8 Audits. Once every year during the Term of this License Agreement, the City or any designated agent or employee of the City shall be entitled to audit all the books, records and accounts of the Licensee pertaining to payments owed by the Licensee in accordance with Sections 6.3, 6.6(b) and 7.2(a) and Exhibit G of this License Agreement and its operations at the Ball Park to ensure the appropriate amounts have been deposited into the Ball Park Fund and have otherwise been paid to the City pursuant to this License Agreement (including, without limitation, payments under Sections 6.3, 6.6(b) and 7.2(a) and Exhibit G). Such audit shall be conducted during normal business hours upon seventy-two (72) hours notice at the principal place of business of Licensee and other places where records are kept. Any audit undertaken under this Section shall be completed within sixty (60) days of the commencement thereof, subject to extensions of time for any periods of delay due to no fault of City or its auditors. If it shall be determined as a result of such audit that there has been an underpayment into the Ball Park Fund or other underpayment to the City, such underpayment shall become immediately due and payable with interest at the then applicable Local Agency Investment Fund interest rate, determined as of and accruing from the date that said payment(s) should have been made. In addition, if Licensee's statements regarding the number of tickets sold, Concessions sold at Non-Ports Events or other basis for payment shall be found to have understated such sales or other payments due by ten percent (10%) or more of the actual sales or payment, as applicable, and City is entitled to additional deposits into the Ball Park Fund or to additional payments from Licensee as a result thereof, then Licensee shall pay, in addition to the interest charges referenced hereinabove, all of City's reasonable costs and expenses connected with any audit or review of Licensee's accounts and records. All such payments shall be paid within ten (10) days of receipt of written notice to Licensee of such underpayment. If the Ports dispute such findings, the parties agree to meet and confer for a period of sixty (60) days to resolve such dispute, and no payments for any disputed amounts shall be due during such meet and confer period. To the extent authorized under law, the City will not disclose the findings of any audit.

Section 12.9 Applicable Law. This Agreement shall be governed by California law.

Section 12.10 Parties Bound. Except as otherwise limited herein, the provisions of this License Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, legal representatives, successors, and assigns.

Section 12.11 Attorneys' Fees. If any lawsuit is commenced to enforce any of the terms of this License Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees and costs of suit from the other party.

Section 12.12 Severability. If any term of this License Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 12.13 Force Majeure. In addition to specific provisions of this License Agreement, performance by either party shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; quarantine restrictions; freight embargoes; lack of transportation; or court order; or any other similar causes (other than lack of funds of Licensee) beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any cause will be deemed granted if notice by the party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and such extension of time is not rejected in writing by the other party within ten (10) days of receipt of the notice. In no event shall the City or Licensee be required to agree to cumulative delays in excess of one hundred eighty (180) days.

Section 12.14 City Approval. Whenever this License Agreement calls for City approval, consent, or waiver, the written approval, consent, or waiver of the City Manager of the City (the "City Manager") or his or her designee, as designated in writing signed by the City Manager, shall constitute the approval, consent, or waiver of the City, without further authorization required from the City. The City hereby authorizes the City Manager or his or her designee, as designated in writing signed by the City Manager, to deliver such approvals or consents as are required by this License Agreement, or to waive requirements under this License Agreement, on behalf of the City. Any consents or approvals required under this License Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. The City Manager or his or her designee, as designated in writing signed by the City Manager, is also hereby authorized to approve, on behalf of the City, requests by Licensee for reasonable extensions of time deadlines set forth in this License Agreement.

Section 12.15 Waivers. Any waiver by the City of any obligation or condition in this License Agreement must be in writing. No waiver will be implied from any delay or failure by the City to take action on any breach or default of Licensee or to pursue any remedy allowed under this License Agreement or applicable law. Any extension of time granted to Licensee to perform any obligation under this License Agreement shall not operate as a waiver or release from any of its obligations under this License Agreement. Consent by the City to any act or omission by Licensee shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

Section 12.16 Title of Parts and Sections. Any titles of the sections or subsections of this License Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the License Agreement provisions.

Section 12.17 Entire Understanding of the Parties. This License Agreement constitutes the entire understanding and agreement of the parties with respect to the license for the use of the Ball Park from the City to the Licensee.

Section 12.18 Multiple Originals; Counterparts. This License Agreement may be executed in multiple original counterparts, each of which is deemed to be an original, and all such counterparts shall constitute one and the same instrument.

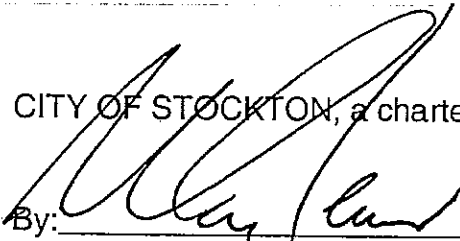
IN WITNESS WHEREOF, the City and the Licensee have executed this License Agreement on the date first written above.

CITY:

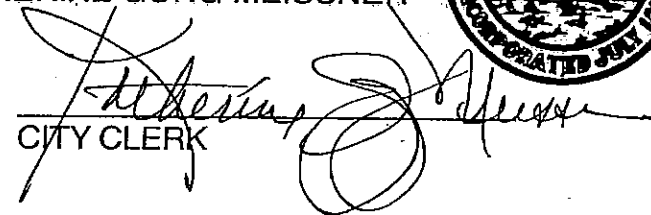
APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY


ASSISTANT CITY ATTORNEY

CITY OF STOCKTON, a charter city

By: 
MARK E. LEWIS, ESQ.
CITY MANAGER

ATTEST:
KATHERINE GONG MEISSNER

BY: 
CITY CLERK



LICENSEE:

7TH INNING STRETCH, LLC, a California
limited liability company

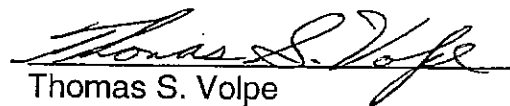
By: 
Thomas S. Volpe
Managing Member

EXHIBIT A

GLOSSARY OF DEFINED TERMS

Unless the context shall otherwise require, the following terms shall have the following respective meanings when used in this License Agreement. The following definitions are equally applicable both to the singular and plural forms and the feminine, masculine and neuter forms of the terms defined. Any agreement defined or referred to below shall include each amendment, modification and supplement thereto and waiver thereof entered into from time to time in compliance therewith. Any term defined below by reference to any agreement, instrument or other document shall have such meaning whether or not such agreement, instrument or other document is in effect.

All initially capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in this License Agreement to which this glossary is attached. Attachments referenced herein and not otherwise defined are Attachments to this License Agreement.

"Affiliated Professional Baseball Team" means a minor league affiliate of a Major League Baseball team.

"Agency" means the Redevelopment Agency of the City of Stockton, a public body, corporate and politic, established and organized pursuant to the Community Redevelopment Law.

"Applicable Laws" means all laws, rules, regulations, guidelines, permits, entitlements, approvals, and other governmental requirements of any Governmental Authority applicable to the Ball Park and the Ball Park Parcel from time to time.

"Arena" means the improvements to be constructed on the Arena Parcel in accordance with the terms of the Development Coordination Agreement and the Construction Contract.

"Arena Parcel" means the parcel so designated in the Master Site Plan, and containing the precise boundaries set forth in the Final Map.

"Arena Project" means the development of the Arena on the Arena Parcel in accordance with the terms of the Development Coordination Agreement and the Construction Contract.

"Authorized Representative" means the authorized representative of the City in accordance with the terms of the Development Coordination Agreement, which shall be Regent or any permitted successor of Regent approved by the City Entity pursuant to the Development Coordination Agreement.

"Ball Park" means the improvements to be constructed and installed, including concessions, on the Ball Park Parcel in accordance with the terms of the Development Coordination Agreement and the Construction Contract, as generally described in the Ball Park Project Scope of Development.

"Ball Park Design Consultant" means HKS Architects, Inc.

"Ball Park Design Consultant Agreement" means the agreement between the City and the Ball Park Design Consultant for design of the Ball Park, dated as of July 1, 2003.

"Ball Park Fund" means the fund maintained by the City pursuant to Section 7.2 of this License Agreement.

"Ball Park Naming Rights Agreement" means an agreement entered into between the City Entity and a third party purchaser of the right to name the Ball Park.

"Ball Park Operating Agreement" means the agreement between the Ball Park Operator and the City Entity providing for the operation and management of the Ball Park by the Ball Park Operator with respect to Non-Ports Events.

"Ball Park Operator" means the operator of the Ball Park in accordance with the terms of the Ball Park Operating Agreement, which shall be IFG or any permitted affiliate or successor of IFG approved by the City Entity pursuant to the Ball Park Operating Agreement.

"Ball Park Parcel" means the parcel so designated in the Master Site Plan, and which will contain the precise boundaries to be set forth in the Final Map.

"Ball Park Project" means the development of the Ball Park on the Ball Park Parcel in accordance with the terms of the Development Coordination Agreement and the Construction Contract.

"Ball Park Project Approvals" means all permits, approvals, entitlements, and other rights and authorizations necessary to be obtained from any Governmental Authorities to develop the Ball Park Project.

"Ball Park Project Scope of Development" means the detailed scope of development for the Ball Park Project substantially as set forth in the attached as Exhibit C to this License Agreement.

"Baseball Documents" means the National Association Agreement, the Professional Baseball Agreement, Standard Player Development Contract, the Major League Constitution, the Major League Rules, the Official Rules of Major League Baseball, the California League Bylaws, and all successors thereto.

"Baseball Season" means the California League's annual baseball season, which shall commence no later the first week of April each year, or three (3) days prior to the annual opening day, whichever is earlier, and shall extend until no later than the earlier of the end of the California League's annual baseball season or September 30th of each year.

