

BINDING MOU

After lengthy intensive negotiations, Maricopa County Stadium District the "District" and the AZPB Limited Partnership "Team" have reached a solution that they both believe will provide the best opportunity for the Team to remain in Arizona for the long term. The Team and the District will enter into a Binding MOU that resolves all litigation between them, commits the Team to play a minimum of five more seasons at Chase Field (unless the Team moves to a location in Maricopa County pursuant to Paragraph 16 or is required to leave Arizona pursuant to Paragraph 19) and incentivizes both the Team's and the District's desire that the Team be successful in entering into a new, long-term commitment to play in Arizona. All claims will be dismissed, and other than covered by this Binding MOU in no event will any County tax revenue be used to fund the ongoing repairs to, or operations of, Chase Field.

The parties agree that both have voluntarily entered into this Binding MOU to promote the best interests of the public and the Team.

Following are the essential terms of the Binding MOU:

1. All litigation of any type will be dismissed. The District will not pay any amounts to the Team, or any other party, in connection with either the litigation or the \$185 million in repair and maintenance items described in the existing lawsuit.
2. The District and the Team will enter into a new, simplified agreement ("Agreement") that (subject to the terms of this Binding MOU) runs until the termination date of the initial term of the existing agreements (i.e., through the end of the 2027 baseball season or until the conditions in Paragraphs 16, 17 or 19 are met). Under this Binding MOU and Agreement, the Team will have sole control and responsibility for the operation and maintenance of Chase Field. The Binding MOU and Agreement will contain simplified and streamlined arbitration procedures as described in Paragraph 20.
3. This Binding MOU and Agreement will provide for and preserve: use of the stadium and surrounding property (together, "Chase Field") for community events and other non-profit events, for bona fide community/charitable purposes, involvement of and benefit for surrounding neighborhoods, foundation activities, etc. In the event the District requests to use Chase Field for bona fide charitable events, the Team will make good faith efforts to

accommodate that request. If there is any dispute whether the Team has acted in good faith, that dispute will be resolved by Judge Swann acting as mediator/ arbitrator. Judge Swann is authorized to select a neutral person of his choice to either consult with him or to whom he may delegate the dispute resolution responsibility. The decision of Judge Swann or the person he designates shall be final and binding.

4. No public entity - including the District and Maricopa County - will be obligated to pay any further cost for the operation, maintenance or repair of Chase Field except as provided herein. Subject to the financial limitation in Paragraph 12, under the Binding MOU and Agreement, the Team will be responsible for the operation, management, and maintenance of Chase Field, and for all repair, replacement, and physical work at or to Chase Field. The Team will also be responsible for all booking and other revenue generating activities at Chase Field.
5. "Qualifying Work" means: (i) repairs or replacements to existing scoreboards or audio/video systems, (ii) repairs or replacements to existing HVAC and plumbing systems, together with electrical work to the extent needed for the proper operating of those or other systems at Chase Field, (iii) work to the roof of Chase Field and to secondary systems to the extent required for the operation of the roof, and (iv) work needed for purposes of preserving life and safety. The Team agrees that it will not remove any fixtures or enhancements of Chase Field, resulting from the Qualifying Work Reserve Account regardless of who paid for the fixtures or enhancements. The Team shall not remove any equipment relating to the chilled water loop system, and any amounts payable to the District in connection with the chilled water loop system shall be deposited into the Reserve Account.
6. All revenues generated in connection with the use of the stadium will go to the Team. The Team will have control over all uses of the stadium, and will permit reasonable uses for community and charitable events. All net revenue received by the Team for non-baseball bookings will be paid directly to a single reserve account (the "Reserve Account" and will be available for use only for Qualifying Work. All rights concerning future bookings for the non-baseball use of the stadium, for any purpose, would be assigned to the Team, and the current contract with Select Artists Associates will be assigned to the Team together with all claims that the District may have against Select Artists Associates.

Select Artists has reported, they have entered into the following fully-executed, binding contracts for events scheduled after April 30, 2018:

Kenny Chesney	June 23, 2018
Two (2) Cactus Bowl Events	TBD - 2018-2019
Two(2) Corporate Events	
Go Daddy	December 8, 2018
25-Person Event	September 29, 2018
WWE Event	January 29, 2019

The Team will allow those events to take place on the condition that revenues from any of the above events that are governed by Section 4.3.2.1 of the Activities Agreement are paid to the Team on the same terms as agreed to in the attached letter agreement (Ex. A) regarding the Chesney June 23, 2018 concert, payable to the District within thirty (30) days of the event. In addition, any amounts that Select Artists owes for the period ending through the early termination date will be paid into the Reserve Account.