"Billy Herbert Field Lease" means collectively, that certain lease entered into by and between the City and the Licensee dated October 25, 2001 and commonly referred to in the City's records as document 01-0582, as amended by that certain Amendment to Lease between the City and the Licensee dated as of February 11, 2003, and that certain Scoreboard Lease Agreement between the City and the Licensee dated as of February 11, 2003.

"California League" means the California League of Professional Baseball Clubs, Inc., a California corporation, or any successor thereto.

"CEQA" means the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and any state or local implementing guidelines in connection therewith.

"CEQA Findings Resolution" means the resolution(s) adopted by the City Council and the Agency Board on December 16, 2003 certifying the EIR and making specified findings and statements of overriding considerations in accordance with 14 California Code of Regulation Sections 15091 and 15093.

"City" means the City of Stockton, a municipal corporation and charter city of the State of California.

"City Council" means the City Council of the City.

"City Entity" means, with respect to a particular agreement, the City, the Agency, and/or the Public Financing Authority that is the party (or parties) to such agreement.

"City Event of Default" has the meaning given in Section 11.3.

"City Manager" shall mean the city manager of the City.

"Clean-up Plan" has the meaning given in Section 4.3.

"Community Redevelopment Law" means the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.).

"Concessions" means the business of selling food, beverages (including beer, wine and other alcoholic beverages provided the appropriate licenses are in place), and merchandise to patrons of the Ball Park.

"Construction Contract" means the construction contract entered into by the City and the Contractor for construction of the Ball Park Project, the Arena Project and the Designated Public Improvements.

"Contractor" means a general contractor engaged by the City for the Arena Project, the Ball Park Project, and the DPI Project.

"CPI" means United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, Subgroup "All Items" for the San Francisco-Oakland-San Jose area, 1982-84 = 100, or successor or equivalent index in case such index is no longer published.

"Designated Parking Spaces" means those certain parking spaces more particularly described in the attached Exhibit D within the Public Parking Facilities.

"Designated Public Improvements" means the public improvements to be constructed by the City on the Public Improvements Parcel(s) (other than the Public Parking Garage Project) in accordance with the terms of the Development Coordination Agreement and the Construction Contract.

"Development Coordination Agreement" means the agreement between the Authorized Representative and the City for the planning, design and development of the Arena Project, the Ball Park Project, the Hotel Project, the Public Parking Garage Project and the DPI Project.

"DPI Parcel(s)" means the parcel(s) so designated in the Master Site Plan, and which will contain the precise boundaries to be set forth in the Final Map.

"DPI Project" means the development of the Designated Public Improvements on the DPI Parcel(s) in accordance with the terms of the Development Coordination Agreement and the Construction Contract.

"Early Termination Conditions" means the conditions pursuant to which the City may terminate this License Agreement prior to the Start Date as set forth in Section 2.2(b) of this License Agreement.

"EIR" means the Environmental Impact Report for the Events Center Project prepared for and certified by the City Council on December 16, 2003 (State Clearinghouse No. 2003052127; City of Stockton EIR File No. EIR 3-03), consisting of:

(a) a Draft Environmental Impact Report dated September 12, 2003 (the "Draft EIR"); and

(b) a Final Environmental Impact Report, including responses to comments received on the Draft EIR, dated November 2003.

"Events Center Project" means, collectively, the Arena Project, the Ball Park Project, the Hotel Project, Public Parking Garage Project and the DPI Project.

"Events Center Site" means, collectively, the Arena Parcel, the Ball Park Parcel, the Hotel Parcel, the Public Parking Garage Parcel and the DPI Parcel(s), as shown in the Master Site Plan.

"Events of Unavailability" shall have the meaning given in Section 5.3.

"Expenditure Budget" shall have the meaning given in Section 7.3.

"Expiration Date" means the twenty-fifth (25th) full year after the Start Date of this License Agreement, unless extended pursuant to Section 2.3 of this License Agreement, or unless earlier terminated pursuant to the provisions of the License Agreement.

"Extra Costs" shall have the meaning given in Section 3.1.

"Facility Fee" means the One Dollar (\$1.00), as such amount may be increased pursuant to Section 6.1 of the License Agreement, fee for each Ports Event or Non-Ports Event ticket sold (whether full price or discounted) to be deposited into the Ball Park Fund.

"Fees" means (i) the amount designated in Section 2.4(a) of this License Agreement pre-paid by the Licensee to the City for the initial Term; and (ii) any amounts to be paid as consideration for any extensions of the Term as determined in Section 2.3 to be paid as provided in Section 2.4(b).

"Final Map" means a subdivision tract map to be recorded by the City for the Events Center Project, entitled "Parcel Map, Stockton Events Center" (the "Parcel Map").

"Governmental Authority(ies)" means any federal, state, and/or local agency, department, commission, board, bureau, administrative or regulatory body, or other public instrumentality having jurisdiction over the Related Projects or any portion thereof.

"Guaranteed Maximum Price" means the amount set forth in the Construction Contract as the guaranteed maximum price for the Ball Park as finally determined by action of the City to approve a change order to the Construction Contract on or about April 2, 2004, which shall be in the approximate amount of Thirteen Million Four Hundred Thousand Dollars (\$13,400,000), as more fully defined in Section 3.2.

"Hazardous Materials" means:

(a) any "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14)) or Section 25281(d) or 25316 of the California Health and Safety Code at such time;

(b) any "hazardous waste," "infectious waste" or "hazardous material" as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code at such time;

(c) any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA (42 U.S.C. Section 9601 et seq.), Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clear Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 39000 et seq.), or California Water Code (Section 13000 et seq.) at such time; and

(d) any additional wastes, substances or materials which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Ball Park or Ball Park Parcel.

The term "Hazardous Materials" shall not include: (i) construction materials, gardening materials, office supply products or janitorial supply products customarily used in the construction, maintenance, construction, or management of public facilities of similar type and use as the Ball Park, or (ii) certain substances which may contain chemicals listed by the State of California pursuant to California Health and Safety Code Sections 25249.8 et seq., which substances are commonly used by a significant portion of the population, including, but not limited to, alcoholic beverages, aspirin, tobacco products, nutrasweet and saccharine.

"Hazardous Materials Laws" means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Ball Park Parcel or any portion thereof.

"Home Game" shall mean any Major League Baseball sanctioned baseball game in which the Ports act as the host team for its opponent (i.e. the Ports take the field in the first half of each inning and bat in the last half of each inning of such baseball game) and the Licensee is permitted by the California League to control selection of the venue for the baseball game.

"Hotel Improvements" means the improvements to be constructed by the Hotel Project Developer on the Hotel Parcel in accordance with the terms of the Hotel Project DDA.

"Hotel Parcel" means the parcel so designated in the Master Site Plan, and which will contain the precise boundaries to be set forth in the Final Map.

"Hotel Project" means the development of the Hotel Improvements on the Hotel Parcel in accordance with the terms of the Hotel Project DDA.

"Hotel Project Developer" means the developer of the Hotel Project in accordance with the terms of the Hotel Project DDA, which shall be Regent or any permitted successor of Regent approved by the City Entity pursuant to the Hotel Project DDA.

"Hotel Project DDA" means the agreement between the Hotel Project Developer and the City Entity for the conveyance of the Hotel Parcel by the City Entity to the Hotel Project Developer, and the development of the Hotel Project by the Hotel Project Developer.

"IFG" means International Facilities Group, LLC, an Illinois limited liability company.

"License Agreement" means this Events Center Ball Park License Agreement between the City and the Licensee.

"Licensee" means 7th Inning Stretch, LLC, a California limited liability company, the owner of the Ports.

"Licensee Event of Default" has the meaning given in Section 11.1.

"Licensee Right of Refusal" has the meaning given in Section 6.6.

"Major League Baseball" means the professional teams of the American League of Professional Baseball Clubs and the National League of Professional Baseball Clubs.

"Master Site Plan" means the master site plan for the Related Projects attached to this License Agreement as Exhibit B.

"National Association" means the National Association of Professional Baseball Leagues, Inc., or any successor thereto.

"National Association Agreement" means that certain agreement which is the Constitution and Bylaws of the National Association as adopted on September 6, 1901 and extended and revised thereafter.

"Non-Ports Events" means any events conducted at, and all other periods of time related to, the Ball Park that do not constitute Ports Events.

"Ports" means the Stockton Ports, a professional baseball team that is a member of the National Association.

"Ports Events" means any of the following events permitted to occur at the Ball Park:

- (a) All of the Ports California League pre-season Home Games;
- (b) All of the Ports California League regular season Home Games (except for up to two Home Games as provided in Section 4.1);
- (c) All of the Ports California post-season, or play-off, Home Games;
- (d) All of the Ports team and visitor teams practices during the Baseball Season;
- (e) An exhibition game between two (2) Major League Baseball teams;
- (f) Exhibition games between the Ports and the Ports Major League Baseball affiliate to be held as frequently as possible;
- (g) The California League "all-star game" as often as feasible under the applicable California League rules and regulations; and
- (h) The Ten Events.

"Public Financing Authority" means the Stockton Public Financing Authority established through a joint exercise of powers agreement between the City and the Agency, dated May 24, 1993.

"Public Parking Garage Parcel" means the parcel so designated in the Master Site Plan, and which will contain the precise boundaries to be set forth in the Final Map.

"Public Parking Garage Project" means the approximately six hundred fifty (650) car parking garage to be developed on the Public Parking Garage Parcel.

"Public Parking Facilities" means those certain parking spaces and facilities, including the Public Parking Garage Project, within and near the Events Center Project more particularly described in the attached Exhibit D.

"Reciprocal Easement Agreement" means that Reciprocal Easement Agreement, to be recorded by the City against the Events Center Site.

"Regent" means Regent Event Center, LLC, a California limited liability company.

"Related Projects" means the Events Center Project.

"Security Plan" has the meaning given in Section 4.3.

"Start Date" means the date on which the City provides the Licensee use of the Ball Park for Ports Events. The Start Date is anticipated to be thirty (30) days before the opening day of the 2005 California League Baseball Season, which is currently anticipated to be April 7, 2005.

"Status Report" has the meaning given in Section 4.2.

"Suites" has the meaning given in the Ball Park Project Scope of Development.

"Ten Events" means the ten (10) annual events that the Licensee may hold at the Ball Park inside or outside of the Baseball Season.

"Term" means the term of the License Agreement as set forth in Section 2.2. of the License Agreement.

"Transfer" has the meaning given in Section 9.1.

"Unanticipated Remediation Event" has the meaning set forth in Section 2.2(b)(viii).

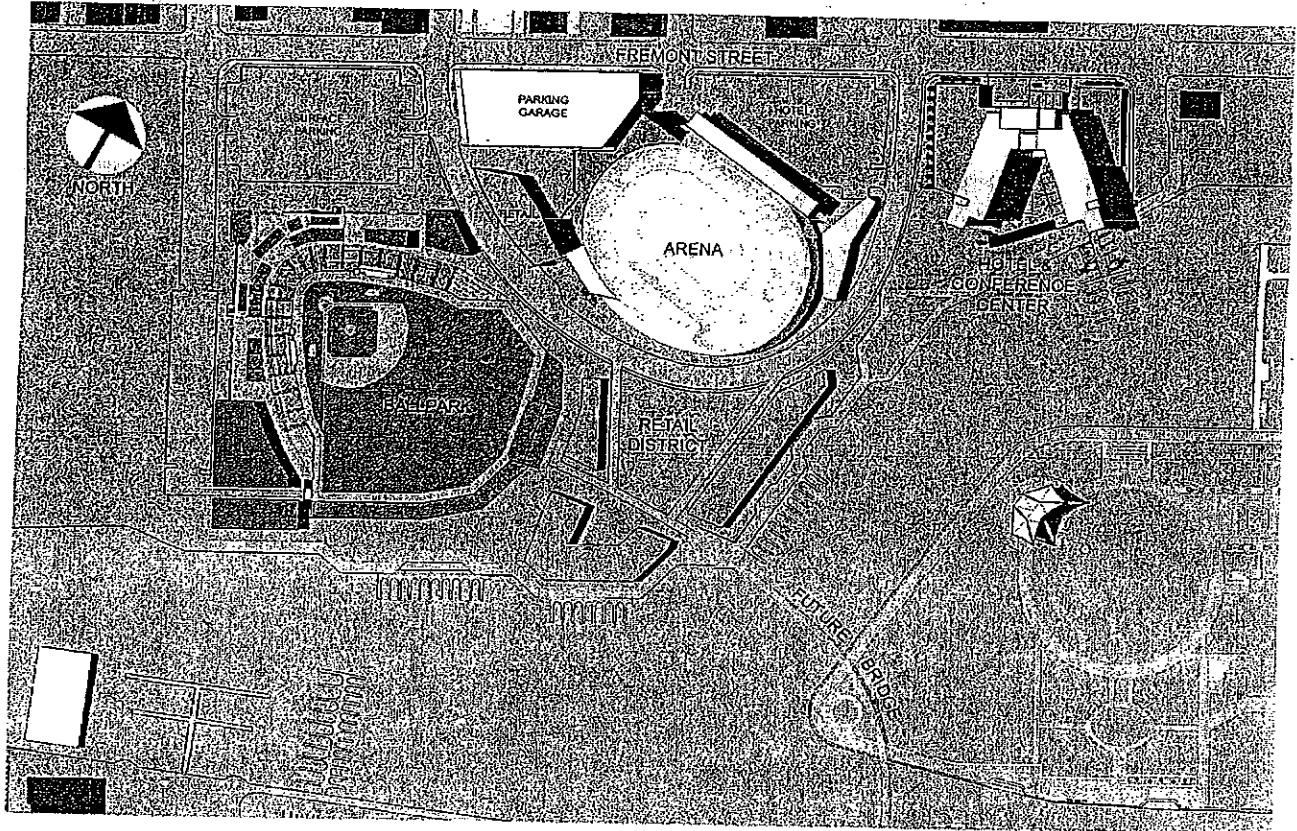
"UOP" means the University of the Pacific.

"UOP Home Games" means all home games played by the UOP men's varsity baseball team.

EXHIBIT B

Master Site Plan

(Subject to revisions)



HEIKLEIN SCHROCK STEARNS
ARCHITECTURE - DESIGN



REGENT
DEVELOPMENT, INC.

STOCKTON EVENTS CENTER

MASTER PLAN

11.04.2003

STOCKTON, CALIFORNIA

EXHIBIT C

Ball Park Scope of Development

(Subject to Revisions)

Program Area		Square Ft.
1.0	Site	
1.01	Spectator Parking	TBD
1.02	Handicapped Parking	TBD
1.03	Home Team/Umpire Parking	TBD
1.04	Visiting Team Parking	TBD
1.05	Media Parking	TBD
1.06	Trash Areas	TBD
	Total Site	<u>TBD</u>
2.0	Public Facilities	
2.01	Main Entry	0
2.02	Concourse	25,000
2.03	Handicapped/Public Elevators	100
2.04	Reserved Seating	16,200
2.05	BBQ/Picnic Pavilions	7,700
2.06	Luxury Suites	1,700
2.07	Club Seats	3,900
2.08	Children's Play Area	3,500
2.09	Concessions	1,900
2.10	Novelty/Event Merchandise Sales	750
2.11	Public Restrooms	3,300
2.12	Security/Lost and Found/First Aid	550
2.13	Fan Information/Fan Assistance	100
	Total Public Facilities	<u>64,700</u>
3.0	Officials Facilities	
3.01	Umpires Locker Room	250
3.02	Umpires Restroom/Shower	150
	Total Officials Facilities	<u>400</u>

Program Area**Square
Ft.****4.0 Home Team Facilities**

4.01	Home Team Locker/Dressing	1,500
4.02	Players Restroom Showers	600
4.03	Coaches Locker/Dressing Areas/Toilet and Shower	450
4.04	Trainers Office	150
4.05	Trainers Room	600
4.06	Hydrotherapy Room	200
4.07	Home Managers	250
4.08	Team Laundry	300
4.09	Equipment Storage	300
4.10	Hitting/Pitching Cages	3,050
4.11	Home Team Dugout	650
4.12	Lounge	300

Total Home Team Facilities	<u>8,350</u>
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5.0 Visiting Team Facilities

5.01	Visiting Team Locker/Dressing Area	1,000
5.02	Players Restrooms/Showers	400
5.03	Visiting Managers and Coaches Locker/Dressing Area	300
5.04	Visiting Manager and Coaches Toilets and Shower Area	150
5.05	Training Room/Hydrotherapy	350
5.06	Visiting Team Dugout	650
5.07	Auxiliary Locker /Shower	900

Total Visiting Team Facilities	<u>3,750</u>
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6.0 Press Box Area

6.01	Press Box Area	500
6.02	Radio Broadcasting Booth	500
6.03	TV Broadcast Booth	200

Program Area	Square Ft.
6.04 Work Area	300
6.05 Press Club Seats/Suite Level Toilets	650
6.06 Scoreboard Control	450
Total Press Box Area	<u>2,600</u>
7.0 Concession & Novelty Facilities	
7.01 Concession Administration Area	200
7.02	0
7.03 Concession Employee Check-In Area	300
7.04 Commissary	1,200
7.05 Commissary Warehouse	1,800
7.06 Novelty Warehouse	750
7.07 Suite Level Pantry	150
Total Concession & Novelty Facilities	<u>4,400</u>
8.0 Team Administrative Facilities	
8.01 Reception	400
8.02 Conference Room	400
8.03 Executive Offices	900
8.04 Staff Offices	500
8.05 Kitchenette	150
8.06 Storage	100
8.07 Mail/Copy/Fax Room	150
8.08 Staff Toilets	400
8.09 Party Room/Deck	1,400
Total Team Administrative Facilities	<u>4,400</u>
9.0 Ticket Sales & Operations	
9.01 Ticket Windows	100
9.02 Ticket Work Room	200
9.03 Ticket Cash Room	100
Total Ticket Sales & Operations	<u>400</u>

Program Area	Square Ft.
10.0 Stadium Operations	
10.01 Field Maintenance Equipment Storage/Workroom	1,800
10.02 Grounds Keepers Office	150
10.03 Ground Crew Locker Room	0
10.04 Telephone Room	140
10.05 Electrical Room	TBD
10.06 Mechanical Room	TBD
10.07 Playing Field	TBD
10.08 Dock Area	TBD
10.09 Staff Locker Room	0
Total Stadium Operations	<u>2,090</u>

Summary

1.0 Site	TBD
2.0 Public Facilities	64,700
3.0 Officials Facilities	400
4.0 Home Team Facilities	8,350
5.0 Visiting Team Facilities	3,750
6.0 Press Box Area	2,600
7.0 Concession & Novelty Facilities	4,400
8.0 Team Administrative Facilities	4,400
9.0 Ticket Sales & Operations	400
10.0 Stadium Operations	<u>2,090</u>

Total All **91,090**

EXHIBIT D

Public Parking Facilities Plan

Definitions:

The parking lot north of the Ball Park:	"Stadium Parking Lot"
The parking garage north of the Arena:	"Public Parking Garage Project"
The parking lots north of Fremont Street:	"Fremont Parking Lots"
The parking lot west of the Ball Park:	"Ports Parking Lot"

Policies:**Stadium Parking Lot**

- 10 employee-only spaces for Ports at all times
- 5 short term parking spaces in lot designated for ticket office usage
- All other spaces controlled by City Central Parking District ("District") on a daily basis except for 2 hours before each Ports Event until 1 hour after the end of the Ports Event. Costs are responsibility of the District and revenues are the property of the District (except for Ports VIP parking as provided below)
- For Ports Events, lot reserved from 2 hours before each Ports Event until 1 hour after the end of the Ports Event for Ports VIP parking
- Ports will coordinate with District to ensure that all spaces are available in lot 2 hours prior to game
- Ports receive all revenue from Ports Events VIP parking, subject to any cost reimbursement to District for costs of services if District operates the lot for the Team Events (estimated to be about 10% of the revenue). If District insurance permits, Team can operate the lot during Ports Events. District and Team agree to work cooperatively in operation of lot during Team Events.