7. Under the existing agreements, the District presently has an obligation to transfer one-half of the District's annual net revenue into the existing reserve accounts. To account for this existing obligation, the amount that will be due from the Team to the District each year under this Binding MOU and Agreement will be \$2 million, which will be paid by the Team into the Reserve Account and made available only for "Qualifying Work" (as defined above). The Team shall have sole control over the Reserve Account and expenditures therefrom.
8. In addition to the rent, the Team will pay the sum of \$250,000.00 to the District on an annual basis (the "Administrative Expense Payment"). The first \$250,000 payment shall be made when control of the stadium is turned over to the Team pursuant to Paragraph 22.
9. The District will transfer 90% of the reserves, but not less than \$13 million, from the existing reserve accounts into the Reserve Account and will be made available for Qualifying Work as determined by the Team. If the District is not a party to ongoing litigation, arbitration or mediation three (3) years following the date of the Binding MOU, the amount held back shall be deposited into the Reserve Account. If the District is in such litigation, the District may withhold an amount reasonably necessary to resolve the

dispute. At least \$500,000.00 will remain in the Reserve Account for the benefit of the District.

10. If the expenditures on Qualifying Work cause the Team to put more money into the stadium after the Reserve Account (as supplemented by rent payments and net revenue from non-baseball bookings), then the Team shall be eligible for reimbursement for such excess expenditures from the net value of the stadium real estate, only when such value is realized whether sold, leased or licensed. Such reimbursement shall be capped at the lesser of 50% of the realized value or \$20 million, of which, the last or final \$10 million must be mutually agreed to in advance by the parties for Qualifying Work. If there is any dispute it will be resolved by Judge Swann acting as mediator/arbitrator. Judge Swann is authorized to select a neutral person of his choice to either consult with him or to whom he may delegate the dispute resolution responsibility. The decision of Judge Swann or the person he designates shall be final and binding.
11. Any work at Chase Field that falls outside the categories of "Qualifying Work" is deemed "Non-Qualifying Work." The Team at its sole cost and expense may spend money on Non-Qualifying Work in its sole and absolute discretion.
12. For the seasons the Team is required to play at Chase Field, the Team will use good faith and its best efforts to expend the amounts in the Reserve Account in a manner that will maintain Chase Field in a condition suitable for MLB play (which standard shall include, without limitation, compliance with all life and safety requirements) The Team shall have no obligation to fund amounts for Qualifying Work above the amounts contained in the Reserve Account. Upon the termination of the Binding MOU and Agreement, all funds (which shall equal at least \$500,000.00) remaining in the Reserve Account shall be returned to the District to the extent they originated from the existing reserve accounts. All other funds shall go to the Team. Money spent on Qualifying Work shall come first from funds transferred from the existing reserve accounts.
13. The Team shall provide quarterly reports to the District Board of Directors regarding Qualifying Work performed and the cost thereof. (If the District challenges any repair over \$150,000 as to whether it qualifies as a Qualifying Repair, and if it disputes whether any repair was made in good faith and with best efforts, it must notify the Team within 30 days of receipt of the

quarterly report or such disputes shall be waived.) If the Team and District cannot resolve the dispute, it will be resolved by Judge Swann as arbitrator/mediator. Judge Swann is authorized to select a neutral person of his choice to either consult with him on this position or to whom he may delegate the dispute resolution responsibility. The decision of Judge Swann or the person he designates shall be final and binding.

14. The Team will maintain insurance coverage on Chase Field and its operations in commercially-reasonable amounts, (but in no event less than the types and amounts of coverage in effect as of the date of this Binding MOU and Agreement) and, to the extent the claims are covered by insurance or arise from events occurring after the date of this Binding MOU, will defend and indemnify the District for, from, and against any third party claims relating to or arising out of Chase Field or the condition of or operations at Chase Field, or any third party rights relating to or arising out of Chase Field or the existing agreements.
15. Upon the execution of this Binding MOU, the Team may begin exploring options to modify, remodel or rebuild Chase Field. The District will consent to any reasonable steps necessary to facilitate such modification, remodeling or rebuilding at no cost to the District. Upon the execution of this Binding MOU, the Team may also begin to explore any long-term alternatives to Chase Field involving relocation to any other location or facility. Notwithstanding the Team's ability to explore alternative locations, the Team shall play its home games at Chase Field for at least the next five (5) baseball seasons (e.g., the 2018-2022 seasons) unless it moves to a location within Maricopa County pursuant to Paragraph 16 or is required to leave Arizona pursuant to Paragraph 19.
16. In the event the Team reaches an agreement for a new facility anywhere in Maricopa County (including Tribal land within geographic Maricopa County), and enters into a 20-year (or longer) agreement to play in such new facility after the 2022 season, the Binding MOU and Agreement contemplated herein will be terminated with no penalty and with no further payments. If the Team enters an agreement for a stadium on Tribal land within geographic Maricopa County, the Team will agree to pay taxes for the construction and operation of the new stadium in a manner consistent with taxes paid in connection with the Team's Spring Training Facility on the Salt River Pima-Maricopa Indian Reservation and, in no event shall the taxes paid to the County be less than the model currently in use at Chase Field.