Ports Parking Lot

- Lot is responsibility of the Ports
- It is understood that 25 spaces will be reserved for baseball team

Public Parking Garage Project

- Garage is operated by District at all times with all costs the responsibility of the District and revenues the property of the District
- Ports may purchase up to 150 spaces in Garage for Ports Event VIP parking at negotiated rate
- Ports have opportunity to purchase up to 25 daily and monthly parking passes in Garage at negotiated rate to accommodate employee and team parking

Fremont Parking Lots

- Lots are operated by District at all times with all costs the responsibility of the District and all revenues the property of the District
- Ports employees will be provided passes to park in lots during Ports Events (at no cost)

Ports will participate in creation of Traffic Management and Parking Plan with City, Parking District, manager of the Arena, teams playing in the Arena and Hotel developer to ensure proper traffic and parking coordination of all events, including possible use of a shuttle system and secured overnight parking for teams.

EXHIBIT E

Insurance Requirements

Licensee shall procure and maintain for the duration of the license insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Licensee, its agents, representatives or employees.

Minimum Limits of Insurance

Licensee shall maintain insurance limits not less than:

1. General liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage, combined single limit and \$1,000,000 aggregate limit, with a \$4,000,000 umbrella policy limit. Such liability insurance shall be adjusted every five (5) years in accordance with increase in the CPI to the extent such readjusted amount of insurance is commercially and reasonably available.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation: As required by State law.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

2. City, the Agency, the Public Financing Authority and their officers, officials, employees, and volunteers are to be covered as additional insured on general liability and automobile liability policies as respects: liability out of activities performed by or on behalf of Licensee; premises owned, occupied or used by Licensee; and automobiles owned, leased, hired or borrowed by Licensee. The coverage shall contain no special limitations on the scope of protection afforded to the City, the Agency, the Public Financing Authority and their officers, officials, employees or volunteers.

2. For any claims related to the Ports Events or Ports-operated Concessions, Licensee's insurance coverage shall be primary insurance as respects City, the Agency, the Public Financing Authority and their officers, officials, employees and volunteers.
3. Any insurance or self-insurance maintained by City, the Agency, the Public Financing Authority and their officers, officials, employees or volunteers shall be excess of Licensee's insurance and shall not contribute with it.
4. Any failure to comply with the reporting or other provisions of the policies shall not affect coverage provided to City, the Agency, the Public Financing Authority and their officers, officials, employees or volunteers.
5. Licensee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
6. Each insurance policy required by this License Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to City.

Subcontractors

Before permitting any subcontractors to perform work under this License Agreement, Licensee shall require subcontractors to furnish satisfactory proof that insurance has been issued and is maintained similar to that provided by Licensee as may be applied to each subcontractor's work.

Acceptability of Insurers

Insurance is to be placed with insurers that are admitted insurance carriers in the State of California, or must otherwise be approved by the City.

Verification of Coverage

Licensee shall furnish City with original endorsements of effective coverage for policies on which City is included as an additional insured as required by this Exhibit, and shall furnish original certificates of insurance for all other required policies. The endorsements are to be signed by the person authorized by the insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences.

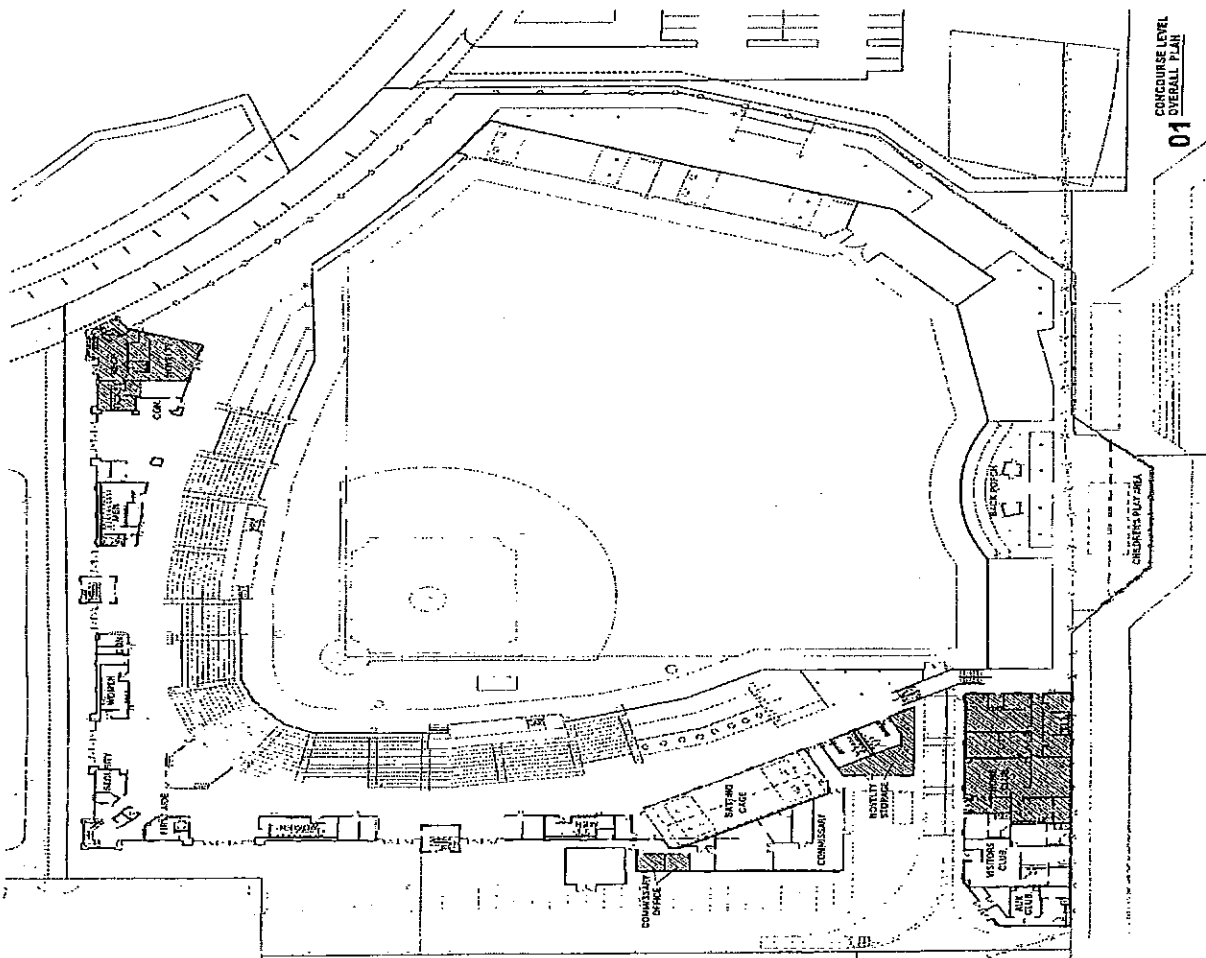
Upon request, Licensee shall furnish City a certified copy of any or all policies of insurance covering the work required under this License Agreement.

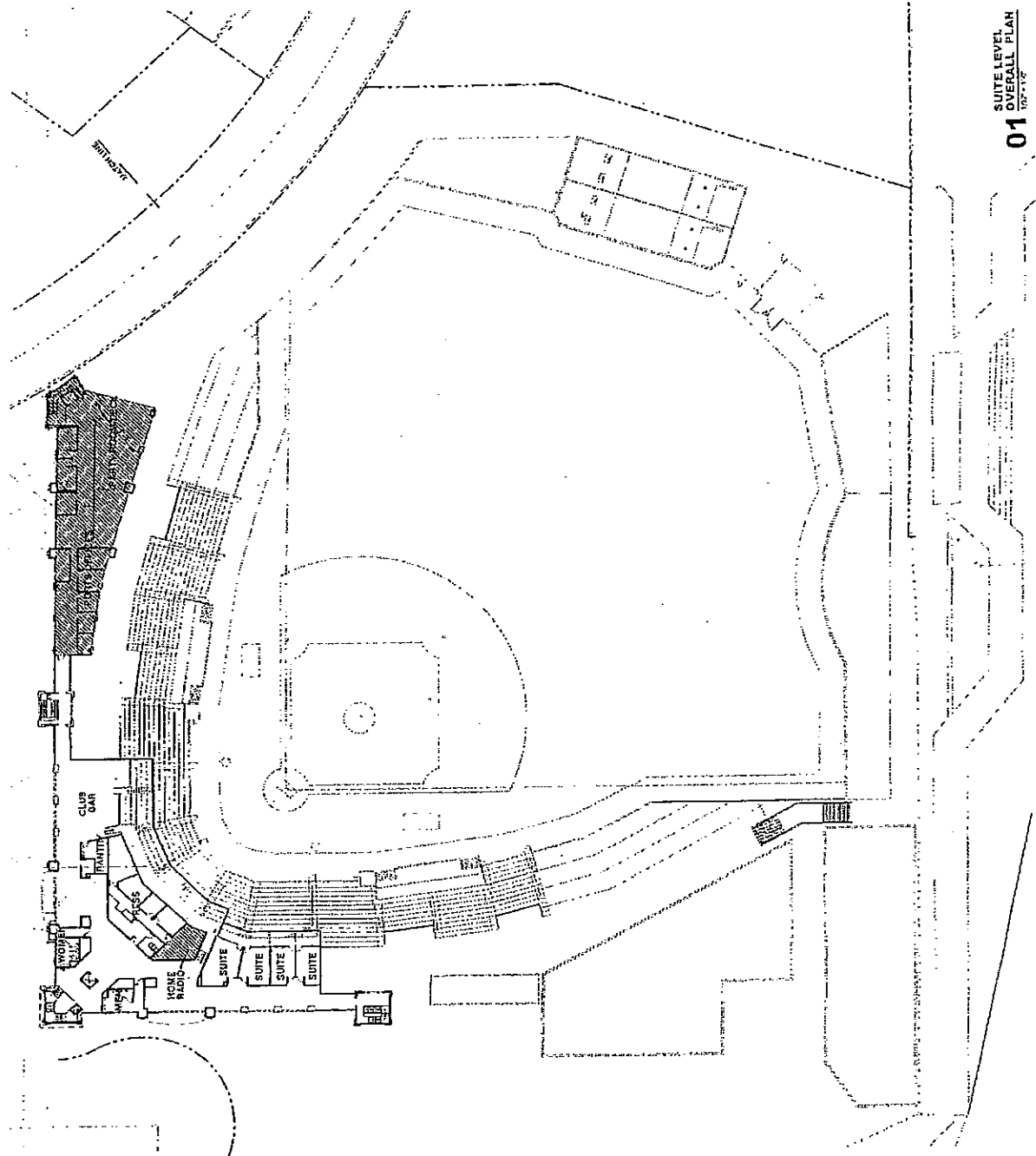
EXHIBIT F

Ball-Park Site Plan

(Subject to Revisions)

Cross-hatched areas on the following diagrams are Licensee exclusive use areas of the Ball Park:





SUITE LEVEL
OVERALL PLAN
107-117

01

EXHIBIT G

Ports Special Programs

Everyday Eddie Guardado's Knothole Gang / Kids Club

Ticket Concept (2004):

Ports provide a FREE membership to all kids 12-and-under in Stockton and the surrounding areas as a service to our community. After the inaugural season (2003), there were 800 members in the club. The Club provides a free general admission ticket to every Stockton Ports Home Game. Average redemption to date is about 5% nightly.

Ticket Concept (New Park):

Ports will continue to provide a FREE membership to all kids 12-and-under in Stockton and the surrounding community. The Club will provide a free Berm Seat admission ticket to every Stockton Ports Home Game in the New Ballpark (July 3rd or July 4th and Exhibition / All-Star Games excluded).

Facility Fee Concept:

As this program is for the benefit of children in our community, any Kids Club tickets redeemed on a game night do not count against the Ports allotment of "1,000 Complimentary Tickets per Game". Parents or guests are required to buy a ticket, and those tickets will contribute \$1.00 to the Ballpark Fund as a normal ticket sold.

Park Packers / Buy-Outs

Ticket Concept (2004):

Ports sell blocks of tickets at drastically reduced rates (currently, a patron can buy 5,000 tickets for \$2000 or \$0.40 per ticket). Redemption rates range from 5% to 30% currently, but may be higher in the New Ballpark.

Ticket Concept (New Park):

Ports will continue to sell packages at discount rate. All Park Packer / Buy-Out tickets will be color-coded for tracking purposes.

Facility Fee Concept:

Ports to pay \$1 per ticket redeemed based on number of colored tickets designated as Park Packer / Buy-Out tickets collected at the Box Office that night. Ports to retain stubs and acknowledge that they are subject to audit per the License Agreement.

Group Sales

- Ticket Concept (2004): Ports sell smaller quantities of group tickets (minimum of 25 per game) at a discounted rate. The per-ticket discount ranges from \$0.50 off per ticket to \$2.50 off per ticket.
- Ticket Concept (New Park): Ports will continue to sell group tickets at discount rate.
- Facility Fee Concept: Ports to pay \$1 per ticket sold, regardless of discount.

Fundraisers

- Ticket Concept (2004): Ports sell blocks of tickets to Youth Sports Teams and Civic / Non-Profit Organizations at 50%-off face value. In turn, the organization re-sells the tickets at Face Value and retains the proceeds.
- Ticket Concept (New Park): Ports will continue to offer Fundraisers in the New Ballpark. All Fundraiser tickets will be color-coded (different from Park Packers) for tracking purposes.
- Facility Fee Concept: Ports to pay \$1 per ticket redeemed based on number of colored tickets designated as Fundraiser tickets collected at the Box Office that night. Ports to retain stubs and acknowledge that they are subject to audit per the License Agreement.

Sunday Family Dollar Days

- Ticket Concept (2004): Ports sell their \$5 General Admission Tickets for \$1 at the gate on Sundays.
- Ticket Concept (New Park): Ports will sell their Berm Seats only at \$1 at the gate on Sundays.
- Facility Fee Concept: Ports to pay \$.50 per ticket sold to allow this promotion to continue.

Two-for-Tuesdays

- Ticket Concept (2004): Ports sell all levels of seating at the gate (Buy One, Get One Free) on Tuesdays with a donation of canned food for the needy or via coupon.
- Ticket Concept (New Park): Ports will sell their mainstream seating (Berm, MVP Box, Field Box) on Tuesdays as Buy One, Get One Free (Scout and Club Seats excluded) with a donation of canned food for the needy or via coupon.
- Facility Fee Concept: Ports to pay \$1.00 per ticket sold to allow this promotion to continue, and will use any remaining portion of their allotment of "1,000 Complimentary

Tickets per Game" to cover the "Get One, Free" ticket. If the Ports exceed their complimentary ticket maximum nightly, they will pay the additional \$1 per ticket ABOVE 1,000 total.

Buy One, Get One Free Offers

Ticket Concept (2004):

Ports sell all levels of seating at the gate (Buy One, Get One Free) to City Employees through intra-City email offers and via advertising coupons in the Stockton Record, Penny Saver, Entertainment Book, Soccer-Saver, etc.

Ticket Concept (New Park):

Ports will continue to sell their mainstream seating (Berm, MVP Box, Field Box) as Buy One, Get One Free (Scout and Club Seats excluded) with coupon on select dates.

Facility Fee Concept:

Ports to pay \$1.00 per ticket sold to allow this promotion to continue, and will use any remaining portion of their allotment of "1,000 Complimentary Tickets per Game" to cover the "Get One, Free" ticket. If the Ports exceed their complimentary ticket maximum nightly, they will pay the additional \$1 per ticket ABOVE 1,000 total.

Pacific State Bank

Member FDIC

IRREVOCABLE STANDBY LETTER OF CREDIT NO. SBLC 160 DATED A

 ORIGINAL IN
 CITY ATTORNEYS

SAFE

BENEFICIARY: City of Stockton C/O Mark Lewis, City Manager 425 N. Eldorado Street Stockton, CA 95202	FOR ACCOUNT OF: Seventh Inning Stretch, LLC P.O Box 8365 Stockton, CA 95208
EXPIRATION DATE AND PLACE: April 2, 2005 At our Counters	AMOUNT: \$1,200,000.00 (U.S. Dollars One Million Two Hundred Thousand And No/100)

TO BENEFICIARY:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR AVAILABLE WITH US BY PAYMENT OF YOUR DRAFT (S) DRAWN AT SIGHT ON PACIFIC STATE BANK, 1889 W. MARCH LANE, STOCKTON, CA 95207.


EACH DRAFT PRESENTED HEREUNDER MUST BE MARKED "DRAWN UNDER PACIFIC STATE BANK LETTER OF CREDIT NO. SBLC 160, AND ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. YOUR SIGNED STATEMENT READING AS FOLLOWS: "SEVENTH INNING STRETCH, LLC ("LICENSEE") HAS COMMENCED USE OF THE BALL PARK DEFINED IN THE LICENSE AGREEMENT DATED MARCH 2, 2004 BETWEEN THE CITY OF STOCKTON AND LICENSEE. WE CERTIFY THAT LICENSEE HAS ACKNOWLEDGED THAT THE BALL PARK IS SUBSTANTIALLY COMPLETE AS DEFINED IN SECTION 90 OF THE CONSTRUCTION CONTRACT BETWEEN THE CITY AND THE CONTRACTOR. WE ALSO CERTIFY THAT THE BALL PARK HAS BEEN INSPECTED AND APPROVED BY THE NATIONAL ASSOCIATION OR RELATED PROFESSIONAL BASEBALL AUTHORITY, THAT THE CITY HAS FINISHED ITS FINAL INSPECTION OF THE BALL PARK AND THAT THE LICENSEE HAS INSPECTED THE BALL PARK AND ACCEPTS THE BALL PARK "AS IS", SUBJECT TO PUNCH LIST ITEMS MUTUALLY AGREED TO BY THE CITY AND LICENSEE IN WRITING, AND THAT THE BALL PARK IS FREE OF PATENTLY OBVIOUS CONDITIONS THAT VIOLATE THE LICENSE AGREEMENT."
2. THE ORIGINAL OF THIS LETTER OF CREDIT AND AMENDMENTS THERETO, IF ANY, WHICH WILL BE RETURNED TO YOU IMMEDIATELY FOLLOWING OUR NOTATION THEREON OF THE AMOUNT OF SUCH DRAFT DRAWN HEREUNDER. IF THE AMOUNT OF THE DRAFT IS FOR THE FULL AMOUNT OF THIS LETTER OF CREDIT, THE ORIGINAL LETTER OF CREDIT WILL BE RETAINED BY US.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICES FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

WE HEREBY ENGAGE WITH THE BENEFICIARY THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT 1889 W. MARCH LANE, STOCKTON, CA 95207 ON OR BEFORE THE EXPIRATION DATE HEREOF.