17. In the event the Team reaches an agreement to play outside of Maricopa County after the 2022 season, the Team shall pay the District a “buyout” payment (payable and calculated as of the time the Team actually leaves Arizona) pursuant to the following schedule:
 - a. Five seasons remaining after the date of departure: \$25 million
 - b. Four seasons remaining after the date of departure: \$20 million
 - c. Three seasons remaining after the date of departure: \$15 million
 - d. Two seasons remaining after the date of departure: \$10 million
 - e. One season remaining after the date of departure: \$5 million

18. In the event the Team enters into an agreement to play its home games in a location other than Chase Field, the Team shall provide notice thereof to the District within ten (10) business days of execution of such agreement. Upon execution of such an agreement by the Team, for the period after the Team leaves Arizona, the District may immediately begin seeking a new future tenant or new future use for Chase Field and/or the property, or may otherwise begin marketing Chase Field and/or the property.

19. In the event that MLB requires the Team to leave Arizona because of the condition of the stadium, the Team may do so without penalty or other payments if all parties have acted in good faith.

20. All provisions in the existing agreements regarding alternative dispute resolution will be eliminated and the sole and exclusive recourse for any party asserting a breach of the Binding MOU/Agreement will be through a simplified procedure. Paragraphs 3, 10, 13 and 21 describe the dispute resolution procedure relating to those paragraphs. If any other dispute should arise under the Binding MOU/Agreement, it shall be resolved by the same method described in those paragraphs. If for some reason that process fails, the parties will follow the following procedure designed to achieve an arbitration that begins no later than 30 days after the selection of the Arbitration Panel and which results in a binding, non-appealable arbitration decision within fifteen (15) days following the conclusion of the arbitration:
 - a. Method of Selection of the Arbitration Panel:
 - a. The Team and the District will each select one arbitrator within ten (10) days after an arbitration demand is served;

- b. Those two arbitrators will attempt to pick a third arbitrator who must be from an out-of-state location, and must not be a former judge;
 - c. If, after ten (10) days, the two arbitrators cannot agree on the selection of a third arbitrator, the parties shall have ten (10) days to obtain a list of ten arbitrators from The International Institute of Conflict Prevention and Resolution, all of whom would be willing to accept the assignment and have been screened for conflicts;
 - d. Within three (3) days after obtaining the list, the Team and the District will attempt to agree on the third arbitrator from the list of ten names so selected;
 - e. However, if the Team and the District cannot so agree on a third arbitrator, within two (2) days each party will strike three arbitrators and the parties will simultaneously disclose their strikes to the other party;
 - f. Within two (2) days the Team and the District will then rank the remaining arbitrators and simultaneously disclose their rankings to each other; and
 - g. The top ranked arbitrator shall become the third arbitrator on the Arbitration Panel.
 - h. To the extent not inconsistent with Paragraph 20 (a), the CPR Non-Administered Arbitration Rules shall apply.
21. This Binding MOU, when executed by the District and the Team, shall be a binding agreement. It is anticipated that a more formal Agreement will be prepared. Both parties agree to use a good faith effort to complete that Agreement but if there are any unresolved issues, they will be fully and finally resolved by Judge Swann through mediation and, if necessary arbitration. Judge Swann is authorized to select a neutral person to either consult with him or to whom he may delegate responsibility. Judge Swann, or the person he selects, shall have the full authority to resolve any dispute regarding the drafting of the Agreement.

22. Control of the Stadium will be turned over within 72 hours of the mutual execution of the Binding MOU pursuant to the terms stated herein.

The undersigned represent and warrant that they have authority to bind the parties hereto.

Dated: _____
Hon. Peter Swann, Mediator

MARICOPA COUNTY STADIUM
DISTRICT BOARD OF DIRECTORS

Dated: _____ By: _____
Steve Chucri, Chairman

AZPB LIMITED PARTNERSHIP

Dated: _____ By: _____
E. G. Kendrick, Jr. Managing General Partner