PACIFIC STATE BANK



GARY A. STEWART
 EXECUTIVE VICE PRESIDENT/CCO

Time Certificate of Deposit

ATTACHMENT D

Financial Institution: PACIFIC STATE BANK, March Lane
1889 W. March Lane, PO Box 1649, Stockton, CA 95201

39004242

Account Name: 7TH INNING STRETCH LLC
BUSINESS TYPE: Limited Liability Company

SSN/TIN: 33-0900494

Account Number	Issue Date	Deposit Amount	Term	Maturity Date
39004242	April 2, 2004	\$1,200,000.00	12 Months	April 2, 2005

Rate Information: This Account is an interest bearing account. The interest rate paid on the entire balance in the account will be 2.25% with an annual percentage yield of 2.25%.

The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect until April 2, 2005. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will not be compounded on the account. Interest will be credited monthly. We will deposit the interest in an account that you designate. Interest will be credited monthly to your account #3711459.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. We will use an interest accrual basis of 365 for each day in the year. You must maintain a minimum balance of \$2,500.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit \$2,500.00 to open this account. You may not make additional deposits into this account. You may not make withdrawals from your account until the maturity date.

Time Account Information: Your account will mature on April 2, 2005. If you withdraw any of the principal before the maturity date, we will impose a penalty of 90 days of simple interest. This account requires the distribution of interest and does not allow interest to remain in the account. This account will automatically renew. You will have 10 days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

Account Fees: The following fees apply to this account: Cashier's Checks: \$6.00 per check; Wire Transfer (foreign): \$40.00 per transfer; Wire Transfer (domestic): \$20.00 per transfer; Levies and Attachments: \$50.00 per order; Returned Deposit Items: \$7.50 per item; and Legal Orders: \$50.00 per hour.

NON TRANSFERABLE - NON NEGOTIABLE	Member FDIC	Signature and Title of Authorized Financial Institution Signer <i>Kind M. G. (GATE), SVP</i>
-----------------------------------	-----------------------	---

TIME DEPOSIT AGREEMENT - BUSINESS COD 12 THROUGH 17 MONTHS

We appreciate your decision to open a time deposit account with us. This Agreement sets forth certain conditions, rates, and rules that are specific to your Account. Each signer acknowledges that the Account Holder named has placed on deposit with the Financial Institution the Deposit Amount indicated, and has agreed to keep the funds on deposit until the Maturity Date. As used in this Agreement, the words "you", "your" or "yours" mean the Account Holder(s), the word "Account" means this Time Deposit Account and the word "Agreement" means this Time Deposit Agreement, and the words "we", "us" and "our" mean the Financial Institution. This Account is effective as of the Issue Date and is valid as of the date we receive credit for noncash items (such as checks drawn on other financial institutions) deposited to open the Account. Deposits of foreign currency will be converted to U.S. funds as of the date of deposit and will be reflected as such on our records.

INTEREST RATE. The interest rate is the annual rate of interest paid on the Account which does not reflect compounding ("Interest Rate"), and is based upon the interest accrual basis described above.

AUTOMATIC RENEWAL POLICY. If the Account will automatically renew as described above, the principal amount and all paid earned interest that has not been withdrawn will automatically renew on each Maturity Date for the term described above in the Time Account Information section. Interest on renewed accounts will be calculated at the interest rate then in effect for time deposits of that Deposit Amount and term. If you wish to withdraw funds from your Account, you must notify us during the grace period after the Maturity Date.

EARLY WITHDRAWAL PENALTY. You have agreed to keep the funds on deposit until the Maturity Date of your Account. Any withdrawal of all or part of the funds from your Account prior to maturity may result in an early withdrawal penalty. We will consider requests for early withdrawal and, if granted, the penalty as specified above will apply.

Minimum Required Penalty. If you withdraw money within six (6) days after the date of deposit, the Minimum Required penalty is seven (7) days' simple interest on the withdrawn funds. If partial early withdrawal(s) are permitted, we are required to impose the Minimum Required Penalty on the amount(s) withdrawn within six (6) days after each partial withdrawal. The early withdrawal penalty may be more than the Minimum Required Penalty. You pay the early withdrawal penalty by forfeiting part of the accrued interest on the Account. If your Account has not earned enough interest, or if the interest has been paid, we take the difference from the principal amount of your Account.

Exceptions. We may let you withdraw money from your Account before the Maturity Date without an early withdrawal penalty: (1) when one or more of you dies or is determined legally incompetent by a court or other administrative body of competent jurisdiction; or (2) when the Account is an Individual Retirement Account (IRA) established in accordance with 26 USC 408 and the money is paid within seven (7) days after the Account is opened; or (3) when the Account is a Keogh Plan (Keogh), if you forfeit at least the interest earned on the withdrawn funds; or (4) if the Account is an IRA or a Keogh Plan established pursuant to 26 USC 408 or 26 USC 401, when you reach age 59 1/2 or become disabled; or (5) within an applicable grace period (if any).

RIGHT OF SETOFF. Subject to applicable law, we may exercise our right of setoff or security interest against any and all of your Accounts (except IRA, Keogh plan and Trust Accounts) without notice, for any liability or debt of any of you, whether joint or individual, whether direct or contingent, whether now or hereafter existing, and whether arising from overdrafts, endorsements, guarantees, loans, attachments, garnishments, levies, attorneys' fees, or other obligations. If the Account is a joint or multiple-party account, each joint or multiple-party account holder authorizes us to exercise our right of setoff against any and all Accounts of each Account Holder.

OTHER ACCOUNT RULES. The following rules also apply to the Account.

Surrender of Instrument. We may require you to endorse and surrender this Agreement to us when you withdraw funds, transfer or close your Account. If you lose this Agreement, you agree to sign any affidavit of lost instrument, or other Agreement we may require, and agree to hold us harmless from liability, prior to our honoring your withdrawal or request.

Death of Account Holder. Each Account Holder agrees to notify us immediately upon the death of any other Account Holder. You agree that we may hold the funds in your Account until we have received all required documentation and instructions.

Indemnity. If you ask us to follow instructions that we believe might expose us to any claim, liability or damages, we may refuse to follow your instructions or may require a bond or other protection, including your agreement to indemnify us.

ORIGINAL

Pledge. You agree not to pledge your Account without our prior consent. You may not withdraw funds from your Account until all obligations cured by your Account are satisfied.

SURRENDER OF TIME DEPOSIT

CD # 39004242

This certificate is hereby surrendered.

Date: _____

Number of Signers Required: Any one (1) of the Authorized Signers(s) shown below.

ACCOUNT HOLDER:



CITY OF STOCKTON

OFFICE OF THE CITY ATTORNEY

City Hall • 425 N. El Dorado Street • Stockton, CA 95202-1997 • 209/937-8333 • Fax 209/937-8898
www.stocktongov.com

REPLY TO: _____

C-04-069

DATE: September 19, 2006



TO: KATHERINE GONG MEISSNER, City Clerk

FROM: RICHARD E. NOSKY, JR., City Attorney

RE: **SETTLEMENT AGREEMENT AND GENERAL RELEASE BETWEEN THE CITY OF STOCKTON AND 7TH INNING STRETCH, LLC; AMENDMENT TO LICENSE AGREEMENT BETWEEN THE CITY OF STOCKTON AND 7TH INNING STRETCH, LLC**

Attached is a fully executed Settlement Agreement and General Release dated September 13, 2006. Also attached is an Amendment to License Agreement. Said agreements were approved by the City Council in Closed Session on September 12, 2006.

Please retain said agreements in your files.

RICHARD E. NOSKY, JR.
CITY ATTORNEY

REN:plc

Attachment

cc: Dean Ruiz
Isola & Ruiz, LLP
701 S. Ham Lane
Lodi CA 95242

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SETTLEMENT AGREEMENT AND GENERAL RELEASE

1. **Background.** On March 2, 2004, 7th Inning Stretch, LLC and the City of Stockton entered into an agreement entitled the "Events Center Ballpark License Agreement" (the "License Agreement") that governs, among other things, the terms and conditions under which the Stockton Ballpark, aka Banner Island Ballpark (the "Ballpark"), would be designed, constructed and delivered by the City for use by the Stockton Ports baseball team. The intent of this Settlement Agreement and General Release ("Agreement") is to mutually, amicably and finally resolve, compromise, and settle all issues and claims in any way connected with the design, construction and delivery of the Ballpark, as pertaining to all claims and causes of action asserted, or which could have been asserted, in the lawsuit entitled *7th Inning Stretch, LLC v. City of Stockton, et al.*, San Joaquin County Superior Court No. CV029240 ("Civil Action").

2. **Parties.** The parties to this Agreement are 7th Inning Stretch, LLC, a California limited liability company, its affiliates, representatives, successors and assigns (collectively, the "Ports"), and the City of Stockton, a California municipal corporation, its elected officials, agents and employees (the "City"), collectively, the "Parties."

3. **No Admission of Liability.** By entering into this Agreement, the City does not admit to any liability or wrongdoing whatsoever or with respect to any claims the Ports asserted in the Civil Action that is being releasing herein. The City expressly denies any and all such liability and wrongdoing.

4. **City's Consideration.** In consideration for this Agreement and the undertakings described herein and in full settlement of all claims asserted in the Civil Action, the City shall do the following.

(a) Cash. The City shall pay the Ports a lump sum payment in the amount of Fifty Five Thousand One Hundred Eight Dollars (**\$55,108.00**) within ten (10) days of the Effective Date of this Agreement, as defined below.

(b) Non-Baseball Events. Section 4.1 of the License Agreement shall be amended to increase the number of Non-Ports events for which the Ports are entitled to use the Ballpark from ten (10) to twenty (20).

(c) Parking. Section 6.8 of the License Agreement shall be amended to allow the Ports to retain all proceeds generated by the parking fees charged to patrons of the West Parking Lot, as depicted in **Exhibit A**, for all Ports Events and Non-Ports Events.

(d) Attorney's Fees and Costs. The City shall pay the sum of Twenty Five Thousand Dollars (**\$25,000.00**), as compensation for the Ports' attorney's fees and costs in the Civil Action. The Ports shall be responsible for any liens on sums paid herein.

(e) Facility Fee. Section 6.1 of the License Agreement shall be amended to adjust the Facility Fee in accordance with the schedule attached to this Agreement as **Exhibit B**. As used in Exhibit B, "Lease Year" means any twelve (12) month period that commences on the Start Date (as defined in the License Agreement), or any anniversary of the Start Date.

C-04-069

5. Ports' Release of Claims. In consideration for the payments and undertakings described in this Agreement, the Ports release and waive any and all claims that they might now possibly have against the City, as specifically pertaining to the Civil Action, whether they are aware of them or not. The Ports do hereby completely release and forever discharge the City and all of its current and former elected officials, officers, directors, managers, agents, representatives, servants, employees, attorneys, and their successors, predecessors and assigns (the "Releasees"), from all claims, rights, demands, actions, obligations, and causes of action of any and every kind, nature and character, known or unknown, which the Ports may now have, or have ever had, against the Releasees arising from or in any way connected with the design, construction or delivery of the Ballpark. This Release covers all statutory, common law, constitutional and other claims, including, but not limited to:

- (a) Any and all claims for liquidated damages under Section 2.2 of the License Agreement or the collection of such damages from Swinerton Builders;
- (b) Any and all claims relating to the City's alleged failure to deliver the Ballpark, concession areas and related facilities to the Ports in a timely manner;
- (c) Any and all claims relating to the design of the Ballpark and any changes thereto;
- (d) Any and all claims relating to lost revenue allegedly resulting from the design, construction and delivery of the Ballpark, as well as the City's alleged failure to secure a naming rights partner for the Ballpark;
- (e) Any and all further claims for attorney's fees or costs.

6. Scope of Release. The Release provisions of this section shall not include any indemnity or contribution claims with respect to future claims asserted by third parties for personal injury or property damage arising out of any alleged dangerous or hazardous conditions or substances or defects in the Ballpark, whether latent or patent or any direct future claims that the Ports may have against the City, though presently unknown, arising out of any alleged dangerous or hazardous conditions, substances or defects, including design or otherwise, though presently unknown, in the Ballpark, whether latent or patent.

7. Ports' Waiver of Rights Under Civil Code § 1542. As further consideration and inducement for this Agreement, the Ports hereby waive and release any and all rights under Section 1542 of the California Civil Code as pertains to the Ports' claims in the Civil Action, which they have or may have, with respect to the Releasees. California Civil Code Section 1542 provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor.

The Ports understand that Section 1542 gives them the right not to release existing claims of which they are not now aware, unless they voluntarily choose to waive this right. Having been so apprised, they nevertheless hereby voluntarily elect to, and do, waive the rights described in Section 1542, and elect to assume all risks for claims that exist in their favor, known or unknown, which arise from the subject of this Agreement.

8. **Dismissal of Civil Action.** The Ports agree to have prepared a Request for Dismissal with Prejudice of the Civil Action in its entirety as to all Defendants. The Ports' counsel shall sign the Request for Dismissal with Prejudice and forward it to the City's counsel, Thomas Keeling of Freeman, D'Aiuto, Pierce, Gurev, Keeling & Wolf with an executed original of this Agreement. After the City tenders the monies to the Ports as provided herein, and any and all tasks that must be completed by the City are accomplished, the City's counsel shall file the Request for Dismissal with Prejudice with the San Joaquin County Superior Court.

9. **Severability and Jurisdiction.** If any of the provisions herein are determined to be invalid by a Court, arbitrator, or government agency of competent jurisdiction, it is agreed that such determination shall not affect the enforceability of the other provisions herein. California law shall govern the validity and interpretation of this Agreement. The parties stipulate that jurisdiction and venue shall lie exclusively in the State of California, County of San Joaquin for any action involving the validity, interpretation and enforcement of this Agreement, or for any claim for breach of this Agreement, for damages, and for any other relief sought under this Agreement.

10. **Scope of Agreement.** This Agreement constitutes the entire understanding of the parties on the subjects covered, and supersedes and all prior agreement, written or oral, between the parties on such subjects. In the event of a conflict between the License Agreement and this Agreement, the terms of this Agreement shall control. If not otherwise defined in this Agreement, all capitalized terms used in this Agreement shall have the meaning set forth in the License Agreement. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

11. **Effective Date.** This term of this Agreement shall begin upon execution by all Parties (the "Effective Date").

ATTEST:

CITY OF STOCKTON

Bonnie Paug
KATHERINE GONGMIN
City Clerk of the City of Stockton


Edward J. Chavez
EDWARD J. CHAVEZ
Mayor

APPROVED AS TO FORM:

7th INNING STRETCH, LLC

Richard E. Nosky, Jr.
9-13-06
RICHARD E. NOSKY, JR.
City Attorney

THOMAS S. VOLPE
Managing Member

9. **Severability and Jurisdiction.** If any of the provisions herein are determined to be invalid by a Court, arbitrator, or government agency of competent jurisdiction, it is agreed that such determination shall not affect the enforceability of the other provisions herein. California law shall govern the validity and interpretation of this Agreement. The parties stipulate that jurisdiction and venue shall lie exclusively in the State of California, County of San Joaquin for any action involving the validity, interpretation and enforcement of this Agreement, or for any claim for breach of this Agreement, for damages, and for any other relief sought under this Agreement.

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11. **Effective Date.** This term of this Agreement shall begin upon execution by all Parties (the "Effective Date").

ATTEST:

CITY OF STOCKTON

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

EDWARD J. CHAVEZ
Mayor

APPROVED AS TO FORM:

7th INNING STRETCH, LLC

RICHARD E. NOSKY, JR.
City Attorney


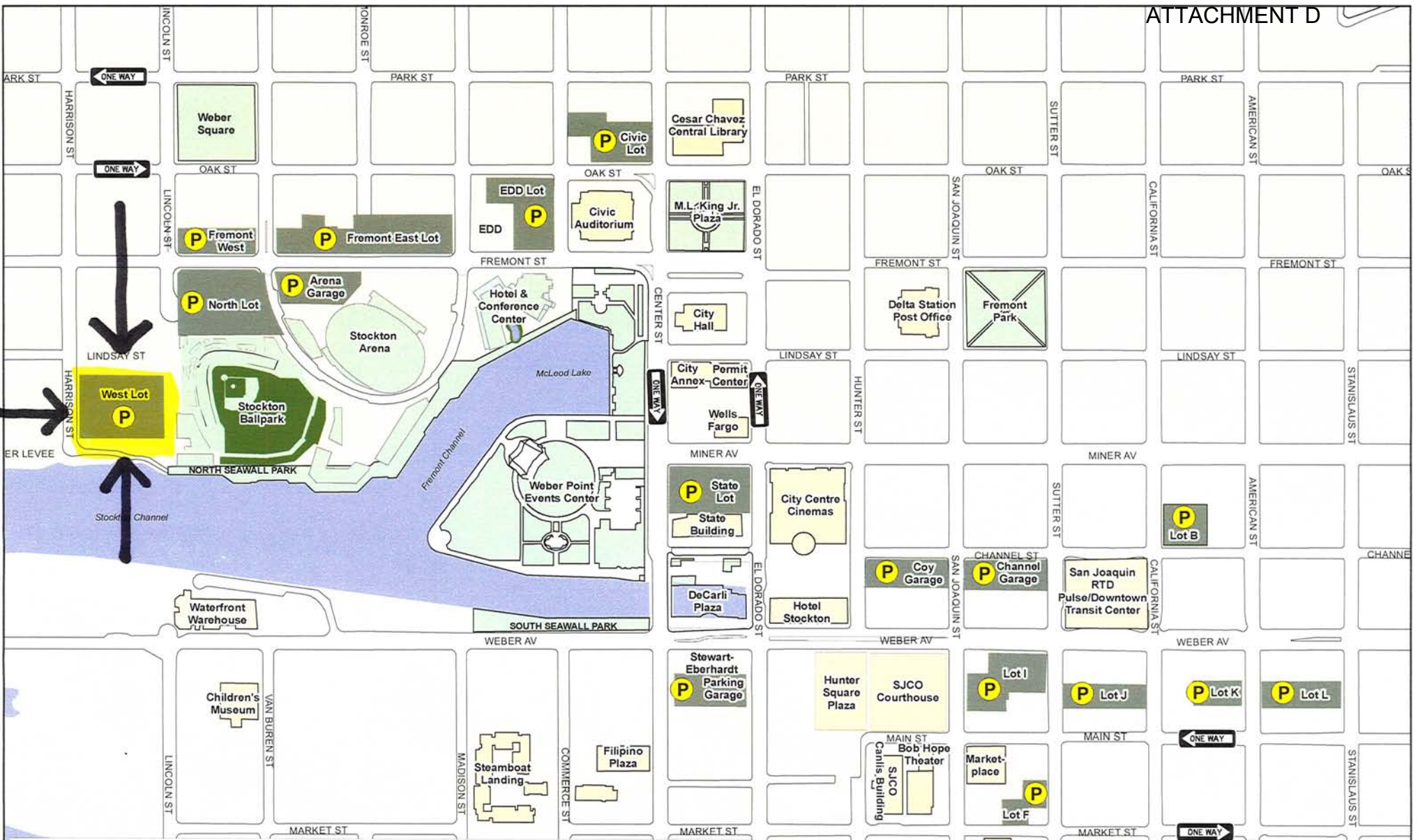

THOMAS S. VOLPE
Managing Member

EXHIBIT A
[Depiction of West Parking Lot]

EXHIBIT A
[Depiction of West Parking Lot]
-attached-



Downtown Parking Garages And Lots

Legend (Garage/Lot - Spaces)

- Lot B 20
- Lot F 78
- Lot I 129
- Lot J 41
- Lot K 44
- Lot L 90
- Lot N 439
- Lot O 226
- Lot R 287
- Civic Lot 102
- EDD Lot 136
- Fremont East Lot 133
- Fremont West Lot 50
- North Lot 182

- State Lot 140
- West Lot 300**
- Arena Garage 591
- Channel Garage 331
- Coy Garage 569
- Market Garage 782
- Stewart-Eberhardt Garage 721

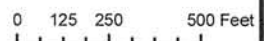


EXHIBIT B
[Facility Fee]

<u>Lease Year</u>	<u>Facility Fee</u>
1 through 5	\$1.00
6 through 10	\$1.25
11 through 16	\$1.50
17 through 21	\$1.75
22 through 25	\$2.00
26 through 27 (if first option exercised)	\$2.00
28 through 30 (if first option exercised)	\$2.25
31 through 32 (if first option exercised)	\$2.25
33 through expiration (if second option exercised)	\$2.50

**SECOND AMENDMENT TO
EVENTS CENTER BALL PARK LICENSE AGREEMENT**

**BETWEEN THE CITY OF STOCKTON
AND
7th INNING STRETCH, LLC**

THIS SECOND AMENDMENT TO EVENTS CENTER BALL PARK LICENSE AGREEMENT (the "**Second Amendment**") is made and effective as of Nov 5, 2014, by and between THE CITY OF STOCKTON ("**City**") and 7th INNING STRETCH, LLC ("**Licensee**"). City and Licensee are sometimes collectively referred to herein as the "**Parties**" and singularly as a "**Party**".

RECITALS

A. City and Licensee executed the Events Center Ball Park License Agreement dated as of March 2, 2004, as amended by The Amendment to License Agreement ("**Amendment**") dated September 12, 2006, and Clarification of Stadium/North Lot Agreement dated June 9, 2008 (collectively the "**License**"), pursuant to which the City provided Licensee a license to use the Ball Park on the terms set forth therein; and

B. City and Licensee have agreed to amend the License as set forth below, which amendments shall be applicable to any renewal and/or extension of the License.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The above Recitals are incorporated herein and deemed a part of this Amendment. Capitalized terms used but not otherwise herein defined are used as defined in the License.

2. Effective Date. This Amendment is contingent upon the approval of this Amendment by the following entities: (1) the City Council of the City of Stockton; (2) Central Parking District/Parking Authority; (3) the California League; (4) Minor League Baseball; and (5) the formal approval of the Plan of Adjustment by the Bankruptcy Court. Once all of the foregoing approvals have been received, this Amendment shall become effective automatically and immediately on the earlier of the following to occur (the "**Effective Date**"): (1) March 2, 2015; or (2) the date of the formal approval of the Plan of Adjustment by the Bankruptcy Court.

3. Additional Fees. The following shall be added to the License as Section 7.2(e):

(e) Additional Fees. Beginning in 2015, the eleventh year of the License, Licensee shall pay to City One Thousand and 00/100 Dollars (\$1,000.00) ("**Additional Fee**") per Stockton Ports' regular season game, except such Additional Fee shall not be charged or paid for (i) exhibition games involving the Sacramento River Cats or other minor league baseball teams, University of the Pacific or Delta College; or (ii) Stockton Ports post-season Home Games. The Additional Fee shall be charged and paid for exhibitions involving any Major League Baseball team, All-Star players, foreign or domestic national or Olympic teams, and similar exhibitions.

4. Facility Fee.

(i) As of the Effective Date, the first five sentences of Section 6.1 of the License are deleted and replaced with the following:

Beginning in 2015, the eleventh year of the License, Licensee shall deposit into the Ball Park Fund the amounts as set forth in the table below (the "Facility Fee"), for each Ports Event ticket sold (whether full price or discounted, including the Park Packers Buy-Outs for tickets actually redeemed), Group Sales, Fundraisers (for tickets actually redeemed), Two-for Tuesdays and Buy One, Get One Free Programs as more completely described on Exhibit G attached to the License. The Licensee shall deposit into the Ball Park Fund one-half of the Facility Fee then in effect for each ticket sold under the Sunday Family Dollar Days promotion described on Exhibit G attached to the License.

Period	Facility Fee
Lease Year 11 of the License Agreement through Lease Year 16 of the License	\$2.00
Lease Year 17 of the License Agreement through Lease Year 21 of the License	\$2.25
Lease Year 22 of the License Agreement through Lease Year 25 of the License	\$2.50
Lease Year 26 of the License Agreement through Lease Year 27 of the License Agreement (if First Option to Extend is exercised)	\$2.50
Lease Year 28 of the License Agreement through Lease Year 30 of the License Agreement (if First Option to Extend is exercised)	\$2.75
Lease Year 31 of the License Agreement through Lease Year 32 of the License Agreement (if First Option to Extend is exercised)	\$2.75
Lease Year 33 of the License Agreement through the expiration of the License Agreement (if the Second Option to Extend is exercised)	\$3.00

(ii) As of the Effective Date, the definition of "Facility Fee" in Exhibit A to the License shall be deleted and replaced with the following:

"Facility Fee" see Section 6.1.

5. Naming Rights. As of the Effective Date, Sections 6.2(a) and (b) of the License are hereby deleted in their entirety and replaced with the following:

- (a) The City shall receive ninety percent (90%) of such proceeds (which shall not include revenue from any advertising or Ports inventory rights), which proceeds shall be deposited into the Ball Park Fund to be used in the manner and in the timeframe set forth in Article 7; and
- (b) Licensee shall receive ten percent (10%) of such proceeds (which shall not include revenue from any advertising or Ports inventory right). City shall provide Licensee's portion of the proceeds from the Ball Park Naming Rights Agreement within fifteen (15) days of City's receipt of such funds in the manner and within the timeframe set forth in the Ball Park Naming Rights Agreement.

6. Ten Events.

- (i) As of the Effective Date, the definition of "Ten Events" in Exhibit A to the License shall be deleted and replaced with the following:

"Thirty Five Events" means the thirty five (35) annual events that the Licensee may hold at the Ball Park inside or outside the Baseball Season.

- (ii) As of the Effective Date, all references in the License to "Ten Events" shall be deleted and replaced with "Thirty Five Events". The Thirty Five events shall consist of the following:
 - A. The twenty (20) annual events that Licensee is currently authorized to hold at the Ball Park inside or outside the Baseball Season, pursuant to the terms of the License, and
 - B. The fifteen (15) additional events Licensee is authorized to hold pursuant to this Second Amendment. These additional fifteen events shall be on a cost neutral basis to the City. The Parties, including a City representative, shall meet annually and work in good faith to estimate and mutually agree upon an expense reimbursement schedule for Licensee's use of the Ball Park for such additional fifteen (15) events.

7. Parking.

(a) Beginning in 2015, the eleventh year of the License, Licensee shall be entitled to use and operate the West Parking Lot and retain all proceeds generated by the parking fees charged to patrons of the West Lot Parking Lot, as depicted on Exhibit A to the Amendment dated September 12, 2006, for all Ports Events and up to fifty (50) days per year for Non-Ports Events. Licensee shall give the City written notice of the dates it elects to use and operate the West Parking Lot at least thirty (30) days prior to each Non-Ports Event date.

(b) Exhibit D – Public Parking Facilities Plan is hereby amended to delete all references to the "Public Parking Garage Project" and Licensee's rights with respect thereto.

8. Limited Rent Offset.

(a) Notwithstanding the City's responsibility for the maintenance and repair of the Ball Park, including the field playing surface, the Licensee shall have the right to exercise "self-help" remedies and offset its rent payments to the City to a maximum of \$10,000 during each Baseball Season if the City or Ball Park Operator fails to timely take action or alleviate or mitigate an Emergency or respond to a time sensitive repair or maintenance request by Licensee from meeting the operational standards imposed under the License.

(b) For each exercise by the Licensee of its rights under this Section 8, the Licensee shall provide to the City a report signed by an authorized representative of the Licensee detailing the reasons for and the amount of the rent offset.

(c) Licensee's indemnity obligations under Section 12.4 of the License Agreement shall apply to any liability incurred by the City and the Ball Park Operator in connection with or as a result of faulty, inadequate or substandard repairs and maintenance performed by the Licensee pursuant to this Section 8.

(d) The rights of the Licensee under this Section 8 shall not be exercisable if the Licensee is then in default under this License Agreement.

9. Mutual Release.

(a) The City hereby releases and discharges all claims, demands, causes of action of any type and nature, known or unknown, liquidated or unliquidated, at law or in equity that the City has, had or may have against Licensee and its members, officers, directors, managers, employees and agents, for all actions and failures to act under or related to the License Agreement which occurred prior to the date this Second Amendment is executed.

(b) Licensee hereby releases and discharges all claims, demands, causes of action of any type and nature, known or unknown, liquidated or unliquidated, at law or in equity that Licensee has, had or may have against the City and its officers, directors, managers, employees and agents, including the Ball Park Operator, for all actions and failures to act under or related to the License Agreement which occurred prior to the date this Second Amendment is executed.

10. General. Except as amended by this Amendment, all the terms, conditions and covenants of the License are valid and are hereby ratified and confirmed, Any inconsistencies between this Second Amendment and the License shall be governed by this Second Amendment. This Second Amendment may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be deemed one and the same instrument. The License, as amended by this Second Amendment, contains the entire agreement of the Parties with respect to the matters covered and no other prior promises, negotiations or discussions oral or written made by any party or its employees, officers or agents shall be valid and binding.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to be effective as of the Effective Date.

“Licensee”

7th INNING STRETCH, LLC

By: Pat Filippone

Name: Pat Filippone

Its: President

“City”

CITY OF STOCKTON,

A charter city

By: Laurie Montes

Name: Laurie Montes

Its: Rep. City Manger

ATTEST:

for

CLERK OF THE CITY OF STOCKTON

By: [Signature]



APPROVED AS TO FORM AND CONTENT

By: [Signature]
City Attorney